

CITY OF GARDENA

SALES TAX UPDATE

2Q 2022 (APRIL - JUNE)



GARDENA

TOTAL: \$ 4,131,885

13.0%
2Q2022



11.3%
COUNTY

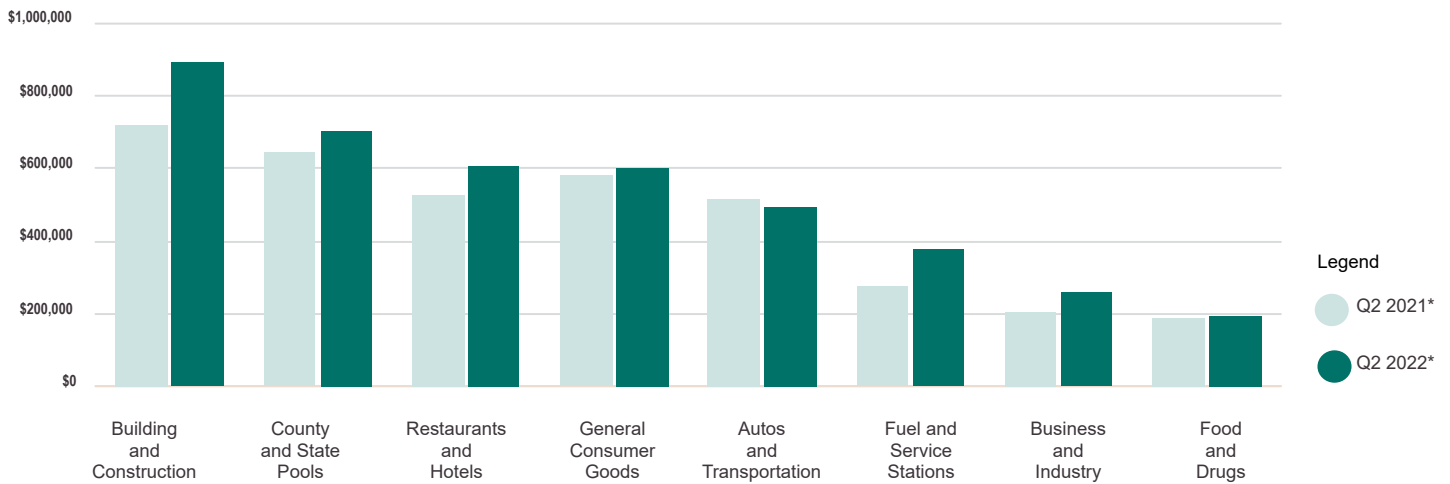


10.1%
STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure G

TOTAL: \$3,116,626

↑ 15.4%



CITY OF GARDENA HIGHLIGHTS

Receipts from Gardena's April through June sales were 8.3% higher than the same quarter last year. Actual sales activity increased 13.0% after accounting aberrations were factored out.

A strong quarter from DIYs and contractors buoyed building-construction 24% and was a significant factor in the overall City quarterly increase.

Because of the global cost of crude oil raising due to the Russian invasion of Ukraine, higher fuel prices boosted fuel-service group returns 37%. A newer quick-service eatery opening and net higher sales raised most restaurant

categories 16%.

Newer light and heavy industrial business additions plus a year-ago negative audit adjustment pushed business-industry group results up 27%. A larger allocation from the countywide use tax pool further added to the gains.

Voter-approved Measure G saw similar results but particularly in general consumer goods due to strong online/e-commerce sales.

Net of aberrations, taxable sales for all of Los Angeles County grew 11.3% over the comparable time period; the Southern California region was up 11.1%.



TOP 25 PRODUCERS

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



STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring April through June was 10% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark the sixth consecutive quarter of double-digit growth since the pandemic periods in 2020, with the July-June 2022 fiscal year up 15%.

Commuters returning to offices combined with the Russia-Ukraine conflict continuing to put upward pressure on oil prices and left Californians facing the highest average price per gallon on record resulting in fuel and service station receipts 42% higher than last year. While statewide fuel consumption still trails 2019 levels, local gas prices are expected to remain high until after the summer blend period.

Led by consumer's desire to dine out, a steady rise in tourism and business travel, higher menu prices and great weather, the restaurant sector continues to flourish. Theme parks, entertainment venues and hotels showed the strongest growth with casual dining establishments remaining solid, a trend likely to remain through 2022.

The automobile sector experienced modest gains for new car dealers and rental car vendors, however sales of used autos and leasing activity has begun to cool. Brands prioritizing full electric and hybrid models still appear to be the most attractive with consumers, however increased financing rates may cause even their activity to dampen. Tight inventories that contributed to dramatic price increases over the last 18 months are also showing signs of loosening as newer models are released

in greater numbers.

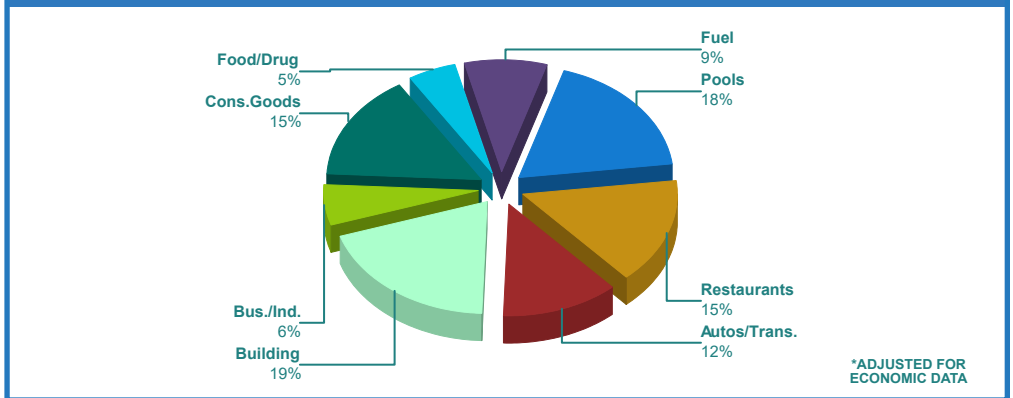
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight decrease.

With new housing starts accelerating and residential and commercial property values rising, construction contractors remain busy. Lumber prices have softened from prior year highs leaving material suppliers with modest gains, however electrical, plumbing and energy suppliers

boosted building sector results. Increased investment in capital equipment remains an important area of growth for county pool allocations, especially as online spending for general consumer goods begins to flatten as consumers return to in-store shopping.

Overall, higher priced goods through periods of consistent demand have led to economic inflation. The Federal Reserve Board's recent actions to curb inflation are anticipated to put downward pressure on sales of autos, building materials and financed general consumer goods, resulting in slower growth by year end and into 2023.

REVENUE BY BUSINESS GROUP Gardena This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Gardena Business Type	Q2 '22*	Change	County Change	HdL State Change
Service Stations	312.8	32.4% ↑	38.7% ↑	36.4% ↑
Quick-Service Restaurants	272.8	9.4% ↑	6.3% ↑	5.2% ↑
Casual Dining	245.1	29.2% ↑	20.6% ↑	17.3% ↑
Grocery Stores	121.6	3.9% ↑	5.9% ↑	5.3% ↑
Contractors	93.8	14.2% ↑	11.4% ↑	13.9% ↑
Transportation/Rentals	78.8	-9.2% ↓	23.7% ↑	20.9% ↑
Fast-Casual Restaurants	73.0	-4.7% ↓	5.6% ↑	7.8% ↑
Light Industrial/Printers	71.6	49.2% ↑	15.0% ↑	11.8% ↑
Auto Repair Shops	65.6	16.6% ↑	20.3% ↑	14.1% ↑
Automotive Supply Stores	53.2	-17.4% ↓	1.5% ↑	1.4% ↑

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