

CITY OF SAN FERNANDO

SALES TAX UPDATE

4Q 2020 (OCTOBER - DECEMBER)



SAN FERNANDO

TOTAL: \$ 1,656,731

12.0%
4Q2020



-7.7%
COUNTY

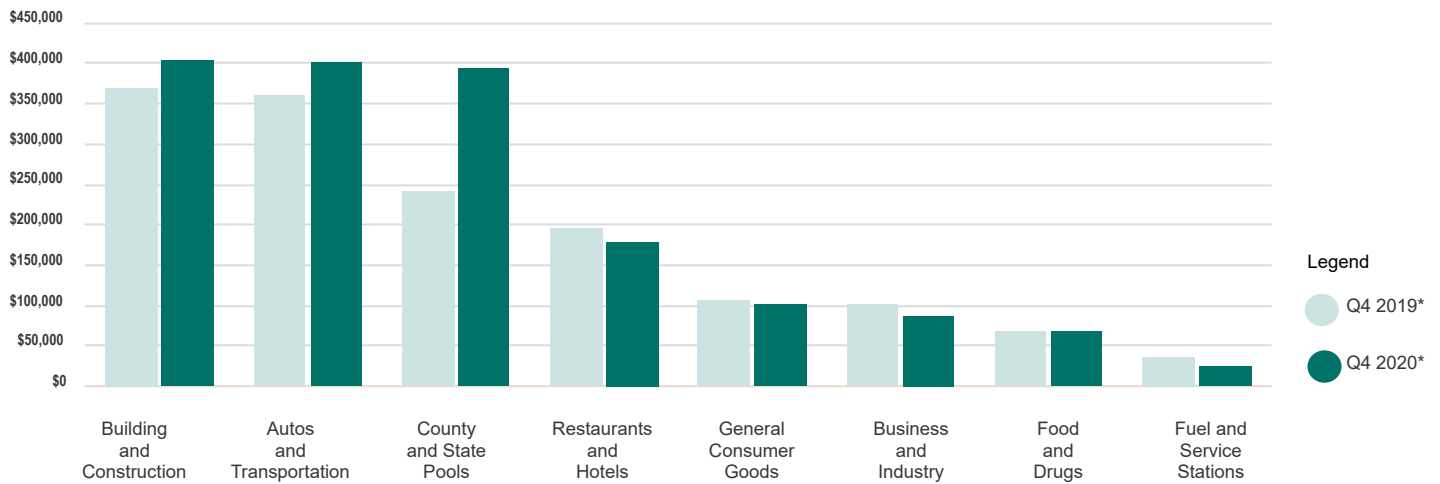


-2.0%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure A

TOTAL: \$707,034

↑ 6.3%



CITY OF SAN FERNANDO HIGHLIGHTS

San Fernando's receipts from October through December were 10.6% above the fourth sales period in 2019. Excluding aberrations, actual sales were up 12.0%.

This was the third quarter of significant economic impacts due to the Covid-19 pandemic. Locally, despite many major industry groups being down, point of sale receipts were up 2.0% on continued strong gains in the automotive and building and construction sectors. Lower retail gas prices and reduced demand for fuel sank service station sales 31.4%. Restaurant sales declined 9.6% due to restrictions placed on the industry, although the drop was one-third of

statewide trends. Business and industry decreased 15.3%, while general retail sales were down 9.6%. Food and drugs dipped 1.8%.

The City's allocation from the countywide use tax pool increased 60.1% due to continued new tax revenue from out-of-state online retailers combined with increased online sales due to the pandemic

The City's Measure A Transaction Tax generated 42.4% of the Bradley Burns amount. Net of aberrations, taxable sales for the Southern California region was down 2.7% over the comparable time period.



TOP 25 PRODUCERS

Arco	Nachos Ornamental Supply
Arroyo Building Materials	Pool & Electrical Products
Casco	Rydell Chrysler Dodge Jeep Ram
CCAP Auto Lease	Smart & Final
CVS Pharmacy	T Mobile
El Pollo Loco	Taco Bell
El Super	TMB Production Supplies & Services
Enterprise Rent A Car	USB Leasing
Ganas Auto	Vallarta Supermarket
Goodman Distribution	Walgreens
Home Depot	WSS
Legacy Effects	
Malbros Ready Mix Concrete	
McDonalds	



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.

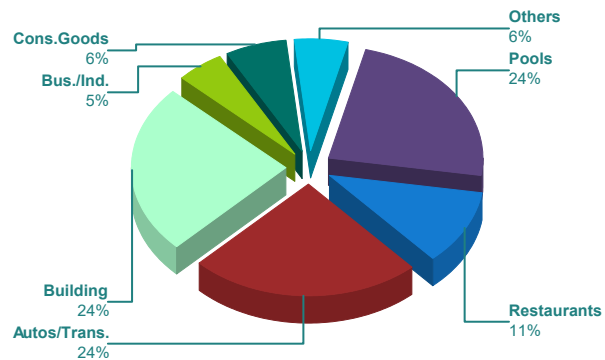
The building-construction sector, with 1) increased price of goods - like lumber, 2) continued home improvement projects, and 3) advantageous fall/winter weather conditions saw strong gains that remained consistent throughout the calendar year.

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.

REVENUE BY BUSINESS GROUP
San Fernando This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

San Fernando Business Type	Q4 '20*	Change	County Change	HdL State Change
Quick-Service Restaurants	127.6	3.6% ↑	-12.2% ↓	-8.8% ↓
Contractors	68.6	-3.3% ↓	-3.7% ↓	2.4% ↑
Plumbing/Electrical Supplies	48.2	-12.6% ↓	-3.9% ↓	2.0% ↑
Grocery Stores	40.1	4.8% ↑	4.4% ↑	5.4% ↑
Electronics/Appliance Stores	31.3	7.9% ↑	-23.4% ↓	-25.0% ↓
Fast-Casual Restaurants	27.9	42.4% ↑	-13.9% ↓	-12.1% ↓
Automotive Supply Stores	24.7	-1.1% ↓	-1.2% ↓	3.3% ↑
Service Stations	24.6	-31.4% ↓	-38.3% ↓	-31.3% ↓
Casual Dining	22.2	-56.9% ↓	-45.2% ↓	-39.3% ↓
Drug Stores	14.4	10.8% ↑	-5.4% ↓	-4.1% ↓

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars