

CITY OF UPLAND

SALES TAX UPDATE

1Q 2022 (JANUARY - MARCH)



UPLAND

TOTAL: \$ 4,356,451

8.5%
1Q2022



12.9%
COUNTY

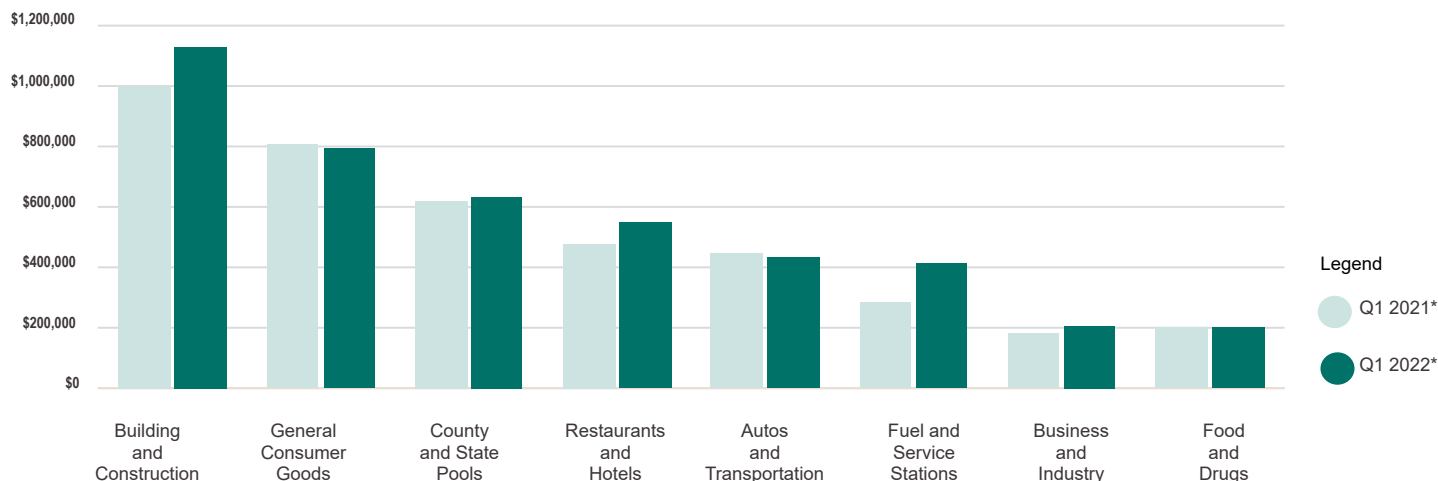


17.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF UPLAND HIGHLIGHTS

Upland's receipts from January through March were 12.5% above the first sales period in 2021. Unexpected audit recoveries for prior year taxes inflated cash comparisons. Excluding reporting aberrations, actual sales were up 8.5%.

Activity did not slow for the building-construction category; inflation impacted commodity costs in plumbing/electrical supplies which generated 45% greater returns.

Totals reported by restaurants-hotels climbed 15%; the group as a whole has recovered the sales volume lost during the pandemic despite rising menu prices.

The global cost of crude oil has resulted in higher gas prices boosting taxes remitted from service stations. Congestion on the highways from commuters and leisure travel has improved consumption from

last year's decline.

Business to business sales were up 14%; warehouse/farm/construction equipment submitted hearty gains.

Inventory scarcity, interest lending rates and soaring prices caught up with new motor vehicle dealerships; returns dipped 2%.

Economic outlook uncertainty caused some shoppers to utilize more discretion in their spending; the result was a 2% decrease from general consumer goods merchants.

Net of aberrations, taxable sales for all of San Bernardino County grew 12.9% over the comparable time period; the Southern California region was up 19.2%.



TOP 25 PRODUCERS

- Caliber Collision Centers
- Chevron
- Chick Fil A
- Circle K
- Crossroads Travel Center
- CVS Pharmacy
- Dick's Sporting Goods
- Euclid Arco
- Ford of Upland
- Holiday Rock
- Home Depot
- In N Out Burger
- Kohls
- Lowe's
- Marshalls
- Mountain View Chevrolet
- Nordstrom Rack
- Ross
- Shell
- Stater Bros
- Target
- Thrifty
- TJ Maxx
- Vons Fuel
- Walmart



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.

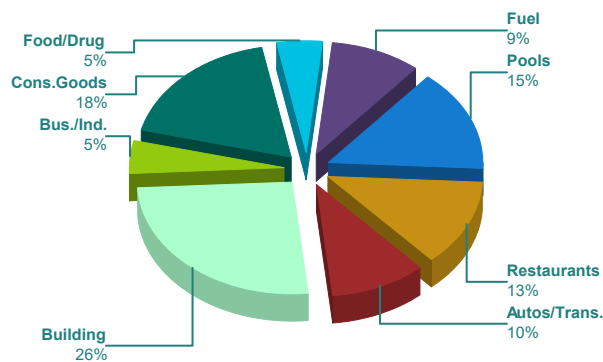
Use taxes generated by online sales and purchases from out-of-state vendors allocated via the county pools, heartily surpassed expectations, gaining 13% over

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

Upland This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Upland Business Type	Q1 '22*	Change	County Change	HdL State Change
Building Materials	467.6	-1.3% ↓	4.9% ↑	7.8% ↑
Service Stations	407.3	43.6% ↑	40.5% ↑	43.3% ↑
Quick-Service Restaurants	268.1	2.9% ↑	1.5% ↑	7.8% ↑
Casual Dining	196.7	34.7% ↑	48.0% ↑	55.8% ↑
Specialty Stores	126.5	4.0% ↑	9.5% ↑	11.2% ↑
Family Apparel	111.7	-6.3% ↓	-2.1% ↓	9.4% ↑
Grocery Stores	98.5	1.3% ↑	3.2% ↑	3.3% ↑
Sporting Goods/Bike Stores	85.2	-2.2% ↓	-9.6% ↓	-5.1% ↓
Fast-Casual Restaurants	74.0	6.6% ↑	2.3% ↑	11.4% ↑
Auto Repair Shops	67.7	13.1% ↑	15.1% ↑	22.0% ↑

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*In thousands of dollars