

# CITY OF MANHATTAN BEACH

## SALES TAX UPDATE

### 4Q 2020 (OCTOBER - DECEMBER)



**MANHATTAN BEACH**

TOTAL: \$ 2,176,121

-18.4%

4Q2020



-7.7%

COUNTY



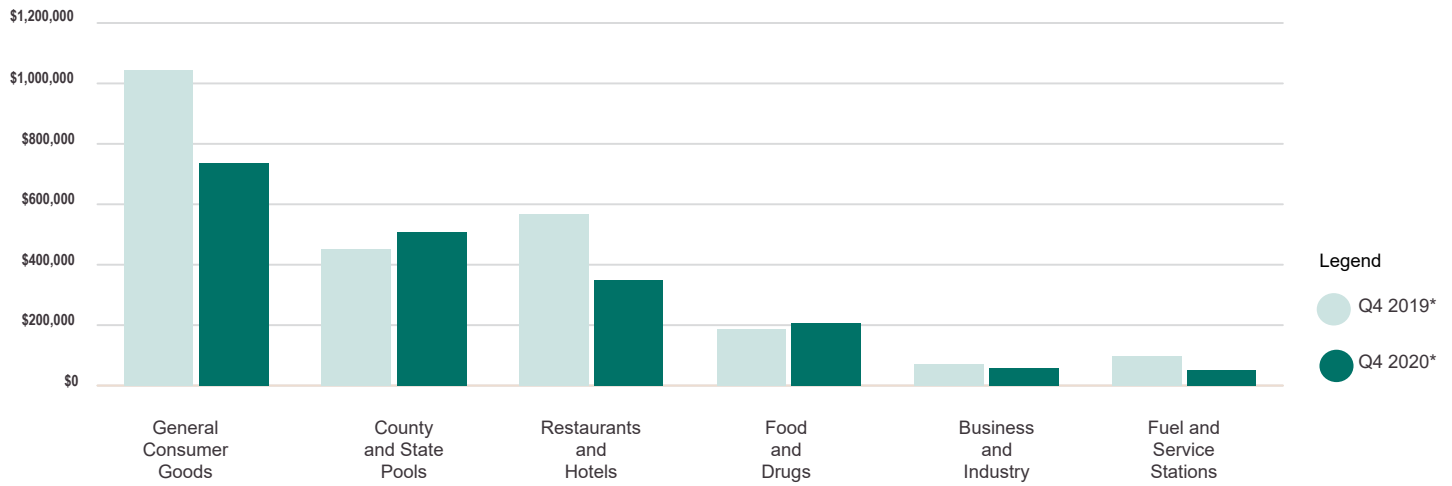
-2.0%

STATE



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

### SALES TAX BY MAJOR BUSINESS GROUP



### CITY OF MANHATTAN BEACH HIGHLIGHTS

Receipts from Manhattan Beach's October through December sales were 23.5% lower than the same quarter last year. After missing/delayed payments and other accounting aberrations are factored in, actual sales activity decreased 18.4%.

General consumer goods decreased 29.6% with most categories down. However, the electronics/appliance stores sector was particularly hard hit with receipts dropping 75%.

Continued COVID-19 restrictions and cautious consumer behavior plummeted all restaurant categories, particularly casual and fine dining eateries.

The losses were partially offset by favorable results from the countywide use tax pool due to the full

implementation of AB 147 (Wayfair/ Marketplace Facilitator Act) and strong holiday ecommerce/online ordering.

Net of aberrations, taxable sales for all of Los Angeles County declined 7.7% over the comparable time period; the Southern California region was down 2.7%.



### TOP 25 PRODUCERS

- |                        |                           |
|------------------------|---------------------------|
| Apple                  | Target                    |
| Barnes & Noble         | Toyota Lease Trust        |
| BevMo                  | Trader Joes               |
| Bristol Farms          | True Religion Brand Jeans |
| Chevron                | Vons                      |
| Circle K               | Wrights                   |
| CVS Pharmacy           |                           |
| Gelsons Markets        |                           |
| Macy's                 |                           |
| Manhattan Beach        |                           |
| Toyota Scion           |                           |
| Manhattan Fine Wines   |                           |
| McDonalds              |                           |
| Nick's Manhattan Beach |                           |
| Old Navy               |                           |
| Ralphs Fresh Fare      |                           |
| REI                    |                           |
| Skechers by Mail       |                           |
| Strand House Standbar  |                           |
| Sugarfish              |                           |



**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.

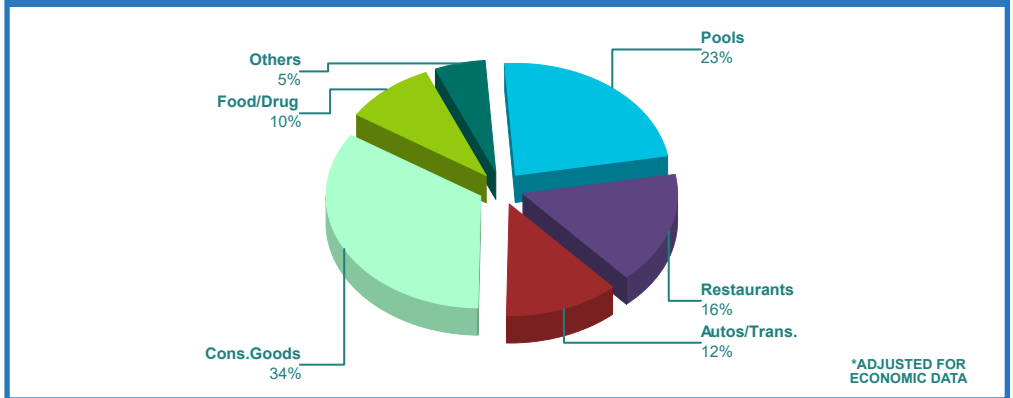
The building-construction sector, with 1) increased price of goods - like lumber, 2) continued home improvement projects, and 3) advantageous fall/winter weather conditions saw strong gains that remained consistent throughout the calendar year.

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**  
Manhattan Beach This Quarter\*



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Manhattan Beach Business Type	Q4 '20*	Change	County Change	HdL State Change
Casual Dining	178.5	-37.2% ↓	-45.3% ↓	-39.4% ↓
Grocery Stores	109.2	11.8% ↑	4.3% ↑	5.4% ↑
Family Apparel	95.2	-18.7% ↓	-19.2% ↓	-16.1% ↓
Fine Dining	79.5	-43.2% ↓	-56.4% ↓	-54.4% ↓
Specialty Stores	59.8	-29.6% ↓	-10.6% ↓	-6.7% ↓
Convenience Stores/Liquor	55.2	5.2% ↑	-5.8% ↓	-2.1% ↓
Home Furnishings	53.9	-18.4% ↓	0.0% ↓	0.8% ↑
Quick-Service Restaurants	46.5	-9.4% ↓	-12.2% ↓	-8.8% ↓
Service Stations	41.3	-55.4% ↓	-38.2% ↓	-31.3% ↓
Fast-Casual Restaurants	31.7	-17.3% ↓	-13.9% ↓	-12.0% ↓

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