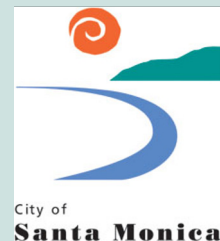


CITY OF SANTA MONICA

SALES TAX UPDATE

1Q 2022 (JANUARY - MARCH)



SANTA MONICA

TOTAL: \$ 9,696,239

27.2%
1Q2022



21.6%
COUNTY

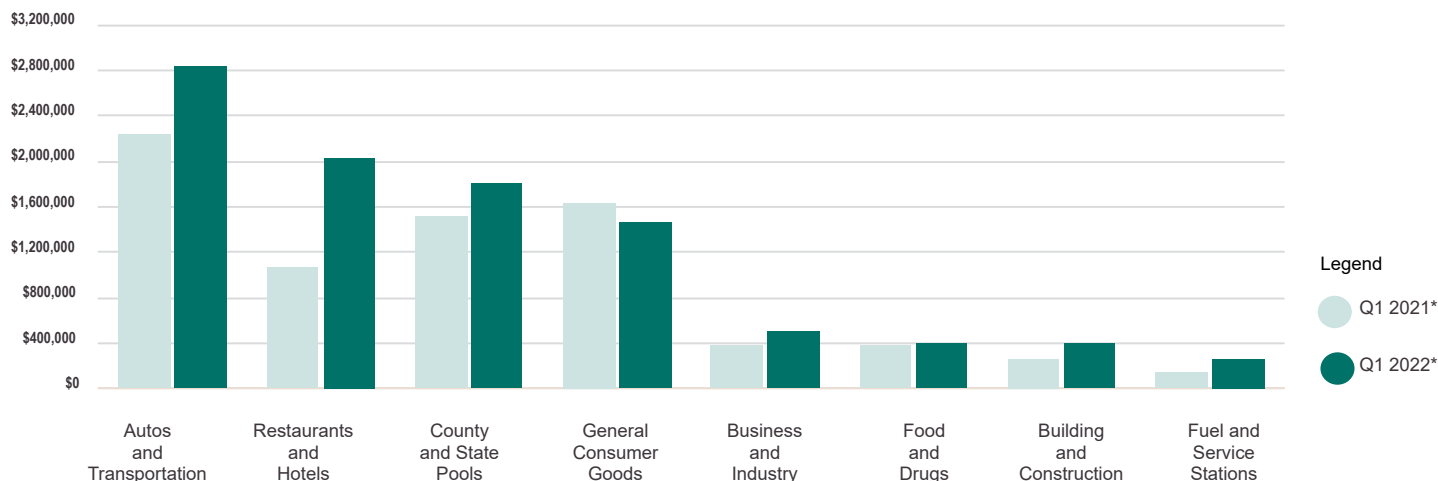


17.1%
STATE



**Allocation aberrations have been adjusted to reflect sales activity*

SALES TAX BY MAJOR BUSINESS GROUP



TUT GSH

TOTAL: \$8,517,781

40.2%



CITY OF SANTA MONICA HIGHLIGHTS

Santa Monica's Bradley-Burns tax receipts from January through March were 21.1% above the first sales period in 2021. Excluding reporting aberrations, actual sales were up 27.2%.

The largest factor in this improvement was an 89% surge in receipts from the City's restaurants and hotels compared to last year's pandemic impaired results as people got out of the house to come together again, seeking meaningful ways to connect with others after the isolation of the Covid-19 epidemic.

The recent opening of a new car dealership boosted already robust new car sales as many shoppers bought more

expensive vehicles after many years of robust investment gains left them feeling flush.

The City's voter approved add-on sales tax grew 40.2%, even more than the Bradley-Burns results previously discussed. Growth in that revenue was constrained by a taxpayer operational change that changed its point-of-sale reporting, but which did not impact the add-on sales tax.

Net of aberrations, taxable sales for all of Los Angeles County grew 21.6% over the comparable time period; the Southern California region was up 19.2%.



TOP 25 PRODUCERS

- Apple
- Audi Leasing Bentley Leasing
- Bourget Bros Building Materials
- Daimler Trust
- Fairmont Miramar Hotel
- Ferguson Enterprises
- Genesis Santa Monica
- Honda Santa Monica
- Jaguar Santa Monica
- Land Rover Santa Monica
- JP Morgan Chase Bank
- Lexus Santa Monica
- Michael Smith Design
- Ring
- Santa Monica Audi
- Santa Monica BMW
- Santa Monica Ford Lincoln
- Shutters on the Beach
- Snyder Diamond
- Subaru Santa Monica
- Tesla Motors
- Toyota Lease Trust
- Toyota Santa Monica
- Volkswagen Santa Monica
- Water Grill/Pier Burger
- WI Simonson Mercedes



STATEWIDE RESULTS

California’s local one-cent sales and use tax for sales occurring January through March was 17% higher than the same quarter one year ago, after adjusting for accounting anomalies and onetime payments from previous quarters. By all accounts, the California retail economy continues roaring along. Even with instability in the stock market, the crisis in Ukraine pushing up the global price of crude oil and the U.S. Federal Reserve Board beginning to tackle inflation with a series of rate increases, consumer spending continued at a strong pace.

The invasion of Ukraine by Russian military forces on February 24 had an immediate upward impact on the global price of crude oil due to fears of supply shortages. Subsequently this has caused a dramatic jump to California consumer gas and diesel prices at a time when many in the workforce were commuting back into offices, also contributing to an overall increase in consumption. As expected, fuel and service station receipts increased 47% over last year and show no signs of pulling back with summer travel right around the corner.

Sales of new and used vehicles continue to be robust causing the autos and transportation sector to jump 15% for the period. Inventory shortages by some dealers may have caused buyers to experience a Fear Of Missing Out (FOMO) and pay elevated prices while interest rates remained lower. Automotive brands that have committed to full electric or hybrid models are attractive with consumers, especially given the sudden rise in fuel prices.

Post-holiday retail sales of general consumer goods remained solid, improving 10%. Prior supply chain concerns have dissipated, port operations are returning

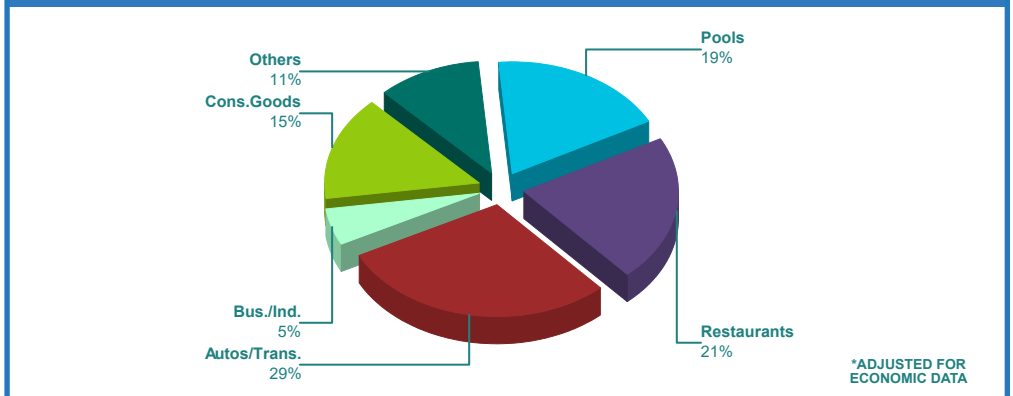
to normal and headwinds from inflation and higher cost goods haven’t yet slowed consumer demand. The stellar returns were largely driven by discount department stores, especially those selling gas.

These results mark the fourth full quarter in a row that restaurant and hotel receipts have increased. While higher menu prices have contributed, steady demand by patrons to dine out is also propelling the gains. Furthermore, theme parks and entertainment venues throughout the state are busy. With the summer tourism and travel season approaching, the industry is positioned to maintain post-pandemic growth and remain positive through 2022.

Use taxes generated by online sales and purchases from out-of-state vendors allocated via the county pools, heartily surpassed expectations, gaining 13% over the comparison period. Shoppers bought a range of merchandise and spending by businesses on capital equipment remained sensational.

The first quarter sales period contributed to an already strong 2021-22 fiscal year for most municipalities statewide. However, continued inflationary pressure, soaring interest rates and record gas prices may soften growth going into 2022-23.

REVENUE BY BUSINESS GROUP
Santa Monica This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Santa Monica Business Type	Q1 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	2,117.4	47.0% ↑	27.7% ↑	18.7% ↑
Casual Dining	861.8	81.9% ↑	67.6% ↑	55.7% ↑
Auto Lease	484.8	-9.9% ↓	-6.3% ↓	-7.5% ↓
Fine Dining	401.6	128.2% ↑	91.1% ↑	82.4% ↑
Hotels/Motels	289.8	367.3% ↑	274.5% ↑	244.1% ↑
Plumbing/Electrical Supplies	268.6	80.6% ↑	65.4% ↑	40.2% ↑
Family Apparel	256.1	27.2% ↑	13.3% ↑	9.4% ↑
Service Stations	241.9	80.1% ↑	45.8% ↑	43.4% ↑
Grocery Stores	219.2	7.2% ↑	4.5% ↑	3.2% ↑
Fast-Casual Restaurants	201.4	13.2% ↑	8.9% ↑	11.4% ↑

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