

CITY OF UPLAND

SALES TAX UPDATE

2Q 2021 (APRIL - JUNE)



UPLAND

TOTAL: \$ 4,649,443

35.4%
2Q2021



41.5%
COUNTY

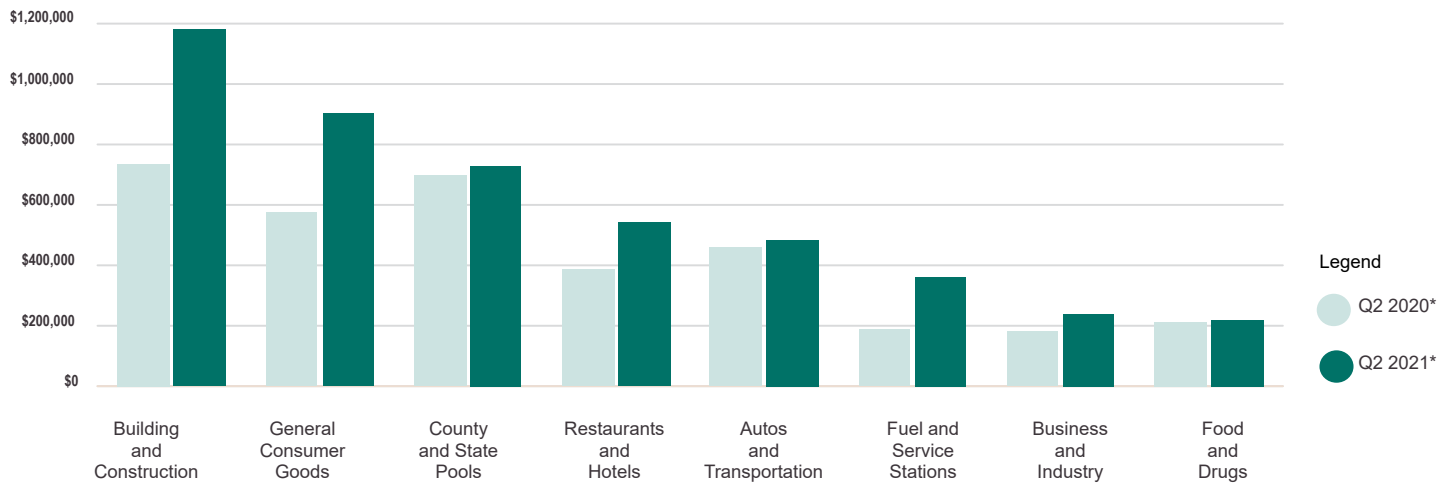


37.3%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF UPLAND HIGHLIGHTS

Upland's receipts from April through June were 28.8% above the second sales period in 2020. Excluding reporting aberrations, actual sales were up 35.4%.

The City's local economy emerged from COVID-19 and experienced positive returns in every major industry group and the State and county pools, led by a significant increase in building and construction including building materials.

A boost in general consumer goods sales from family apparel, specialty stores, and sporting goods/bike stores combined with a positive surge in service station returns, heavy industrial/printers, auto repair shops, used automotive dealers, and automotive supplies helped contribute to the outstanding quarter.

Restaurants and hotel activity rebounded

to pre-pandemic levels, resulting in an uptick in receipts from casual dining, quick service, and fast casual restaurants.

Net of aberrations, taxable sales for all of San Bernardino County grew 41.5% over the comparable time period; the Southern California region was up 40.3%.



TOP 25 PRODUCERS

- | | |
|--------------------------|-------------|
| Analytik Jena US | Shell |
| BevMo | Stater Bros |
| Chevron | Target |
| Chick Fil A | Thrifty |
| Circle K | TJ Maxx |
| Crossroads Travel Center | Vons Fuel |
| Dick's Sporting Goods | Walmart |
| Euclid Arco | |
| Ford of Upland | |
| Holliday Rock | |
| Home Depot | |
| In N Out Burger | |
| Kohls | |
| Lowe's | |
| Marshalls | |
| Mountain View Chevrolet | |
| Nordstrom Rack | |
| Ross | |



STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring April through June, was 37% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The 2nd quarter of 2020 was the most adversely impacted sales tax period related to the Covid-19 pandemic and Shelter-In-Place directive issued by Governor Newsom. The 2Q21 comparison quarter of 2Q20 was the lowest since 2Q14 due to indoor dining restrictions at most restaurants; non-essential brick and mortar store closures; and employee remote/work from home options which significantly reduced commuting traffic and fuel sales. Therefore, similar to the 1st quarter 2020 comparison, dramatic percentage gains for 2Q21 were anticipated and materialized.

Up to this point through California's recovery, we've seen some regions experience stronger gains than others. However, with the latest data and the depths of declines in the comparison period, statewide most regions saw very similar growth.

Within the results, prolonged gains by the auto-transportation and building-construction industries generated higher receipts. Although the explosion of sales by new and used car dealers has come as welcome relief, the latest news of inventories being stretched thin due to the micro processing chip issues earlier in the year may result in a headwind into 2022. Conversely for the building-construction group, as housing prices in many markets increased over the last year, sustained available homeowner and investor equity is in place for the foreseeable future. Receipts from general consumer goods marked a steady and expected come back, led by family apparel, jewelry and home furnishing stores. When combined with solid greater economic trends, this is a welcome

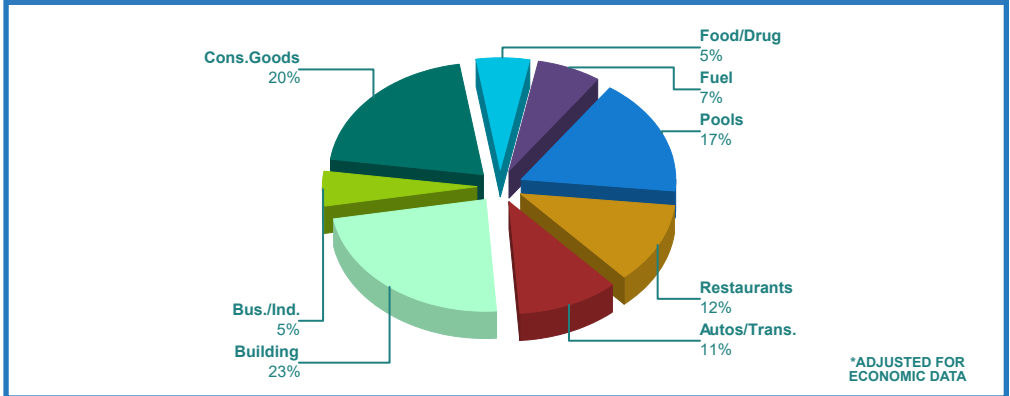
sign for many companies as a lead up to the normal holiday shopping period later this calendar year.

As consumers flock back into retail locations and with AB 147 fully implemented, growth from the county use tax pools - largely enhanced by out-of-state online sales activity - returned to more traditional gains of 9%. These results also included the reallocation of tax dollars previously distributed through the countywide pools to specific local jurisdictions that operate in-state fulfillment centers. Thus, the business and industry category, where fulfillment centers, medical-biotech vendors and garden-agricultural supplies are shown, jumped 26%.

In June, many restaurants reopened indoor dining. Given consumer desires to eat out and beautiful spring weather, all categories experienced a strong, much-needed rebound. However, labor shortages and a rise in menu prices continue to be a concern.

Looking ahead, sustained sales tax growth is still anticipated through the end of the 2021 calendar year. Inflationary effects are showing up in the cost of many taxable products. Pent up demand for travel and experiences, the return of commuters with more costly fuel, and labor shortages having upward pressure on prices may begin to consume more disposable income and tighten growth by the start of 2022.

REVENUE BY BUSINESS GROUP
Upland This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Upland Business Type	Q2 '21*	Change	County Change	HdL State Change
Building Materials	517.5	18.2% ↑	22.2% ↑	21.7% ↑
Service Stations	358.1	90.1% ↑	76.7% ↑	73.9% ↑
Quick-Service Restaurants	276.7	17.5% ↑	23.6% ↑	28.8% ↑
Casual Dining	187.7	105.4% ↑	119.4% ↑	130.4% ↑
Family Apparel	138.9	247.6% ↑	209.2% ↑	230.5% ↑
Specialty Stores	137.6	102.1% ↑	84.1% ↑	67.7% ↑
Grocery Stores	103.0	-4.9% ↓	1.1% ↑	-0.9% ↓
Sporting Goods/Bike Stores	96.1	108.0% ↑	48.1% ↑	35.8% ↑
Convenience Stores/Liquor	77.1	14.3% ↑	11.7% ↑	7.1% ↑
Fast-Casual Restaurants	72.6	41.6% ↑	36.8% ↑	43.6% ↑

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