

City of San Leandro Sales Tax Update



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Sales Tax Performance & Comparisons



Top 25 Sales Tax Producers (~ 48% of total local businesses sales tax revenue)

AMERICAN EMPEROR	PETERSON POWER SYSTEMS
BEACON ROOFING SUPPLY	PETERSON TRACTOR COMPANY
CONSOLIDATED ELECTRICAL DISTRIBUTORS	PETERSON TRUCKS
COSTCO WHOLESALE	ROSS STORES
EDGES ELECTRICAL GROUP	SAFEWAY STORES
ENTERPRISE RENT-A-CAR	SAN LEANDRO CHRYSLER JEEP DODGE RAM
EWING IRRIGATION PRODUCTS	SAN LEANDRO HONDA
F H DAILEY CHEVROLET	SAN LEANDRO HYUNDAI/KIA
FERGUSON ENTERPRISES	SUNBELT RENTALS
HOME DEPOT	TARGET STORES
LIVING SPACES FURNITURE	THE FORD STORE
NIKE FACTORY STORE	WAL MART STORES
NORCAL KENWORTH BAY AREA	

Top 25 by Sales Tax Category

Transportation - 6

- 5 Auto Sales – New, 1 Misc. Vehicle Sales

General Retail – 6

- 3 Dept. Store, 2 Apparel, 1 Furniture Appliance

Construction - 6

- 5 Build Mat Wholesale, 1 Build Mat – Retail

B2B - 6

- 3 Heavy Industry, 1 Leasing, 1 I.T. Infrastructure,
1 Electronic Equipment

Food Products - 1

- 1 Food Market

City of San Leandro

Pre-Pandemic Local Business Sales Tax Drivers

Primary Drivers

- **Retail: 28%**
- **Transportation (Auto Sales & Gas Stations): 23%**
- **Business to Business: 19%**
- **Construction: 17%**
- **Food (Markets & Restaurants): 12%**

Others

- **Miscellaneous: 1%**

San Leandro 1% Sales Tax Performance – Local Businesses and Net Pools

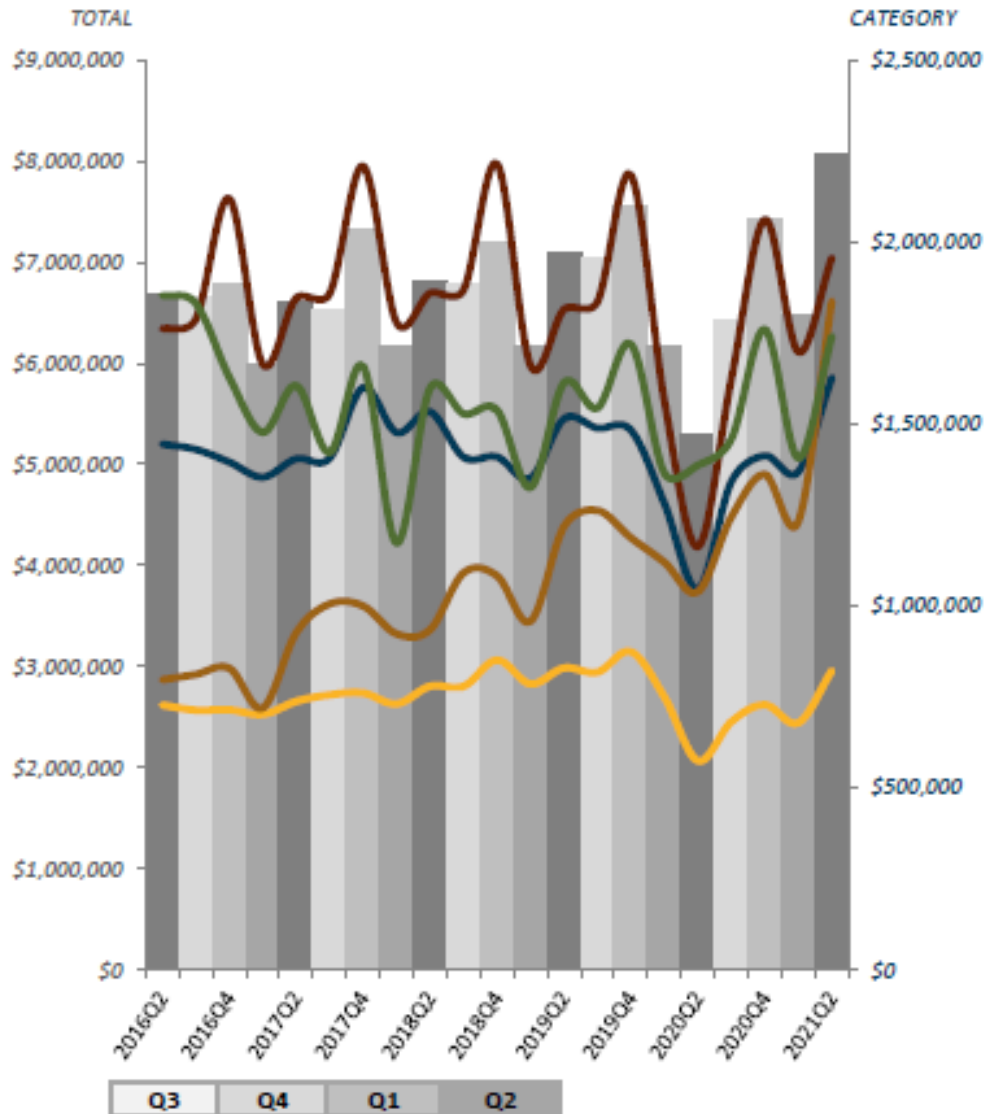
	YE 2019Q2	YE 2020Q2	YE 2021Q2
Total Receipts	\$33,597,252	\$32,205,584	\$36,450,571
Net Pools/Admin/Adj	\$6,349,856	\$6,166,518	\$8,075,517
Local Businesses	\$27,247,396	\$26,039,066	\$28,375,055
General Retail	\$7,555,211	\$6,743,090	\$7,337,563
Food Products	\$3,242,509	\$3,012,825	\$2,908,026
Transportation	\$5,680,967	\$5,296,153	\$5,747,516
Construction	\$4,346,163	\$4,604,725	\$5,673,349
Business To Business	\$6,001,246	\$6,010,947	\$6,363,447

San Leandro - County Pool/Admin/Adjustments

	YE 2019Q2	YE 2020Q2	YE 2021Q2
Net Pools/Admin/Adj	\$6,349,856	\$6,166,518	\$8,075,517

2020Q1	2020Q2	2020Q3	2020Q4	2021Q1	2021Q2	Quarter Over Quarter
14,519,095	17,868,993	20,300,291	21,459,103	16,791,588	19,156,283	7.2%
1,537,920	1,740,554	1,819,976	2,286,138	1,731,519	2,060,348	18.4%
10.6%	9.7%	9.0%	10.7%	10.3%	10.8%	

San Leandro – Q2 Economic Performance



TOTAL				
2021Q2	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$8,071,484	52.8%	\$2,788,386	9.0%	\$2,339,468

GENERAL RETAIL				
2021Q2	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$1,955,953	68.3%	\$793,681	8.8%	\$594,473
% of 2021Q2 Total:		24.2%		

FOOD PRODUCTS				
2021Q2	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$821,245	43.1%	\$247,413	-3.5%	-\$104,799
% of Total:		10.2%		

TRANSPORTATION				
2021Q2	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$1,626,754	55.5%	\$580,908	8.5%	\$451,363
% of Total:		20.2%		

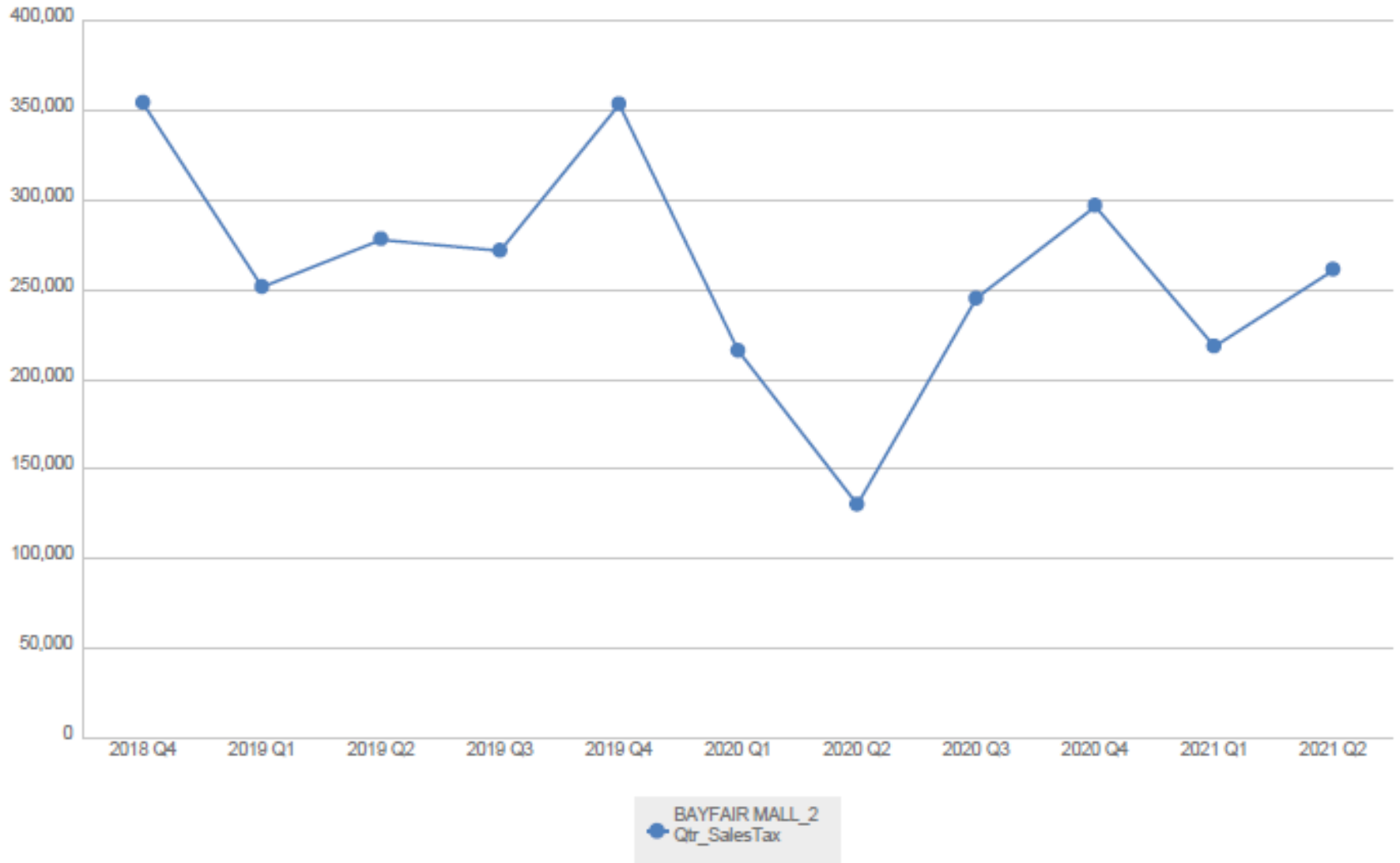
CONSTRUCTION				
2021Q2	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$1,837,177	77.0%	\$799,333	23.2%	\$1,068,624
% of Total:		22.8%		

BUSINESS TO BUSINESS				
2021Q2	QoQ %Δ	QoQ \$Δ	YoY %Δ	YoY \$Δ
\$1,740,332	25.6%	\$354,567	5.9%	\$352,500
% of Total:		21.6%		

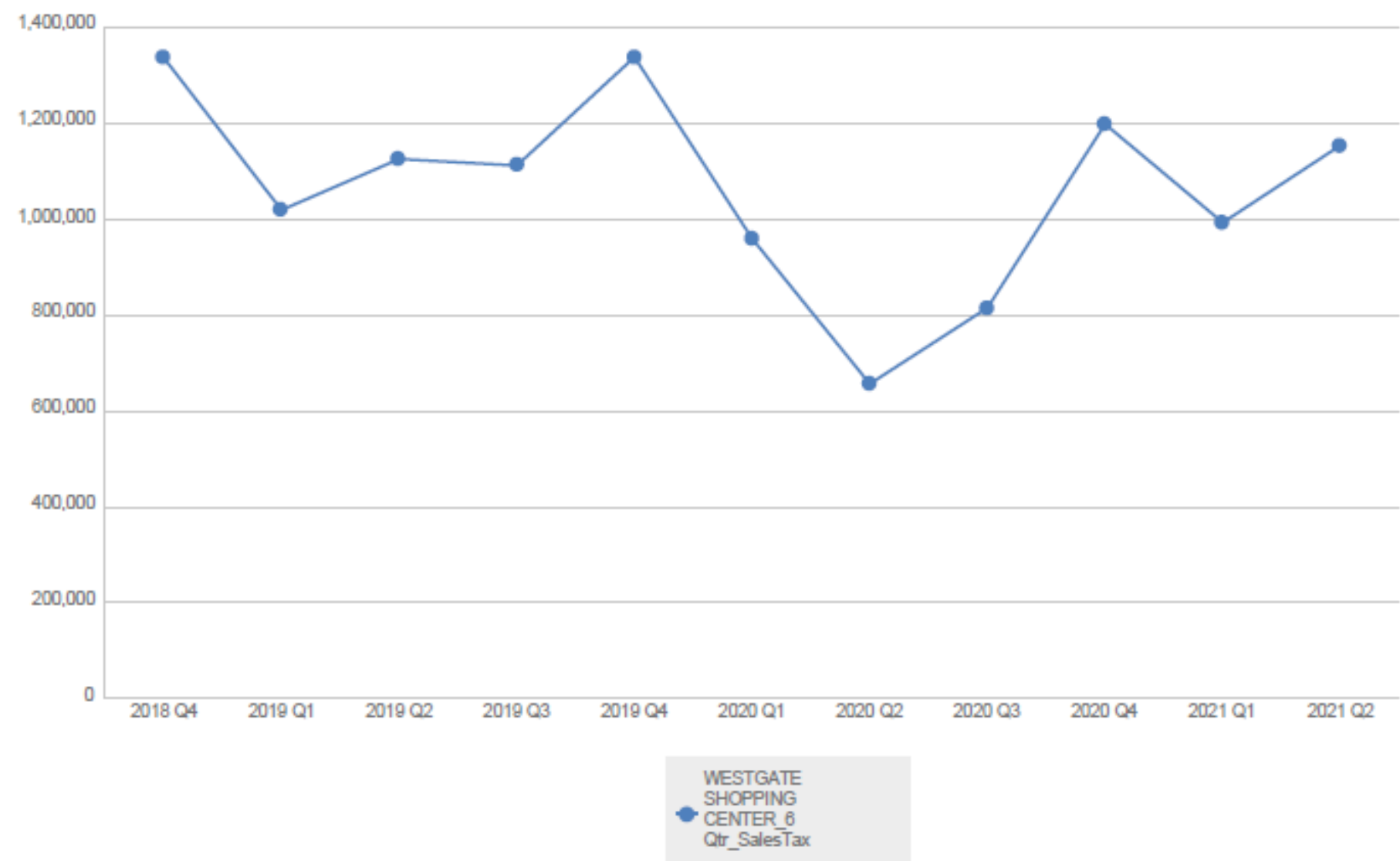
QoQ = 21Q2 / 20Q2

YoY = YE 21Q2 / YE 20Q2

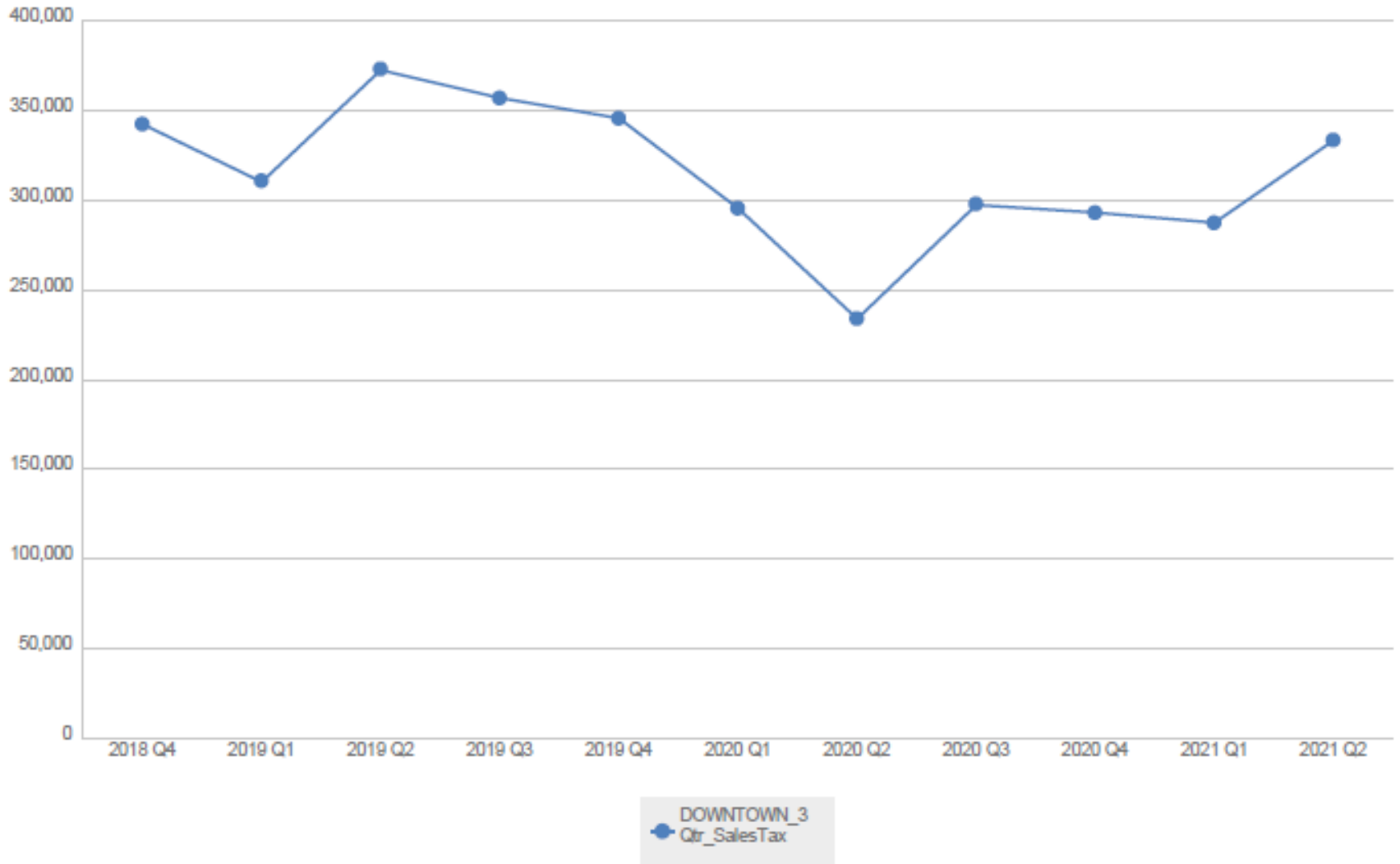
San Leandro – BayFair Mall Performance



San Leandro – Westgate Center Performance



San Leandro – Downtown Performance



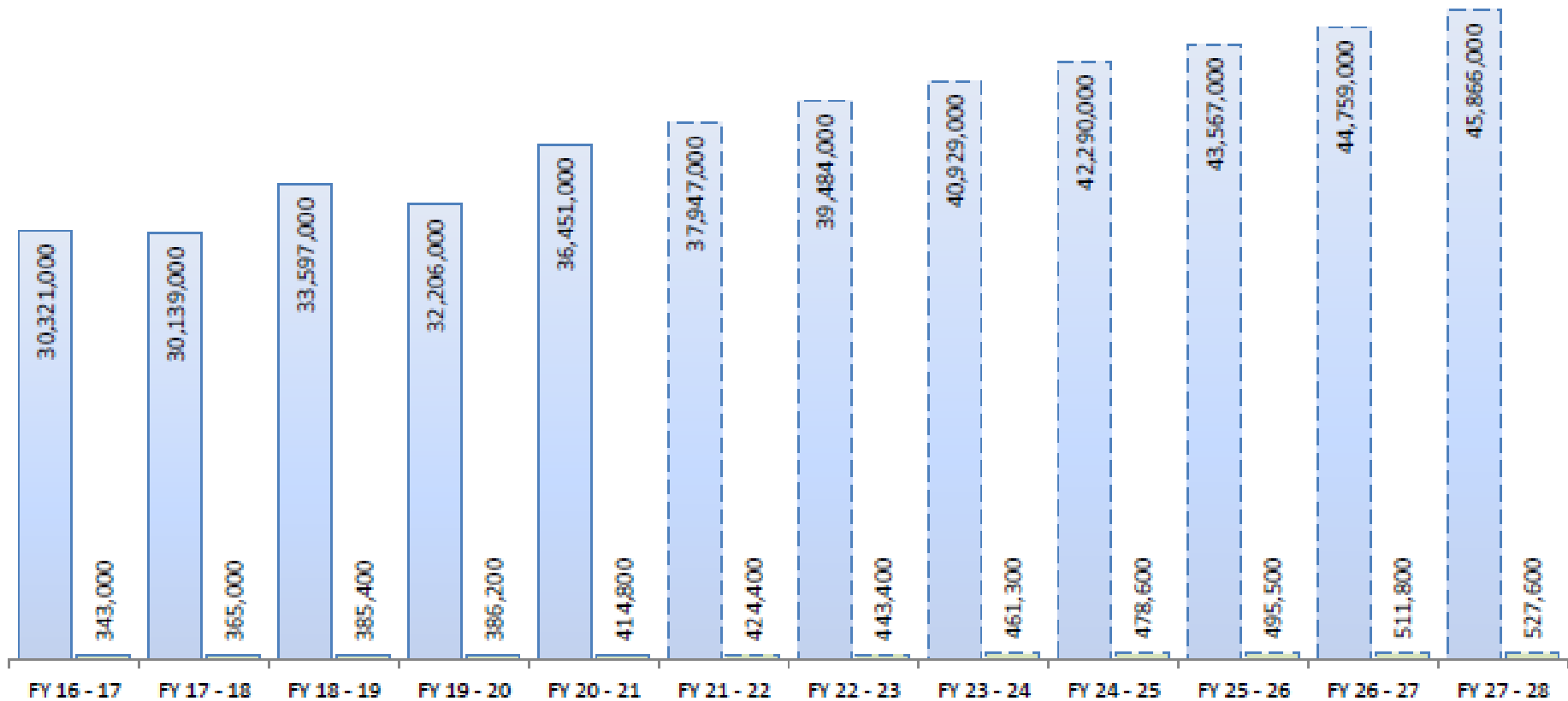
Sales Tax Future?



San Leandro 1% Sales Tax Forecast

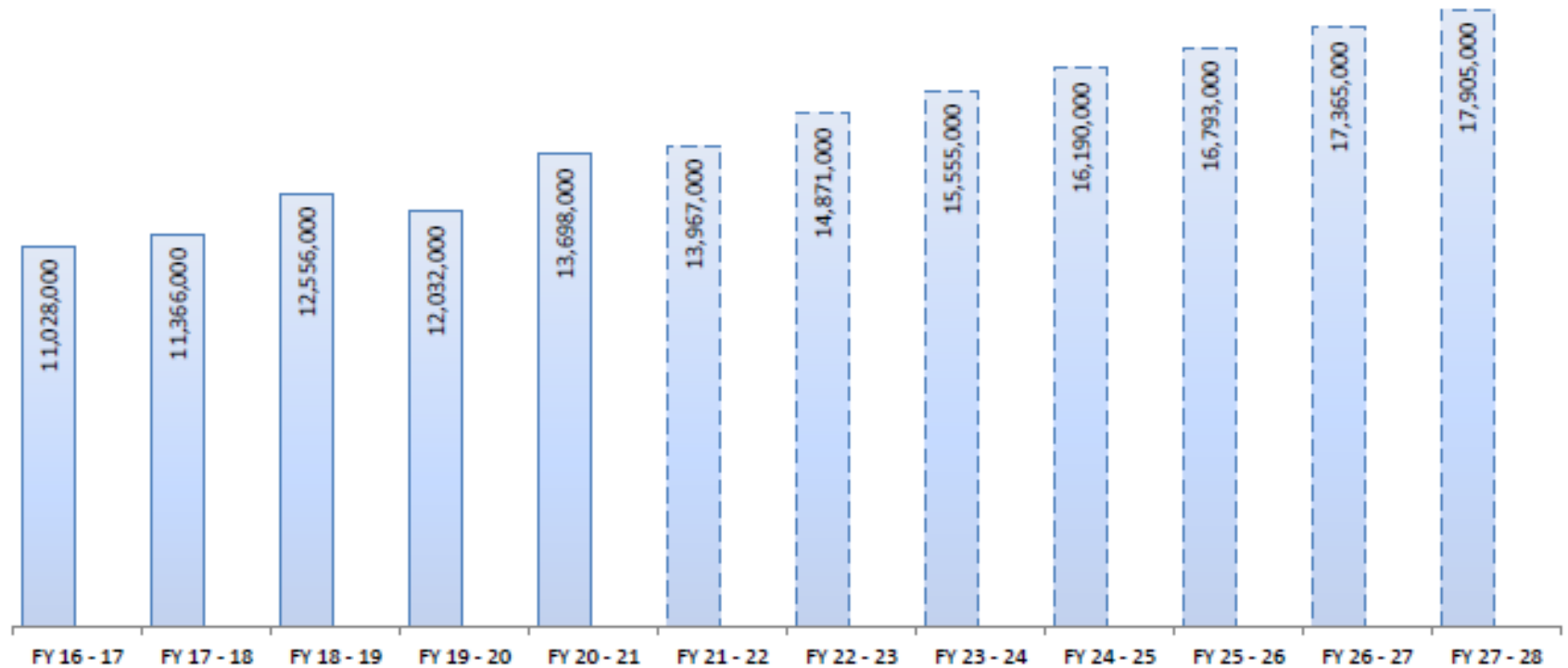
Bradley Burns	FY 20 - 21	FY 21 - 22	FY 22 - 23	FY 23 - 24	FY 24 - 25	FY 25 - 26	FY 26 - 27	FY 27 - 28
Cash Projection	36,451,000	37,947,000	39,484,000	40,929,000	42,290,000	43,567,000	44,759,000	45,866,000
Percent Change	13.2%	4.1%	4.1%	3.7%	3.3%	3.0%	2.7%	2.5%

Prop 172	FY 20 - 21	FY 21 - 22	FY 22 - 23	FY 23 - 24	FY 24 - 25	FY 25 - 26	FY 26 - 27	FY 27 - 28
Cash Projection	414,800	424,400	443,400	461,300	478,600	495,500	511,800	527,600
Percent Change	7.4%	2.3%	4.5%	4.0%	3.8%	3.5%	3.3%	3.1%



San Leandro 1/2% 'Add-on' Sales Tax Forecast

Voter Approved	FY 20 - 21	FY 21 - 22	FY 22 - 23	FY 23 - 24	FY 24 - 25	FY 25 - 26	FY 26 - 27	FY 27 - 28
Cash Projection	13,698,000	13,967,000	14,871,000	15,555,000	16,190,000	16,793,000	17,365,000	17,905,000
Percent Change	13.8%	2.0%	6.5%	4.6%	4.1%	3.7%	3.4%	3.1%



Sales Tax Future Caveats – Uncharted Waters...

- **The Pandemic Recession is Different – No Playbook**
Primary impacts to date: restaurants, gas, apparel
- **Regional Impacts Vary** – Greater Impact on areas reliant on International Tourism, Business Travel, Office Workers
- **Uncertain Virus/Health Impacts** – Variants etc.
- **Uncertain Economy Recovery** – Consumer Behavior, Unemployment Trends, Inflation, ‘New Normal’?
- **Sales Tax Reform?** – Sales Tax regulations not designed for current economy

Sales Tax Legislative Activity

State Legislation in FY 21/22 Current Session

SB 792 (Glazer) Sales and Use Tax Retailers. Reporting.

Requires online retailers with over \$1 million in sales to report to the CDTFA a schedule that reports the gross receipts from sales of property for each local jurisdiction where it shipped or delivered to a purchaser in that jurisdiction. This bill is intended to help the CDTFA map out the flow of payments and shipments. According to Cal Cities, this bill would require reporting and information gathering, but would not impact the County Pool Use Allocations.

Status: Awaiting referral to a policy committee in the Assembly

Cal Cities Position: Support

CSAC Position: Pending

League of CA Cities Resolution

1. RESOLUTION OF THE LEAGUE OF CALIFORNIA CITIES (“CAL CITIES”) CALLING ON THE STATE LEGISLATURE TO PASS LEGISLATION THAT PROVIDES FOR A FAIR AND EQUITABLE DISTRIBUTION OF THE BRADLEY BURNS 1% LOCAL SALES TAX FROM IN-STATE ONLINE PURCHASES, BASED ON DATA WHERE PRODUCTS ARE SHIPPED TO, AND THAT RIGHTFULLY TAKES INTO CONSIDERATION THE IMPACTS THAT FULFILLMENT CENTERS HAVE ON HOST CITIES BUT ALSO PROVIDES A FAIR SHARE TO CALIFORNIA CITIES THAT DO NOT AND/OR CANNOT HAVE A FULFILLMENT CENTER WITHIN THEIR JURISDICTION

Thank you...Questions?