

CITY OF MARTINEZ

SALES TAX UPDATE

4Q 2020 (OCTOBER - DECEMBER)



MARTINEZ

TOTAL: \$ 1,320,517

-1.8%

4Q2020



-0.6%

COUNTY



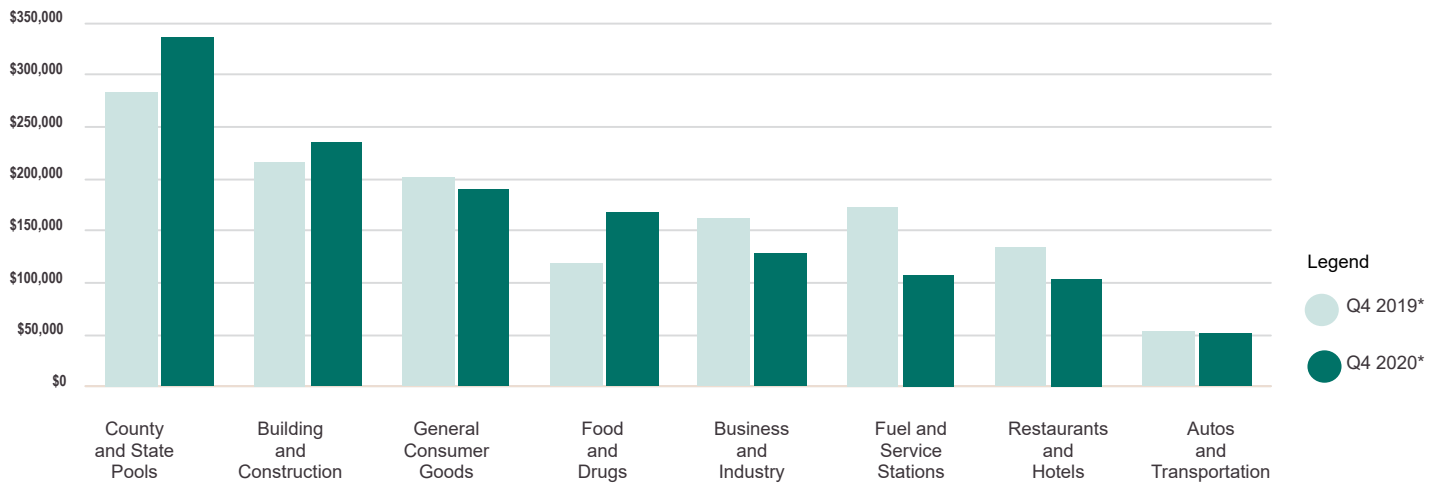
-2.0%

STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure D

TOTAL: \$1,031,602

↑ 2.8%

Measure X

TOTAL: \$1,031,644

↑ 3.1%



CITY OF MARTINEZ HIGHLIGHTS

Martinez's receipts from October through December were 8.6% below the fourth sales period in 2019. Excluding reporting aberrations, actual sales were down 1.8%.

The Governor's December stay-at-home order prohibited on premises dining for a second time amid the Covid-19 pandemic. Restaurants were negatively impacted by the restrictions and temporary closures. Fuel and service stations were impacted by fewer drivers on the road and the quarter comparison declines were further reduced by persistent low prices for fuel.

Conversely, the building-construction

group benefited from an increase in home improvement and the increase in lumber prices. Growth in the countywide use tax pools continues with a 5% increase as consumers favor online shopping during the health crisis.

Voter approved Measures D and X generated \$2,063,245 this quarter, boosted by one-time purchases in building-construction and the surge in online shopping.

Net of aberrations, taxable sales for all of Contra Costa County declined 0.6% over the comparable time period; the Bay Area was down 8.0%.



TOP 25 PRODUCERS

7 Eleven	Main Jail Commissary
ABC Supply	McDonalds
Ace Truckbox Center	Nob Hill Foods
Build Tek	Number One Concrete
Canyon Sports	Ready Mix
Chevron	Quik Stop
Copart	Rite Aid
Cresco Equipment	Safeway
Rentals	Siemens Medical Solutions
CVS Pharmacy	Velvet Cannabis
Eco Services Operations	Walmart
Geo Options	
Golden Gate Petroleum	
Home Depot	
Les Schwab Tire Center	
Lucky Supermarket	



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.

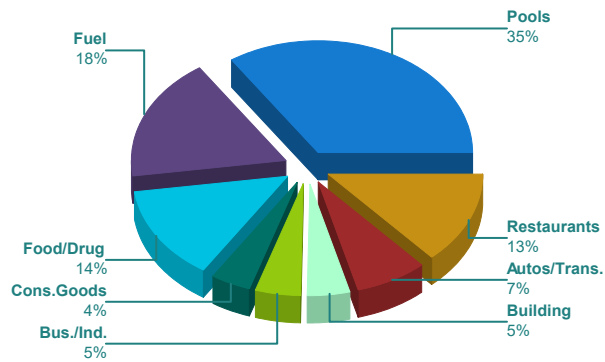
The building-construction sector, with 1) increased price of goods - like lumber, 2) continued home improvement projects, and 3) advantageous fall/winter weather conditions saw strong gains that remained consistent throughout the calendar year.

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
Marysville This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Martinez Business Type	Q4 '20	Change	County Change	HdL State Change
Building Materials	206,327	18.5% ↑	15.9% ↑	17.4% ↑
Service Stations	84,797	-34.2% ↓	-33.9% ↓	-31.3% ↓
Quick-Service Restaurants	54,131	-13.6% ↓	-4.3% ↓	-8.7% ↓
Casual Dining	35,647	-33.4% ↓	-35.9% ↓	-39.4% ↓
Contractors	28,212	-31.9% ↓	13.4% ↑	2.3% ↑
Automotive Supply Stores	19,779	1.0% ↑	-2.2% ↓	3.3% ↑
Light Industrial/Printers	19,231	-55.8% ↓	-23.9% ↓	-5.0% ↓
Used Automotive Dealers	16,895	3.5% ↑	-2.0% ↓	-2.1% ↓
Convenience Stores/Liquor	16,677	-21.7% ↓	3.1% ↑	-2.0% ↓
Specialty Stores	13,952	-16.3% ↓	-5.3% ↓	-6.7% ↓

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