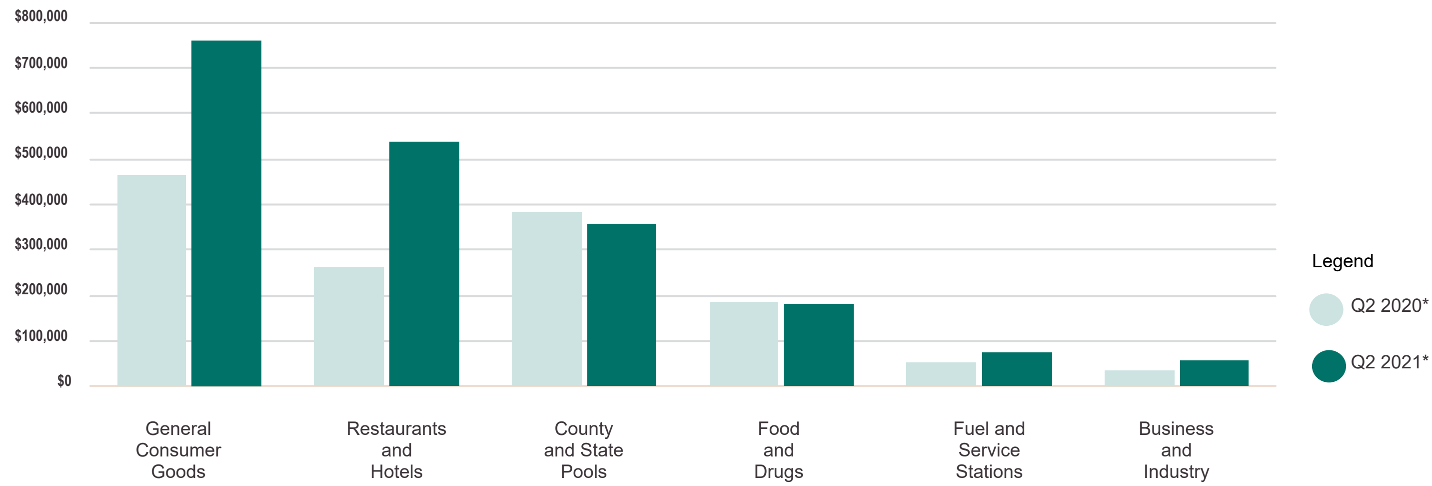
CITY OF MANHATTAN BEACH
SALES TAX UPDATE
2Q 2021 (APRIL - JUNE)

MANHATTAN BEACH	41.8%	40.9%	37.3%
TOTAL: $ 2,256,454	2Q2021 ↑	COUNTY ↑	STATE ↑

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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF MANHATTAN BEACH HIGHLIGHTS

Receipts from Manhattan Beach's April through June sales were 15.0% higher than the same quarter last year. After accounting aberrations were factored out, actual sales activity increased 41.8% reflecting the recovery from the extreme lows of a year ago during the height of the pandemic shutdown.

While most major business groups experienced large gains, general consumer goods which represents 40% of sales tax produced, posted a 63.2% increase led by family apparel, sporting goods/bike, and specialty store brisk sales.

All eatery categories benefited from less restricted COVID-19 mandates (especially casual-dining) buoying overall restaurants-hotels returns 106.2%.

A combination of higher gas prices, a return to in-person work, and more travel drove service station receipts higher.

Net of aberrations, taxable sales for all of Los Angeles County grew 40.9% over the comparable time period; the Southern California region was up 40.3%.

TOP 25 PRODUCERS

Apple
Arco AM PM
BevMo
California Pizza Kitchen
Chevron
Circle K
CVS Pharmacy
Kettle
Macys
Manhattan Beach Toyota Scion
Nick's Manhattan Beach
Old Navy
Olive Garden
Ralphs Fresh Fare
REI
Skechers by Mail
Strand House Standbar
Sugarfish
Surf Shop Box
Target
The Arthur J
Tin Roof Bistro
Toyota Lease Trust
Trader Joes
Wrights

STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring April through June, was 37% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The 2nd quarter of 2020 was the most adversely impacted sales tax period related to the Covid-19 pandemic and Shelter-In-Place directive issued by Governor Newsom. The 2Q21 comparison quarter of 2Q20 was the lowest since 2Q14 due to indoor dining restrictions at most restaurants; non-essential brick and mortar store closures; and employee remote/work from home options which significantly reduced commuting traffic and fuel sales. Therefore, similar to the 1st quarter 2020 comparison, dramatic percentage gains for 2Q21 were anticipated and materialized.

Up to this point through California's recovery, we've seen some regions experience stronger gains than others. However, with the latest data and the depths of declines in the comparison period, statewide most regions saw very similar growth.

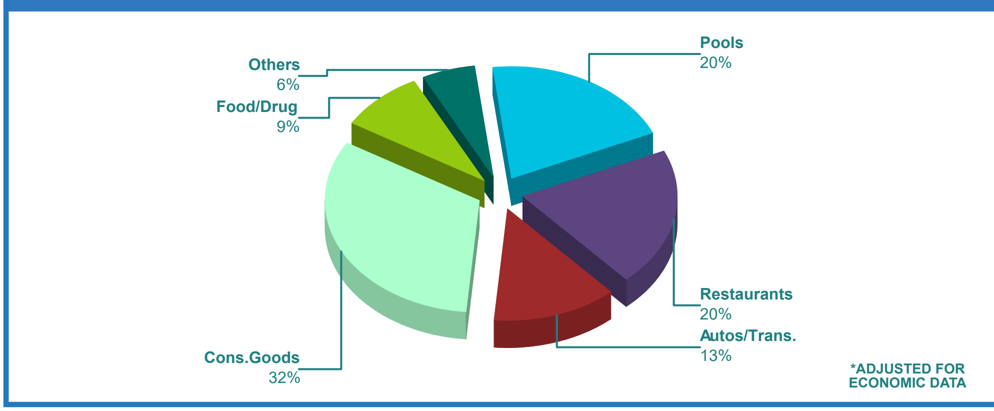
Within the results, prolonged gains by the auto-transportation and building-construction industries generated higher receipts. Although the explosion of sales by new and used car dealers has come as welcome relief, the latest news of inventories being stretched thin due to the micro processing chip issues earlier in the year may result in a headwind into 2022. Conversely for the building-construction group, as housing prices in many markets increased over the last year, sustained available homeowner and investor equity is in place for the foreseeable future. Receipts from general consumer goods marked a steady and expected come back, led by family apparel, jewelry and home furnishing stores. When combined with solid greater economic trends, this is a welcome sign for many companies as a lead up to the normal holiday shopping period later this calendar year.

As consumers flock back into retail locations and with AB 147 fully implemented, growth from the county use tax pools - largely enhanced by out-of-state online sales activity - returned to more traditional gains of 9%. These results also included the reallocation of tax dollars previously distributed through the countywide pools to specific local jurisdictions that operate in-state fulfillment centers. Thus, the business and industry category, where fulfillment centers, medical-biotech vendors and garden-agricultural supplies are shown, jumped 26%.

In June, many restaurants reopened indoor dining. Given consumer desires to eat out and beautiful spring weather, all categories experienced a strong, much-needed rebound. However, labor shortages and a rise in menu prices continue to be a concern.

Looking ahead, sustained sales tax growth is still anticipated through the end of the 2021 calendar year. Inflationary effects are showing up in the cost of many taxable products. Pent up demand for travel and experiences, the return of commuters with more costly fuel, and labor shortages having upward pressure on prices may begin to consume more disposable income and tighten growth by the start of 2022.

REVENUE BY BUSINESS GROUP
Manhattan Beach This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Manhattan Beach Business Type	Q2 '21*	Change	County Change	HdL State Change
Casual Dining	314.0	118.3%	145.7%	130.3%
Fine Dining	115.6	163.2%	213.9%	196.1%
Grocery Stores	105.5	-4.7%	-0.9%	-0.9%
Sporting Goods/Bike Stores	86.4	143.7%	39.3%	35.8%
Family Apparel	80.2	124.4%	247.3%	230.5%
Service Stations	61.7	57.3%	85.5%	73.9%
Home Furnishings	54.5	96.6%	88.3%	88.5%
Specialty Stores	54.4	75.5%	71.7%	67.8%
Quick-Service Restaurants	49.8	36.5%	31.8%	28.8%
Convenience Stores/Liquor	45.2	0.9%	6.1%	7.1%

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

**In thousands of dollars*