

# CITY OF REDLANDS

## SALES TAX UPDATE

### 2Q 2024 (APRIL - JUNE)



#### REDLANDS

TOTAL: \$ 5,069,302

2.0%  
2Q2024



0.8%  
COUNTY

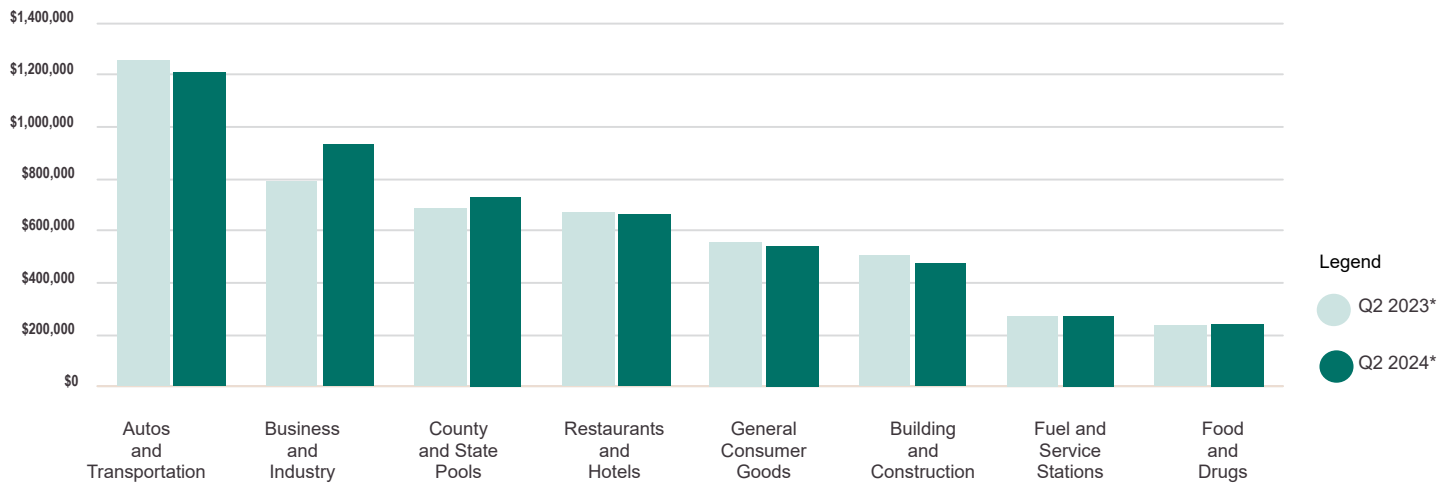


-0.7%  
STATE



\*Allocation aberrations have been adjusted to reflect sales activity

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure T

TOTAL: \$5,079,530

↑ 1.8%



#### CITY OF REDLANDS HIGHLIGHTS

Redlands's receipts from April through June were 2.9% above the second sales period in 2023. Excluding reporting aberrations, actual sales were up 2.0%.

The auto-transportation industry reported a sluggish sales quarter as consumers struggle with elevated interest rates and soaring prices for new cars and light trucks.

Totals from the general consumer goods category slipped as consumers dialed down spending on non-necessities.

The decrease in costs for lumber and building materials combined with the slowdown in new housing projects resulted in lower revenue from the building-construction sector.

Consumers cut back on restaurant visits or picked less expensive options as they

look for more ways to save amid a higher cost of living.

The business-industry sector reported a strong sales quarter, while receipts from fuel-service stations remained flat.

The City's share of the countywide use tax pool increased 6.9% compared to the same period in the prior year.

Measure T, the City's voter-approved transactions and use tax, brought in an additional \$5,079,530 in revenue.

Net of aberrations, taxable sales for all of San Bernardino County grew 0.8% over the comparable quarterly period; the Southern California region was down 0.5%.



#### TOP 25 PRODUCERS

Albertsons	Marshalls
Amazon Com Services	McDonald's
Amazon MFA	Motorola
BD Microbiology System	Nissan Of Redlands
Circle K	Raising Cane's
Citrus Arco	Redlands Chrysler Jeep Dodge Ram
Dr Martens Airwair USA	Select Comfort
Hatfield Buick & GMC Truck	Stater Bros
Home Depot	Tom Bell Chevrolet
HYR Powersports	Tom Bell Toyota
Imperial Dade	Walmart
Ken Grody Ford Redlands	
L&W Supply(Calply)	
Lowes	



## STATEWIDE RESULTS

California’s local one cent sales and use tax receipts during the months of April through June were 0.6% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year second quarter is traditionally the beginning of the summer spending season; however, returns were relatively flat when compared to a year ago. For many California agencies, this also marks the end of the 2023-24 fiscal year, where statewide sales tax revenues were down 1.3% from the 2022-23 fiscal year.

Consistent with recent trends, auto-transportation receipts fell 6.2% - the largest sector decline this quarter. Sustained high interest rates, tightened credit standards, and increased cost of insurance all converged to impact returns. While inventory-levels for many dealerships have rebounded, it’s only proving to create downward pressure on prices, further constraining receipts.

Summer weather usually marks fruitful periods for building-construction, however as property owners struggle to access equity for improvements, year-over-year receipts declined. The price of lumber and other materials are now more affordable, but new projects have been sidelined by developers until financing and mortgage costs drop further.

Similarly, as the price of consumer goods has cooled with moderate inflation rates, returns from multiple merchants have curtailed. Men’s and women’s apparel, home furnishings, electronic-appliance and specialty stores could not escape the change in shopper’s preferences for lower priced items from large brick-and-mortar retailers like discount department stores.

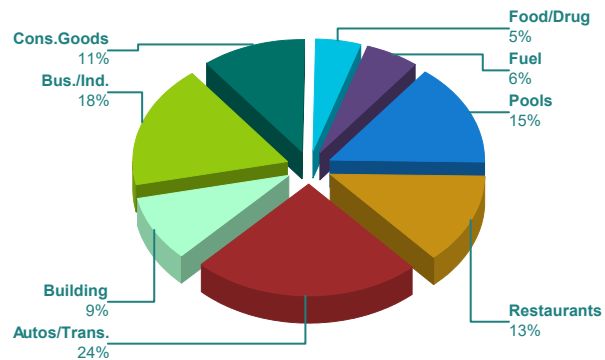
Restaurants experienced only a modest

gain of 0.7%. As AB 1228 is enacted – state law increasing California’s minimum wage at designated eateries – third party data reports that foot traffic to all such establishments decreased during this same time period. Not only are diners selecting less expensive places to eat, but many may have been pushed to limit their frequency to dine out.

Multiple of sectors experienced mild growth including allocations from the countywide use tax pool and the business-industrial group, both benefiting from online shopping, and fuel-service stations as drivers continue to hit the road even as gas prices remain elevated.

Halfway through the current calendar year, revenue trends remain slightly lower than a year ago overall. Although the Federal Reserve recently reduced the Fed Funds Rate helping temper the cost of financing, personal consumption forecasts remain insipid through the remainder of 2024. Consumers are more likely to wait for greater improvement of household economic conditions before extending themselves again, inspiring the next sales tax growth cycle.

### REVENUE BY BUSINESS GROUP Redlands This Fiscal Year\*



\*ADJUSTED FOR ECONOMIC DATA

### TOP NON-CONFIDENTIAL BUSINESS TYPES

Redlands Business Type	Q2 '24*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	966.0	-2.9% ↓	-7.9% ↓	-7.7% ↓
Fulfillment Centers	563.8	0.0% ↑	10.7% ↑	6.4% ↑
Building Materials	426.4	1.7% ↑	-2.1% ↓	-3.1% ↓
Casual Dining	287.0	-1.9% ↓	0.4% ↑	0.7% ↑
Service Stations	272.3	-0.1% ↓	0.8% ↑	2.3% ↑
Quick-Service Restaurants	265.1	0.9% ↑	1.6% ↑	1.1% ↑
Grocery Stores	183.7	2.2% ↑	2.8% ↑	1.6% ↑
Family Apparel	80.6	4.4% ↑	2.3% ↑	0.9% ↑
Specialty Stores	77.9	-2.0% ↓	-6.8% ↓	-4.6% ↓
Automotive Supply Stores	70.6	-4.1% ↓	-5.1% ↓	-3.3% ↓

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\*In thousands of dollars