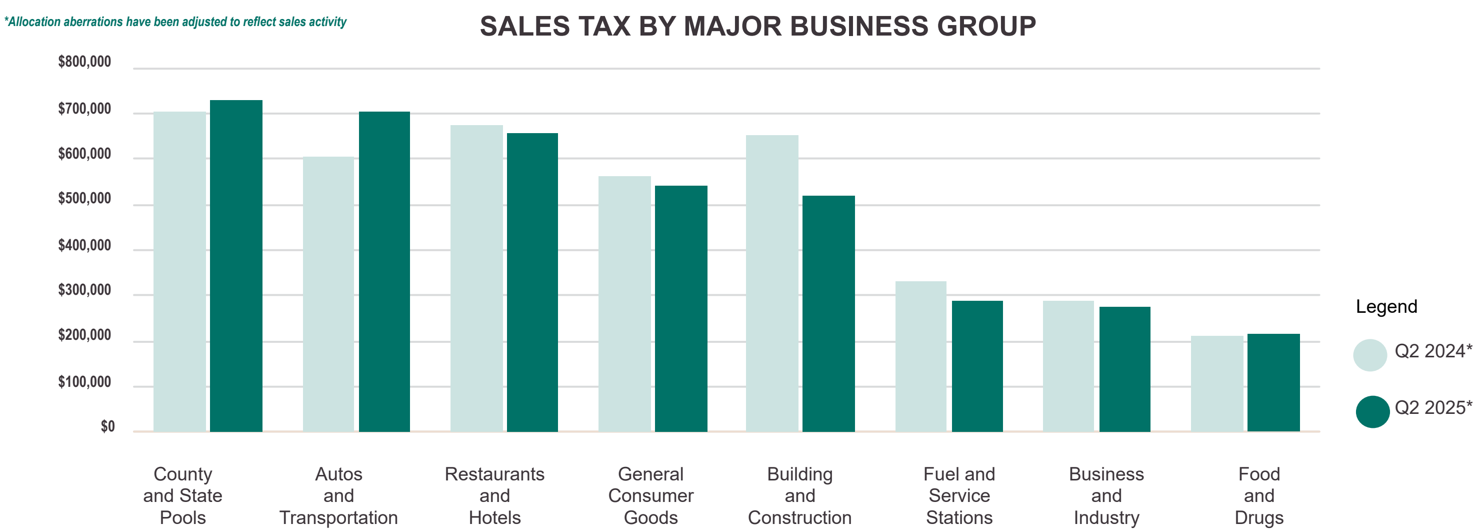
CITY OF GARDENA
SALES TAX UPDATE
2Q 2025 (APRIL - JUNE)

GARDENA
TOTAL: $ 3,933,214

-2.7% 2Q2025

-1.1% COUNTY

0.5% STATE



Measure G
TOTAL: $2,969,089
-6.5%

CITY OF GARDENA HIGHLIGHTS

Gardena's receipts from April through June were 1.3% higher than the second sales period of 2024. After adjusting for reporting anomalies, actual sales declined by 2.7%.

Sales of building-construction supplies dropped amid a sluggish housing market. Retail activity also weakened, reflecting increasing consumer strain. Lower gasoline prices contributed to a decrease in fuel-service station tax revenue.

On a more positive note, autos-transportation related sales performed strongly, significantly outpacing the broader statewide trend. The Countywide use-tax pool benefited from robust regional industrial business activity.

Measure G results fell short compared to the previously mentioned Bradley-Burns performance. Last year's building material sales appear to have been overstated by a payment error.

After excluding anomalies, taxable sales across Los Angeles County declined by 1.1% compared to the same period last year. The Southern California region remained steady.

TOP 25 PRODUCERS

1981 Publishing
76
A&A Chevron
Arco AM PM
Beacon Roofing Supply
Chick Fil A
Crenshaw Lumber Co
CVS Pharmacy
Enterprise Rent A Car
Food 4 Less
G & C Equipment Finders Corp
Gardena Honda
Honda Lease Trust
In N Out Burger
Marukai Market
Mcdonalds
Nissan of Gardena
Raising Cane's
Ralphs
Sam's Club w/ Fuel
Smardan Hatcher Co.
Target
Vons
Vons Fuel
Wood Oil Company

STATEWIDE RESULTS

California's one-cent local sales and use tax receipts rose 0.6% in Q2 compared to the same period last year, after adjusting for accounting anomalies. While only modest growth, it is the second consecutive quarter experiencing positive results following an extended timeline of declines. This period is traditionally met with improved weather with the beginning of summer activity.

Steady gains in both business-industry and countywide use tax pools were driven by strong online sales, reflecting shopper's willingness and ability to spend. Whether pulled from inventory within California or shipped from outside the state, demand for goods by value-conscious shoppers prevailed. Other notable upticks came from purchases of office and electrical equipment.

Increased tax receipts from restaurants also demonstrated diners continued desire to eat out. Even amongst higher menu prices and tip fatigue, casual dining establishments generated the largest lift. While this is a good sign for the coming summer season, underlying data shows that disposal personal income – a key driver of restaurant sales – is growing at a slower pace than prior years, possibly signaling softer tax growth on the horizon.

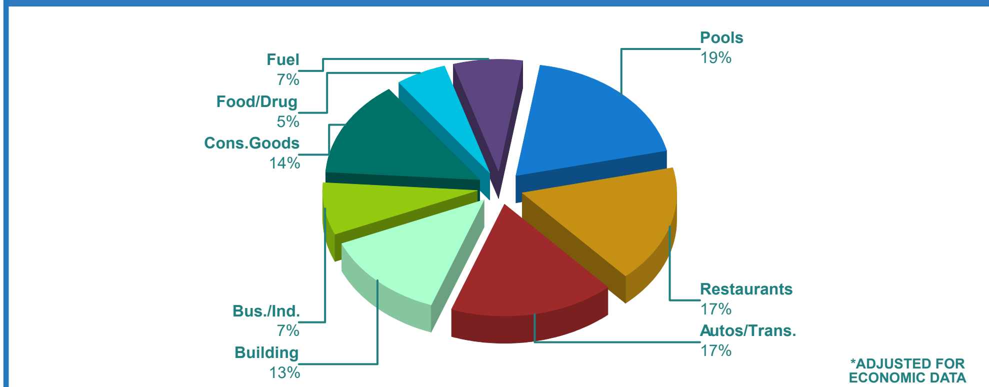
The two sectors primed to take advantage of upcoming interest rate changes, autos-transportation and building-construction, only experienced lackluster returns this period. New auto sales declined, offsetting gains in used vehicles and leasing, while building material sales remained unchanged from a year ago. However, aging vehicles and deferred home improvements remain a potential catalyst driving demand in the near term.

Balancing the positive results, revenue from fuel and service stations declined for the ninth time in ten quarters, primarily due to West Texas Intermediate (WTI) low crude oil prices. As the global economy and development remains tempered, so has the demand for oil, leaving prices relatively low. While this dampens sales taxes, lower fuel costs during peak travel months may boost spending in other segments.

Traditional retailers saw a 1% decline, with specialty, sporting goods, and department stores under performing compared to year ago totals. Inflation and tariffs continue to pressure consumer spending and retailer margins, prompting reevaluation of physical store investments by regional and national companies alike.

The September reduction in the federal funds rate, noting the possibility of more in early 2026, leaves optimism regarding future financing and accessing equity opportunities for some consumers. However, national tariff/trade talks remain a vital piece of the inflation/higher prices story with the potential of diminishing spending power. So sluggish calendar year 2025 continues with only modest expansion expected braced against the ever-changing larger economic trends.

REVENUE BY BUSINESS GROUP
Gardena This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Gardena Business Type	Q2 '25*	Change	County Change	HdL State Change
Quick-Service Restaurants	294.9	-3.9%	-1.8%	-0.7%
Casual Dining	274.6	-0.2%	0.4%	1.4%
Service Stations	243.2	-11.5%	-10.6%	-9.4%
Grocery Stores	140.7	1.4%	0.8%	-0.2%
Light Industrial/Printers	87.1	67.3%	-2.7%	-3.9%
Transportation/Rentals	80.9	4.5%	-7.8%	-6.4%
Contractors	75.0	30.5%	0.1%	-0.7%
Plumbing/Electrical Supplies	72.1	-9.9%	8.2%	1.4%
Fast-Casual Restaurants	68.5	-6.2%	-4.0%	-1.6%
Auto Repair Shops	60.2	-5.8%	-5.9%	-8.9%

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