

CITY OF MONROVIA

SALES TAX UPDATE

1Q 2023 (JANUARY - MARCH)



MONROVIA

TOTAL: \$ 2,910,042

-6.2%

1Q2023



-1.6%

COUNTY



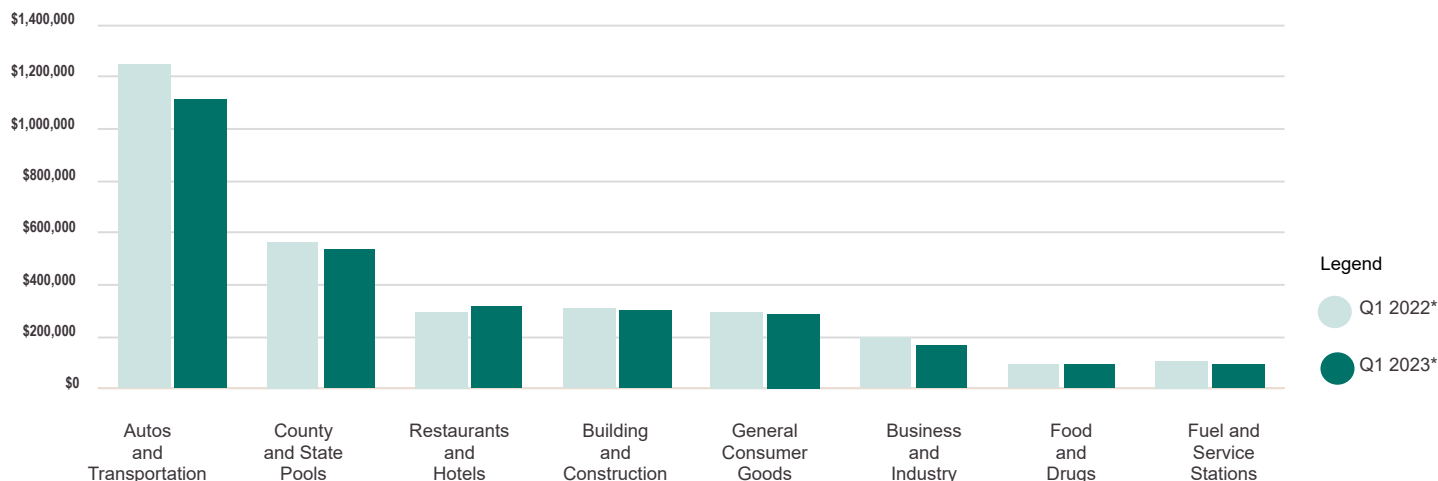
-1.1%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure K

TOTAL: \$1,553,971

↓ -0.1%



CITY OF MONROVIA HIGHLIGHTS

Monrovia's receipts from January through March were 1.8% below the first sales period in 2022. Excluding reporting aberrations, actual sales were down 6.2%.

Patrons continued to venture out to restaurants and entertainment establishments. This continued release from the pandemic shutdown, and in conjunction with inflationary factors of higher labor and food costs on the menu pricing, enabled the City to see significant gains for the quarter. Food-drugs enjoyed moderate growth of 4.6%, with most of the increase attributable to current inflationary pressures.

Autos and transportation experienced

the first decline in over nine quarters. Continued high prices, high financing charges, and lower than normal vehicle inventories had a negative impact on the sector. The business-industry sector experienced declining revenue as inflationary factors negatively impact business spending.

The City's Transaction and Use Tax, Measure K, generated 53.9% of the Bradley Burns amount led by solid performance from business & industry.

Net of aberrations, taxable sales for all of Los Angeles County declined 1.6% over the comparable time period; the Southern California region was down 0.9%.



TOP 25 PRODUCERS

76	Mikomi Sushi Monrovia
ABC Supply Co	Myrtle Chevron
BMW & Mini of Monrovia	Petsmart
Chevron	Ross
Financial Services Vehicle Trust	Sierra Chevrolet of Monrovia
HGreg Infiniti Monrovia	Sierra Chrysler Dodge Jeep Ram of Monrovia
Hirsch Pipe & Supply Co	Sierra Honda of Monrovia
Home Depot	Sierra Subaru of Monrovia
Interior Services	Superior Pool Products
Jays Shell	TJ Maxx
Kohls	Vons
Living Spaces Furniture	
Lowes	
Marshalls	



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of January through March were 1.1% lower than the same quarter one year ago after adjusting for accounting anomalies. The first quarter of the calendar year experienced heavy rainfall and a slight pullback by consumers during this post-holiday period.

The building and construction sector was most impacted by wet weather conditions, especially contractors and paint/glass vendors. Furthermore, when coupled with year-over-year (YOY) lumber price declines, the sector saw a 9.7% statewide drop.

YOY declines in fuel prices at the pump reduced receipts from gas stations and petroleum providers. Even with OPEC’s recent production cuts, the global cost of crude oil has remained steady setting up for moderate gas prices for travelers and commuters in the coming summer months. Retailers also selling fuel experienced a similar impact and when combined with weak results from department stores, overall general consumer goods’ returns slightly declined.

After multiple years of high demand for vehicles (especially high-end luxury and electronic/hybrid brands), along with inflation driving car prices higher, customers demand has softened with revenue slumping 1.3%. The return of available inventory later this calendar year may sustain downward pressure on activity, potentially giving buyers more leverage to negotiate lower prices.

Use taxes remitted via the countywide pools decreased 1.1%, marking the second consecutive quarter of decline. Cooling consumer confidence, expansion

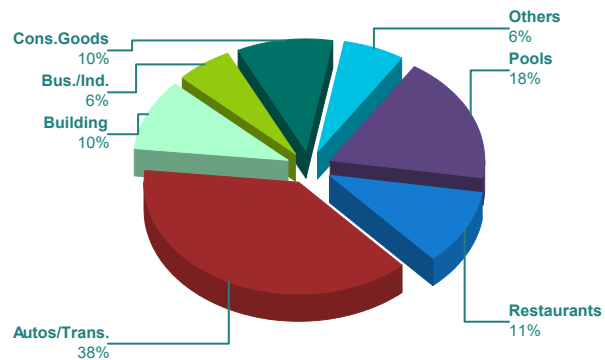
of more in-state fulfillment centers and retailers using existing locations to deliver goods tied to online orders continue to shift taxes away from the pools. While the offsetting effect was these revenues being allocated directly to jurisdictions where the goods were sourced, only a limited number of agencies benefited.

Spending at local restaurants and hotels continues to be robust. Patrons were unaffected by increased menu prices and wait times and maintained their willingness to dine out. In addition, investments in warehouse/farm/construction equipment was steady.

For the remainder of 2023 sales taxes may

decrease modestly, then begin a nominal recovery in early 2024. Volatile economic indicators such as the Federal Funds rate, unemployment levels, and discretionary spending will influence outcomes. While it appears the Federal Reserve’s actions to fight inflation is taking effect, any lasting downward pressure on consumer pricing could also hinder short term growth.

REVENUE BY BUSINESS GROUP Monrovia This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Monrovia Business Type	Q1 '23*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	882.8	-11.4% ↓	-4.2% ↓	0.8% ↑
Building Materials	260.3	-4.5% ↓	-5.2% ↓	-9.7% ↓
Casual Dining	158.4	12.9% ↑	11.9% ↑	9.7% ↑
Auto Lease	157.9	-12.9% ↓	-9.1% ↓	-6.8% ↓
Quick-Service Restaurants	107.3	-3.7% ↓	5.9% ↑	5.1% ↑
Family Apparel	94.3	-2.0% ↓	2.9% ↑	2.3% ↑
Service Stations	90.8	-16.1% ↓	-10.0% ↓	-9.8% ↓
Grocery Stores	59.5	5.3% ↑	6.3% ↑	5.4% ↑
Specialty Stores	55.6	-2.9% ↓	5.1% ↑	3.8% ↑
Auto Repair Shops	40.0	1.6% ↑	6.8% ↑	5.7% ↑

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*In thousands of dollars