

CONTRA COSTA COUNTY UNINC.

SALES TAX UPDATE

4Q 2020 (OCTOBER - DECEMBER)



CONTRA COSTA COUNTY

TOTAL: \$ 3,394,624

-2.5%

COUNTY UNINC.



-0.6%

COUNTY



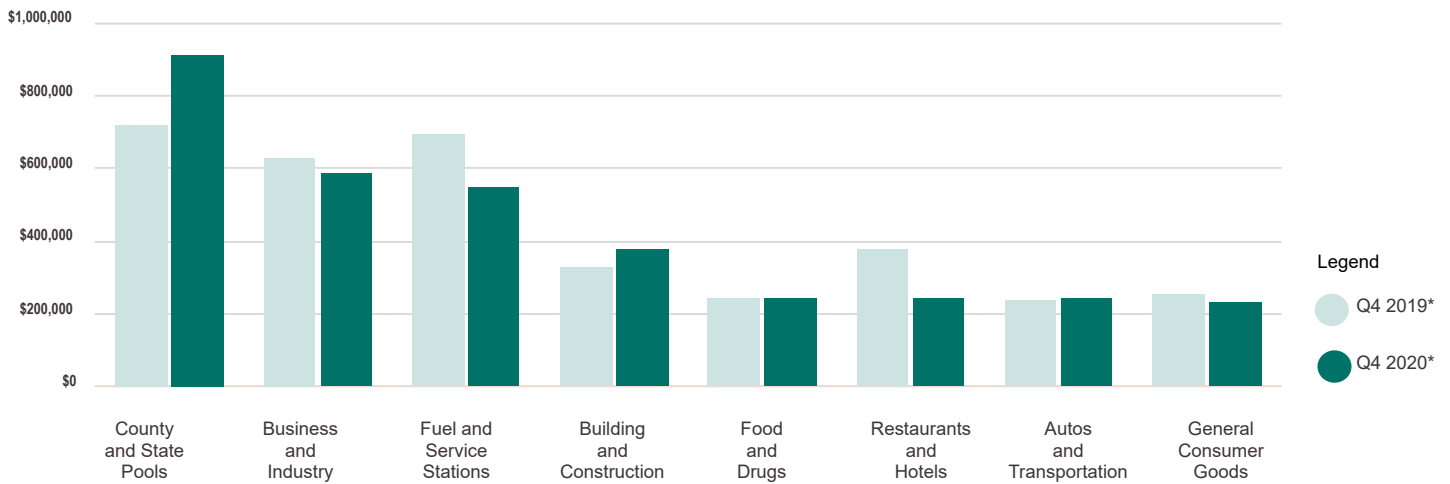
-2.0%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CONTRA COSTA COUNTY HIGHLIGHTS

The unincorporated area's receipts from October through December were 2.5% below the fourth sales period in 2019.

The Governor's December stay-at-home order prohibited on premises dining for a second time amid the Covid-19 pandemic. Restaurants were negatively impacted by the restrictions and temporary closures.

Fuel and service stations were also impacted by fewer drivers on the road and the quarter comparison declines were further reduced by persistent low prices for fuel. Equipment rentals and light industrial businesses brought down the business-industry group however the declines were lessened by several one-time use tax allocations.

Positive news came in the 15.7% growth in building-construction as this

group continues to benefit from home improvement projects and furthered by a surge in lumber prices. Grocery stores benefited from the limited dining out options.

Growth in the countywide use tax pools continues with a 26.8% increase as consumers favor online shopping during the health crisis; this big gain offset most of the decline in the place of sale receipts.

Net of aberrations, taxable sales for all of Contra Costa County declined 0.6% over the comparable time period; the Bay Area was down 8.0%.



TOP 25 PRODUCERS

- Alamo Hardware
- Alamo Shell
- Arco
- BDV Chevron
- Brickyard Building Materials
- Canadian Solar
- CD & Power
- Central Concrete Supply
- Chevron
- Cornerstone Printing
- County Asphalt
- Criterion Catalysts Technologies
- El Sobrante Shell
- Enterprise Car Sales
- General Plumbing Supply
- Phillips 66 Company
- Putzmeister
- Safeway
- Safeway Fuel
- Sams Club
- Shields Harper & Co
- Tesoro Refining & Marketing
- United Rentals
- Walgreens
- Wesco Distribution



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.

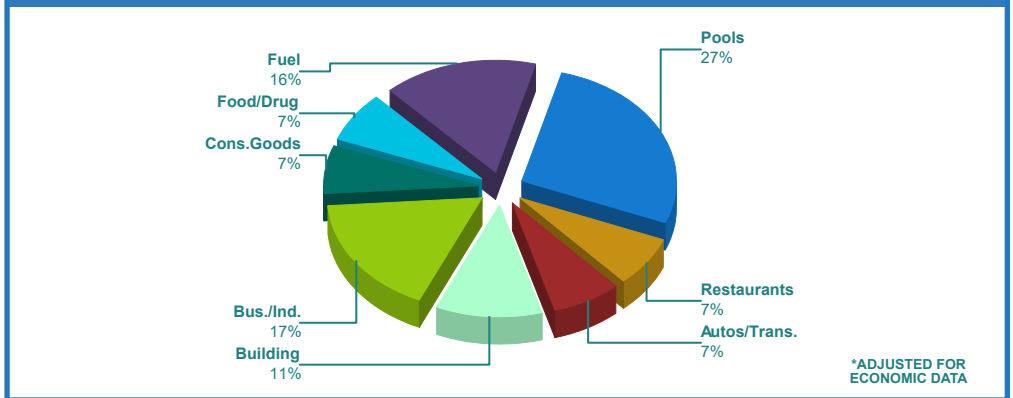
The building-construction sector, with 1) increased price of goods - like lumber, 2) continued home improvement projects, and 3) advantageous fall/winter weather conditions saw strong gains that remained consistent throughout the calendar year.

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
Contra Costa Co. Uninc This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Unincorporated County Business Type	Q4 '20*	Change	County Change	HdL State Change
Service Stations	361.1	-25.6% ↓	-33.9% ↓	-31.2% ↓
Contractors	189.5	15.1% ↑	12.4% ↑	2.3% ↑
Petroleum Prod/Equipment	178.2	-9.1% ↓	-32.8% ↓	-37.6% ↓
Grocery Stores	131.2	7.2% ↑	3.8% ↑	5.2% ↑
Casual Dining	94.7	-39.7% ↓	-35.9% ↓	-39.4% ↓
Quick-Service Restaurants	93.9	-6.6% ↓	-4.3% ↓	-8.7% ↓
Building Materials	92.8	11.0% ↑	16.3% ↑	17.5% ↑
Repair Shop/Equip. Rentals	92.1	-21.9% ↓	33.9% ↑	-2.5% ↓
Light Industrial/Printers	90.0	-35.5% ↓	-23.9% ↓	-5.0% ↓
Plumbing/Electrical Supplies	87.0	21.3% ↑	-8.1% ↓	2.0% ↑

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