

CITY OF BUELLTON

SALES TAX UPDATE

3Q 2020 (JULY - SEPTEMBER)



BUELLTON

TOTAL: \$ 737,986

11.3%
3Q2020



-2.6%
COUNTY

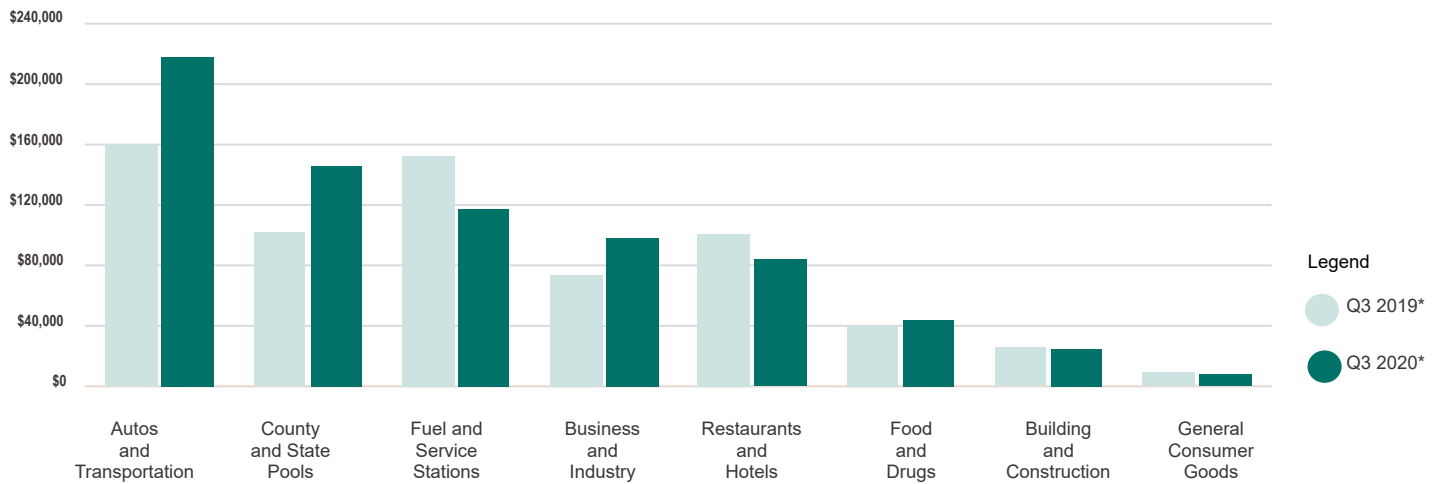


-0.9%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF BUELLTON HIGHLIGHTS

Buellton's receipts from July through September were 11.3% above the third sales period in 2019 significantly outpacing the state and regional trend.

Auto and transportation related sales surged 37% despite the Covid-19 pandemic. This increase had the additional benefit of boosting allocations from the countywide use tax pool as this funding is apportioned among County agencies each quarter based on proportional cash performance.

Local wine producers saw an increase in online sales during the epidemic.

Conversely, gasoline sales dropped 23% as the health crisis cut economic activity and deflated the price of petroleum products on the global market. Casual restaurants were also

depressed by the temporary closure of indoor dining rooms. Both of these groups, however, outperformed the statewide trend amid the summer tourist season.

Net of aberrations, taxable sales for all of Santa Barbara County declined 2.6% over the comparable time period; the Central Coast region was down 1.6%.



TOP 25 PRODUCERS

Airstream of Santa Barbara by Sky River
Albertsons
Buellton Shell
Buelton Mobil
Chevron
Coast Auto Sales
Conserv Fuel
CVS Pharmacy
Eagle Energy 76
Farm Supply
Habit Burger Grill
Industrial Eats
Jim Vreeland Ford
McDonalds
O'Reilly Auto Parts
Platinum Performance
Platinum Performance Vet
Rio Vista Chevrolet

Taproom & Barrelworks
The Hitching Post II
Todd Pipe & Supply
Toms Gas & Market
Tractor Supply
USA Station
Wonderful Wine



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.

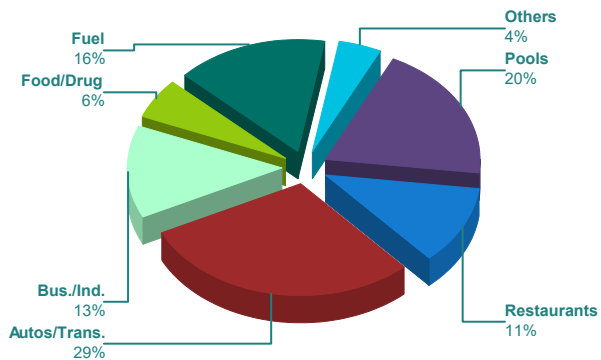
Much of the initial demand for computers and equipment to accommodate home schooling and remote workplaces has been satisfied. Manufacturers are also reporting that absenteeism, sanitation protocols, inventory and imported parts shortages have reduced production capacity that will not be regained until 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
Buellton This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Buellton Business Type	Q3 '20	Change	County Change	HdL State Change
Service Stations	116,905	-23.4% ↓	-28.6% ↓	-29.0% ↓
Casual Dining	33,177	-29.7% ↓	-27.7% ↓	-38.1% ↓
Quick-Service Restaurants	29,268	9.8% ↑	-6.6% ↓	-10.2% ↓
Garden/Agricultural Supplies	26,812	20.7% ↑	8.1% ↑	7.0% ↑
Wineries	22,904	64.4% ↑	14.6% ↑	-3.2% ↓
Auto Repair Shops	10,396	6.8% ↑	-9.2% ↓	-13.7% ↓
Automotive Supply Stores	9,857	9.7% ↑	11.0% ↑	5.6% ↑
Convenience Stores/Liquor	8,606	7.1% ↑	18.3% ↑	15.1% ↑
Contractors	8,573	8.4% ↑	-5.9% ↓	-5.7% ↓
Leisure/Entertainment	1,783	-35.0% ↓	-58.3% ↓	-78.7% ↓

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