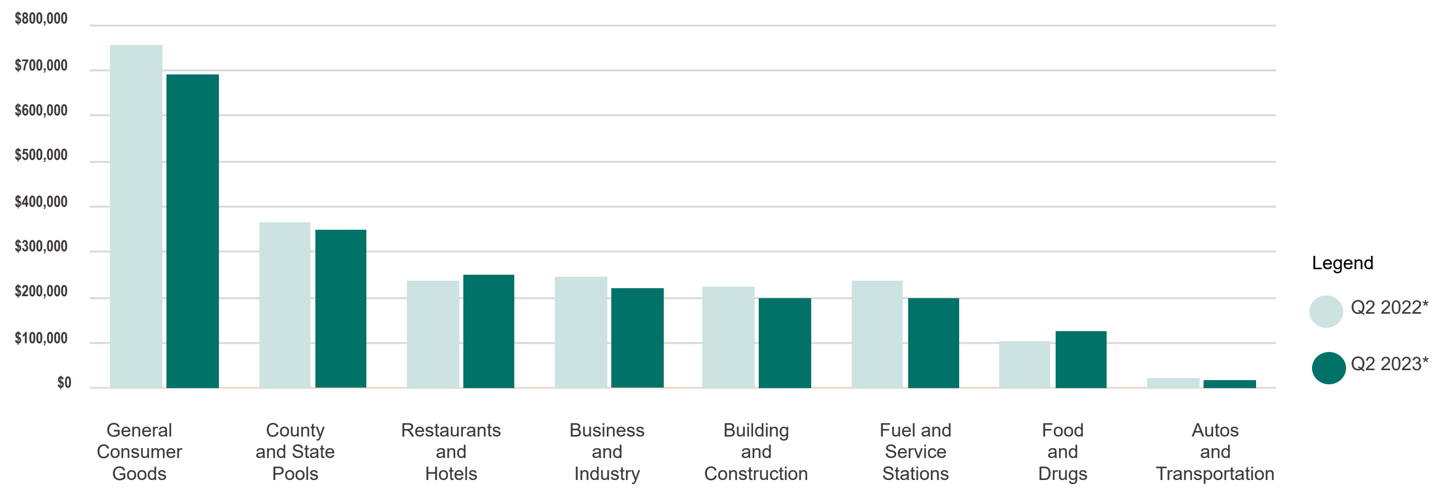
CITY OF SAN DIMAS
SALES TAX UPDATE
2Q 2023 (APRIL - JUNE)

SAN DIMAS	-6.6%	-4.2%	-2.9%
TOTAL: $ 2,046,510	2Q2023	COUNTY	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 5.8% below the second sales period in 2022. Excluding reporting aberrations, actual sales were down 6.6%.

Consumers spent less in the general consumer goods category on household items, clothing, and non-necessities.

Oil and gas prices soared in 2022 in the wake of Russia's invasion of Ukraine, but energy prices remained at lower levels in the second quarter of 2023 as fears of shortages eased.

Rising interest rates are slowing new construction starts although demand for infrastructure and other non-building projects remains strong.

Demand for new orders weakened in 2Q23, resulting in a decrease in revenue from the business-industry sector, while revenue from auto-transportation remained flat.

Receipts for the restaurant-hotel group are up with takeout, delivery, drive-through and curbside sales pushing up totals.

The City's share of the countywide use tax pool decreased 5.2% when compared to the same period in the prior year.

Net of aberrations, taxable sales for all of Los Angeles County declined 4.2% over the comparable time period; the Southern California region was down 2.9%.

TOP 25 PRODUCERS

- AC Pro
- Albertsons
- Arco
- Berri Brothers Gas Station
- Chevron
- Costco
- Extra Fuel
- KPS Global
- Lowes
- 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 Joe's
- Walters Wholesale Electric

STATEWIDE RESULTS

California's local one cent sales and use tax receipts for sales during the months of April through June were 2.8% lower than the same quarter one year ago after adjusting for accounting anomalies. The second quarter of the calendar year was impacted by continued wet weather and a difficult comparison with the prior year, which experienced dramatic growth.

The fuel-service stations sector contributed the most to this decline as year-over-year (YOY) falling fuel prices at the pump reduced receipts from gas stations and petroleum providers. Russia's invasion of Ukraine and other world events during this period last year, pushed the global cost of crude oil to record highs. This dynamic also carried into general consumer goods as retailers selling fuel experienced a similar drop. Recently, OPEC and Russia have maintained production cuts having upward pressure on pricing again leading to future comparative growth.

Sustained wet conditions further delayed projects, especially those from the prior quarter, hindering building-construction returns. YOY lumber price declines added to the pull back from building materials providers. Higher interest rates represent a significant headwind for the industry with potential impacts of limited commercial development activity, slowing public infrastructure projects and homeowners left unable to access equity for renovations.

Despite a significant increase in new car registrations, revenue from autos-transportation fell by 1.4%. The improved activity can largely be attributed to rental car agencies restocking their fleets. However, these are wholesale transactions with sales tax charged upon rental of these vehicles. Weak demand for recreational vehicles, boats and motorcycles coupled with elevated overall financing costs remain challenges going forward.

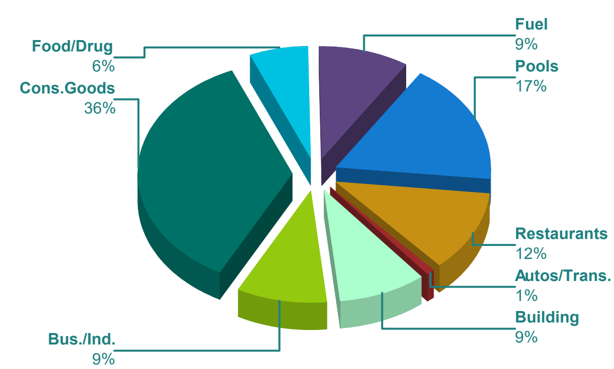
Use taxes remitted via the countywide pools decreased 0.75%, marking the third consecutive quarter of decline. While overall online sales continue to rise, pool collections dropped with the offsetting effect of more in-state fulfillment generated at large warehouses and through existing retail outlets allocated directly to local agencies.

Restaurant sales were a bright spot as the summer season began. Although menu prices have flattened after a year of sharp gains, patrons are making more restaurant trips and are favoring spending their disposable income on experiences. Better sales by office material suppliers and enhanced investments of warehouse-farm-construction equipment contributed to improved returns for the business-industry category.

Sales tax for the remainder of 2023 appears likely to follow the recent trend of moderate declines before leveling off in early 2024. Cooling consumer confidence and greater pressure on household budgets may lead to a lackluster upcoming holiday shopping period. Furthermore, the possibility of a longer and more pronounced slowdown in economic activity exists as the Federal Reserve considers additional interest rate increases to combat high prices that are already stretching consumer wallets.

REVENUE BY BUSINESS GROUP

San Dimas This Fiscal Year*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

San Dimas Business Type	Q2 '23*	Change	County Change	HdL State Change
Service Stations	197.6	-16.7%	-21.7%	-19.9%
Casual Dining	130.7	9.3%	5.7%	4.5%
Plumbing/Electrical Supplies	84.2	-21.7%	-3.1%	-3.9%
Quick-Service Restaurants	71.2	3.0%	2.7%	3.2%
Grocery Stores	69.8	4.4%	3.4%	2.9%
Family Apparel	62.1	8.8%	-2.6%	-1.0%
Light Industrial/Printers	48.6	14.3%	-6.7%	-5.7%
Convenience Stores/Liquor	44.8	65.8%	-3.3%	-5.1%
Electronics/Appliance Stores	37.6	-21.6%	-8.8%	-6.3%
Fast-Casual Restaurants	29.1	2.1%	3.1%	3.8%

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars