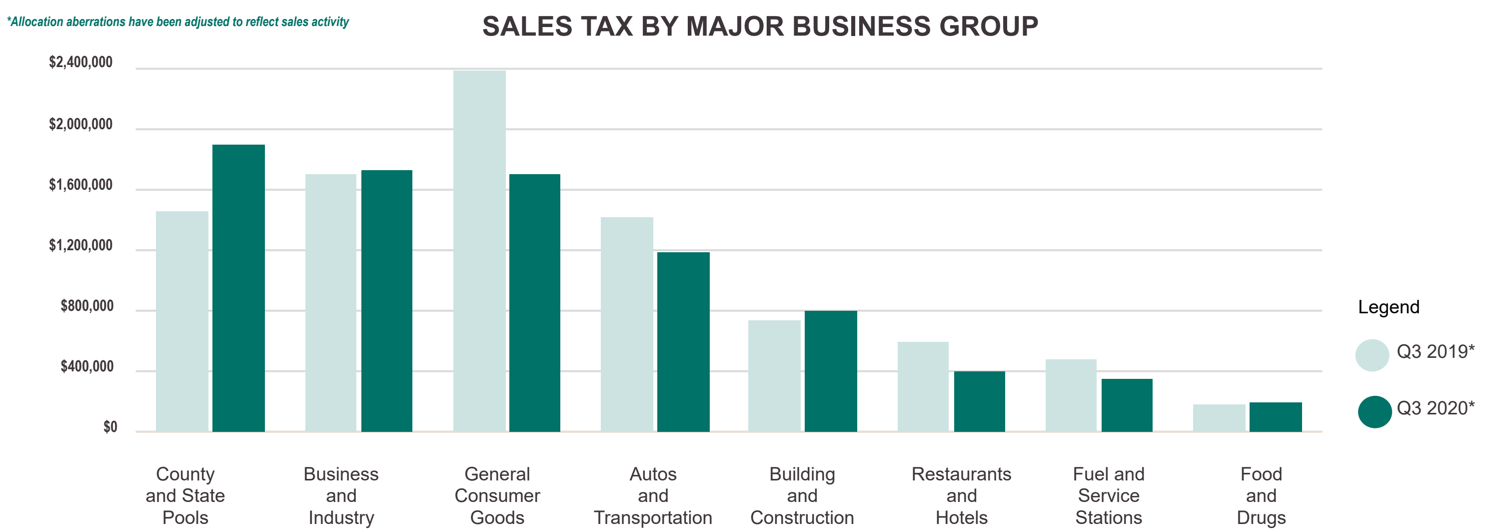
CITY OF LIVERMORE
SALES TAX UPDATE
3Q 2020 (JULY - SEPTEMBER)

LIVERMORE	-7.8%	-3.8%	-1.0%
TOTAL: $ 8,258,877	3Q2020	COUNTY	STATE

*Allocation aberrations have been adjusted to reflect sales activity



CITY OF LIVERMORE HIGHLIGHTS

Livermore's allocation of sales and use tax from its July through September sales was 7.8% lower than the third quarter of 2019 after factoring for back payments and other reporting anomalies.

A solid quarter for the food-drug and building-construction segments plus one time business-industrial purchases partially offset declines for most other economic groups and categories. Home furnishings and sporting goods also exhibited some gains.

A continuing rise in revenues from the countywide use tax pool where taxes on goods shipped from out-of-state further contributed to the partial offset. Though the City's pool share dropped from last year's 10.1% to 9.4%, the accelerating shift from brick and mortar stores to shopping online plus new rules that require out-of-state retailers to collect and remit, California taxes produced substantial net pool gains for all agencies.

Adjusted for back payments and accounting aberrations, sales and use tax receipts for all of Alameda County declined 3.8% over the comparable time period while the nine county Bay Area as a whole, was down 5.8%.

TOP 25 PRODUCERS

All West Equipment
AMS Net
Cobalt Equipment
Costco
Draexlmaier
Gillig
Gucci Outlet
Home Depot
JA Momaney Services
Jifco
Kaiser Pharmacy
Livermore Ford/Lincoln/Alfa/Maserati
Livermore Honda/Subaru/Jag/Rover/Audi
Livermore Toyota
Lowes
Macpherson Western Tool Supply
Mobile Modular Management
Porsche Livermore
Quik Stop Market
Safeway
Target
Toyota Material Handling
US Foodservice
Walmart
Waxie Sanitary Supply

HdL Companies
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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.

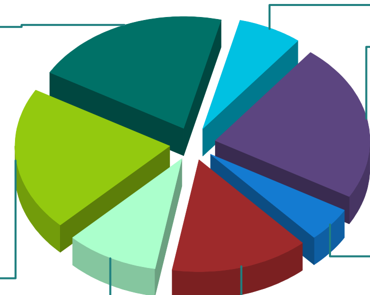
Additionally, the past few quarter's gains in county pool receipts that were generated by the shift to online shopping plus last year's implementation of the Wayfair v. South Dakota Supreme Court decision will level out after the first quarter of 2021.

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
Livermore This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Livermore Business Type	Q3 '20*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	733.8	-19.4% ↓	10.1% ↑	5.9% ↑
Family Apparel	542.9	-36.8% ↓	-32.2% ↓	-24.5% ↓
Building Materials	383.4	14.7% ↑	8.1% ↑	16.4% ↑
Service Stations	343.8	-27.2% ↓	-35.1% ↓	-28.9% ↓
Heavy Industrial	280.1	1.3% ↑	-12.9% ↓	-9.3% ↓
Contractors	278.4	7.9% ↑	-10.5% ↓	-5.7% ↓
Repair Shop/Equip. Rentals	231.5	100.1% ↑	19.3% ↑	-4.0% ↓
Casual Dining	193.5	-37.9% ↓	-43.9% ↓	-38.0% ↓
Quick-Service Restaurants	164.0	-13.1% ↓	-19.6% ↓	-10.1% ↓
Shoe Stores	144.3	-34.4% ↓	-28.3% ↓	-27.1% ↓

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