

Q1 2019



City of Maywood Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2019)

Maywood In Brief

Maywood's receipts from January through March were 6.4% above the first sales period in 2018. Excluding reporting aberrations, actual sales were up 7.9%.

Multiple payment aberrations and a newly opened fast casual eatery boosted restaurant receipts 22.9%. Actual dining out sales were up 7.3%. A reporting change in favor of the City for one industrial vendor boosted business and industry sales 78%.

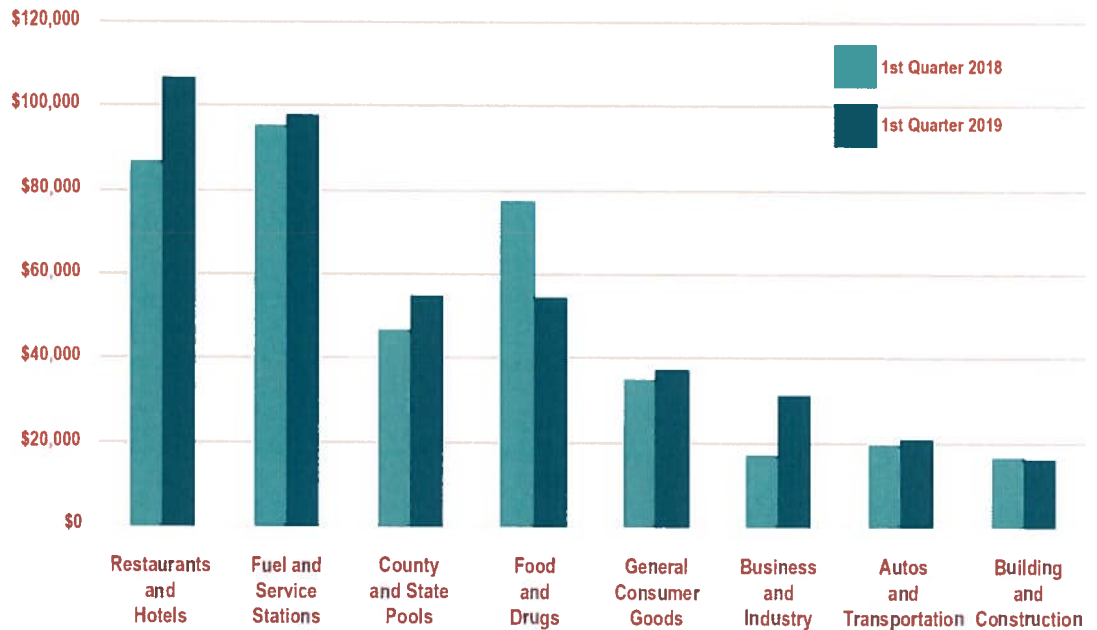
Fuel receipts were up a modest 2.5% as the growth in retail gas prices moderated. General retail sales and the automotive sector posted small cash gains.

Due to the higher point of sale receipts and strong growth in the countywide use tax pool, the City's allocation from the pool increased 17.2%.

The gains were partially offset by a large accounting adjustment that depressed food and drugs and a slight dip in building and construction sales.

Net of aberrations, taxable sales for all of Los Angeles County grew 0.9% over the comparable time period; the Southern California region was up 0.9%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS IN ALPHABETICAL ORDER

76	Maywood Car Wash
99 Cents Only	Maywood Shell
AutoZone	McDonalds
dd's Discounts	Rite Aid
Denny's	Scenic Industrial
Dunn Edwards Paint	Signresource
El Pollo Loco	Superior Grocers
Food 4 Less	Tapia Brothers
Jack in the Box	Waba Grill
King Taco	Wingstop
Las Islas Marias	WS Dodge Oil
LB Johnson Hardware	Yoshinoya
Maywood Arco AM PM	

REVENUE COMPARISON

Three Quarters – Fiscal Year To Date (Q3 to Q1)

	2017-18	2018-19
Point-of-Sale	\$988,877	\$1,259,706
County Pool	137,745	180,121
State Pool	640	655
Gross Receipts	\$1,127,262	\$1,440,482

Statewide Results

Local sales and use tax receipts from January through March sales were 1.0% higher than the first quarter of 2018 after factoring out accounting anomalies and back payments from previous state reporting shortfalls. This was the lowest percentage increase since first quarter, 2010.

The growth came primarily from a solid quarter for purchases related to expanding logistics, medical and technology facilities and modest gains in building-construction supplies and restaurants. Cannabis sales produced a slight uptick in the food-drug group.

Lower fuel prices and declining general consumer good purchases offset the gains. The shift to internet purchases continued with online shopping accounting for 22.3% of the total general consumer goods segment versus 20.2% one year ago. Tax receipts from new car sales exhibited significant reductions although the drop was partially offset by an upswing in used autos and auto leases.

Regional changes ranged from a decline of 2.1% to gains as high as 4.4%. However, the differences were primarily attributable to onetime projects or capital purchases and not reflective of overall economic trends.

Slower Growth Ahead?

July marks ten years of continuous economic growth which is the longest period of U.S. economic expansion on record. However, analysts from a variety of economic segments are reporting signs that we may be leveling off.

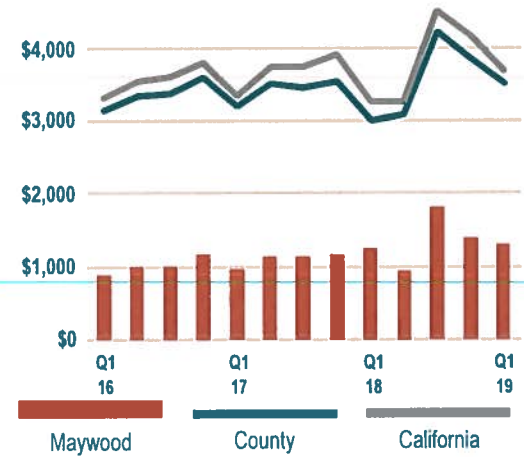
This quarter marked the eighth consecutive comparative period decline in California new car registrations with analysts noting that higher prices and a growing supply of vehicles coming off lease are making used cars more attractive. They also note that on-demand services such as Uber and Lyft are making it easier for debt-burdened millennials to avoid buying cars altogether.

Rising restaurant menu prices, renewed competition from grocer prepared meals, and cutbacks in foreign tourism appear to be reducing restaurant patronage which in recent years was one of the state's fastest growth segments. There will be an uptick in the second quarter's fuel-related tax receipts because of that period's refinery shutdowns; lower crude oil costs are expected to produce subsequent declines.

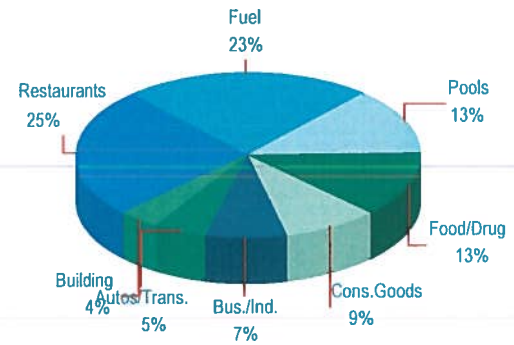
Uncertainty over U.S. tariff and trade policies plus labor shortages are delaying some investment and business expansion decisions while reduced home sales and two quarters of declining construction permit values suggest a potential future leveling in that sector. Investment in technological advances should continue and remain strong.

Economic shifts are not the only factor leveling sales tax revenues. With an economy based on intellectual technology rather than goods and consumer priorities shifting to non-taxable services and experiences, sales tax no longer reflects 21st century spending. Each year therefore, the portion of the economy that is taxed, shrinks.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP
Maywood This Quarter



MAYWOOD TOP 15 BUSINESS TYPES

Business Type	Maywood		County	HdL State
	Q1 '19	Change	Change	Change
Auto Repair Shops	5,291	18.1%	14.1%	12.5%
Automotive Supply Stores	15,419	5.8%	12.6%	8.5%
Casual Dining	23,860	72.9%	14.7%	13.3%
Convenience Stores/Liquor	11,594	25.1%	15.5%	16.6%
Drug Stores	— CONFIDENTIAL —	—	22.4%	37.8%
Family Apparel	— CONFIDENTIAL —	—	2.7%	7.1%
Fast-Casual Restaurants	10,481	137.0%	8.3%	8.3%
Food Service Equip./Supplies	— CONFIDENTIAL —	—	12.3%	11.4%
Grocery Stores	29,387	51.0%	42.4%	25.7%
Light Industrial/Printers	— CONFIDENTIAL —	—	17.7%	13.7%
Paint/Glass/Wallpaper	— CONFIDENTIAL —	—	-1.0%	0.2%
Petroleum Prod/Equipment	— CONFIDENTIAL —	—	-23.9%	17.9%
Quick-Service Restaurants	71,497	5.8%	8.2%	10.0%
Service Stations	69,752	1.2%	21.6%	15.6%
Variety Stores	10,727	3.2%	75.2%	65.6%
Total All Accounts	364,451	5.0%	16.5%	13.5%
County & State Pool Allocation	54,777	16.9%	29.8%	23.8%
Gross Receipts	419,228	6.4%	18.1%	14.9%