

CITY OF SAN FERNANDO

SALES TAX UPDATE

1Q 2021 (JANUARY - MARCH)



SAN FERNANDO

TOTAL: \$ 1,543,119

14.3%
1Q2021



2.6%
COUNTY

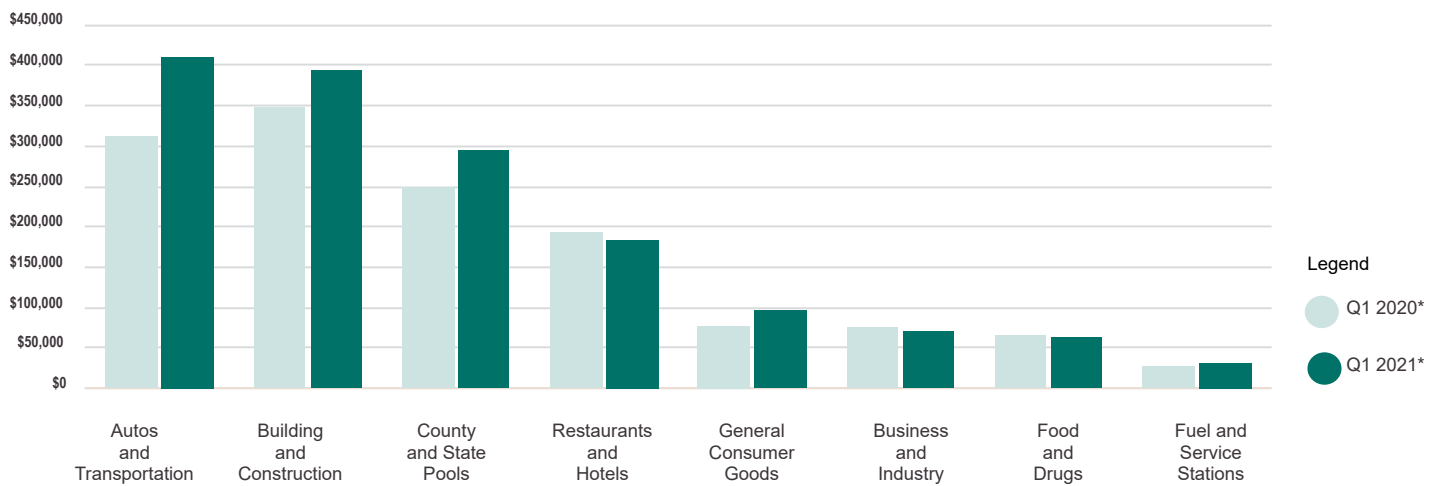


9.5%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure A

TOTAL: \$650,779

↑ 11.9%



CITY OF SAN FERNANDO HIGHLIGHTS

San Fernando's receipts from January through March were 31.2% above the first sales period in 2020. Excluding reporting aberrations, actual sales were up 14.3%.

The City experienced outstanding performance in the state and countywide use tax pools, and this combined with a boost from auto supply stores, plumbing/electrical, contractors, and electrical/appliance stores.

Consumption and demand for fuel started to pick back up again for the first time since the pandemic began, and service station receipts increased. Sales from quick service restaurants, heavy

industrial/printers, and medical/biotech were also up. The restaurants and hotel industry was hit the hardest for the fifth consecutive quarter, and casual dining activity declined. Receipts from auto repair shops and grocery stores were down which also contributed to offsetting the overall quarterly gain.

The City's Transaction and Use Tax Measure A generated 42.2% of the Bradley Burns amount.

Net of aberrations, taxable sales for all of Los Angeles County grew 2.6% over the comparable time period; the Southern California region was up 9.0%.



TOP 25 PRODUCERS

- Arco
- Arroyo Building Materials
- Casco
- CCAP Auto Lease
- Chipotle
- El Pollo Loco
- El Super
- Enterprise Rent A Car
- Ferguson Enterprises
- Ganas Auto
- Goodman Distribution
- Home Depot
- Jack in the Box
- Malbros Ready Mix Concrete
- McDonalds
- Nachos Ornamental Supply
- Pool & Electrical Products
- Rydell Chrysler Dodge Jeep Ram
- Smart & Final
- T Mobile
- Taco Bell
- Truman Fuel
- USB Leasing
- Vallarta Supermarket
- WSS



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.

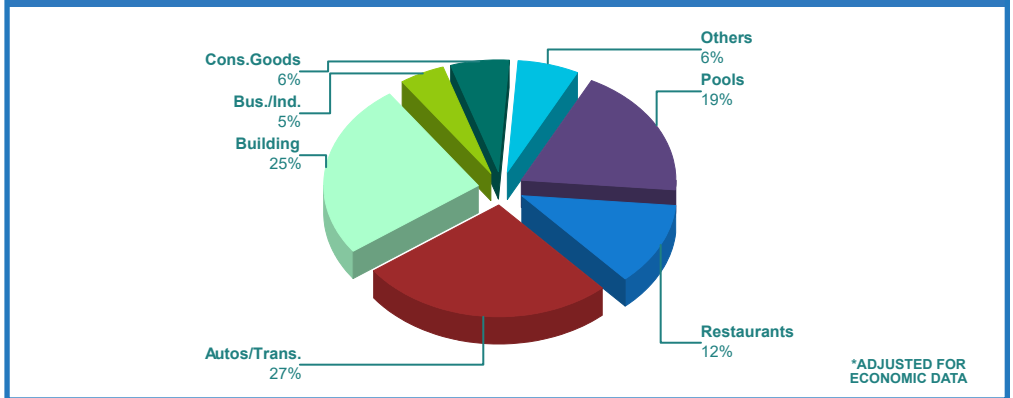
Changes in business structure required a taxpayer to determine where merchandise was inventoried at the time orders were made. Therefore, rather than apportion sales to the county pool representing where the merchandise was shipped, goods held in California facilities required allocations be made to 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
San Fernando This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

San Fernando Business Type	Q1 '21*	Change	County Change	HdL State Change
Quick-Service Restaurants	122.7	4.2% ↑	-2.8% ↓	1.1% ↑
Contractors	67.0	7.0% ↑	-6.8% ↓	3.6% ↑
Plumbing/Electrical Supplies	53.6	19.4% ↑	-1.1% ↓	4.5% ↑
Electronics/Appliance Stores	35.1	68.9% ↑	1.8% ↑	9.0% ↑
Grocery Stores	34.4	-3.5% ↓	-7.3% ↓	-6.2% ↓
Fast-Casual Restaurants	33.1	14.6% ↑	-2.3% ↓	1.2% ↑
Service Stations	31.0	12.3% ↑	-10.0% ↓	-4.0% ↓
Automotive Supply Stores	30.0	15.6% ↑	9.8% ↑	13.7% ↑
Casual Dining	27.3	-39.9% ↓	-25.7% ↓	-18.9% ↓
Heavy Industrial	17.1	20.2% ↑	-2.5% ↓	-4.0% ↓

*Allocation aberrations have been adjusted to reflect sales activity *In thousands of dollars