

CITY OF SAN DIMAS

SALES TAX UPDATE

1Q 2021 (JANUARY - MARCH)



SAN DIMAS

TOTAL: \$ 2,127,737

36.1%
1Q2021



2.6%
COUNTY



9.5%
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 January through March were 104.0% above the first sales period in 2020. Adjusting for reporting aberrations that included a large taxpayer filing correction and numerous payment delays experienced last year at the beginning of the pandemic, actual sales were up 36.1%.

Business-industrial tax returns surged 126% with an infusion of revenue from a relatively new taxpayer.

Disbursements from the Los Angeles use-tax pool increased 83% compared to the 16% countywide trend. Allocations from the use-tax pool are distributed proportionately based on cash receipts, which were artificially lifted based on the taxpayer filing correction previously mentioned.

Sporting goods, bike stores and other

general consumer goods retailers exhibited strong performance as most businesses were fully open after last year's closures and as shoppers felt safer to venture out of their homes with the rapid roll-out of effective vaccines.

Net of aberrations, taxable sales for all of Los Angeles County grew 2.6% over the comparable time period; the Southern California region was up 9.0%.



TOP 25 PRODUCERS

- 7 Eleven
- AC Pro
- Albertsons
- Arco
- Berri Brothers Gas Station
- CCI Global
- Chevron
- Costco
- Curative Korva
- Harbor Freight Tools
- Incycle
- Lowe's
- McDonalds
- Pacific Sales
- Pool & Electrical Products
- Ross
- SCP Distributors
- Second Image
- Shell
- Show Sushi
- Stater Bros
- Target
- TJ Maxx
- Trader Joes
- Walters Wholesale Electric



STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring January through March, was 9.5% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The Shelter-In-Place directive began one year ago which had the impact of immediate store and restaurant closures combined with remote/work from home options for employees which significantly reduced commuting traffic and fuel sales. When comparing to current period data, percentage gains are more dramatic. Furthermore, this pandemic dynamic combined with the Governor’s first Executive Order of last spring allowing for deferral of sales tax remittances explained why non-adjusted cash results were actually up 33%.

These initial recovery gains were not the same everywhere. Inland regions like Sacramento, San Joaquin Valley, Sierras, Far North and the Inland Empire area of Southern California performed much stronger than the Bay Area, Central Coast and metro areas of Southern California.

Within the results, solid performance by the auto-transportation and building-construction industries really helped push receipts higher. Weak inventories and scarcity for products increased the taxable price of vehicles (new & used), RV’s, boats and lumber which appeared to be a major driving force for these improved returns. Even though e-commerce sales activity continued to rise, brick and mortar general consumer retailers also showed solid improvement of 11% statewide.

An expected change occurred this quarter as a portion of use tax dollars previously distributed through the countywide pools was redirected to specific local jurisdictions. Changes in business structure required a

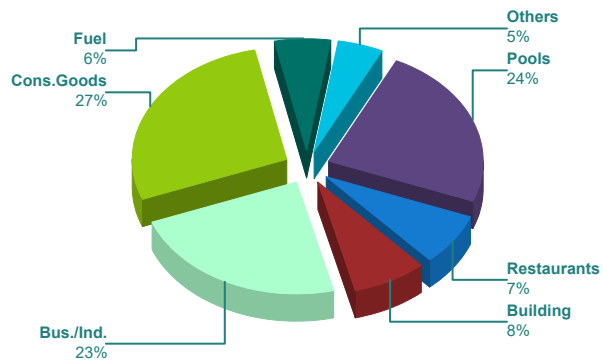
taxpayer to determine where merchandise was inventoried at the time orders were made. Therefore, rather than apportion sales to the county pool representing where the merchandise was shipped, goods held in California facilities required allocations be made to the agency where the warehouse resides. With this modification, the business and industry category jumped 18% inclusive of steady gains by fulfillment centers, medical-biotech and garden-agricultural suppliers. Even after the change noted, county pools surged 18% which demonstrated consumers continued desire to make purchases online.

Although indoor dining was available in many counties, the recovery for restaurants

and hotels still lagged other major categories. Similarly, while commuters and travelers slowly began returning to the road, the rebound for gas stations and jet fuel is trailing as well. Both sectors are expected to see revenues climb in the coming quarters as commuters and summer tourism heats up.

Looking ahead, sustained growth is anticipated through the end of the 2021 calendar year. As a mild head wind, pent up demand for travel and experiences may begin shifting consumer dollars away from taxable goods; this behavior modification could have a positive outcome for tourist areas within the state.

REVENUE BY BUSINESS GROUP
San Dimas This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

| San Dimas Business Type | Q1 '21* | Change | County Change | HdL State Change |
|------------------------------|---------|----------|---------------|------------------|
| Service Stations | 125.2 | -6.0% ↓ | -9.8% ↓ | -3.9% ↓ |
| Casual Dining | 72.6 | -17.9% ↓ | -25.7% ↓ | -18.9% ↓ |
| Grocery Stores | 57.6 | -5.1% ↓ | -7.3% ↓ | -6.2% ↓ |
| Quick-Service Restaurants | 57.2 | -0.3% ↓ | -2.8% ↓ | 1.1% ↑ |
| Family Apparel | 40.9 | 36.8% ↑ | 15.9% ↑ | 20.5% ↑ |
| Light Industrial/Printers | 37.5 | 26.0% ↑ | -3.4% ↓ | -1.6% ↓ |
| Electronics/Appliance Stores | 35.0 | 41.0% ↑ | 1.8% ↑ | 9.0% ↑ |
| Sporting Goods/Bike Stores | 34.7 | 144.3% ↑ | 27.6% ↑ | 33.3% ↑ |
| Fast-Casual Restaurants | 27.3 | 1.1% ↑ | -2.3% ↓ | 1.2% ↑ |
| Specialty Stores | 24.7 | 13.4% ↑ | 5.8% ↑ | 9.0% ↑ |

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*In thousands of dollars