

CITY OF GLENDALE

SALES TAX UPDATE

2Q 2022 (APRIL - JUNE)



GLENDALE

TOTAL: \$ 13,883,896

11.2%
2Q2022



11.3%
COUNTY

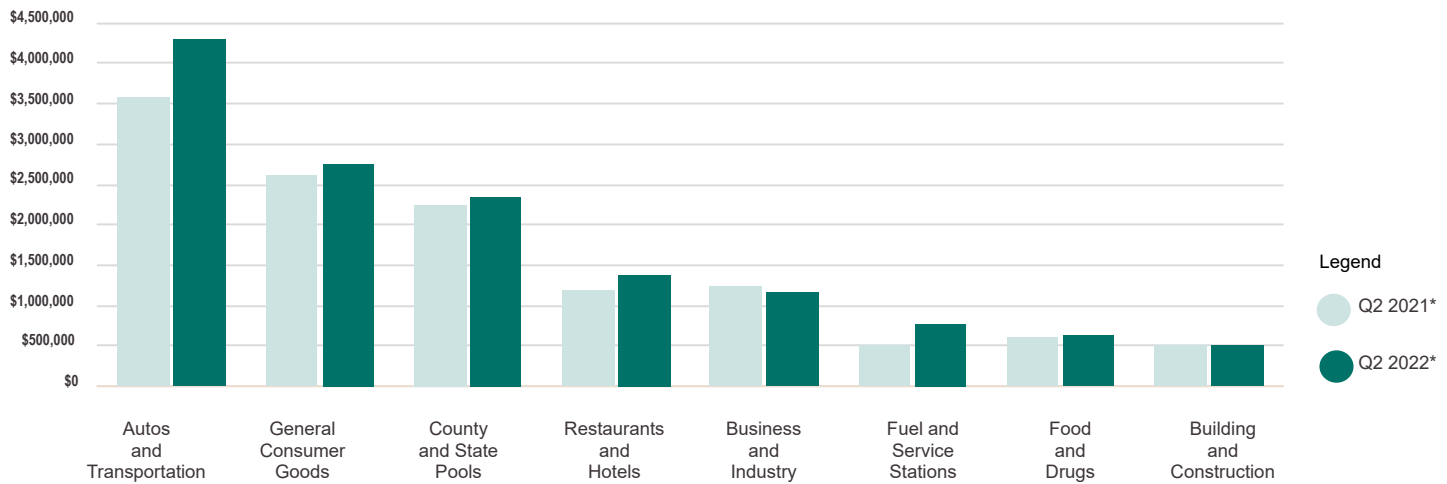


10.1%
STATE



**Allocation aberrations have been adjusted to reflect sales activity*

SALES TAX BY MAJOR BUSINESS GROUP



Measure S

TOTAL: \$8,659,249

11.2%



CITY OF GLENDALE HIGHLIGHTS

Glendale's receipts from April through June were 4.2% above the second sales period in 2021. Doubled up payments and audit collections of back taxes in the prior year suppressed cash comparisons. Excluding reporting aberrations, actual sales were up 11.2%.

Increased revenues were driven by new motor vehicle dealerships, up 31%; this segment captured buyer's preferences for more luxury models and accounted for 23% of totals this quarter. Filings from service stations surged 48% on sky-high gasoline prices; results outpaced county and statewide trends.

Pandemic recovery continued as people

desired to get out and spend. Patronage was greater at casual dining and quick service restaurants.

Shoppers were plentiful at retailer stores; electronics/appliances, jewelers and women's apparel sales provided the bulk of growth in the general consumer goods group.

A taxpayer's expansion into other jurisdictions pushed office supplies/furniture lower; overall business-industry decreased 5%.

Measure S gains paralleled much of the explanations provided above regarding sales taxes.



TOP 25 PRODUCERS

- Allen Gwynn Chevrolet
- Apple
- Bloomington's
- Calstar Mercedes
- Car Pros Kia Glendale
- CDW Direct
- CDW Government
- Financial Services Vehicle Trust
- Glendale Dodge Chrysler Jeep
- 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

Local one cent sales and use tax for sales occurring April through June was 10% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark the sixth consecutive quarter of double-digit growth since the pandemic periods in 2020, with the July-June 2022 fiscal year up 15%.

Commuters returning to offices combined with the Russia-Ukraine conflict continuing to put upward pressure on oil prices and left Californians facing the highest average price per gallon on record resulting in fuel and service station receipts 42% higher than last year. While statewide fuel consumption still trails 2019 levels, local gas prices are expected to remain high until after the summer blend period.

Led by consumer’s desire to dine out, a steady rise in tourism and business travel, higher menu prices and great weather, the restaurant sector continues to flourish. Theme parks, entertainment venues and hotels showed the strongest growth with casual dining establishments remaining solid, a trend likely to remain through 2022.

The automobile sector experienced modest gains for new car dealers and rental car vendors, however sales of used autos and leasing activity has begun to cool. Brands prioritizing full electric and hybrid models still appear to be the most attractive with consumers, however increased financing rates may cause even their activity to dampen. Tight inventories that contributed to dramatic price increases over the last 18 months are also showing signs of loosening as newer models are released

in greater numbers.

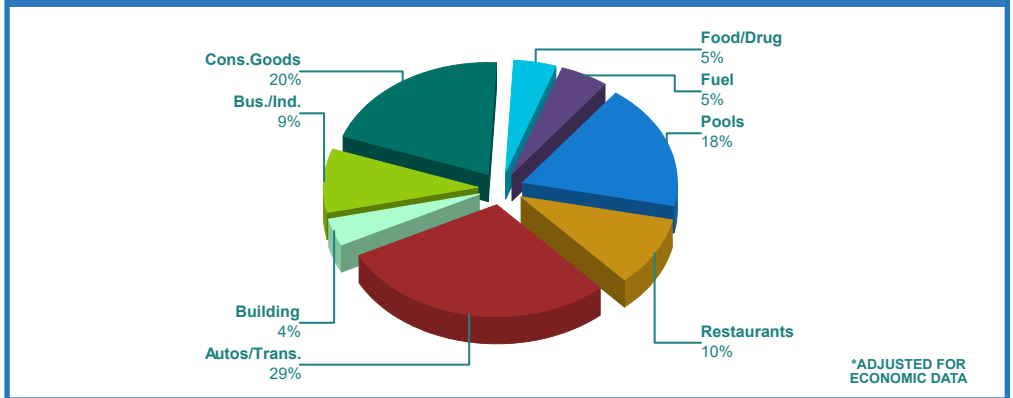
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight decrease.

With new housing starts accelerating and residential and commercial property values rising, construction contractors remain busy. Lumber prices have softened from prior year highs leaving material suppliers with modest gains, however electrical, plumbing and energy suppliers

boosted building sector results. Increased investment in capital equipment remains an important area of growth for county pool allocations, especially as online spending for general consumer goods begins to flatten as consumers return to in-store shopping.

Overall, higher priced goods through periods of consistent demand have led to economic inflation. The Federal Reserve Board’s recent actions to curb inflation are anticipated to put downward pressure on sales of autos, building materials and financed general consumer goods, resulting in slower growth by year end and into 2023.

REVENUE BY BUSINESS GROUP
Glendale This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Glendale Business Type	Q2 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	3,222.8	30.6% ↑	12.0% ↑	6.6% ↑
Service Stations	774.9	48.7% ↑	38.7% ↑	36.4% ↑
Casual Dining	754.5	16.7% ↑	20.6% ↑	17.2% ↑
Auto Lease	605.4	-4.9% ↓	-8.9% ↓	-8.9% ↓
Department Stores	527.8	1.4% ↑	2.9% ↑	1.3% ↑
Office Supplies/Furniture	523.0	-30.7% ↓	-8.1% ↓	3.3% ↑
Family Apparel	462.6	-2.7% ↓	-0.1% ↓	0.6% ↑
Quick-Service Restaurants	409.5	10.7% ↑	6.2% ↑	5.2% ↑
Specialty Stores	306.8	10.7% ↑	3.4% ↑	4.2% ↑
Electronics/Appliance Stores	306.2	14.9% ↑	-4.4% ↓	-1.0% ↓

*Allocation aberrations have been adjusted to reflect sales activity *In thousands of dollars