

# CITY OF LA HABRA

## SALES TAX UPDATE

### 4Q 2020 (OCTOBER - DECEMBER)



#### LA HABRA

TOTAL: \$ 3,380,058

4.4%  
4Q2020



-1.9%  
COUNTY

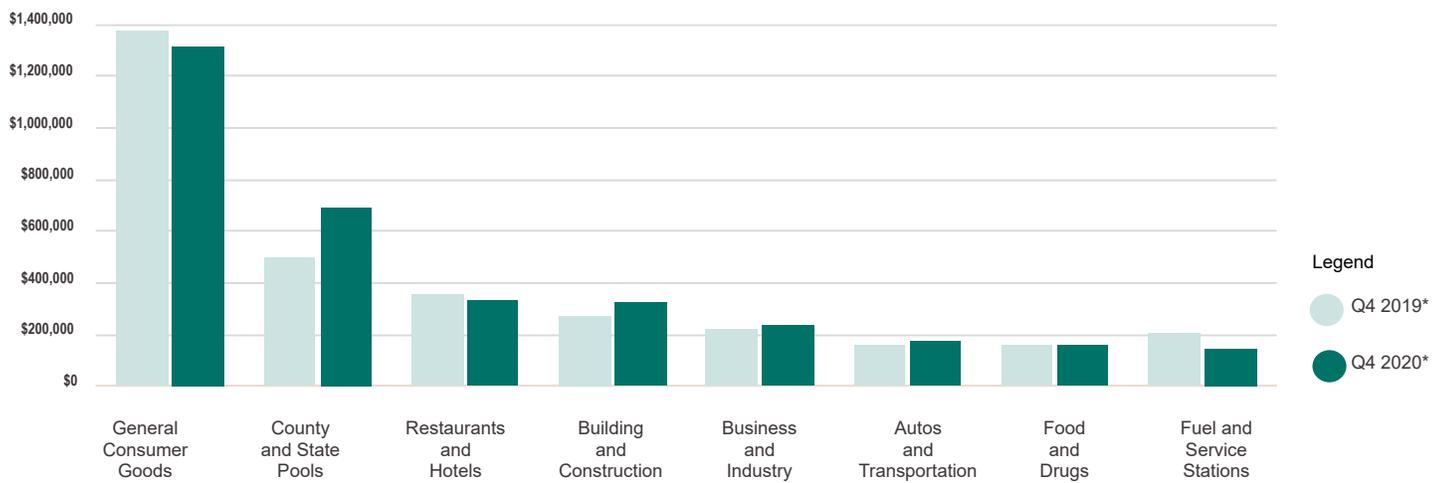


-2.0%  
STATE



\*Allocation aberrations have been adjusted to reflect sales activity

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure T

TOTAL: \$1,706,347

3.6%



#### CITY OF LA HABRA HIGHLIGHTS

La Habra's receipts from October through December were 2.9% above the fourth sales period in 2019. Excluding reporting aberrations, actual sales were up 4.4%.

Revenue from general consumer goods declined in the fourth quarter as measures to slow the spread of Covid-19 continued to reduced traffic to shopping malls and retail stores. Gasoline prices have seen a steady increase since reaching a multiyear low late April 2020, but still far below pre-pandemic levels.

Outdoor dining, curbside restaurant sales and restaurant delivery apps were not enough to offset year over year

losses from in-person dining.

The building-construction group continued to report strong sales as consumers remain focused on home improvement products, completing projects they have put off for years, and planning future projects. The business-industry sector is showing a strong rebound since COVID-19 disrupted business operations in the spring of 2020.

Autos-transportation reported higher sales as consumers focused on ways to enhance local travel to avoid the pandemic-related risks of flying or traveling by train.



#### TOP 25 PRODUCERS

- |                            |                  |
|----------------------------|------------------|
| 4seating.com               | Lowes            |
| Albertsons                 | Moto United      |
| Arco AM PM                 | Northgate Market |
| Berri Brothers Gas Station | Ross             |
| Burlington Coat Factory    | Sams Club        |
| Chevron                    | Shepard Brothers |
| Chick Fil A                | Target           |
| Costco                     | TJ Maxx          |
| Dangelo Company            | USA Gasoline     |
| Hobby Lobby                | Walmart          |
| Home Depot                 |                  |
| Howards Appliances         |                  |
| Hughes Water & Sewer       |                  |
| In N Out Burger            |                  |
| Kohls                      |                  |



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.

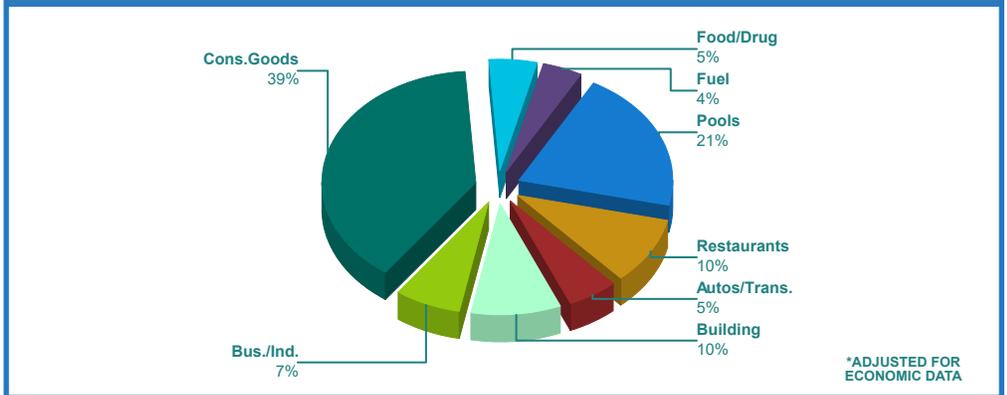
The building-construction sector, with 1) increased price of goods - like lumber, 2) continued home improvement projects, and 3) advantageous fall/winter weather conditions saw strong gains that remained consistent throughout the calendar year.

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  
La Habra This Quarter\*



TOP NON-CONFIDENTIAL BUSINESS TYPES

La Habra Business Type	Q4 '20*	Change	County Change	HdL State Change
Discount Dept Stores	940.9	-2.5% ↓	-6.2% ↓	-1.6% ↓
Building Materials	254.5	23.9% ↑	20.8% ↑	17.4% ↑
Quick-Service Restaurants	182.3	3.8% ↑	-6.1% ↓	-8.8% ↓
Service Stations	144.2	-30.1% ↓	-35.1% ↓	-31.3% ↓
Casual Dining	104.4	-18.6% ↓	-32.2% ↓	-39.4% ↓
Grocery Stores	99.6	10.3% ↑	6.0% ↑	5.3% ↑
Family Apparel	87.6	-6.1% ↓	-6.3% ↓	-16.1% ↓
Electronics/Appliance Stores	78.5	-7.5% ↓	-28.6% ↓	-25.0% ↓
Specialty Stores	74.5	2.6% ↑	-5.2% ↓	-6.7% ↓
Automotive Supply Stores	65.1	2.1% ↑	-2.3% ↓	3.3% ↑

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\*In thousands of dollars