

# CITY OF UPLAND

## SALES TAX UPDATE

### 4Q 2020 (OCTOBER - DECEMBER)



**UPLAND**

TOTAL: \$ 3,987,104

5.8%

4Q2020



7.0%

COUNTY



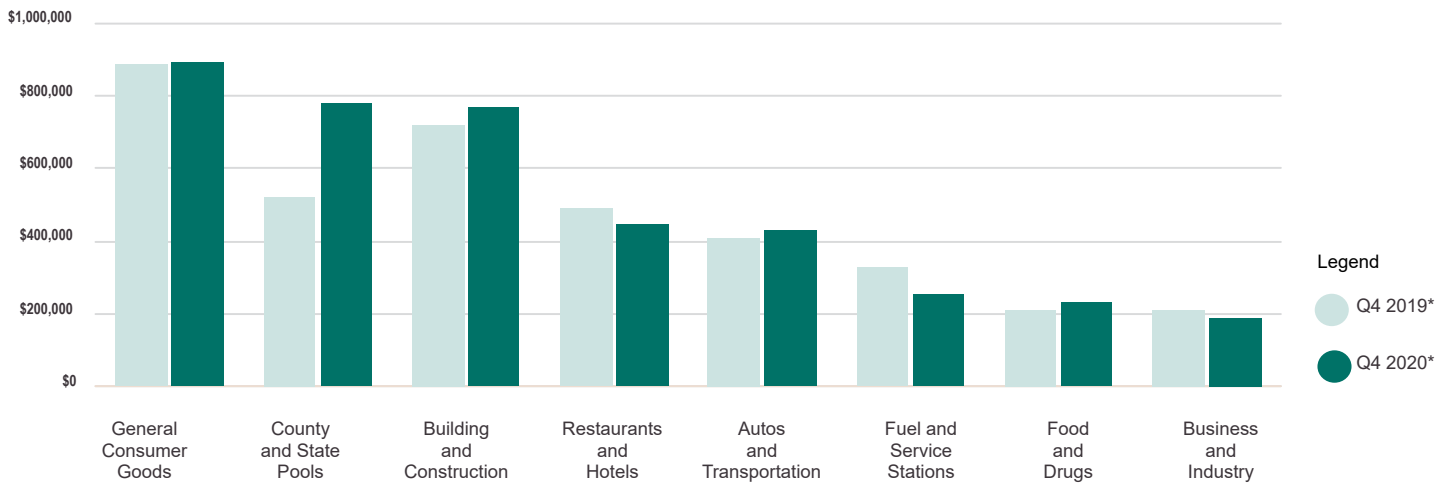
-2.0%

STATE



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

### SALES TAX BY MAJOR BUSINESS GROUP



### CITY OF UPLAND HIGHLIGHTS

Upland's receipts from October through December were 5.8% above the fourth sales period in 2019.

The City experienced overall growth mainly attributable to stellar performance in the countywide use tax pool and a boost in building and materials, grocery stores, and liquor stores.

General consumer goods sales including sporting goods/bike stores, and family apparel exceeded state and county trends for the eighth consecutive quarter. As consumers continued to shift habits to eating at home, quick service restaurants excelled.

A reduction in consumption and demand for fuel pushed service station returns down, and casual

dining, business and industrial activity was lower, which combined to offset the quarterly gain.

Net of aberrations, taxable sales for all of San Bernardino County grew 7.0% over the comparable time period; the Southern California region was down 2.7%.



### TOP 25 PRODUCERS

- Albertsons
- Arco AM PM
- BevMo
- Burlington
- Chevron
- Chick Fil A
- Daniel Mechanical
- Dick's Sporting Goods
- Ford of Upland
- Hobby Lobby
- Holiday Rock
- Home Depot
- In N Out Burger
- Kohls
- Lowes
- Marshalls
- Mountain View Chevrolet
- Nordstrom Rack
- Ross
- RV Spa
- Shell
- Stater Bros
- Target
- TJ Maxx
- Walmart



STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring October through December, the holiday shopping season, was 1.9% lower than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous periods. Lower receipts were primarily concentrated in the Bay Area and coastal southern regions while much of inland California, including the San Joaquin Valley, Inland Empire, and northern regions, exhibited solid gains.

As expected, the larger place of sale categories which have been negatively impacted throughout the pandemic continue to be brick and mortar general consumer goods retailers like family apparel, department, and electronics/appliance stores. With limited to zero allowed indoor dining (depending on a County's Covid-19 tier assignment), restaurants and hotels suffered the largest losses especially in communities that strongly rely on tourism. Although the workforce has slowly begun to return to physical office environments, fuel and service stations revenues lagged the prior year performance.

It does not appear that Governor Newsom's second 'shelter at home' directive, initiated by the increase in Covid-19 cases had an impact on overall results. While some merchants chose to utilize the Governor's executive order allowing for a 90-day deferral of sales tax remittance, it was substantially less than the similar opportunity companies utilized during the 1st and 2nd quarters of 2020. The outstanding payments for most California cities will be remitted before the end of the 2020-21 fiscal year.

On the bright side, as consumer confidence stabilized post the national presidential election, customers were motivated to comfortably spend on high-end luxury automobiles, boats-motorcycles, RVs, and sporting goods/equipment.

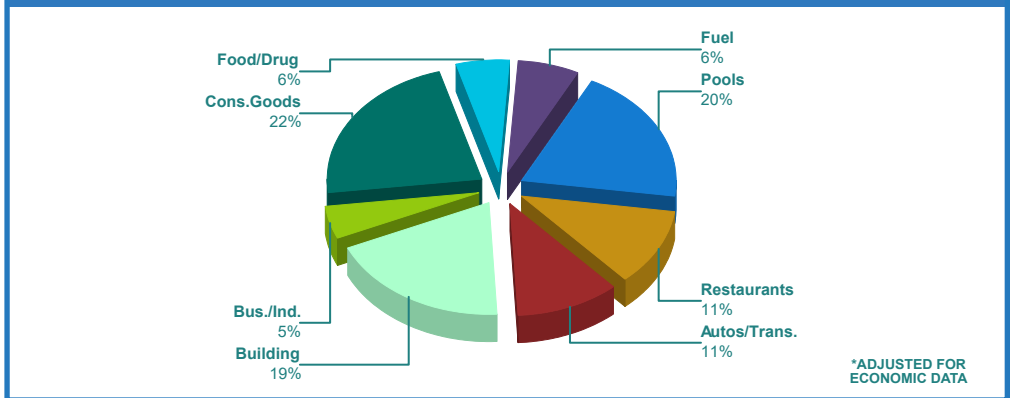
The building-construction sector, with 1) increased price of goods - like lumber, 2) continued home improvement projects, and 3) advantageous fall/winter weather conditions saw strong gains that remained consistent throughout the calendar year.

Exponential growth from countywide use tax pools further helped offset

the declines. Greater online shopping signifying a permanent shift of consumer habits to this more convenient experience was inevitable.

On the horizon, mass deployment of the Covid-19 vaccine will help a greater number of businesses, restaurants and theme parks to reach reopen status. Recent approval of the American Rescue Plan Act of 2021 will further support greater consumer spending, albeit in targeted segments. Pent up demand for summer outdoor experiences and travel is likely and thereby household spending is temporarily reverted away from taxable goods when compared to recent activity.

REVENUE BY BUSINESS GROUP  
Upland This Quarter\*



TOP NON-CONFIDENTIAL BUSINESS TYPES

| Upland Business Type       | Q4 '20* | Change   | County Change | HdL State Change |
|----------------------------|---------|----------|---------------|------------------|
| Building Materials         | 471.5   | 26.2% ↑  | 26.5% ↑       | 17.4% ↑          |
| Quick-Service Restaurants  | 253.7   | 4.6% ↑   | 7.5% ↑        | -8.8% ↓          |
| Service Stations           | 252.7   | -22.3% ↓ | -26.1% ↓      | -31.3% ↓         |
| Contractors                | 249.3   | -16.9% ↓ | -0.1% ↓       | 2.3% ↑           |
| Family Apparel             | 130.0   | 6.7% ↑   | -5.3% ↓       | -16.1% ↓         |
| Casual Dining              | 121.0   | -31.0% ↓ | -34.7% ↓      | -39.4% ↓         |
| Grocery Stores             | 118.2   | 17.2% ↑  | 11.1% ↑       | 5.3% ↑           |
| Specialty Stores           | 116.7   | 3.5% ↑   | 0.4% ↑        | -6.7% ↓          |
| Sporting Goods/Bike Stores | 88.1    | 69.9% ↑  | 24.0% ↑       | 20.3% ↑          |
| Convenience Stores/Liquor  | 70.7    | 1.6% ↑   | 2.5% ↑        | -2.0% ↓          |

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