

CITY OF GLENDALE

SALES TAX UPDATE

4Q 2021 (OCTOBER - DECEMBER)



GLENDALE

TOTAL: \$ 13,755,430

21.0%
4Q2021



16.9%
COUNTY

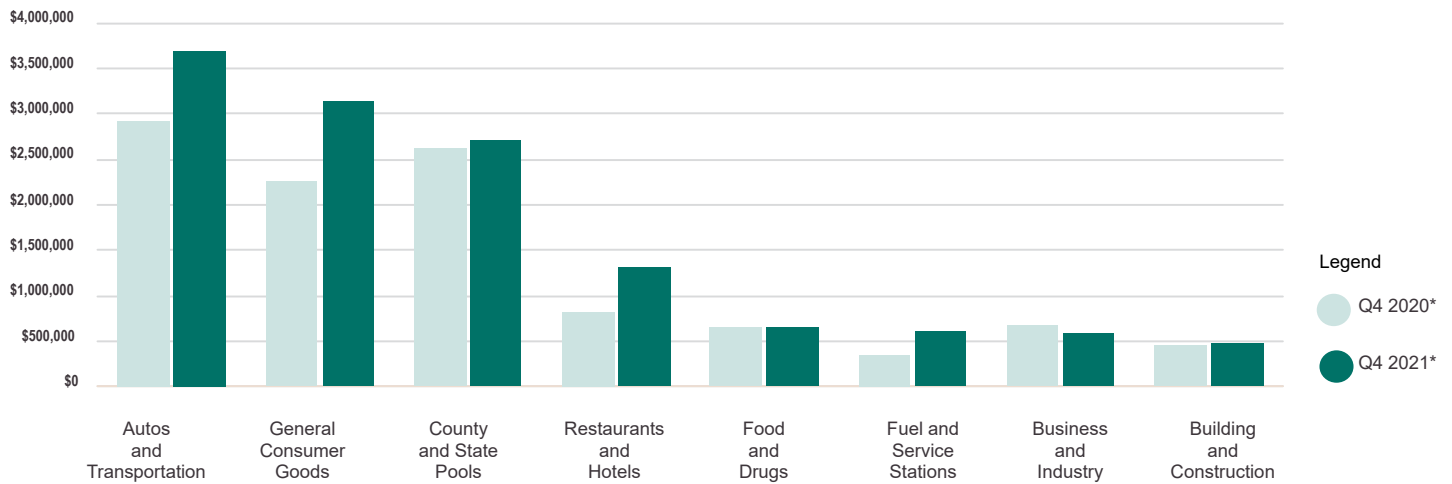


15.6%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure S

TOTAL: \$8,805,085

28.7%



CITY OF GLENDALE HIGHLIGHTS

Glendale's gross receipts from October through December were 33.8% above the fourth sales period in 2020. Adjustments for delayed payments and other reporting modifications resulted in actual sales that were up 21%. Bolstered by the return of activity in the region and the busy holiday season, overall place of sale collections soared 26.4%.

The high price of vehicles and dealership sales drove autos-transportation receipts as buyers snapped up remaining new vehicle inventories. The fourth quarter shopping season lured people into stores and online to fill their shopping carts – with department stores and apparel posting large gains in general consumer

goods. The countywide share of the use tax pool allocations also edged up 2.8%, as e-commerce and the pools remain a solid source of local revenue.

A stellar 60% gain in restaurants-hotels punctuated the economic reopening as folks enjoyed eating at casual dining establishments – which shot up 94%. Similarly, high gas prices and increased travel propelled service station receipts up.

Measure S revenues were boosted by in-store/online shopping and vehicle sales activity. Net of adjustments, taxable sales for all of Los Angeles County grew 16.9% over the comparable time period;



TOP 25 PRODUCERS

- Allen Gwynn Chevrolet
- Apple
- Bhindi Jewelers
- Bloomingtondale'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
- Macys
- Nordstrom
- Pacific BMW
- Star Auto Group
- Target
- Tesla Motors
- Toyota Lease Trust
- Toyota of Glendale Scion
- United Oil
- Vons



STATEWIDE RESULTS

California's local one cent sales and use tax receipts for sales during the months of October through December were 15% higher than the same quarter one year ago after adjusting for accounting anomalies. A holiday shopping quarter, the most consequential sales period of the year, and the strong result was a boon to local agencies across the State. Consumers spent freely as the economy continued its rebound from the pandemic and as robust labor demand reduced unemployment and drove up wages.

Brick and mortar retailers did exceptionally well as many shoppers returned to physical stores rather than shopping online as the COVID crisis waned. This was especially true for traditional department stores that have long been among the weakest categories in retail. Discount department stores, particularly those selling gas, family and women's apparel and jewelry merchants also experienced strong sales. Many retailers are now generating revenue that is nearly as much, or even higher, than pre-pandemic levels.

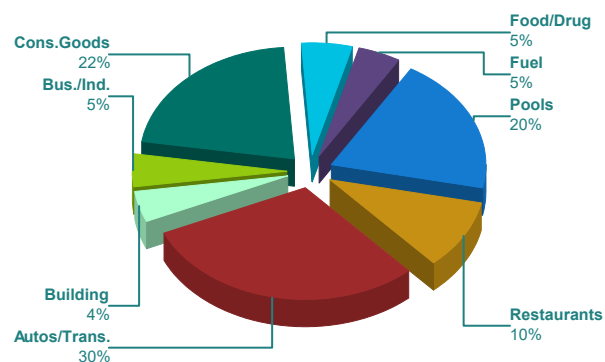
Sales by new and used car dealers were also much higher than a year ago. The inventory shortage has resulted in higher prices that have more than offset the decline in unit volume in terms of revenue generation for most dealerships. Restaurants and hotels were only moderately lower than last quarter, with both periods being the highest in the State's history. Increased menu prices coupled with robust demand to dine out are largely responsible for these gains. These are impressive results for a sector that does not yet include the positive impact that will occur later this year as international travel steadily increases at major airports. Conference business, an important revenue component for many hotels, is also still in the early stages of recovery.

Building material suppliers and contractors were steady as growing residential and commercial property values boosted demand, particularly in the Southern California, Sacramento and San Joaquin Valley regions. Although anticipated interest rate increases by the Federal Reserve could dampen the short-term outlook for this sector, industry experts believe limited selling activity will inspire increased upgrades and improvements by existing owners. With demand remaining tight and calls for more affordable housing throughout the state, the long-term outlook remains positive.

The fourth quarter, the final sales period of calendar year 2021, exhibited a 20% rebound

in tax receipts compared to calendar year 2020. General consumer goods, restaurants, fuel and auto-transportation industries were the largest contributors to this improvement. However, the future growth rate for statewide sales tax revenue is expected to slow markedly. Retail activity has now moved past the easy year-over-year comparison quarters in 2021 versus the depths of the pandemic bottom the year before. Additional headwinds going into 2022 include surging inflation, a dramatic jump in the global price of crude oil due to Russia's war in Ukraine and corresponding monetary tightening by the Federal Reserve. This is expected to result in weakening consumer sentiment and continued, but decelerating, sales tax growth into 2023.

REVENUE BY BUSINESS GROUP Glendale This Calendar Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Glendale Business Type	Q4 '21*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	2,638.5	36.3% ↑	22.7% ↑	15.5% ↑
Department Stores	751.8	59.2% ↑	51.9% ↑	44.8% ↑
Casual Dining	715.5	88.7% ↑	80.5% ↑	66.4% ↑
Auto Lease	638.7	0.5% ↑	-4.8% ↓	-4.7% ↓
Service Stations	608.4	72.6% ↑	60.4% ↑	53.8% ↑
Receivables/Master Outlets	606.3	-5.4% ↓	-23.4% ↓	-31.6% ↓
Family Apparel	558.3	33.3% ↑	32.0% ↑	27.2% ↑
Quick-Service Restaurants	401.3	26.5% ↑	13.9% ↑	12.1% ↑
Electronics/Appliance Stores	326.2	49.9% ↑	2.9% ↑	8.4% ↑
Specialty Stores	309.5	21.6% ↑	18.5% ↑	18.8% ↑

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars