

# CITY OF HOLLISTER

## SALES TAX UPDATE

### 4Q 2020 (OCTOBER - DECEMBER)



#### HOLLISTER

TOTAL: \$ 1,625,388

13.8%  
4Q2020



10.9%  
COUNTY

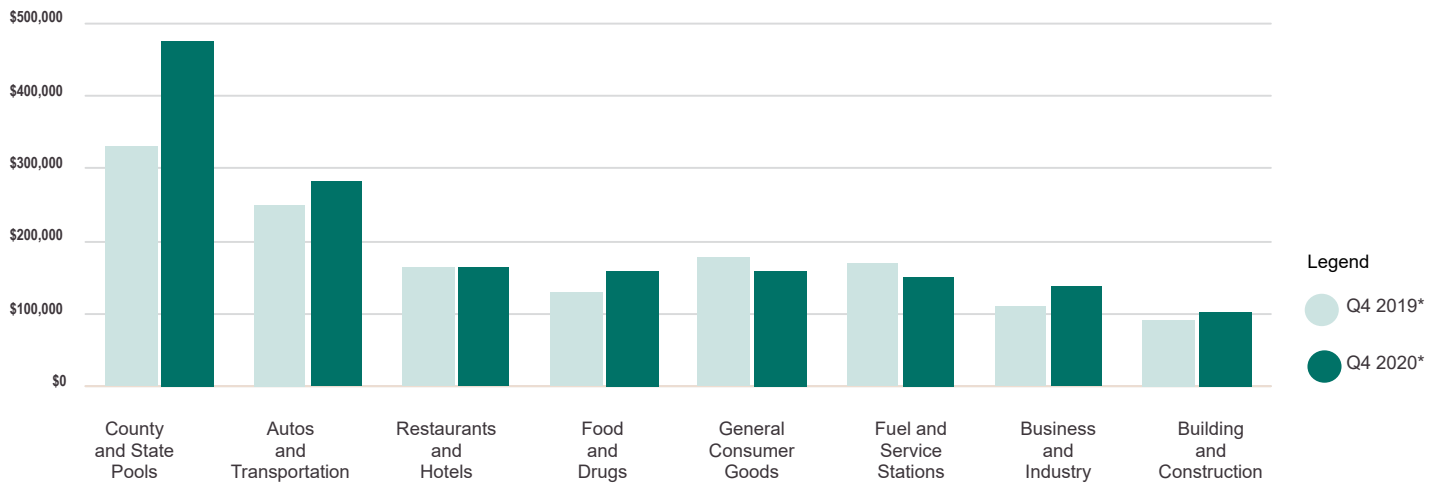


-2.0%  
STATE



\*Allocation aberrations have been adjusted to reflect sales activity

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure W

TOTAL: \$1,891,301

↑ 15.5%



#### CITY OF HOLLISTER HIGHLIGHTS

Hollister's receipts from October through December were 11.7% above the fourth sales period in 2019. Excluding reporting aberrations, actual sales were up 13.8%.

Autos-transportation sales increased 12% as consumers have shown strong demand at a time when other spending opportunities have been curtailed. Building-construction benefited from home improvement projects and furthered by a surge in lumber prices, while business-industry was boosted by large, one-time purchases in garden/agricultural supplies.

Conversely, the Governor's December stay-at-home order prohibited on

premises dining for a second time amid the Covid-19 pandemic. 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. A business closure in general consumer goods caused the drop in the group

Voter approved Measure W generated \$1,891,301 this quarter, boosted by the surge in online shopping, auto sales and the building supplies for home improvement projects. Net of aberrations, taxable sales for all of San Benito County grew 10.9% over the comparable time period; the Central Coast region was up 0.3%.



#### TOP 25 PRODUCERS

- Ace Hardware & Lumber
- AZ Electronics Materials
- Brigantino Irrigation
- California Forest Products
- Chevron
- Gateway Arco AM PM
- Genesis Marketplace
- Greenwood Chevrolet
- Greenwood Ford
- Hollister Chevron
- KMG Electronics Chemicals
- McDonalds
- McKinnon Lumber
- Nanotronics
- Nob Hill Foods
- Quik Stop
- Rite Aid
- Royal Circuit Solutions
- Safeway
- Safeway Fuel Station
- Sandman
- Save Mart
- Shop N Save
- Target
- Teknova



**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.

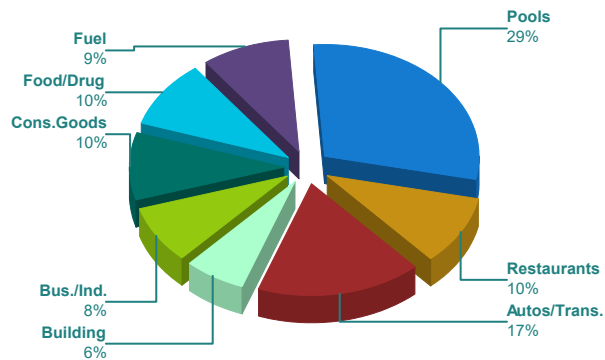
The building-construction sector, with 1) increased price of goods - like lumber, 2) continued home improvement projects, and 3) advantageous fall/winter weather conditions saw strong gains that remained consistent throughout the calendar year.

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**  
Hollister This Quarter\*



\*ADJUSTED FOR ECONOMIC DATA

**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Hollister Business Type	Q4 '20*	Change	County Change	HdL State Change
Service Stations	149.2	-11.9% ↓	-13.0% ↓	-31.3% ↓
Quick-Service Restaurants	93.7	7.3% ↑	5.8% ↑	-8.7% ↓
Grocery Stores	88.4	13.0% ↑	12.6% ↑	5.2% ↑
Building Materials	66.0	23.8% ↑	23.6% ↑	17.4% ↑
Drugs/Chemicals	53.7	10.9% ↑	11.2% ↑	-1.2% ↓
Casual Dining	51.3	-19.8% ↓	-19.9% ↓	-39.4% ↓
Automotive Supply Stores	46.1	2.1% ↑	2.4% ↑	3.3% ↑
Garden/Agricultural Supplies	34.7	70.5% ↑	11.7% ↑	14.0% ↑
Contractors	32.2	-5.6% ↓	5.7% ↑	2.3% ↑
Convenience Stores/Liquor	21.8	9.6% ↑	7.0% ↑	-2.0% ↓

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\*In thousands of dollars