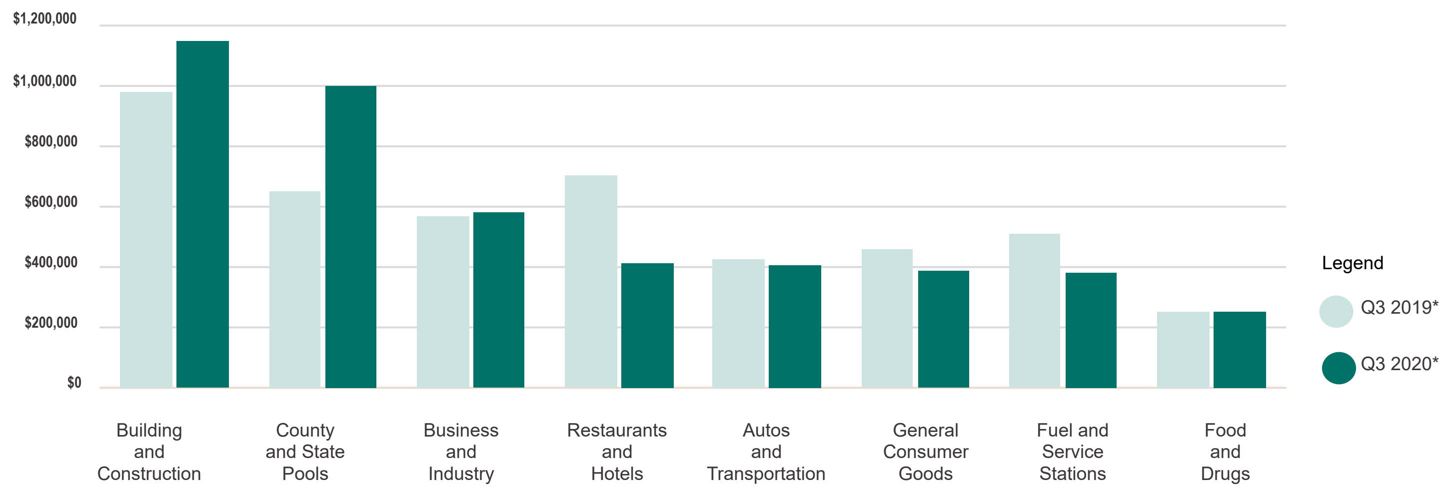
CITY OF POMONA
SALES TAX UPDATE
3Q 2020 (JULY - SEPTEMBER)

POMONA
TOTAL: $ 4,572,805

0.3% 3Q2020 | -6.0% COUNTY | -0.9% STATE

*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure PG
TOTAL: $3,151,998
3.8%

CITY OF POMONA HIGHLIGHTS

Pomona's receipts from July through September were 1.5% above the third sales period in 2019. Excluding aberrations, actual sales were up 0.3%.

This was the second quarter of significant economic impacts due to the COVID-19 pandemic. Locally, point of sale actual receipts dropped 7.9%. Lower retail gas prices and reduced demand for fuel pushed service station sales down 25.3%. Restaurant and hotel sales declined 41.1% due to restrictions placed on the industry. General retail sales were down 15.7%.

Building and construction supply sales jumped 17.6%. Automotive, business and industry, and food and drugs groups had minor gains.

The point of sale decline was offset by a 53% increase in the City's allocation from the countywide use tax pool. The continuing surge in pool receipts is due to the Wayfair decision that required out of state companies to collect sales tax and increased demand for online purchases due to the pandemic that has changed consumers' buying habits.

Taxable sales for all of Los Angeles County declined 6.0% over the comparable time period; the Southern California region was down 1.5%.

TOP 25 PRODUCERS

- Arco AM PM
- Chevron Extra Mile
- Cicero Brothers Enterprises
- dd's Discounts
- Ferguson Enterprises
- Food 4 Less
- Global Rental Co
- Graybar Electric
- HD Supply Home Improvement Solutions
- Home Depot
- Hub Construction Specialties
- Huntington Hardware
- In N Out Burger
- Marco Equipment
- Phenix Enterprises
- Plug In Auto
- Pomona Kia
- Rohr Steel
- Roofline Supply & Delivery
- Ryder Vehicle Sales
- Superior Duct Fabrication
- Target
- USA Gas
- Walmart Supercenter
- Winco Foods 57

STATEWIDE RESULTS

The local one-cent sales and use tax from sales occurring July through September was 0.9% lower than the same quarter one year ago after factoring for accounting anomalies. The losses were primarily concentrated in coastal regions and communities popular with tourists while much of inland California including the San Joaquin Valley, Sacramento region and Inland Empire exhibited gains.

Generally, declining receipts from fuel sales, brick and mortar retail and restaurants were the primary factors leading to this quarter's overall decrease. The losses were largely offset by a continuing acceleration in online shopping that produced huge gains in the county use tax pools where tax revenues from purchases shipped from out-of-state are allocated and in revenues allocated to jurisdictions with in-state fulfillment centers and order desks.

Additional gains came from a generally solid quarter for autos, RV's, food-drugs, sporting goods, discount warehouses, building material suppliers and home improvement purchases. Some categories of agricultural and medical supplies/equipment also did well.

Although the slight decline in comparable third quarter receipts reflected a significant recovery from the immediate previous period's deep decline, new coronavirus surges and reinstated restrictions from 2020's Thanksgiving and Christmas gatherings compounded by smaller federal stimulus programs suggest more significant drops in forthcoming revenues from December through March sales.

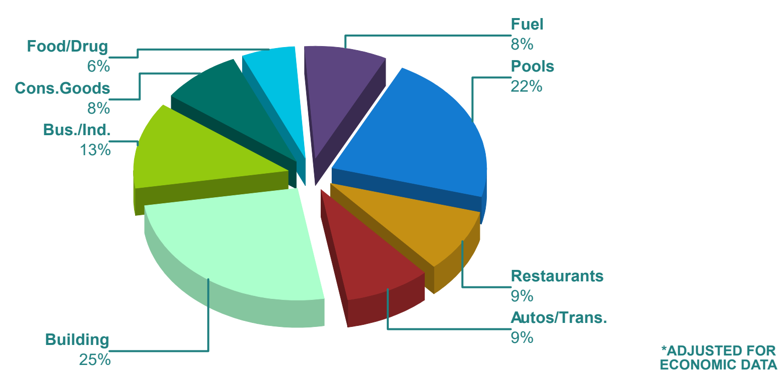
Additionally, the past few quarter's gains in county pool receipts that were generated by the shift to online shopping plus last year's implementation of the Wayfair v. South Dakota Supreme Court decision will level out after the first quarter of 2021.

Much of the initial demand for computers and equipment to accommodate home schooling and remote workplaces has been satisfied. Manufacturers are also reporting that absenteeism, sanitation protocols, inventory and imported parts shortages have reduced production capacity that will not be regained until mass vaccines have been completed, probably by the fall of 2021.

Significant recovery is not anticipated until 2021-22 with full recovery dependent on the specific character and make up of each jurisdiction's tax base. Part of the recovery will be a shift back to non-taxable services and activities. Limited to access because of pandemic restrictions, consumers spent 72% less on services during the third quarter and used the savings to buy taxable goods.

Full recovery may also look different than before the pandemic. Recent surveys find that 3 out of 4 consumers have discovered new online alternatives and half expect to continue these habits which suggests that the part of the recent shift of revenues allocated through countywide use tax pools and industrial distribution centers rather than stores will become permanent.

REVENUE BY BUSINESS GROUP
Pomona This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Pomona Business Type	Q3 '20*	Change	County Change	HdL State Change
Service Stations	372.2	-24.6% ↓	-34.8% ↓	-29.0% ↓
Building Materials	361.5	4.8% ↑	12.1% ↑	16.4% ↑
Quick-Service Restaurants	311.3	0.9% ↑	-13.7% ↓	-10.3% ↓
Contractors	262.3	-3.9% ↓	-5.3% ↓	-5.7% ↓
Used Automotive Dealers	186.4	9.3% ↑	22.3% ↑	11.8% ↑
Grocery Stores	136.9	-3.3% ↓	5.1% ↑	7.1% ↑
Light Industrial/Printers	134.6	-5.7% ↓	-7.9% ↓	-6.0% ↓
Heavy Industrial	124.8	26.0% ↑	-12.5% ↓	-9.4% ↓
Convenience Stores/Liquor	85.2	4.6% ↑	15.9% ↑	15.1% ↑
Automotive Supply Stores	76.3	3.0% ↑	0.5% ↑	5.6% ↑

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*In thousands of dollars