

# CITY OF DEL MAR

## SALES TAX UPDATE

### 1Q 2021 (JANUARY - MARCH)



#### DEL MAR

TOTAL: \$ 198,056

-7.5%  
1Q2021



7.4%  
COUNTY

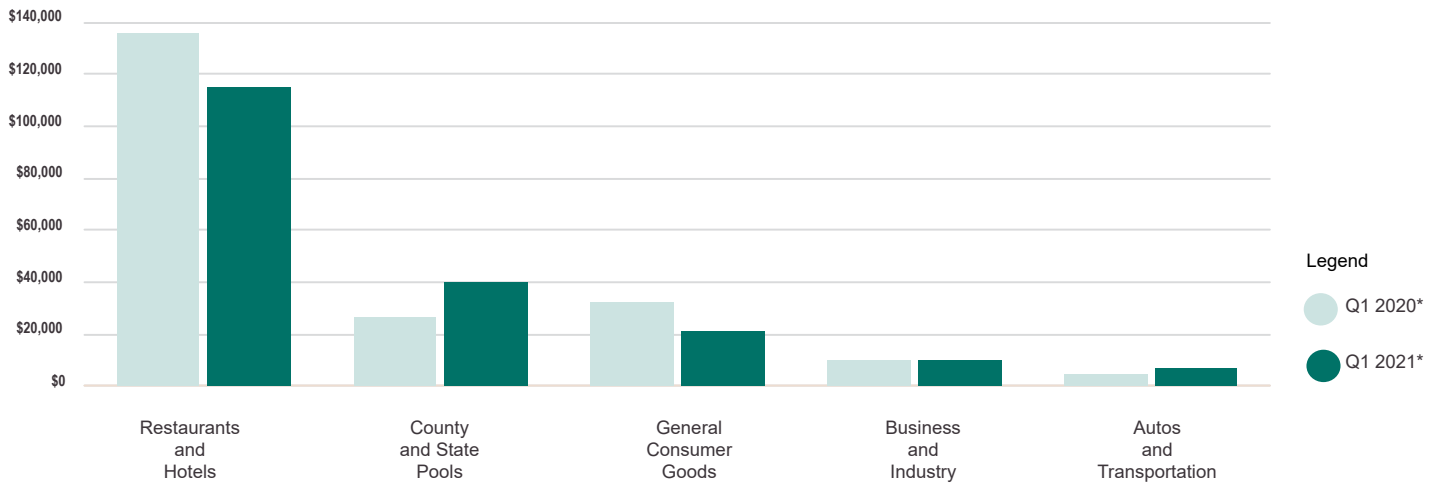


9.5%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure Q

TOTAL: \$494,716

↑ 13.8%



#### CITY OF DEL MAR HIGHLIGHTS

Del Mar's receipts from January through March were 62.0% above the first sales period in 2020. Adjusting for reporting aberrations, which included numerous tax payment delays at the beginning of the pandemic last year, actual sales were down 7.5%.

Restaurant-hotel receipts were down 15% overall as travel and event venues and attractions were disrupted by the Covid-19 pandemic and the stay-at-home order that was in effect during part of the quarter. Casual dining and other eateries were also negatively impacted by indoor service restrictions. The sale of general consumer goods also dropped.

Conversely, however, Del Mar received a 51% larger allocation from the countywide use tax pool. This money is allocated among local agencies based on proportional cash receipts and this funding rebounded to a greater degree in Del Mar than anywhere else in San Diego County after last year's initial pandemic shutdown.

The City also received a cash infusion from an equipment purchase for a leisure and entertainment operation.

Net of aberrations, taxable sales for all of San Diego County grew 7.4% over the comparable time period; the Southern California region was up 9.0%.



#### TOP 25 PRODUCERS

Allegiance Supply  
Banana Republic  
Beeside Balcony  
Biddle Barton Interiors  
Brigantine  
Carddine  
Chinese Double  
Happiness Restaurant  
Del Mar Blue Print  
Del Mar Cafe  
Del Mar Car Care  
Del Mar Liquor & Deli  
Del Mar Pizza & Pasta  
Del Mar Rendezvous  
Dexters Deli

En Fuego Cantina & Grill  
Folio  
Il Fornaio  
Jakes Del Mar  
Jurassic Quest Holdings  
Pacifica Del Mar  
Poseidon On The Beach  
Premier Food Services  
Sbicca  
Shinbashi Izakaya  
Viewpoint Brewing



**STATEWIDE RESULTS**

The local one cent sales and use tax from sales occurring January through March, was 9.5% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The Shelter-In-Place directive began one year ago which had the impact of immediate store and restaurant closures combined with remote/work from home options for employees which significantly reduced commuting traffic and fuel sales. When comparing to current period data, percentage gains are more dramatic. Furthermore, this pandemic dynamic combined with the Governor’s first Executive Order of last spring allowing for deferral of sales tax remittances explained why non-adjusted cash results were actually up 33%.

These initial recovery gains were not the same everywhere. Inland regions like Sacramento, San Joaquin Valley, Sierras, Far North and the Inland Empire area of Southern California performed much stronger than the Bay Area, Central Coast and metro areas of Southern California.

Within the results, solid performance by the auto-transportation and building-construction industries really helped push receipts higher. Weak inventories and scarcity for products increased the taxable price of vehicles (new & used), RV’s, boats and lumber which appeared to be a major driving force for these improved returns. Even though e-commerce sales activity continued to rise, brick and mortar general consumer retailers also showed solid improvement of 11% statewide.

An expected change occurred this quarter as a portion of use tax dollars previously distributed through the countywide pools was redirected to specific local jurisdictions.

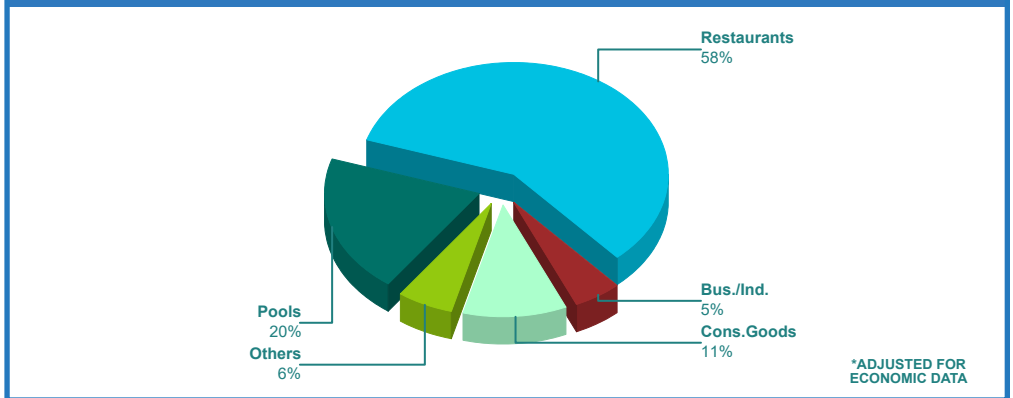
Changes in business structure required a taxpayer to determine where merchandise was inventoried at the time orders were made. Therefore, rather than apportion sales to the county pool representing where the merchandise was shipped, goods held in California facilities required allocations be made to the agency where the warehouse resides. With this modification, the business and industry category jumped 18% inclusive of steady gains by fulfillment centers, medical-biotech and garden-agricultural suppliers. Even after the change noted, county pools surged 18% which demonstrated consumers continued desire to make purchases online.

Although indoor dining was available in

many counties, the recovery for restaurants and hotels still lagged other major categories. Similarly, while commuters and travelers slowly began returning to the road, the rebound for gas stations and jet fuel is trailing as well. Both sectors are expected to see revenues climb in the coming quarters as commuters and summer tourism heats up.

Looking ahead, sustained growth is anticipated through the end of the 2021 calendar year. As a mild head wind, pent up demand for travel and experiences may begin shifting consumer dollars away from taxable goods; this behavior modification could have a positive outcome for tourist areas within the state.

**REVENUE BY BUSINESS GROUP**  
Del Mar This Quarter\*



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Del Mar Business Type	Q1 '21	Change	County Change	HdL State Change
Casual Dining	83,246	-9.5% ↓	-18.3% ↓	-18.9% ↓
Business Services	9,017	14.2% ↑	-15.8% ↓	-18.0% ↓
Quick-Service Restaurants	8,392	-16.0% ↓	2.7% ↑	1.1% ↑
Leisure/Entertainment	7,959	196.9% ↑	-35.3% ↓	-59.2% ↓
Specialty Stores	6,247	-10.0% ↓	6.9% ↑	9.0% ↑
Family Apparel	3,170	-7.4% ↓	15.1% ↑	20.5% ↑
Jewelry Stores	1,051	-25.4% ↓	31.9% ↑	32.3% ↑
Personal Service-No Liquor	289	-39.0% ↓	-15.3% ↓	-15.8% ↓
Medical/Biotech	280	-2.1% ↓	29.0% ↑	10.9% ↑
Light Industrial/Printers	127	23.3% ↑	-3.0% ↓	-1.6% ↓

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