



City of Gilroy

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For Immediate Release

Date: February 11, 2013

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Gilroy Third Quarter 2012 Sales Tax Results Show Continuing Growth

Third Quarter sales tax results for Gilroy continues to show favorable and positive growth. This marks the city's eleventh consecutive growth quarter for sales tax which began in the first quarter of 2010. The 4.4% sales tax growth places Gilroy ninth out of sixteen, on a percentage basis, when compared with other cities in Santa Clara County. Gilroy is well established as a sales tax "capture" community. This means that sales tax revenue generated by local retailers is greater than what would be expected if the customer base was primarily Gilroy residents.

Commenting on Gilroy's attractiveness as a regional destination for shoppers, City Administrator Tom Haglund said "The positive third quarter sales tax data, and Gilroy's placement as compared to other cities in Santa Clara County, is due in part to the efforts of focused economic development activities undertaken by the city and its partners and the telling of Gilroy's story as a regional center for destination shopping by the Gilroy Welcome Center."

Approximately one-third of Gilroy's general fund revenues are derived from sales tax, much of which is as a result of destination shoppers. The importance of healthy sales tax revenue cannot be over-emphasized, as sales tax supports city services such as recreation, streets, landscaping, and public safety amongst others. The largest gains for the City of Gilroy included department stores and apparel stores. The largest declines were in furniture/appliances and used auto sales.

The Bay Area continues to be the strongest regional economy in California due to the booming tech industries.

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