

CITY OF GLENDALE

SALES TAX UPDATE

3Q 2022 (JULY - SEPTEMBER)



GLENDALE

TOTAL: \$ 13,556,681

8.5%
3Q2022



7.3%
COUNTY

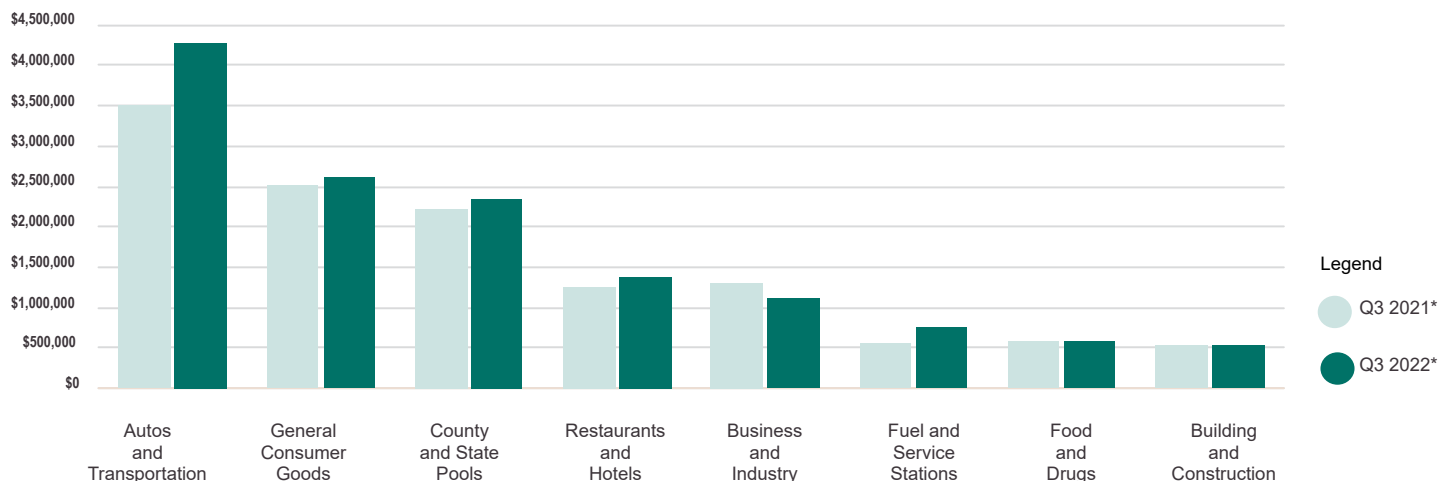


8.0%
STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure S

TOTAL: \$8,540,748

9.7%



CITY OF GLENDALE HIGHLIGHTS

Glendale's receipts from July through September were 11% above the third sales period in 2021; however, after various reporting modifications, actual sales grew 8.5%. Most sales tax groups enjoyed growth during the busy summer months.

Buyers snapped up available new car inventory, driving autos-transportation revenues up almost 22%. For the sixth consecutive quarter, restaurant revenues boomed as residents and travelers frequented casual and quick-service eateries. The cost of crude oil kept fuel prices high, pumping up service station receipts. Electronics-appliance sales helped boost the general consumer goods results.

The increase in the City's sales tax revenues contributed to a 5.6% rise in the City's share of the countywide use tax pool.

Performance in the business-industry group was mixed, but a comparison to a large allocation a year ago in the office supplies-furniture sector skewed the overall results down.

Voter-approved Measure S posted similar results, boosted by new car sales and service station revenues.

Net of adjustments, taxable sales for all of Los Angeles County grew 7.3% over the comparable time period; the Southern California region was up 8.1%.



TOP 25 PRODUCERS

- Allen Gwynn Chevrolet
- Apple
- Bloomington's
- Bob Smith Toyota
- 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
- 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 July through September was 8% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark another strong period of growth for the California spending economy.

Even as the Federal Reserve Board continued ramping up interest rates in an effort to curb the larger concern of inflation, consumers maintained purchases on multiple fronts, especially automobiles. Surprisingly, new car dealers experienced 10% gains over the comparable period in 2021. Limited inventory and demand for higher mileage vehicles including electric and hybrid models helped support growth. In addition, the increased cost of used vehicles has pushed many into the new vehicle market; in contrast, sales of recreation vehicles and auto leasing activity remained soft.

For Californians, the summer of 2022 had the highest gas prices on record; subsequently fuel and service stations receipts jumped 21%. Commuters and summer travel remained steady, yet overall consumption still trails pre-pandemic levels by approximately 13%. Although the Russia-Ukraine conflict initially caused a dramatic shift in global crude oil markets, prices have begun to pull back closer to historical norms.

Restaurants experienced a strong uptick as increased menu prices, consistent desire to dine out and strong tourism contributed to this favorable news. Just as important, theme parks, leisure-entertainment venues and hotels pushed positive momentum back to 2019 levels. With tightening profit margins and sustained labor concerns, future improvement could be slowed compared to the last two years.

Busy contractors and plumbing-electrical

suppliers boosted the building-construction sector. Solid residential and commercial housing prices persisted despite recent interest rate hikes. Tenant improvements further support spending activity as businesses assess future office needs. With statewide new housing requirements and federal infrastructure funding on the horizon, current forecasts stay optimistic.

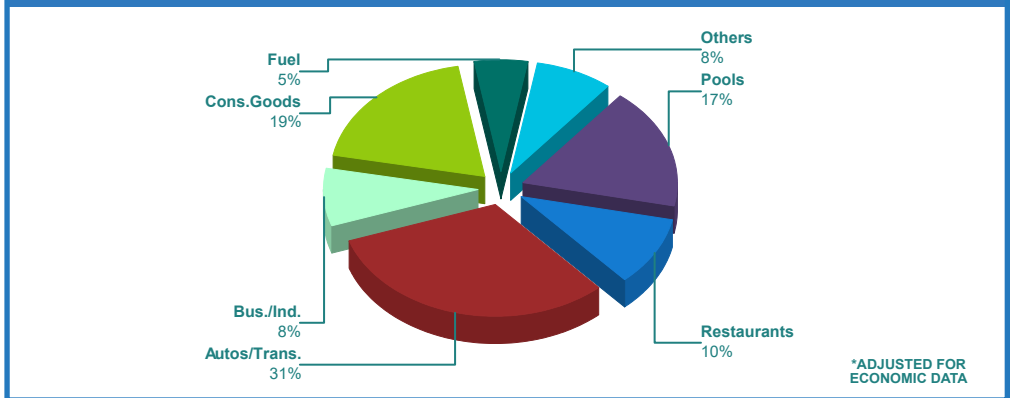
Steady investment in capital equipment coupled with the overall increased price of goods enhanced both business-industry and countywide use tax pool allocations.

For the second straight quarter, fuel sales linked to discount department stores propped up general consumer goods

results. Otherwise, retailers experienced flat to decreased receipts as many apparel categories, home furnishings and sporting goods struggled to keep pace with the prior year. As consumers balanced summer opportunities and higher prices, in-store shopping appears to have taken a temporary back seat.

Sustained price increases and interest rate hikes certainly have consumers contemplating where to spend their dollars. However, historically low statewide unemployment rates and the recovery of the national stock markets from declines earlier this year leave modest optimism heading into 2023.

REVENUE BY BUSINESS GROUP
Glendale This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Glendale Business Type	Q3 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	3,249.9	34.1% ↑	11.4% ↑	9.9% ↑
Service Stations	743.0	31.7% ↑	19.1% ↑	18.5% ↑
Casual Dining	732.0	5.5% ↑	11.8% ↑	10.1% ↑
Auto Lease	591.6	-7.5% ↓	-12.3% ↓	-13.6% ↓
Office Supplies/Furniture	519.9	-27.6% ↓	-5.8% ↓	18.1% ↑
Department Stores	474.1	-4.5% ↓	-3.7% ↓	-1.7% ↓
Family Apparel	431.8	-3.9% ↓	-3.5% ↓	-1.7% ↓
Quick-Service Restaurants	417.0	7.0% ↑	5.3% ↑	4.0% ↑
Electronics/Appliance Stores	387.7	37.1% ↑	0.4% ↑	3.7% ↑
Specialty Stores	277.6	3.4% ↑	3.3% ↑	4.0% ↑

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