



Quarterly Sales Tax Report
for the Period Ending
December 31, 2019

Q3 2019



City of Alameda Sales Tax *Update*

Fourth Quarter Receipts for Third Quarter Sales (July - September 2019)

Alameda In Brief

Alameda's receipts from July through September were 8.0% below the third sales period in 2018. Excluding reporting aberrations, actual sales were up 1.5%.

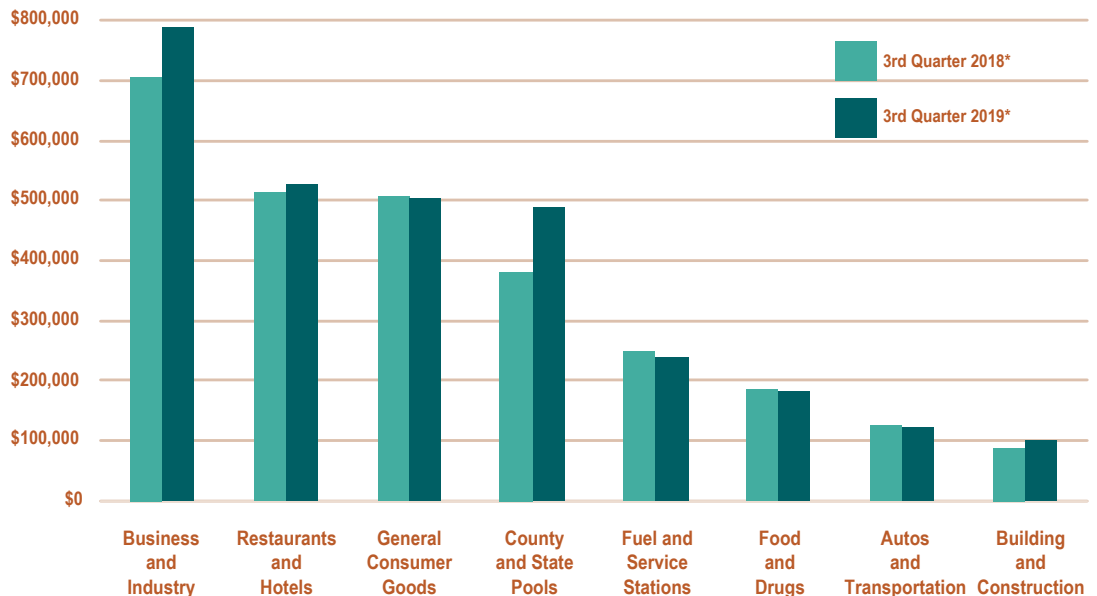
Returns by out-of-state retailers generated new taxes under the Wayfair decision; when combined with the rise in online procurement, 27.4% growth occurred in the pool allocation. The business and industry group had the largest gains after the pool. Casual dining and quick-service restaurants posted gains of 2.7% and 1.2% respectively, as a result of rising menu prices.

Service station declines reflected lower pump prices. General consumer goods were down 0.5%; family apparel declined 0.9% and home furnishing dropped 2.8%.

The voter-approved Measure F generated \$1,853,722 this quarter. Business and industry contributed 23% of the revenue followed by general consumer goods generating 22% and restaurants/hotels and autos/transportation tied at 15% each.

Net of aberrations, taxable sales for all of Alameda County declined 4.4% over the comparable time period; the Bay Area was down 0.5%.

SALES TAX BY MAJOR BUSINESS GROUP



*Allocation aberrations have been adjusted to reflect sales activity

TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

ABB Optical Group	Penumbra
Aisle 1	Pottery Barn Outlet
Alameda Electrical Distributors	Ross
Arco	Safeway
Bron Tapes	Safeway Fuel
Center for the Collaborative Classroom	Standard Process
Chevron	Sushi House
CVS Pharmacy	Target
In N Out Burger	TJ Maxx
Kohls	Trabocco
Nob Hill Food	Trader Joes
North Face	Walgreens
	Webster 76

REVENUE COMPARISON

One Quarter – Fiscal Year To Date (Q3)

	2018-19	2019-20
Point-of-Sale	\$2,786,399	\$2,481,146
County Pool	457,873	502,296
State Pool	1,466	1,021
Gross Receipts	\$3,245,738	\$2,984,464
Cty/Cnty Share	(162,287)	(149,223)
Net Receipts	\$3,083,451	\$2,835,241
Measure F	\$0	\$1,853,722

Statewide Results

The local one-cent share of statewide sales and use tax from sales occurring July through September was 2.2% higher than the summer quarter of 2018 after adjusting for accounting anomalies.

The bulk of the increase came from the countywide use tax allocation pools and is due to the acceleration in online shopping where a large volume of the orders are shipped from out-of-state.

Online shopping also produced gains in the business-industrial group with in-state industrial zoned logistics centers filling orders previously taken by brick and mortar retailers. Purchases to support healthcare, food processing, logistics/warehouse operations and information/data technology also helped offset declines in other business-related categories.

With the exception of some discount and value-oriented retail, most categories of general consumer goods were down. New cannabis related start-ups offset declines in the food and drug group while a softening in building-construction receipts was consistent with recent declines in the volume and value of new building permit issuances.

Overall growth in restaurant receipts continued to soften with a shift toward lower cost dining establishments and takeout meal options. Reports of labor shortages and the impact of homelessness on customer traffic in metropolitan areas were reportedly factors in the decline in tax revenues from higher price, fine dining establishments.

Despite a slight uptick in used auto and auto lease receipts, the auto related group was significantly down due to a drop in new car and RV sales. Previously propped up by a 23% subprime rated customer base and six- and seven-year financing, loan delinquencies have recently surged back to levels last seen in 2009.

Additional Tax Districts Approved

Voters approved eight of the nine sales

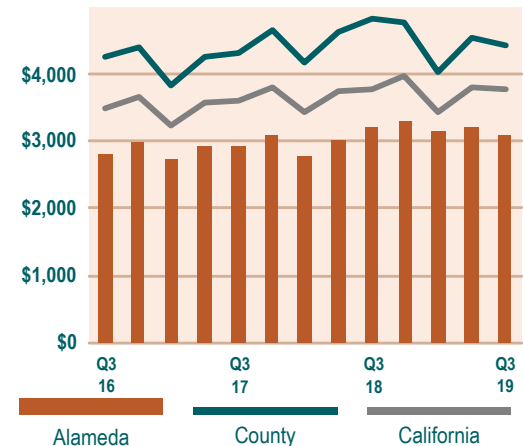
tax measures on the November 2019 ballot adding six new districts and extending two others.

This brings the total number of local transactions and use tax districts (TUT's) to 325 with 62 that are levied countywide and 263 imposed by individual cities. The number of local districts have close to tripled over the last decade as agencies deal with rising costs and service needs. TUT's have been a favorable option as visitors contribute to the tax and a collection system is already in place that minimizes administrative and monitoring costs.

California's basic rule is that the rate for all local TUT's combined, shall not exceed 2.0% or a total of 9.25% including the state levy. However, the state legislature has authorized higher caps in some jurisdictions with the highest voter-approved, combined state/local rate now at 10.5%.

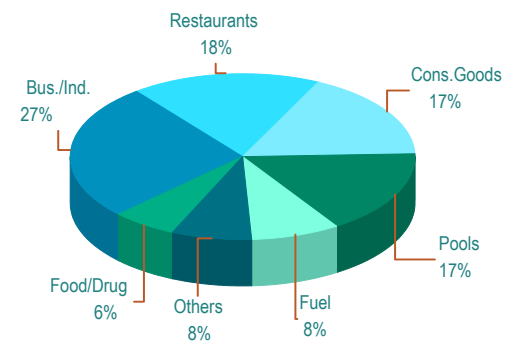
Thirty-five or more additional local TUT measures are currently being considered for the March 2020 ballot.

SALES PER CAPITA*



*Allocation aberrations have been adjusted to reflect sales activity

REVENUE BY BUSINESS GROUP Alameda This Quarter*



*Allocation aberrations have been adjusted to reflect sales activity

ALAMEDA TOP 15 BUSINESS TYPES**

*In thousands of dollars				
Business Type	Alameda Q3 '19*	Alameda Change	County Change	HdL State Change
Boats/Motorcycles	38.1	-26.5%	-14.5%	1.8%
Business Services	53.7	29.3%	10.0%	7.4%
Casual Dining	303.7	2.7%	3.7%	2.3%
Convenience Stores/Liquor	36.1	-5.6%	1.8%	1.0%
Discount Dept Stores	—	CONFIDENTIAL	1.5%	2.8%
Drug Stores	—	CONFIDENTIAL	-2.4%	-1.2%
Family Apparel	135.0	-0.9%	0.4%	1.5%
Fast-Casual Restaurants	61.1	6.1%	-1.4%	5.2%
Grocery Stores	97.6	6.6%	3.7%	1.7%
Home Furnishings	46.4	-2.8%	-0.4%	-1.0%
Medical/Biotech	—	CONFIDENTIAL	6.4%	6.5%
Plumbing/Electrical Supplies	—	CONFIDENTIAL	9.0%	4.3%
Quick-Service Restaurants	136.2	1.2%	2.9%	2.6%
Service Stations	239.0	-3.4%	-4.3%	-1.5%
Specialty Stores	65.8	5.0%	-1.2%	0.3%
Total All Accounts	2,465.0	-2.4%	-7.9%	0.2%
County & State Pool Allocation	487.4	27.4%	17.4%	14.9%
Gross Receipts	2,952.5	1.5%	-4.4%	2.3%

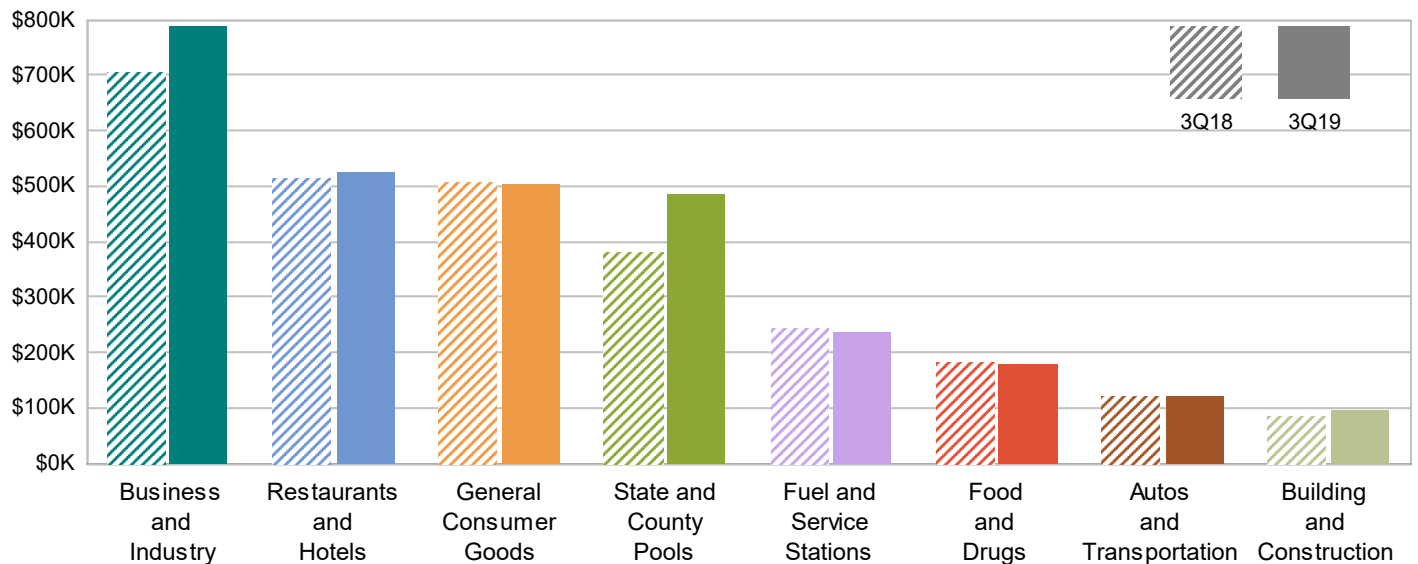
** Accounting aberrations such as late payments, fund transfers, and audit adjustments have been adjusted to reflect the quarter in which the sales occurred.

CITY OF ALAMEDA

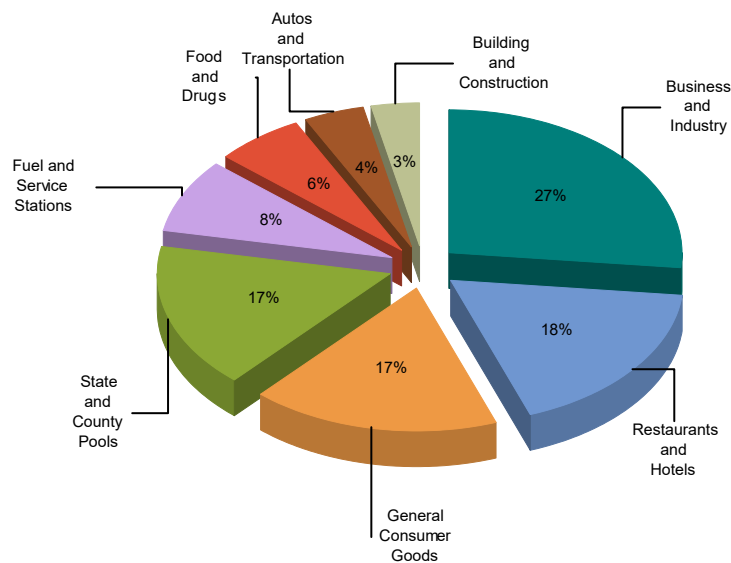
MAJOR INDUSTRY GROUPS

Major Industry Group	Count	3Q19	3Q18	\$ Change	% Change
Business and Industry	656	787,023	704,494	82,528	11.7%
Restaurants and Hotels	368	527,319	513,889	13,430	2.6%
General Consumer Goods	1,569	504,177	506,714	(2,537)	-0.5%
State and County Pools	-	487,423	382,489	104,933	27.4%
Fuel and Service Stations	19	239,081	247,364	(8,283)	-3.3%
Food and Drugs	101	181,503	185,246	(3,743)	-2.0%
Autos and Transportation	125	123,221	125,126	(1,906)	-1.5%
Building and Construction	68	99,450	87,662	11,788	13.4%
Transfers & Unidentified	47	3,272	154,443	(151,172)	-97.9%
Total	2,953	2,952,468	2,907,428	45,040	1.5%

3Q18 Compared To 3Q19



3Q19 Percent of Total



CITY OF ALAMEDA

MAJOR INDUSTRY GROUPS - 13 QUARTER HISTORY

Sales Tax by Major Industry Group

Business And Industry

Count: 656

Restaurants And Hotels

Count: 368

General Consumer Goods

Count: 1,569

State & County Pools

Fuel And Service Stations

Count: 19

Food And Drugs

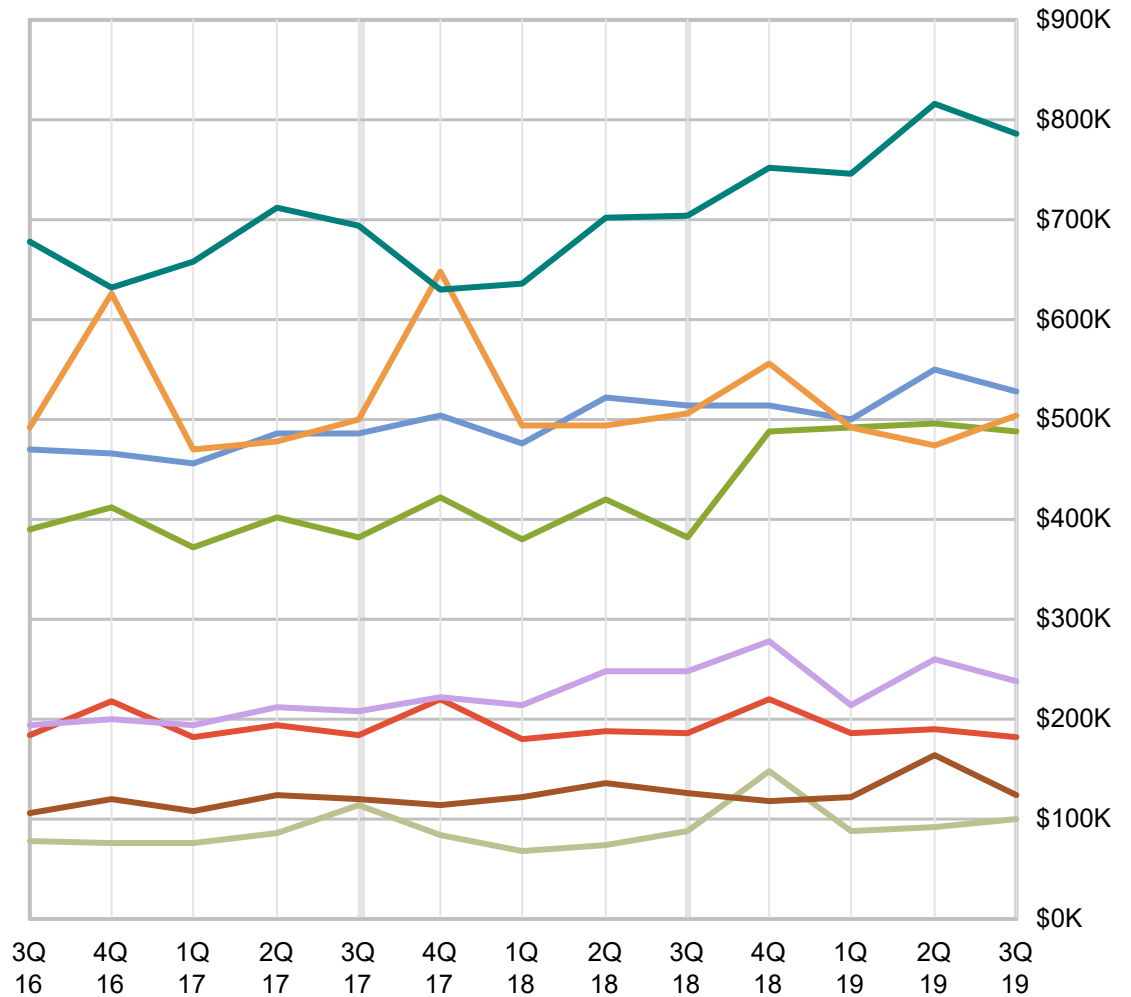
Count: 101

Autos And Transportation

Count: 125

Building And Construction

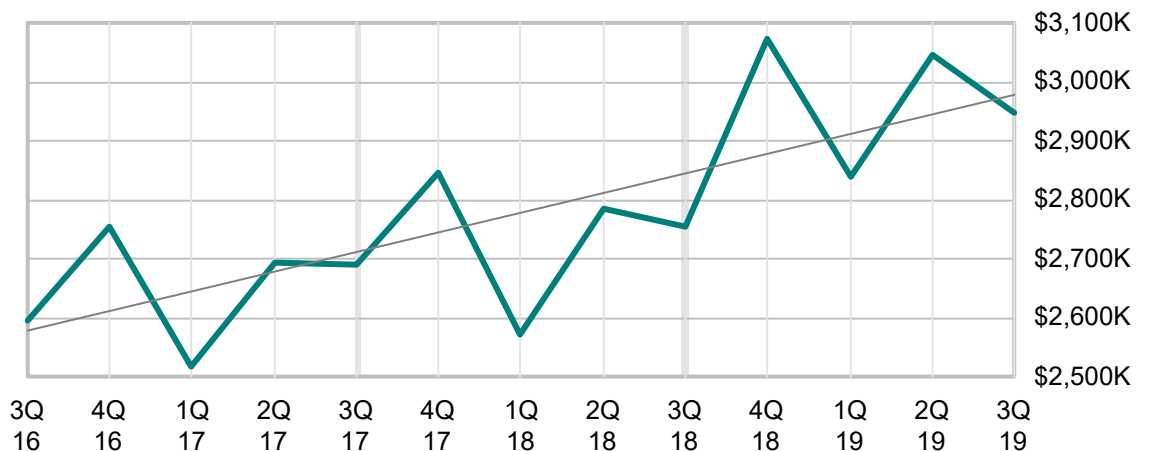
Count: 68



Agency Trend

Alameda

13 Quarter Trend: +15.6%



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

CONFIDENTIAL INFORMATION - DO NOT COPY OR DISTRIBUTE WITHOUT AUTHORIZATION

HdL • 909.861.4335 • www.hdlcompanies.com

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: 437

Alameda Landing

Count: 41

Webster- North & South Of Lincoln

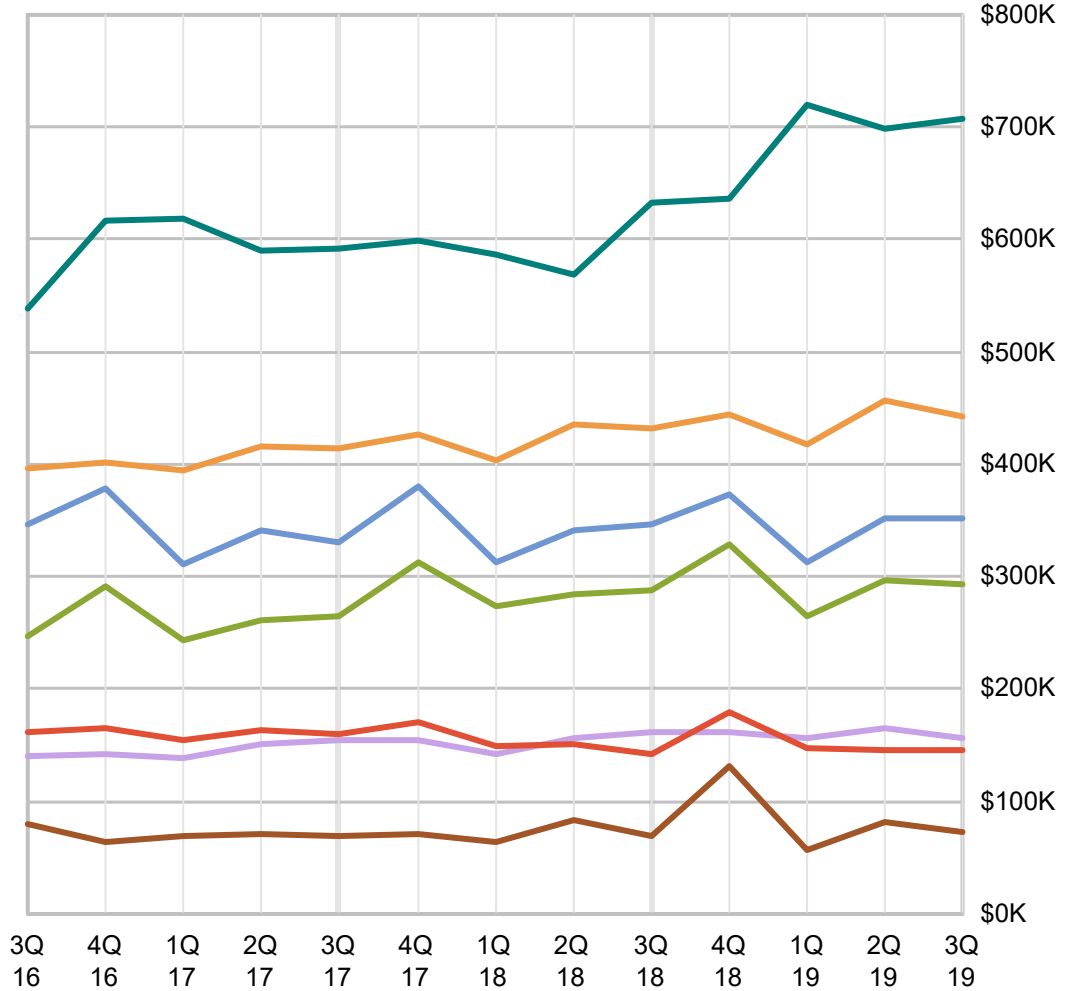
Count: 130

Clement Ave & Blanding Ave

Count: 111

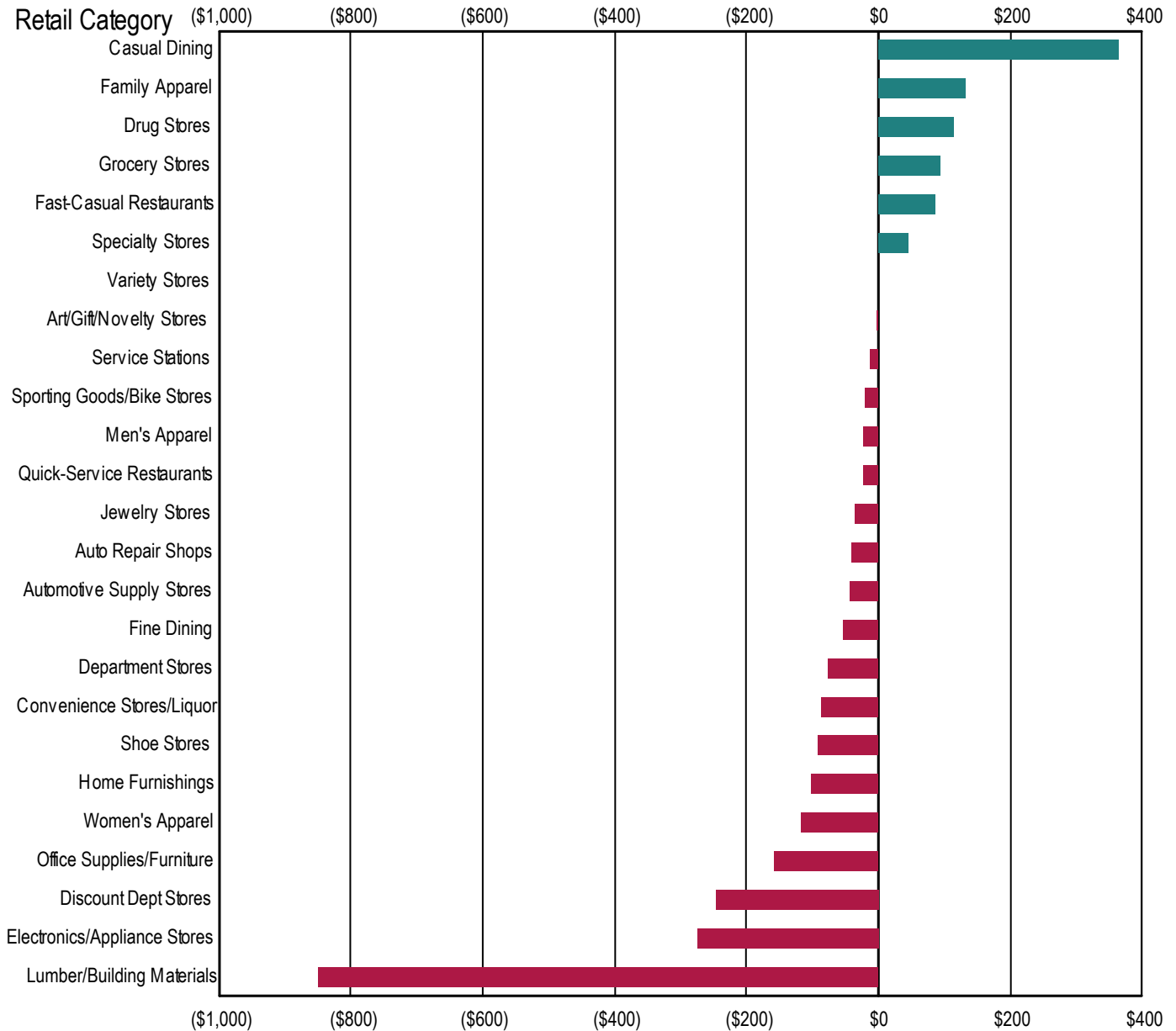
Alameda Point

Count: 494



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

CONFIDENTIAL INFORMATION - DO NOT COPY OR DISTRIBUTE WITHOUT AUTHORIZATION



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 2019 SALES

Agency allocations reflect "point of sale" receipts

Agency Name	Count	Current Year 3Q 2019	Prior Year 3Q 2018	Share of County Pool	Actual Receipts % Change	Adjusted % Change
Hayward	4,474	8,867,459	8,722,130	11.7%	+ 1.7%	+ 11.4%
Albany	572	629,496	678,818	0.8%	- 7.3%	+ 7.7%
Alameda Co. Uninc	2,627	2,683,459	2,822,834	3.5%	- 4.9%	+ 4.1%
Union City	1,361	2,409,379	3,055,185	3.2%	- 21.1%	+ 3.0%
San Leandro	2,691	6,900,453	7,829,817	9.1%	- 11.9%	+ 2.7%
Emeryville	854	2,191,735	2,763,083	2.9%	- 20.7%	+ 1.7%
Livermore	2,966	7,627,587	8,649,971	10.1%	- 11.8%	+ 0.6%
Berkeley	5,058	4,190,850	5,109,926	5.5%	- 18.0%	- 2.2%
Pleasanton	3,950	4,976,239	5,859,029	6.6%	- 15.1%	- 2.3%
Alameda	2,953	2,481,146	2,786,399	3.3%	- 11.0%	- 2.4%
Oakland	14,504	13,265,633	14,936,227	17.5%	- 11.2%	- 3.7%
Dublin	1,457	4,981,341	5,851,243	6.6%	- 14.9%	- 5.1%
Newark	1,430	2,765,799	3,765,855	3.6%	- 26.6%	- 12.1%
Fremont	5,564	11,861,987	19,605,076	15.6%	- 39.5%	- 35.5%
Piedmont	205	37,864	47,282	0.0%	- 19.9%	- 35.5%
Totals	50,665	75,870,426	92,482,876	100.0%	- 18.0%	- 7.9%
Alameda Pool	18,710	15,359,605	15,197,163		+ 1.1%	+ 17.6%

Per Capita Sales

Alameda

Count: 2,953

Oakland

Count: 14,504

El Cerrito

Count: 667

Union City

Count: 1,361

San Leandro

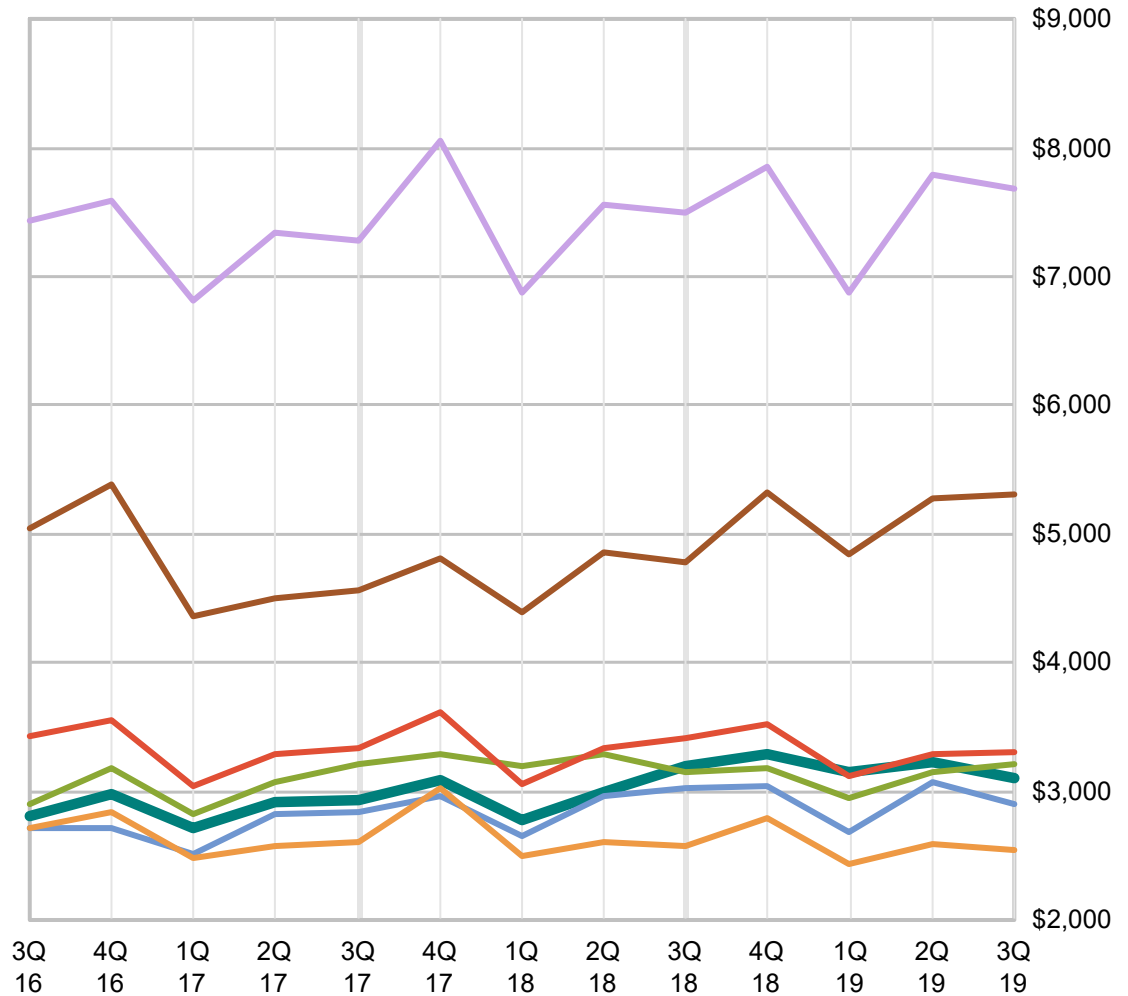
Count: 2,691

Berkeley

Count: 5,058

Hayward

Count: 4,474



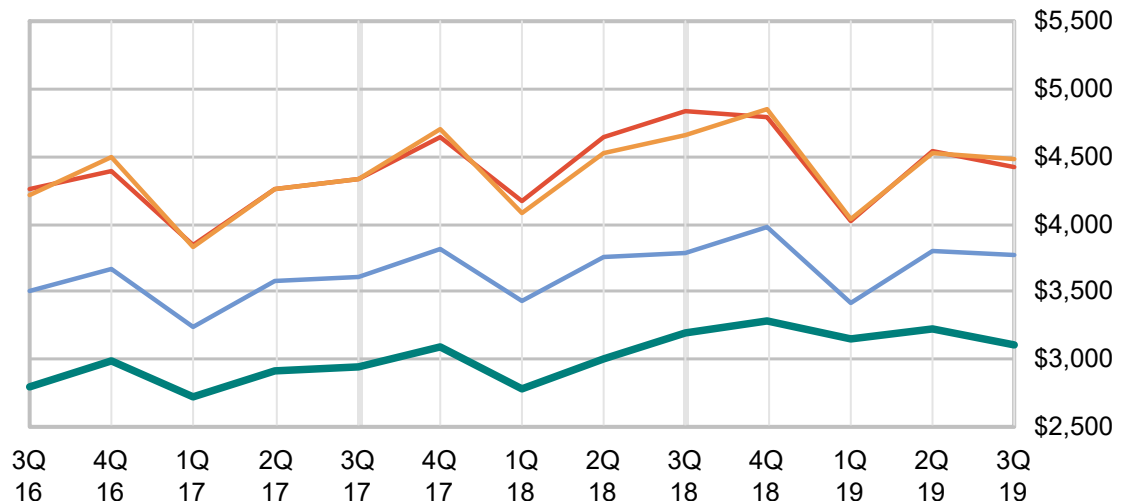
Per Capita Sales

Alameda

Alameda County

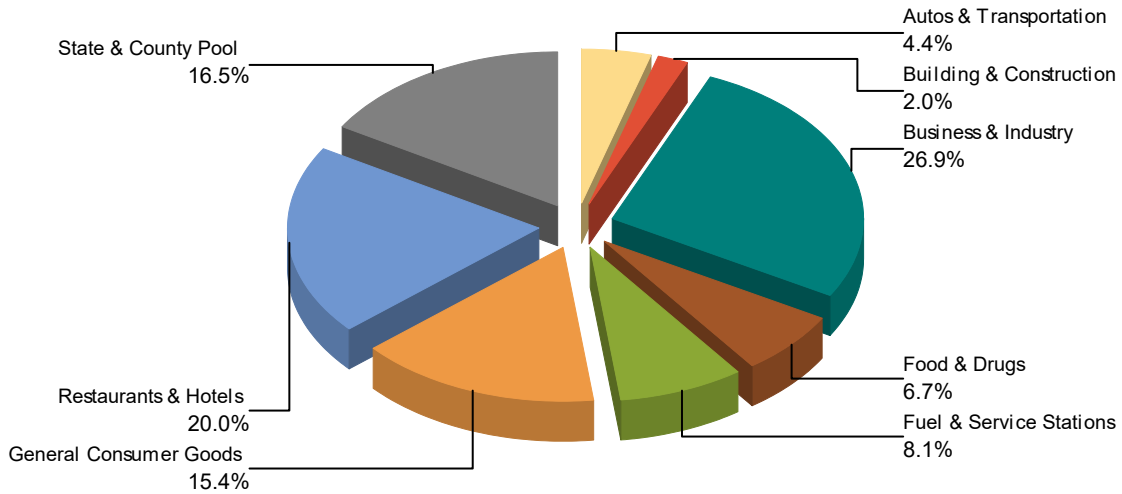
Bay Area

California



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

City of Alameda



HdL Client Database Statewide Totals

