

CITY OF GLENDALE

SALES TAX UPDATE

1Q 2022 (JANUARY - MARCH)



GLENDALE

TOTAL: \$ 12,437,689

19.2%
1Q2022



21.6%
COUNTY

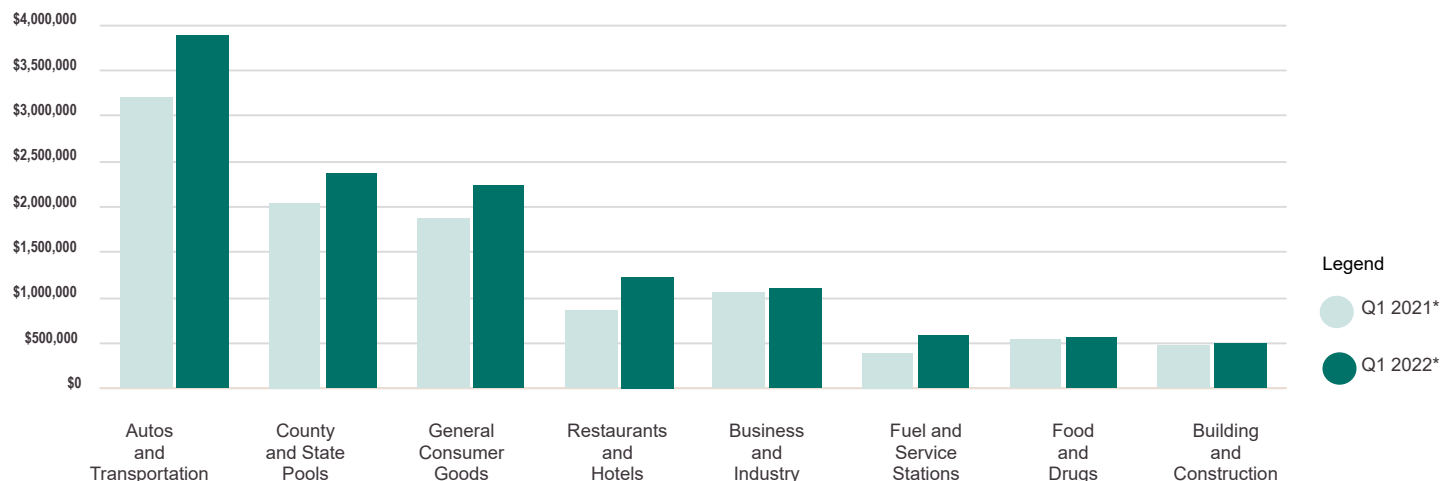


17.1%
STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure S

TOTAL: \$7,706,240

22.6%



CITY OF GLENDALE HIGHLIGHTS

Glendale's receipts from January through March were 16.7% above the first sales period in 2021. Excluding reporting aberrations, actual sales were up 19.2%.

New car sales surged 45%, significantly outperforming the 19% statewide trend, as local dealerships successfully navigated national inventory constraints.

Casual dining restaurants continued to rebound from the pandemic, while service station tax payments grew after the Russian invasion of Ukraine in February lifted the price of fuel. Electronics/appliance stores and other general consumer goods retailers improved as consumers were out

shopping again. Allocations from the countywide use tax pool were also higher.

Measure S, Glendale's voter-approved three-quarter cent transaction tax, grew 23%, slightly better than the Bradley-Burns results previously discussed. This was largely due to a divergence in business-industrial sales activity where purchases of equipment by entities within the City were greater than sales by local business-industrial firms to entities in other jurisdictions. Net of aberrations, taxable sales for all of Los Angeles County grew 21.6% over the comparable time period; the Southern California region was up 19.2%.



TOP 25 PRODUCERS

- Apple
- Bloomington's
- Calstar Mercedes
- Car Pros Kia Glendale
- CDW Direct
- CDW Government
- Financial Services Vehicle Trust
- Glendale Dodge Chrysler Jeep
- Glendale Hyundai
- Glendale Nissan
- Glendale Subaru/Mitsubishi
- Home Depot
- Hyundai Lease Titling Trust
- Lexus of Glendale
- Macy's
- New Century Honda
- Nordstrom
- Pacific BMW
- Solar Optimum
- Star Auto Group
- Target
- Tesla Motors
- Toyota Lease Trust
- Toyota of Glendale Scion
- United Oil



STATEWIDE RESULTS

California’s local one-cent sales and use tax for sales occurring January through March was 17% higher than the same quarter one year ago, after adjusting for accounting anomalies and onetime payments from previous quarters. By all accounts, the California retail economy continues roaring along. Even with instability in the stock market, the crisis in Ukraine pushing up the global price of crude oil and the U.S. Federal Reserve Board beginning to tackle inflation with a series of rate increases, consumer spending continued at a strong pace.

The invasion of Ukraine by Russian military forces on February 24 had an immediate upward impact on the global price of crude oil due to fears of supply shortages. Subsequently this has caused a dramatic jump to California consumer gas and diesel prices at a time when many in the workforce were commuting back into offices, also contributing to an overall increase in consumption. As expected, fuel and service station receipts increased 47% over last year and show no signs of pulling back with summer travel right around the corner.

Sales of new and used vehicles continue to be robust causing the autos and transportation sector to jump 15% for the period. Inventory shortages by some dealers may have caused buyers to experience a Fear Of Missing Out (FOMO) and pay elevated prices while interest rates remained lower. Automotive brands that have committed to full electric or hybrid models are attractive with consumers, especially given the sudden rise in fuel prices.

Post-holiday retail sales of general consumer goods remained solid, improving 10%. Prior supply chain concerns have dissipated, port operations are returning

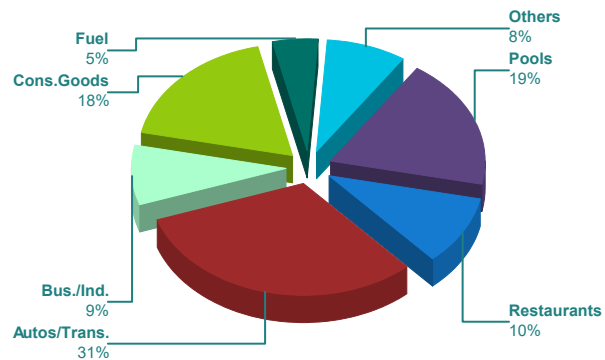
to normal and headwinds from inflation and higher cost goods haven’t yet slowed consumer demand. The stellar returns were largely driven by discount department stores, especially those selling gas.

These results mark the fourth full quarter in a row that restaurant and hotel receipts have increased. While higher menu prices have contributed, steady demand by patrons to dine out is also propelling the gains. Furthermore, theme parks and entertainment venues throughout the state are busy. With the summer tourism and travel season approaching, the industry is positioned to maintain post-pandemic growth and remain positive through 2022.

Use taxes generated by online sales and purchases from out-of-state vendors allocated via the county pools, heartily surpassed expectations, gaining 13% over the comparison period. Shoppers bought a range of merchandise and spending by businesses on capital equipment remained sensational.

The first quarter sales period contributed to an already strong 2021-22 fiscal year for most municipalities statewide. However, continued inflationary pressure, soaring interest rates and record gas prices may soften growth going into 2022-23.

REVENUE BY BUSINESS GROUP
Glendale This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Glendale Business Type	Q1 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	2,897.2	44.7% ↑	27.7% ↑	18.7% ↑
Casual Dining	663.9	61.6% ↑	67.7% ↑	55.8% ↑
Auto Lease	614.5	-3.1% ↓	-6.3% ↓	-7.5% ↓
Office Supplies/Furniture	584.9	-11.6% ↓	2.5% ↑	12.9% ↑
Service Stations	581.2	46.7% ↑	45.7% ↑	43.3% ↑
Department Stores	404.4	24.7% ↑	30.9% ↑	25.3% ↑
Quick-Service Restaurants	381.9	19.3% ↑	10.0% ↑	7.8% ↑
Family Apparel	362.0	3.9% ↑	13.3% ↑	9.4% ↑
Electronics/Appliance Stores	294.1	100.7% ↑	9.4% ↑	12.5% ↑
Grocery Stores	258.6	8.3% ↑	4.5% ↑	3.3% ↑

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*In thousands of dollars