

CITY OF BURLINGAME

SALES TAX UPDATE

4Q 2020 (OCTOBER - DECEMBER)



BURLINGAME

TOTAL: \$ 3,568,352

-13.6%

4Q2020



-9.9%

COUNTY



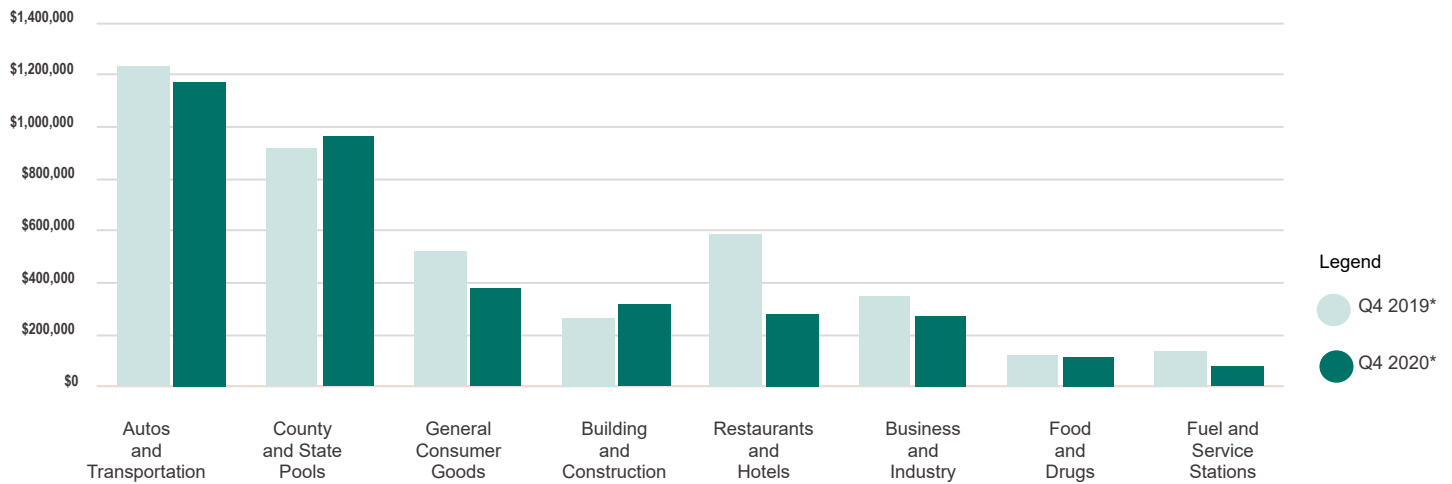
-2.0%

STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure I

TOTAL: \$646,540

↓ -9.8%



CITY OF BURLINGAME HIGHLIGHTS

Burlingame's receipts from October through December were 21.3% below the fourth sales period in 2019. Excluding reporting aberrations, actual sales were down 13.6%.

This was the third quarter of significant economic impacts due to the Covid-19 virus. Locally, point of sale receipts dropped 19%; most major industry groups were down. Restaurants sales contracted 53% due to restrictions placed on the industry; plummeting occupancies hurt hotels. Lower retail gas prices and reduced demand for fuel pushed service stations downward.

General consumer goods suffered over

the holiday quarter due to far less foot traffic; specialty shops, electronics/appliances and jewelry stores captured far fewer sales. New vehicle dealership's returns fell from year-ago amounts.

Contractor's busy at the Burlingame Point Project propelled building-construction higher by 20%. Other positive news was growth from business services and drug/chemical companies.

The Measure I sum noted above reflected losses across several tax groups linked to the pandemic. Net of aberrations, taxable sales for all of San Mateo County declined 9.9% over the comparable time period; the Bay Area was down 8.0%.



TOP 25 PRODUCERS

ABC Supply
All Industrial Supply
All Natural Stone
Apple
Audi Leasing Bentley Leasing
Critchfield Mechanical
CSI Electrical Contractors
Eaton And Associates
Ferguson Enterprises
Floor & Decor
Garratt-Callahan
Kern Jewelers
Lahlouh Printing
Marin Gas & Auto Services

Mollie Stones Market
Ocean Honda
Porsche Leasing
Purcell Murray Company
Putnam Chevrolet Cadillac
Putnam Chrysler Jeep Dodge
Putnam Toyota
Rector Porsche Audi
Safeway
Tesla Motors
Walgreens



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.

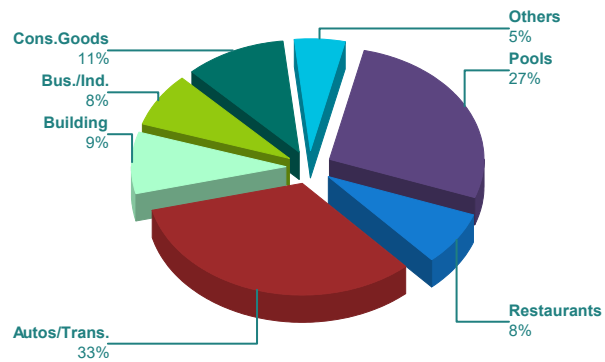
The building-construction sector, with 1) increased price of goods - like lumber, 2) continued home improvement projects, and 3) advantageous fall/winter weather conditions saw strong gains that remained consistent throughout the calendar year.

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
Burlingame This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Burlingame Business Type	Q4 '20*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	993.7	-4.1% ↓	0.0% ↑	7.2% ↑
Casual Dining	194.1	-38.6% ↓	-41.0% ↓	-39.4% ↓
Contractors	161.2	42.1% ↑	3.4% ↑	2.3% ↑
Auto Lease	107.9	-0.3% ↓	-3.2% ↓	2.2% ↑
Building Materials	96.0	1.3% ↑	13.1% ↑	17.4% ↑
Jewelry Stores	94.5	-11.6% ↓	-12.1% ↓	-1.8% ↓
Service Stations	78.7	-43.4% ↓	-42.9% ↓	-31.3% ↓
Electronics/Appliance Stores	62.5	-50.0% ↓	-35.6% ↓	-25.0% ↓
Light Industrial/Printers	60.9	-22.4% ↓	-26.1% ↓	-5.0% ↓
Specialty Stores	56.7	-18.6% ↓	-8.2% ↓	-6.7% ↓

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars