

# CITY OF REDLANDS

## SALES TAX UPDATE

### 4Q 2021 (OCTOBER - DECEMBER)



#### REDLANDS

TOTAL: \$ 4,951,249

24.3%  
4Q2021



19.4%  
COUNTY

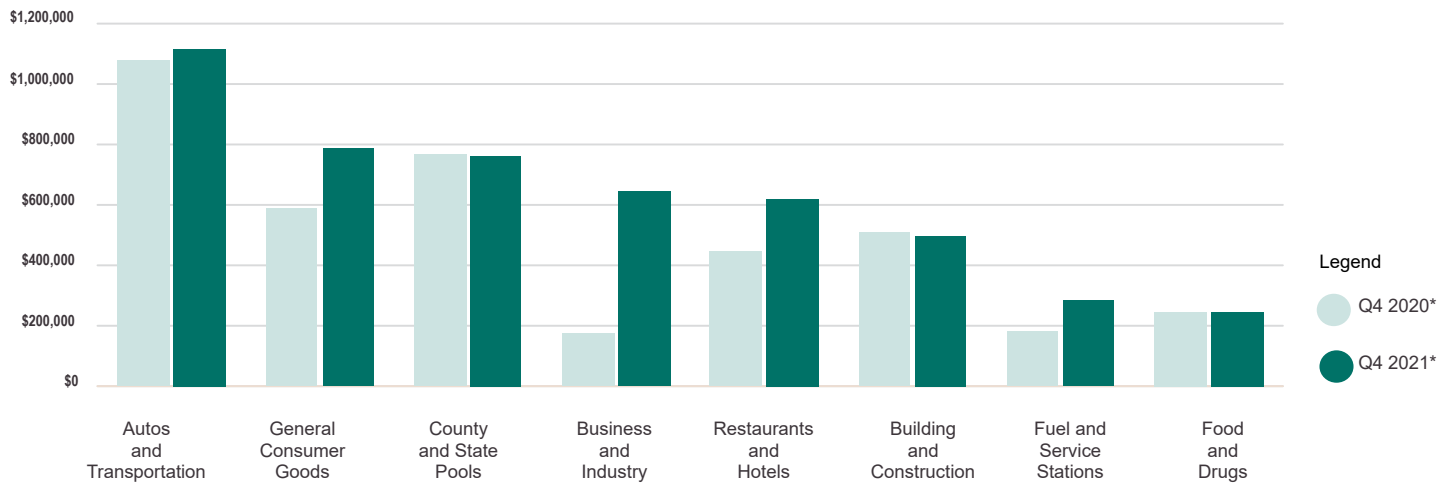


15.6%  
STATE



\*Allocation aberrations have been adjusted to reflect sales activity

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure T

TOTAL: \$5,294,030



#### CITY OF REDLANDS HIGHLIGHTS

Redlands' receipts from October through December were 28.4% above the fourth sales period in 2020. Excluding reporting aberrations, actual sales were up 24.3%.

The City experienced strong growth from business-industry, family apparel, home furnishings, specialty stores, new motor vehicles, auto repair shops, automotive supply stores, transportation/rentals, and food-drugs. Record prices at the pump led to a boost in sales tax received.

One of the industries that was hit the hardest in the state during the pandemic was restaurants and hotels, and most business types have now fully recovered. As a result, strong returns were realized

from casual, leisure/entertainment, quick service, and fast casual restaurants.

Returns from contractors, medical/biotech, and state and county pools decreased, which combined to partially offset the overall gain.

The City's Transaction and Use Tax Measure T generated 107.4% of the Bradley Burns amount, led by solid results from general consumer goods.

Net of aberrations, taxable sales for all of San Bernardino County grew 19.4% over the comparable time period; the Southern California region was up 17.4%.



#### TOP 25 PRODUCERS

Albertsons  
Amazon Com Services  
Amazon MFA  
Burlington  
Circle K  
Citrus Arco  
Dr Martens  
Hatfield Buick & GMC Truck  
Home Depot  
HYR Powersports  
Ken Grody Ford Redlands  
L & W Supply  
Lowe's  
Marshalls

McDonalds  
Metro Nissan of Redlands  
Redlands Chrysler Jeep Dodge Ram  
San Manuel Band Of Mission Indians  
Select Comfort  
Shell  
Stater Bros  
Tom Bell Chevrolet  
Tom Bell Toyota  
Valero  
Walmart



## STATEWIDE RESULTS

California's local one cent sales and use tax receipts for sales during the months of October through December were 15% higher than the same quarter one year ago after adjusting for accounting anomalies. A holiday shopping quarter, the most consequential sales period of the year, and the strong result was a boon to local agencies across the State. Consumers spent freely as the economy continued its rebound from the pandemic and as robust labor demand reduced unemployment and drove up wages.

Brick and mortar retailers did exceptionally well as many shoppers returned to physical stores rather than shopping online as the COVID crisis waned. This was especially true for traditional department stores that have long been among the weakest categories in retail. Discount department stores, particularly those selling gas, family and women's apparel and jewelry merchants also experienced strong sales. Many retailers are now generating revenue that is nearly as much, or even higher, than pre-pandemic levels.

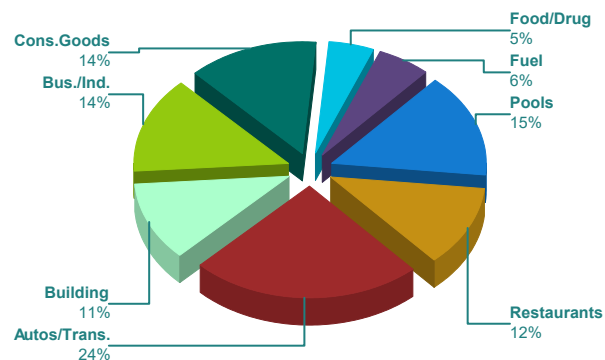
Sales by new and used car dealers were also much higher than a year ago. The inventory shortage has resulted in higher prices that have more than offset the decline in unit volume in terms of revenue generation for most dealerships. Restaurants and hotels were only moderately lower than last quarter, with both periods being the highest in the State's history. Increased menu prices coupled with robust demand to dine out are largely responsible for these gains. These are impressive results for a sector that does not yet include the positive impact that will occur later this year as international travel steadily increases at major airports. Conference business, an important revenue component for many hotels, is also still in the early stages of recovery.

Building material suppliers and contractors were steady as growing residential and commercial property values boosted demand, particularly in the Southern California, Sacramento and San Joaquin Valley regions. Although anticipated interest rate increases by the Federal Reserve could dampen the short-term outlook for this sector, industry experts believe limited selling activity will inspire increased upgrades and improvements by existing owners. With demand remaining tight and calls for more affordable housing throughout the state, the long-term outlook remains positive.

The fourth quarter, the final sales period of calendar year 2021, exhibited a 20% rebound

in tax receipts compared to calendar year 2020. General consumer goods, restaurants, fuel and auto-transportation industries were the largest contributors to this improvement. However, the future growth rate for statewide sales tax revenue is expected to slow markedly. Retail activity has now moved past the easy year-over-year comparison quarters in 2021 versus the depths of the pandemic bottom the year before. Additional headwinds going into 2022 include surging inflation, a dramatic jump in the global price of crude oil due to Russia's war in Ukraine and corresponding monetary tightening by the Federal Reserve. This is expected to result in weakening consumer sentiment and continued, but decelerating, sales tax growth into 2023.

### REVENUE BY BUSINESS GROUP Redlands This Calendar Year\*



\*ADJUSTED FOR ECONOMIC DATA

### TOP NON-CONFIDENTIAL BUSINESS TYPES

Redlands Business Type	Q4 '21*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	866.5	2.0% ↑	16.4% ↑	15.5% ↑
Building Materials	430.3	-0.4% ↓	-1.2% ↓	2.3% ↑
Service Stations	284.7	55.3% ↑	56.2% ↑	53.8% ↑
Quick-Service Restaurants	257.2	9.2% ↑	7.7% ↑	12.2% ↑
Casual Dining	234.8	62.4% ↑	69.8% ↑	66.4% ↑
Family Apparel	226.4	126.9% ↑	24.6% ↑	27.2% ↑
Grocery Stores	178.6	-1.0% ↓	2.1% ↑	0.6% ↑
Specialty Stores	92.2	19.7% ↑	25.1% ↑	18.7% ↑
Home Furnishings	79.1	153.1% ↑	7.6% ↑	6.5% ↑
Automotive Supply Stores	72.3	10.4% ↑	8.2% ↑	10.5% ↑

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\*In thousands of dollars