

CITY OF SAN DIMAS

SALES TAX UPDATE

3Q 2022 (JULY - SEPTEMBER)



SAN DIMAS

TOTAL: \$ 2,137,874

8.4%
3Q2022



7.3%
COUNTY

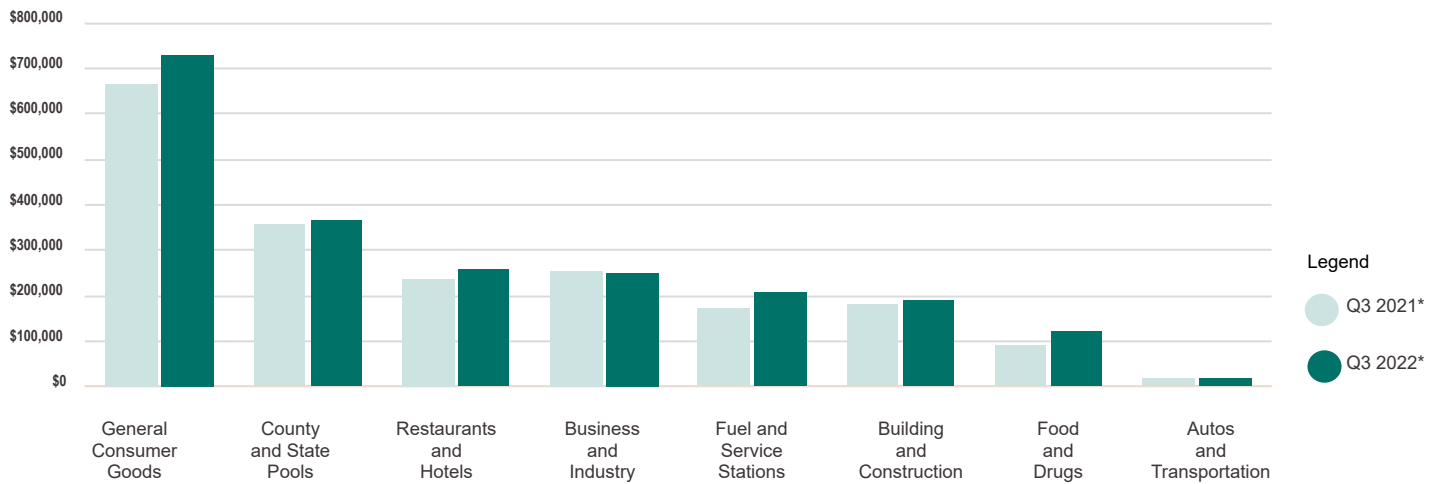


8.0%
STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF SAN DIMAS HIGHLIGHTS

San Dimas' receipts from July through September were 8.2% above the third sales period in 2021. Excluding reporting aberrations, actual sales were up 8.4%.

The City recently welcomed several new businesses into the community; the sales tax effect was substantial comparative growth in the family apparel, convenience stores/liquor and quick service restaurants segments.

Pump per gallon prices stayed at hyper-elevated levels; a 21% increase was remitted from service stations. Building-construction companies reported modest 4% improvement over prior year totals.

Casual dining remains a top tier sector; customers continued to fill the seats

while paying more for food and drink at these establishments. Use tax allocations from the County pool rose 3%.

Busy activity from light industrial/printers was a bright spot in business-industry; overall this category fell 2% as cyclical sales dropped off in summer 2022 from garden/agricultural suppliers and other sectors deemed confidential for reporting purposes.

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

- 7 Eleven
- AC Pro
- Albertsons
- Berri Brothers Gas Station
- Chevron
- Costco
- Extra Fuel
- KPS Global
- Lowe's
- McDonalds
- Mikes Auto Service
- Pool & Electrical Products
- Raging Waters
- Ross
- Saf Com Supply
- San Dimas Gas & Mart
- SCP Distributors
- Second Image
- Shell
- Show Sushi
- Stater Bros
- Target
- TJ Maxx
- Total Wine & More
- Walters Wholesale Electric



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.

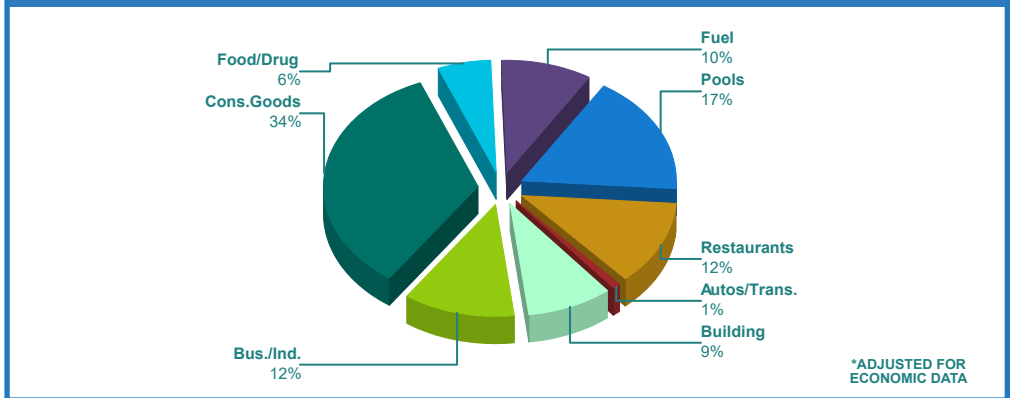
Steady investment in capital equipment coupled with the overall increased price of goods enhanced both business-industry and countywide use tax pool allocations.

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 San Dimas This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

San Dimas Business Type	Q3 '22*	Change	County Change	HdL State Change
Service Stations	205.8	20.9% ↑	19.1% ↑	18.4% ↑
Casual Dining	118.5	10.7% ↑	11.7% ↑	10.1% ↑
Light Industrial/Printers	68.8	29.7% ↑	10.4% ↑	10.2% ↑
Quick-Service Restaurants	67.9	10.0% ↑	5.4% ↑	4.0% ↑
Grocery Stores	61.3	-2.8% ↓	2.6% ↑	3.0% ↑
Family Apparel	56.0	14.7% ↑	-3.5% ↓	-1.7% ↓
Convenience Stores/Liquor	47.0	176.6% ↑	4.1% ↑	1.8% ↑
Electronics/Appliance Stores	35.1	9.4% ↑	0.4% ↑	3.7% ↑
Fast-Casual Restaurants	27.8	-9.4% ↓	6.4% ↑	6.1% ↑
Specialty Stores	27.5	7.6% ↑	3.3% ↑	4.0% ↑

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