

CITY OF EL MONTE

SALES TAX UPDATE

1Q 2022 (JANUARY - MARCH)



EL MONTE

TOTAL: \$ 5,899,541

17.2%
1Q2022



21.6%
COUNTY

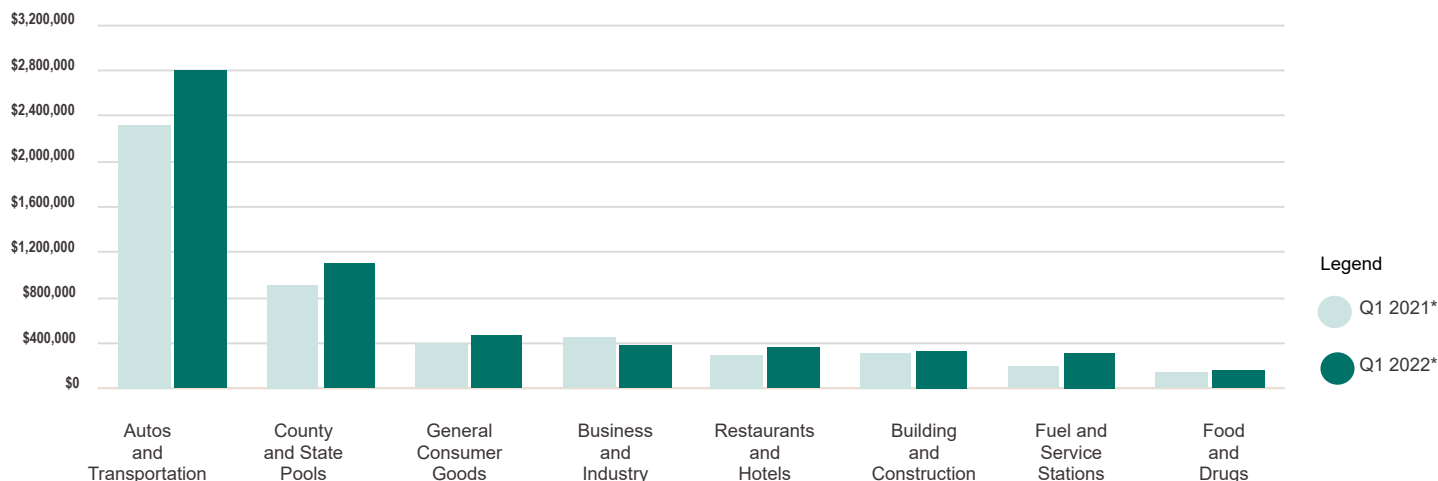


17.1%
STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure EM

TOTAL: \$1,699,641

11.7%



CITY OF EL MONTE HIGHLIGHTS

El Monte's receipts from January through March were 22.5% above the first sales period in 2021. Excluding reporting aberrations, actual sales were up 17.2%.

The autos and transportation is the City's largest industry and experienced the biggest increase, led by new and used motor vehicle dealers. Continuing upward pressure on all factors within the fuel and service stations sector boosted the sales tax.

Positive results came from casual dining; however, the restaurants and hotels sector has been impacted by ongoing challenges and is expected to slow growth over the coming few quarters. Receipts from home furnishing,

plumbing/electrical, grocery stores, garden/agricultural supplies, office supplies/furniture, and the state and county pools were also up.

Returns from convenience stores w liquor and contractors decreased, which partially offset the overall gain.

The City's Transaction and Use Tax Measure EM generated 28.8% of the Bradley Burns amount, led by solid performance from general consumer goods.

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

- | | |
|-------------------------------|-----------------------------|
| Airgas | Home Depot |
| Arco | Longo Lexus |
| Arco AMPM | Longo Toyota & Longo Scion |
| Car Pros Honda El Monte | Lucy Auto Sales |
| Chevron | Patriot Hyundai of El Monte |
| D R Office Works | Ramona Arco |
| dd's Discounts | Sams Club w/ Fuel |
| Eastern Construction Supplies | SGV Hydroponics |
| El Monte Nissan | Sus Amigos Auto Center |
| Element Vape | Toyota Lease Trust |
| Food 4 Less | United Oil |
| Fulgent Therapeutics | |
| Ganas Auto | |
| Gentle Carmen Auto | |



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.

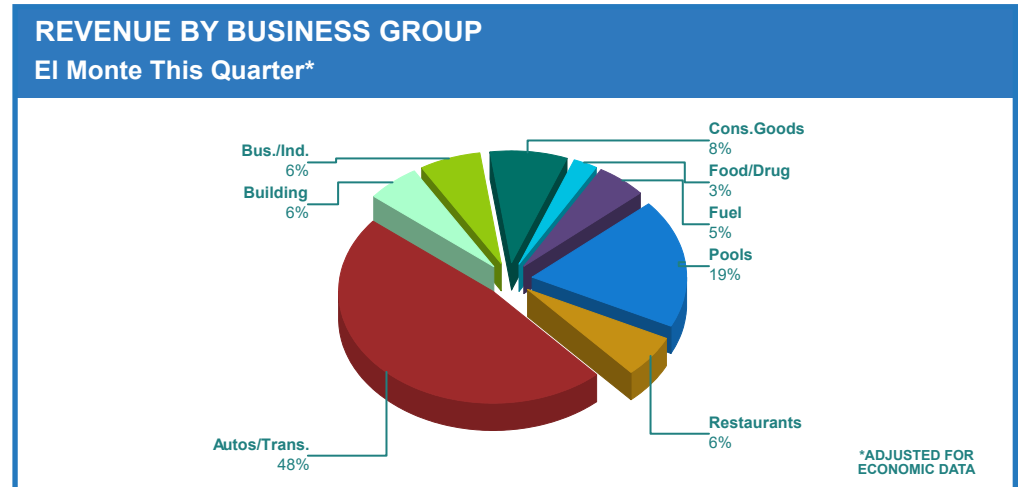
Post-holiday retail sales of general consumer goods remained solid, improving 10%. Prior supply chain concerns have dissipated, port operations are returning

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.



TOP NON-CONFIDENTIAL BUSINESS TYPES

El Monte Business Type	Q1 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	2,170.7	21.4% ↑	27.7% ↑	18.7% ↑
Service Stations	309.2	56.7% ↑	45.7% ↑	43.3% ↑
Used Automotive Dealers	277.7	74.7% ↑	10.1% ↑	8.0% ↑
Quick-Service Restaurants	201.0	2.6% ↑	10.0% ↑	7.8% ↑
Casual Dining	127.9	70.6% ↑	67.7% ↑	55.8% ↑
Grocery Stores	63.3	1.3% ↑	4.5% ↑	3.3% ↑
Heavy Industrial	60.4	10.9% ↑	9.4% ↑	17.4% ↑
Contractors	53.3	-1.6% ↓	17.8% ↑	20.0% ↑
Convenience Stores/Liquor	51.8	-6.8% ↓	1.1% ↑	1.8% ↑
Automotive Supply Stores	44.2	2.5% ↑	5.6% ↑	4.6% ↑

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