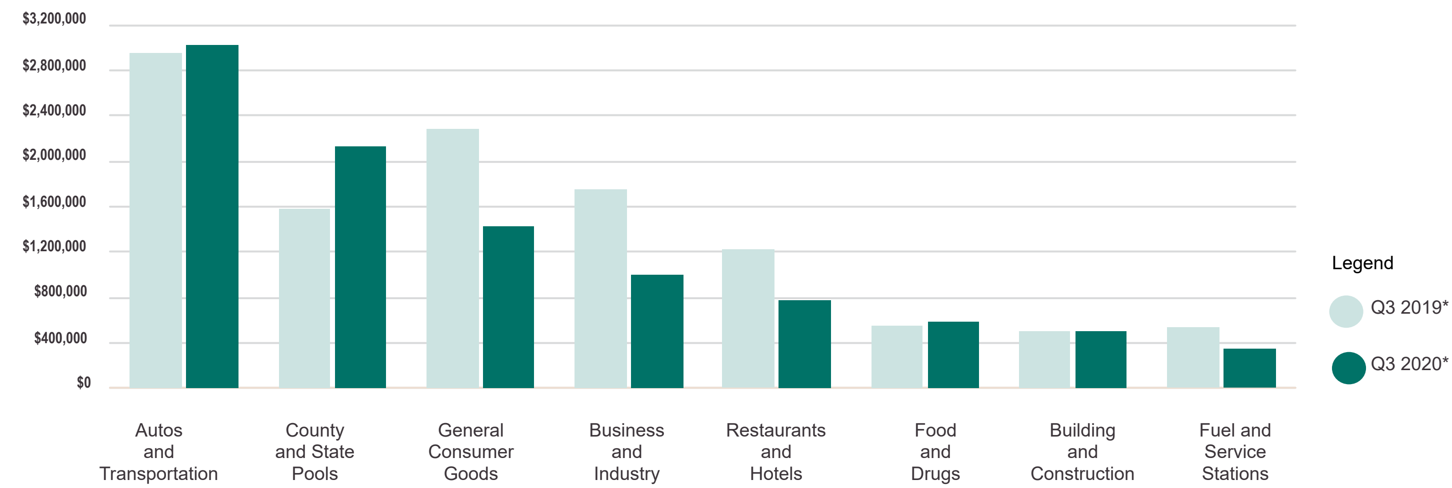
CITY OF GLENDALE
SALES TAX UPDATE
3Q 2020 (JULY - SEPTEMBER)

GLENDALE	-13.8%	-6.0%	-0.9%
TOTAL: $ 9,803,641	3Q2020	COUNTY	STATE

Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure S
TOTAL: $5,670,378

-9.1%

CITY OF GLENDALE HIGHLIGHTS

Glendale's allocation of sales and use tax from its July through September sales was 10.7% lower than the same quarter one year ago but was inflated by previously deferred back payments. Receipts were down 13.8% after these and other reporting anomalies are factored out.

The acceleration in consumer preferences toward shopping over the internet boosted receipts from the countywide use tax pool where taxes on goods shipped from out-of-state are allocated and partially offset other losses although the City's pool share did experience a slight decline from 2.6% to 2.4%.

A solid quarter for autos, building materials, grocers and liquor further contributed to the offset of losses in most other segments.

Voter approved Measure S added $5,670,378 to that described above but was 9.1% lower than the third quarter of 2019 after reporting anomalies are factored out. The largest declines were in restaurants and fuel.

Adjusted for reporting aberrations, sales and use receipts for all of Los Angeles County declined 6.0% over the comparable time period while Southern California as whole, was down 1.5%.

TOP 25 PRODUCERS

Allen Gwynn Chevrolet
Bloomingdale's
Calstar Mercedes
Car Pros Kia Glendale
CDW Direct
CDW Government
Daimler Trust
Financial Services Vehicle Trust
Glendale Dodge Chrysler Jeep
Glendale Hyundai
Glendale Nissan
Glendale Subaru/ Mitsubishi
Home Depot
Hyundai Lease Titling Trust
Lexus of Glendale
Macys
New Century Honda
Nordstrom
Pacific BMW
Star Auto Group
Target
Tesla Motors
Toyota Lease Trust
Toyota of Glendale Scion
Vons

STATEWIDE RESULTS

The local one-cent sales and use tax from sales occurring July through September was 0.9% lower than the same quarter one year ago after factoring for accounting anomalies. The losses were primarily concentrated in coastal regions and communities popular with tourists while much of inland California including the San Joaquin Valley, Sacramento region and Inland Empire exhibited gains.

Generally, declining receipts from fuel sales, brick and mortar retail and restaurants were the primary factors leading to this quarter's overall decrease. The losses were largely offset by a continuing acceleration in online shopping that produced huge gains in the county use tax pools where tax revenues from purchases shipped from out-of-state are allocated and in revenues allocated to jurisdictions with in-state fulfillment centers and order desks.

Additional gains came from a generally solid quarter for autos, RV's, food-drugs, sporting goods, discount warehouses, building material suppliers and home improvement purchases. Some categories of agricultural and medical supplies/ equipment also did well.

Although the slight decline in comparable third quarter receipts reflected a significant recovery from the immediate previous period's deep decline, new coronavirus surges and reinstated restrictions from 2020's Thanksgiving and Christmas gatherings compounded by smaller federal stimulus programs suggest more significant drops in forthcoming revenues from December through March sales.

Additionally, the past few quarter's gains in county pool receipts that were generated by the shift to online shopping plus last year's implementation of the Wayfair v. South Dakota Supreme Court decision will level out after the first quarter of 2021.

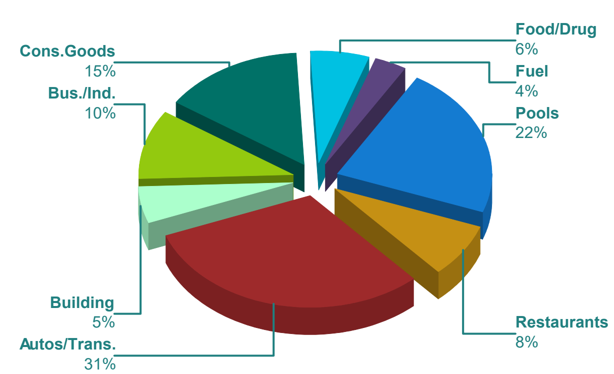
Much of the initial demand for computers and equipment to accommodate home schooling and remote workplaces has been satisfied. Manufacturers are also reporting that absenteeism, sanitation protocols, inventory and imported parts shortages have reduced production capacity that will not be regained until mass vaccines have been completed, probably by the fall of 2021.

Significant recovery is not anticipated until 2021-22 with full recovery dependent on the specific character and make up of each jurisdiction's tax base. Part of the recovery will be a shift back to non-taxable services and activities. Limited to access because of pandemic restrictions, consumers spent 72% less on services during the third quarter and used the savings to buy taxable goods.

Full recovery may also look different than before the pandemic. Recent surveys find that 3 out of 4 consumers have discovered new online alternatives and half expect to continue these habits which suggests that the part of the recent shift of revenues allocated through countywide use tax pools and industrial distribution centers rather than stores will become permanent.

REVENUE BY BUSINESS GROUP

Glendale This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Glendale Business Type	Q3 '20*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	2,075.8	6.2%	7.3%	5.8%
Auto Lease	608.9	-6.5%	-6.0%	-5.4%
Office Supplies/Furniture	577.6	-53.4%	-32.2%	-13.0%
Casual Dining	353.7	-43.3%	-41.9%	-38.0%
Service Stations	348.2	-35.3%	-34.8%	-29.0%
Department Stores	328.6	-30.2%	-38.9%	-42.5%
Quick-Service Restaurants	302.7	-27.8%	-13.7%	-10.3%
Building Materials	271.5	5.7%	12.1%	16.4%
Grocery Stores	264.8	3.8%	5.1%	7.1%
Family Apparel	222.1	-45.8%	-25.1%	-24.4%

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars