

CITY OF SAN FERNANDO

SALES TAX UPDATE

3Q 2021 (JULY - SEPTEMBER)



SAN FERNANDO

TOTAL: \$ 1,764,828

6.8%
3Q2021



20.0%
COUNTY

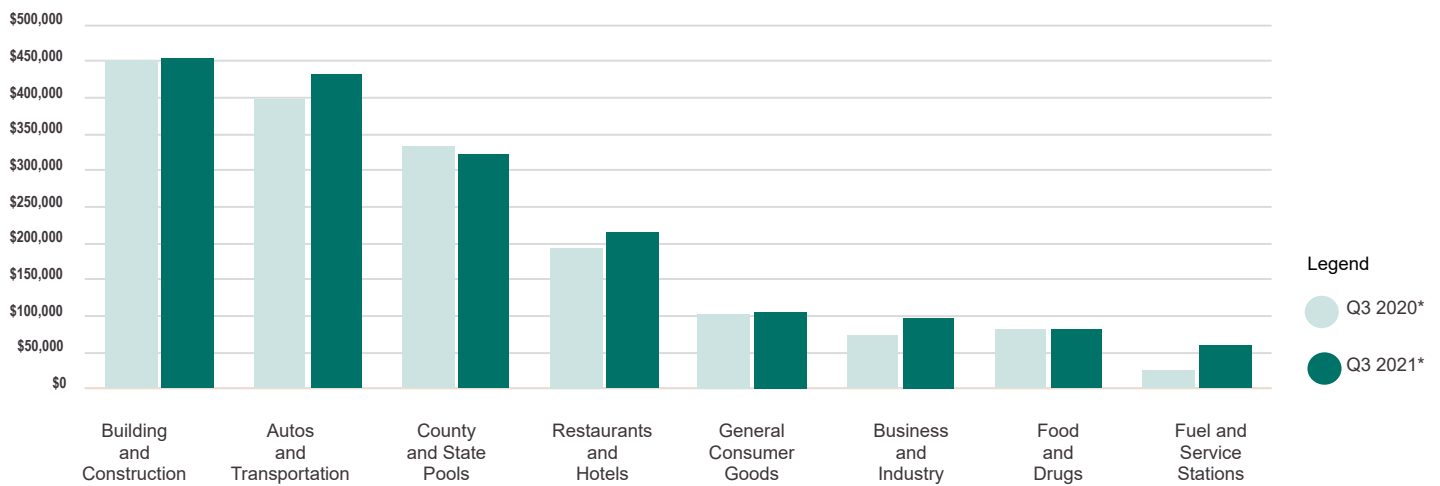


18.3%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure SF

TOTAL: \$1,173,562



CITY OF SAN FERNANDO HIGHLIGHTS

San Fernando's receipts from July through September were 9.1% above the third sales period in 2020. Excluding reporting aberrations, actual sales were up 6.8%.

This solid percentage gain signifies the continued rebound from the pandemic impacts of a year ago.

With minimal mask requirements and continued pent up demand to eat out, receipts casual and quick-service restaurants were only surpassed in the City's history by amounts reported last quarter. Strong demand and limited vehicle inventory causing elevated pricing for buyers contributed to strong returns

from auto-transportation dealers.

An increased number of summer travelers and commuters brought about a lack of supply having upward pressure on gas prices resulting in stellar gains from service stations, while a return of solid sales activity and recent addition of a new vendor pushed business-industry growth, further contributing to the overall positive outcome.

The City's three-quarter cent transaction tax, experienced similar positive results with increased vehicles purchased-registered, solid online sales activity by residents and local restaurants contributing the most.



TOP 25 PRODUCERS

- | | |
|---------------------------|------------------------------------|
| Arco | Pool & Electrical Products |
| Arroyo Building Materials | Production Resource Group |
| Casco | Rydell Chrysler Dodge Jeep Ram |
| CCAP Auto Lease | Smart & Final |
| El Pollo Loco | T Mobile |
| El Super | Taco Bell |
| Enterprise Rent A Car | TMB Production Supplies & Services |
| Ganas Auto | Truman Fuel |
| Goodman Distribution | USB Leasing |
| Home Depot | Vallarta Supermarket |
| IHOP | WSS |
| Maclay Shell & Circle K | |
| McDonalds | |
| Nachos Ornamental Supply | |



STATEWIDE RESULTS

Local one cent sales and use tax receipts for sales occurring July through September were 18% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These aberrations had been much greater than normal in the last two years as the Governor’s Executive Orders allowed businesses to defer some sales tax payments as a supportive measure during the pandemic. This program has now expired, and merchant remittances are more consistent, making cash receipts more reflective of underlying economic activity.

The prior year comparison quarter was the start of the pandemic recovery, and the strong growth enjoyed since continued with the recent results.

Surprisingly, one of the stronger sectors has been restaurants and hotels. Originally forecasted to take an extended amount of time to recover, statewide sales tax generated during the summer months exceeded amounts from pre-pandemic 2019. Even with the availability of indoor and outdoor dining, pent up demand resulted in long wait times to enjoy local culinary experiences. When combined with increasing restaurant tabs as the cost of food and staff wages surge, sales tax remittances are expected to continue growing. Additionally, while the industry awaits the return of foreign tourism in metropolitan areas, strong domestic travel has helped varied regions around the state especially Southern California and the Central Coast.

Receipts from general consumer goods marked a steady recovery, led by apparel retailers, jewelry, electronic/appliance and specialty outlets. Discount department stores, especially those selling gas, helped exemplify the strength of brick-and-mortar

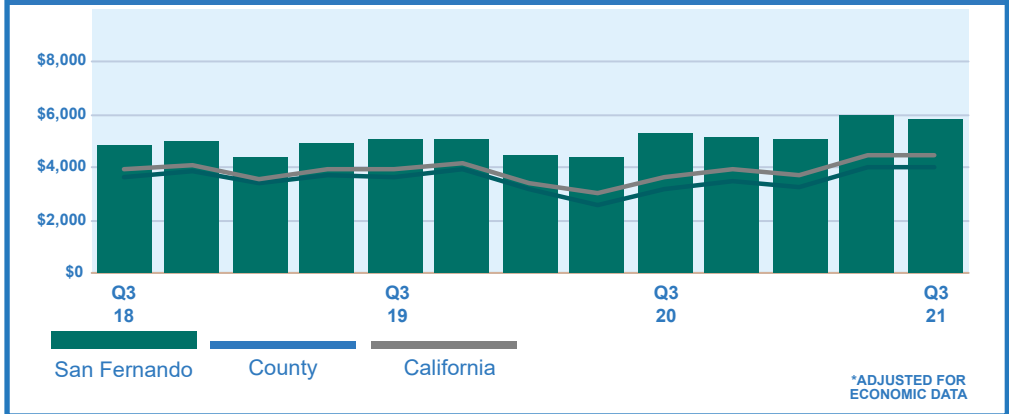
merchants. Gains from the countywide use tax pools however, slowed to 2% compared to the high-water mark last year, which had been boosted by new tax collecting requirements imposed under AB 147 for online retailers. All things considered, when combined with positive economic trends, these are a welcome sign leading up to the holiday shopping period.

Although car dealers had expressed concerns about inventory shortages due to supply chain disruptions and computer chip shortages earlier in the year, the sale of new and used vehicles posted solid gains regardless. Higher property values and good weather contributed to strong building

materials and contractor returns. As commuting workers and travelers returned to the road with increased gas prices, fuel and service stations also experienced a dramatic recovery.

Overall growth is expected to continue through the end of the 2021 calendar year. Possible headwinds into 2022 include: pent up demand for travel and experiences shifting spending away from taxable goods; higher prices for fuel, merchandise and services displacing more of consumer’s disposable income; and expected interest rate hikes resulting in more costly financing for automobiles, homes, and consumer loans.

SALES PER CAPITA*



TOP NON-CONFIDENTIAL BUSINESS TYPES

San Fernando Business Type	Q3 '21*	Change	County Change	HdL State Change
Quick-Service Restaurants	132.4	-0.6% ↓	15.3% ↑	13.5% ↑
Plumbing/Electrical Supplies	77.4	5.0% ↑	-2.5% ↓	13.7% ↑
Contractors	68.6	-13.4% ↓	3.6% ↑	12.2% ↑
Service Stations	58.3	127.4% ↑	65.3% ↑	53.6% ↑
Casual Dining	56.0	116.1% ↑	75.5% ↑	68.3% ↑
Grocery Stores	48.2	1.3% ↑	-0.6% ↓	-0.2% ↓
Automotive Supply Stores	32.4	16.1% ↑	4.4% ↑	4.5% ↑
Electronics/Appliance Stores	27.2	-5.5% ↓	21.4% ↑	19.7% ↑
Fast-Casual Restaurants	26.3	-21.5% ↓	16.0% ↑	18.9% ↑
Convenience Stores/Liquor	16.3	-6.9% ↓	-1.3% ↓	-0.3% ↓

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*In thousands of dollars