

# CITY OF GARDENA

## SALES TAX UPDATE

### 1Q 2022 (JANUARY - MARCH)



#### GARDENA

TOTAL: \$ 3,724,249

18.5%  
1Q2022



21.6%  
COUNTY

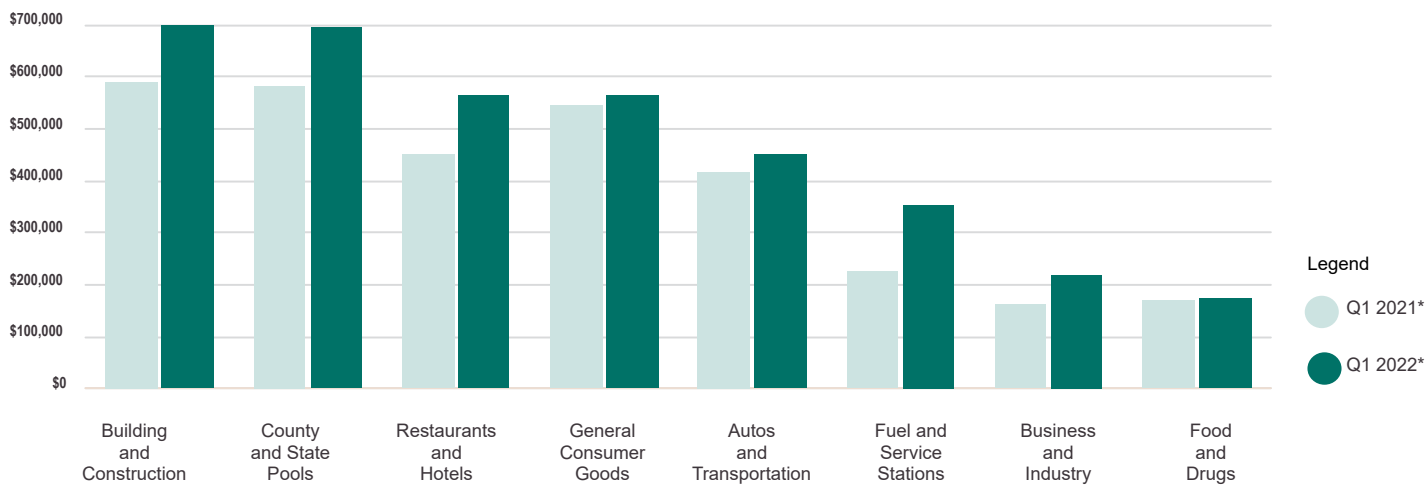


17.1%  
STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure G

TOTAL: \$2,745,011

↑ 17.3%



#### CITY OF GARDENA HIGHLIGHTS

Receipts from Gardena's January through March sales were 21.0% higher than the same quarter last year. Actual sales activity increased 18.5% after accounting aberrations were factored out.

Because of the global cost of crude oil raising due to the Russian invasion of Ukraine, higher gas prices locally coupled with increased commuter/leisure travel buoyed fuel-service station returns 55%.

All eatery categories enjoyed improved sales aided also by a new quick-service opening boosting restaurants-hotels 26%. The building-construction group experienced a strong sales quarter with

gains of 18%.

Improved sales from the light industrial sector lifted business-industrial results 34% and autos-transportation group 8%. A larger allocation from the countywide use tax pool was also a factor.

Voter-approved Measure G saw similar results with increases particularly in fuel-service stations and restaurants-hotels.

Net of aberrations, taxable sales for all of Los Angeles County grew 21.6% over the comparable time period; the Southern California region was up 19.2%.



#### TOP 25 PRODUCERS

- |                                    |                         |
|------------------------------------|-------------------------|
| 76                                 | Irg Plotters & Printers |
| A&A Chevron                        | Marukai Market          |
| Arco AM PM                         | McDonald's              |
| Beacon Roofing Supply              | Raising Cane's          |
| Chick Fil A                        | Ralphs                  |
| Crenshaw Lumber Co                 | Sam's Club              |
| Crenshaw Wholesale Electric Supply | Smardan Hatcher Co.     |
| Enterprise Rent A Car              | Target                  |
| Food 4 Less                        | Vons Fuel               |
| G & C Equipment Finders Corp       | Wood Oil Company        |
| Gardena Honda                      | Z Gallerie              |
| Gardena Nissan                     |                         |
| Honda Lease Trust                  |                         |
| In N Out Burger                    |                         |



**STATEWIDE RESULTS**

California’s local one-cent sales and use tax for sales occurring January through March was 17% higher than the same quarter one year ago, after adjusting for accounting anomalies and onetime payments from previous quarters. By all accounts, the California retail economy continues roaring along. Even with instability in the stock market, the crisis in Ukraine pushing up the global price of crude oil and the U.S. Federal Reserve Board beginning to tackle inflation with a series of rate increases, consumer spending continued at a strong pace.

The invasion of Ukraine by Russian military forces on February 24 had an immediate upward impact on the global price of crude oil due to fears of supply shortages. Subsequently this has caused a dramatic jump to California consumer gas and diesel prices at a time when many in the workforce were commuting back into offices, also contributing to an overall increase in consumption. As expected, fuel and service station receipts increased 47% over last year and show no signs of pulling back with summer travel right around the corner.

Sales of new and used vehicles continue to be robust causing the autos and transportation sector to jump 15% for the period. Inventory shortages by some dealers may have caused buyers to experience a Fear Of Missing Out (FOMO) and pay elevated prices while interest rates remained lower. Automotive brands that have committed to full electric or hybrid models are attractive with consumers, especially given the sudden rise in fuel prices.

Post-holiday retail sales of general consumer goods remained solid, improving 10%. Prior supply chain concerns have dissipated, port operations are returning

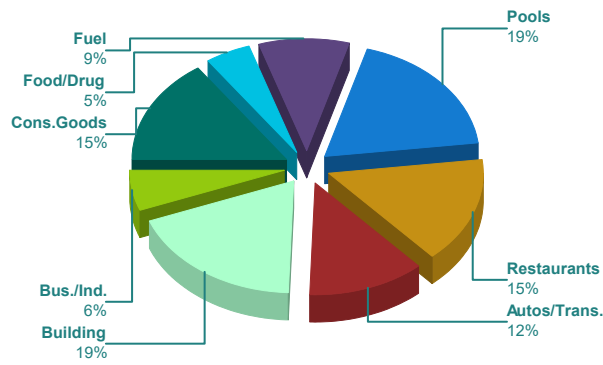
to normal and headwinds from inflation and higher cost goods haven’t yet slowed consumer demand. The stellar returns were largely driven by discount department stores, especially those selling gas.

These results mark the fourth full quarter in a row that restaurant and hotel receipts have increased. While higher menu prices have contributed, steady demand by patrons to dine out is also propelling the gains. Furthermore, theme parks and entertainment venues throughout the state are busy. With the summer tourism and travel season approaching, the industry is positioned to maintain post-pandemic growth and remain positive through 2022.

Use taxes generated by online sales and purchases from out-of-state vendors allocated via the county pools, heartily surpassed expectations, gaining 13% over the comparison period. Shoppers bought a range of merchandise and spending by businesses on capital equipment remained sensational.

The first quarter sales period contributed to an already strong 2021-22 fiscal year for most municipalities statewide. However, continued inflationary pressure, soaring interest rates and record gas prices may soften growth going into 2022-23.

**REVENUE BY BUSINESS GROUP**  
Gardena This Quarter\*



\*ADJUSTED FOR ECONOMIC DATA

**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Gardena Business Type	Q1 '22*	Change	County Change	HdL State Change
Service Stations	295.6	54.0% ↑	45.7% ↑	43.3% ↑
Quick-Service Restaurants	258.0	8.9% ↑	10.0% ↑	7.8% ↑
Casual Dining	221.8	61.0% ↑	67.7% ↑	55.8% ↑
Grocery Stores	105.5	2.3% ↑	4.5% ↑	3.3% ↑
Contractors	100.6	16.3% ↑	17.8% ↑	20.0% ↑
Light Industrial/Printers	71.0	127.7% ↑	13.0% ↑	15.0% ↑
Fast-Casual Restaurants	71.0	-1.7% ↓	8.9% ↑	11.4% ↑
Auto Repair Shops	60.9	27.9% ↑	24.1% ↑	22.0% ↑
Automotive Supply Stores	54.0	-2.2% ↓	5.6% ↑	4.6% ↑
Home Furnishings	50.2	-23.6% ↓	-0.1% ↓	1.0% ↑

\*Allocation aberrations have been adjusted to reflect sales activity

\*In thousands of dollars