

Q1 2013



Rancho Cucamonga Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2013)

Rancho Cucamonga In Brief

Receipts for Rancho Cucamonga's January through March sales were 2.1% higher than the same quarter one year ago.

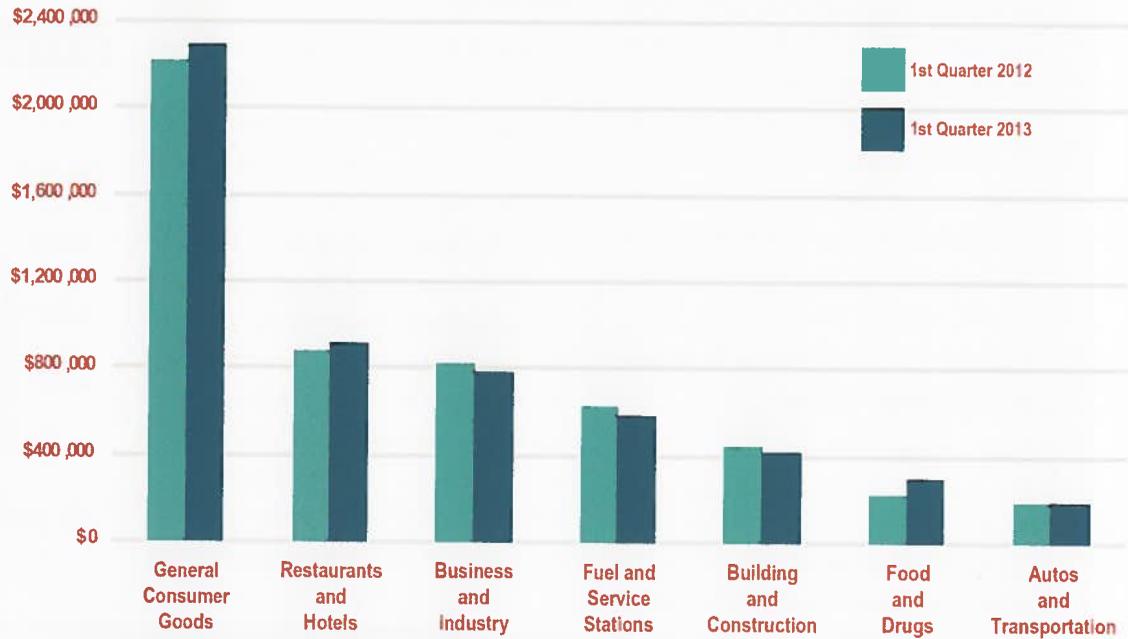
The city experienced a strong sales quarter from department stores, sporting goods/bike stores and family apparel. Recent additions helped boost revenues from full-service restaurants and home furnishings retailers.

The city's allocation from the county use tax pool increased overall results.

The gains were partially offset by a drop in receipts from electronic/appliance stores and some categories in the business and industry group. Reporting aberrations temporarily depressed returns from service stations.

Adjusted for aberrations, taxable sales for all of San Bernardino County increased 5.2% over the comparable time period, while the Southern California region as a whole was up 6.5%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

In Alphabetical Order

Apple	Living Spaces Furniture
Bass Pro Shops	Lowes
Outdoor World	Macys
Best Buy	Monoprice
Chevron	NIC Partners
Circle K	Ralphs
Circle K	Ralphs
Costco	Sears
Day Creek Arco	Southwire Company
Day Creek Shell	Target
Haven Mobil	Tesoro Refining & Marketing
Home Depot	Walmart
Huttig	
JC Penney	

REVENUE COMPARISON

Four Quarters - Fiscal Year To Date

	2011-12	2012-13
Point-of-Sale	\$22,339,326	\$22,893,552
County Pool	2,454,256	2,582,306
State Pool	8,413	12,052
Gross Receipts	\$24,801,995	\$25,487,910
Less Triple Flip*	\$(6,200,499)	\$(6,371,978)

*Reimbursed from county compensation fund

NOTES

California Overall

After adjusting for payment aberrations, statewide sales tax receipts for January through March sales were 6.5% higher than the same period in 2012.

Strong sales for apparel, department stores and big box discounters lifted general consumer goods and accounted for 23% of the statewide increase. Improvements in the housing sector pushed building and construction sales up 8.6%. Continued robust sales of new automobiles led to a 9.3% increase over the comparable quarter. Reduced consumption combined with lower gasoline prices cut fuel and service station returns in the first quarter by 2.7%.

Energy Projects Boost Business and Industry Gains

Taxes from construction of solar, wind, biomass and geothermal power projects accounted for 39% of California's business-to-business sales this quarter and produced significant windfalls for a handful of local agencies.

This temporary boost in revenues came from the federal government's goal of doubling the nation's renewable energy production in three years and from California's SB 2X which was signed in April of 2011 and calls for 33% of all retail electricity sales to be from renewable energy sources by 2020. Joint federal and state funding efforts to meet these goals have resulted in the initiation of more than a dozen utility-scale solar energy projects and over 130 renewable power plant projects in California.

Intermittent quarterly spikes in sales and use tax receipts from projects under construction or in the pipeline are expected for another two years.

Decline in Fuel Consumption Continues

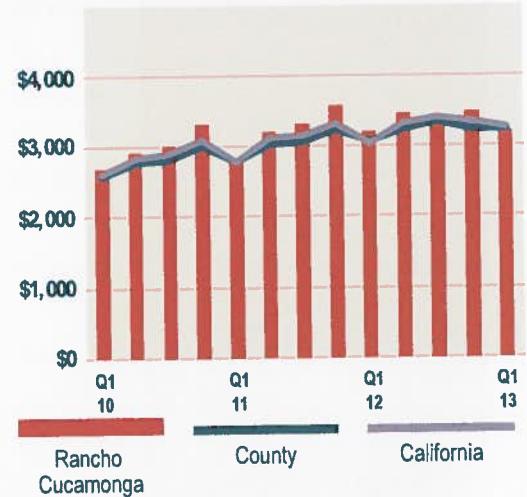
According to the most recent data from the State Board of Equalization, California's gasoline usage fell 1.7% while diesel consumption eased 0.4% in the fourth quarter of 2012 from 2011 levels. This continues a decline that began in 2005 and which is almost twice the nationwide drop.

Historically, economic conditions have been the primary driver in fuel usage, however other factors are becoming increasingly prevalent. Nationally, total vehicle miles traveled have dropped eight years in a row as aging drivers travel fewer miles and the millennial generation, focused on social networking technology, is driving less than previous generations. Increased fuel efficiency is also at play with the average new car achieving 16% more miles per gallon than just five years ago and some

commercial trucking fleets shifting to natural gas.

Until recently, price increases have offset consumption declines. The price gains were partly the result of California refineries exporting their finished product to emerging economies with higher demand and also by periodic refinery and transmission interruptions in the state's limited production infrastructure.

SALES PER CAPITA



RANCHO CUCAMONGA TOP 15 BUSINESS TYPES

Business Type	Rancho Cucamonga		County	HdL State
	Q1 '13*	Change	Change	Change
Department Stores	301.2	7.3%	8.4%	5.1%
Discount Dept Stores	— CONFIDENTIAL —		4.4%	5.1%
Electronics/Appliance Stores	341.0	-12.3%	-8.2%	-3.3%
Family Apparel	173.7	9.0%	12.7%	16.2%
Grocery Stores Liquor	170.4	74.6%	18.7%	24.7%
Heavy Industrial	134.6	-17.1%	8.4%	7.6%
Home Furnishings	218.4	9.4%	6.5%	4.7%
Light Industrial/Printers	162.7	40.9%	11.3%	6.8%
Lumber/Building Materials	238.1	7.3%	18.1%	7.2%
Restaurants Beer And Wine	126.7	-9.0%	-2.6%	-1.5%
Restaurants Liquor	418.1	8.4%	2.9%	6.5%
Restaurants No Alcohol	360.7	5.5%	5.6%	6.0%
Service Stations	575.8	-8.0%	-5.6%	-2.2%
Specialty Stores	170.8	2.9%	6.6%	2.5%
Sporting Goods/Bike Stores	222.2	22.9%	15.6%	12.6%
Total All Accounts	\$5,473.5	1.3%	6.0%	5.7%
County & State Pool Allocation	633.8	9.6%		
Gross Receipts	\$6,107.3	2.1%		

*In thousands