

# CITY OF GLENDALE

## SALES TAX UPDATE

### 1Q 2021 (JANUARY - MARCH)



#### GLENDALE

TOTAL: \$ 10,148,857

5.9%  
1Q2021



2.6%  
COUNTY

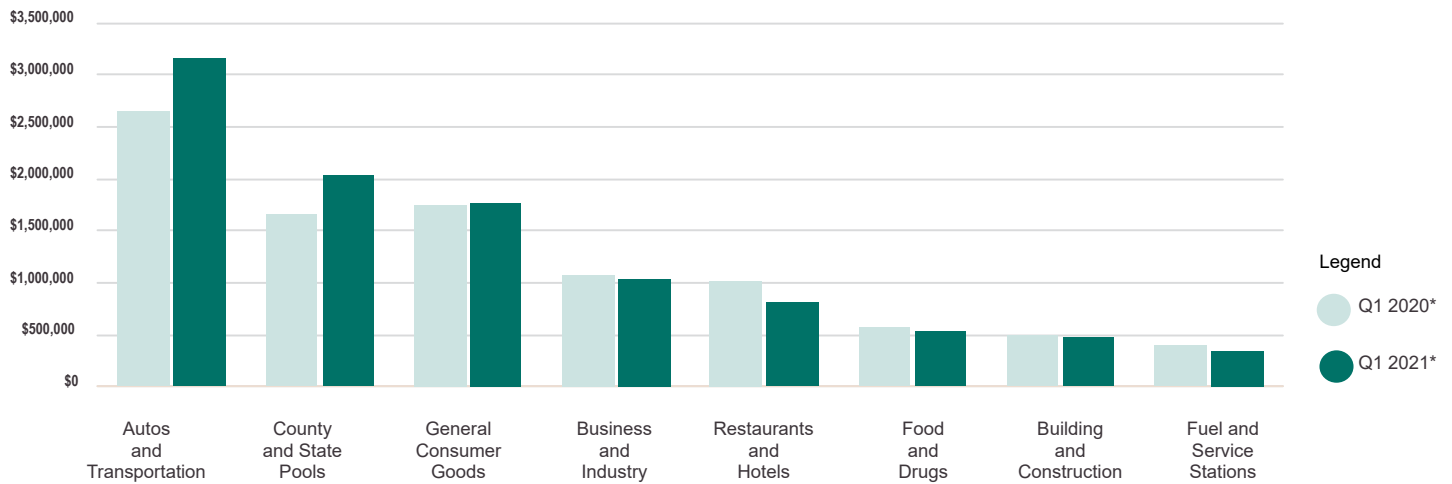


9.5%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure S

TOTAL: \$6,054,233

8.7%



#### CITY OF GLENDALE HIGHLIGHTS

Glendale's receipts from January through March were 36.6% above the first sales period in 2020. However, significant adjustments for delayed payments, and other reporting modifications resulted in actual sales that increased 5.9%.

Overall, place of sale collections grew 2.4%. In the City's largest tax group, new and used auto sales drove a 19.5% spike in autos-transportation revenues.

A rise in general merchandise sales reflects increased foot traffic and buying activity as people return to in-store shopping. Additionally, the City's share of the countywide use tax pool allocations jumped up 22.5%, bolstered by taxes on out-of-state online purchases and surges

in online shopping.

Conversely, occupancy restrictions continued to negatively influence restaurant and hotel/leisure receipts - with quick service and casual dining leading a 20% decline. Similarly, fuel and service station revenues reflected reduced driving miles during the quarter.

Voter-approved Measure S posted growth of 8.7%, with auto sales and both in-store and online merchandise sales contributing heavily to the increase.

Net of adjustments, taxable sales for all of Los Angeles County grew 2.6% over the comparable time period; the Southern California region was up 9.0%.



#### TOP 25 PRODUCERS

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



STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring January through March, was 9.5% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The Shelter-In-Place directive began one year ago which had the impact of immediate store and restaurant closures combined with remote/work from home options for employees which significantly reduced commuting traffic and fuel sales. When comparing to current period data, percentage gains are more dramatic. Furthermore, this pandemic dynamic combined with the Governor’s first Executive Order of last spring allowing for deferral of sales tax remittances explained why non-adjusted cash results were actually up 33%.

These initial recovery gains were not the same everywhere. Inland regions like Sacramento, San Joaquin Valley, Sierras, Far North and the Inland Empire area of Southern California performed much stronger than the Bay Area, Central Coast and metro areas of Southern California.

Within the results, solid performance by the auto-transportation and building-construction industries really helped push receipts higher. Weak inventories and scarcity for products increased the taxable price of vehicles (new & used), RV’s, boats and lumber which appeared to be a major driving force for these improved returns. Even though e-commerce sales activity continued to rise, brick and mortar general consumer retailers also showed solid improvement of 11% statewide.

An expected change occurred this quarter as a portion of use tax dollars previously distributed through the countywide pools was redirected to specific local jurisdictions.

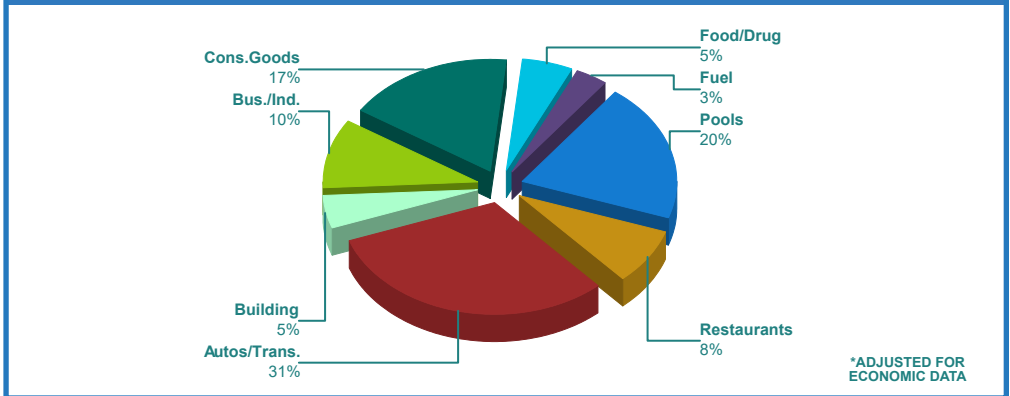
Changes in business structure required a taxpayer to determine where merchandise was inventoried at the time orders were made. Therefore, rather than apportion sales to the county pool representing where the merchandise was shipped, goods held in California facilities required allocations be made to the agency where the warehouse resides. With this modification, the business and industry category jumped 18% inclusive of steady gains by fulfillment centers, medical-biotech and garden-agricultural suppliers. Even after the change noted, county pools surged 18% which demonstrated consumers continued desire to make purchases online.

Although indoor dining was available in

many counties, the recovery for restaurants and hotels still lagged other major categories. Similarly, while commuters and travelers slowly began returning to the road, the rebound for gas stations and jet fuel is trailing as well. Both sectors are expected to see revenues climb in the coming quarters as commuters and summer tourism heats up.

Looking ahead, sustained growth is anticipated through the end of the 2021 calendar year. As a mild head wind, pent up demand for travel and experiences may begin shifting consumer dollars away from taxable goods; this behavior modification could have a positive outcome for tourist areas within the state.

REVENUE BY BUSINESS GROUP  
Glendale This Quarter\*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Glendale Business Type	Q1 '21*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	2,001.8	21.3% ↑	31.0% ↑	33.2% ↑
Office Supplies/Furniture	700.9	10.7% ↑	-9.7% ↓	-2.8% ↓
Auto Lease	635.1	0.6% ↑	-4.6% ↓	-1.1% ↓
Casual Dining	391.3	-26.1% ↓	-25.7% ↓	-18.9% ↓
Family Apparel	346.0	24.6% ↑	15.9% ↑	20.5% ↑
Service Stations	338.2	-15.0% ↓	-10.0% ↓	-4.0% ↓
Department Stores	324.3	5.3% ↑	-1.6% ↓	-2.4% ↓
Used Automotive Dealers	317.4	100.2% ↑	11.3% ↑	10.3% ↑
Quick-Service Restaurants	310.0	-9.8% ↓	-2.8% ↓	1.1% ↑
Building Materials	244.1	2.8% ↑	14.7% ↑	19.0% ↑

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