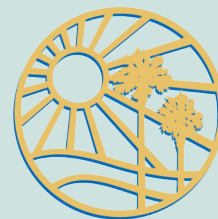


CITY OF LA MESA

SALES TAX UPDATE

1Q 2022 (JANUARY - MARCH)



LA MESA

TOTAL: \$ 4,124,897

11.5%
1Q2022



20.0%
COUNTY

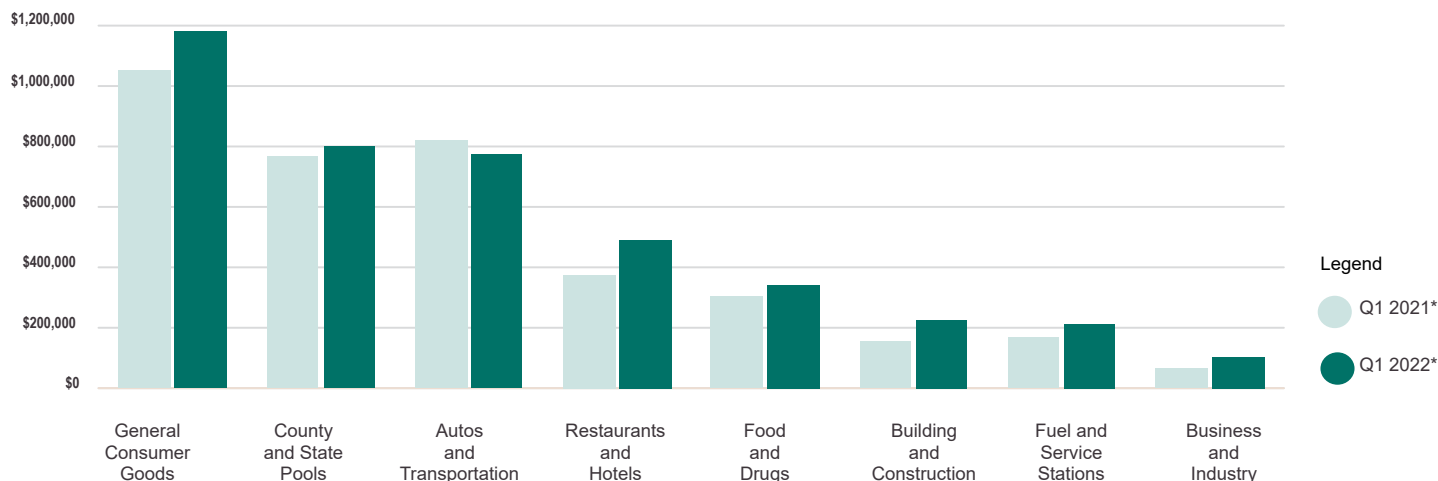


17.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure L

TOTAL: \$2,957,424

↑ 14.5%



CITY OF LA MESA HIGHLIGHTS

La Mesa's receipts from January through March were 11.6% above the first sales period in 2021, and place of sale collections soared almost 13.4%. The regional economy demonstrated strength during the first three months of the year.

The City's largest sales tax group, general consumer goods, jumped 12% as people shopped at local stores during the post-holiday period. The City's allocations from the countywide use tax pool grew 4.3%. The pools remain a solid source of local revenue, bolstered by taxes on e-commerce.

Restaurants, especially casual dining,

experienced another sensational sales period as patrons seemed unfazed by more expensive menus and enjoyed the experience of dining out. Cannabis revenues lifted the food-drug group; and higher local gas prices and increased travel pushed up receipts service station receipts. The building-construction group also performed well.

The only tax group demonstrating a slight decline was autos-transportation, which may be attributed to inventory declines.

Voter approved Measure L also posted stellar results supported by vehicle, merchandise and restaurant sales.



TOP 25 PRODUCERS

Bob Stall Chevrolet	Probuild Company
Brigantine	Roofline Supply & Delivery
Burlington	Ross
Carl Burgers Dodge	Speedway
Chrysler Jeep World	Target
Center City Shell	The Grove
Chick Fil A	The Reserve
Costco W Gas	Tomo Therapy
Guitar Center	Vons
Hobby Lobby	Walmart
La Mesa Health Center	
La Mesa Lumber	
Macy's	
Massachusetts Arco	
Penske Ford	
Penske Lincoln	



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

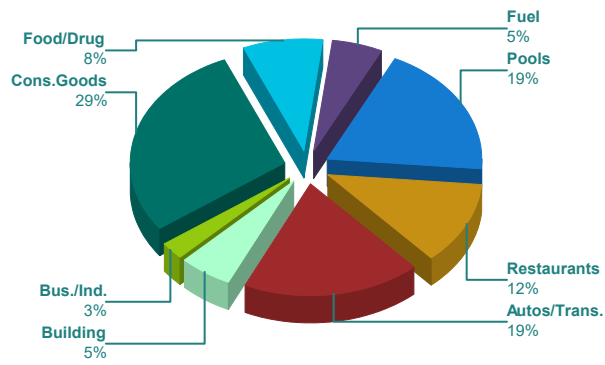
to normal and headwinds from inflation and higher cost goods haven’t yet slowed consumer demand. The stellar returns were largely driven by discount department stores, especially those selling gas.

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
La Mesa This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

La Mesa Business Type	Q1 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	653.9	-6.0% ↓	16.4% ↑	18.7% ↑
Casual Dining	291.2	46.5% ↑	64.8% ↑	55.8% ↑
Service Stations	210.9	25.2% ↑	37.2% ↑	43.3% ↑
Cannabis Related	186.3	27.2% ↑	15.7% ↑	-4.9% ↓
Quick-Service Restaurants	135.3	7.9% ↑	8.9% ↑	7.8% ↑
Grocery Stores	81.5	1.2% ↑	3.0% ↑	3.3% ↑
Specialty Stores	77.0	5.1% ↑	15.4% ↑	10.9% ↑
Convenience Stores/Liquor	68.7	-1.3% ↓	2.9% ↑	1.8% ↑
Family Apparel	67.8	-16.0% ↓	14.6% ↑	9.4% ↑
Medical/Biotech	50.4	130.0% ↑	5.1% ↑	7.9% ↑

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars