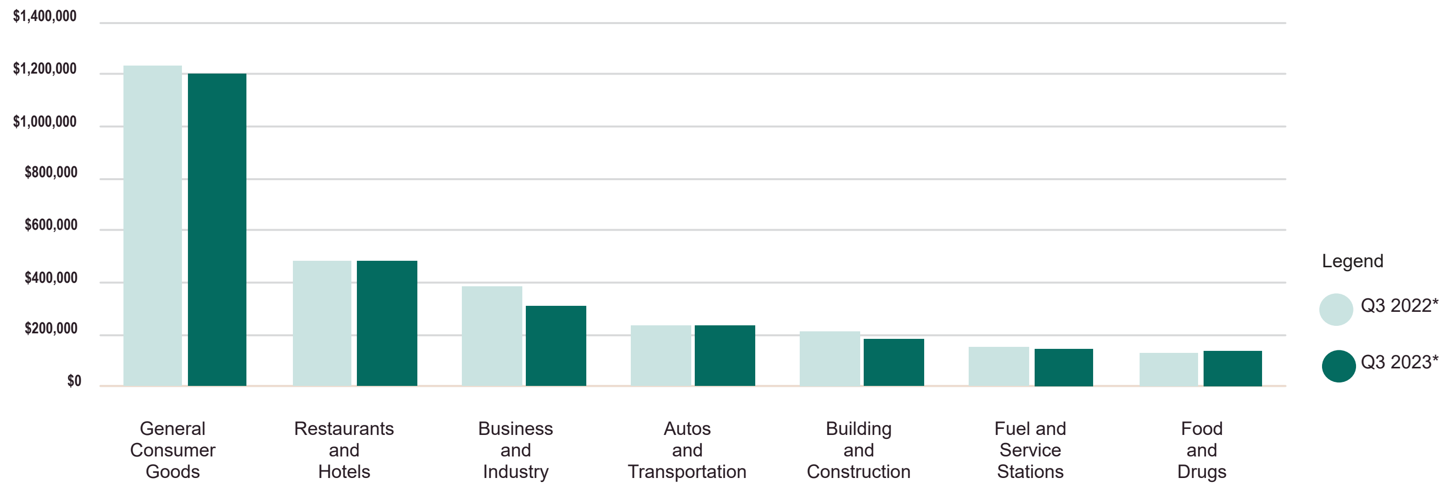
CULVER CITY MEASURES C AND CC
DISTRICT TAXES UPDATE
3Q 2023 (JULY - SEPTEMBER)

MEASURE CC	-5.6%	MEASURE C	-5.6%
TOTAL: $ 2,703,550	3Q2023	TOTAL: $ 1,352,302	3Q2023

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

SALES TAX BY MAJOR BUSINESS GROUP



CULVER CITY DISTRICT TAXES HIGHLIGHTS

Culver City Measure C's district tax cash receipts were 7.7% below the third sales period in 2022, though this was exaggerated by several catch-up payments, which doubled cash returns in the prior year and made for a difficult comparison. Measure CC cash receipts were 7.6% lower than last year, slightly better than Measure C. The two tax measures typically track closely, with the small difference in the year over year percentage changes resulting from less taxpayer filing discrepancies for Measure CC than Measure C.

Adjusted for reporting aberrations, both Measure C and CC were down the same 5.6%.

A decrease in business-industrial returns was the largest factor in this loss as nationwide economic activity in the manufacturing sector contracted in September for the 11th consecutive month, and as the end of the pandemic resulted in less medical and biotech purchases. The Hollywood strikes likely had an additional negative impact as local businesses purchased less equipment and supplies related to filming and production from companies in other jurisdictions.

On a positive note, the recent opening of a new food and drug store helped to offset some of the losses previously discussed.

Net of aberrations, taxable sales for all of Los Angeles County declined 2.5% over the comparable period; the Southern California region was down 1.5%.

TOP 25 PRODUCERS

- 7 Eleven
- Amazon Fulfillment Services
- Amazon MFA
- Arco AM PM
- Best Buy
- Conserv Fuel
- Costco
- Culver City Toyota
- Culver19
- Foot Locker
- Howard Industries
- In N Out Burger
- JC Penney
- Macy's
- Nordstrom Rack
- Rite Aid
- Ross
- Sephora
- Target
- Tesla Motors
- TJ Maxx
- Trader Joe's
- Uber Eats
- Vons
- Wolfgang Puck Catering & Events

HdL Companies

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STATEWIDE RESULTS

California's local one cent sales and use tax receipts for sales during the months of July through September were 1.6% lower than the same quarter one year ago after adjusting for accounting anomalies. The third quarter of the calendar year continued with a challenging comparison to prior year growth and stagnating consumer demand in the face of higher prices of goods.

Fuel and service stations contributed the greatest overall decline as lower fuel prices at the pump reduced receipts from gas stations and petroleum providers. While global crude oil prices have stabilized, they remained 15% lower year-over-year. This decline also impacted the general consumer goods category as those retailers selling fuel experienced a similar drop. Despite OPEC and Russia production cuts having upward pressure on pricing, global demand during the winter months has softened.

Along with merchants selling gas, many other general consumer categories were also down from the 2022 quarter, confirming consumers pulling back on purchases. Home furnishings and electronic-appliances were a couple of the largest sectors with the biggest reductions. As inflation and higher prices were the main story a year ago, currently it appears to be a balancing act between wants and needs, leaving meek expectations for the upcoming holiday shopping season.

Even following a long, wet first half of 2023, spending at building and construction suppliers moderately slowed. The current high interest rate environment did not help the summer period and still represents the largest potential headwind for the industry with depressed commercial development, slowing public infrastructure projects and new housing starts waiting for more profitable financial conditions.

Despite continued increases of new car registrations, revenue from the autos-transportation sector slipped 2.6%. The improved activity remains mostly attributed to rental car agencies restocking their fleets. Like other segments, elevated financing costs are expected to impede future retail volume.

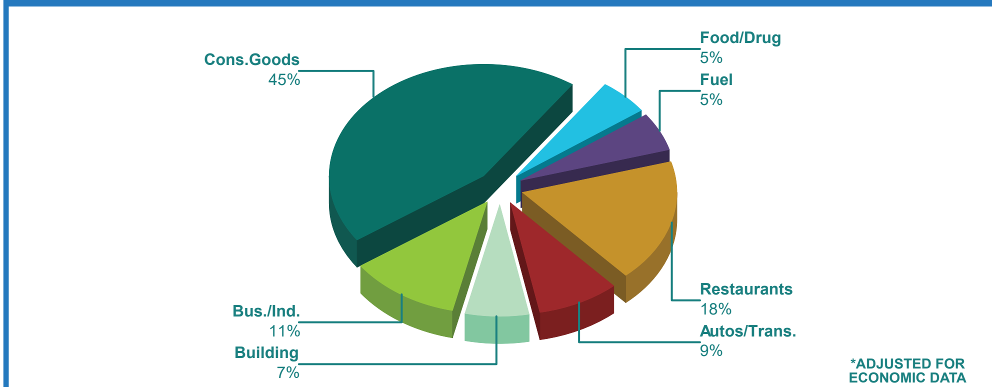
Use taxes remitted via the countywide pools dipped 3.0%, marking the fourth consecutive quarter of decline. While overall online sales volume is steady, pool collections dropped with the offsetting effect of more taxes allocated directly to local agencies via in-state fulfillment generated at large warehouses and through existing retail outlets.

Restaurants remained an economic bright spot through summer exhibiting a 2.6% gain. As tourism, holiday and business travel are all expected to have recovered in 2024, the industry is bracing for implementation of AB 1228 - new CA law setting minimum wages for 'fast food restaurants'.

With one more quarterly result to go in 2023, the recent trend of a moderate decline appears likely before a recovery in 2024. Initial reports from the holiday shopping season reflect a 3% bump in retail sales compared to 2022. Lingering consumer confidence may have also received welcome news as the Federal Reserve considers softening rates by mid-2024.

REVENUE BY BUSINESS GROUP

District Taxes This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

District Taxes			HdL State
Business Type	**Q3 '23***	**Change**	**Change**
Discount Dept Stores Casual	442.9	2.4%	0.2%
Dining	197.8	-6.3%	2.8%
Service Stations	143.9	-5.0%	-7.3%
New Motor Vehicle Dealers	140.7	10.4%	-2.4%
Electronics/Appliance Stores	120.6	-15.9%	-14.1%
General Merchandise	115.7	4.7%	-20.9%
Specialty Stores	106.5	4.4%	-1.9%
Family Apparel	104.8	0.7%	3.2%
Quick-Service Restaurants	100.1	-5.3%	2.7%
Department Stores	98.8	2.4%	-1.7%

Allocation aberrations have been adjusted to reflect sales activity

In thousands of dollars