

CONTRA COSTA COUNTY UNINC.

SALES TAX UPDATE

1Q 2021 (JANUARY - MARCH)



CONTRA COSTA COUNTY

TOTAL: \$ 4,298,735

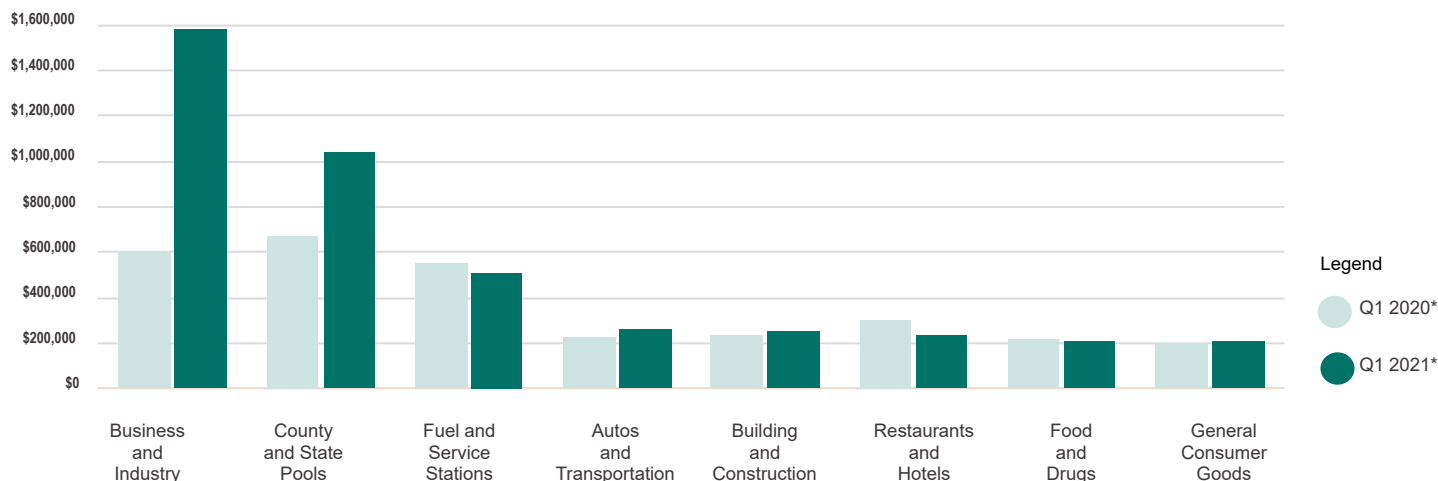
43.6%
COUNTY UNINC. ↑

9.6%
COUNTY ↑

9.5%
STATE ↑

*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



CONTRA COSTA COUNTY UNINC. HIGHLIGHTS

The unincorporated area's receipts from January through March were 91.2% above the first sales period in 2020. However, significant adjustments for delayed payments, and other reporting modifications resulted in actual sales that increased 43.6%.

Overall place of sale collections grew 40.3%, with most tax groups posting increases. Home and building projects ratcheted up build-construction receipts, with contractor activity leading the way. Heavier in-store traffic lifted merchandise sales.

Business-industry proceeds soared due to several large onetime allocations. Agriculture/garden supply purchases contributed to the gains. Additionally, the City's share of the countywide use tax pool allocations spiked by 55.4%, bolstered by onetime growth in the

Bradley-Burns sales tax for the quarter – as well as taxes on out-of-state online purchases and surges in online shopping as consumers continued to favor the ease of e-commerce.

Conversely, growth in quick-service dining was eclipsed by declines in casual dining, hotels and leisure, as these categories were impacted by residual occupancy restrictions and temporary closures. Fuel and service station revenues reflected reduced driving miles and lower fuel prices during the quarter.

Net of adjustments, taxable sales for all of Contra Costa County grew 9.6% over the comparable time period; the Bay Area was up 0.8%.



TOP 25 PRODUCERS

- Alamo Hardware
- Alamo Shell
- BDV Chevron
- Brickyard Building Materials
- C & H Sugar
- Canadian Solar
- Canadian Solar Sses Us
- Chevron
- County Asphalt
- El Sobrante Shell
- Enterprise Car Sales
- General Plumbing Supply
- Haldor Topsoe
- Lamons Gasket Co
- McGuire Harley Davidson
- Nor Cal Mastercraft
- Phillips 66 Company
- 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 January through March, was 9.5% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The Shelter-In-Place directive began one year ago which had the impact of immediate store and restaurant closures combined with remote/work from home options for employees which significantly reduced commuting traffic and fuel sales. When comparing to current period data, percentage gains are more dramatic. Furthermore, this pandemic dynamic combined with the Governor’s first Executive Order of last spring allowing for deferral of sales tax remittances explained why non-adjusted cash results were actually up 33%.

These initial recovery gains were not the same everywhere. Inland regions like Sacramento, San Joaquin Valley, Sierras, Far North and the Inland Empire area of Southern California performed much stronger than the Bay Area, Central Coast and metro areas of Southern California.

Within the results, solid performance by the auto-transportation and building-construction industries really helped push receipts higher. Weak inventories and scarcity for products increased the taxable price of vehicles (new & used), RV’s, boats and lumber which appeared to be a major driving force for these improved returns. Even though e-commerce sales activity continued to rise, brick and mortar general consumer retailers also showed solid improvement of 11% statewide.

An expected change occurred this quarter as a portion of use tax dollars previously distributed through the countywide pools was redirected to specific local jurisdictions. Changes in business structure required a

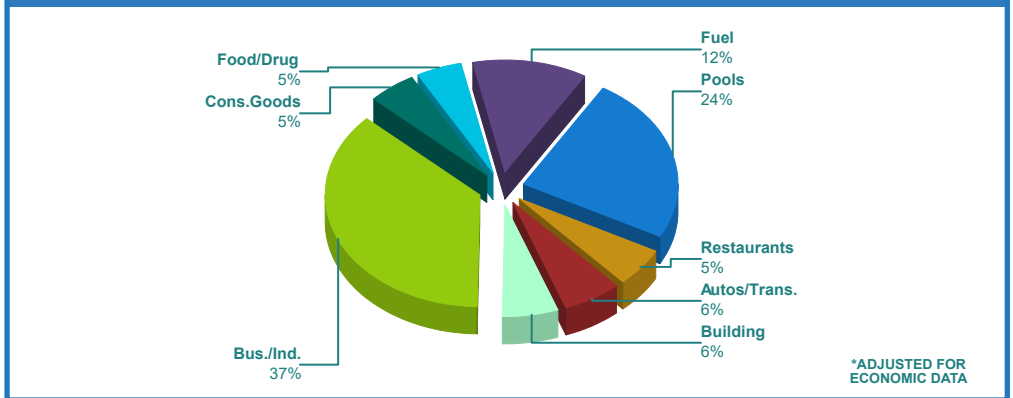
taxpayer to determine where merchandise was inventoried at the time orders were made. Therefore, rather than apportion sales to the county pool representing where the merchandise was shipped, goods held in California facilities required allocations be made to the agency where the warehouse resides. With this modification, the business and industry category jumped 18% inclusive of steady gains by fulfillment centers, medical-biotech and garden-agricultural suppliers. Even after the change noted, county pools surged 18% which demonstrated consumers continued desire to make purchases online.

Although indoor dining was available in many counties, the recovery for restaurants

and hotels still lagged other major categories. Similarly, while commuters and travelers slowly began returning to the road, the rebound for gas stations and jet fuel is trailing as well. Both sectors are expected to see revenues climb in the coming quarters as commuters and summer tourism heats up.

Looking ahead, sustained growth is anticipated through the end of the 2021 calendar year. As a mild head wind, pent up demand for travel and experiences may begin shifting consumer dollars away from taxable goods; this behavior modification could have a positive outcome for tourist areas within the state.

REVENUE BY BUSINESS GROUP
Contra Costa Co. Uninc This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Unincorporated County Business Type	Q1 '21*	Change	County Change	HdL State Change
Service Stations	374.1	-8.8% ↓	-9.1% ↓	-3.9% ↓
Contractors	125.7	7.7% ↑	72.7% ↑	3.6% ↑
Petroleum Prod/Equipment	125.7	-3.2% ↓	-2.5% ↓	-15.4% ↓
Grocery Stores	98.0	-6.0% ↓	-10.1% ↓	-6.3% ↓
Quick-Service Restaurants	95.9	1.7% ↑	6.1% ↑	1.1% ↑
Light Industrial/Printers	94.8	-32.9% ↓	-22.7% ↓	-1.6% ↓
Casual Dining	92.2	-23.9% ↓	-19.1% ↓	-18.9% ↓
Garden/Agricultural Supplies	87.7	25.6% ↑	24.2% ↑	8.8% ↑
Repair Shop/Equip. Rentals	81.8	-15.5% ↓	-8.4% ↓	-4.2% ↓
Convenience Stores/Liquor	69.6	13.0% ↑	12.9% ↑	10.6% ↑

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