

CITY OF SAN DIMAS

SALES TAX UPDATE

2Q 2021 (APRIL - JUNE)



SAN DIMAS

TOTAL: \$ 2,004,911

-25.7%

2Q2021



40.9%

COUNTY



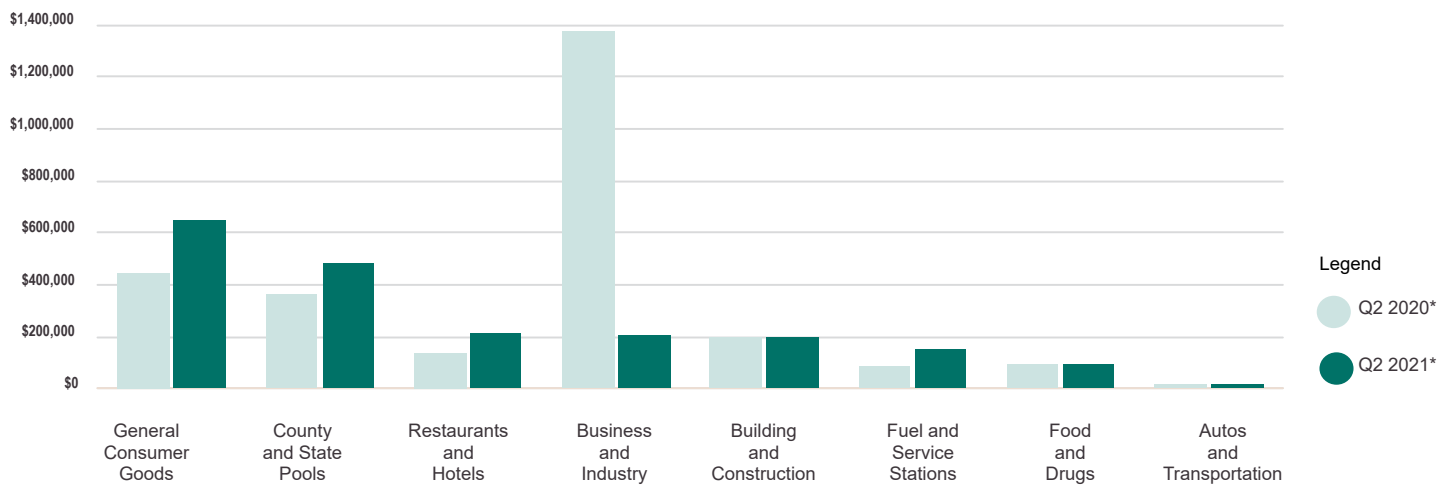
37.3%

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 April through June were 66.3% above the second sales period in 2020. However, a large accounting adjustment for an industrial supplier inflated current quarter receipts. Excluding this and other reporting aberrations, actual sales were down 25.7% as large gains in multiple business sectors rebounding from pandemic driven lows in the comparative quarter were offset by a onetime spike from an industrial supplier that inflated the prior year results.

General consumer goods posted its second consecutive double-digit gain, rising 47.2% as multiple retail categories continued to rebound. Restaurant sales rose for the first time in six quarters, gaining 59.8% as operating restrictions on dining out were lifted and consumers were more comfortable eating out.

Similarly, fuel sales that were severely impacted a year ago grew 74.1% on higher gas prices and increased demand.

Food and drug sales that were strong early on during the pandemic dipped 1.06%, the second straight decline as consumers return to more normal spending habits. Building and construction material and supply sales were flat, but still remain well above pre-Covid levels.

The City's allocation from the countywide use tax pool increased 25.4% due to the increase in cash receipts resulting from the large accounting adjustment.

Net of aberrations, taxable sales for all of Los Angeles County grew 40.9% over the comparable time period; the Southern California region was up 40.3%.



TOP 25 PRODUCERS

- 7 Eleven
- AC Pro
- Albertsons
- Arco
- Berri Brothers Gas Station
- CCI Global
- Chevron
- Costco
- Incycle
- Lowes
- McDonalds
- Pacific Sales
- Pool & Electrical Products
- Ross
- Saf Com Supply
- San Dimas Service Station
- 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 April through June, was 37% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The 2nd quarter of 2020 was the most adversely impacted sales tax period related to the Covid-19 pandemic and Shelter-In-Place directive issued by Governor Newsom. The 2Q21 comparison quarter of 2Q20 was the lowest since 2Q14 due to indoor dining restrictions at most restaurants; non-essential brick and mortar store closures; and employee remote/work from home options which significantly reduced commuting traffic and fuel sales. Therefore, similar to the 1st quarter 2020 comparison, dramatic percentage gains for 2Q21 were anticipated and materialized.

Up to this point through California's recovery, we've seen some regions experience stronger gains than others. However, with the latest data and the depths of declines in the comparison period, statewide most regions saw very similar growth.

Within the results, prolonged gains by the auto-transportation and building-construction industries generated higher receipts. Although the explosion of sales by new and used car dealers has come as welcome relief, the latest news of inventories being stretched thin due to the micro processing chip issues earlier in the year may result in a headwind into 2022. Conversely for the building-construction group, as housing prices in many markets increased over the last year, sustained available homeowner and investor equity is in place for the foreseeable future. Receipts from general consumer goods marked a steady and expected come back, led by family apparel, jewelry and home furnishing stores. When combined with solid greater economic trends, this is a welcome

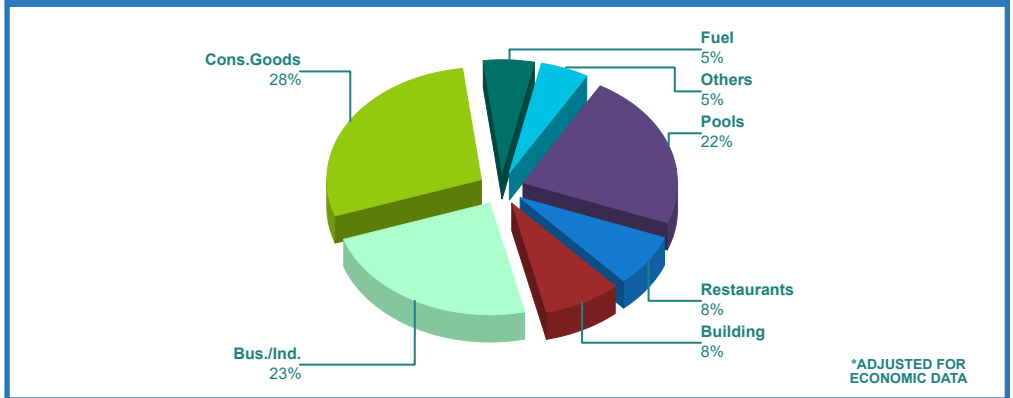
sign for many companies as a lead up to the normal holiday shopping period later this calendar year.

As consumers flock back into retail locations and with AB 147 fully implemented, growth from the county use tax pools - largely enhanced by out-of-state online sales activity - returned to more traditional gains of 9%. These results also included the reallocation of tax dollars previously distributed through the countywide pools to specific local jurisdictions that operate in-state fulfillment centers. Thus, the business and industry category, where fulfillment centers, medical-biotech vendors and garden-agricultural supplies are shown, jumped 26%.

In June, many restaurants reopened indoor dining. Given consumer desires to eat out and beautiful spring weather, all categories experienced a strong, much-needed rebound. However, labor shortages and a rise in menu prices continue to be a concern.

Looking ahead, sustained sales tax growth is still anticipated through the end of the 2021 calendar year. Inflationary effects are showing up in the cost of many taxable products. Pent up demand for travel and experiences, the return of commuters with more costly fuel, and labor shortages having upward pressure on prices may begin to consume more disposable income and tighten growth by the start of 2022.

REVENUE BY BUSINESS GROUP San Dimas This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

San Dimas Business Type	Q2 '21*	Change	County Change	HdL State Change
Service Stations	150.4	74.2% ↑	85.5% ↑	73.9% ↑
Casual Dining	102.8	101.7% ↑	145.5% ↑	130.2% ↑
Grocery Stores	63.7	-2.6% ↓	-0.9% ↓	-0.9% ↓
Quick-Service Restaurants	63.6	10.9% ↑	31.9% ↑	28.9% ↑
Light Industrial/Printers	52.4	44.1% ↑	18.5% ↑	19.4% ↑
Family Apparel	52.1	272.4% ↑	247.4% ↑	230.5% ↑
Electronics/Appliance Stores	38.3	85.5% ↑	102.3% ↑	52.6% ↑
Sporting Goods/Bike Stores	37.3	12.8% ↑	39.3% ↑	35.8% ↑
Business Services	35.2	8.4% ↑	27.0% ↑	30.8% ↑
Fast-Casual Restaurants	32.4	38.4% ↑	43.7% ↑	43.8% ↑

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