Burlingame's receipts from July through September were 15.3% below the third sales period in 2018. However, this comparison is skewed due to the CDTFA's transition to a new reporting system in the prior year when additional payments were received by the City. Excluding reporting aberrations, actual sales were down 2.8%.

New auto sales tumbled compared to the year ago temporary bulge due to fulfilling back orders. This had an adverse impact on the City's share of the countywide use tax allocation pool this quarter.

New restaurants boosted returns in the restaurant group. A new contractor and a new building supply store furthered gains in the building and construction group which has temporary gains due to a large project. Strong sales in home furnishings and jewelry stores lifted the general consumer group which otherwise is experiencing sluggish sales.

Voter approved Measure I generated $628,602 this quarter boosted by strong online sales and the large construction project.

Net of aberrations, taxable sales for all of San Mateo County grew 3.4% over the comparable time period; the Bay Area was down 0.5%.

**SALES TAX BY MAJOR BUSINESS GROUP**

### Top 25 Producers

<table>
<thead>
<tr>
<th>ABC Supply Co</th>
<th>Marriott Hotel</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Industrial Supply</td>
<td>New England Lobster Market &amp; Eatery</td>
</tr>
<tr>
<td>All Natural Stone</td>
<td>Ocean Honda</td>
</tr>
<tr>
<td>Apple</td>
<td>Purcell Murray Company</td>
</tr>
<tr>
<td>Audi Leasing</td>
<td>Putnam Chevrolet Cadillac</td>
</tr>
<tr>
<td>Bentley Leasing</td>
<td>Putnam Family Motors</td>
</tr>
<tr>
<td>Benihana</td>
<td>Putnam Toyota</td>
</tr>
<tr>
<td>Booster Fuels</td>
<td>Rector Porsche Audi</td>
</tr>
<tr>
<td>Eric Brand Furniture</td>
<td>Safeway</td>
</tr>
<tr>
<td>Floor &amp; Decor</td>
<td>Shell</td>
</tr>
<tr>
<td>Garratt-Callahan</td>
<td>Tesla Motors</td>
</tr>
<tr>
<td>Hyatt Regency</td>
<td></td>
</tr>
<tr>
<td>Kern Jewelers</td>
<td></td>
</tr>
<tr>
<td>Lahlouh Printing</td>
<td></td>
</tr>
<tr>
<td>Marin Gas &amp; Auto Services</td>
<td></td>
</tr>
</tbody>
</table>

### Revenue Comparison

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Point-of-Sale</td>
<td>$3,698,143</td>
<td>$3,078,070</td>
<td>$2,924,000</td>
<td>$2,650,000</td>
</tr>
<tr>
<td>County Pool</td>
<td>791,160</td>
<td>722,566</td>
<td>761,000</td>
<td>684,000</td>
</tr>
<tr>
<td>State Pool</td>
<td>2,029</td>
<td>1,301</td>
<td>2,000</td>
<td>1,300</td>
</tr>
<tr>
<td>Gross Receipts</td>
<td>$4,491,332</td>
<td>$3,801,937</td>
<td>$4,000,000</td>
<td>$3,500,000</td>
</tr>
<tr>
<td>Cty/Cnty Share</td>
<td>(224,567)</td>
<td>(190,097)</td>
<td>(199,999)</td>
<td>(189,999)</td>
</tr>
<tr>
<td>Net Receipts</td>
<td>$4,266,765</td>
<td>$3,611,840</td>
<td>$3,800,000</td>
<td>$3,310,000</td>
</tr>
<tr>
<td>Measure I</td>
<td>$665,602</td>
<td>$649,304</td>
<td>$660,000</td>
<td>$630,000</td>
</tr>
</tbody>
</table>

Published by Hdl Companies in Winter 2020

www.hdlcompanies.com | 888.861.0220
Statewide Results

The local one-cent share of statewide sales and use tax from sales occurring July through September was 2.2% higher than the summer quarter of 2018 after adjusting for accounting anomalies.

The bulk of the increase came from the countywide use tax allocation pools and is due to the acceleration in online shopping where a large volume of the orders are shipped from out-of-state.

Online shopping also produced gains in the business-industrial group with in-state industrial zoned logistics centers filling orders previously taken by brick and mortar retailers. Purchases to support healthcare, food processing, logistics/warehouse operations and information/data technology also helped offset declines in other business-related categories.

With the exception of some discount and value-oriented retail, most categories of general consumer goods were down. New cannabis related start-ups offset declines in the food and drug group while a softening in building-construction receipts was consistent with recent declines in the volume and value of new building permit issuances.

Overall growth in restaurant receipts continued to soften with a shift toward lower cost dining establishments and takeout meal options. Reports of labor shortages and the impact of homelessness on customer traffic in metropolitan areas were reportedly factors in the decline in tax revenues from higher priced, fine dining establishments.

Despite a slight uptick in used auto and auto lease receipts, the auto related group was significantly down due to a drop in new car and RV sales. Previously propped up by a 23% subprime rated customer base and six- and seven-year financing, loan delinquencies have recently surged back to levels last seen in 2009.

Additional Tax Districts Approved

Voters approved eight of the nine sales tax measures on the November 2019 ballot adding six new districts and extending two others.

This brings the total number of local transactions and use tax districts (TUT's) to 325 with 62 that are levied countywide and 263 imposed by individual cities. The number of local districts have close to tripled over the last decade as agencies deal with rising costs and service needs. TUT's have been a favorable option as visitors contribute to the tax and a collection system is already in place that minimizes administrative and monitoring costs.

California's basic rule is that the rate for all local TUT's combined, shall not exceed 2.0% or a total of 9.25% including the state levy. However, the state legislature has authorized higher caps in some jurisdictions with the highest voter-approved, combined state/local rate now at 10.5%.

Thirty-five or more additional local TUT measures are currently being considered for the March 2020 ballot.

**BURLINGAME TOP 15 BUSINESS TYPES**

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Burlingame Q3 '19</th>
<th>County of San Mateo Q3 '19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto Lease</td>
<td>106.9</td>
<td>4.4%</td>
</tr>
<tr>
<td>Building Materials</td>
<td>105.9</td>
<td>-6.0%</td>
</tr>
<tr>
<td>Casual Dining</td>
<td>310.3</td>
<td>2.3%</td>
</tr>
<tr>
<td>Contractors</td>
<td>157.4</td>
<td>2.6%</td>
</tr>
<tr>
<td>Electrical Equipment</td>
<td>61.1</td>
<td>-3.4%</td>
</tr>
<tr>
<td>Electronics/Appliance Stores</td>
<td>79.0</td>
<td>-4.5%</td>
</tr>
<tr>
<td>Family Apparel</td>
<td>48.0</td>
<td>0.2%</td>
</tr>
<tr>
<td>Fine Dining</td>
<td>58.6</td>
<td>2.5%</td>
</tr>
<tr>
<td>Home Furnishings</td>
<td>73.8</td>
<td>-11.3%</td>
</tr>
<tr>
<td>Hotels-Liquor</td>
<td>130.3</td>
<td>2.6%</td>
</tr>
<tr>
<td>Jewelry Stores</td>
<td>57.5</td>
<td>4.1%</td>
</tr>
<tr>
<td>Light Industrial/Printers</td>
<td>63.4</td>
<td>-4.2%</td>
</tr>
<tr>
<td>New Motor Vehicle Dealers</td>
<td>956.0</td>
<td>-7.2%</td>
</tr>
<tr>
<td>Service Stations</td>
<td>198.3</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Specialty Stores</td>
<td>56.3</td>
<td>-23.7%</td>
</tr>
<tr>
<td><strong>Total All Accounts</strong></td>
<td><strong>3,034.3</strong></td>
<td><strong>1.3%</strong></td>
</tr>
<tr>
<td><strong>County &amp; State Pool Allocation</strong></td>
<td><strong>689.2</strong></td>
<td><strong>13.3%</strong></td>
</tr>
<tr>
<td><strong>Gross Receipts</strong></td>
<td><strong>3,723.5</strong></td>
<td><strong>3.4%</strong></td>
</tr>
</tbody>
</table>

**Accounting aberrations such as late payments, fund transfers, and audit adjustments have been adjusted to reflect the quarter in which the sales occurred.**