

CITY OF PLACERVILLE

SALES TAX UPDATE

2Q 2021 (APRIL - JUNE)



PLACERVILLE
TOTAL: \$ 1,655,125

25.3%
2Q2021



28.2%
COUNTY

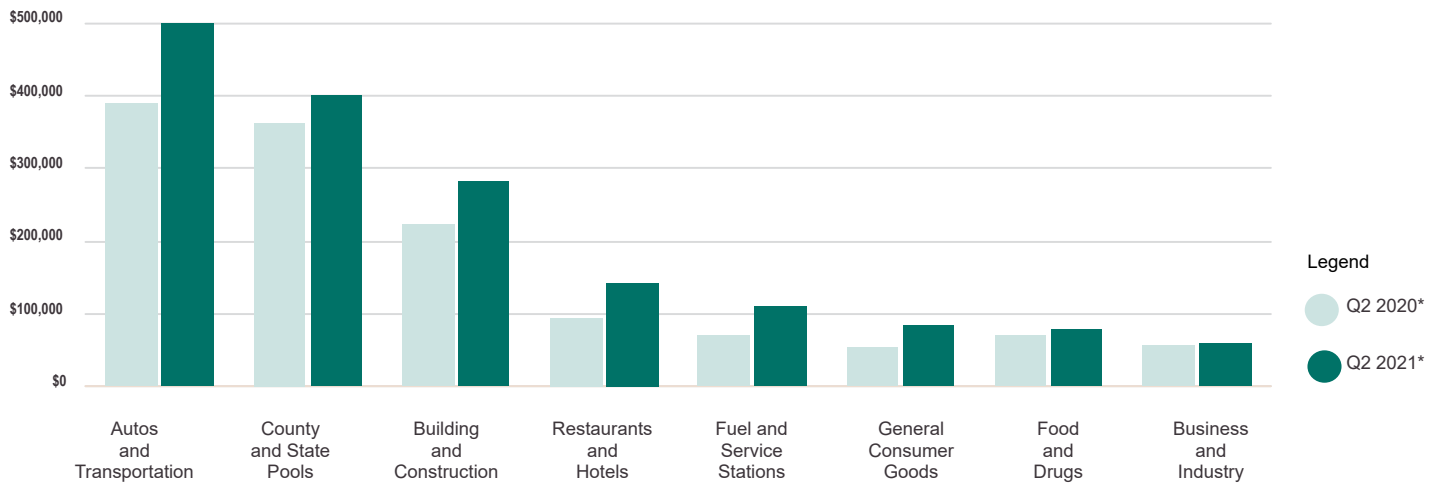


37.3%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure J
TOTAL: \$362,216
↑ 36.1%

Measure H
TOTAL: \$362,209
↑ 36.1%

Measure L
TOTAL: \$724,014
↑ 36.0%



CITY OF PLACERVILLE HIGHLIGHTS

Placerville's sales tax receipts from April through June were 21.7% above the second sales period in 2020. Adjustments for reporting modifications resulted in actual sales that were up 25.3%. Overall place of sale collections soared 30.9% compared to the extreme lows of a year ago.

Confidentiality rules limit the details that can be shared for some tax groups and business types.

Auto repair and supply purchases helped catapult the largest sales tax group, autos-transportation, up 28%. The City's share of the countywide use tax pool improved 10.7%, boosted by

online shopping as individuals embraced e-commerce.

With home and construction projects still underway, building-construction revenues boomed. Higher gas prices and more travel propelled fuel-service station receipts back to pre-pandemic highs.

With confidence in safety, people returned to in-store shopping, dining out and traveling for pleasure.

Voter-approved measures J, H, L jumped 36%, led by sales of new cars, construction activity, and online and in-store merchandise shopping.



TOP 25 PRODUCERS

- Big 5 Sporting Goods
- Big Lots
- Bricks Restaurant
- C & H Motor Parts
- Diamond Pacific
- Ferguson Enterprises
- Grocery Outlet
- Home Depot
- In N Out Burger
- Kwik Serv
- Les Schwab Tire Center
- McDonalds
- Mountain High Recreation
- Placerville Valero
- Raley's
- Rancho Convenience Center
- Rite Aid
- Save Mart
- Shell
- Thompsons Buick Gmc
- Thompsons Chrysler Dodge Jeep Ram
- Thompson's Toyota
- Tractor Supply
- W N Hunt & Sons Distributors
- Western Refining Retail



STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring April through June, was 37% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The 2nd quarter of 2020 was the most adversely impacted sales tax period related to the Covid-19 pandemic and Shelter-In-Place directive issued by Governor Newsom. The 2Q21 comparison quarter of 2Q20 was the lowest since 2Q14 due to indoor dining restrictions at most restaurants; non-essential brick and mortar store closures; and employee remote/work from home options which significantly reduced commuting traffic and fuel sales. Therefore, similar to the 1st quarter 2020 comparison, dramatic percentage gains for 2Q21 were anticipated and materialized.

Up to this point through California's recovery, we've seen some regions experience stronger gains than others. However, with the latest data and the depths of declines in the comparison period, statewide most regions saw very similar growth.

Within the results, prolonged gains by the auto-transportation and building-construction industries generated higher receipts. Although the explosion of sales by new and used car dealers has come as welcome relief, the latest news of inventories being stretched thin due to the micro processing chip issues earlier in the year may result in a headwind into 2022. Conversely for the building-construction group, as housing prices in many markets increased over the last year, sustained available homeowner and investor equity is in place for the foreseeable future. Receipts from general consumer goods marked a steady and expected come back, led by family apparel, jewelry and home furnishing stores. When combined with solid greater economic trends, this is a welcome

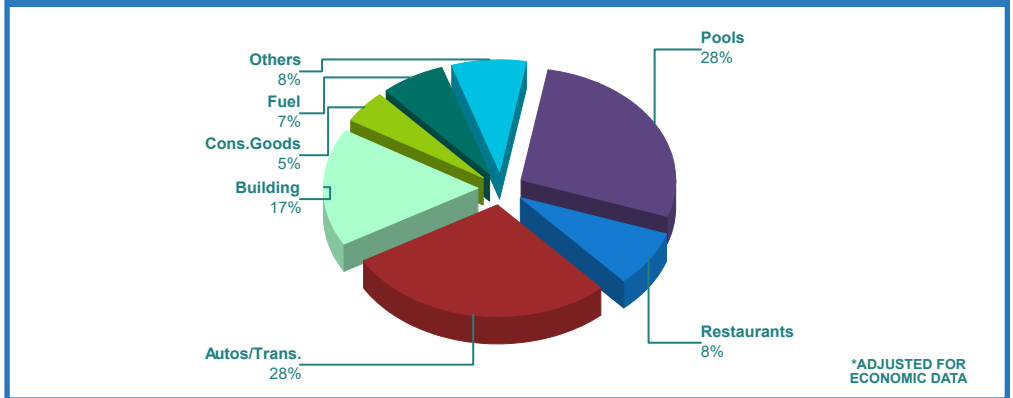
sign for many companies as a lead up to the normal holiday shopping period later this calendar year.

As consumers flock back into retail locations and with AB 147 fully implemented, growth from the county use tax pools - largely enhanced by out-of-state online sales activity - returned to more traditional gains of 9%. These results also included the reallocation of tax dollars previously distributed through the countywide pools to specific local jurisdictions that operate in-state fulfillment centers. Thus, the business and industry category, where fulfillment centers, medical-biotech vendors and garden-agricultural supplies are shown, jumped 26%.

In June, many restaurants reopened indoor dining. Given consumer desires to eat out and beautiful spring weather, all categories experienced a strong, much-needed rebound. However, labor shortages and a rise in menu prices continue to be a concern.

Looking ahead, sustained sales tax growth is still anticipated through the end of the 2021 calendar year. Inflationary effects are showing up in the cost of many taxable products. Pent up demand for travel and experiences, the return of commuters with more costly fuel, and labor shortages having upward pressure on prices may begin to consume more disposable income and tighten growth by the start of 2022.

REVENUE BY BUSINESS GROUP
Placerville This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Placerville Business Type	Q2 '21*	Change	County Change	HdL State Change
Service Stations	91.5	72.2% ↑	65.3% ↑	73.9% ↑
Casual Dining	79.9	68.7% ↑	109.7% ↑	130.2% ↑
Quick-Service Restaurants	56.1	27.7% ↑	34.8% ↑	28.9% ↑
Automotive Supply Stores	50.0	12.1% ↑	0.8% ↑	15.1% ↑
Grocery Stores	39.7	-7.6% ↓	2.7% ↑	-0.9% ↓
Petroleum Prod/Equipment	18.2	10.5% ↑	57.6% ↑	79.7% ↑
Auto Repair Shops	14.3	21.3% ↑	23.3% ↑	27.3% ↑
Sporting Goods/Bike Stores	13.0	17.5% ↑	40.2% ↑	35.8% ↑
Convenience Stores/Liquor	12.7	3.6% ↑	15.8% ↑	7.0% ↑
Home Furnishings	12.6	59.1% ↑	52.8% ↑	88.5% ↑

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