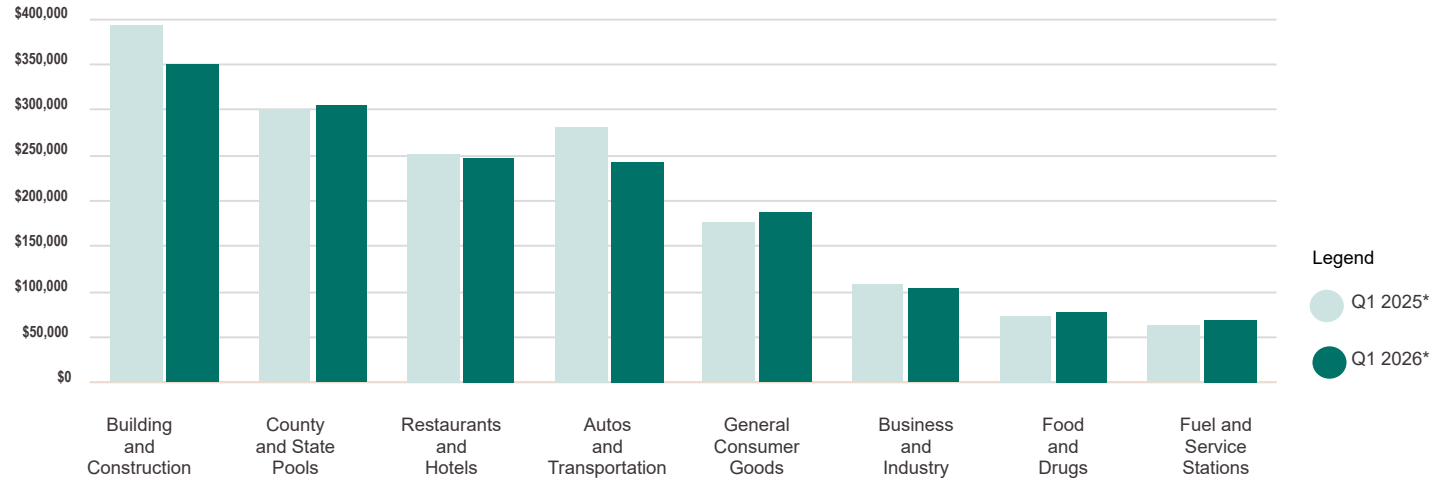
CITY OF SAN FERNANDO
SALES TAX UPDATE
1Q 2026 (JANUARY - MARCH)

SAN FERNANDO	-3.7%	4.2%	4.0%
TOTAL: $ 1,584,541	1Q2026	COUNTY	STATE

*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure SF
TOTAL: $1,179,776
-2.9%

CITY OF SAN FERNANDO HIGHLIGHTS

San Fernando's receipts from January through March were 6.3% below the first sales period in 2025. Excluding reporting aberrations, actual sales were down 3.7%.

The U.S. economy grew modestly in 1Q26, with real GDP rising 1.6% annualized. Business investment and exports supported growth, while slower consumer spending, rising imports, and persistent inflation pointed to a resilient but moderating expansion.

Locally, general consumer goods posted solid gains, supported by new store openings and consumers seeking value-oriented purchases. Fuel-service stations also recorded strong growth, outperforming the statewide average. Food-Drugs advanced as all three major categories posted positive results, led by grocery stores. Building-Construction remained constrained by elevated material costs and delayed improvement projects. Autos-Transportation declined 13.5%, impacted by closed outlets.

Transaction and Use Tax Measure SF generated 74.6% of the Bradley-Burns amount, with Business-Industry contributing the strongest percentage to the City's overall results for the quarter.

Net of aberrations, taxable sales for all of Los Angeles County grew 4.2% over the comparable time period; the Southern California region was up 4.0%.

TOP 25 PRODUCERS

Arco
AutoZone
Arroyo Building Materials
Casco
CCAP Auto Lease
Chipotle
CVS Pharmacy
Daikin Comfort
El Pollo Loco
El Super
Enterprise Rent A Car
Heritage Pool Supply
Home Depot
IHOP
McDonald's
Nachos Ornamental Supply
Rydell Chrysler Dodge Jeep Ram
SFS Leasing LTD
Shell
Smart & Final
T Mobile
Taco Bell
Target
Vallarta Supermarket
WSS

STATEWIDE RESULTS

California's local one cent sales and use tax receipts posted moderate growth during the first quarter, reflecting resilient consumer behavior despite persistent economic headwinds. For the months of January through March, revenues increased 4% from the year ago quarter after adjusting for accounting anomalies.

Strong consumer spending patterns did not falter and was the main reason of growth, partially enhanced by larger-than-expected income tax refunds. Both online retailers and brick and mortar merchants experienced dynamic changes over last year that far exceed expectations. E-commerce remains the platform of choice providing convenience, broad product availability, and flexible payment options – benefitting the business-industry sector and allocations via the countywide use tax pool. Family apparel and discount department stores both boosted general consumer goods the most, with a slight bump in gas prices further pushing returns from multiple vendors.

Patronage at restaurants resulted in a 4.2% year over year jump. With demand constrained due to increasing price-sensitivity and slower foot traffic, gains by all types of eateries signaled underlying resolve to dine out. Temporary events further contributed to the positive outcome – Southern California wildfires hindered 2025 and the Super Bowl lifting 2026.

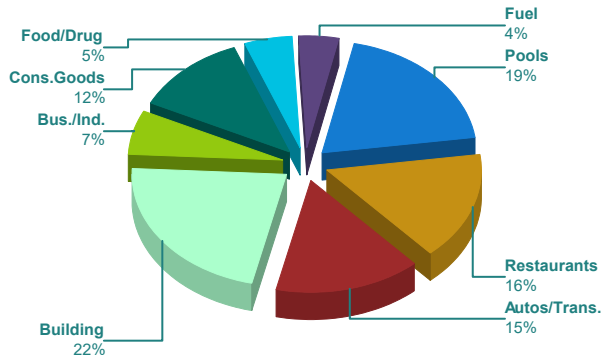
The first quarter also included the initial impacts of elevated tensions in the Middle East which drove West Texas Intermediate crude oil prices above $95 per barrel. This had an immediate impact on local gas prices resulting in a modest bump to receipts from gas stations and created large amounts of uncertainty. At the time of writing, the conflict appears to have subsided with the Strait of Hurmuz reopened reducing the possibility of future strain.

Autos-transportation posted a nominal gain in first quarter 2026, as higher average transaction prices offset weaker unit sales. These price increases reflected tariff impacts reaching consumers after months of absorption by automakers, along with rising material costs. As in the prior quarter, the transition to the new DMV payment system for used vehicle dealers under AB 85 modestly reduced cash receipts, with adjustments still pending.

Overall, the short-term outlook remains cautiously optimistic. Normal consumer spending combined with multiple host sites of World Cup matches and corresponding tourism should sustain growth, albeit varied regionally. The Middle East conflict temporarily resulted in $6 per gallon average peak pricing during the start of the summer months. The forecast is coupled with a national inflation rate that anticipates an upward trend leaving little room for the Federal Reserve to alter interest rates in a favorable way for consumers, potentially slowing down the retail economy.

REVENUE BY BUSINESS GROUP

San Fernando This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

San Fernando Business Type	Q1 '26*	Change	County Change	HdL State Change
Quick-Service Restaurants	142.8	-3.2% ↓	1.1% ↑	1.9% ↑
Service Stations	68.3	9.8% ↑	0.4% ↑	0.9% ↑
Casual Dining	66.9	-5.7% ↓	5.0% ↑	4.0% ↑
Contractors	49.1	3.2% ↑	5.9% ↑	4.0% ↑
Grocery Stores	43.5	4.8% ↑	1.1% ↑	-0.7% ↓
Auto Lease	36.0	-13.3% ↓	11.0% ↑	14.7% ↑
Fast-Casual Restaurants	35.1	10.8% ↑	2.8% ↑	3.8% ↑
Automotive Supply Stores	28.2	-2.1% ↓	1.8% ↑	1.5% ↑
Electronics/Appliance Stores	25.7	-3.5% ↓	-5.0% ↓	-2.6% ↓
Auto Repair Shops	20.3	-3.2% ↓	-5.2% ↓	-2.1% ↓

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*In thousands of dollars