



City of Gilroy

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For Immediate Release

Date: October 31, 2011

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Gilroy Second Quarter 2011 Sales Tax Results Show Continuing Positive Trend

Second Quarter sales tax results for Gilroy continues to show a very favorable and strong upward trend which started in the first quarter of 2010. This marks the city's sixth consecutive growth quarter. Gilroy remains a "capture" community experiencing significant sales tax capture beyond the per capita spending of our residents alone. This demonstrates Gilroy's attractiveness as a regional draw for shoppers. "The second quarter sales tax data continues to show us that Gilroy's attractiveness as a regional center for destination shopping is a significant factor in our recovery from the Great Recession," noted Tom Haglund, Gilroy city administrator.

Gilroy experienced growth of 9.7% in sales tax for the 2nd Quarter of 2011. The data shows the sixth consecutive quarter of positive sales tax earnings, continuing a trend in sales tax growth which began in the 1st quarter of 2010. Gilroy continues on track from a sales tax standpoint as compared to budget.

Approximately one-third of Gilroy's general fund revenues are derived from sales tax, much of which is as a result of destination shoppers. Sales tax supports city services such as recreation, streets, landscaping, and public safety amongst others. The largest gains for the City of Gilroy included light industry, department and apparel stores. Service station sales continue to drive growth in local sales tax.

The 9.7% sales tax growth continues a very positive trend for Gilroy, which rates seventh out of fourteen when compared with other cities in Santa Clara County, strictly on a percentage basis. Even more impressive is the increase in total sales dollars, since Gilroy's has a larger than average sales tax base when compared with most other cities in the county.

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