

CITY OF SAN DIMAS

SALES TAX UPDATE

4Q 2020 (OCTOBER - DECEMBER)



SAN DIMAS

TOTAL: \$ 1,907,055

1.0%
4Q2020



-7.7%
COUNTY

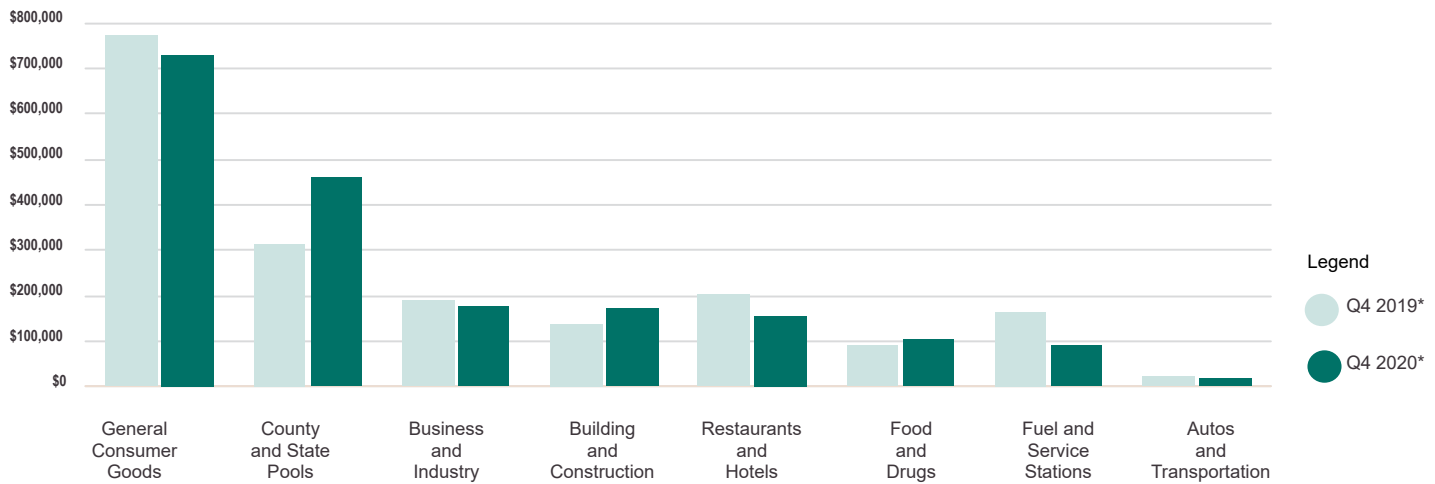


-2.0%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF SAN DIMAS HIGHLIGHTS

San Dimas' receipts from October through December were flat compared to the fourth sales period in 2019, outperforming the state and regional trend, which was negative amid the Covid-19 crisis.

Allocations from the countywide use tax pool increased 47% after a recent legislative change has expanded the number of internet purchases subject to taxation and as consumers have preferred online versus in-store shopping during the epidemic. The countywide use tax pool is where a large amount of the tax revenue from internet sales is allocated.

The sale of building and construction related supplies were also strong amid the red-hot housing market.

Conversely, receipts from local service

stations were down as the pandemic dampened fuel demand. General consumer goods retailers were also lower due to the consumer shift to online shopping driven by contagion fears and store capacity restrictions.

Net of aberrations, taxable sales for all of Los Angeles County declined 7.7% over the comparable time period; the Southern California region was down 2.7%.



TOP 25 PRODUCERS

- 7 Eleven
- Albertsons
- Berri Brothers Gas Station
- Boot Barn
- CCI Global
- Chevron
- Costco
- Harbor Freight Tools
- Incycle
- Lowe's
- McDonald's
- Pacific Sales
- Pool & Electrical Products
- Ross
- San Dimas Gas & Mart
- SCP Distributors
- Second Image
- Shell
- Smart & Final
- Stater Bros
- Target
- TJ Maxx
- Trader Joes
- Vons
- Walters Wholesale Electric



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.

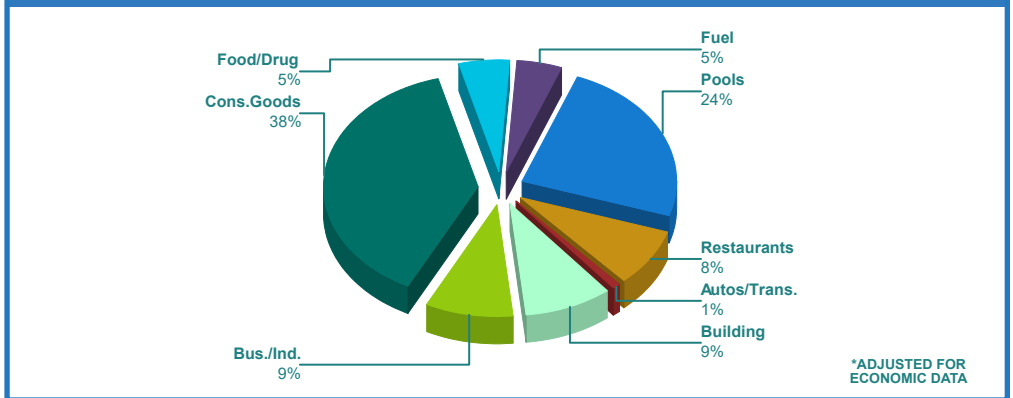
The building-construction sector, with 1) increased price of goods - like lumber, 2) continued home improvement projects, and 3) advantageous fall/winter weather conditions saw strong gains that remained consistent throughout the calendar year.

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
San Dimas This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

San Dimas Business Type	Q4 '20*	Change	County Change	HdL State Change
Service Stations	92.4	-44.3% ↓	-38.2% ↓	-31.2% ↓
Grocery Stores	76.4	17.6% ↑	4.1% ↑	5.2% ↑
Casual Dining	63.8	-34.6% ↓	-45.3% ↓	-39.4% ↓
Quick-Service Restaurants	61.0	-3.6% ↓	-12.2% ↓	-8.7% ↓
Family Apparel	49.1	-4.5% ↓	-19.3% ↓	-16.2% ↓
Light Industrial/Printers	37.0	7.4% ↑	-8.3% ↓	-5.0% ↓
Business Services	36.9	-17.5% ↓	-24.7% ↓	-16.7% ↓
Electronics/Appliance Stores	33.1	12.5% ↑	-23.4% ↓	-25.0% ↓
Sporting Goods/Bike Stores	30.1	69.3% ↑	21.6% ↑	20.3% ↑
Fast-Casual Restaurants	29.5	-3.1% ↓	-13.9% ↓	-12.0% ↓

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