

# CITY OF SAN FERNANDO

## SALES TAX UPDATE

### 3Q 2022 (JULY - SEPTEMBER)



#### SAN FERNANDO

TOTAL: \$ 1,806,973

1.9%  
3Q2022



7.3%  
COUNTY

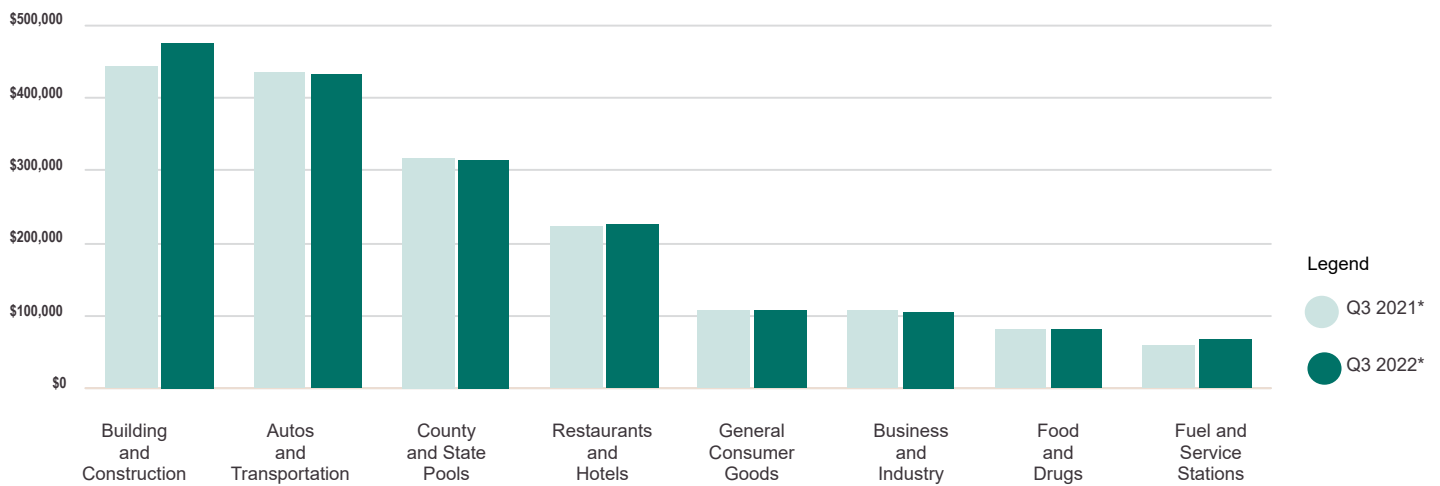


8.0%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure SF

TOTAL: \$1,292,051

↑ 6.7%



#### CITY OF SAN FERNANDO HIGHLIGHTS

San Fernando's receipts from July through September were 3.5% above the third sales period in 2021. Excluding reporting aberrations, actual sales were up 1.9%.

The largest boost came from building-construction, including contractors. The City experienced strong gains from fuel and service stations; however, while most underlying economic factors remain strong, crude oil and pump prices are expected to decline in 2023.

The restaurants and hotels industry once again performed well, and casual dining and quick service restaurants realized gains. Returns from auto repair shops and convenience stores with liquor were also up.

Receipts from fast casual restaurants, business-industry, autos-transportation, grocery stores plus the state and county pools declined and combined to partially offset the overall quarterly gain.

The City's Transaction and Use Tax Measure SF generated 76% of the Bradley Burns amount led by solid performance from general consumer goods.

Net of aberrations, taxable sales for all of Los Angeles County grew 7.3% over the comparable time period; the Southern California region was up 8.1%.



#### 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
- Southland Lighting
- T Mobile
- Taco Bell
- Truman Fuel
- Vallarta Supermarket
- WSS



**STATEWIDE RESULTS**

Local one cent sales and use tax for sales occurring July through September was 8% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark another strong period of growth for the California spending economy.

Even as the Federal Reserve Board continued ramping up interest rates in an effort to curb the larger concern of inflation, consumers maintained purchases on multiple fronts, especially automobiles. Surprisingly, new car dealers experienced 10% gains over the comparable period in 2021. Limited inventory and demand for higher mileage vehicles including electric and hybrid models helped support growth. In addition, the increased cost of used vehicles has pushed many into the new vehicle market; in contrast, sales of recreation vehicles and auto leasing activity remained soft.

For Californians, the summer of 2022 had the highest gas prices on record; subsequently fuel and service stations receipts jumped 21%. Commuters and summer travel remained steady, yet overall consumption still trails pre-pandemic levels by approximately 13%. Although the Russia-Ukraine conflict initially caused a dramatic shift in global crude oil markets, prices have begun to pull back closer to historical norms.

Restaurants experienced a strong uptick as increased menu prices, consistent desire to dine out and strong tourism contributed to this favorable news. Just as important, theme parks, leisure-entertainment venues and hotels pushed positive momentum back to 2019 levels. With tightening profit margins and sustained labor concerns, future improvement could be slowed compared to the last two years.

Busy contractors and plumbing-electrical

suppliers boosted the building-construction sector. Solid residential and commercial housing prices persisted despite recent interest rate hikes. Tenant improvements further support spending activity as businesses assess future office needs. With statewide new housing requirements and federal infrastructure funding on the horizon, current forecasts stay optimistic.

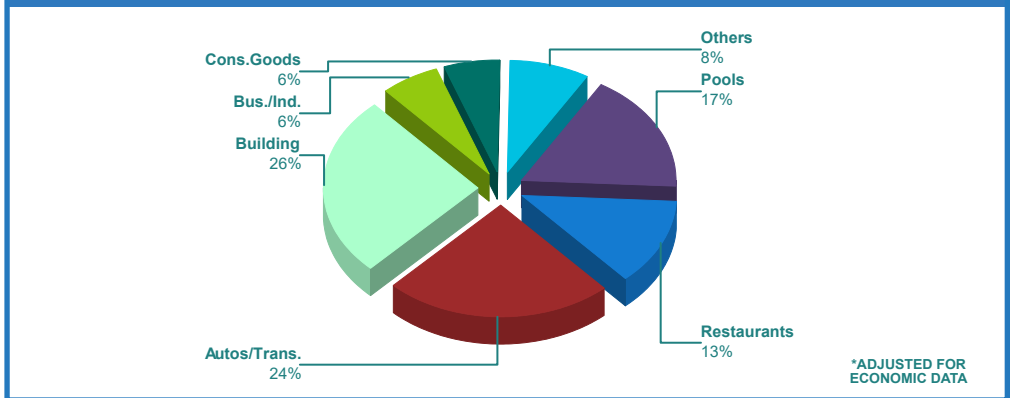
Steady investment in capital equipment coupled with the overall increased price of goods enhanced both business-industry and countywide use tax pool allocations.

For the second straight quarter, fuel sales linked to discount department stores propped up general consumer goods

results. Otherwise, retailers experienced flat to decreased receipts as many apparel categories, home furnishings and sporting goods struggled to keep pace with the prior year. As consumers balanced summer opportunities and higher prices, in-store shopping appears to have taken a temporary back seat.

Sustained price increases and interest rate hikes certainly have consumers contemplating where to spend their dollars. However, historically low statewide unemployment rates and the recovery of the national stock markets from declines earlier this year leave modest optimism heading into 2023.

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



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

San Fernando Business Type	Q3 '22*	Change	County Change	HdL State Change
Quick-Service Restaurants	135.7	1.7% ↑	5.4% ↑	4.0% ↑
Contractors	78.1	18.3% ↑	16.8% ↑	15.5% ↑
Service Stations	67.5	15.8% ↑	19.1% ↑	18.4% ↑
Casual Dining	66.8	4.9% ↑	11.7% ↑	10.1% ↑
Grocery Stores	47.1	-2.3% ↓	2.6% ↑	3.0% ↑
Automotive Supply Stores	31.3	-3.8% ↓	7.4% ↑	5.3% ↑
Electronics/Appliance Stores	27.7	1.6% ↑	0.4% ↑	3.7% ↑
Fast-Casual Restaurants	23.0	-12.3% ↓	6.4% ↑	6.1% ↑
Drugs/Chemicals	19.5	-10.1% ↓	14.7% ↑	9.0% ↑
Heavy Industrial	18.4	24.6% ↑	13.2% ↑	15.9% ↑

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