

CITY OF PASADENA

SALES TAX UPDATE

1Q 2022 (JANUARY - MARCH)



PASADENA

TOTAL: \$ 10,143,002

28.3%
1Q2022



21.6%
COUNTY

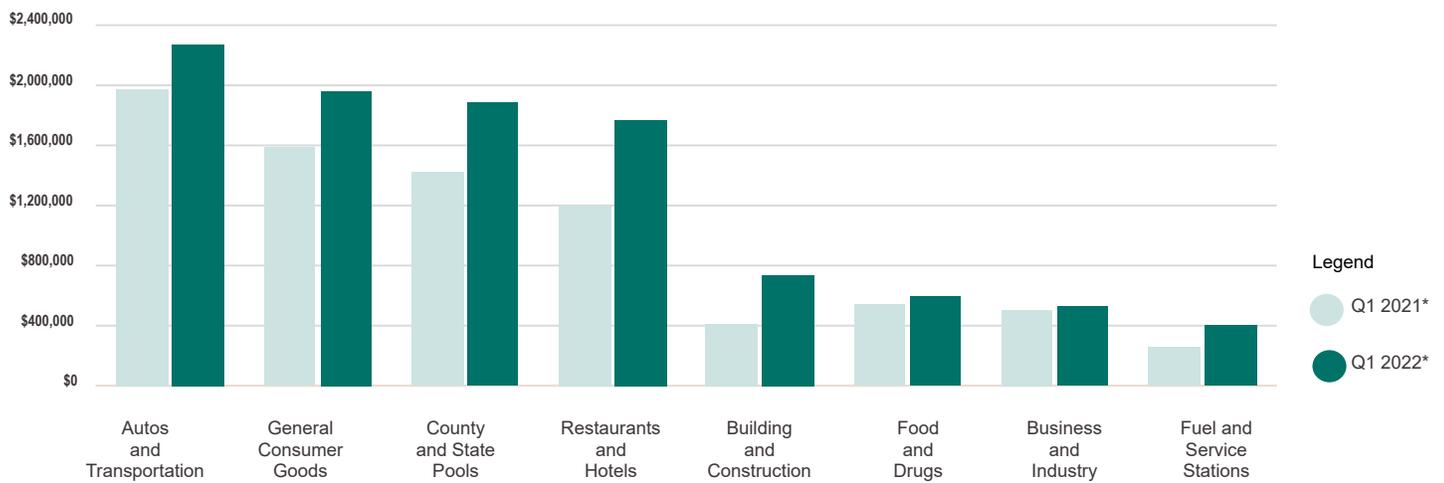


17.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure I

TOTAL: \$7,431,743

26.8%



CITY OF PASADENA HIGHLIGHTS

Pasadena's receipts from January through March were 33.9% above the first sales period in 2021. Excluding reporting aberrations, actual sales were up 28.3%.

The largest factor in this improvement was a post-pandemic rebound in restaurants and hotels. The recent opening of several new casual dining eateries further boosted returns.

Tax receipts from new car sales grew 22%, outperforming the 19% statewide trend. The recent opening of a new building material supplier was also a strong contributor to this quarter's improvement.

Gasoline related revenue advanced 58%, outpacing the 43% statewide trend. The February Russian invasion of Ukraine has contributed to a spike in the price of petroleum products, which has also resulted in higher prices at the pump.

Electronics and appliance stores and other general consumer goods retailers were also very strong, though much of the growth in the home furnishings subcategory may have been the result of a taxpayer reporting error.

Measure I tax revenue grew 27%, very similar to the performance of the City's Bradley-Burns tax results previously discussed.



TOP 25 PRODUCERS

Apple
Audi & Bentley Leasing
Avocado Mattress
Best Buy
California Institute of Technology
Enterprise Rent A Car
Ganahl Lumber
Home Depot
Honda of Pasadena
JP Morgan Chase Bank
Land Rover Pasadena
Lifesource Water System
Macy's
Nordstrom Rack

Pasadena Volkswagen
Ralphs
Ross
Rusnak Luxury Autos
Target
Tesla Motors
Thorson GMC Buick
Total Wine & More
Toyota of Pasadena
United Oil
Vons



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

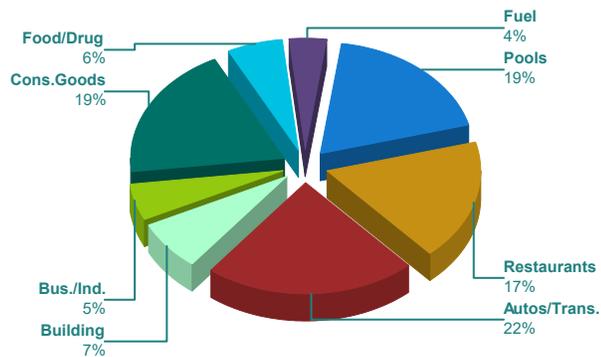
to normal and headwinds from inflation and higher cost goods haven’t yet slowed consumer demand. The stellar returns were largely driven by discount department stores, especially those selling gas.

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
Pasadena This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Pasadena Business Type	Q1 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	1,698.0	21.5% ↑	27.7% ↑	18.7% ↑
Casual Dining	833.1	54.2% ↑	67.7% ↑	55.8% ↑
Building Materials	468.2	116.5% ↑	9.9% ↑	7.8% ↑
Service Stations	404.9	58.1% ↑	45.7% ↑	43.3% ↑
Quick-Service Restaurants	346.5	10.5% ↑	10.0% ↑	7.8% ↑
Home Furnishings	344.9	70.6% ↑	-0.1% ↓	0.9% ↑
Electronics/Appliance Stores	322.5	39.9% ↑	9.4% ↑	12.5% ↑
Grocery Stores	318.6	9.9% ↑	4.5% ↑	3.3% ↑
Auto Lease	258.3	-7.9% ↓	-6.3% ↓	-7.5% ↓
Family Apparel	218.6	13.2% ↑	13.3% ↑	9.4% ↑

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars