

# CITY OF SAN FERNANDO

## SALES TAX UPDATE

### 1Q 2022 (JANUARY - MARCH)



#### SAN FERNANDO

TOTAL: \$ 1,713,473

9.8%  
1Q2022



21.6%  
COUNTY

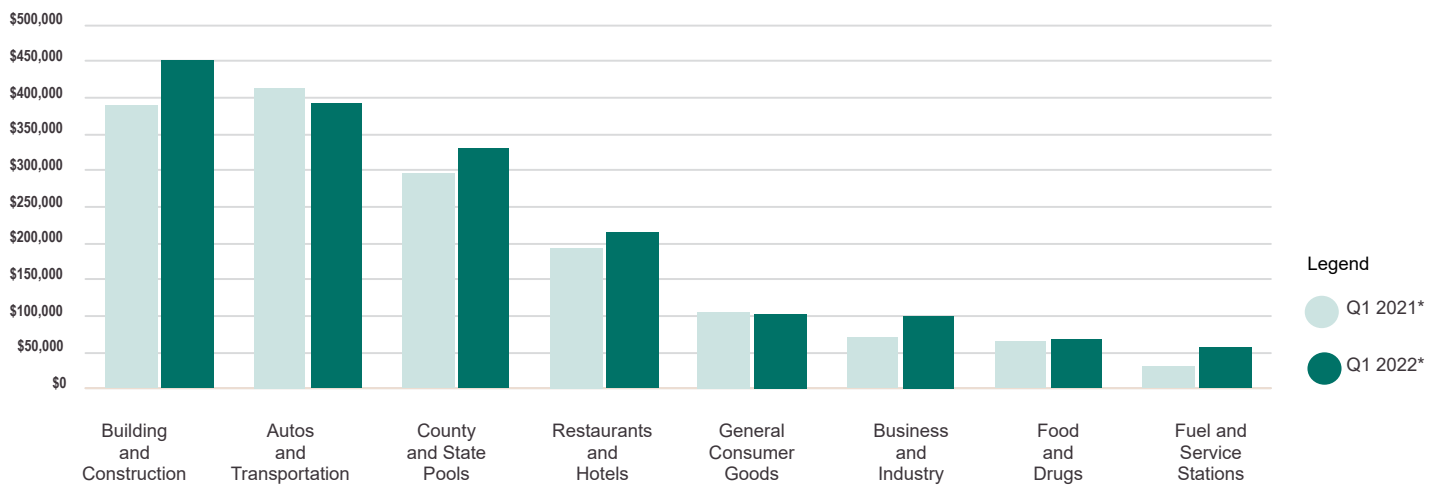


17.1%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure SF

TOTAL: \$1,169,236



#### CITY OF SAN FERNANDO HIGHLIGHTS

San Fernando's receipts from January through March were 12.7% above the first sales period in 2021. Excluding reporting aberrations, actual sales were up 9.8%.

The top sector business & industry realized the largest increase. Receipts from motion pictures/equipment, light industrial/printers, medical/biotech, grocery stores, and the State and county pools were also up.

All factors within the fuel and service stations sector are continuing to experience upward pressure, which has boosted the associated sales tax. This quarter, the City experienced solid growth from casual dining; however,

the restaurants and hotels sector has been impacted by escalating costs and staff shortages that present ongoing challenges for operators.

Returns from auto lease, automotive supply stores, and general consumer goods decreased, which combined to partially offset the overall gain.

The City's 0.75% Transaction and Use Tax Measure SF generated 68.5% of the Bradley Burns amount, led by strong performance from business & industry.

Net of aberrations, taxable sales for all of Los Angeles County grew 21.6% over the comparable time period; the Southern California region was up 19.2%.



#### TOP 25 PRODUCERS

Arco  
Arroyo Building Materials  
Casco  
CCAP Auto Lease  
CVS Pharmacy  
El Pollo Loco  
El Super  
Enterprise Rent A Car  
Fastenal  
Ganas Auto  
Goodman Distribution  
Home Depot  
IHOP  
Maclay Shell & Circle K  
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**

California’s local one-cent sales and use tax for sales occurring January through March was 17% higher than the same quarter one year ago, after adjusting for accounting anomalies and onetime payments from previous quarters. By all accounts, the California retail economy continues roaring along. Even with instability in the stock market, the crisis in Ukraine pushing up the global price of crude oil and the U.S. Federal Reserve Board beginning to tackle inflation with a series of rate increases, consumer spending continued at a strong pace.

The invasion of Ukraine by Russian military forces on February 24 had an immediate upward impact on the global price of crude oil due to fears of supply shortages. Subsequently this has caused a dramatic jump to California consumer gas and diesel prices at a time when many in the workforce were commuting back into offices, also contributing to an overall increase in consumption. As expected, fuel and service station receipts increased 47% over last year and show no signs of pulling back with summer travel right around the corner.

Sales of new and used vehicles continue to be robust causing the autos and transportation sector to jump 15% for the period. Inventory shortages by some dealers may have caused buyers to experience a Fear Of Missing Out (FOMO) and pay elevated prices while interest rates remained lower. Automotive brands that have committed to full electric or hybrid models are attractive with consumers, especially given the sudden rise in fuel prices.

Post-holiday retail sales of general consumer goods remained solid, improving 10%. Prior supply chain concerns have dissipated, port operations are returning

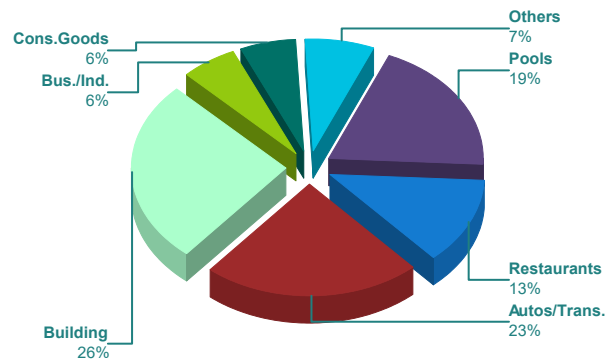
to normal and headwinds from inflation and higher cost goods haven’t yet slowed consumer demand. The stellar returns were largely driven by discount department stores, especially those selling gas.

These results mark the fourth full quarter in a row that restaurant and hotel receipts have increased. While higher menu prices have contributed, steady demand by patrons to dine out is also propelling the gains. Furthermore, theme parks and entertainment venues throughout the state are busy. With the summer tourism and travel season approaching, the industry is positioned to maintain post-pandemic growth and remain positive through 2022.

Use taxes generated by online sales and purchases from out-of-state vendors allocated via the county pools, heartily surpassed expectations, gaining 13% over the comparison period. Shoppers bought a range of merchandise and spending by businesses on capital equipment remained sensational.

The first quarter sales period contributed to an already strong 2021-22 fiscal year for most municipalities statewide. However, continued inflationary pressure, soaring interest rates and record gas prices may soften growth going into 2022-23.

**REVENUE BY BUSINESS GROUP**  
San Fernando This Quarter\*



\*ADJUSTED FOR ECONOMIC DATA

**TOP NON-CONFIDENTIAL BUSINESS TYPES**

| San Fernando Business Type   | Q1 '22* | Change  | County Change | HdL State Change |
|------------------------------|---------|---------|---------------|------------------|
| Quick-Service Restaurants    | 126.0   | -0.3% ↓ | 10.0% ↑       | 7.8% ↑           |
| Contractors                  | 69.6    | 1.4% ↑  | 17.8% ↑       | 20.5% ↑          |
| Casual Dining                | 58.4    | 74.7% ↑ | 67.6% ↑       | 55.7% ↑          |
| Service Stations             | 56.2    | 81.6% ↑ | 45.8% ↑       | 43.4% ↑          |
| Grocery Stores               | 35.5    | 3.0% ↑  | 4.5% ↑        | 3.2% ↑           |
| Electronics/Appliance Stores | 31.3    | -9.6% ↓ | 9.4% ↑        | 12.5% ↑          |
| Fast-Casual Restaurants      | 31.0    | -4.7% ↓ | 8.9% ↑        | 11.4% ↑          |
| Automotive Supply Stores     | 27.7    | -7.9% ↓ | 5.6% ↑        | 4.6% ↑           |
| Heavy Industrial             | 16.1    | -4.6% ↓ | 9.4% ↑        | 17.5% ↑          |
| Convenience Stores/Liquor    | 14.8    | -0.7% ↓ | 1.1% ↑        | 1.7% ↑           |

\*Allocation aberrations have been adjusted to reflect sales activity

\*In thousands of dollars