

CITY OF BUELLTON

SALES TAX UPDATE

4Q 2020 (OCTOBER - DECEMBER)



BUELLTON

TOTAL: \$ 726,057

1.2%
4Q2020



-1.9%
COUNTY

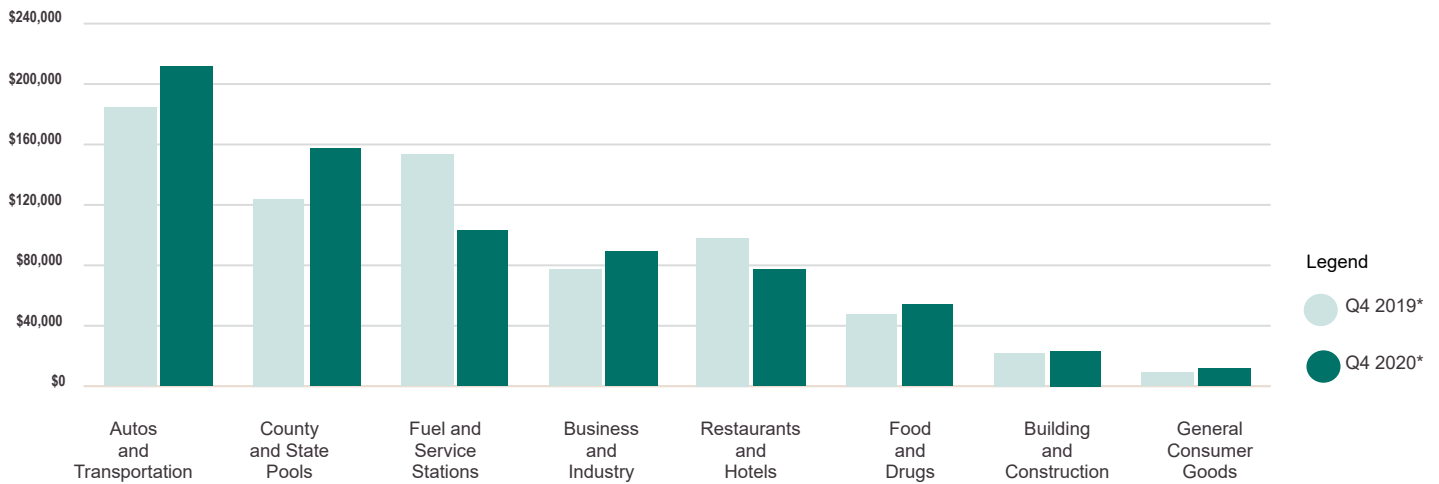


-2.0%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF BUELLTON HIGHLIGHTS

Buellton's receipts from October through December were 0.9% below the fourth sales period in 2019. However, tax payment deferrals offered by the State has temporarily delayed actual receipts. Once estimated payments are incorporated into the data and reporting aberrations excluded, actual sales were up 1.2%.

While this was the third quarter of economic impacts due to the pandemic, the City experienced a solid growth period from auto & transportation vendors, consistent with the county and statewide trend.

Steady improved sales activity from garden/agricultural suppliers and wineries boosted business-industry.

Gains from the countywide use tax pool continues to be a bright spot. With

more online purchases being made and a greater number of out-of-state retailers collecting and remitting local sales tax, the City's share grew 26% compared to a year ago.

As expected, restaurants that usually depend on indoor services like casual dining establishments continue to be hindered, with reduced commuter frequency and lower gas prices holding service stations lower.

Net of aberrations, taxable sales for all of Santa Barbara County declined 1.9% over the comparable time period; the Central Coast region was up 0.3%.



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
Go Wireless
Habit Burger Grill
Industrial Eats
Jim Vreeland Ford
McDonalds
O'Reilly Auto Parts
Platinum Performance
Rio Vista Chevrolet
Taproom & Barrelworks

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



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.

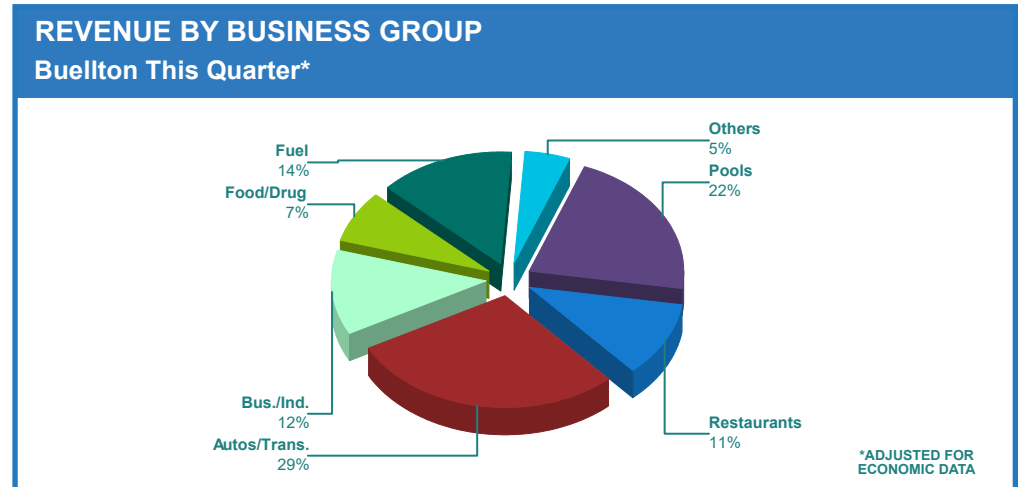
On the bright side, as consumer confidence stabilized post the national presidential election, customers were motivated to comfortably spend on high-end luxury automobiles, boats-motorcycles, RVs, and sporting goods/equipment.

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.



TOP NON-CONFIDENTIAL BUSINESS TYPES

Buellton Business Type	Q4 '20	Change	County Change	HdL State Change
Service Stations	102,564	-33.1% ↓	-32.2% ↓	-31.2% ↓
Casual Dining	29,362	-35.7% ↓	-31.8% ↓	-39.4% ↓
Quick-Service Restaurants	27,654	12.5% ↑	-5.2% ↓	-8.7% ↓
Garden/Agricultural Supplies	27,542	20.2% ↑	16.9% ↑	14.0% ↑
Wineries	21,133	19.4% ↑	-2.9% ↓	-5.9% ↓
Auto Repair Shops	9,583	4.7% ↑	-11.5% ↓	-13.2% ↓
Automotive Supply Stores	9,427	8.2% ↑	3.5% ↑	3.3% ↑
Convenience Stores/Liquor	7,409	4.2% ↑	0.2% ↑	-2.0% ↓
Contractors	6,267	-2.9% ↓	2.4% ↑	2.3% ↑
Light Industrial/Printers	2,079	50.2% ↑	-8.8% ↓	-5.0% ↓

*Allocation aberrations have been adjusted to reflect sales activity