

CULVER CITY

SALES TAX UPDATE

1Q 2021 (JANUARY - MARCH)



CULVER CITY
TOTAL: \$ 5,017,314

5.8%
1Q2021



2.6%
COUNTY

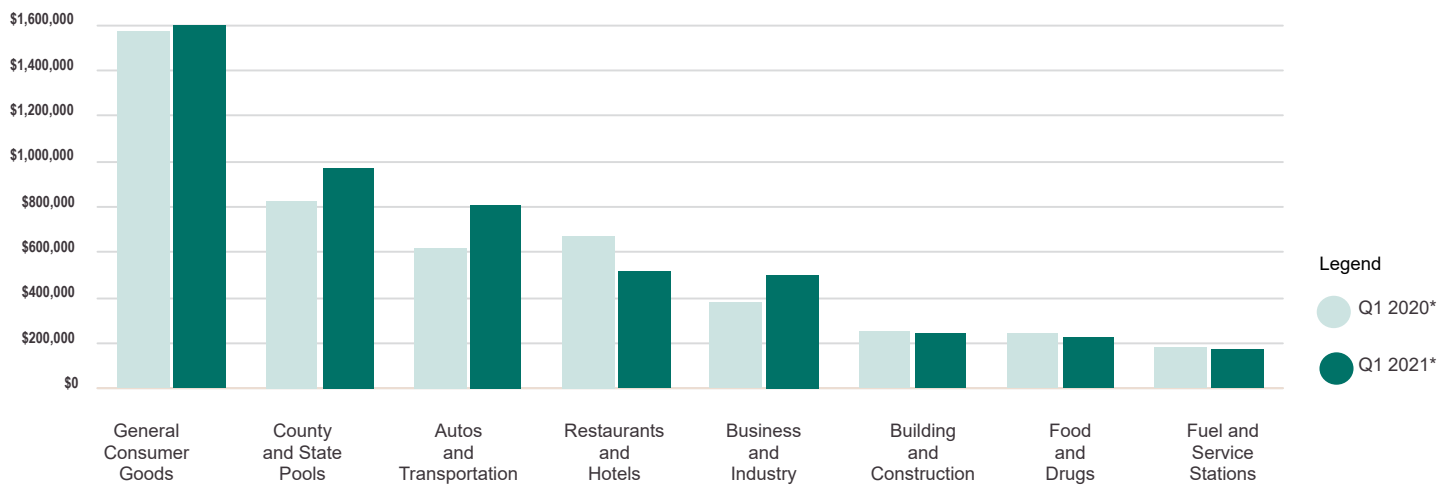


9.5%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure CC
TOTAL: \$2,188,322
↓ -0.3%

Measure C
TOTAL: \$1,092,541
↓ -0.4%



CULVER CITY HIGHLIGHTS

Culver City's receipts from January through March were 31.3% above the first sales period in 2020. However, adjustments for delayed payments, audits, and other reporting modifications resulted in actual sales that were up 5.8%.

Overall place of sale collections rose by 3.3%, slowly pulling out of the pandemic economy. Autos-transportation assisted this result with a 30% increase in revenues, largely driven by new car sales. A return to in-store shopping helped boost general merchandise sales – led by spending on apparel and specialty goods. Business-industry realized a 29.9% gain – pushed by spending in medical/

biotech and business services. Also, the City's share of the countywide use tax pool grew 22.3%, bolstered by new taxes on out-of-state online purchases and surges in online shopping.

While fast-service dining demonstrated improvement, casual dining and entertainment experienced steep declines attributed to occupancy restrictions. Mirroring statewide trends, fuel and service station revenues reflected reduced driving miles.

Voter-approved Measures CC and C saw a relatively stable overall performance, which is improved from prior quarters.



TOP 25 PRODUCERS

- | | |
|---------------------------|--------------------|
| Best Buy | RM Sothebys |
| Costco | Ross |
| Culver City Chevrolet | Samys Camera |
| Culver City Honda | Shell |
| Culver City Toyota | Target |
| Culver City Volvo Cars | TJ Maxx |
| Foot Locker | Toyota Lease Trust |
| Goat | Trader Joes |
| Hajoca | VCFS Auto Leasing |
| Honda Lease Trust | Vons |
| Howard Industries | |
| JC Penney | |
| Macys | |
| Nordstrom Rack | |
| Otto Nemenz International | |



STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring January through March, was 9.5% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The Shelter-In-Place directive began one year ago which had the impact of immediate store and restaurant closures combined with remote/work from home options for employees which significantly reduced commuting traffic and fuel sales. When comparing to current period data, percentage gains are more dramatic. Furthermore, this pandemic dynamic combined with the Governor’s first Executive Order of last spring allowing for deferral of sales tax remittances explained why non-adjusted cash results were actually up 33%.

These initial recovery gains were not the same everywhere. Inland regions like Sacramento, San Joaquin Valley, Sierras, Far North and the Inland Empire area of Southern California performed much stronger than the Bay Area, Central Coast and metro areas of Southern California.

Within the results, solid performance by the auto-transportation and building-construction industries really helped push receipts higher. Weak inventories and scarcity for products increased the taxable price of vehicles (new & used), RV’s, boats and lumber which appeared to be a major driving force for these improved returns. Even though e-commerce sales activity continued to rise, brick and mortar general consumer retailers also showed solid improvement of 11% statewide.

An expected change occurred this quarter as a portion of use tax dollars previously distributed through the countywide pools was redirected to specific local jurisdictions.

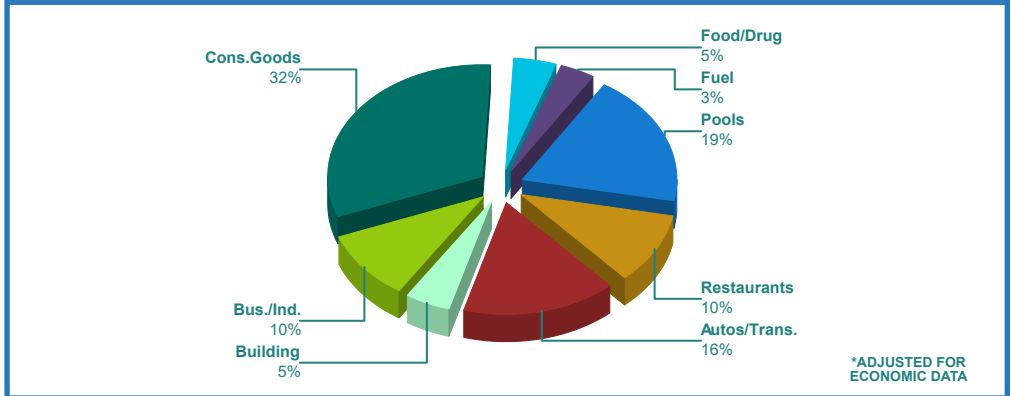
Changes in business structure required a taxpayer to determine where merchandise was inventoried at the time orders were made. Therefore, rather than apportion sales to the county pool representing where the merchandise was shipped, goods held in California facilities required allocations be made to the agency where the warehouse resides. With this modification, the business and industry category jumped 18% inclusive of steady gains by fulfillment centers, medical-biotech and garden-agricultural suppliers. Even after the change noted, county pools surged 18% which demonstrated consumers continued desire to make purchases online.

Although indoor dining was available in

many counties, the recovery for restaurants and hotels still lagged other major categories. Similarly, while commuters and travelers slowly began returning to the road, the rebound for gas stations and jet fuel is trailing as well. Both sectors are expected to see revenues climb in the coming quarters as commuters and summer tourism heats up.

Looking ahead, sustained growth is anticipated through the end of the 2021 calendar year. As a mild head wind, pent up demand for travel and experiences may begin shifting consumer dollars away from taxable goods; this behavior modification could have a positive outcome for tourist areas within the state.

REVENUE BY BUSINESS GROUP Culver City This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Culver City Business Type	Q1 '21*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	583.0	44.6% ↑	31.0% ↑	33.2% ↑
Casual Dining	234.2	-26.5% ↓	-25.7% ↓	-18.9% ↓
Electronics/Appliance Stores	216.9	3.3% ↑	1.8% ↑	9.0% ↑
Service Stations	170.7	-6.6% ↓	-10.0% ↓	-4.0% ↓
Specialty Stores	158.7	15.6% ↑	5.8% ↑	9.0% ↑
Family Apparel	137.6	5.9% ↑	15.9% ↑	20.5% ↑
Auto Lease	133.0	0.0% ↓	-4.6% ↓	-1.1% ↓
Grocery Stores	131.8	-9.4% ↓	-7.3% ↓	-6.2% ↓
Quick-Service Restaurants	127.2	-6.5% ↓	-2.8% ↓	1.1% ↑
Fast-Casual Restaurants	113.5	-8.6% ↓	-2.3% ↓	1.2% ↑

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