

CITY OF SAN DIMAS

SALES TAX UPDATE

1Q 2023 (JANUARY - MARCH)



SAN DIMAS

TOTAL: \$ 1,863,742

-2.4%

1Q2023



-1.5%

COUNTY



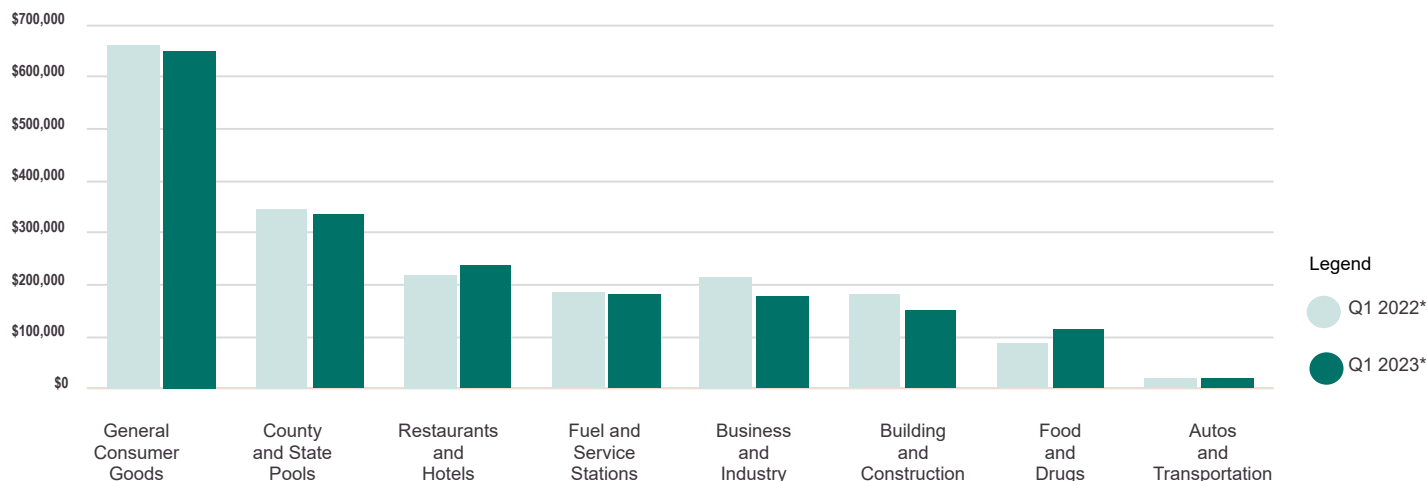
-1.1%

STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF SAN DIMAS HIGHLIGHTS

San Dimas's receipts from January through March were flat compared to the first sales period in 2022. Excluding reporting aberrations, actual sales were down 2.4%.

Requirements to adhere to the rules governing taxpayer confidentiality limits details that can be shared regarding this quarter's results. As always, those areas in which confidentiality is not compromised will be addressed herein.

Food-drugs took a 32% leap primarily from a new convenience store that opened their doors last year; grocer's 5% growth also contributed to this outcome. Patronage again was robust at local restaurants; casual dining returns soared 15% while quick service venues also did better.

Year ago price spikes reversed course in the first months of 2023. Building-construction suppliers absorbed falling lumber and commodity costs which passed savings on to buyers. Fuel rates pulled

back, a 2% decrease occurred in service stations.

The 2% general consumer goods decline revealed reluctant shoppers jittery about the economic outlook bought less sporting goods/bikes and electronics; 2022 openings of apparel plus shoe store merchants offset much of this discretionary spending reduction.

Corporate acquisition of equipment and services was weaker; business-industry filed 18% lower returns; medical/biotech firms remitted \$17,000 fewer taxes.

Ecommerce spending held steady; more in-state fulfillment lessened the need for out of state products; thus, pool allocations fell 3%.

Net of aberrations, taxable sales for all of the Southern California region shrank 0.8%.



TOP 25 PRODUCERS

- AC Pro
- Albertsons
- Arco
- Berri Brothers Gas Station
- Chevron
- Costco
- Extra Fuel
- KPS Global
- Lowe's
- McDonald's
- Mikes Auto Service
- Mobil 7 Eleven
- Olive Garden
- Pool & Electrical Products
- Ross
- SCP Distributors
- Second Image
- Shell
- Show Sushi
- Stater Bros
- Target
- TJ Maxx
- Total Wine & More
- Trader Joes
- Walters Wholesale Electric



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of January through March were 1.1% lower than the same quarter one year ago after adjusting for accounting anomalies. The first quarter of the calendar year experienced heavy rainfall and a slight pullback by consumers during this post-holiday period.

The building and construction sector was most impacted by wet weather conditions, especially contractors and paint/glass vendors. Furthermore, when coupled with year-over-year (YOY) lumber price declines, the sector saw a 9.7% statewide drop.

YOY declines in fuel prices at the pump reduced receipts from gas stations and petroleum providers. Even with OPEC’s recent production cuts, the global cost of crude oil has remained steady setting up for moderate gas prices for travelers and commuters in the coming summer months. Retailers also selling fuel experienced a similar impact and when combined with weak results from department stores, overall general consumer goods’ returns slightly declined.

After multiple years of high demand for vehicles (especially high-end luxury and electronic/hybrid brands), along with inflation driving car prices higher, customers demand has softened with revenue slumping 1.3%. The return of available inventory later this calendar year may sustain downward pressure on activity, potentially giving buyers more leverage to negotiate lower prices.

Use taxes remitted via the countywide pools decreased 1.1%, marking the second consecutive quarter of decline. Cooling consumer confidence, expansion

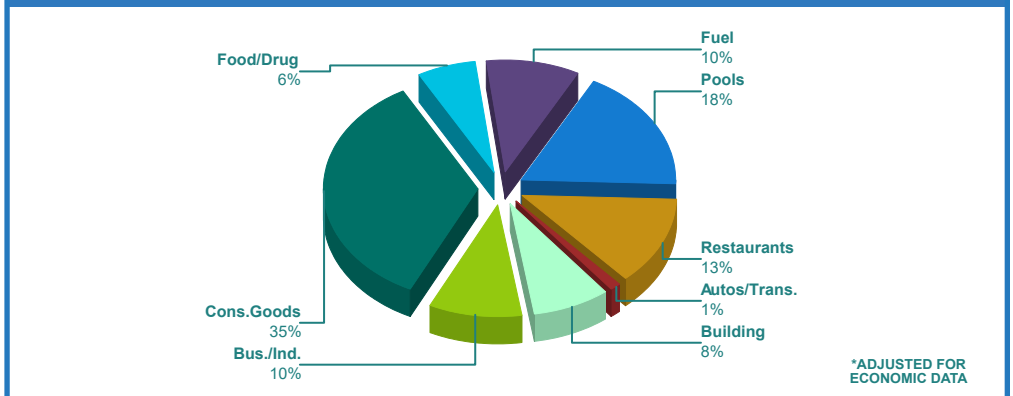
of more in-state fulfillment centers and retailers using existing locations to deliver goods tied to online orders continue to shift taxes away from the pools. While the offsetting effect was these revenues being allocated directly to jurisdictions where the goods were sourced, only a limited number of agencies benefited.

Spending at local restaurants and hotels continues to be robust. Patrons were unaffected by increased menu prices and wait times and maintained their willingness to dine out. In addition, investments in warehouse/farm/construction equipment was steady.

For the remainder of 2023 sales taxes may

decrease modestly, then begin a nominal recovery in early 2024. Volatile economic indicators such as the Federal Funds rate, unemployment levels, and discretionary spending will influence outcomes. While it appears the Federal Reserve’s actions to fight inflation is taking effect, any lasting downward pressure on consumer pricing could also hinder short term growth.

REVENUE BY BUSINESS GROUP San Dimas This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

San Dimas Business Type	Q1 '23*	Change	County Change	HdL State Change
Service Stations	179.5	-1.8% ↓	-10.0% ↓	-9.8% ↓
Casual Dining	132.6	14.9% ↑	11.9% ↑	9.7% ↑
Quick-Service Restaurants	68.9	6.5% ↑	5.8% ↑	5.1% ↑
Grocery Stores	61.3	4.6% ↑	6.3% ↑	5.4% ↑
Family Apparel	53.9	33.0% ↑	3.0% ↑	2.3% ↑
Light Industrial/Printers	50.2	-1.1% ↓	-2.6% ↓	0.6% ↑
Convenience Stores/Liquor	40.4	150.2% ↑	-2.2% ↓	-5.0% ↓
Fast-Casual Restaurants	27.4	-8.1% ↓	6.3% ↑	6.4% ↑
Electronics/Appliance Stores	26.6	-26.3% ↓	-5.6% ↓	-2.4% ↓
Specialty Stores	26.3	6.7% ↑	5.1% ↑	3.7% ↑

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