CITY OF Alameda

# Quarterly Sales Tax Report for the Period Ending December 31, 2020

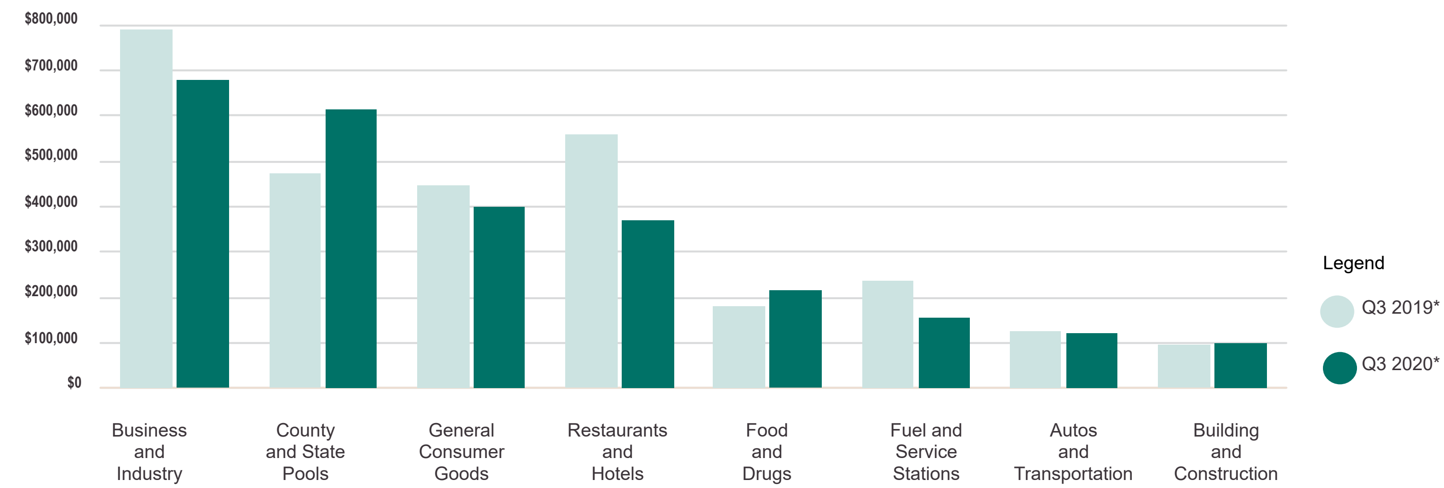
# CITY OF ALAMEDA
# SALES TAX UPDATE
## 3Q 2020 (JULY - SEPTEMBER)

**ALAMEDA**
TOTAL: $ 2,657,583

| -8.9% | -3.8% | -0.9% |
|---|---|---|
| 3Q2020 | COUNTY | STATE |

**Allocation aberrations have been adjusted to reflect sales activity*

**SALES TAX BY MAJOR BUSINESS GROUP**




**Measure F**
TOTAL: $1,868,028
4.9%

## CITY OF ALAMEDA HIGHLIGHTS

Alameda's receipts from July through September were 7.5% below the third sales period in 2019. Excluding reporting aberrations, actual sales were down 8.9%.

This was the second full quarter impacted by the pandemic, with local point of sale receipts down 16.4%. Business-industry, saw mixed performance, with an overall drop in medical/biotech and a negative one-time audit adjustment in business services.

Reflecting statewide trends, the extended closures slammed restaurants hard, with many eateries closed or only able to provide limited service. Similarly, fuel and service stations felt the negative impact of low consumption and low gas prices. General consumer goods dipped due to less in-store shopping.

Additionally, the food-drugs earnings were bolstered by grocery and convenience store sales and a new business opening last quarter.

As a positive offset, the City's share of the countywide use tax pool allocations was up 29.7%. Growth in the pool was boosted by a combination of new taxes on out-of-state purchases from full implementation of AB147 (Wayfair), and surges in online shopping.

## TOP 25 PRODUCERS

ABB Optical Group
Abbott Diabetes Care
Aisle 1
Alameda Electrical Distributors
Bay Ship & Yacht Co
Bron Tapes
Chevron
CVS Pharmacy
Diamond Auto Sales
In N Out Burger
Jack in the Box
Kohls
Lucky Market
Main Street Supply
Nob Hill Food
Penumbra
Petco
Pottery Barn Outlet
Ross
Safeway
Safeway Fuel
Target
TJ Maxx
Trader Joes
Walgreens

## STATEWIDE RESULTS

The local one-cent sales and use tax from sales occurring July through September was 0.9% lower than the same quarter one year ago after factoring for accounting anomalies. The losses were primarily concentrated in coastal regions and communities popular with tourists while much of inland California including the San Joaquin Valley, Sacramento region and Inland Empire exhibited gains.

Generally, declining receipts from fuel sales, brick and mortar retail and restaurants were the primary factors leading to this quarter's overall decrease. The losses were largely offset by a continuing acceleration in online shopping that produced huge gains in the county use tax pools where tax revenues from purchases shipped from out-of-state are allocated and in revenues allocated to jurisdictions with in-state fulfillment centers and order desks.

Additional gains came from a generally solid quarter for autos, RV's, food-drugs, sporting goods, discount warehouses, building material suppliers and home improvement purchases. Some categories of agricultural and medical supplies/ equipment also did well.

Although the slight decline in comparable third quarter receipts reflected a significant recovery from the immediate previous period's deep decline, new coronavirus surges and reinstated restrictions from 2020's Thanksgiving and Christmas gatherings compounded by smaller federal stimulus programs suggest more significant drops in forthcoming revenues from December through March sales.

Additionally, the past few quarter's gains in county pool receipts that were generated by the shift to online shopping plus last year's implementation of the Wayfair v. South Dakota Supreme Court decision will level out after the first quarter of 2021.

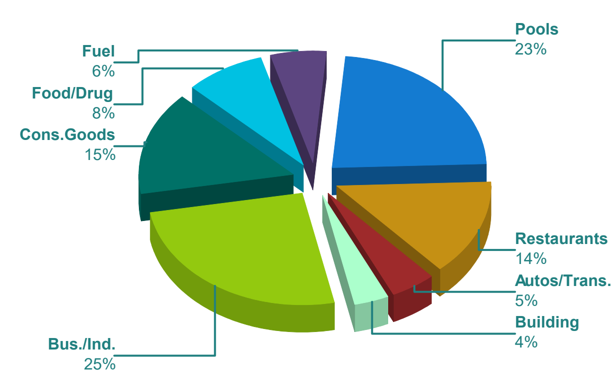
Much of the initial demand for computers and equipment to accommodate home schooling and remote workplaces has been satisfied. Manufacturers are also reporting that absenteeism, sanitation protocols, inventory and imported parts shortages have reduced production capacity that will not be regained until mass vaccines have been completed, probably by the fall of 2021.

Significant recovery is not anticipated until 2021-22 with full recovery dependent on the specific character and make up of each jurisdiction's tax base. Part of the recovery will be a shift back to non-taxable services and activities. Limited to access because of pandemic restrictions, consumers spent 72% less on services during the third quarter and used the savings to buy taxable goods.

Full recovery may also look different than before the pandemic. Recent surveys find that 3 out of 4 consumers have discovered new online alternatives and half expect to continue these habits which suggests that the part of the recent shift of revenues allocated through countywide use tax pools and industrial distribution centers rather than stores will become permanent.

## REVENUE BY BUSINESS GROUP

**Alameda This Quarter***




## TOP NON-CONFIDENTIAL BUSINESS TYPES

| Alameda Business Type | Q3 '20* | Change | County Change | HdL State Change |
|---|---|---|---|---|
| Casual Dining | 198.5 | -40.3% ↓ | -43.7% ↓ | -38.0% ↓ |
| Service Stations | 153.8 | -35.4% ↓ | -35.1% ↓ | -29.0% ↓ |
| Quick-Service Restaurants | 121.0 | -11.7% ↓ | -19.9% ↓ | -10.3% ↓ |
| Grocery Stores | 102.7 | 5.2% ↑ | -0.8% ↓ | 7.1% ↑ |
| Family Apparel | 69.6 | -13.4% ↓ | -32.2% ↓ | -24.4% ↓ |
| Specialty Stores | 56.2 | -15.3% ↓ | -19.2% ↓ | -8.7% ↓ |
| Convenience Stores/Liquor | 46.0 | 28.1% ↑ | 18.7% ↑ | 15.0% ↑ |
| Fast-Casual Restaurants | 45.8 | -23.6% ↓ | -25.3% ↓ | -14.2% ↓ |
| Boats/Motorcycles | 39.8 | 4.7% ↑ | -8.3% ↓ | 19.7% ↑ |
| Home Furnishings | 39.3 | -16.0% ↓ | -16.1% ↓ | -3.5% ↓ |

*Allocation aberrations have been adjusted to reflect sales activity* *In thousands of dollars*

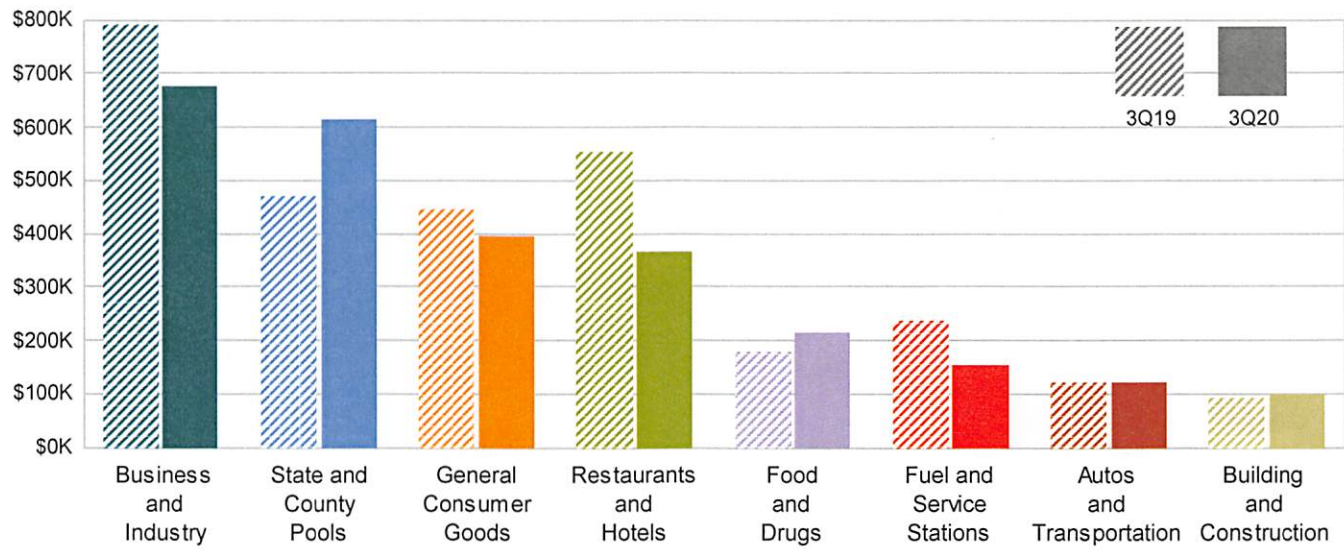
# CITY OF ALAMEDA

## MAJOR INDUSTRY GROUPS

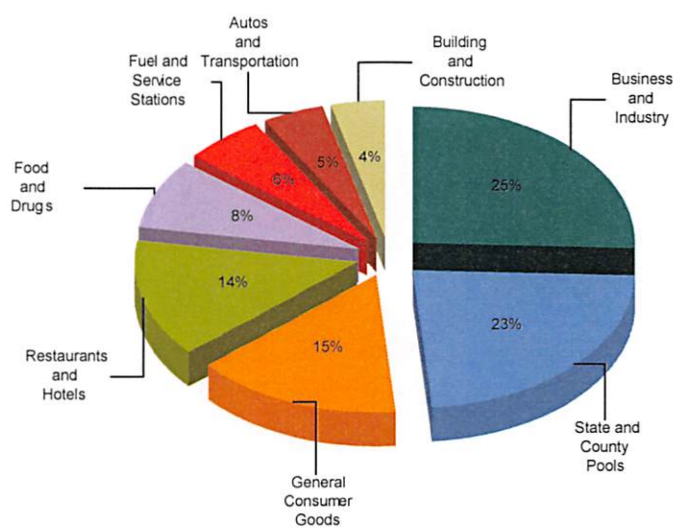
ADJUSTED FOR ECONOMIC DATA

| Major Industry Group | Count | 3Q20 | 3Q19 | $ Change | % Change |
|---|---|---|---|---|---|
| Business and Industry | 663 | 676,600 | 790,254 | (113,654) | -14.4% |
| State and County Pools | - | 614,910 | 473,981 | 140,929 | 29.7% |
| General Consumer Goods | 1,480 | 398,189 | 448,475 | (50,286) | -11.2% |
| Restaurants and Hotels | 366 | 369,717 | 556,532 | (186,816) | -33.6% |
| Food and Drugs | 107 | 216,522 | 182,432 | 34,090 | 18.7% |
| Fuel and Service Stations | 19 | 154,891 | 238,350 | (83,459) | -35.0% |
| Autos and Transportation | 121 | 123,017 | 124,403 | (1,386) | -1.1% |
| Building and Construction | 62 | 101,617 | 96,705 | 4,912 | 5.1% |
| Transfers & Unidentified | 55 | 2,120 | 6,369 | (4,249) | -66.7% |
| Total | 2,873 | 2,657,583 | 2,917,500 | (259,918) | -8.9% |

**3Q19 Compared To 3Q20**




**3Q20 Percent of Total**



HdL ADJUSTED FOR ECONOMIC DATA

# CITY OF ALAMEDA

## MAJOR INDUSTRY GROUPS - 13 QUARTER HISTORY

**Sales Tax by Major Industry Group**

**Business And Industry**
Count: 663

**State & County Pools**

**General Consumer Goods**
Count: 1,480

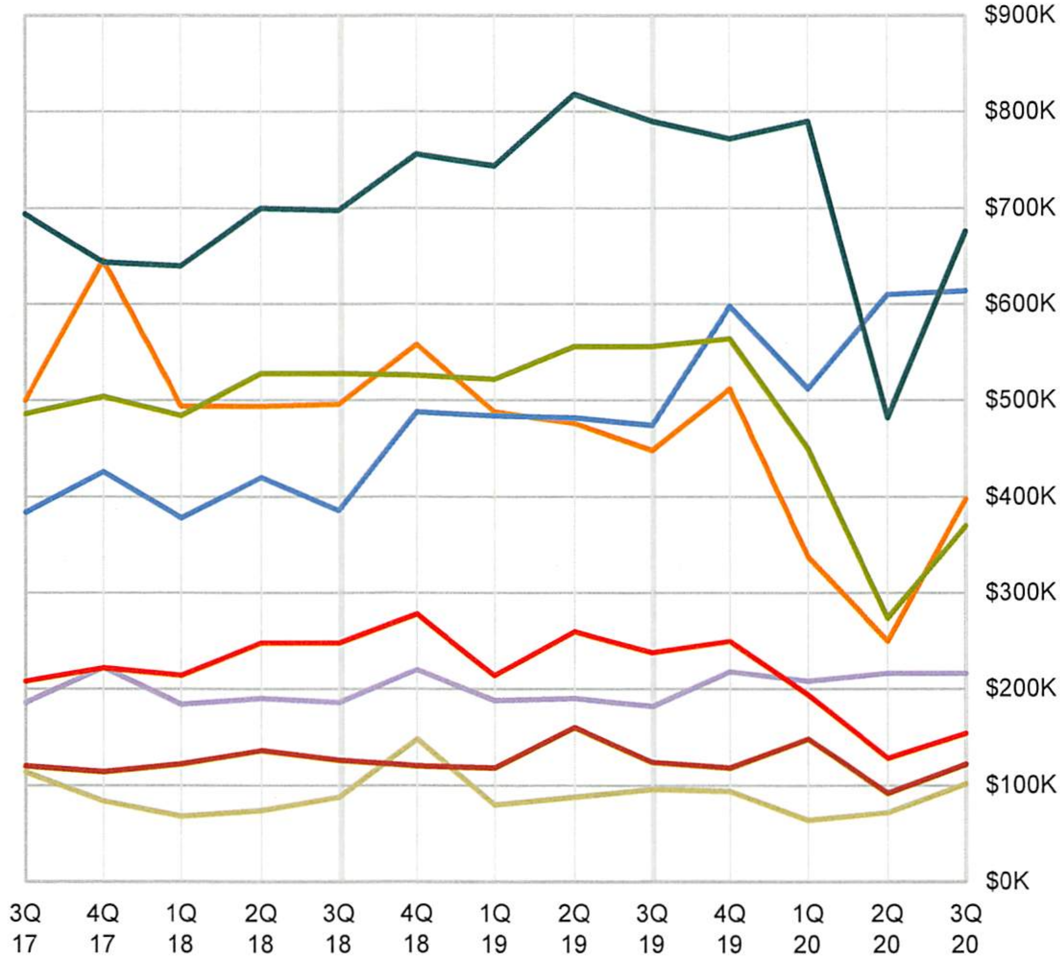
**Restaurants And Hotels**
Count: 366

**Food And Drugs**
Count: 107

**Fuel And Service Stations**
Count: 19

**Autos And Transportation**
Count: 121

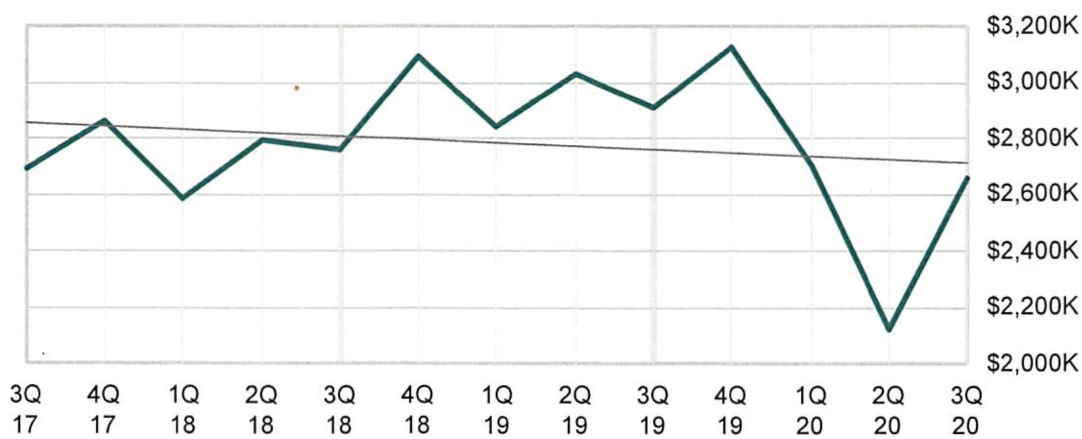
**Building And Construction**
Count: 62




**Agency Trend**

**Alameda**

13 Quarter Trend: -5.1%




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

# CITY OF ALAMEDA

ADJUSTED FOR ECONOMIC DATA

## GEO AREA COMPARISONS - 13 QUARTER HISTORY

Geo Area Names

**Sales Tax by Geographic areas**

**Harbor Bay Business Park**
Count: 63

**South Shore Center**
Count: 76

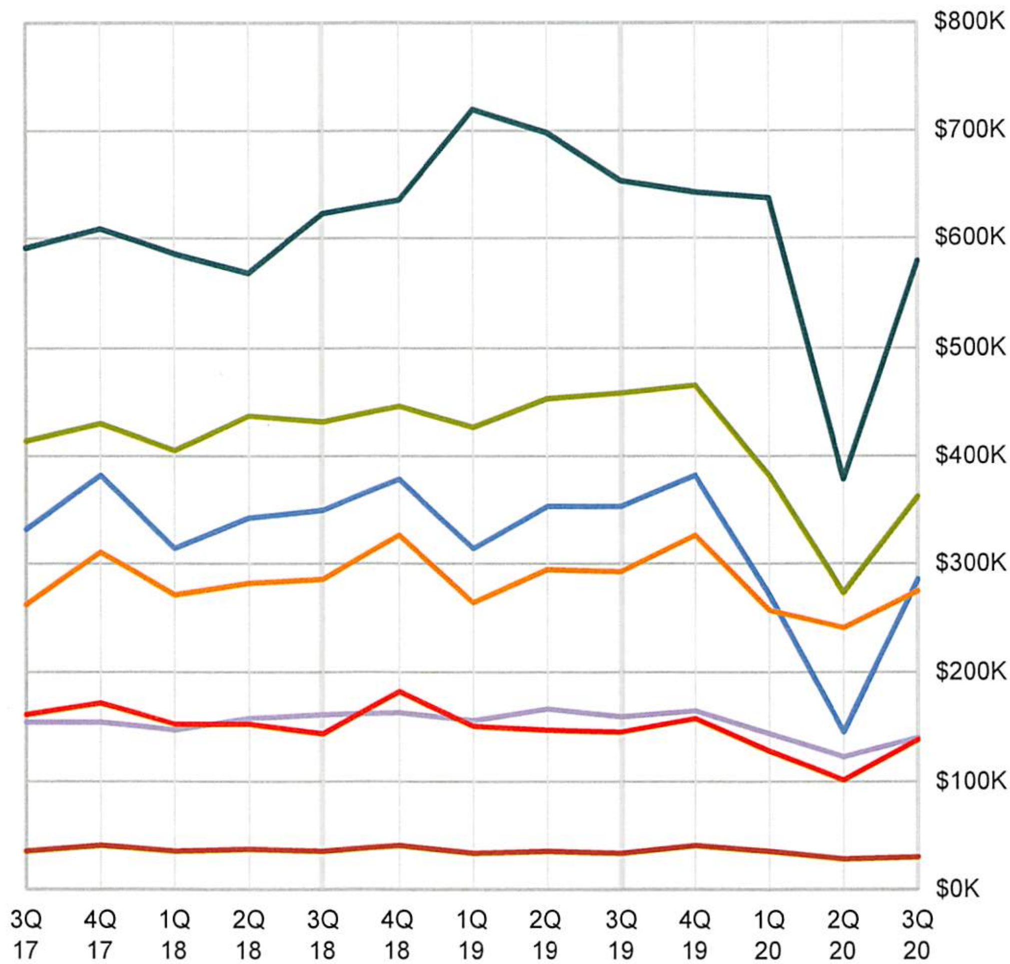
**Alameda Landing**
Count: 43

**Park - North & South Of Lincoln**
Count: 428

**Webster- North & South Of Lincoln**
Count: 125

**Clement Ave & Blanding Ave**
Count: 110

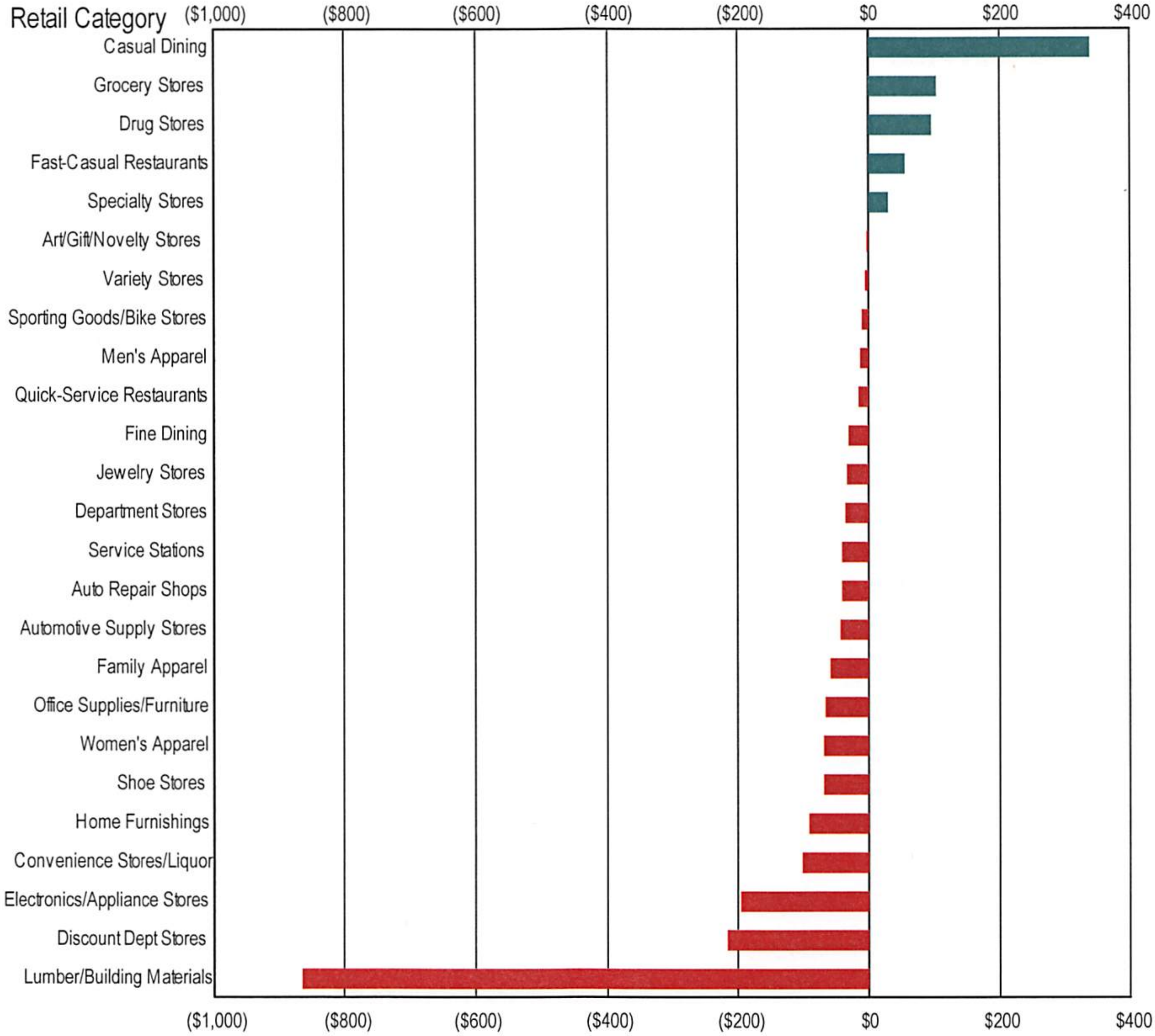
**Harbor Bay Landing**
Count: 22




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

CITY OF ALAMEDA

PER CAPITA SALES TAX SURPLUS/GAP COMPARISON - 4 QUARTERS ENDING 3Q 2020




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 - 3Q 2020 SALES

Agency allocations reflect "point of sale" receipts

| Agency Name | Count | Current Year 3Q 2020 | Prior Year 3Q 2019 | Share of County Pool | Actual Receipts % Change | Adjusted % Change |
|---|---|---|---|---|---|---|
| Piedmont | 204 | 45,057 | 37,864 | 0.1% | + 19.0% | + 11.6% |
| Fremont | 5,575 | 12,904,701 | 11,861,987 | 18.5% | + 8.8% | + 4.0% |
| Hayward | 4,456 | 8,623,110 | 8,867,459 | 12.4% | - 2.8% | - 0.7% |
| Newark | 1,443 | 3,296,016 | 2,765,799 | 4.7% | + 19.2% | - 6.9% |
| San Leandro | 2,764 | 6,252,835 | 6,900,453 | 9.0% | - 9.4% | - 9.5% |
| Albany | 552 | 619,788 | 629,496 | 0.9% | - 1.5% | - 13.4% |
| Alameda Co. Uninc | 2,636 | 2,472,806 | 2,683,459 | 3.5% | - 7.9% | - 13.8% |
| Dublin | 1,440 | 4,381,731 | 4,981,341 | 6.3% | - 12.0% | - 14.5% |
| Livermore | 2,875 | 6,587,903 | 7,627,587 | 9.4% | - 13.6% | - 15.2% |
| Union City | 1,326 | 2,230,335 | 2,409,379 | 3.2% | - 7.4% | - 15.8% |
| Alameda | 2,873 | 2,135,532 | 2,481,146 | 3.1% | - 13.9% | - 16.4% |
| Pleasanton | 3,623 | 4,209,555 | 4,976,239 | 6.0% | - 15.4% | - 16.8% |
| Oakland | 13,882 | 11,029,527 | 13,265,633 | 15.8% | - 16.9% | - 22.4% |
| Berkeley | 4,626 | 3,410,302 | 4,190,850 | 4.9% | - 18.6% | - 23.6% |
| Emeryville | 843 | 1,545,891 | 2,191,735 | 2.2% | - 29.5% | - 31.6% |
| Totals | 49,117 | 69,745,089 | 75,870,426 | 100.0% | - 8.1% | - 12.0% |
| Alameda Pool | 16,930 | 20,300,291 | 15,359,605 | | + 32.2% | + 37.8% |

ADJUSTED FOR ECONOMIC DATA

# CITY OF ALAMEDA
## AGENCY COMPARISONS

**Per Capita Sales**

**Alameda**
Count: 2,873

**Oakland**
Count: 13,882

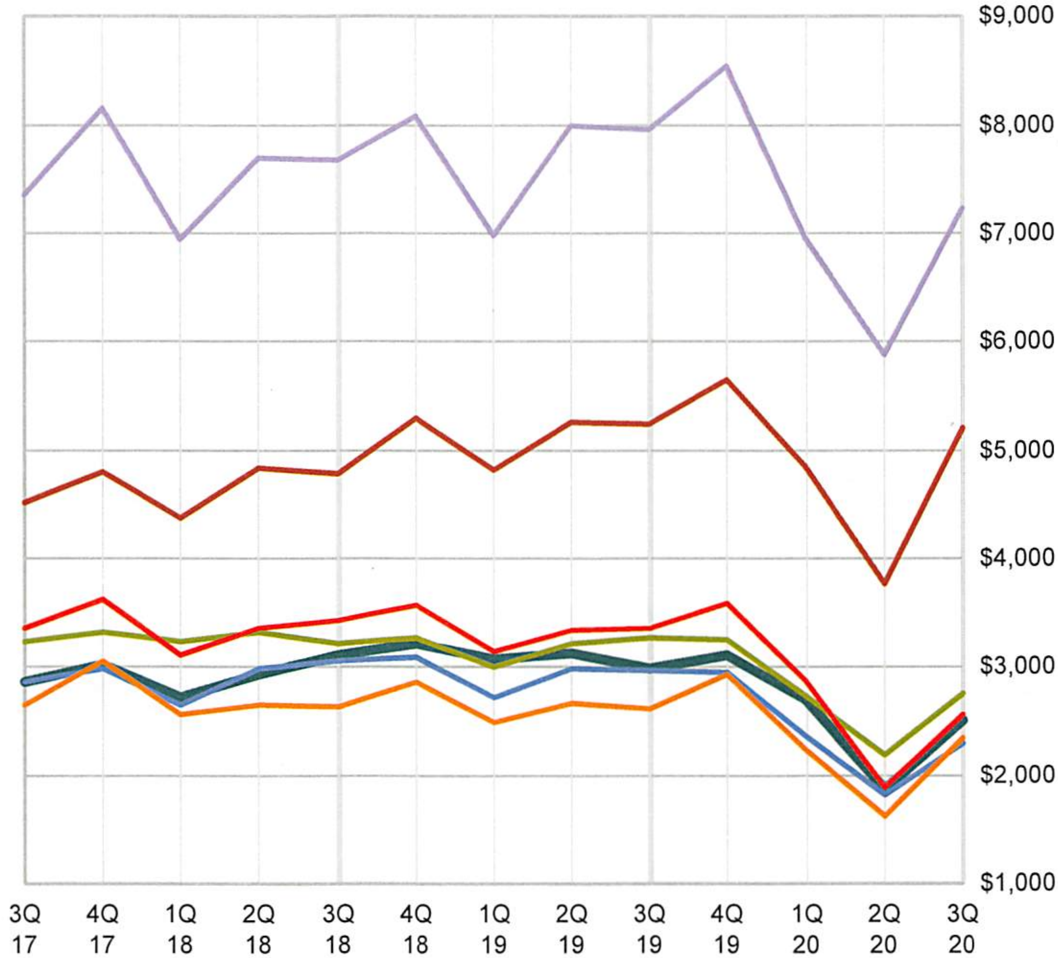
**El Cerrito**
Count: 649

**Union City**
Count: 1,326

**San Leandro**
Count: 2,764

**Berkeley**
Count: 4,626

**Hayward**
Count: 4,456



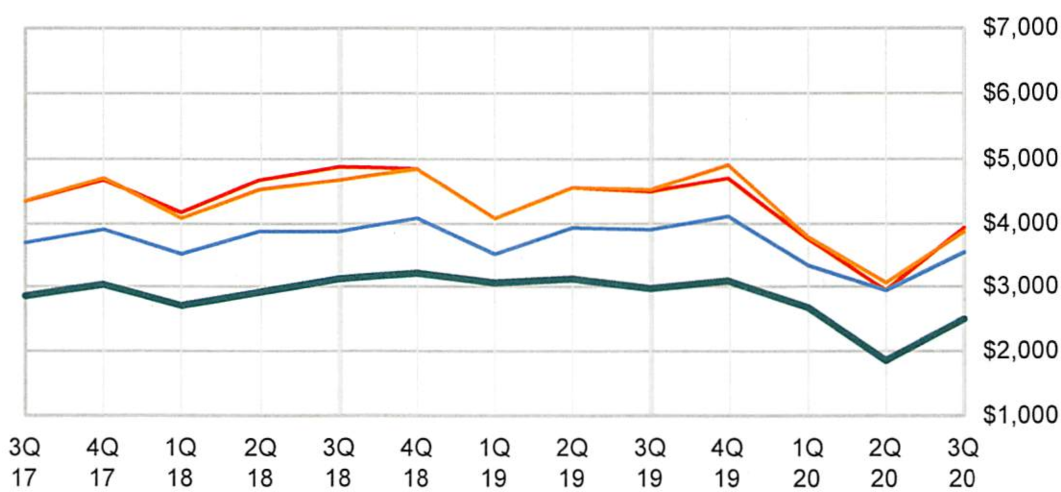

**Per Capita Sales**

**Alameda**

**Alameda County**

**Bay Area**

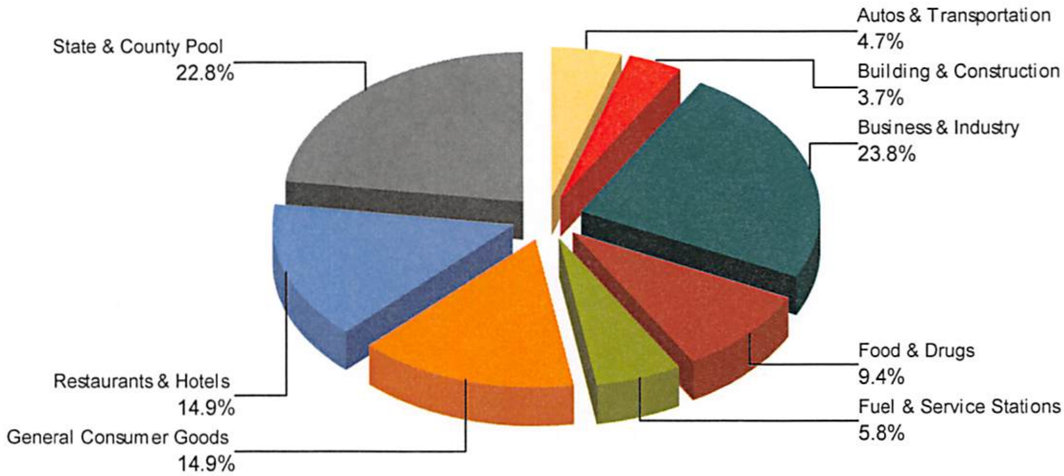
**California**




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

# CITY TO STATE COMPARISON
## 3Q 2020

### City of Alameda




### HdL Client Database Statewide Totals