

CITY OF SAN JACINTO

SALES TAX UPDATE

3Q 2021 (JULY - SEPTEMBER)



SAN JACINTO
TOTAL: \$ 1,121,201

19.1%
3Q2021



24.6%
COUNTY

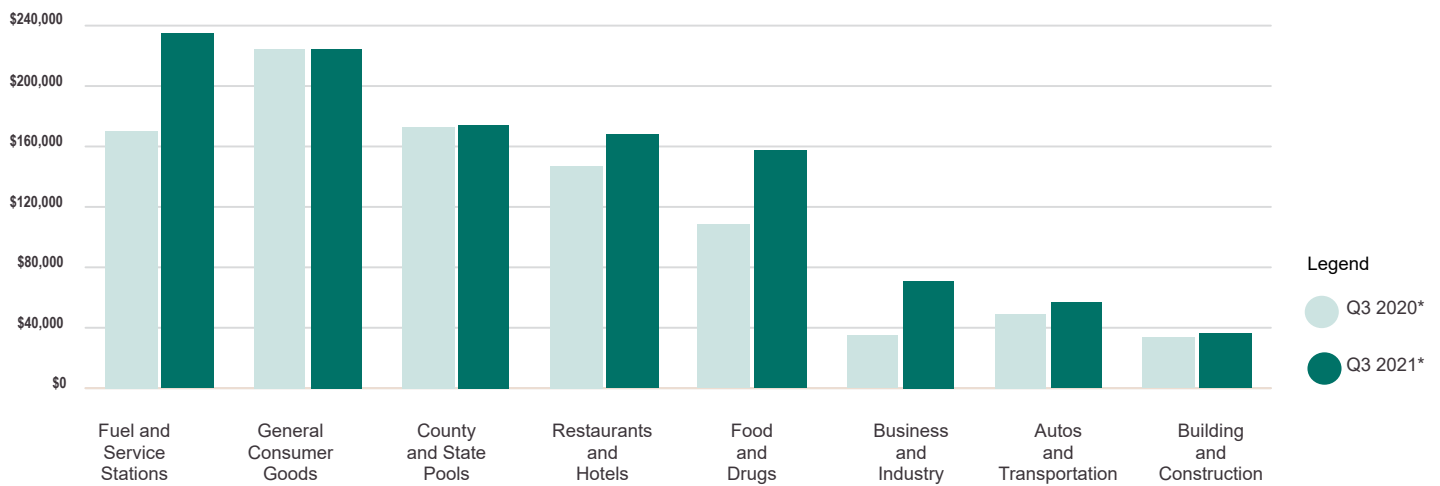


18.3%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure V
TOTAL: \$1,653,885



CITY OF SAN JACINTO HIGHLIGHTS

San Jacinto's receipts from July through September were 17.2% above the third sales period in 2020. Excluding reporting aberrations, actual sales were up 19.1%.

Crude oil prices have increased 63% in the last year, pushing up revenue from fuel-service stations. Large, one-time payments resulted in a temporary increase for the business-industry sector.

New business additions pushed up overall totals for the food-drug group. Consumers have flocked back to restaurants, despite increasing menu prices caused by the higher costs of wholesale groceries and labor.

Low supply and high demand continue to impact prices in the autos-transportation industry. The rising price of construction materials combined with higher shipping costs has pushed up revenue from building-construction. Revenue from general consumer goods remained relatively flat.

The City's share of the countywide use tax pool increased 0.5% when compared to the same period in the prior year. Measure V, the City's voter-approved transactions and use tax, brought in an additional \$1,649,085 in revenue with the largest increases seen in autos-transportation and general consumer goods.



TOP 25 PRODUCERS

7 Eleven
Arco AM PM
AutoZone
Ays Auto Group
Blazed Utopia
Cardenas
Chevron
Circle K
Del Taco
Farmer Boys
Interstate Steel Structures
Jack in the Box
Lca Metal Components
McDonalds

Mobil Shop N Go Food Store
Nutrien Ag Solutions
O'Reilly Auto Parts
Rite Aid
San Jacinto Fastrip
San Jacinto Shell
Stater Bros
Summit Livestock Facilities
T Mobile
Walgreens
Walmart Supercenter



STATEWIDE RESULTS

Local one cent sales and use tax receipts for sales occurring July through September were 18% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These aberrations had been much greater than normal in the last two years as the Governor's Executive Orders allowed businesses to defer some sales tax payments as a supportive measure during the pandemic. This program has now expired, and merchant remittances are more consistent, making cash receipts more reflective of underlying economic activity.

The prior year comparison quarter was the start of the pandemic recovery, and the strong growth enjoyed since continued with the recent results.

Surprisingly, one of the stronger sectors has been restaurants and hotels. Originally forecasted to take an extended amount of time to recover, statewide sales tax generated during the summer months exceeded amounts from pre-pandemic 2019. Even with the availability of indoor and outdoor dining, pent up demand resulted in long wait times to enjoy local culinary experiences. When combined with increasing restaurant tabs as the cost of food and staff wages surge, sales tax remittances are expected to continue growing. Additionally, while the industry awaits the return of foreign tourism in metropolitan areas, strong domestic travel has helped varied regions around the state especially Southern California and the Central Coast.

Receipts from general consumer goods marked a steady recovery, led by apparel retailers, jewelry, electronic/appliance and specialty outlets. Discount department stores, especially those selling gas, helped exemplify the strength of brick-and-mortar

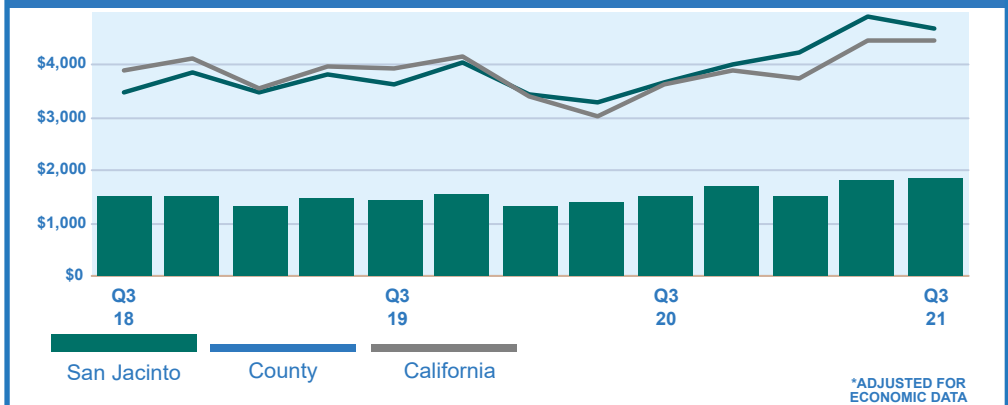
merchants. Gains from the countywide use tax pools however, slowed to 2% compared to the high-water mark last year, which had been boosted by new tax collecting requirements imposed under AB 147 for online retailers. All things considered, when combined with positive economic trends, these are a welcome sign leading up to the holiday shopping period.

Although car dealers had expressed concerns about inventory shortages due to supply chain disruptions and computer chip shortages earlier in the year, the sale of new and used vehicles posted solid gains regardless. Higher property values and good weather contributed to strong building

materials and contractor returns. As commuting workers and travelers returned to the road with increased gas prices, fuel and service stations also experienced a dramatic recovery.

Overall growth is expected to continue through the end of the 2021 calendar year. Possible headwinds into 2022 include: pent up demand for travel and experiences shifting spending away from taxable goods; higher prices for fuel, merchandise and services displacing more of consumer's disposable income; and expected interest rate hikes resulting in more costly financing for automobiles, homes, and consumer loans.

SALES PER CAPITA*



TOP NON-CONFIDENTIAL BUSINESS TYPES

San Jacinto Business Type	Q3 '21	Change	County Change	HdL State Change
Service Stations	233,829	37.3% ↑	55.2% ↑	53.6% ↑
Quick-Service Restaurants	122,283	6.7% ↑	8.1% ↑	13.5% ↑
Casual Dining	27,769	58.1% ↑	76.0% ↑	68.3% ↑
Drug Stores	25,159	-3.4% ↓	3.3% ↑	5.1% ↑
Contractors	24,004	28.7% ↑	6.1% ↑	12.2% ↑
Automotive Supply Stores	23,902	17.8% ↑	8.7% ↑	4.5% ↑
Convenience Stores/Liquor	22,047	5.0% ↑	1.4% ↑	-0.3% ↓
Auto Repair Shops	18,491	16.9% ↑	12.0% ↑	15.3% ↑
Used Automotive Dealers	14,142	11.5% ↑	32.7% ↑	16.5% ↑
Electronics/Appliance Stores	13,288	12.8% ↑	20.5% ↑	19.7% ↑

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