

CITY OF BURLINGAME

SALES TAX UPDATE

2Q 2022 (APRIL - JUNE)



BURLINGAME
TOTAL: \$ 3,960,296

9.2%
2Q2022



15.3%
COUNTY

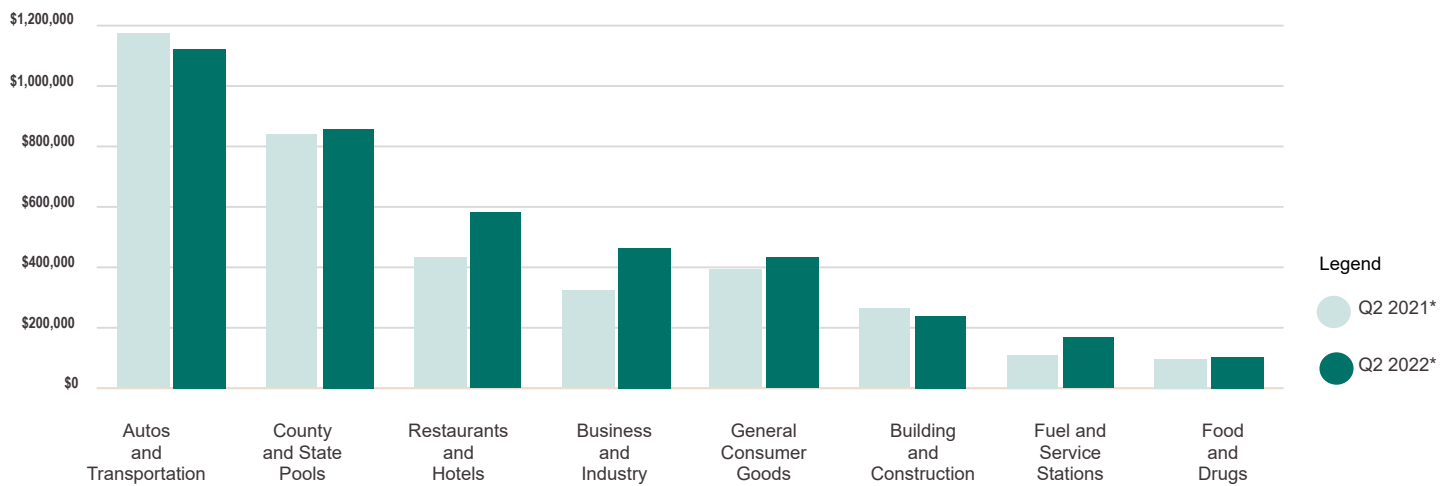


10.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure I
TOTAL: \$770,459
↑ 10.6%



CITY OF BURLINGAME HIGHLIGHTS

Burlingame's receipts from April through June were 3.4% above the second sales period in 2021. Excluding reporting aberrations, actual sales were up 9.2%.

Inflation in this quarter was brutal, rising prices were hitting consumers' pocketbooks in many basic areas, boosting revenues for service stations and slowing spending in some categories but consumers continued to spend at restaurants and on luxury items.

A reporting anomaly is falsely inflating the business-industry group which would have posted slight declines without the error.

New motor vehicle dealerships were a

mixed bag, but the declines outpaced the gains resulting in the category posting a 5% decline.

Casual dining was up 11% and fine dining restaurants were up 19% with rising menu prices not deterring the desire to dine out.

Onetime allocations to the pool offset slowing in online purchases.

Measure I gains came from increases in receipts for new car purchases and the high prices at the pumps.

Net of aberrations, taxable sales for all of San Mateo County grew 15.3% over the comparable time period; the Bay Area was up 11.7%.



TOP 25 PRODUCERS

ABC Supply Co
All Industrial Supply
All Natural Stone
Apple
Audi Leasing Bentley Leasing
Benihana
Floor & Decor
Garratt-Callahan
Hyatt Regency
Kern Jewelers
Lahlouh Printing
Marin Gas & Auto Services
Marriott Hotel
New England Lobster Market & Eatery

Ocean Honda
Proterra
Putnam Chevrolet Cadillac
Putnam Chrysler Jeep Dodge
Putnam Kia
Putnam Toyota
Rector Porsche Audi
Shell
Taste Catering
Tesla Motors
Topper Jewelers



STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring April through June was 10% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark the sixth consecutive quarter of double-digit growth since the pandemic periods in 2020, with the July-June 2022 fiscal year up 15%.

Commuters returning to offices combined with the Russia-Ukraine conflict continuing to put upward pressure on oil prices and left Californians facing the highest average price per gallon on record resulting in fuel and service station receipts 42% higher than last year. While statewide fuel consumption still trails 2019 levels, local gas prices are expected to remain high until after the summer blend period.

Led by consumer’s desire to dine out, a steady rise in tourism and business travel, higher menu prices and great weather, the restaurant sector continues to flourish. Theme parks, entertainment venues and hotels showed the strongest growth with casual dining establishments remaining solid, a trend likely to remain through 2022.

The automobile sector experienced modest gains for new car dealers and rental car vendors, however sales of used autos and leasing activity has begun to cool. Brands prioritizing full electric and hybrid models still appear to be the most attractive with consumers, however increased financing rates may cause even their activity to dampen. Tight inventories that contributed to dramatic price increases over the last 18 months are also showing signs of loosening as newer models are released

in greater numbers.

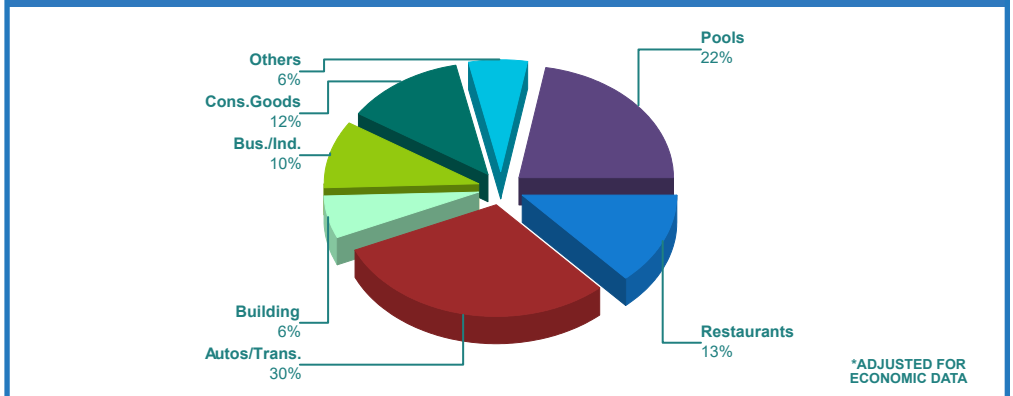
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight decrease.

With new housing starts accelerating and residential and commercial property values rising, construction contractors remain busy. Lumber prices have softened from prior year highs leaving material suppliers with modest gains, however electrical, plumbing and energy suppliers

boosted building sector results. Increased investment in capital equipment remains an important area of growth for county pool allocations, especially as online spending for general consumer goods begins to flatten as consumers return to in-store shopping.

Overall, higher priced goods through periods of consistent demand have led to economic inflation. The Federal Reserve Board’s recent actions to curb inflation are anticipated to put downward pressure on sales of autos, building materials and financed general consumer goods, resulting in slower growth by year end and into 2023.

REVENUE BY BUSINESS GROUP
Burlingame This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Burlingame Business Type	Q2 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	927.9	-5.6% ↓	7.0% ↑	6.6% ↑
Casual Dining	334.8	11.3% ↑	26.7% ↑	17.2% ↑
Service Stations	166.0	52.6% ↑	51.1% ↑	36.4% ↑
Building Materials	129.4	12.6% ↑	2.5% ↑	2.9% ↑
Jewelry Stores	124.4	16.1% ↑	63.9% ↑	1.2% ↑
Auto Lease	94.1	-12.4% ↓	-13.4% ↓	-8.9% ↓
Electronics/Appliance Stores	77.9	9.5% ↑	8.1% ↑	-1.0% ↓
Hotels/Motels	76.3	236.7% ↑	199.7% ↑	112.8% ↑
Fine Dining	73.0	19.7% ↑	42.3% ↑	18.0% ↑
Medical/Biotech	72.9	30.3% ↑	26.3% ↑	5.3% ↑

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