

# CITY OF GARDENA

## SALES TAX UPDATE

### 3Q 2022 (JULY - SEPTEMBER)



#### GARDENA

TOTAL: \$ 3,995,906

7.0%  
3Q2022



7.3%  
COUNTY

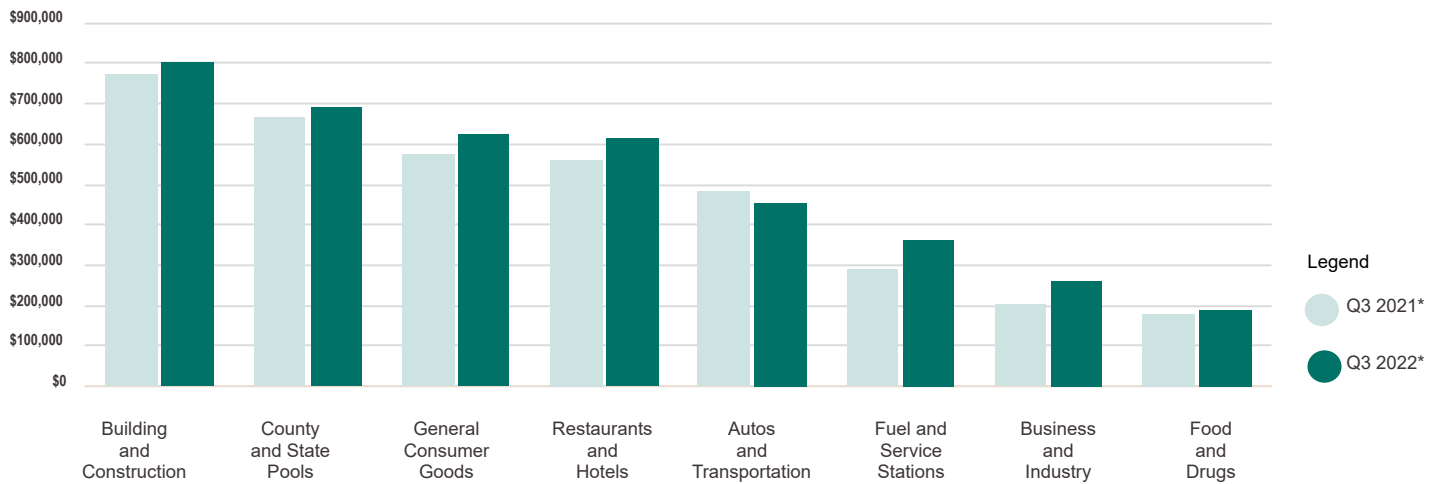


8.0%  
STATE



\*Allocation aberrations have been adjusted to reflect sales activity

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure G

TOTAL: \$3,053,520

↑ 14.7%



#### CITY OF GARDENA HIGHLIGHTS

Gardena's receipts from July through September were 9.1% above the third sales period in 2021. Excluding reporting aberrations, actual sales were up 7.0%.

The City continued a strong march forward with an increase of 7.0% in all but one business category. Sustained growth in DIYs and contractors allowed for the largest sector, building & construction, to continue with favorable results.

The largest gains resulted in fuel & service stations and business & industry. Continued high pump prices, though down from historic peaks of last year, produced positive results. The business & industry group experienced growth

in many sub-categories allowing for an additional \$57,000.

Autos & transportation was the only segment to experience a decline with most sub-sectors following current slowdown of the industry.

Voter approved Measure G saw similar results with the largest yields in general consumer goods, restaurants & hotels, and fuel & service stations posting the largest gains.

Net of aberrations, 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

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



## 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.

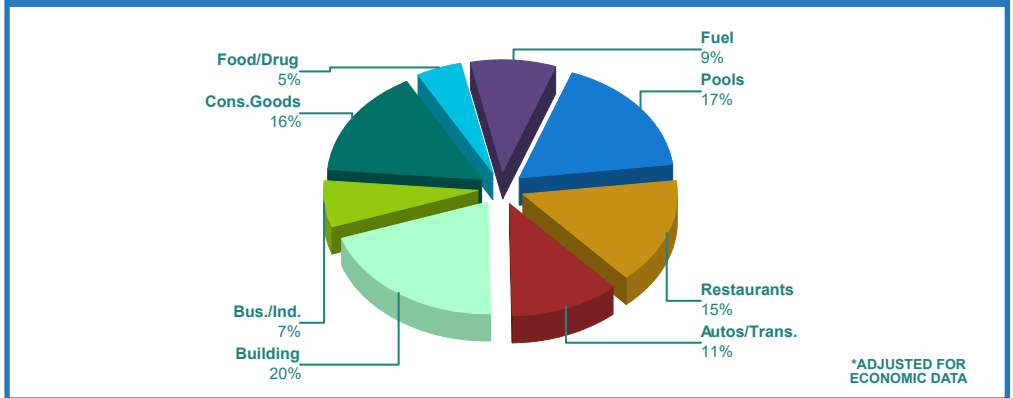
Steady investment in capital equipment coupled with the overall increased price of goods enhanced both business-industry and countywide use tax pool allocations.

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 Gardena This Quarter\*



### TOP NON-CONFIDENTIAL BUSINESS TYPES

Gardena Business Type	Q3 '22*	Change	County Change	HdL State Change
Service Stations	306.6	26.4% ↑	19.1% ↑	18.5% ↑
Quick-Service Restaurants	271.8	4.8% ↑	5.3% ↑	4.0% ↑
Casual Dining	248.1	14.8% ↑	11.8% ↑	10.1% ↑
Grocery Stores	112.5	5.5% ↑	2.7% ↑	3.1% ↑
Contractors	85.3	21.3% ↑	16.8% ↑	15.5% ↑
Fast-Casual Restaurants	73.6	0.0% ↓	6.5% ↑	6.1% ↑
Transportation/Rentals	73.4	-3.9% ↓	8.3% ↑	13.8% ↑
Plumbing/Electrical Supplies	69.8	-2.7% ↓	27.2% ↑	12.8% ↑
Light Industrial/Printers	65.2	-9.0% ↓	10.4% ↑	10.2% ↑
Auto Repair Shops	64.3	16.6% ↑	14.0% ↑	10.7% ↑

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