

CITY OF REDLANDS

SALES TAX UPDATE

1Q 2024 (JANUARY - MARCH)



REDLANDS

TOTAL: \$ 4,662,419

1.5%
1Q2024



1.6%
COUNTY

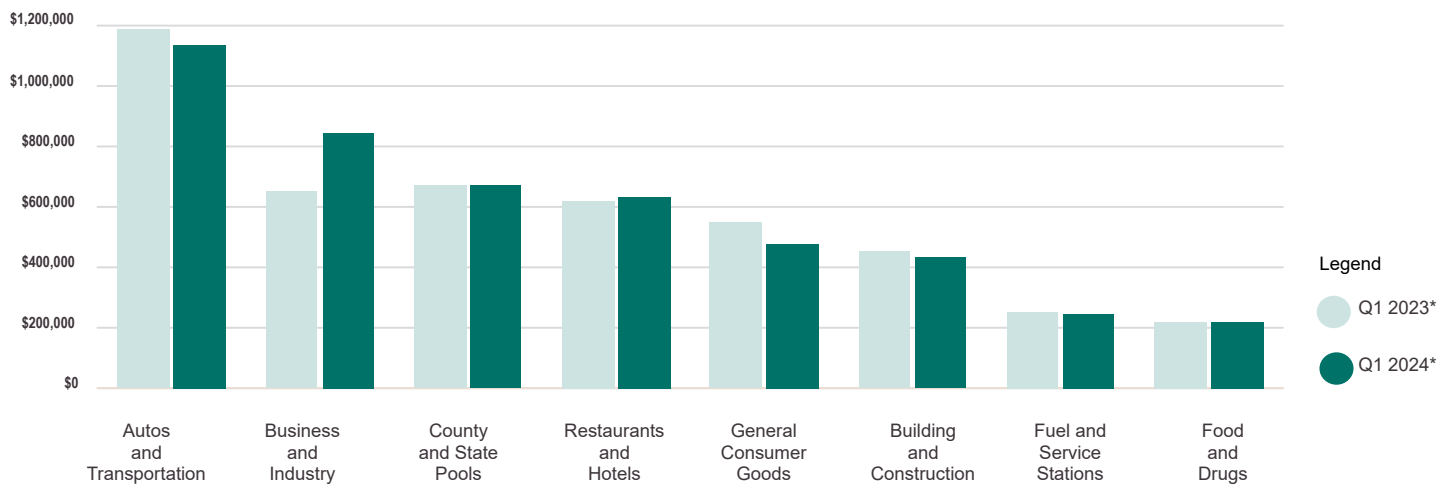


-0.3%
STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure T

TOTAL: \$4,884,509

↑ 3.1%



CITY OF REDLANDS HIGHLIGHTS

Redlands's receipts from January through March were 2.7% above the first sales period in 2023. Excluding reporting aberrations, actual sales were up 1.5%.

Various economic factors, such as higher interest rates for mortgages, financed purchases and credit cards, are causing consumers to limit discretionary purchases and focus on essential needs.

The City experienced its largest boost from its second biggest sector business-industry, including fulfillment centers and medical/biotech. Returns from casual and fast casual dining, quick service restaurants, grocery/variety stores, auto lease, building materials, and the state and county pools were also up.

Receipts from leisure/entertainment, drug, sporting goods, specialty stores, home furnishings, new motor vehicle dealers, automotive supply stores, contractors, and service stations declined. When combined they helped to slightly offset the overall strong quarterly gain.

Transaction and Use Tax Measure J generated 105% of the Bradley Burns amount, led by the- strongest percentage growth from general consumer goods.

Net of aberrations, taxable sales for all of San Bernardino County grew 1.6% over the comparable time period; the Southern California region was flat.



TOP 25 PRODUCERS

Albertsons	Marshalls
Amazon Com Services	McDonald's
Amazon MFA	Raising Cane's
AutoZone	Redlands Chrysler Jeep
BD Microbiology System	Dodge Ram
Circle K	Select Comfort
Citrus Arco	Shell
Dr Martens Airwair USA	Stater Bros
Hatfield Buick & GMC Truck	Tom Bell Chevrolet
Home Depot	Tom Bell Toyota
Imperial Dade	Walmart
Ken Grody Ford Redlands	York Holdings
L & W Supply	
Lowe's	



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts during the months of January through March were 0.2% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year first quarter is traditionally the lowest sales tax generating period; however, returns were more on par with the comparison period.

One of the only sectors continuing to display declines was autos-transportation. High interest rates created more expensive long-term financing costs. Combined with a dramatic cost of insurance coverage rate spike, this group declined 7.5%.

Fuel and service stations was the other sector with a drop over last year. As California drivers embark on summer travel, they’ll do so with slightly elevated gas prices versus 2023, probably yielding the final period of negative results for the category heading into 2025.

During this post-holiday shopping period, general consumer goods experienced a soft rebound with very modest 0.5% growth. Although retailers selling gas were hurt by fuel prices, it did not stop family apparel and department stores from lifting revenues.

Restaurant activity contributed constant growth of 2.1%. Only fine dining establishments remain hindered as more affordable menus are preferred. Also, it appears some eateries made operational changes while implementing AB 1228; however, there isn’t enough data

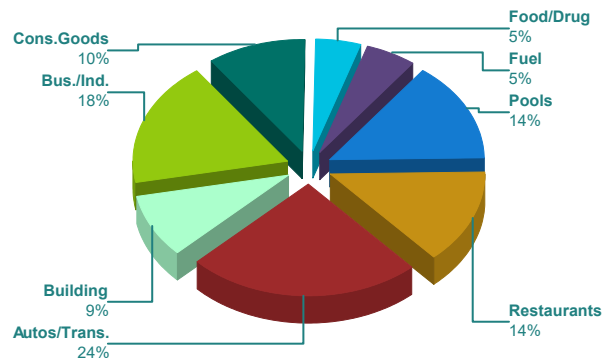
yet to understand if this new bill impacted revenue.

Seemingly dramatic one-time events helped boost business-industry, as investments in office supplies-furniture and energy projects were a significant reason for 3.6% gains this quarter. Additionally, strong fulfillment center direct payments demonstrated sustained logistical expansion. When coupled with improved returns via the countywide use tax pools, customers demonstrated e-commerce preferences for obtaining various goods. Overall

pool allocations improved 1.6%.

Statewide, 2024 begins in a more positive fashion compared to the recent trends of 2023. Buoyed 1st quarter results may signify ‘the floor’ helping ease tax revenue concerns while awaiting the next growth cycle. The Federal Reserve and their position with the Fed Funds Rate remains the most probable component between economic stagnation or spring-boarding consumer spending. Tourism and local travel in the coming summer period could further inspire confidence.

REVENUE BY BUSINESS GROUP
Redlands This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Redlands Business Type	Q1 '24*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	892.3	-3.1% ↓	-4.3% ↓	-10.7% ↓
Fulfillment Centers	494.8	17.8% ↑	4.0% ↑	5.5% ↑
Building Materials	391.1	1.4% ↑	2.6% ↑	-0.7% ↓
Casual Dining	272.5	3.0% ↑	0.2% ↑	2.3% ↑
Quick-Service Restaurants	256.2	1.1% ↑	4.0% ↑	2.7% ↑
Service Stations	246.1	-1.0% ↓	-2.2% ↓	-0.8% ↓
Grocery Stores	171.7	3.4% ↑	3.1% ↑	2.8% ↑
Automotive Supply Stores	80.5	-2.7% ↓	-5.8% ↓	-3.2% ↓
Family Apparel	76.0	3.0% ↑	8.4% ↑	7.4% ↑
Fast-Casual Restaurants	70.1	9.9% ↑	6.4% ↑	2.3% ↑

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*In thousands of dollars