

CITY OF LIVERMORE

SALES TAX UPDATE

4Q 2020 (OCTOBER - DECEMBER)



LIVERMORE

TOTAL: \$ 9,139,074

-8.6%

4Q2020



-6.0%

COUNTY



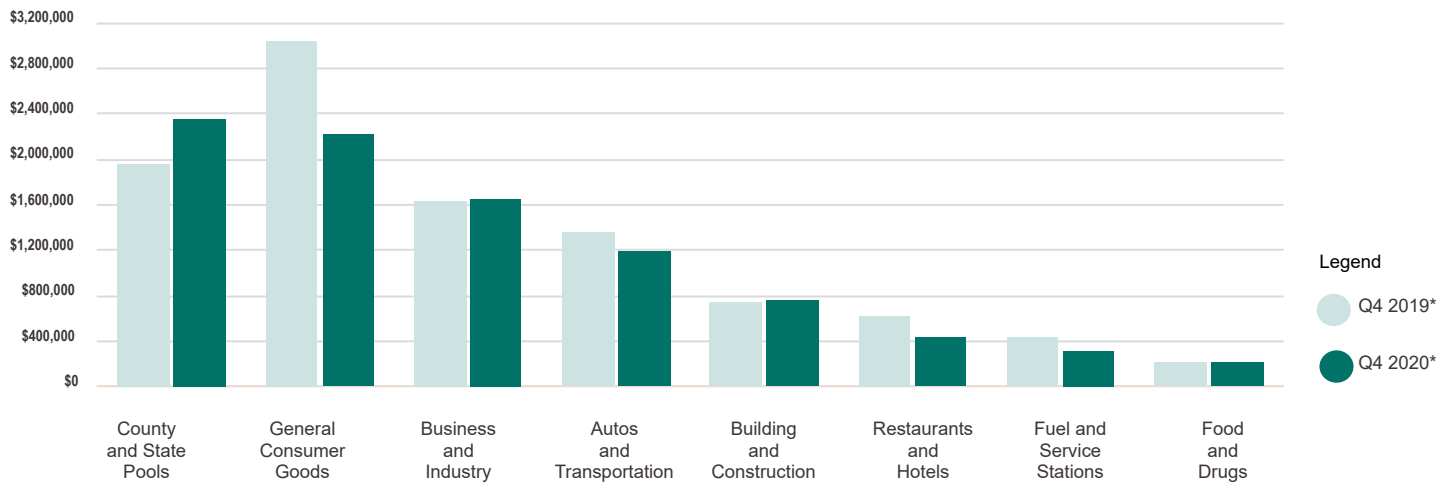
-2.0%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF LIVERMORE HIGHLIGHTS

Livermore's receipts from October through December were 12.0% below the fourth sales period in 2019. Excluding reporting aberrations, actual sales were down 8.6%.

Overall place of sale collections declined 15.6% as Covid-19 pandemic-related economic impacts continue to weigh on certain business sectors, while others thrive. This was the normal holiday shopping period, and general consumer retailers, largely at the outlet stores, felt the strain of weak foot traffic and in-store buying.

A continued reduction in driving miles and lower gas prices pushed service station revenues down. Similarly, restaurant and hotel receipts fell as the crisis curtailed travel activity and on-premises dining. A drop in sales activity depressed autos-transportation receipts.

On a positive note, mirroring statewide trends, the stable housing market and home-bound activities contributed to a rise in housing/building materials spending. Several business types within the business-industry group saw an uptick in receipts - with repair and equipment rental businesses showing the biggest fourth quarter growth.

Also helping to offset some of the losses, the City's share of the countywide use tax pool allocations was up 20%. This growth was boosted by new taxes on out-of-state online purchases from full implementation of AB147 (Wayfair), and surges in online shopping.

Net of aberrations, taxable sales for all of Alameda County declined 6.0% over the comparable time period; the Bay Area was down 8.0%.



TOP 25 PRODUCERS

- | | |
|---------------------------------------|--------------------------|
| All West Equipment | Porsche Livermore |
| Burberry Limited | Safeway |
| Coach/Kate Spade | Target |
| Cobalt Equipment | Toyota Material Handling |
| Costco | US Foodservice |
| Gillig | Vans |
| Gucci Outlet | Walmart |
| HD Supply | Waxie Sanitary Supply |
| Home Depot | |
| JA Momaney Services | |
| Livermore Ford/Lincoln/Alfa/Maserati | |
| Livermore Honda/Subaru/Jag/Rover/Audi | |
| Livermore Toyota | |
| Lowe's | |
| Macpherson Western | |
| Tool Supply | |
| Michael Kors | |
| Mobile Modular Management | |



STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring October through December, the holiday shopping season, was 1.9% lower than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous periods. Lower receipts were primarily concentrated in the Bay Area and coastal southern regions while much of inland California, including the San Joaquin Valley, Inland Empire, and northern regions, exhibited solid gains.

As expected, the larger place of sale categories which have been negatively impacted throughout the pandemic continue to be brick and mortar general consumer goods retailers like family apparel, department, and electronics/appliance stores. With limited to zero allowed indoor dining (depending on a County's Covid-19 tier assignment), restaurants and hotels suffered the largest losses especially in communities that strongly rely on tourism. Although the workforce has slowly begun to return to physical office environments, fuel and service stations revenues lagged the prior year performance.

It does not appear that Governor Newsom's second 'shelter at home' directive, initiated by the increase in Covid-19 cases had an impact on overall results. While some merchants chose to utilize the Governor's executive order allowing for a 90-day deferral of sales tax remittance, it was substantially less than the similar opportunity companies utilized during the 1st and 2nd quarters of 2020. The outstanding payments for most California cities will be remitted before the end of the 2020-21 fiscal year.

On the bright side, as consumer confidence stabilized post the national presidential election, customers were motivated to comfortably spend on high-end luxury automobiles, boats-motorcycles, RVs, and sporting goods/equipment.

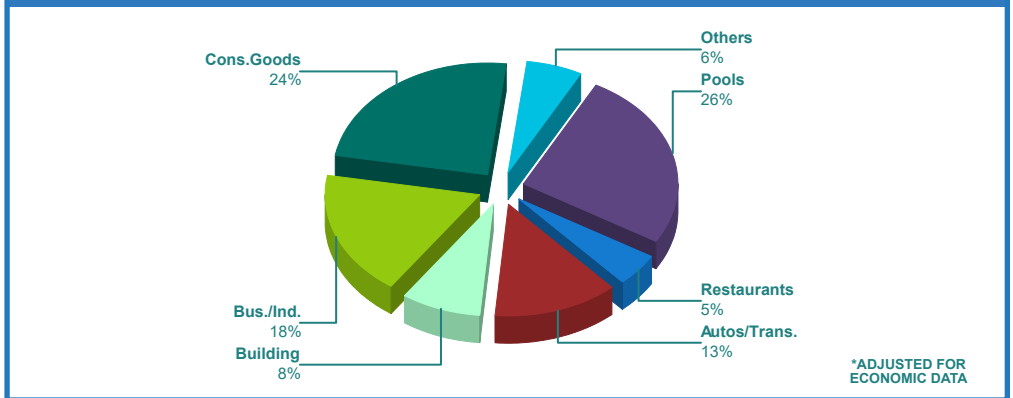
The building-construction sector, with 1) increased price of goods - like lumber, 2) continued home improvement projects, and 3) advantageous fall/winter weather conditions saw strong gains that remained consistent throughout the calendar year.

Exponential growth from countywide use tax pools further helped offset

the declines. Greater online shopping signifying a permanent shift of consumer habits to this more convenient experience was inevitable.

On the horizon, mass deployment of the Covid-19 vaccine will help a greater number of businesses, restaurants and theme parks to reach reopen status. Recent approval of the American Rescue Plan Act of 2021 will further support greater consumer spending, albeit in targeted segments. Pent up demand for summer outdoor experiences and travel is likely and thereby household spending is temporarily reverted away from taxable goods when compared to recent activity.

REVENUE BY BUSINESS GROUP
Livermore This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Livermore Business Type	Q4 '20*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	745.7	-17.3% ↓	0.9% ↑	7.2% ↑
Family Apparel	726.9	-32.4% ↓	-24.8% ↓	-16.1% ↓
Building Materials	352.0	8.8% ↑	8.6% ↑	17.4% ↑
Service Stations	312.1	-27.9% ↓	-37.9% ↓	-31.3% ↓
Heavy Industrial	297.6	1.4% ↑	-3.0% ↓	-10.3% ↓
Contractors	279.6	-0.1% ↓	0.0% ↑	2.3% ↑
Repair Shop/Equip. Rentals	236.4	125.2% ↑	6.6% ↑	-2.5% ↓
Casual Dining	194.1	-39.6% ↓	-41.8% ↓	-39.4% ↓
Shoe Stores	189.6	-28.5% ↓	-22.6% ↓	-14.1% ↓
Quick-Service Restaurants	177.4	-10.5% ↓	-19.1% ↓	-8.8% ↓

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