

CITY OF GLENDALE

SALES TAX UPDATE

1Q 2023 (JANUARY - MARCH)



GLENDALE

TOTAL: \$ 12,553,389

0.3%
1Q2023



-1.5%
COUNTY

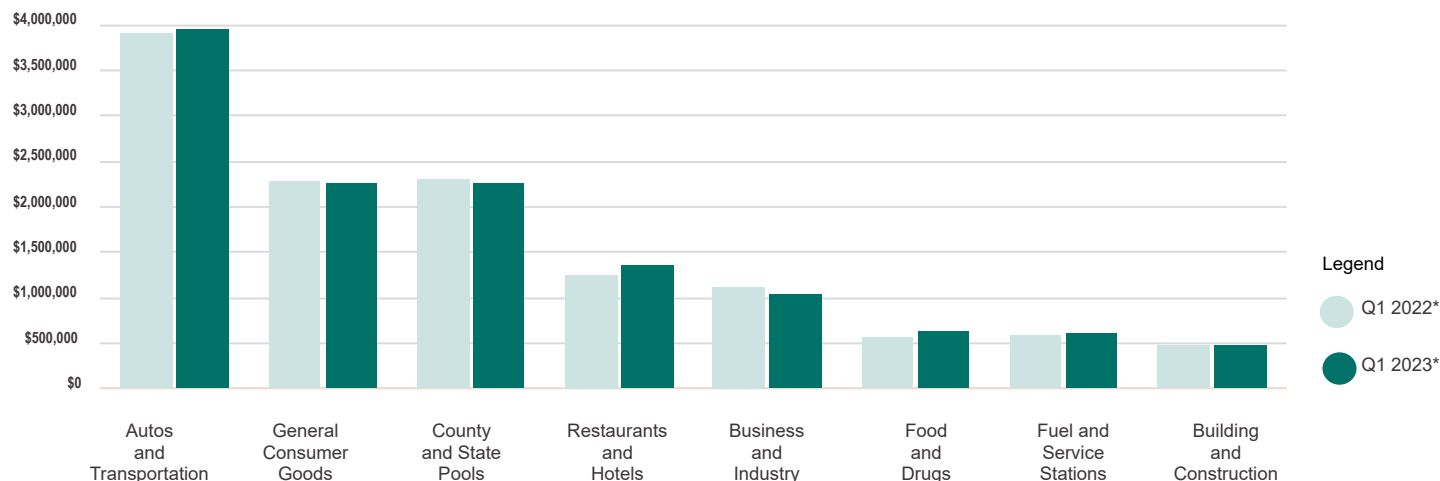


-1.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure S

TOTAL: \$7,853,453

↑ 2.5%



CITY OF GLENDALE HIGHLIGHTS

Glendale's receipts from January through March were 0.8% above the first sales period in 2022. Excluding reporting aberrations, actual sales were up 0.3%.

In line with state trends, sellers of new motor vehicles grew taxes a modest 1%; Fed funds rate hikes generated higher lending rates. Related, auto leasing declined 4%.

Grocers 8% jump tied to inflation imbedded costs on taxable products explained the food-drugs betterment. Residents and visitors enjoyed the experiences of quick-service, fast-casual and casual dining.

Consumers frequented appeal, electronics/appliances and specialty stores. However, general consumer

goods dipped 1% as shopping curtailed in other confidential segments.

Extraordinary commodity price spikes of last year reversed course; building-construction returns fell 1%. Service station's remittances stayed unchanged.

Pool allocations dipped 2% as ecommerce spending behaviors held steady but more in-state fulfillment reduced use tax distributions.

Measure S netted a gain via additional restaurant, transportation and business investment spending.

Net of aberrations, taxable sales for all of the Southern California region nudged upward 0.8%.



TOP 25 PRODUCERS

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



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of January through March were 1.1% lower than the same quarter one year ago after adjusting for accounting anomalies. The first quarter of the calendar year experienced heavy rainfall and a slight pullback by consumers during this post-holiday period.

The building and construction sector was most impacted by wet weather conditions, especially contractors and paint/glass vendors. Furthermore, when coupled with year-over-year (YOY) lumber price declines, the sector saw a 9.7% statewide drop.

YOY declines in fuel prices at the pump reduced receipts from gas stations and petroleum providers. Even with OPEC’s recent production cuts, the global cost of crude oil has remained steady setting up for moderate gas prices for travelers and commuters in the coming summer months. Retailers also selling fuel experienced a similar impact and when combined with weak results from department stores, overall general consumer goods’ returns slightly declined.

After multiple years of high demand for vehicles (especially high-end luxury and electronic/hybrid brands), along with inflation driving car prices higher, customers demand has softened with revenue slumping 1.3%. The return of available inventory later this calendar year may sustain downward pressure on activity, potentially giving buyers more leverage to negotiate lower prices.

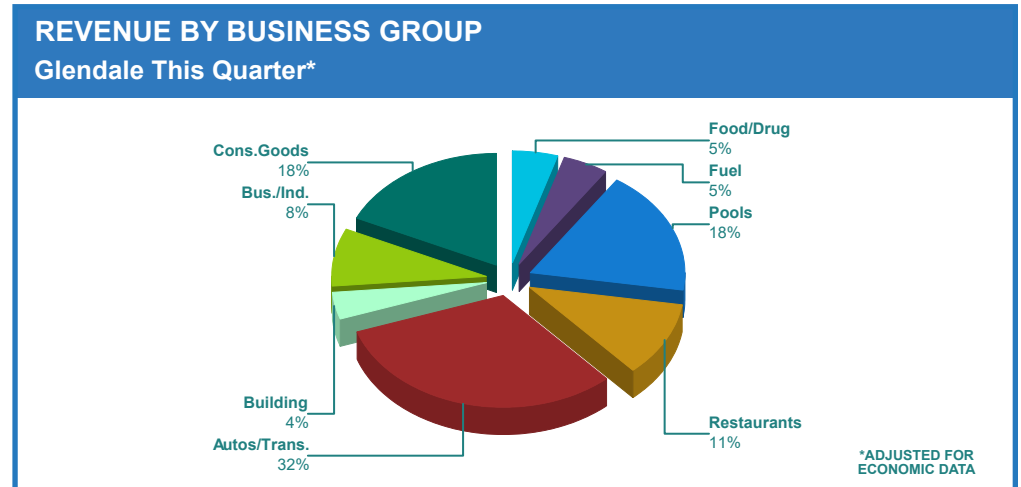
Use taxes remitted via the countywide pools decreased 1.1%, marking the second consecutive quarter of decline. Cooling consumer confidence, expansion

of more in-state fulfillment centers and retailers using existing locations to deliver goods tied to online orders continue to shift taxes away from the pools. While the offsetting effect was these revenues being allocated directly to jurisdictions where the goods were sourced, only a limited number of agencies benefited.

Spending at local restaurants and hotels continues to be robust. Patrons were unaffected by increased menu prices and wait times and maintained their willingness to dine out. In addition, investments in warehouse/farm/construction equipment was steady.

For the remainder of 2023 sales taxes may

decrease modestly, then begin a nominal recovery in early 2024. Volatile economic indicators such as the Federal Funds rate, unemployment levels, and discretionary spending will influence outcomes. While it appears the Federal Reserve’s actions to fight inflation is taking effect, any lasting downward pressure on consumer pricing could also hinder short term growth.



TOP NON-CONFIDENTIAL BUSINESS TYPES

Glendale Business Type	Q1 '23*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	2,942.0	1.0% ↑	-4.2% ↓	0.8% ↑
Casual Dining	726.2	7.8% ↑	11.9% ↑	9.7% ↑
Service Stations	591.8	0.3% ↑	-10.0% ↓	-9.8% ↓
Auto Lease	588.1	-4.0% ↓	-9.4% ↓	-7.0% ↓
Quick-Service Restaurants	410.8	6.9% ↑	5.8% ↑	5.1% ↑
Family Apparel	396.8	8.1% ↑	3.0% ↑	2.3% ↑
Office Supplies/Furniture	391.9	-33.0% ↓	-4.7% ↓	-10.5% ↓
Department Stores	358.0	-11.5% ↓	-9.5% ↓	-6.9% ↓
Electronics/Appliance Stores	329.3	9.9% ↑	-5.6% ↓	-2.4% ↓
Grocery Stores	280.0	8.3% ↑	6.3% ↑	5.4% ↑

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