

CITY OF DUBLIN

SALES TAX UPDATE

2Q 2021 (APRIL - JUNE)



DUBLIN

TOTAL: \$ 6,633,351

42.5%
2Q2021



35.8%
COUNTY

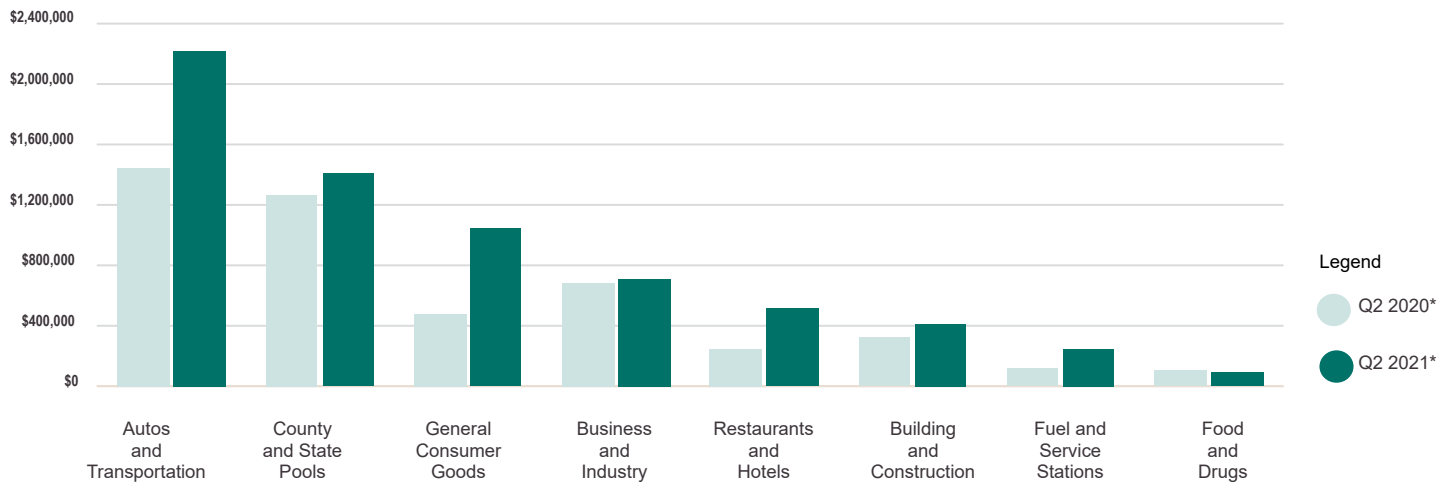


37.3%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF DUBLIN HIGHLIGHTS

Dublin's receipts from April through June were 33.6% above the second sales period in 2020. Audit corrections and double payments lowered cash comparisons. Excluding aberrations, actual sales were up 42.5% compared to the pandemic bottom last year and \$496,000, or 8% higher than the second quarter of 2019, the year before the COVID-19 crisis began.

Driven by numerous auto-transportation merchants' stellar returns; the group captured 39% of the growth; buyers cleared out new vehicle inventory while a used car seller's relocation from another jurisdiction expanded the tax base.

Prior year pandemic losses caused by operational limitations and store closures reversed course. Shoppers returned in droves to the mall and commercial centers; electronics, apparel

and sporting goods delivered better tax returns.

Eating in recovered; casual dining almost tripled sales over year-ago figures. People traveled more for work and personal purposes; service stations vended additional gallons of fuel at higher prices.

Within building- construction, many products including lumber saw inflated costs; however, this didn't dampen customer spending as warehouses, independent contractors and plumbing suppliers all grew revenues.

Other positive news was more medical/ biotech equipment and home furnishings were sold. Pool use taxes inched upward as online procurement of goods remained a preference for customers.

Net of aberrations, taxable sales for all of the Bay Area increased 34.1%.



TOP 25 PRODUCERS

- Airport Appliance
- Best Buy
- Carl Zeiss Meditec USA
- Carl Zeiss Ophthalmic Systems
- Dick's Sporting Goods
- Dougherty Road Shell
- Dublin Buick/GMC/ Chevrolet/Infiniti
- Dublin Hyundai Genesis
- Dublin Nissan Dublin Infiniti
- Eastbay Motorcars
- Fallon Gateway Chevron
- Graybar Electric
- Henry Schein
- Honda
- Lowe's
- Mazda
- Nordstrom Rack
- Pace Supply Corp
- REI
- Safeway
- Safeway Fuel Station
- Target
- Tesla Motors
- Toyota
- Volkswagen



STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring April through June, was 37% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The 2nd quarter of 2020 was the most adversely impacted sales tax period related to the Covid-19 pandemic and Shelter-In-Place directive issued by Governor Newsom. The 2Q21 comparison quarter of 2Q20 was the lowest since 2Q14 due to indoor dining restrictions at most restaurants; non-essential brick and mortar store closures; and employee remote/work from home options which significantly reduced commuting traffic and fuel sales. Therefore, similar to the 1st quarter 2020 comparison, dramatic percentage gains for 2Q21 were anticipated and materialized.

Up to this point through California's recovery, we've seen some regions experience stronger gains than others. However, with the latest data and the depths of declines in the comparison period, statewide most regions saw very similar growth.

Within the results, prolonged gains by the auto-transportation and building-construction industries generated higher receipts. Although the explosion of sales by new and used car dealers has come as welcome relief, the latest news of inventories being stretched thin due to the micro processing chip issues earlier in the year may result in a headwind into 2022. Conversely for the building-construction group, as housing prices in many markets increased over the last year, sustained available homeowner and investor equity is in place for the foreseeable future. Receipts from general consumer goods marked a steady and expected come back, led by family apparel, jewelry and home furnishing stores. When combined with solid greater economic trends, this is a welcome

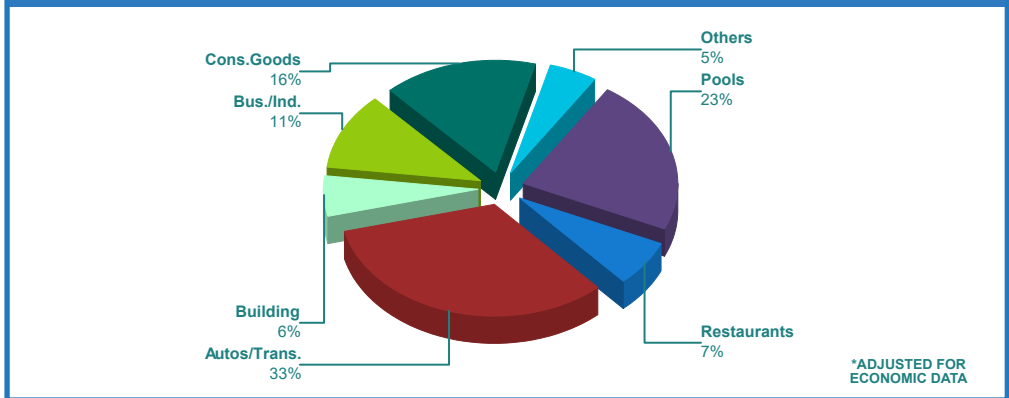
sign for many companies as a lead up to the normal holiday shopping period later this calendar year.

As consumers flock back into retail locations and with AB 147 fully implemented, growth from the county use tax pools - largely enhanced by out-of-state online sales activity - returned to more traditional gains of 9%. These results also included the reallocation of tax dollars previously distributed through the countywide pools to specific local jurisdictions that operate in-state fulfillment centers. Thus, the business and industry category, where fulfillment centers, medical-biotech vendors and garden-agricultural supplies are shown, jumped 26%.

In June, many restaurants reopened indoor dining. Given consumer desires to eat out and beautiful spring weather, all categories experienced a strong, much-needed rebound. However, labor shortages and a rise in menu prices continue to be a concern.

Looking ahead, sustained sales tax growth is still anticipated through the end of the 2021 calendar year. Inflationary effects are showing up in the cost of many taxable products. Pent up demand for travel and experiences, the return of commuters with more costly fuel, and labor shortages having upward pressure on prices may begin to consume more disposable income and tighten growth by the start of 2022.

REVENUE BY BUSINESS GROUP Dublin This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Dublin Business Type	Q2 '21*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	1,906.2	56.3% ↑	55.9% ↑	55.9% ↑
Casual Dining	304.2	176.3% ↑	119.5% ↑	130.2% ↑
Service Stations	245.9	104.1% ↑	66.3% ↑	73.9% ↑
Electronics/Appliance Stores	201.3	154.8% ↑	139.1% ↑	52.7% ↑
Building Materials	199.2	14.5% ↑	26.8% ↑	21.7% ↑
Home Furnishings	157.9	262.9% ↑	200.6% ↑	88.5% ↑
Medical/Biotech	157.3	41.8% ↑	56.9% ↑	23.6% ↑
Sporting Goods/Bike Stores	145.3	67.4% ↑	58.2% ↑	35.8% ↑
Plumbing/Electrical Supplies	132.6	75.5% ↑	47.7% ↑	37.5% ↑
Quick-Service Restaurants	116.3	47.1% ↑	32.4% ↑	28.9% ↑

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