

# CITY OF SAN FERNANDO

## SALES TAX UPDATE

### 2Q 2022 (APRIL - JUNE)



#### SAN FERNANDO

TOTAL: \$ 1,880,510

3.8%  
2Q2022



11.3%  
COUNTY

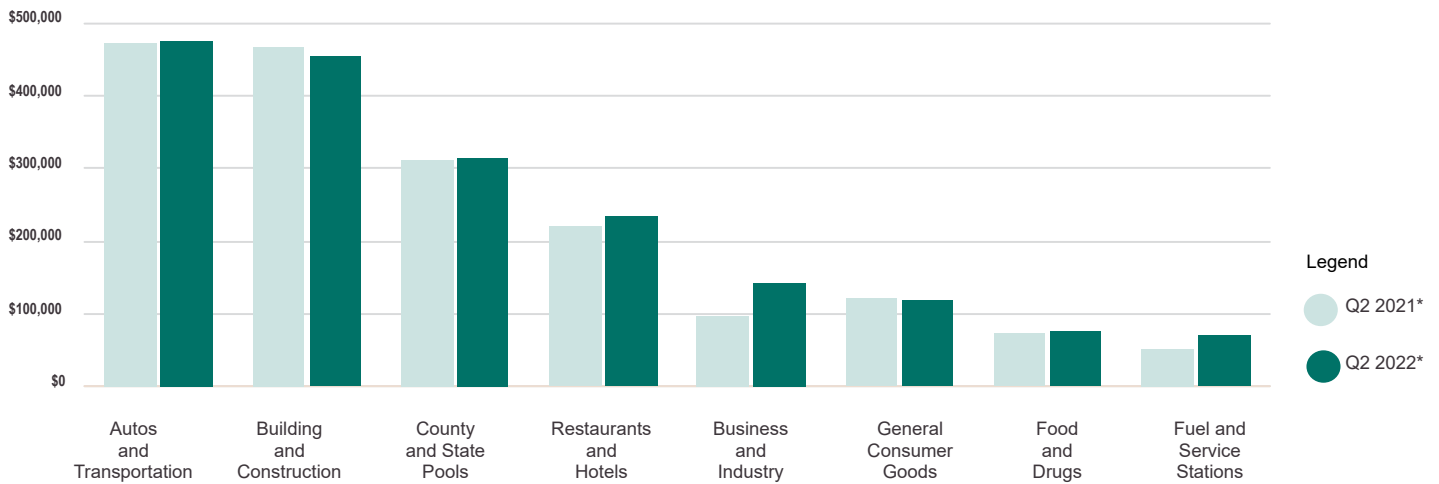


10.1%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure SF

TOTAL: \$1,273,925

↑ 8.6%



#### CITY OF SAN FERNANDO HIGHLIGHTS

San Fernando's receipts from April through June were flat compared to the second sales period in 2021. Excluding reporting aberrations, actual sales were up 3.8%.

Recent news has indicated some economic slowdown due to consumer concerns about inflation impacting their spending choices. The fuel sector reported another solid sales quarter with more freight traffic and pent up travel demand for road trips factored into service station receipts. Despite rising menu prices, patrons continued to enjoy frequenting casual eateries and quick service restaurants as a way to socialize with family or friends. Customers are

seeking value options whether "trading down" for less expensive menu items or restaurants. A one-time allocation in heavy industrial helped propel the business-industrial group. Unlike the rest of the state which reported steady growth in the building-construction sector, activity declined in part due to a business closure.

General consumer goods sales fell as results couldn't match the stellar receipts from last year when shoppers had more savings and stimulus dollars to spend. Measure SF delivered positive results with higher service station receipts, contractor activity and patrons enjoying dining at casual restaurants.



#### TOP 25 PRODUCERS

Arco  
Arroyo Building Materials  
Casco  
CCAP Auto Lease  
CVS Pharmacy  
El Pollo Loco  
El Super  
Enterprise Rent A Car  
Feldmeier Equipment  
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 L Shield & Associates Inc  
T Mobile  
Taco Bell  
Truman Fuel  
Vallarta Supermarket  
WSS



**STATEWIDE RESULTS**

Local one cent sales and use tax for sales occurring April through June was 10% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark the sixth consecutive quarter of double-digit growth since the pandemic periods in 2020, with the July-June 2022 fiscal year up 15%.

Commuters returning to offices combined with the Russia-Ukraine conflict continuing to put upward pressure on oil prices and left Californians facing the highest average price per gallon on record resulting in fuel and service station receipts 42% higher than last year. While statewide fuel consumption still trails 2019 levels, local gas prices are expected to remain high until after the summer blend period.

Led by consumer’s desire to dine out, a steady rise in tourism and business travel, higher menu prices and great weather, the restaurant sector continues to flourish. Theme parks, entertainment venues and hotels showed the strongest growth with casual dining establishments remaining solid, a trend likely to remain through 2022.

The automobile sector experienced modest gains for new car dealers and rental car vendors, however sales of used autos and leasing activity has begun to cool. Brands prioritizing full electric and hybrid models still appear to be the most attractive with consumers, however increased financing rates may cause even their activity to dampen. Tight inventories that contributed to dramatic price increases over the last 18 months are also showing signs of loosening as newer models are released

in greater numbers.

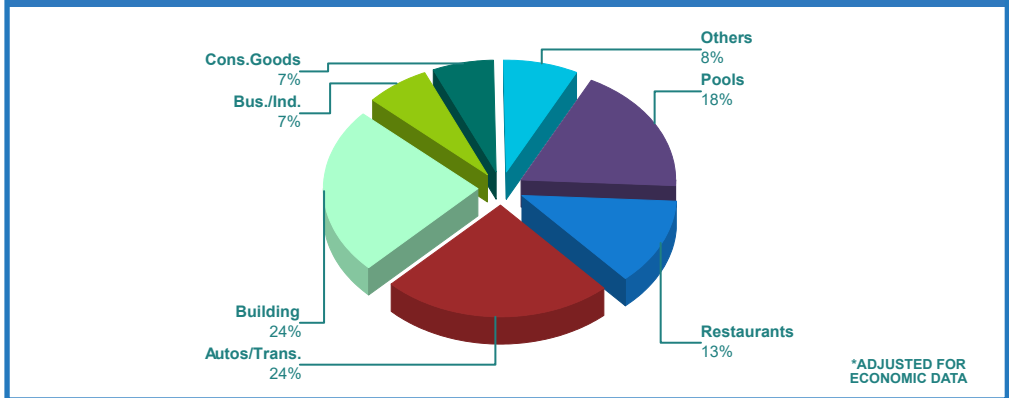
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight decrease.

With new housing starts accelerating and residential and commercial property values rising, construction contractors remain busy. Lumber prices have softened from prior year highs leaving material suppliers with modest gains, however electrical, plumbing and energy suppliers

boosted building sector results. Increased investment in capital equipment remains an important area of growth for county pool allocations, especially as online spending for general consumer goods begins to flatten as consumers return to in-store shopping.

Overall, higher priced goods through periods of consistent demand have led to economic inflation. The Federal Reserve Board’s recent actions to curb inflation are anticipated to put downward pressure on sales of autos, building materials and financed general consumer goods, resulting in slower growth by year end and into 2023.

**REVENUE BY BUSINESS GROUP**  
San Fernando This Fiscal Year\*



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

San Fernando Business Type	Q2 '22*	Change	County Change	HdL State Change
Quick-Service Restaurants	137.0	2.2% ↑	6.2% ↑	5.2% ↑
Contractors	73.6	-15.9% ↓	11.7% ↑	14.0% ↑
Service Stations	70.3	36.6% ↑	38.7% ↑	36.4% ↑
Casual Dining	69.8	19.3% ↑	20.6% ↑	17.2% ↑
Heavy Industrial	45.1	233.7% ↑	17.9% ↑	10.0% ↑
Grocery Stores	41.6	5.9% ↑	5.9% ↑	5.3% ↑
Electronics/Appliance Stores	35.5	2.9% ↑	-4.4% ↓	-1.0% ↓
Auto Lease	33.5	-16.4% ↓	-8.9% ↓	-8.9% ↓
Automotive Supply Stores	28.4	-1.9% ↓	1.5% ↑	1.4% ↑
Fast-Casual Restaurants	26.1	-8.8% ↓	5.6% ↑	7.9% ↑

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