

CITY OF PLACERVILLE

SALES TAX UPDATE

4Q 2020 (OCTOBER - DECEMBER)



PLACERVILLE
TOTAL: \$ 1,575,307

5.7%
4Q2020



6.2%
COUNTY

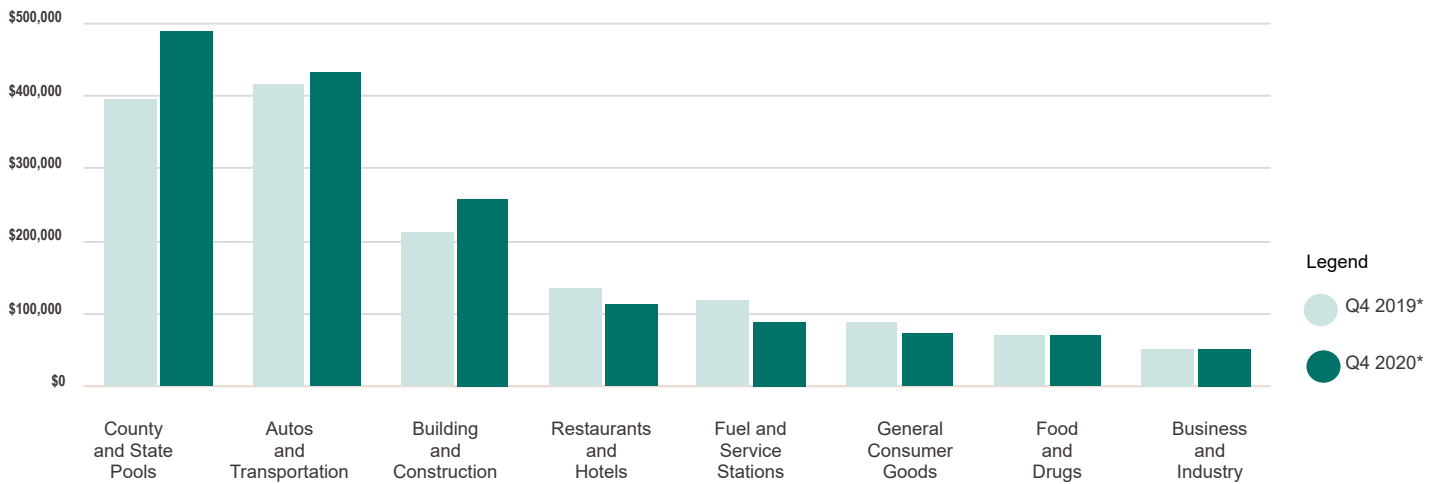


-2.0%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure J
TOTAL: \$324,661
3.5%

Measure H
TOTAL: \$324,661
3.5%

Measure L
TOTAL: \$649,556
3.5%



CITY OF PLACERVILLE HIGHLIGHTS

Placerville's receipts from October through December were 2.3% above the fourth sales period in 2019. Excluding late/deferred payments and other reporting adjustments, receipts for the period were up 5.7%.

The statistics hide the fact that local business' receipts were down 1% compared to last year. Only the increase in the City's allocation from the use tax pool triggered the increase over last year's receipts. Use tax pool allocations will shrink in the future as spending shifts from online retailers to brick and mortar locations and travel expenses.

Gas stations and restaurants continue to suffer from the limitations imposed by the

pandemic. General retail sales also lagged this quarter.

The one bright spot was construction, which benefitted from rising prices and continued interest in home improvement projects.

Placerville's tax measures performed well this quarter, as spending on autos, construction and online purchases rose sharply.

Net of adjustments, taxable sales for all of El Dorado County grew 6.2% over the comparable time period while those of the entire Sacramento region were up 2.5%.



TOP 25 PRODUCERS

- | | |
|---------------------------|-----------------------------------|
| Big 5 Sporting Goods | Shell |
| Big Lots | Sierra Fuel |
| C & H Motor Parts | Sierra Home Alternatives |
| Diamond Pacific | Sierra Nevada Tire & Wheel |
| 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 |
| Placerville Valero | |
| Raley's | |
| Rancho Convenience Center | |
| Rite Aid | |
| Save Mart | |



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.

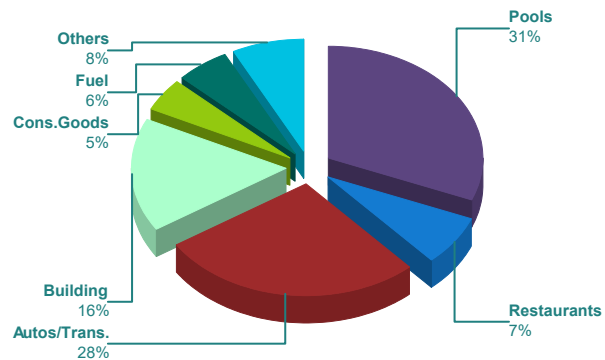
The building-construction sector, with 1) increased price of goods - like lumber, 2) continued home improvement projects, and 3) advantageous fall/winter weather conditions saw strong gains that remained consistent throughout the calendar year.

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
Placerville This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Placerville Business Type	Q4 '20*	Change	County Change	HdL State Change
Casual Dining	62.9	-22.9% ↓	-15.4% ↓	-39.4% ↓
Service Stations	62.6	-26.0% ↓	-29.6% ↓	-31.2% ↓
Automotive Supply Stores	54.0	6.1% ↑	7.9% ↑	3.3% ↑
Quick-Service Restaurants	48.1	3.0% ↑	0.2% ↑	-8.7% ↓
Grocery Stores	44.8	3.1% ↑	15.1% ↑	5.2% ↑
Petroleum Prod/Equipment	22.9	-26.4% ↓	-70.0% ↓	-37.6% ↓
Auto Repair Shops	12.6	4.1% ↑	-1.0% ↓	-12.1% ↓
Sporting Goods/Bike Stores	12.6	5.0% ↑	0.8% ↑	20.3% ↑
Convenience Stores/Liquor	11.8	16.9% ↑	13.1% ↑	-2.0% ↓
Home Furnishings	11.2	-5.0% ↓	2.0% ↑	1.1% ↑

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars