

CITY OF GARDENA

SALES TAX UPDATE

1Q 2024 (JANUARY - MARCH)



GARDENA

TOTAL: \$ 3,727,534

2.0%
1Q2024



-0.8%
COUNTY

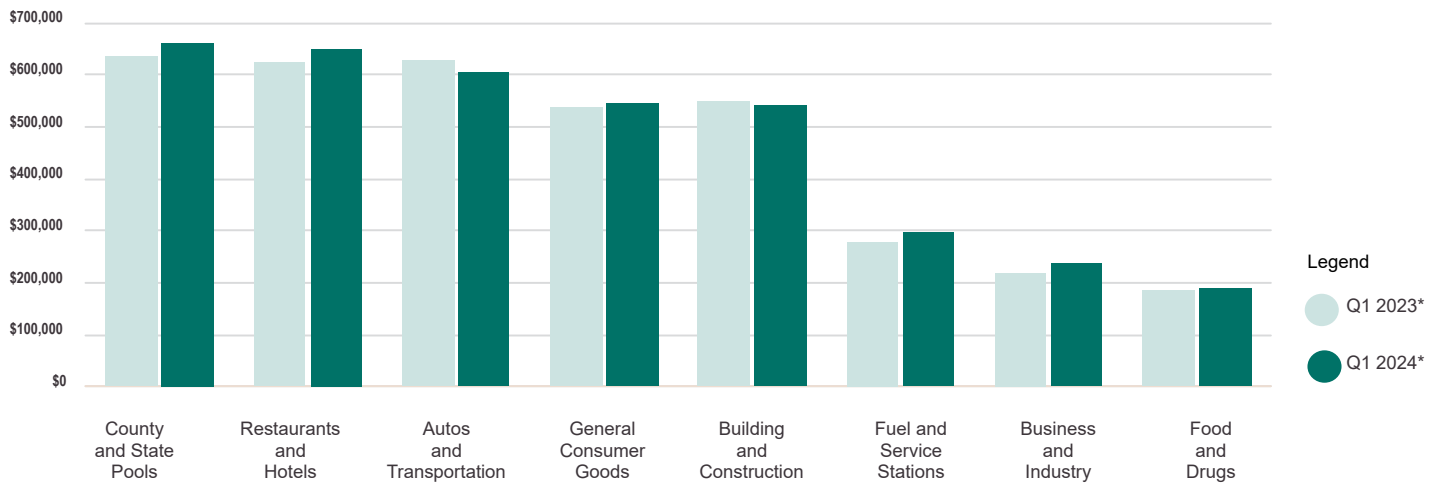


-0.3%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure G

TOTAL: \$3,078,379

↑ 5.1%



CITY OF GARDENA HIGHLIGHTS

Gardena's receipts from January through March were 3.8% above the first sales period in 2023. Excluding reporting aberrations, actual sales were up 2.0%.

Continued consumer interest in dining out helped to boost revenue from restaurants-hotels.

Revenue from fuel-service stations was up, despite lower prices at the pump.

The business-industry sector reported a brisk sales quarter with revenues up almost 9% when compared to the year-ago period.

Receipts from general consumer goods increased as shoppers became more comfortable with the economy.

Economic uncertainties and fluctuations in construction material costs have put a damper on sales from building-construction.

Inflated interest rates and higher unit prices continue to plague the auto-transportation sector.

The City's share of the countywide use tax pool increased 4.2% when compared to the same period in the prior year.

Measure G, the City's voter-approved transactions and use tax, brought in an additional \$3,056,769 in revenue.

Net of aberrations, taxable sales for all of Los Angeles County declined 0.8% over the comparable time period; the Southern California region was flat.



TOP 25 PRODUCERS

76
A&A Chevron
Arco AM PM
Beacon Roofing Supply
Chick Fil A
Crenshaw Lumber Co
Crenshaw Wholesale Electric Supply
Enterprise Rent A Car
Food 4 Less
G & C Equipment Finders Corp
Gardena Honda
Honda Lease Trust
In N Out Burger
Julien's Auctions

Marukai Market
McDonald's
Nissan of Gardena
Raising Cane's
Ralphs
Sam's Club w/ Fuel
Smardan Hatcher Co.
Target
Valero
Vons Fuel
Wood Oil Company



STATEWIDE RESULTS

California's local one cent sales and use tax receipts during the months of January through March were 0.2% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year first quarter is traditionally the lowest sales tax generating period; however, returns were more on par with the comparison period.

One of the only sectors continuing to display declines was autos-transportation. High interest rates created more expensive long-term financing costs. Combined with a dramatic cost of insurance coverage rate spike, this group declined 7.5%.

Fuel and service stations was the other sector with a drop over last year. As California drivers embark on summer travel, they'll do so with slightly elevated gas prices versus 2023, probably yielding the final period of negative results for the category heading into 2025.

During this post-holiday shopping period, general consumer goods experienced a soft rebound with very modest 0.5% growth. Although retailers selling gas were hurt by fuel prices, it did not stop family apparel and department stores from lifting revenues.

Restaurant activity contributed constant growth of 2.1%. Only fine dining establishments remain hindered as more affordable menus are preferred. Also, it appears some eateries made operational changes while implementing AB 1228; however, there isn't enough data

yet to understand if this new bill impacted revenue.

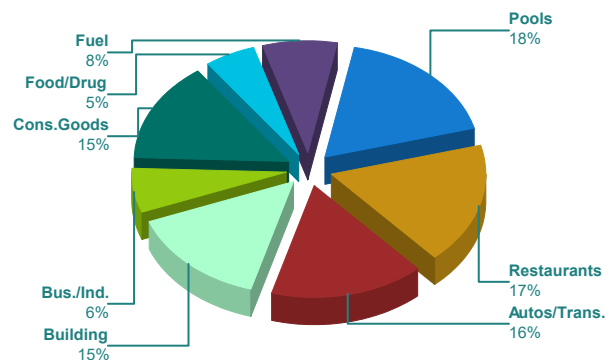
Seemingly dramatic one-time events helped boost business-industry, as investments in office supplies-furniture and energy projects were a significant reason for 3.6% gains this quarter. Additionally, strong fulfillment center direct payments demonstrated sustained logistical expansion. When coupled with improved returns via the countywide use tax pools, customers demonstrated e-commerce preferences for obtaining various goods. Overall

pool allocations improved 1.6%.

Statewide, 2024 begins in a more positive fashion compared to the recent trends of 2023. Buoyed 1st quarter results may signify 'the floor' helping ease tax revenue concerns while awaiting the next growth cycle. The Federal Reserve and their position with the Fed Funds Rate remains the most probable component between economic stagnation or spring-boarding consumer spending. Tourism and local travel in the coming summer period could further inspire confidence.

REVENUE BY BUSINESS GROUP

Gardena This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Gardena Business Type	Q1 '24*	Change	County Change	HdL State Change
Building Materials	383.2	4.3% ↑	-0.7% ↓	-0.7% ↓
Quick-Service Restaurants	293.5	7.0% ↑	1.8% ↑	2.7% ↑
Casual Dining	266.4	2.0% ↑	2.1% ↑	2.2% ↑
Service Stations	247.4	7.2% ↑	-0.4% ↓	-0.8% ↓
Grocery Stores	119.1	4.0% ↑	4.6% ↑	2.8% ↑
Transportation/Rentals	78.4	-8.8% ↓	0.9% ↑	-2.3% ↓
Contractors	75.7	6.9% ↑	6.7% ↑	4.4% ↑
Plumbing/Electrical Supplies	74.0	-9.9% ↓	-2.8% ↓	-4.7% ↓
Fast-Casual Restaurants	71.3	-1.1% ↓	-0.7% ↓	2.3% ↑
Auto Repair Shops	62.8	-11.1% ↓	-6.0% ↓	-1.9% ↓

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars