



Quarterly Sales Tax Report
for the Period Ending
September 30, 2019

Q2 2019



City of Alameda Sales Tax *Update*

Third Quarter Receipts for Second Quarter Sales (April - June 2019)

Alameda In Brief

Alameda's receipts from April through June were 23.5% above the second sales period in 2018. Last year's launch of the State's updated tax filing system delayed the timely processing of multiple returns in the year-ago quarter. Comparisons in restaurants, fuel-service stations and food-drug were more heavily inflated due to these delayed distributions. Excluding all reporting aberrations, actual sales were up 8.8%.

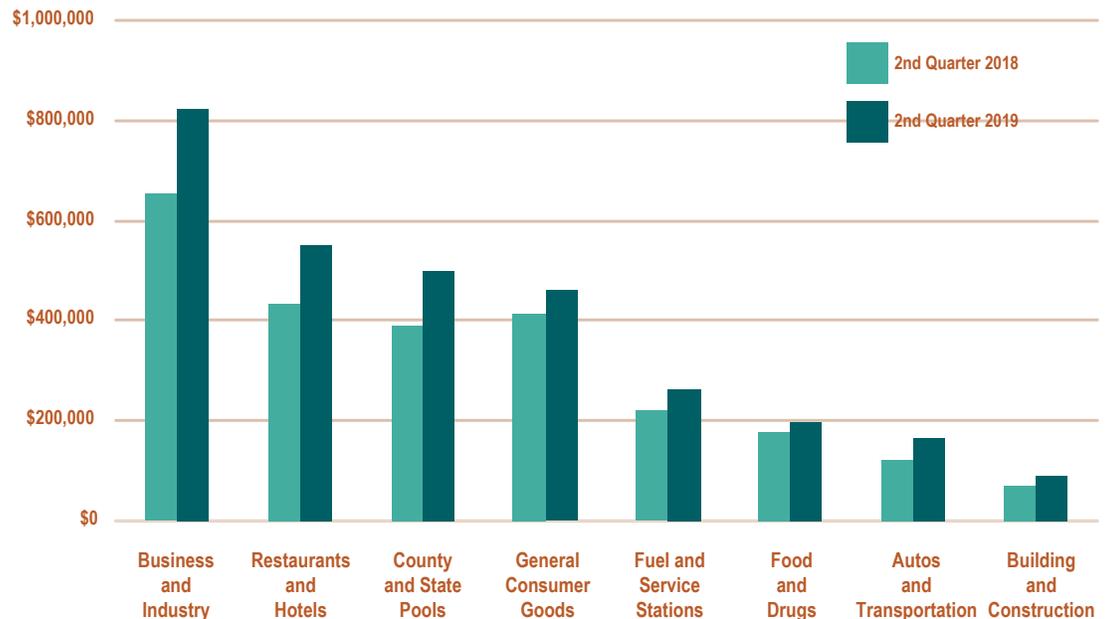
Purchasing activity boomed during spring months as business-industry plus boats/motorcycles dealers posted hearty gains. Family apparel was temporarily inflated due to statewide misreporting of taxes in the comparable quarter; this error was later corrected.

Solid point of sale results were complimented by a 28% jump in the allocation from the countywide use tax pool. Missing payments accounted for most of the reduction from specialty stores.

Measure F, the City's locally approved 0.50% transactions and use tax, reported for the first time; \$1,690,247 was collected beyond the amounts noted above. Business-industry generated 27% of this revenue; 21% came from general consumer goods.

Net of aberrations, taxable sales for all of Alameda County grew 0.2% over the comparable time period; the Bay Area was up 1.9%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

ABB Optical Group	North Face
Aisle 1	Penumbra
Alameda Electrical Distributors	Pottery Barn Outlet
Arco	Ross
Bay Ship & Yacht Co	Safeway
Bron Tapes	Safeway Fuel
Chevron	Standard Process
CVS Pharmacy	Northern California
Delphi Productions	Sushi House
In N Out Burger	Target
Kohls	TJ Maxx
La Penca Azul	Walgreens
Nob Hill Food	Webster 76

REVENUE COMPARISON

Four Quarters – Fiscal Year To Date (Q3 to Q2)

	2017-18	2018-19
Point-of-Sale	\$8,937,394	\$10,645,486
County Pool	1,483,382	1,928,740
State Pool	5,249	5,495
Gross Receipts	\$10,426,025	\$12,579,721
Cty/Cnty Share	(521,301)	(628,986)
Net Receipts	\$9,904,724	\$11,950,735
Measure F	\$0	\$1,692,940

California Overall

The local one percent share of California’s sales and use tax from April through June sales was 20.4% higher than the same quarter in 2018. However, the actual gain came to 2.9% after factoring for online filing issues and accounting anomalies. Fiscal year 2018-19 ended with an increase of 3.6% over the previous year after similarly adjusting for reporting aberrations.

The quarter exhibited continuation of a recent softening for most taxable categories. Rising used car sales and rentals helped offset what was otherwise, a generally flat quarter for the auto-transportation group. An acceleration in online shopping boosted receipts from county wide pools while gains for brick and mortar stores were limited to value-priced apparel, discount department stores and jewelry.

Restaurant patronage appears to be leveling with a shift toward lower cost dining options that produced relatively modest gains for the group when compared to previous quarters. New cannabis operations resulted in a small rise in food and drug receipts.

A 2.5% gain in business-industrial sales and use tax revenues came primarily from online fulfillment centers, logistics and utility company purchases and ongoing investment in automation and information technology. A similar rise in receipts from the building-construction group was due to a variety of infrastructure and onetime special projects that offset declines in material purchases for new home construction.

Marketplace Facilitator Act

Effective Oct. 1, 2019, companies such as Amazon, eBay and Google who provide sales tax related services to other retailers are required to assume the obligation for collecting and remitting their client’s sales and use tax. The definition of sales-related services includes payment processing, inventory and shipping of merchandise, order taking, providing customer service, or assisting with re-

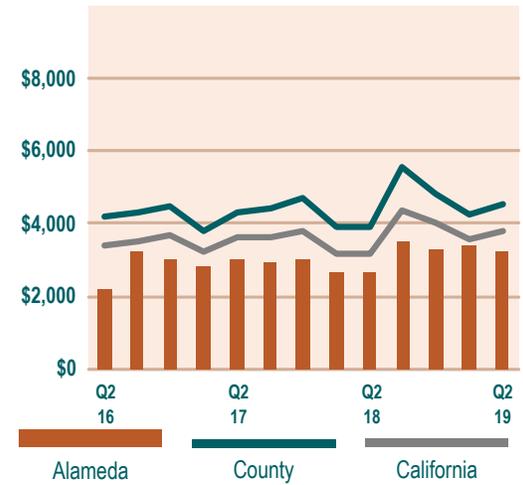
turns and exchanges.

The Marketplace provision was part of AB 147 which was adopted to implement California’s approach to the U.S. Supreme Court decision in South Dakota v. Wayfair Inc.

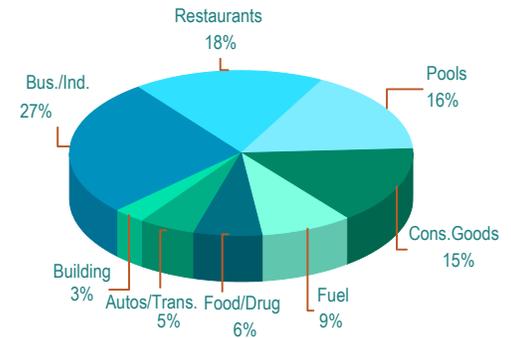
AB 147 requires out-of-state retailers with annual combined sales of \$500,000 or more to now collect and remit this state’s sales and use tax from its customers. Applying the \$500,000 threshold to the sum total of all the third-party transactions that facilitators process for their clients, is hoped to produce moderate gains in previously uncollected revenues for the state, cities, counties and local transaction tax districts.

Facilitator tax remittances from merchandise inventoried in California will be allocated to specific jurisdictions while receipts from deliveries outside of the state will be distributed via the pools. Some facilitators have begun to collect and remit taxes ahead of this deadline. This is evidenced by new pool allocations and increases in direct allocations to certain jurisdictions.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP
Alameda This Quarter

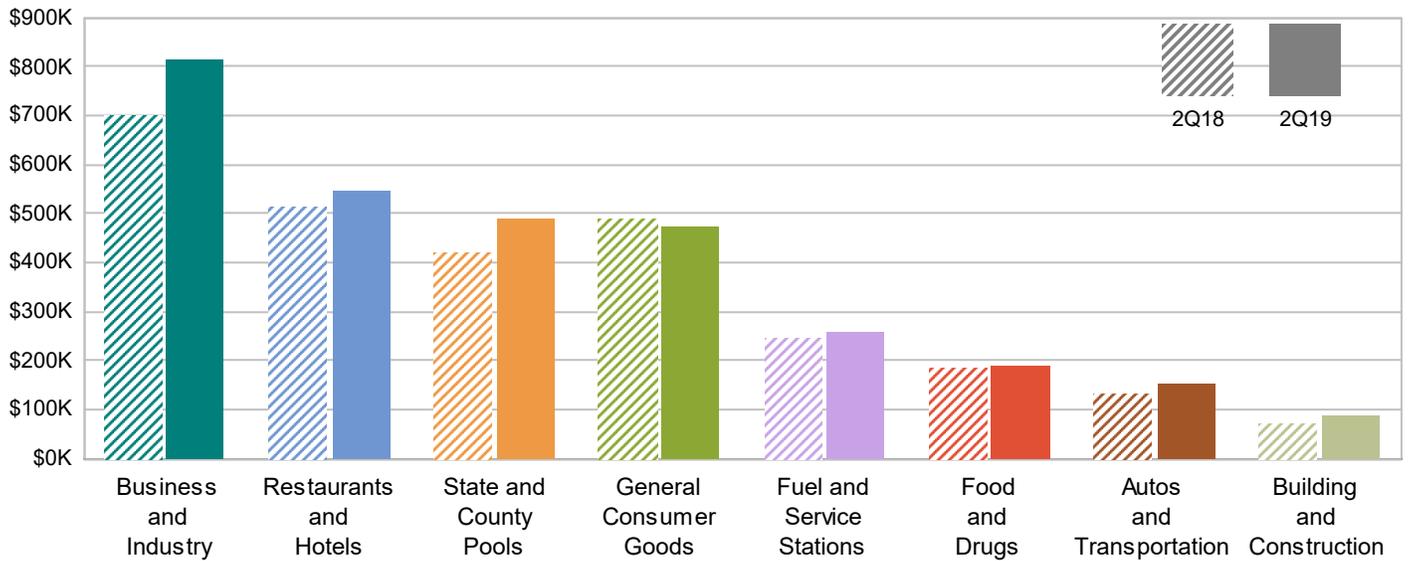


ALAMEDA TOP 15 BUSINESS TYPES

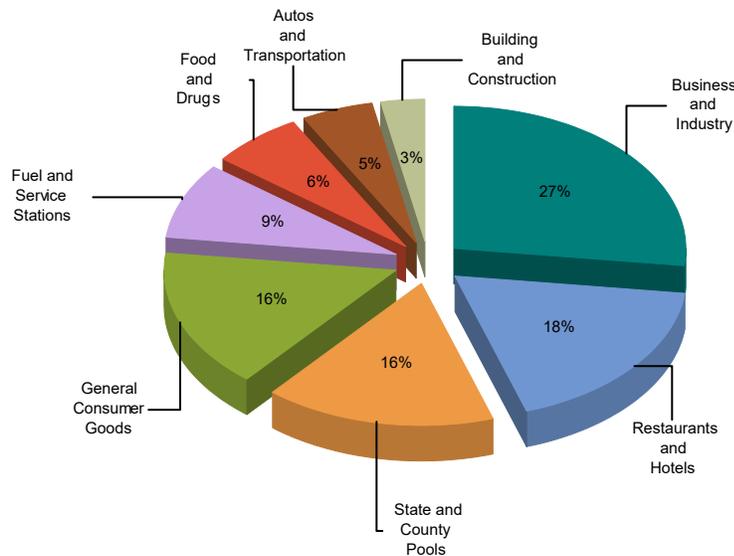
Business Type	*In thousands of dollars			
	Alameda Q2 '19*	Alameda Change	County Change	HdL State Change
Boats/Motorcycles	88.6	89.2%	43.6%	20.2%
Business Services	68.4	48.3%	79.7%	42.0%
Casual Dining	325.3	29.5%	25.3%	24.5%
Convenience Stores/Liquor	40.8	42.8%	17.1%	14.9%
Discount Dept Stores	— CONFIDENTIAL —	—	22.8%	26.3%
Drug Stores	— CONFIDENTIAL —	—	-2.2%	-0.3%
Family Apparel	113.9	44.9%	41.7%	45.3%
Fast-Casual Restaurants	59.4	6.0%	15.2%	18.6%
Grocery Stores	100.7	8.8%	19.2%	9.6%
Light Industrial/Printers	35.6	11.6%	37.4%	51.3%
Medical/Biotech	— CONFIDENTIAL —	—	39.2%	39.4%
Plumbing/Electrical Supplies	— CONFIDENTIAL —	—	68.3%	28.9%
Quick-Service Restaurants	142.8	36.1%	19.8%	15.8%
Service Stations	262.7	19.9%	50.4%	51.4%
Specialty Stores	53.4	-29.1%	-6.1%	-8.1%
Total All Accounts	2,566.1	22.6%	17.6%	20.1%
County & State Pool Allocation	500.9	28.1%	22.9%	22.4%
Gross Receipts	3,067.0	23.5%	18.5%	20.4%
City/County Share	(153.3)	-23.5%		
Net Receipts	2,913.6	23.5%		

Major Industry Group	Count	2Q19	2Q18	\$ Change	% Change
Business and Industry	649	813,443	701,932	111,511	15.9%
Restaurants and Hotels	378	548,234	516,146	32,088	6.2%
State and County Pools	-	490,874	421,682	69,191	16.4%
General Consumer Goods	1,588	474,372	492,806	(18,434)	-3.7%
Fuel and Service Stations	20	260,877	248,620	12,257	4.9%
Food and Drugs	98	190,313	188,116	2,197	1.2%
Autos and Transportation	126	155,073	136,297	18,776	13.8%
Building and Construction	69	91,937	74,527	17,411	23.4%
Transfers & Unidentified	53	3,757	2,779	978	35.2%
Total	2,981	3,028,880	2,782,905	245,975	8.8%

2Q18 Compared To 2Q19



2Q19 Percent of Total



Sales Tax by Major Industry Group

Business And Industry

Count: 649

Restaurants And Hotels

Count: 378

State & County Pools

General Consumer Goods

Count: 1,588

Fuel And Service Stations

Count: 20

Food And Drugs

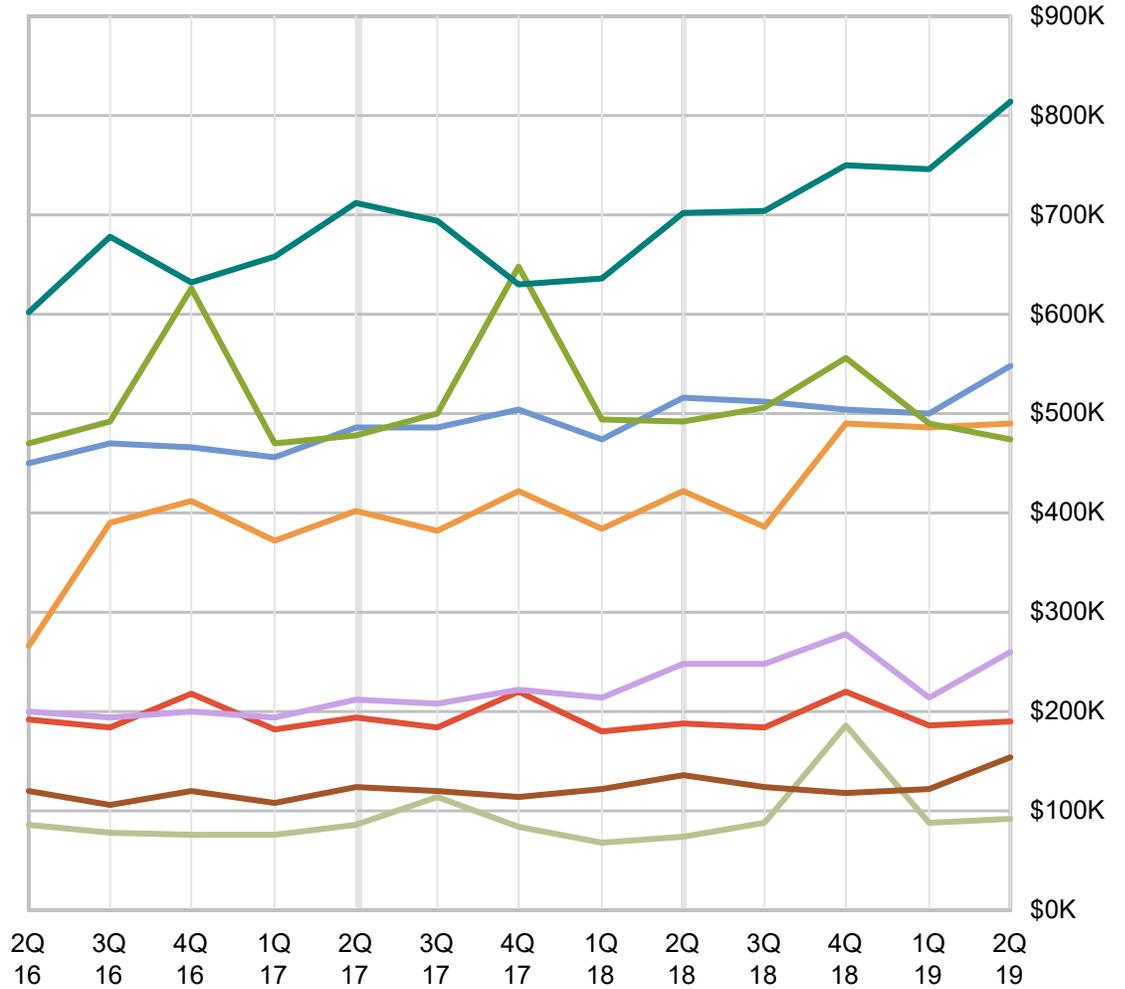
Count: 98

Autos And Transportation

Count: 126

Building And Construction

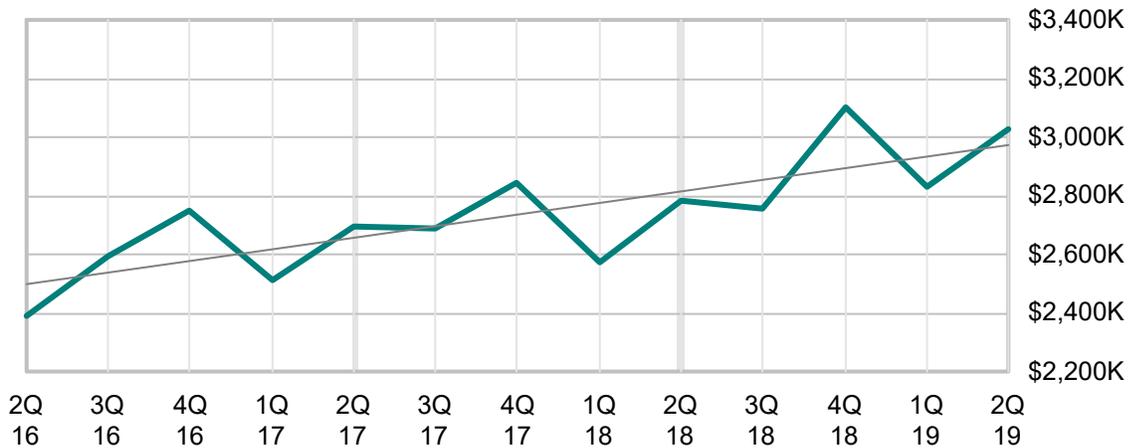
Count: 69



Agency Trend

Alameda

13 Quarter Trend: +18.9%



Periods shown reflect the period in which the sales occurred - Point of Sale

Geo Area Names

Sales Tax by Geographic areas

Harbor Bay Business Park

Count: 64

South Shore Center

Count: 78

Park - North & South Of Lincoln

Count: 454

Alameda Landing

Count: 39

Webster- North & South Of Lincoln

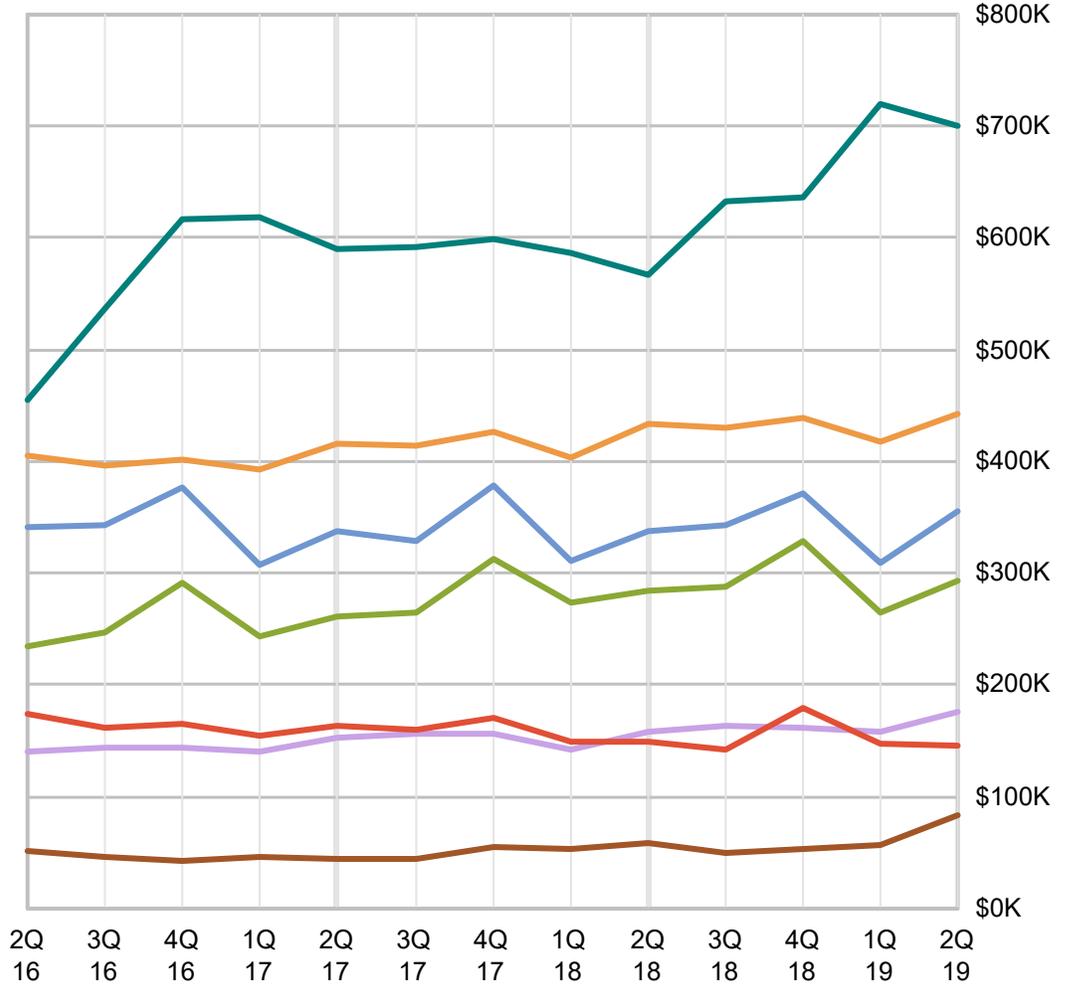
Count: 132

Clement Ave & Blanding Ave

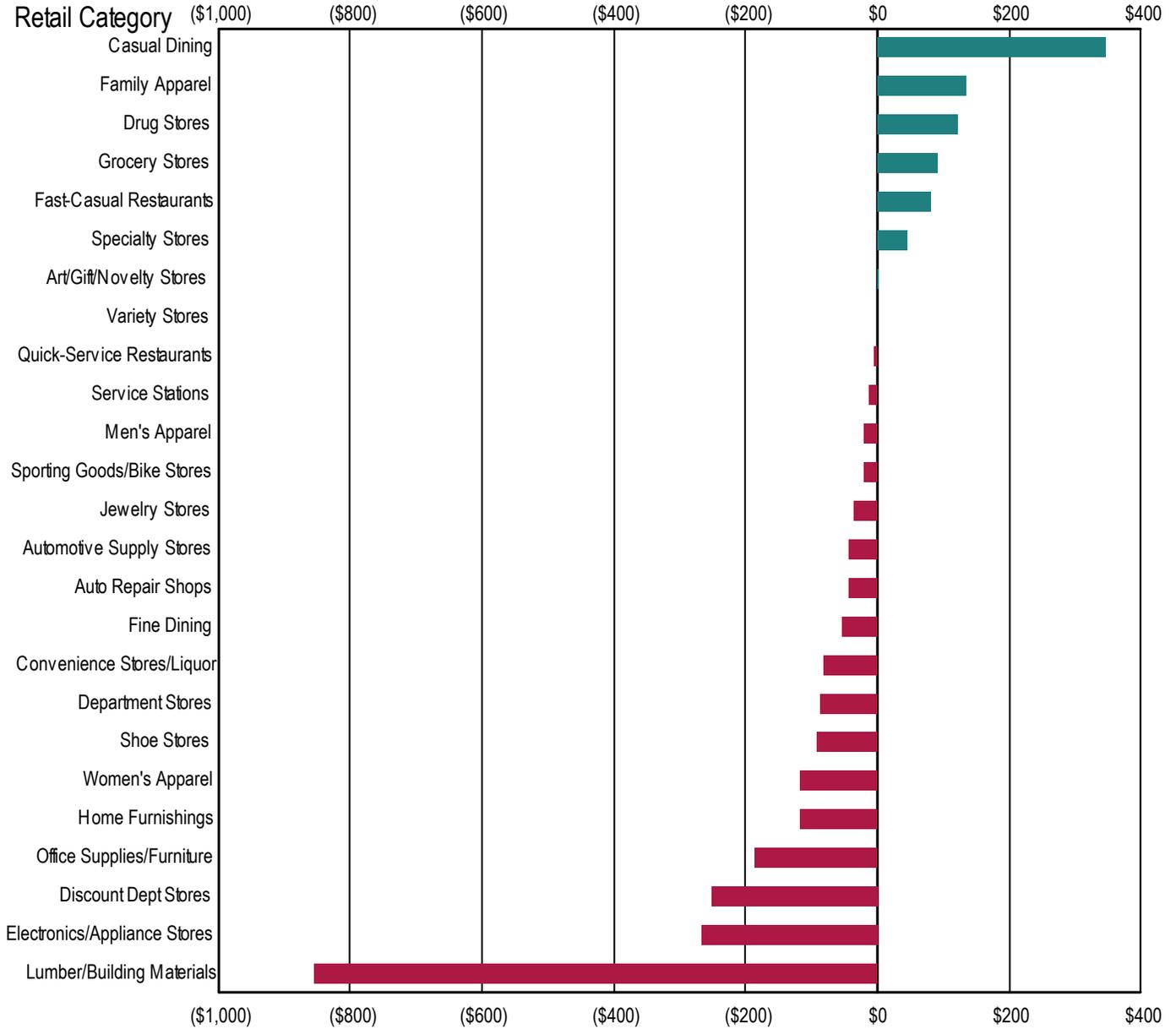
Count: 111

North Waterfront

Count: 73



* Periods Shown Reflect the Period in Which the Sales Occurred - Point of Sale



The above graph compares **per capita** sales tax generated from targeted retail categories against countywide averages. A **retail surplus** suggests the community is capturing its local market for that category of goods plus attracting shoppers from outside the jurisdiction. A **retail gap** suggests the possibility that residents may have a greater demand for products in the specific category than is being satisfied by local businesses. The information is provided only as a general **starting point** in identifying new opportunities and is solely based on your jurisdiction's population. It is not market specific and does not factor in traffic patterns, demographic characteristics or potential competition within the market area but outside your jurisdiction's boundaries. For a comprehensive and detailed analysis of potential opportunities that your market can support, contact ECONSolutions@hdlcompanies.com



ALAMEDA COUNTY ALL AGENCIES

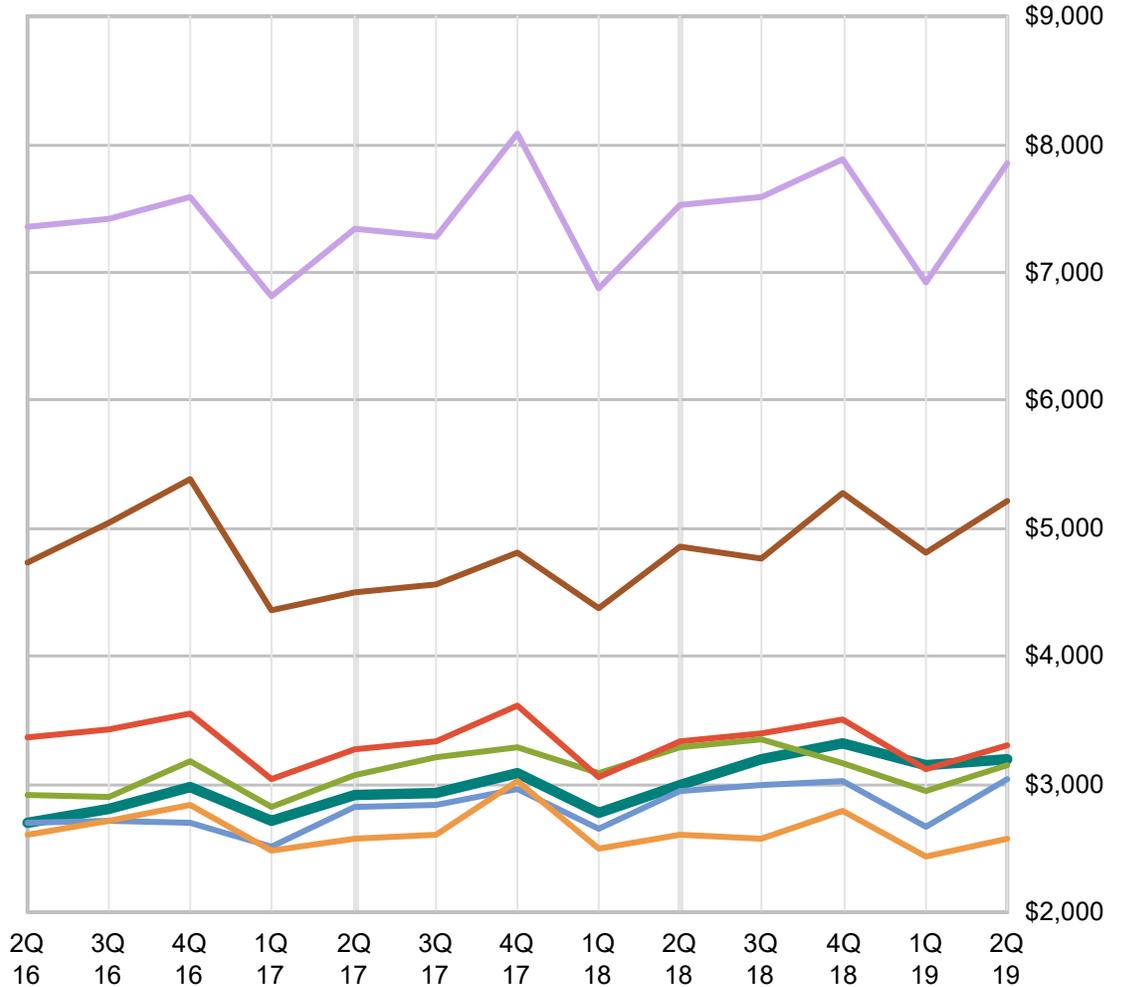
SALES TAX TRENDS FOR ALL AGENCIES - 2Q 2019 SALES

Agency allocations reflect "point of sale" receipts

Agency Name	Count	Current Year 2Q 2019	Prior Year 2Q 2018	Share of County Pool	Actual Receipts % Change	Adjusted % Change
Dublin	1,487	5,197,722	4,261,872	6.9%	+ 22.0%	+ 14.1%
Alameda Co. Uninc	2,614	2,589,361	1,946,454	3.4%	+ 33.0%	+ 8.3%
Hayward	4,425	8,956,245	6,270,866	11.8%	+ 42.8%	+ 7.9%
Alameda	2,981	2,566,116	2,092,913	3.4%	+ 22.6%	+ 7.5%
Piedmont	204	44,009	33,513	0.1%	+ 31.3%	+ 6.1%
San Leandro	2,680	7,010,944	5,671,239	9.2%	+ 23.6%	+ 4.7%
Livermore	2,932	7,502,293	6,329,921	9.9%	+ 18.5%	+ 4.5%
Oakland	14,289	13,182,148	10,482,905	17.4%	+ 25.7%	+ 3.5%
Albany	561	603,261	478,599	0.8%	+ 26.0%	+ 2.8%
Pleasanton	3,984	5,103,097	4,223,493	6.7%	+ 20.8%	+ 2.4%
Newark	1,438	2,911,981	2,386,101	3.8%	+ 22.0%	+ 0.9%
Berkeley	4,946	4,137,456	3,230,313	5.5%	+ 28.1%	- 0.1%
Union City	1,360	2,477,142	1,746,554	3.3%	+ 41.8%	- 3.1%
Emeryville	863	1,863,415	1,297,151	2.5%	+ 43.7%	- 4.9%
Fremont	5,576	11,700,539	14,023,931	15.4%	- 16.6%	- 25.2%
Totals	50,339	75,845,730	64,475,825	100.0%	+ 17.6%	- 1.7%
Alameda Pool	17,815	14,769,942	12,024,339		+ 22.8%	+ 11.8%

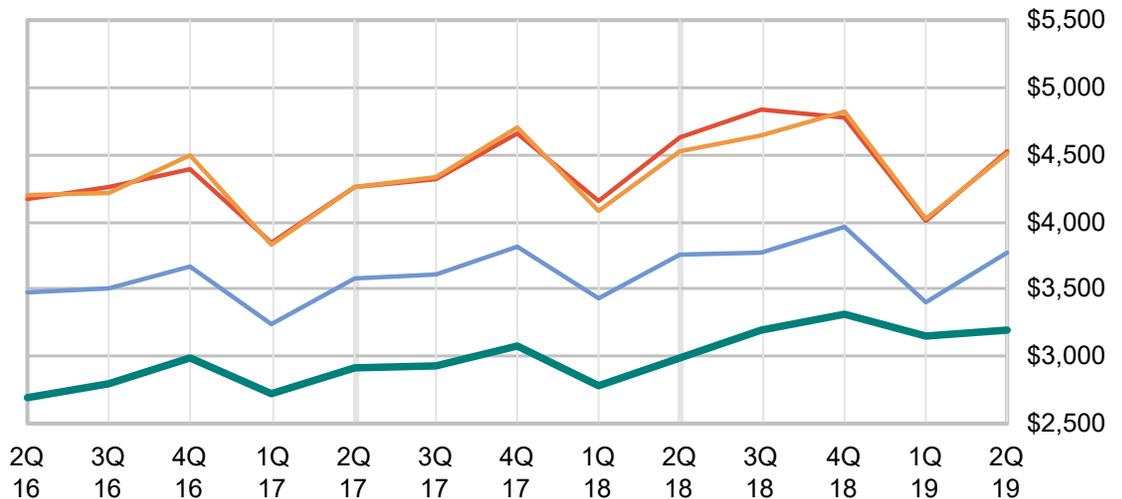
Per Capita Sales

Alameda	Count: 2,981
Oakland	Count: 14,289
El Cerrito	Count: 661
Union City	Count: 1,360
San Leandro	Count: 2,680
Berkeley	Count: 4,946
Hayward	Count: 4,425



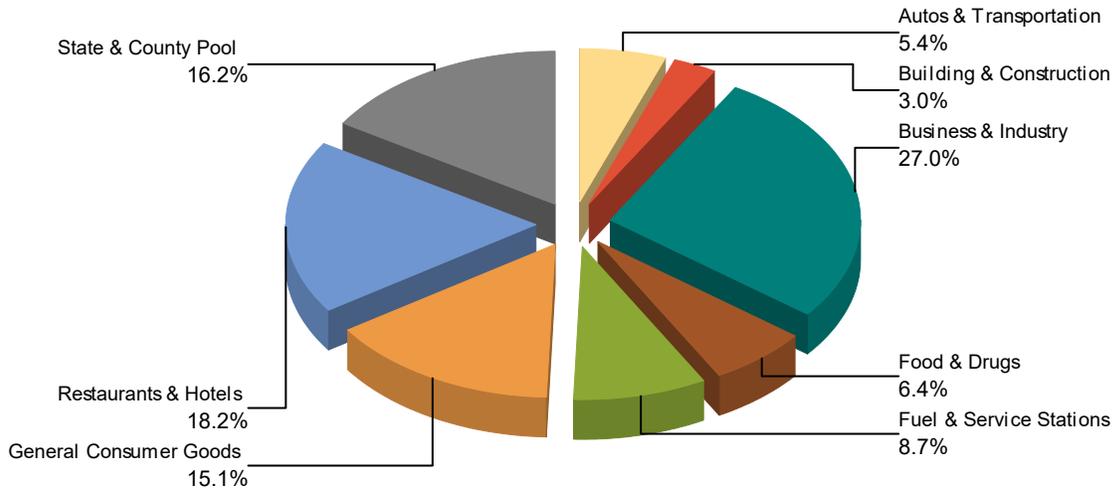
Per Capita Sales

Alameda
Alameda County
Bay Area
California



Periods shown reflect the period in which the sales occurred - Point of Sale

City of Alameda



HdL Client Database Statewide Totals

