



Quarterly Sales Tax Report
for the Period Ending
March 31, 2020

Q4 2019



City of Alameda Sales Tax *Update*

First Quarter Receipts for Fourth Quarter Sales (October - December 2019)

Alameda In Brief

Alameda's receipts from October through December were 2.4% above the fourth sales period in 2018. Excluding reporting aberrations, actual sales were up 0.2%.

Once double payments were removed, the business and industry group gained 1.0%. The rise in several sectors including business services was partially offset by lower returns in other business to business categories.

Recent openings in casual dining produced the actual increase of 1.3% in restaurants.

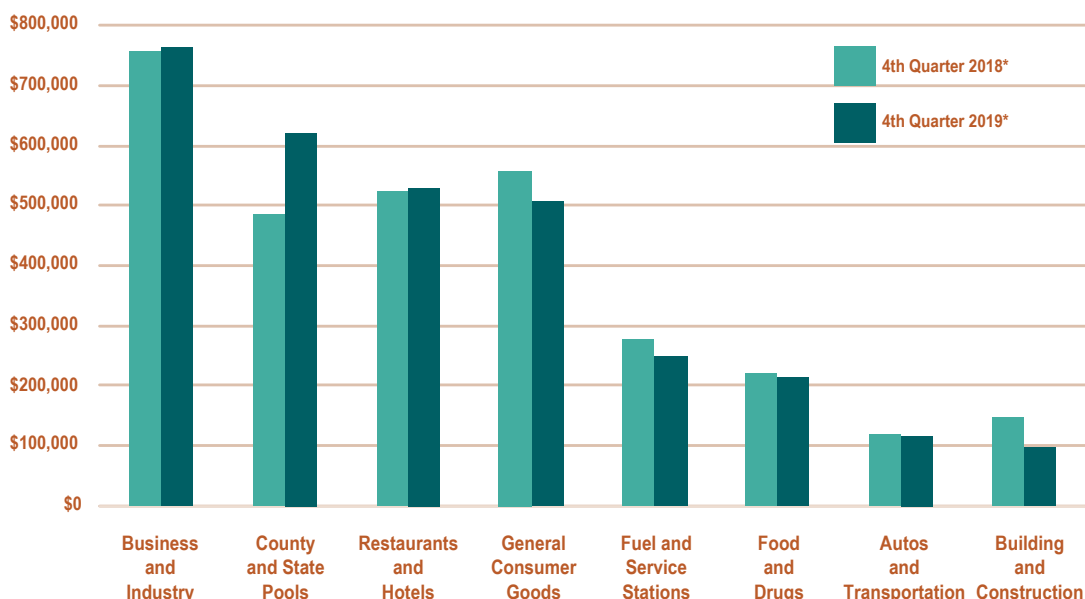
The full implementation of the Wayfair decision including Marketplace Facilitators elevated the City's allocation from the countywide pool. The overall growth in gross receipts was in large part due to this factor.

Store closures contributed to the loss in holiday quarter retail while service station returns dipped 10.3% on an adjusted basis.

Measure F, the City's half cent transaction tax which became effective April 1, 2019, generated an additional \$1,936,440.

Net of aberrations, taxable sales for all of Alameda County grew 1.5% over the comparable time period; the Bay Area was up 3.9%.

SALES TAX BY MAJOR BUSINESS GROUP



*Allocation aberrations have been adjusted to reflect sales activity

TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

ABB Optical Group	Pottery Barn Outlet
Abbott Diabetes Care	Ross
Aisle 1	Safeway
Alameda Electrical Distributors	Safeway Fuel
Arco	Standard Process
Bed Bath & Beyond	Sushi House
Chevron	Target
CVS Pharmacy	TJ Maxx
In N Out Burger	Trabocco
Kohls	Trader Joes
Nob Hill Food	Walgreens
Old Navy	Webster 76
Penumbra	

REVENUE COMPARISON

Two Quarters – Fiscal Year To Date (Q3 to Q4)

	2018-19	2019-20
Point-of-Sale	\$5,363,081	\$5,015,039
County Pool	922,684	1,082,988
State Pool	2,758	2,320
Gross Receipts	\$6,288,523	\$6,100,348
Cty/Cnty Share	(314,426)	(305,017)
Net Receipts	\$5,974,097	\$5,795,331
Measure F	\$0	\$3,805,522

California Overall

Statewide sales and use tax receipts from 2019's fourth quarter were 4.2% higher than last year's holiday quarter after factoring for accounting anomalies.

The increase came from the acceleration in online shopping which generated huge gains in the countywide use tax pools for merchandise shipped from out-of-state and from California based fulfillment warehouses in those cases where the warehouse is also point-of-sale. This segment was further boosted by the first full quarter of California's implementation of the Wayfair vs South Dakota ruling that requires out-of-state retailers to collect and remit sales tax on merchandise sold to California customers. The ruling has led to an increase in sales tax receipts of roughly \$2.95 per capita while also producing double digit gains for in-state online fulfillment centers.

In contrast, soft sales and closeouts resulted in a decline in almost every category of brick-and-mortar spending during the holiday season while new cannabis retailers helped boost what would have been a soft quarter for the food-drug group. Most other sales categories including new cars and business-industrial purchases were also down. Restaurant group gains were modest compared to previous quarters.

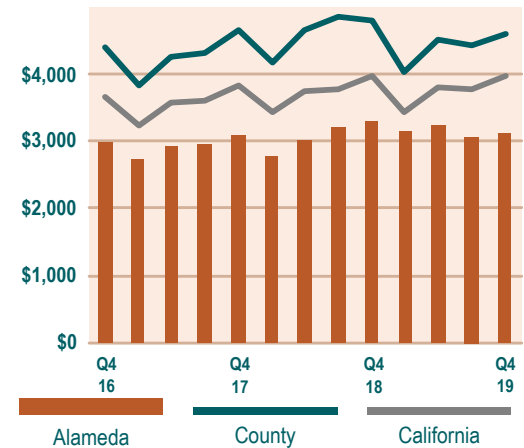
Overall, the rise in county pool receipts offset what would have been otherwise, a flat or depressed quarter for most jurisdictions.

Covid-19

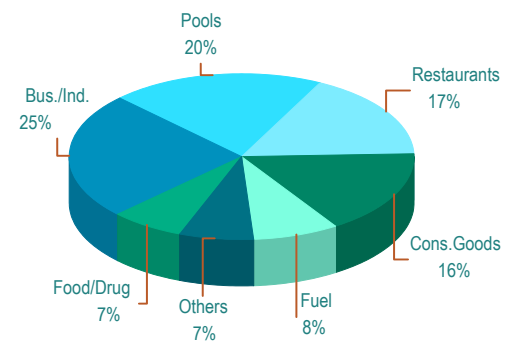
The coronavirus impact will first be seen in next quarter's data reflecting January through March sales. Based on recovery rates being reported in some Asian countries, the virus's disruption of supply chains will be deepest in the first and second quarter and largely resolved by mid-summer. However, recovery from social distancing and home confinements could take longer

with the deepest tax declines expected in the restaurant/hospitality, travel/transportation and brick-and-mortar retail segments. Layoffs and furloughs are also expected to reduce purchases of new cars and other high cost durable goods. The losses from the state's high-tech innovation industries may be more modest while the food-drug and online retail groups could exhibit increases.

Assuming that the virus is largest contained by the end of September, HdL's economic scenario projects that tax declines will bottom out in the first quarter of 2021 but with only moderate gains for several quarters after. Data from previous downturns suggests that the return to previous spending is not immediate and often evolves. Businesses emerge with ways to operate with fewer employees and more moderate capital investment. Consumers take time to fully get back to previous levels of leisure travel, dining and spending and may permanently transfer to newly discovered services, activities and/or online retail options.

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		Alameda		County	HdL State
Business Type	Q4 '19*	Change		Change	Change
Boats/Motorcycles	38.2	-21.2%		-15.9%	0.1%
Business Services	47.4	14.3%		22.7%	-5.8%
Casual Dining	310.3	2.2%		4.2%	3.8%
Convenience Stores/Liquor	36.2	-7.8%		-1.7%	-0.3%
Discount Dept Stores	—	CONFIDENTIAL	—	3.1%	3.6%
Drug Stores	—	CONFIDENTIAL	—	-1.2%	-0.7%
Family Apparel	95.8	-16.6%		2.1%	1.3%
Fast-Casual Restaurants	56.7	5.8%		-0.9%	4.4%
Grocery Stores	123.6	2.0%		0.8%	1.3%
Home Furnishings	43.8	-10.3%		-6.0%	-2.1%
Medical/Biotech	—	CONFIDENTIAL	—	1.8%	-0.9%
Plumbing/Electrical Supplies	—	CONFIDENTIAL	—	12.6%	-0.7%
Quick-Service Restaurants	136.0	-0.3%		-0.4%	1.9%
Service Stations	248.8	-9.7%		-4.0%	0.2%
Specialty Stores	75.0	-3.9%		-3.0%	-3.8%
Total All Accounts	2,481.7	-4.9%		-3.6%	0.2%
County & State Pool Allocation	619.3	27.5%		28.7%	26.7%
Gross Receipts	3,101.0	0.2%		1.5%	4.2%

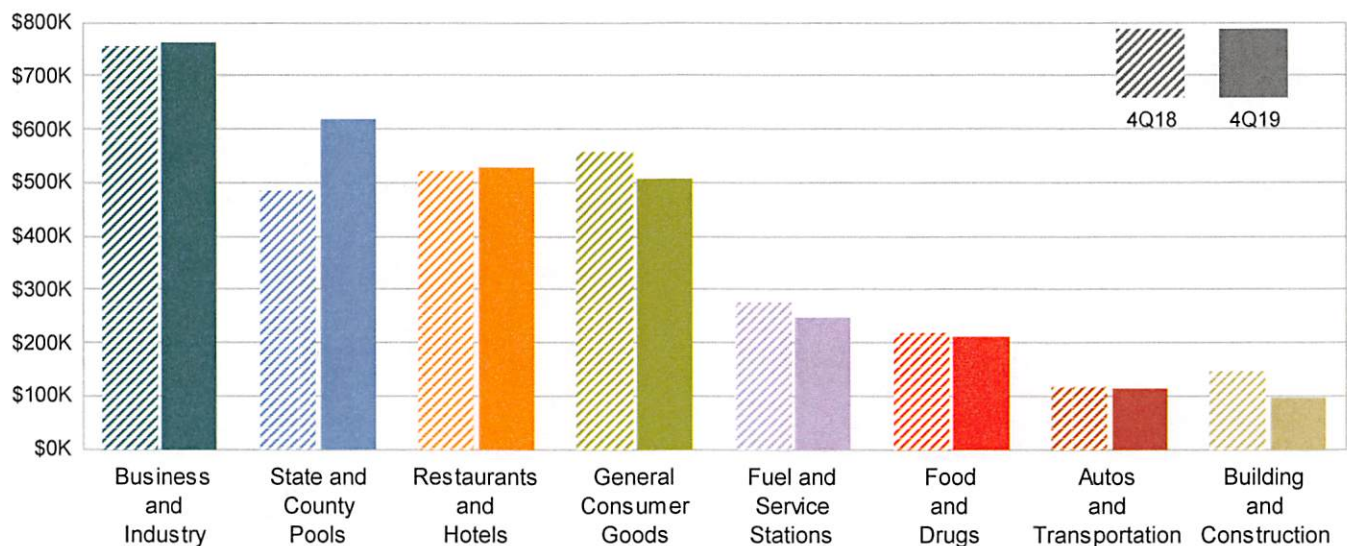
** Accounting aberrations such as late payments, fund transfers, and audit adjustments have been adjusted to reflect the quarter in which the sales occurred.

CITY OF ALAMEDA

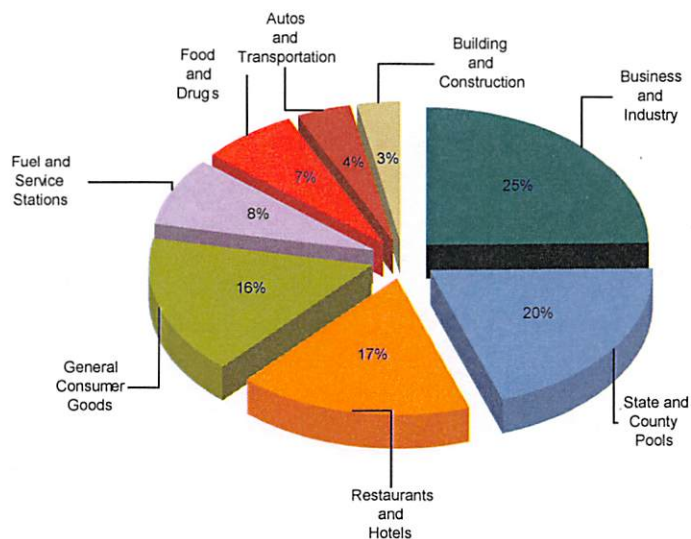
MAJOR INDUSTRY GROUPS

Major Industry Group	Count	4Q19	4Q18	\$ Change	% Change
Business and Industry	676	762,296	754,376	7,920	1.0%
State and County Pools	-	619,304	485,573	133,731	27.5%
Restaurants and Hotels	371	529,122	522,299	6,822	1.3%
General Consumer Goods	1,565	508,537	557,337	(48,800)	-8.8%
Fuel and Service Stations	19	249,141	277,849	(28,708)	-10.3%
Food and Drugs	103	212,699	220,190	(7,490)	-3.4%
Autos and Transportation	122	117,039	119,435	(2,396)	-2.0%
Building and Construction	69	98,465	147,651	(49,186)	-33.3%
Transfers & Unidentified	53	4,427	10,598	(6,171)	-58.2%
Total	2,978	3,101,030	3,095,308	5,722	0.2%

4Q18 Compared To 4Q19



4Q19 Percent of Total



Sales Tax by Major Industry Group

Business And Industry

Count: 676

State & County Pools

Restaurants And Hotels

Count: 371

General Consumer Goods

Count: 1,565

Fuel And Service Stations

Count: 19

Food And Drugs

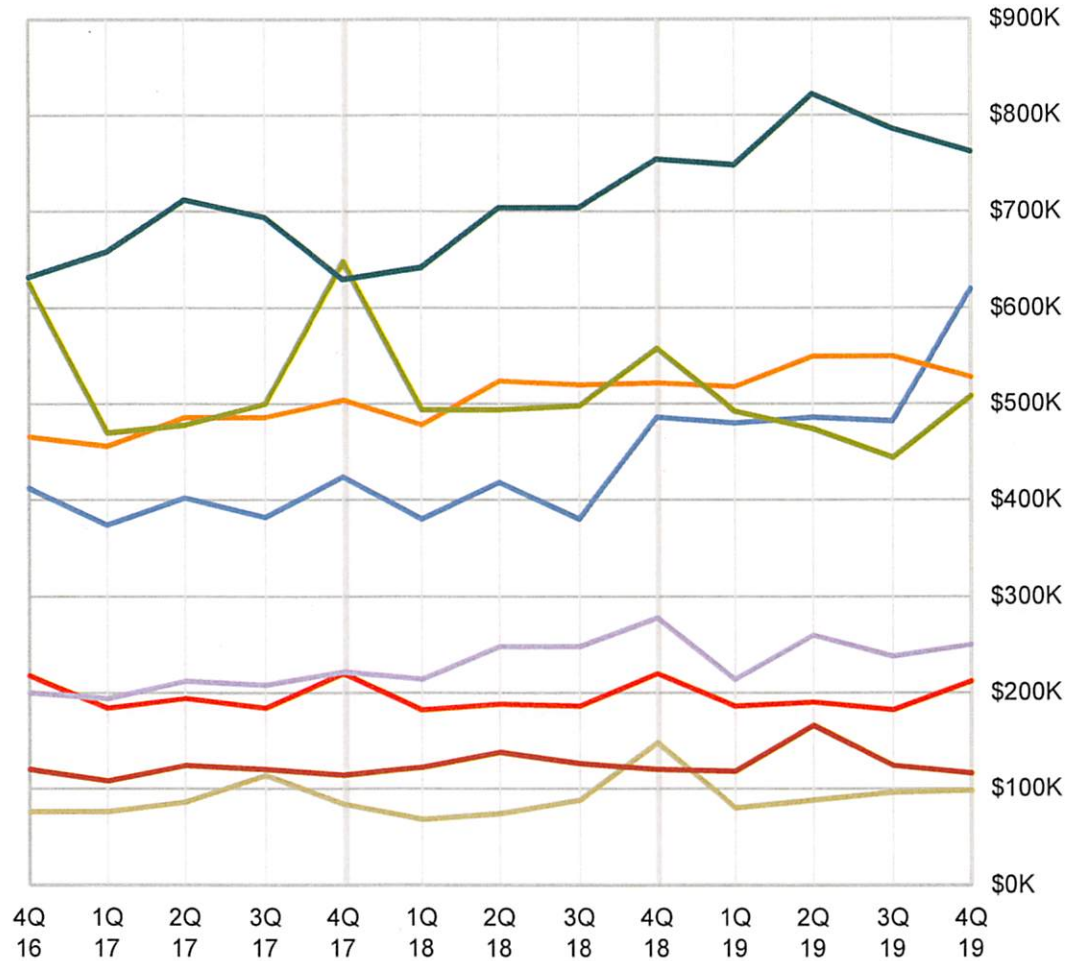
Count: 103

Autos And Transportation

Count: 122

Building And Construction

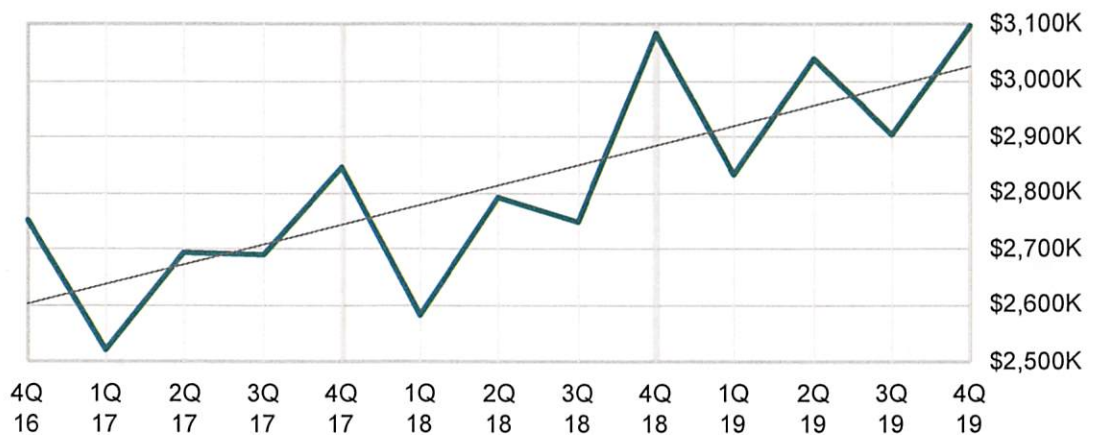
Count: 69



Agency Trend

Alameda

13 Quarter Trend: +16.3%



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

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Geo Area Names

Sales Tax by Geographic areas

Harbor Bay Business Park

Count: 64

South Shore Center

Count: 77

Alameda Landing

Count: 39

Park - North & South Of Lincoln

Count: 441

Webster- North & South Of Lincoln

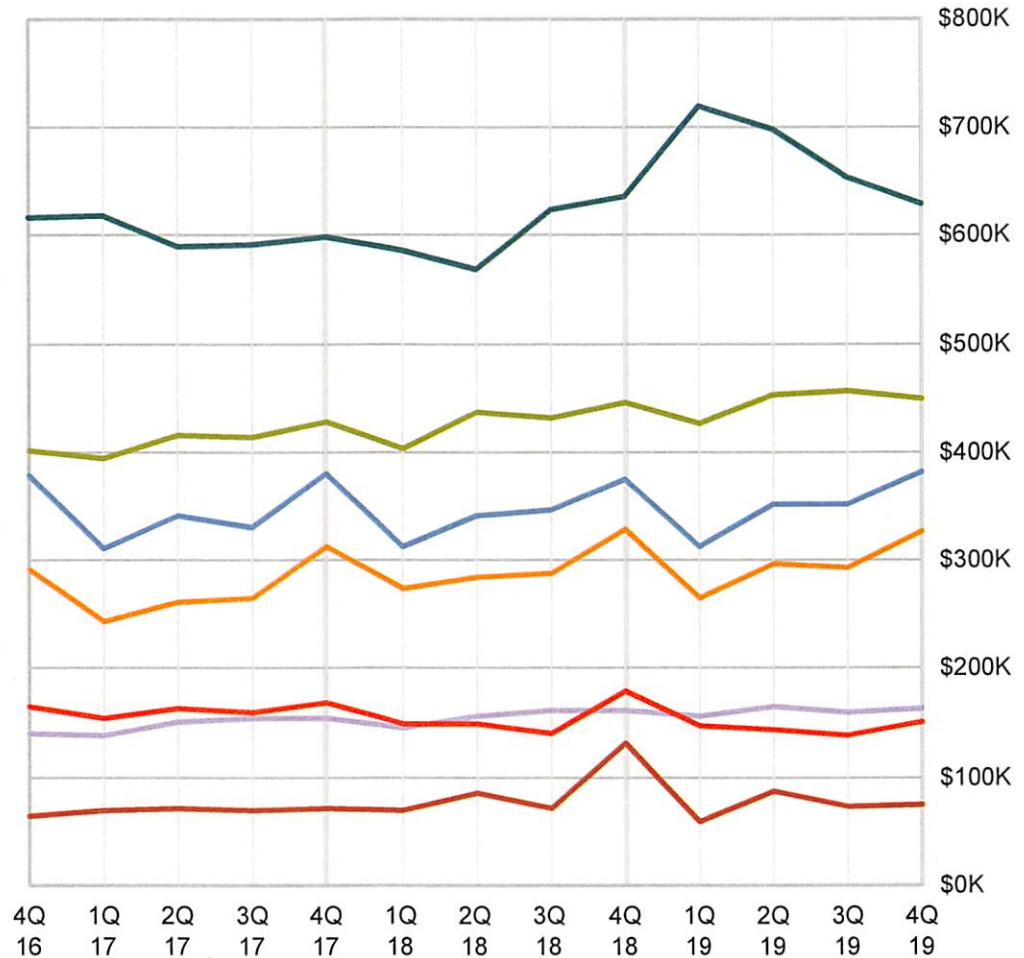
Count: 129

Clement Ave & Blanding Ave

Count: 107

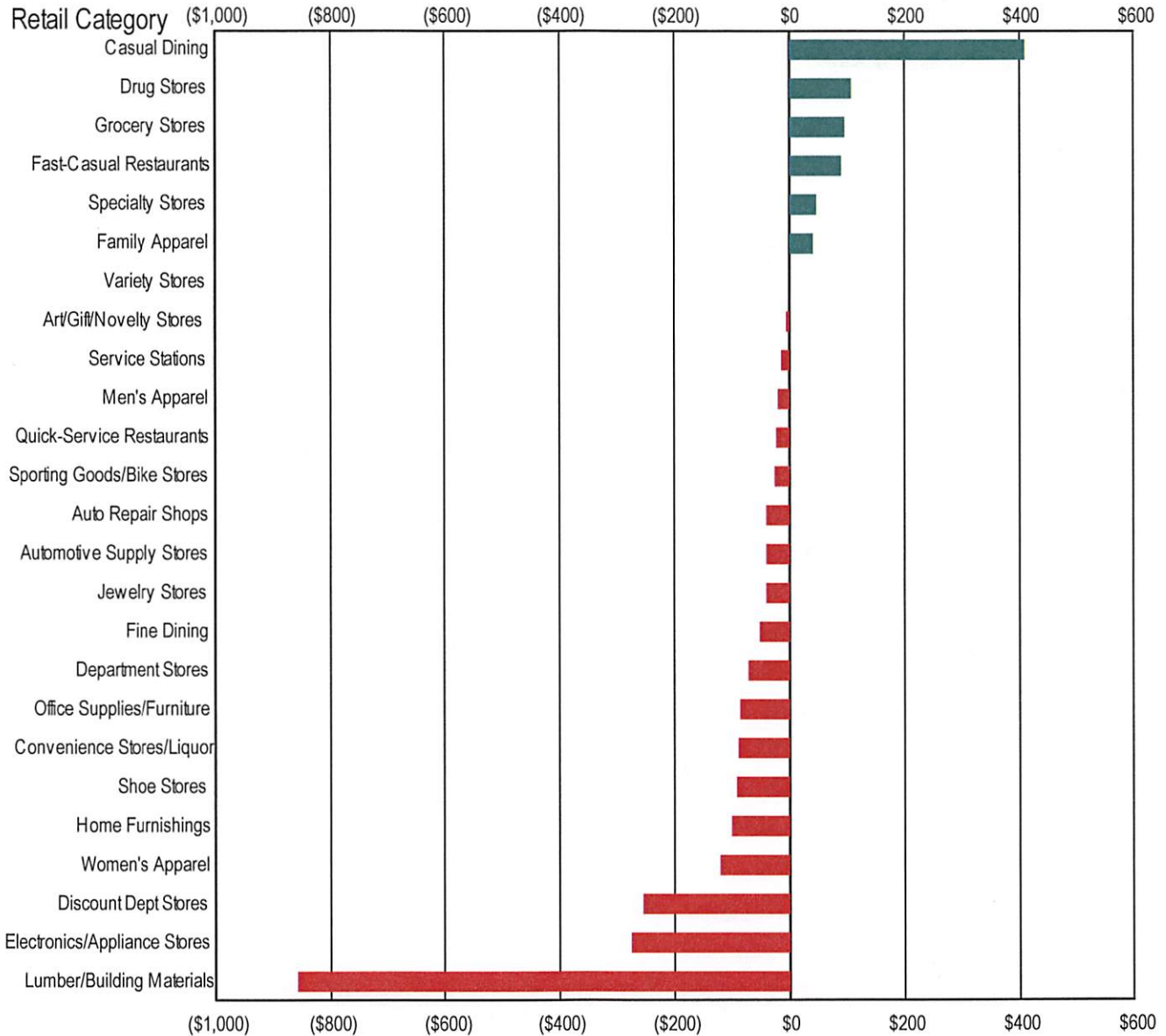
Alameda Point

Count: 493



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

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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 - 4Q 2019 SALES

Agency allocations reflect "point of sale" receipts

Agency Name	Count	Current Year 4Q 2019	Prior Year 4Q 2018	Share of County Pool	Actual Receipts % Change	Adjusted % Change
Newark	1,448	3,163,793	2,999,085	4.0%	+ 5.5%	+ 13.6%
Pleasanton	3,807	5,162,634	5,169,168	6.5%	- 0.1%	+ 4.8%
San Leandro	2,726	7,822,219	6,990,931	9.9%	+ 11.9%	+ 3.2%
Piedmont	210	63,766	54,557	0.1%	+ 16.9%	+ 1.1%
Alameda Co. Uninc	2,654	2,646,458	2,621,963	3.3%	+ 0.9%	+ 0.6%
Livermore	3,008	8,340,635	7,935,268	10.6%	+ 5.1%	- 0.1%
Emeryville	862	2,207,382	1,970,370	2.8%	+ 12.0%	- 0.6%
Hayward	4,515	9,077,530	8,418,833	11.5%	+ 7.8%	- 0.8%
Union City	1,351	2,373,538	2,410,906	3.0%	- 1.5%	- 1.8%
Berkeley	4,901	4,452,922	4,504,995	5.6%	- 1.2%	- 3.4%
Oakland	14,791	12,444,838	13,435,402	15.8%	- 7.4%	- 4.9%
Alameda	2,978	2,533,893	2,576,681	3.2%	- 1.7%	- 4.9%
Albany	573	674,932	672,199	0.9%	+ 0.4%	- 6.1%
Dublin	1,427	5,198,356	5,602,791	6.6%	- 7.2%	- 10.7%
Fremont	5,610	12,838,300	14,274,771	16.3%	- 10.1%	- 14.2%
Totals	50,860	79,001,196	79,637,920	100.0%	- 0.8%	- 3.6%
Alameda Pool	18,525	18,104,693	14,366,011		+ 26.0%	+ 28.8%

Per Capita Sales

Alameda

Count: 2,978

Oakland

Count: 14,791

El Cerrito

Count: 677

Union City

Count: 1,351

San Leandro

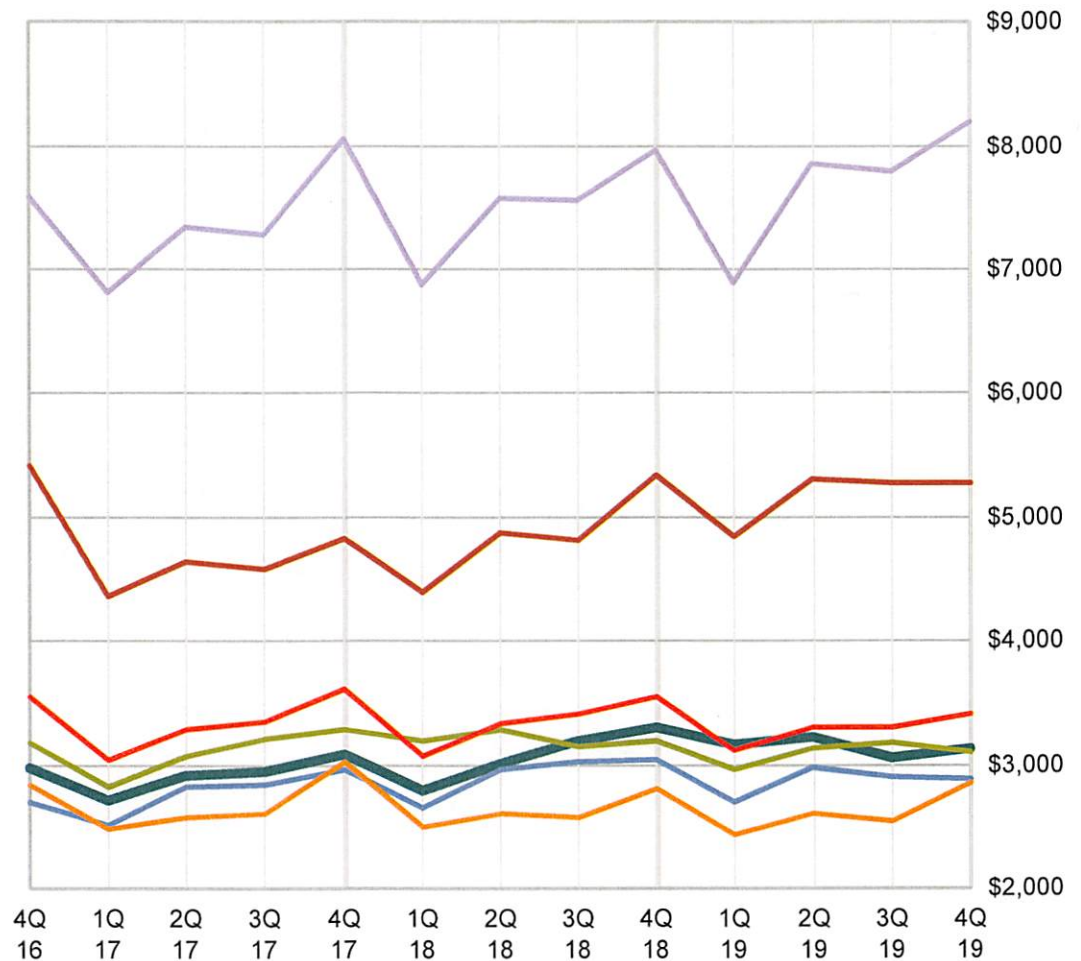
Count: 2,726

Berkeley

Count: 4,901

Hayward

Count: 4,515



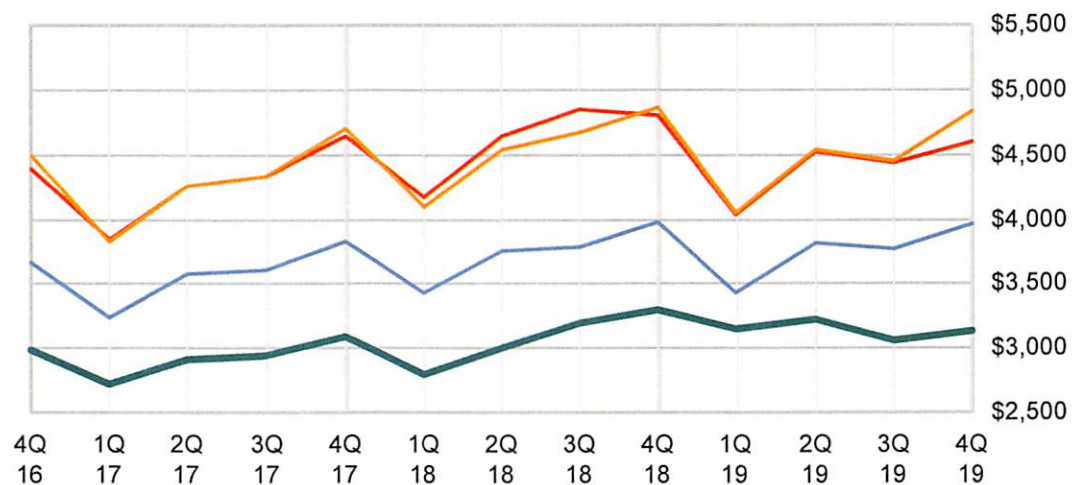
Per Capita Sales

Alameda

Alameda County

Bay Area

California

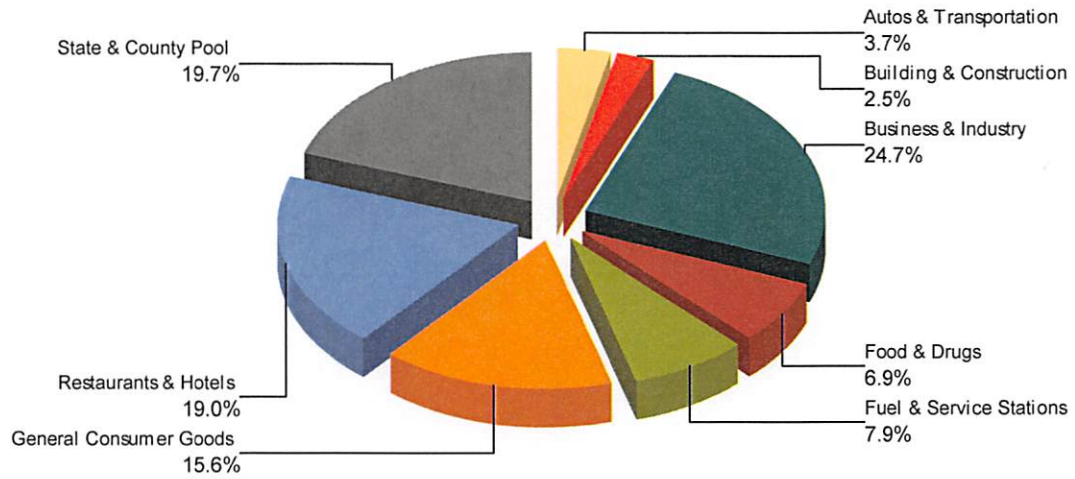


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HdL CITY TO STATE COMPARISON

4Q 2019

City of Alameda



HdL Client Database Statewide Totals

