

CITY OF CULVER CITY

DISTRICT TAXES

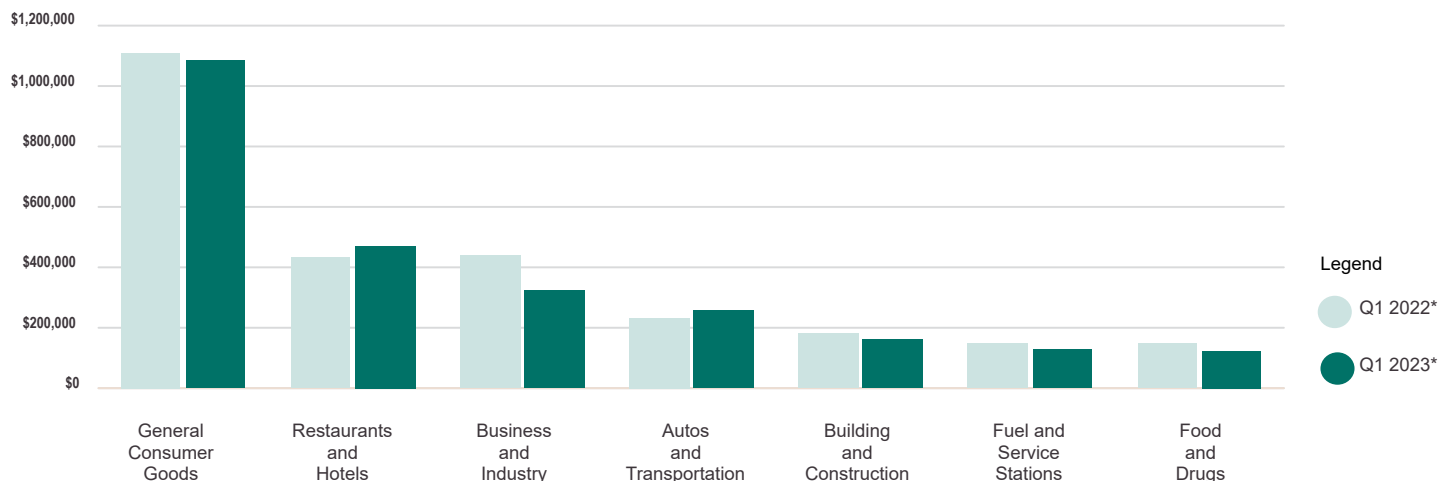
1Q 2023 (JANUARY - MARCH)



MEASURE CC - 0.50% -5.6% ↓
 TOTAL: \$ 2,562,224 1Q2023

MEASURE C - 0.25% -2.9% ↓
 TOTAL: \$1,316,651 1Q2023

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



CULVER CITY DISTRICT TAXES HIGHLIGHTS

Culver City district tax receipts from January through March were 5.6% below the first sales period in 2022 for Measure CC and 2.9% lower for Measure C.

These two tax measures typically track closely. The difference in the year over year percentage change came from statewide audit corrections and a small number of taxpayer filing discrepancies in the current and prior year quarters.

The comparative decrease in the business-industry group was mostly generated by the exceptionally large medical/biotech payments received last year. Office equipment sales also slumped. Early 2022 saw extraordinary surges in fuel and construction product prices; as

these spikes subsided, service stations, building materials and plumbing/electrical suppliers remitted fewer taxes.

Consumers, leery of where the U.S. economy is headed, reduced general consumer goods purchases. As a result, transactions fell in the electronics/appliances, home furnishings, department and shoe store sectors.

In contrast to Bradley-Burns sales tax, both measures posted strong car buying by residents. New motor vehicle gains were supported by the recent opening of a high-volume regional serving dealership in a neighboring jurisdiction.

Eating-related activities remained favorable; casual dining and food delivery accounted for the bulk of growth by restaurants-hotels.



TOP 25 PRODUCERS

- | | |
|-----------------------------------|----------------|
| 7 Eleven | Macy's |
| Amazon Fulfillment Services | Nordstrom Rack |
| Amazon MFA | Sephora |
| Arco | Target |
| Best Buy | Tesla Motors |
| Best Buy Com | TJ Maxx |
| Costco | Trader Joe's |
| Culver City Toyota | Uber Eats |
| Culver 19 | Vons |
| Dept of Motor Vehicles Allocation | |
| Etta Culver City | |
| Hatchet Hall | |
| Howard Industries | |
| In N Out Burger | |
| JC Penney | |
| KIA | |



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

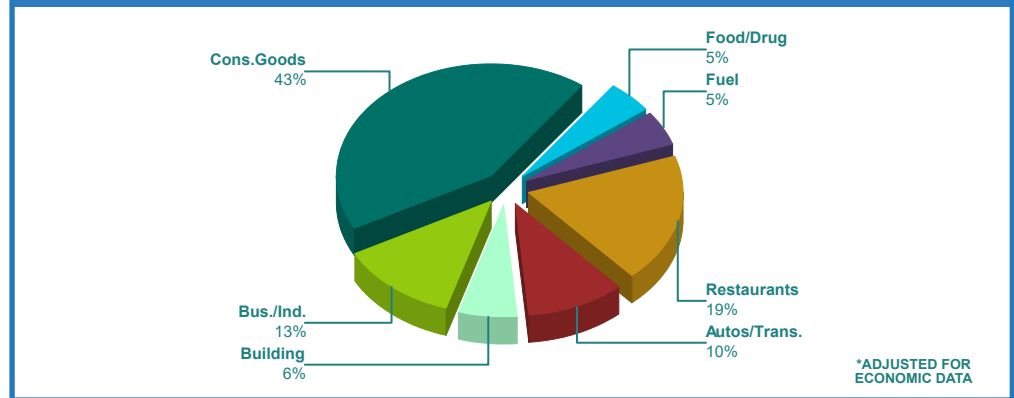
of more in-state fulfillment centers and retailers using existing locations to deliver goods tied to online orders continue to shift taxes away from the pools. While the offsetting effect was these revenues being allocated directly to jurisdictions where the goods were sourced, only a limited number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



TOP NON-CONFIDENTIAL BUSINESS TYPES

Culver City Measure CC Business Type	Q1 '23*	Change	HdL State Change
Discount Dept Stores	395.1	1.5% ↑	-0.6% ↓
Casual Dining	195.6	8.9% ↑	9.6% ↑
New Motor Vehicle Dealers	159.7	25.4% ↑	0.7% ↑
Service Stations	124.7	-15.2% ↓	-9.8% ↓
Electronics/Appliance Stores	122.1	-10.3% ↓	-2.4% ↓
Specialty Stores	99.1	6.1% ↑	3.7% ↑
General Merchandise	98.0	1.9% ↑	11.8% ↑
Quick-Service Restaurants	89.6	-5.8% ↓	5.1% ↑
Family Apparel	87.0	3.9% ↑	2.3% ↑
Department Stores	78.4	-2.2% ↓	-6.9% ↓

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars