

CITY OF COALINGA

SALES TAX UPDATE

4Q 2020 (OCTOBER - DECEMBER)



COALINGA

TOTAL: \$ 228,558

-2.2%

4Q2020



5.7%

COUNTY



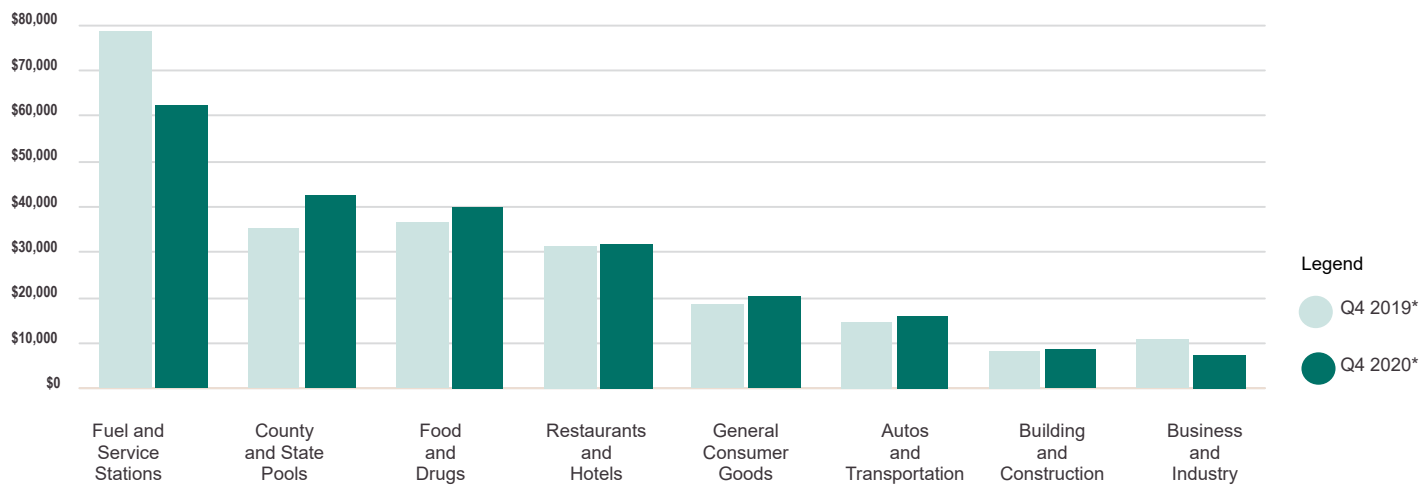
-2.0%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure J

TOTAL: \$477,955

↑ 7.4%



CITY OF COALINGA HIGHLIGHTS

Coalinga's receipts from October through December were 6.9% below the fourth sales period in 2019. Excluding late payments and other reporting issues, actual receipts for the period were down 2.2%.

The City's allocation from the use tax pool surged once again, benefiting from the sharp rise in online sales caused by the pandemic and additional taxes generated by AB 147. The increase in the pool allocation cut the drop in quarterly receipts by 4%.

Gas stations reported the largest drop in receipts while business to business activity was hurt by the limits for

onsite business transactions.

Measure J's results reflect a large increase in new car sales to local residents and businesses along with a surge in home improvement projects. As with the Bradley Burns tax, gas stations continue to suffer from the dearth of customers who have switched to remote work and school sessions.

Net of adjustments, taxable sales for all of Fresno County grew 5.7% over the comparable time period while those of the entire San Joaquin Valley were up 11.4%.



TOP 25 PRODUCERS

- | | |
|-----------------------------|----------------------|
| AutoZone | Little Caesars Pizza |
| Beacon Valley Food Mart | McDonald's |
| Big 5 Sporting Goods | O'Reilly Auto Parts |
| Billingsley Tire Service | Rite Aid |
| Burger King | Salty Pickle |
| Coalinga Fastrip Food Store | Save Mart |
| Coalinga Hardware | State Foods Coalinga |
| Dollar General | Taco Bell |
| Dollar Tree | Triple J Ready Mix |
| Endurance Lift Solutions | Walgreens |
| Fastrip Mini Mart | West Hills Oil |
| Fatte Alberts Pizza | |
| Have a Heart | |
| Ice Bucket Chevron | |



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

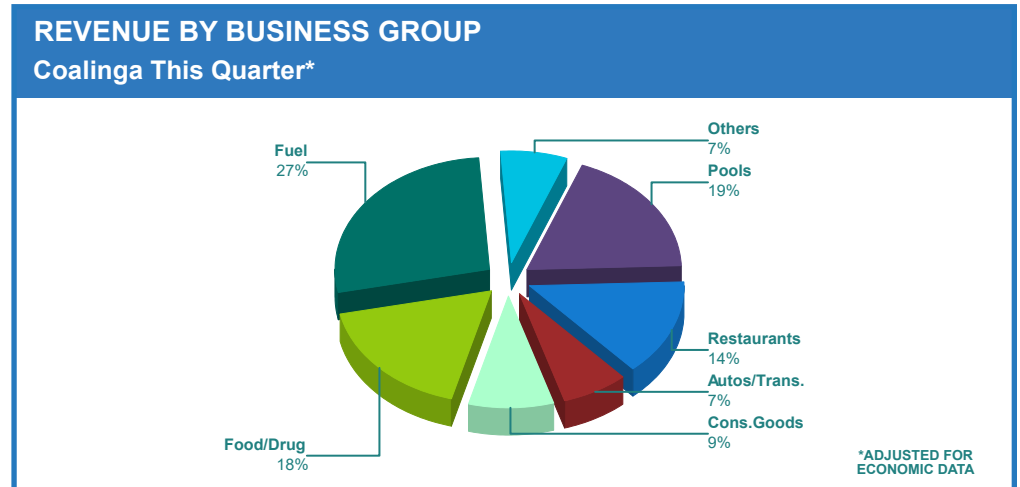
presidential election, customers were motivated to comfortably spend on high-end luxury automobiles, boats-motorcycles, RVs, and sporting goods/equipment.

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.



TOP NON-CONFIDENTIAL BUSINESS TYPES

Coalinga Business Type	Q4 '20	Change	County Change	HdL State Change
Service Stations	36,049	-17.0% ↓	-25.7% ↓	-31.3% ↓
Quick-Service Restaurants	23,671	6.8% ↑	2.7% ↑	-8.8% ↓
Grocery Stores	16,017	20.8% ↑	4.2% ↑	5.3% ↑
Casual Dining	4,112	-21.8% ↓	-27.4% ↓	-39.4% ↓
Government/Social Org.	1,558	-14.5% ↓	-36.6% ↓	-23.1% ↓
Auto Repair Shops	1,214	-22.5% ↓	-0.8% ↓	-12.1% ↓

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