

CITY OF PLACERVILLE

SALES TAX UPDATE

3Q 2020 (JULY - SEPTEMBER)



PLACERVILLE
TOTAL: \$ 1,436,755

2.8%
3Q2020



7.1%
COUNTY

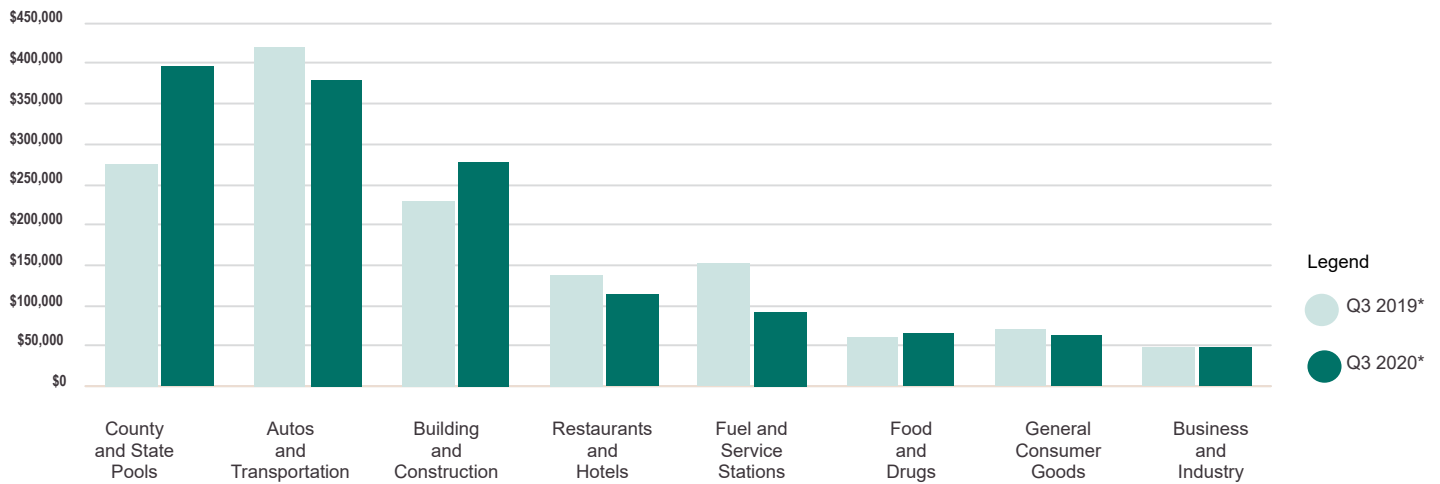


-0.9%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure J
TOTAL: \$311,163
6.4%

Measure H
TOTAL: \$311,166
6.4%

Measure L
TOTAL: \$622,798
6.5%



CITY OF PLACERVILLE HIGHLIGHTS

Placerville's receipts from July through September were 0.9% above the third sales period in 2019. Excluding reporting aberrations, actual sales were up 2.1%.

Coronavirus pandemic impacts extended into this quarter; lower revenues materialized in casual dining, quick service restaurants and the autos-transportation group. Service stations had a double whammy as lesser travel required fewer gallons of gas while fuel prices remained suppressed. General consumer goods activity was down as well.

A bright spot was the 20% growth in building-construction as supplies flew

off the shelves. Grocery store's increase included an offsetting effect from limited dining out opportunities.

The countywide use tax pool was inflated as a result of new money from marketplace facilitators and a rapid shift to online shopping as COVID-19 continues to influence consumer behavior.

When combined, Measures L, J and H remitted \$1,245,127, a gain of 6.5% over the comparable period. Stronger than expected sales in general merchandise accounted for the bulk of this improvement.



TOP 25 PRODUCERS

- | | |
|---------------------------|-----------------------------------|
| Big 5 | Rite Aid |
| Big Lots | Save Mart |
| C & H Motor Parts | Shell |
| Diamond Pacific | Sierra Fuel |
| Ferguson Enterprises | Thompsons Buick GMC |
| Grocery Outlet | Thompsons Chrysler Dodge Jeep Ram |
| Home Depot | Thompson's Toyota |
| In N Out Burger | Tractor Supply |
| Les Schwab Tire Center | W N Hunt & Sons Distributors |
| McDonalds | Western Refining Retail |
| Officemax | |
| Placerville Shell | |
| Placerville Valero | |
| Raley's | |
| Rancho Convenience Center | |



STATEWIDE RESULTS

The local one-cent sales and use tax from sales occurring July through September was 0.9% lower than the same quarter one year ago after factoring for accounting anomalies. The losses were primarily concentrated in coastal regions and communities popular with tourists while much of inland California including the San Joaquin Valley, Sacramento region and Inland Empire exhibited gains.

Generally, declining receipts from fuel sales, brick and mortar retail and restaurants were the primary factors leading to this quarter's overall decrease. The losses were largely offset by a continuing acceleration in online shopping that produced huge gains in the county use tax pools where tax revenues from purchases shipped from out-of-state are allocated and in revenues allocated to jurisdictions with in-state fulfillment centers and order desks.

Additional gains came from a generally solid quarter for autos, RV's, food-drugs, sporting goods, discount warehouses, building material suppliers and home improvement purchases. Some categories of agricultural and medical supplies/equipment also did well.

Although the slight decline in comparable third quarter receipts reflected a significant recovery from the immediate previous period's deep decline, new coronavirus surges and reinstated restrictions from 2020's Thanksgiving and Christmas gatherings compounded by smaller federal stimulus programs suggest more significant drops in forthcoming revenues from December through March sales.

Additionally, the past few quarter's gains in county pool receipts that were generated by the shift to online shopping plus last

year's implementation of the Wayfair v. South Dakota Supreme Court decision will level out after the first quarter of 2021.

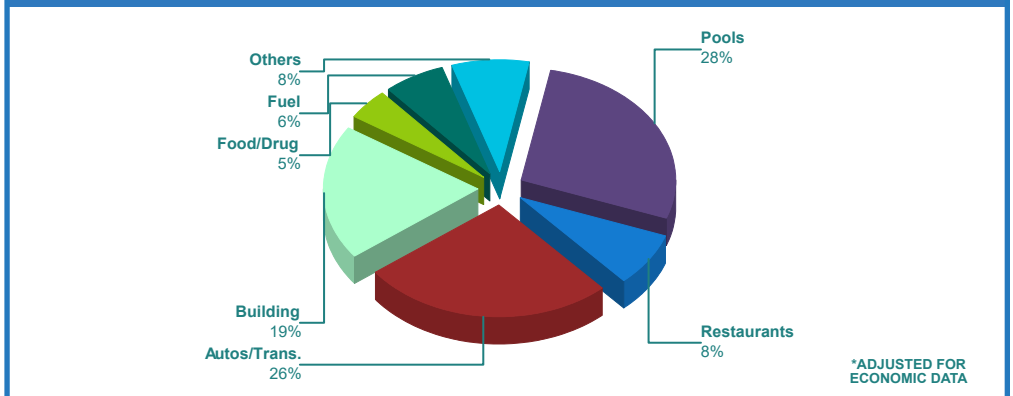
Much of the initial demand for computers and equipment to accommodate home schooling and remote workplaces has been satisfied. Manufacturers are also reporting that absenteeism, sanitation protocols, inventory and imported parts shortages have reduced production capacity that will not be regained until mass vaccines have been completed, probably by the fall of 2021.

Significant recovery is not anticipated until 2021-22 with full recovery dependent on the specific character and make up

of each jurisdiction's tax base. Part of the recovery will be a shift back to non-taxable services and activities. Limited to access because of pandemic restrictions, consumers spent 72% less on services during the third quarter and used the savings to buy taxable goods.

Full recovery may also look different than before the pandemic. Recent surveys find that 3 out of 4 consumers have discovered new online alternatives and half expect to continue these habits which suggests that the part of the recent shift of revenues allocated through countywide use tax pools and industrial distribution centers rather than stores will become permanent.

REVENUE BY BUSINESS GROUP
Placerville This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Placerville Business Type	Q3 '20*	Change	County Change	HdL State Change
Service Stations	73.3	-20.5% ↓	-19.4% ↓	-29.0% ↓
Casual Dining	61.1	-23.9% ↓	-15.1% ↓	-38.0% ↓
Quick-Service Restaurants	49.5	-4.0% ↓	-2.5% ↓	-10.3% ↓
Automotive Supply Stores	45.6	-10.4% ↓	5.6% ↑	5.6% ↑
Grocery Stores	40.0	6.8% ↑	16.6% ↑	7.1% ↑
Sporting Goods/Bike Stores	13.1	10.9% ↑	5.0% ↑	22.0% ↑
Auto Repair Shops	12.5	-6.4% ↓	-3.6% ↓	-13.7% ↓
Convenience Stores/Liquor	12.1	12.6% ↑	27.7% ↑	15.1% ↑
Home Furnishings	10.5	-1.6% ↓	-8.5% ↓	-3.5% ↓
Paint/Glass/Wallpaper	10.4	15.6% ↑	21.8% ↑	0.6% ↑

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