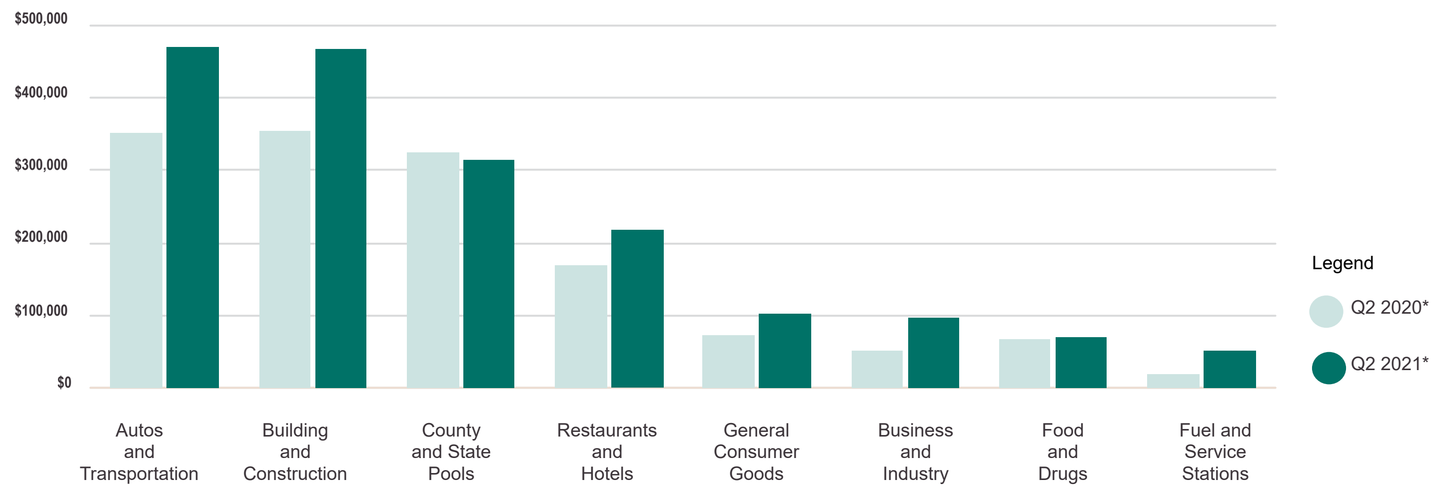
CITY OF SAN FERNANDO
SALES TAX UPDATE
2Q 2021 (APRIL - JUNE)

SAN FERNANDO	26.4%	40.9%	37.3%
TOTAL: $ 1,788,337	2Q2021	COUNTY	STATE

*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure SF
TOTAL: $1,154,714

CITY OF SAN FERNANDO HIGHLIGHTS

San Fernando's receipts from April through June were 20.1% above the second sales period in 2020. Excluding reporting aberrations, actual sales were up 26.4%.

The City's local economy began to emerge from COVID-19 and experienced positive returns from the autos & transportation sector including automotive supply stores. Consumers began dining out again, resulting in a positive burst of casual, fast casual and quick service restaurant activity.

Demand for fuel was solid, and the sales tax associated increased significantly. Solid results were also realized from heavy industrial/printers, motion pictures/equipment, repair shop/ equipment rentals, medical/biotech, general consumer goods, and grocery stores.

Cash receipts lagged the county trend resulting in a reduction in the pool allocation.

The City's Transaction and Use Tax Measure SF returns generated 65.1% of the Bradley Burns amount.

Net of aberrations, taxable sales for all of Los Angeles County grew 40.9% over the comparable time period; the Southern California region was up 40.3%.

TOP 25 PRODUCERS

Arco
Arroyo Building Materials
Casco
CCAP Auto Lease
El Pollo Loco
El Super
Enterprise Rent A Car
Ganas Auto
Goodman Distribution
Home Depot
IHOP
Maclay Shell & Circle K
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
Westair Gases & Equipment
WSS

STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring April through June, was 37% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The 2nd quarter of 2020 was the most adversely impacted sales tax period related to the Covid-19 pandemic and Shelter-In-Place directive issued by Governor Newsom. The 2Q21 comparison quarter of 2Q20 was the lowest since 2Q14 due to indoor dining restrictions at most restaurants; non-essential brick and mortar store closures; and employee remote/work from home options which significantly reduced commuting traffic and fuel sales. Therefore, similar to the 1st quarter 2020 comparison, dramatic percentage gains for 2Q21 were anticipated and materialized.

Up to this point through California's recovery, we've seen some regions experience stronger gains than others. However, with the latest data and the depths of declines in the comparison period, statewide most regions saw very similar growth.

Within the results, prolonged gains by the auto-transportation and building-construction industries generated higher receipts. Although the explosion of sales by new and used car dealers has come as welcome relief, the latest news of inventories being stretched thin due to the micro processing chip issues earlier in the year may result in a headwind into 2022. Conversely for the building-construction group, as housing prices in many markets increased over the last year, sustained available homeowner and investor equity is in place for the foreseeable future. Receipts from general consumer goods marked a steady and expected come back, led by family apparel, jewelry and home furnishing stores. When combined with solid greater economic trends, this is a welcome sign for many companies as a lead up to the normal holiday shopping period later this calendar year.

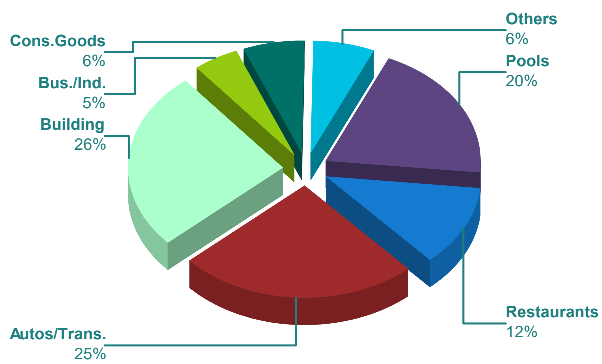
As consumers flock back into retail locations and with AB 147 fully implemented, growth from the county use tax pools - largely enhanced by out-of-state online sales activity - returned to more traditional gains of 9%. These results also included the reallocation of tax dollars previously distributed through the countywide pools to specific local jurisdictions that operate in-state fulfillment centers. Thus, the business and industry category, where fulfillment centers, medical-biotech vendors and garden-agricultural supplies are shown, jumped 26%.

In June, many restaurants reopened indoor dining. Given consumer desires to eat out and beautiful spring weather, all categories experienced a strong, much-needed rebound. However, labor shortages and a rise in menu prices continue to be a concern.

Looking ahead, sustained sales tax growth is still anticipated through the end of the 2021 calendar year. Inflationary effects are showing up in the cost of many taxable products. Pent up demand for travel and experiences, the return of commuters with more costly fuel, and labor shortages having upward pressure on prices may begin to consume more disposable income and tighten growth by the start of 2022.

REVENUE BY BUSINESS GROUP

San Fernando This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

San Fernando Business Type	Q2 '21*	Change	County Change	HdL State Change
Quick-Service Restaurants	133.5	11.3% ↑	31.8% ↑	28.8% ↑
Contractors	87.4	52.4% ↑	9.5% ↑	23.6% ↑
Service Stations	51.5	151.9% ↑	85.5% ↑	73.9% ↑
Casual Dining	50.5	124.1% ↑	145.6% ↑	130.3% ↑
Grocery Stores	39.3	7.9% ↑	-0.9% ↓	-0.9% ↓
Electronics/Appliance Stores	33.9	40.9% ↑	102.3% ↑	52.7% ↑
Fast-Casual Restaurants	33.7	21.8% ↑	43.7% ↑	43.8% ↑
Automotive Supply Stores	28.9	18.6% ↑	16.1% ↑	15.2% ↑
Heavy Industrial	20.6	146.8% ↑	9.7% ↑	10.7% ↑
Convenience Stores/Liquor	16.5	-1.7% ↓	6.1% ↑	7.1% ↑

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*In thousands of dollars