



Quarterly Sales Tax Report
for the Period Ending
June 30, 2020

Q1 2020



City of Alameda Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2020)

Alameda In Brief

Alameda's receipts from January through March were 32.1% below the first sales period in 2019. Cash allocations were pulled down by eligible companies taking advantage of the extra 90-days to file tax returns under the Governor's recent Executive Order. Excluding reporting aberrations, actual sales were down 9.9%.

Consequences were significant as a result of shelter in place declarations in mid-March. Restaurants were particularly impacted.

General consumer goods had fewer taxable transactions in most categories in combination with a recent closure. In addition, a onetime allocation in the comparison quarter exacerbated the overall decline.

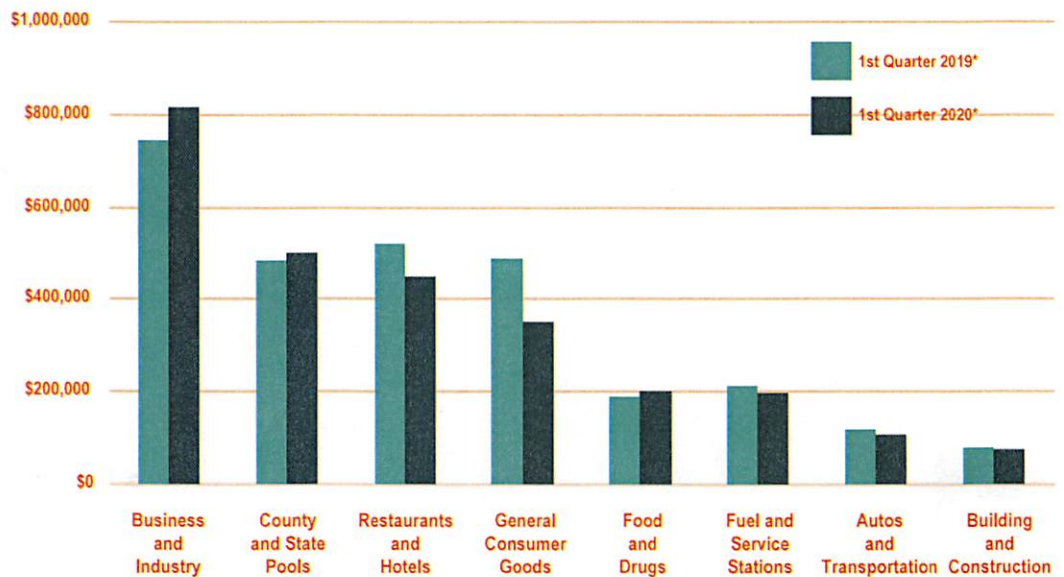
Positive sales activity in several sectors including business services accounted for the 9.2% increase in business and industry.

Essential merchants remained operational all quarter; impacts showed up in growth from grocery and drug stores.

Finally, countywide use tax pool allocations posted a gain as recent legislation allowed tax collection from third-party sellers on internet-based market platforms.

Measure F, the half cent transactions tax added \$1.2 million on an actual basis.

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
Abbott Diabetes Care	Petco
Aisle 1	Ross
Alameda Electrical Distributors	Safeway
Bay Ship & Yacht Co	Safeway Fuel
Bron Tapes	Standard Process
Chevron	Northern California
CVS Pharmacy	Sushi House
Delphi Productions	Target
In N Out Burger	TJ Maxx
Kohls	Trader Joes
La Penca Azul	Walgreens
Nob Hill Food	Webster 76

REVENUE COMPARISON

Three Quarters - Fiscal Year To Date (Q3 to Q1)

	2018-19	2019-20
Point-of-Sale	\$8,079,370	\$6,723,229
County Pool	1,429,023	1,563,758
State Pool	4,345	3,909
Gross Receipts	\$9,512,738	\$8,290,897
Cty/Cnty Share	(475,637)	(414,545)
Net Receipts	\$9,037,101	\$7,876,352
Measure F	\$2,693	\$5,119,397

Statewide Results

With stay at home/non-essential business restrictions in place during the last two weeks of the quarter, local one cent tax revenues for the state overall, were 18.8% lower than January to March of 2019. Taxpayer relief programs accounted for much of the decline with receipts down roughly 3.1% after factoring for payment deferrals and other accounting anomalies.

Severe drops in auto sales, general consumer goods, service stations and restaurants were largely offset by new revenue from implementation of the Wayfair v. South Dakota decision that now requires out-of-state retailers to collect and remit Californian's sales and use tax. Other offsets included a surge in online shopping that boosted receipts from the county use tax allocation pools and from online retailers who maintain and ship their inventory from within California.

The food/drug sector also showed strong gains as did many home supply, dollar and discount stores that remained open during the shutdown.

New Challenges & Opportunities

Current indicators suggest that overall tax receipts for the April thru June sales period will bottom out at 27% below the second quarter of 2019. The speed of the rebound in sales activity will be dependent on the availability of adequate testing, treatment therapies and ultimately a vaccine. Until then, physical distancing, COVID-19 protocols and supply chain disruptions will create limitations on some operating capacities and the return to work of all employees. Health fears, discounts and liquidation sales may also keep sales tax revenues below pre-pandemic levels until solutions are in place.

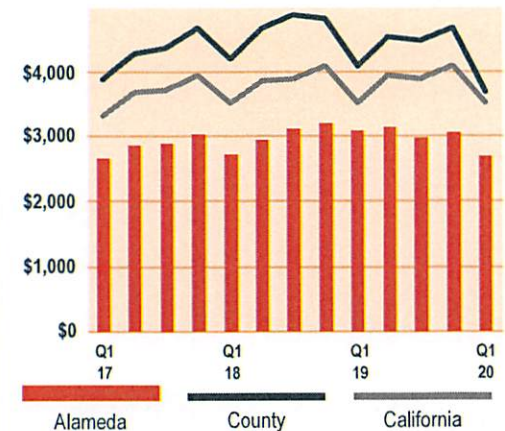
Regardless of when full recovery does occur, reports are that some elements of the economy will be permanently altered. Generation of future tax revenues may require rethinking of local economic strategies.

Over expansion, excessive debt and consumer shifts to online shopping were already resulting in bankruptcies with estimates of up to 25,000 brick-and-mortar store closings by the end of 2020. "Touch and feel" shopping is not going away but retailers see an evolution where in-store shopping is more leisure/recreational oriented with smaller stores offering more show-rooming and delivery/pick-up services. The smaller footprints and lifestyle emphasis offer opportunities to reinstate downtowns and neighborhood centers as economic/social gathering places.

The Pandemic's capture of new online customers and the growing trend of manufacturers and entrepreneurs with new concepts to bypass physical stores and sell directly to the consumer also expands options for agencies without large market populations to generate sales tax through industrial development.

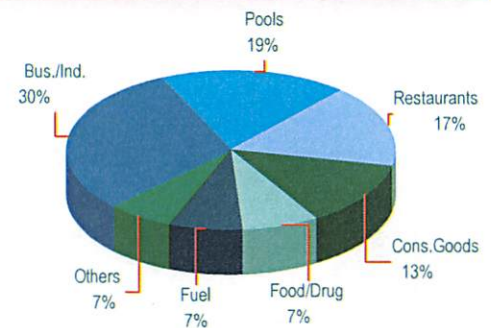
Finally, the Pandemic's disruption of supply chains has also accelerated growing dissatisfaction with overseas arrangements and some reshoring will occur which offers opportunities to leverage a city's existing business base to attract compatible support industries.

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 Q1 '20*	Alameda Change	County Change	HdL State Change
Boats/Motorcycles	37.5	-7.9%	-11.6%	-5.3%
Business Services	86.9	108.6%	4.6%	-13.7%
Casual Dining	274.8	-12.3%	-18.3%	-18.8%
Convenience Stores/Liquor	33.6	-4.3%	-0.9%	-4.4%
Discount Dept Stores	— CONFIDENTIAL —		3.5%	3.2%
Drug Stores	— CONFIDENTIAL —		3.8%	3.4%
Family Apparel	56.5	-63.8%	-28.2%	-21.1%
Fast-Casual Restaurants	48.1	-12.8%	-10.4%	-9.9%
Grocery Stores	110.0	16.5%	11.9%	11.8%
Home Furnishings	34.7	-17.9%	-17.1%	-13.0%
Light Industrial/Printers	30.8	-3.2%	-3.4%	-5.0%
Medical/Biotech	— CONFIDENTIAL —		-5.0%	-1.8%
Quick-Service Restaurants	111.5	-16.8%	-14.2%	-8.5%
Service Stations	195.2	-8.9%	-16.0%	-9.5%
Specialty Stores	57.0	-8.4%	-12.1%	-10.1%
Total All Accounts	2,189.8	-12.6%	-9.0%	-7.3%
County & State Pool Allocation	500.5	3.7%	20.5%	22.4%
Gross Receipts	2,690.3	-9.9%	-4.4%	-3.0%

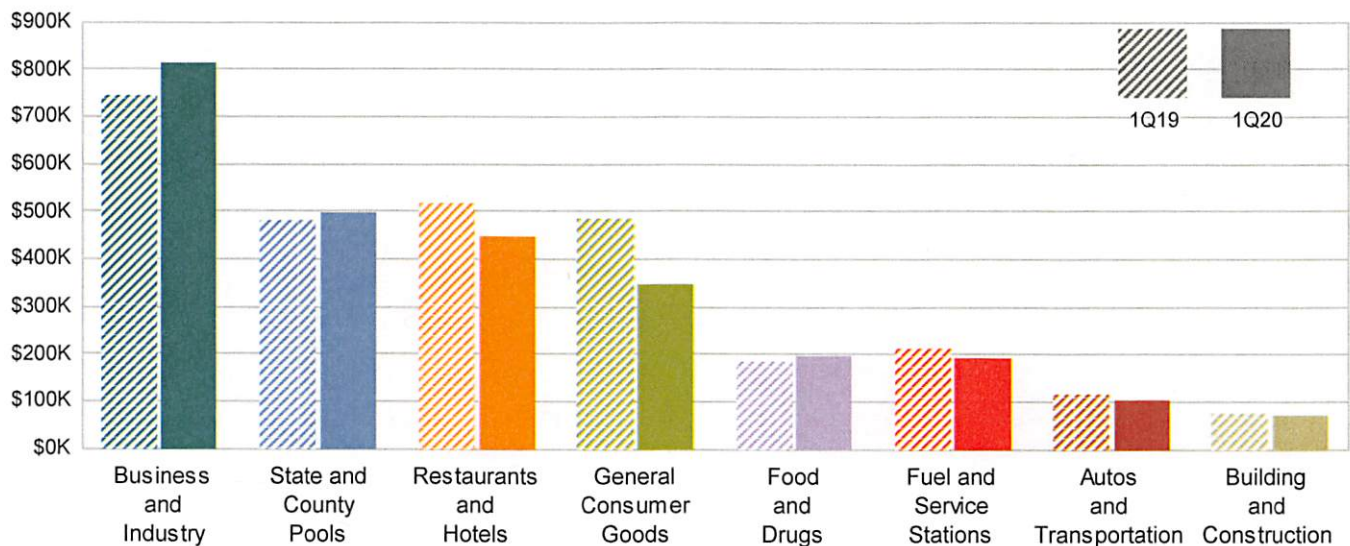
** Accounting aberrations such as late payments, fund transfers, and audit adjustments have been adjusted to reflect the quarter in which the sales occurred.

CITY OF ALAMEDA

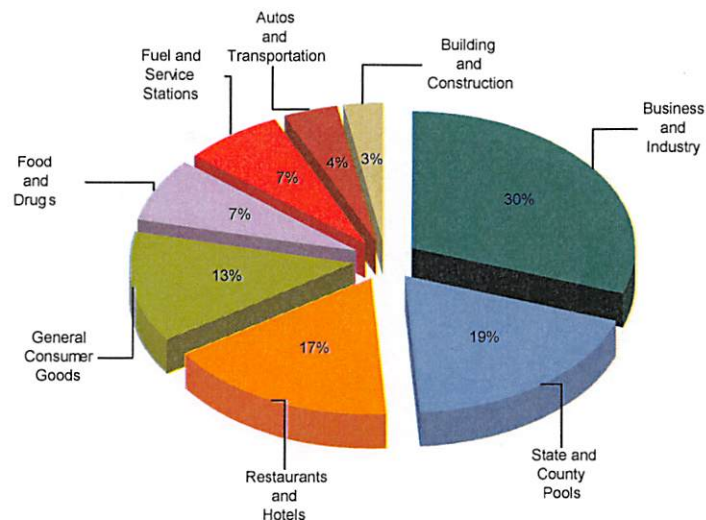
MAJOR INDUSTRY GROUPS

Major Industry Group	Count	1Q20	1Q19	\$ Change	% Change
Business and Industry	666	813,248	744,545	68,702	9.2%
State and County Pools	-	500,520	482,429	18,091	3.7%
Restaurants and Hotels	362	449,576	520,986	(71,410)	-13.7%
General Consumer Goods	1,503	348,477	487,298	(138,821)	-28.5%
Food and Drugs	99	200,036	188,674	11,362	6.0%
Fuel and Service Stations	19	195,467	214,359	(18,892)	-8.8%
Autos and Transportation	123	106,250	117,687	(11,437)	-9.7%
Building and Construction	68	74,923	79,624	(4,701)	-5.9%
Transfers & Unidentified	58	1,840	151,682	(149,842)	-98.8%
Total	2,898	2,690,336	2,987,285	(296,949)	-9.9%

1Q19 Compared To 1Q20



1Q20 Percent of Total



CITY OF ALAMEDA

MAJOR INDUSTRY GROUPS - 13 QUARTER HISTORY

Sales Tax by Major Industry Group

Business And Industry

Count: 666

State & County Pools

Restaurants And Hotels

Count: 362

General Consumer Goods

Count: 1,503

Food And Drugs

Count: 99

Fuel And Service Stations

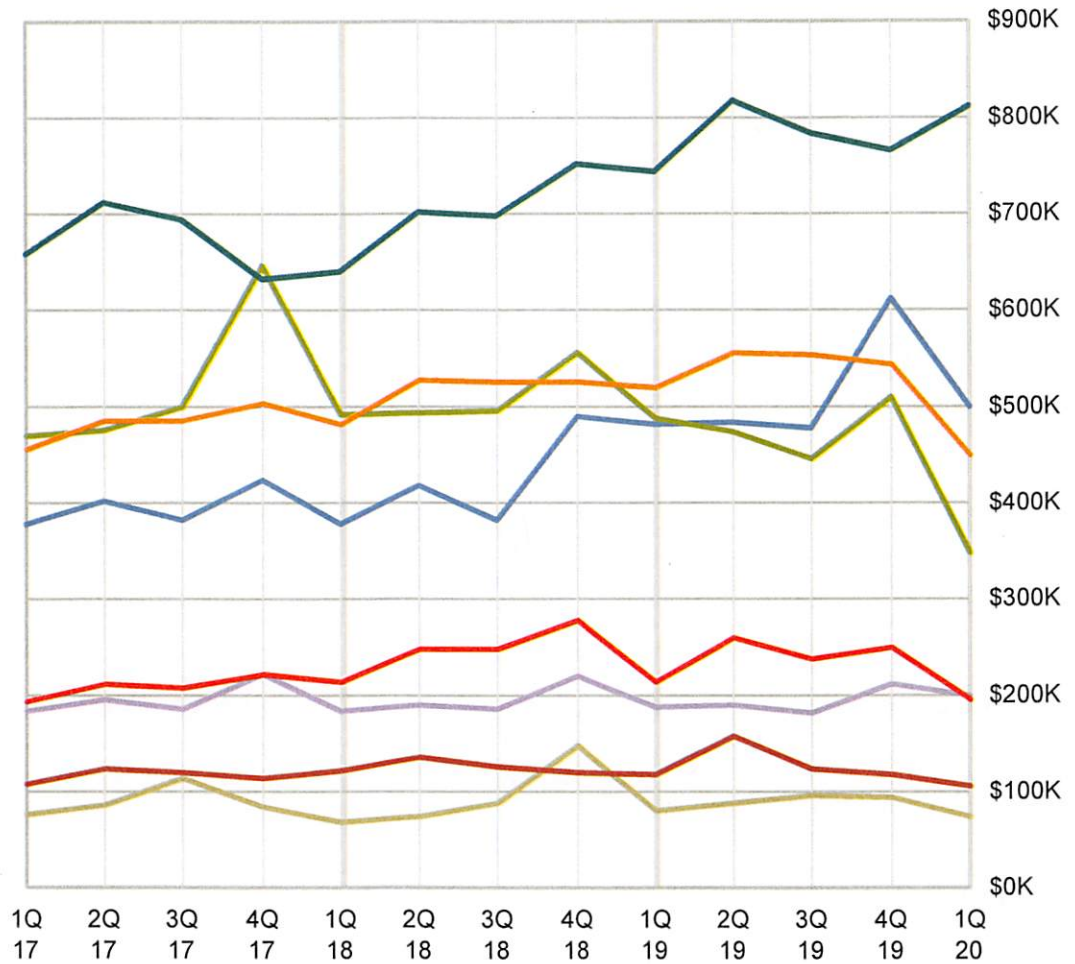
Count: 19

Autos And Transportation

Count: 123

Building And Construction

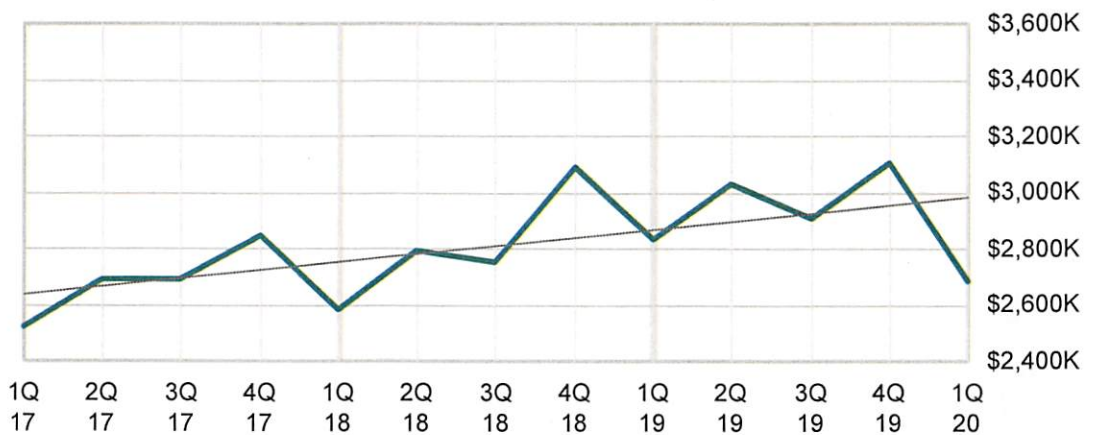
Count: 68



Agency Trend

Alameda

13 Quarter Trend: +13.1%



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: 61

South Shore Center

Count: 77

Alameda Landing

Count: 40

Park - North & South Of Lincoln

Count: 432

Webster- North & South Of Lincoln

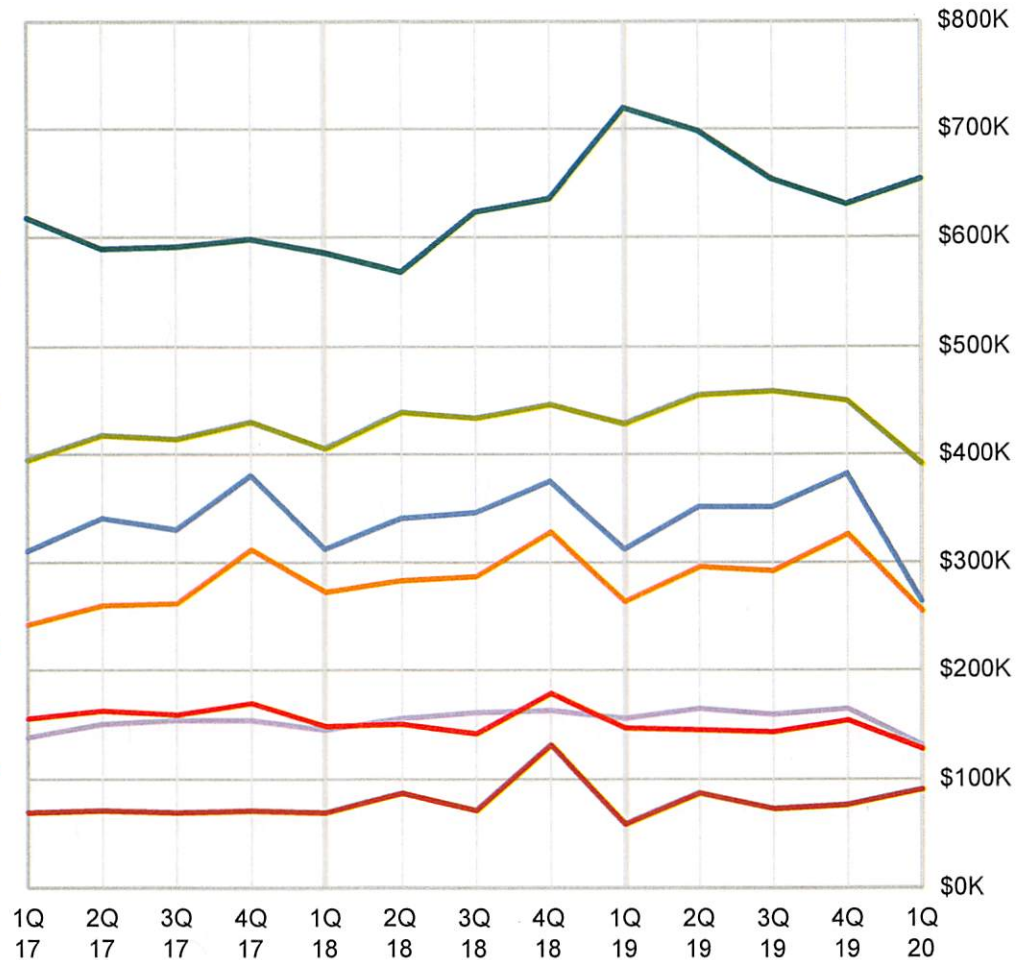
Count: 130

Clement Ave & Blanding Ave

Count: 111

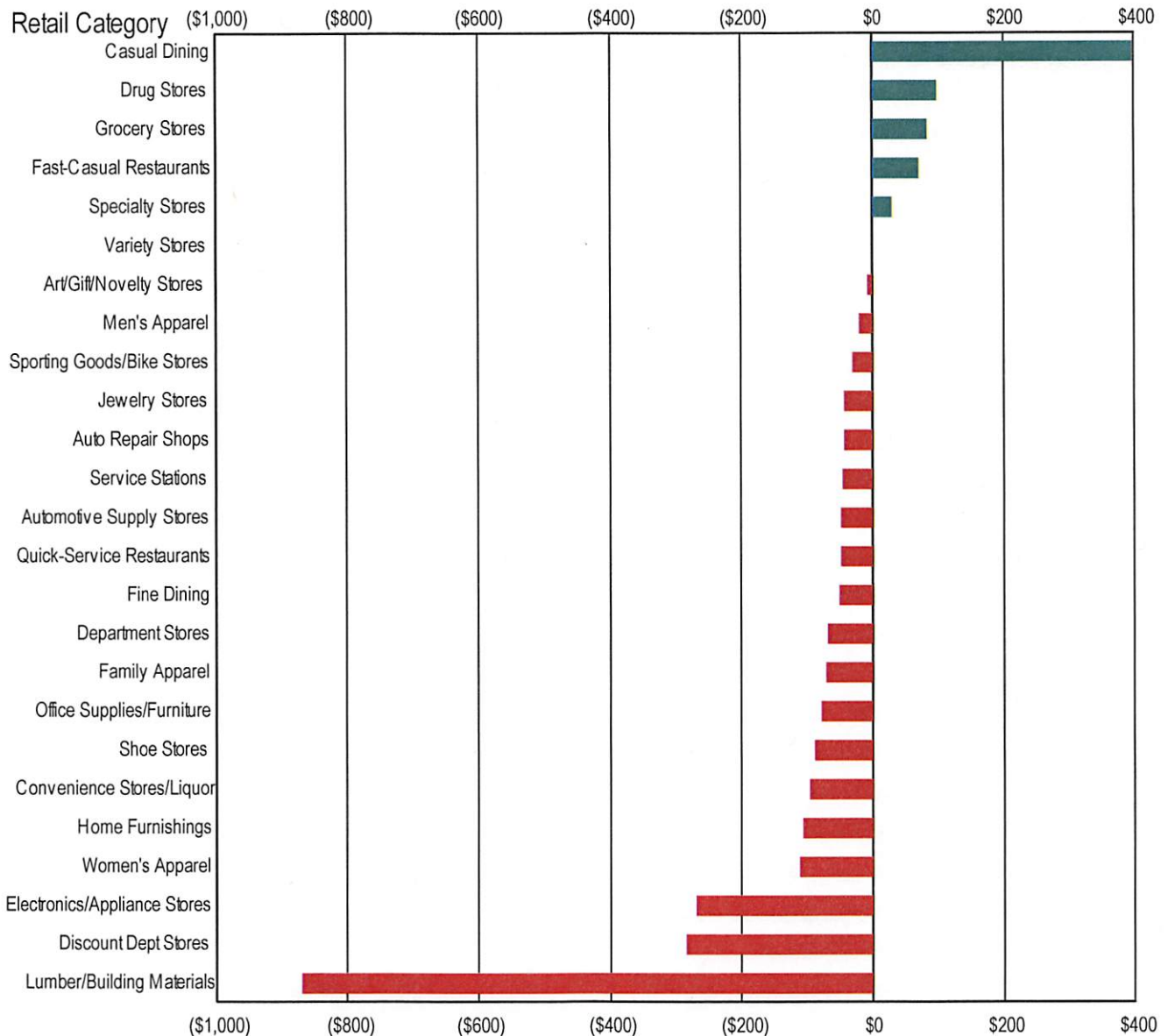
Alameda Point

Count: 476



* 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@hdcompanies.com



ALAMEDA COUNTY ALL AGENCIES

SALES TAX TRENDS FOR ALL AGENCIES - 1Q 2020 SALES

Agency allocations reflect "point of sale" receipts

Agency Name	Count	Current Year 1Q 2020	Prior Year 1Q 2019	Share of County Pool	Actual Receipts % Change	Adjusted % Change
Newark	1,407	2,287,765	2,707,637	4.4%	- 15.5%	- 0.2%
Hayward	4,382	6,335,294	7,305,258	12.3%	- 13.3%	- 2.4%
San Leandro	2,694	5,464,270	6,887,371	10.6%	- 20.7%	- 2.8%
Albany	543	415,645	597,073	0.8%	- 30.4%	- 8.9%
Alameda Co. Uninc	2,558	1,514,561	2,229,386	2.9%	- 32.1%	- 9.1%
Berkeley	4,699	2,655,601	3,983,544	5.1%	- 33.3%	- 9.4%
Fremont	5,472	8,206,716	11,358,319	15.9%	- 27.7%	- 10.5%
Union City	1,286	1,720,846	2,295,923	3.3%	- 25.0%	- 10.6%
Pleasanton	3,669	3,494,495	4,849,627	6.8%	- 27.9%	- 10.7%
Dublin	1,401	2,828,754	4,564,142	5.5%	- 38.0%	- 11.6%
Livermore	2,870	5,674,922	6,721,306	11.0%	- 15.6%	- 11.7%
Alameda	2,898	1,708,189	2,716,289	3.3%	- 37.1%	- 12.6%
Emeryville	837	1,298,575	1,878,586	2.5%	- 30.9%	- 12.9%
Oakland	14,071	7,967,655	12,469,126	15.4%	- 36.1%	- 13.1%
Piedmont	202	13,441	42,149	0.0%	- 68.1%	- 16.5%
Totals	48,988	51,586,729	70,605,733	100.0%	- 26.9%	- 9.0%
Alameda Pool	15,538	14,519,095	13,161,503		+ 10.3%	+ 20.6%

Per Capita Sales

Alameda

Count: 2,898

Oakland

Count: 14,071

El Cerrito

Count: 645

Union City

Count: 1,286

San Leandro

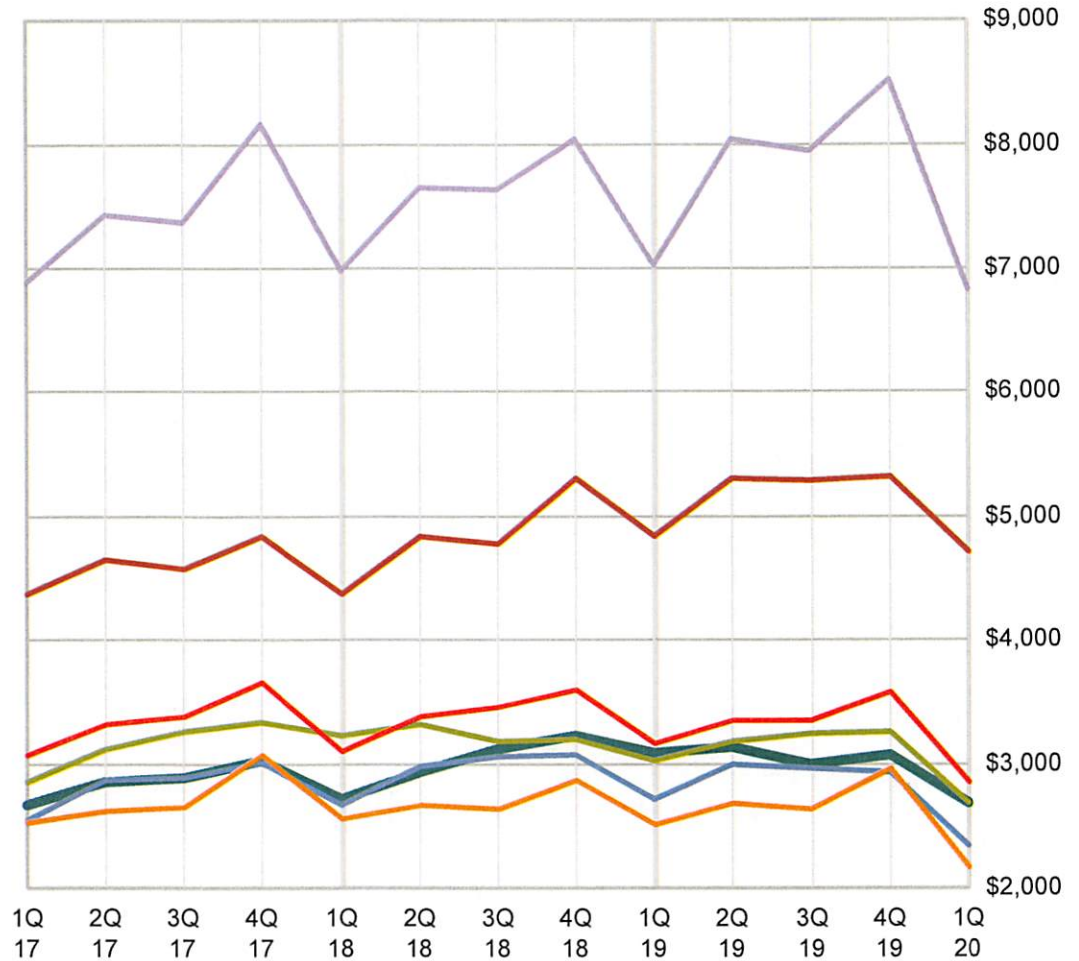
Count: 2,694

Berkeley

Count: 4,699

Hayward

Count: 4,382



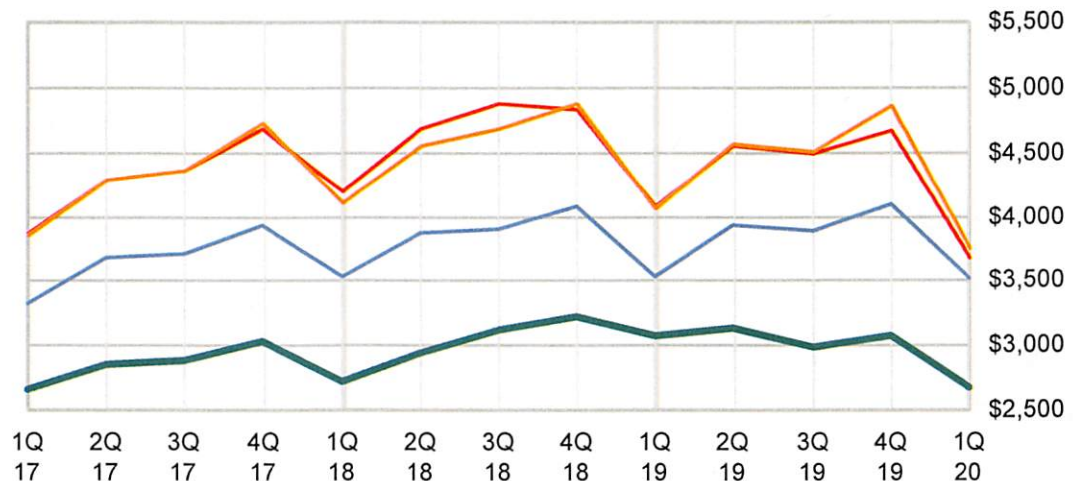
Per Capita Sales

Alameda

Alameda County

Bay Area

California

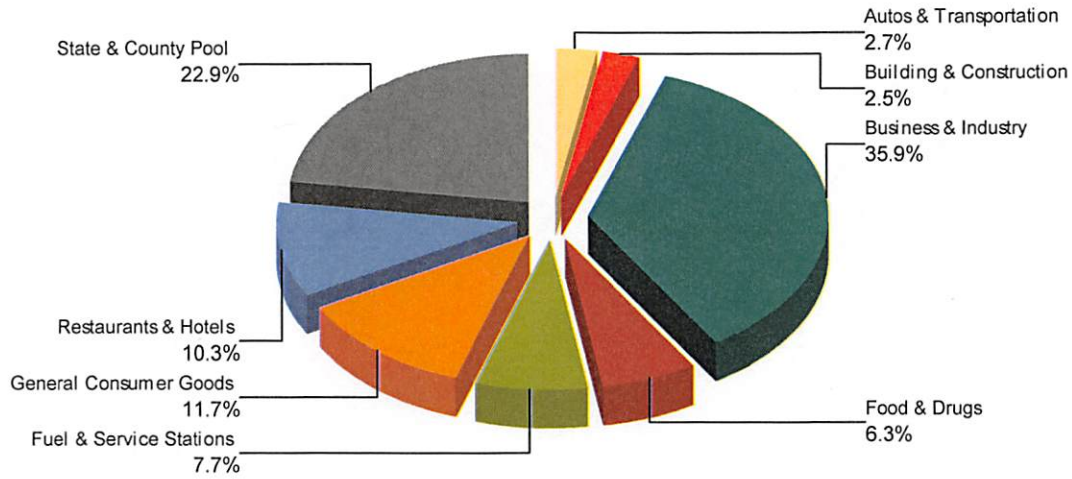


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HdL CITY TO STATE COMPARISON

1Q 2020

City of Alameda



HdL Client Database Statewide Totals

