CITY OF IRWINDALE
SALES TAX UPDATE
1Q 2021 (JANUARY - MARCH)

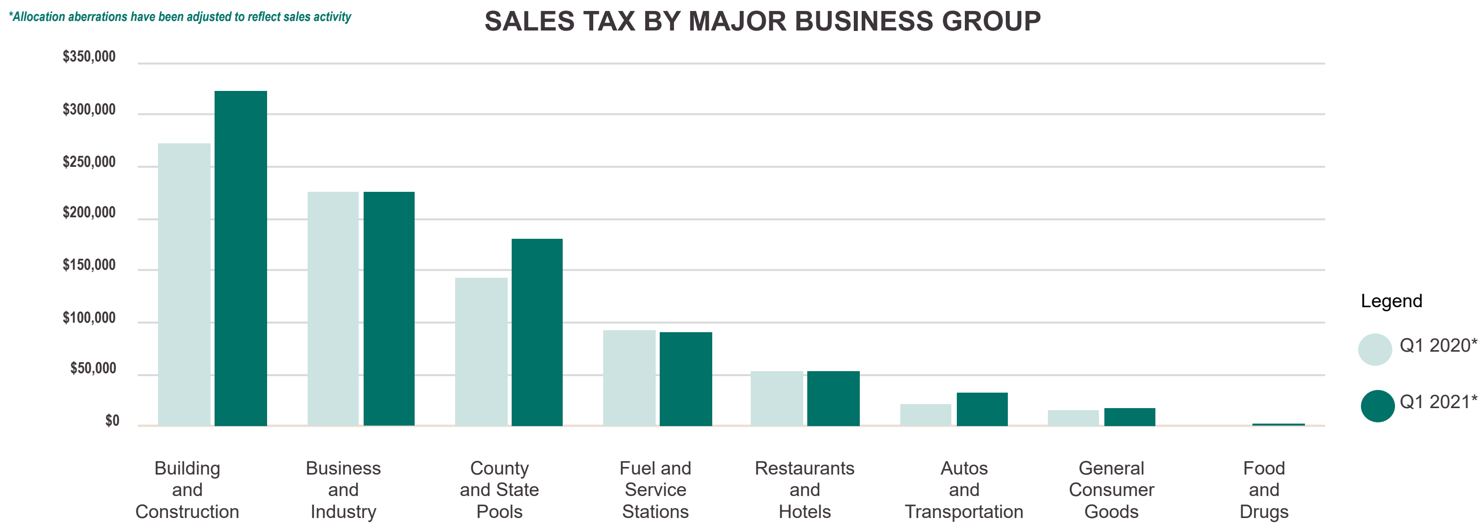
IRWINDALE

TOTAL: $ 922,987

12.0% 1Q2021

2.6% COUNTY

9.5% STATE



Measure I

TOTAL: $732,925

CITY OF IRWINDALE HIGHLIGHTS

Receipts from Irwindale's January through March sales were 40.6% higher than the same quarter last year. However, due to the Governor's sanctioned deferral of tax payments a year ago this comparison is temporarily exaggerated. After this and other accounting aberrations are factored out, actual sales activity increased 12.0%.

With professional industrial & residential construction and DIY home improvement projects activity remaining robust, building-construction group returns rose 18% and was a significant factor in the overall quarterly increase.

With continued strong online sales, the City's share of the countywide use tax pool grew 26.1%. While restaurants-hotels revenues were basically flat, group results surpassed both county and statewide results. Brisk used car sales further contributed to the gains.

Voter-approved Measure I, the City's transactions and use tax, added $732,925 to the above discussed amounts.

Net of aberrations, taxable sales for all of Los Angeles County grew 2.6% over the comparable time period; the Southern California region was up 9.0%.

TOP 25 PRODUCERS

- Arco AM PM
- Bartley Optical Sales
- Chem Arrow
- Crowley Company
- Davis Wire
- Decore Ative Specialties
- Food Makers Bakery Equipment
- Gentle Carmen Auto
- Hanson Aggregates West
- Holliday Rock
- Johnstone Supply
- L& K Building Materials
- McDonalds
- Miura
- Pacific Panel Products
- Patton Sales
- RE Michel Company
- Rivergrade Shell Station
- Semihandmade
- Sigler
- Spragues Rock & Sand
- United Rock Products
- Unitek
- Vulcan Materials
- Zotac USA

HdL Companies

Published by HdL Companies in Summer 2021

STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring January through March, was 9.5% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The Shelter-In-Place directive began one year ago which had the impact of immediate store and restaurant closures combined with remote/work from home options for employees which significantly reduced commuting traffic and fuel sales. When comparing to current period data, percentage gains are more dramatic. Furthermore, this pandemic dynamic combined with the Governor's first Executive Order of last spring allowing for deferral of sales tax remittances explained why non-adjusted cash results were actually up 33%.

These initial recovery gains were not the same everywhere. Inland regions like Sacramento, San Joaquin Valley, Sierras, Far North and the Inland Empire area of Southern California performed much stronger than the Bay Area, Central Coast and metro areas of Southern California.

Within the results, solid performance by the auto-transportation and building-construction industries really helped push receipts higher. Weak inventories and scarcity for products increased the taxable price of vehicles (new & used), RV's, boats and lumber which appeared to be a major driving force for these improved returns. Even though e-commerce sales activity continued to rise, brick and mortar general consumer retailers also showed solid improvement of 11% statewide.

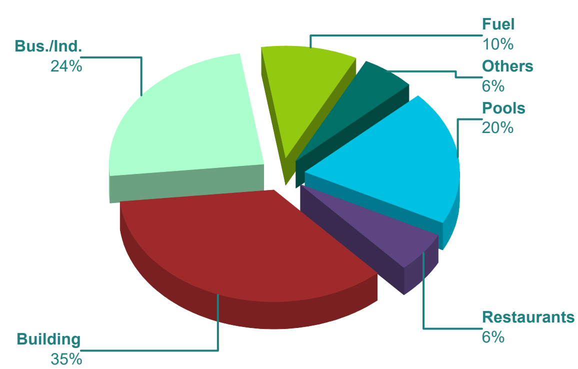
An expected change occurred this quarter as a portion of use tax dollars previously distributed through the countywide pools was redirected to specific local jurisdictions. Changes in business structure required a taxpayer to determine where merchandise was inventoried at the time orders were made. Therefore, rather than apportion sales to the county pool representing where the merchandise was shipped, goods held in California facilities required allocations be made to the agency where the warehouse resides. With this modification, the business and industry category jumped 18% inclusive of steady gains by fulfillment centers, medical-biotech and garden-agricultural suppliers. Even after the change noted, county pools surged 18% which demonstrated consumers continued desire to make purchases online.

Although indoor dining was available in many counties, the recovery for restaurants and hotels still lagged other major categories. Similarly, while commuters and travelers slowly began returning to the road, the rebound for gas stations and jet fuel is trailing as well. Both sectors are expected to see revenues climb in the coming quarters as commuters and summer tourism heats up.

Looking ahead, sustained growth is anticipated through the end of the 2021 calendar year. As a mild head wind, pent up demand for travel and experiences may begin shifting consumer dollars away from taxable goods; this behavior modification could have a positive outcome for tourist areas within the state.

REVENUE BY BUSINESS GROUP

Irwindale This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Irwindale Business Type	Q1 '21	Change	County Change	HdL State Change
Contractors	291,480	17.4% ↑	-6.8% ↓	3.6% ↑
Service Stations	89,866	-3.2% ↓	-10.0% ↓	-4.0% ↓
Heavy Industrial	44,086	-11.9% ↓	-2.5% ↓	-4.0% ↓
Drugs/Chemicals	43,219	-1.4% ↓	7.3% ↑	1.5% ↑
Quick-Service Restaurants	37,295	4.4% ↑	-2.8% ↓	1.1% ↑
Light Industrial/Printers	28,500	170.1% ↑	-3.4% ↓	-1.6% ↓
Plumbing/Electrical Supplies	22,068	64.6% ↑	-1.1% ↓	4.5% ↑
Used Automotive Dealers	21,409	125.7% ↑	11.3% ↑	10.3% ↑
Food Service Equip./Supplies	18,298	-45.1% ↓	-20.4% ↓	-13.4% ↓
Garden/Agricultural Supplies	14,249	30.5% ↑	24.2% ↑	8.8% ↑

Allocation aberrations have been adjusted to reflect sales activity

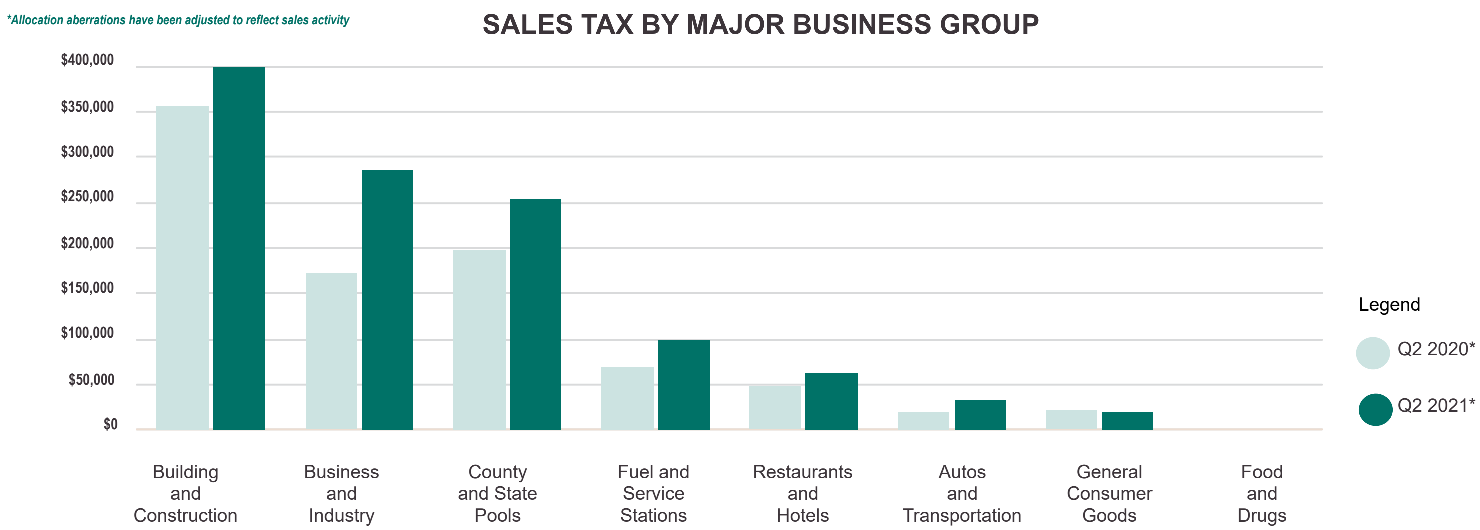
CITY OF IRWINDALE
SALES TAX UPDATE
2Q 2021 (APRIL - JUNE)

IRWINDALE
TOTAL: $ 1,157,389

30.8% 2Q2021 ↑

40.9% COUNTY ↑

37.3% STATE ↑



Measure I
TOTAL: $728,274
↑ 59.2%

CITY OF IRWINDALE HIGHLIGHTS

Irwindale's receipts from April through June were 60.4% above the second sales period in 2020. Excluding reporting aberrations, actual sales were up 30.8%.

Although supply chain interruptions proved challenging for the business-industry sector, increases in new orders resulted in higher revenue. Consumers are still interested in home improvements projects, even as the price of lumber soared 300% above its pre-pandemic price tag in 2Q21.

The loosening of COVID restrictions in recent months has led to a rapid recovery in global demand for crude oil. The price of a barrel of oil has more than doubled when compared to the same period in the prior year, resulting in higher prices at the pump. The restaurant-hotel sector has posted increases as indoor dining resumed in March 2021, despite impacts from the COVID-19 Delta variant and labor shortages.

The City's share of the countywide use tax pool decreased 3.0% when compared to the year ago period. Measure I, the City's voter-approved 0.75% transactions and use tax, increased 59.2% when compared to the same period in the prior year, with the largest growth seen in the business-industry and building-construction groups.

TOP 25 PRODUCERS

Arco	RE Michel Company
Arco AM PM	Semihandmade
Bartley Optical Sales	Shock Surplus
Charter Furniture	Sigler
Chem Arrow	Spragues Rock & Sand
Decore Ative Specialties	United Rock Products
Edition Motors	Unitek
Geary Pacific Supply	Vulcan Materials
Hanson Aggregates West	Western Emulsions
Holliday Rock	Zotac
Irwindale Brew Yard	
Johnstone Supply	
McDonalds	
Miura	
Patton Sales	

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.

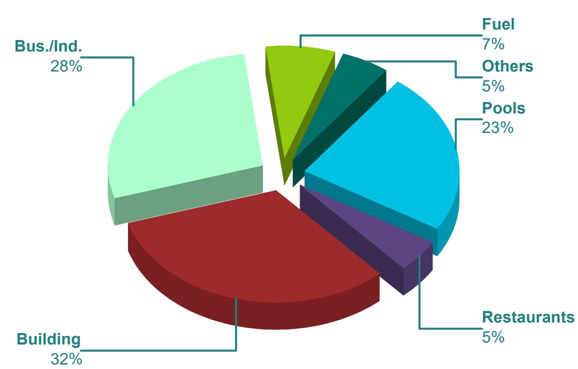
As consumers flock back into retail locations and with AB 147 fully implemented, growth from the county use tax pools - largely enhanced by out-of-state online sales activity - returned to more traditional gains of 9%. These results also included the reallocation of tax dollars previously distributed 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

Irwindale This Fiscal Year*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Irwindale Business Type	Q2 '21	Change	County Change	HdL State Change
Contractors	361,567	9.8% ↑	9.5% ↑	21.9% ↑
Service Stations	98,899	42.8% ↑	85.5% ↑	73.9% ↑
Heavy Industrial	56,421	57.8% ↑	9.7% ↑	10.7% ↑
Food Service Equip./Supplies	51,718	89.9% ↑	40.4% ↑	33.5% ↑
Drugs/Chemicals	46,642	82.5% ↑	10.3% ↑	13.1% ↑
Quick-Service Restaurants	43,513	27.1% ↑	31.9% ↑	28.9% ↑
Light Industrial/Printers	28,787	98.8% ↑	18.5% ↑	19.4% ↑
Plumbing/Electrical Supplies	22,326	23.0% ↑	28.0% ↑	37.5% ↑
Textiles/Furnishings	20,896	11.0% ↑	23.0% ↑	31.3% ↑
Garden/Agricultural Supplies	16,318	-10.1% ↓	25.4% ↑	10.2% ↑

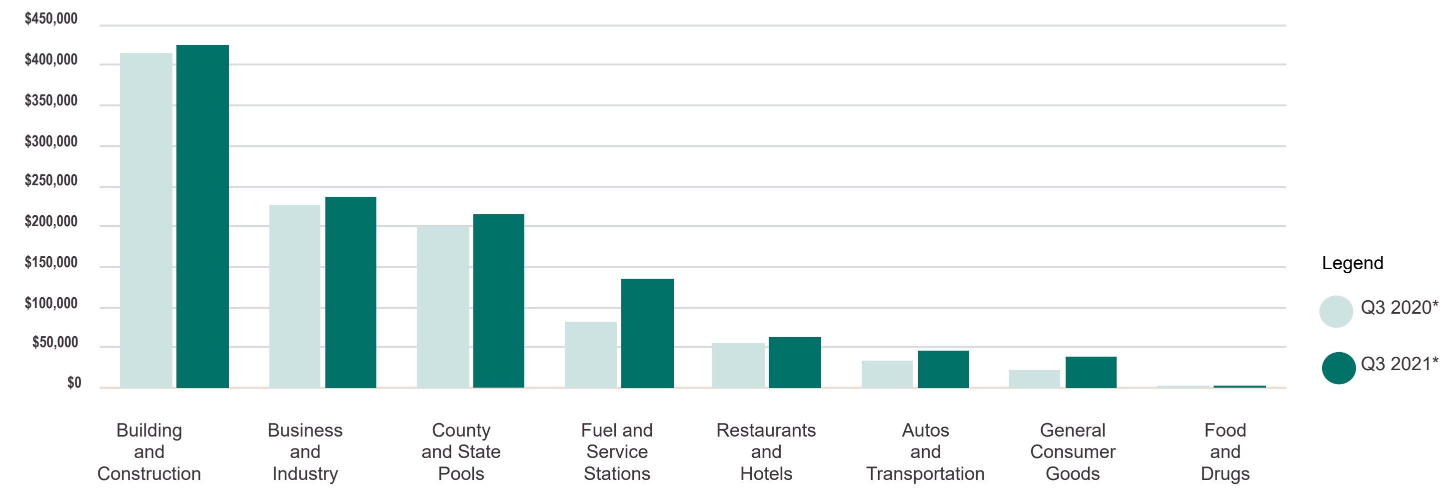
Allocation aberrations have been adjusted to reflect sales activity

CITY OF IRWINDALE
SALES TAX UPDATE
3Q 2021 (JULY - SEPTEMBER)

IRWINDALE	11.8%	20.0%	18.3%
TOTAL: $ 1,160,401	3Q2021	COUNTY	STATE

Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure I

TOTAL: $772,985

27.0%

CITY OF IRWINDALE HIGHLIGHTS

Receipts from Irwindale's July through September sales were 21.3% higher than the same quarter last year. Actual sales activity increased 11.8% after accounting aberrations were factored out.

Due to higher fuel prices and increased commuter and leisure travel, service station revenues increased 65% which is in line with county and statewide results.

Building-construction, the City's largest sales tax group, increased a modest 2% led mainly by contractor material and supply purchases.

Business-industry, restaurants, used car sales, and general consumer goods all experienced improved sales. A larger allocation from the countywide use tax pool further contributed to the gains.

Voter-approved Measure I saw similar results with increases particularly in business-industry, service stations, and restaurants.

Net of aberrations, taxable sales for all of Los Angeles County grew 20.0% over the comparable time period; the Southern California region was up 19.9%.

TOP 25 PRODUCERS

- ACH Supply
- Arco
- Arco AM PM
- Charter Furniture
- Chem Arrow
- Decore Ative Specialties
- Food Makers Bakery Equipment
- Geary Pacific Supply
- Gentle Carmen Auto
- Hanson Aggregates West
- Johnstone Supply
- Lifetouch National School Studios
- McDonalds
- Miura
- Patton Sales
- RE Michel Company
- Rivergrade Shell Station
- Semihandmade
- Sigler
- Spragues Rock & Sand
- United Rock Products
- Unitek
- Vulcan Materials
- Western Emulsions
- Zotac

STATEWIDE RESULTS

Local one cent sales and use tax receipts for sales occurring July through September were 18% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These aberrations had been much greater than normal in the last two years as the Governor's Executive Orders allowed businesses to defer some sales tax payments as a supportive measure during the pandemic. This program has now expired, and merchant remittances are more consistent, making cash receipts more reflective of underlying economic activity.

The prior year comparison quarter was the start of the pandemic recovery, and the strong growth enjoyed since continued with the recent results.

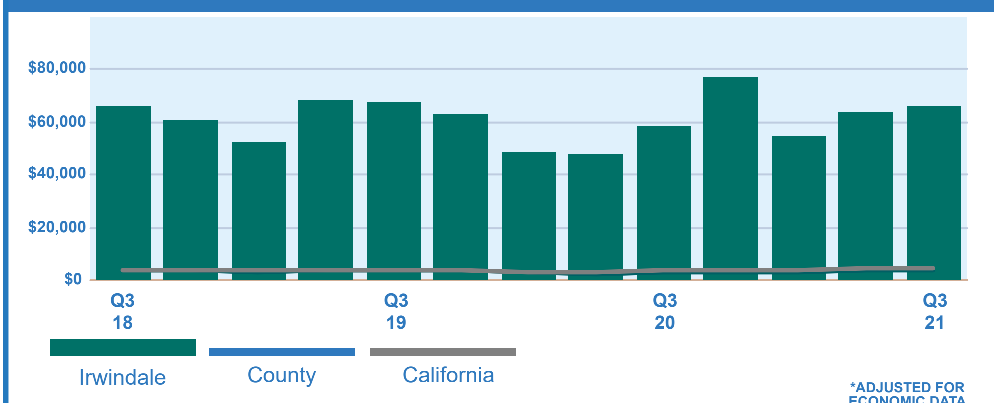
Surprisingly, one of the stronger sectors has been restaurants and hotels. Originally forecasted to take an extended amount of time to recover, statewide sales tax generated during the summer months exceeded amounts from pre-pandemic 2019. Even with the availability of indoor and outdoor dining, pent up demand resulted in long wait times to enjoy local culinary experiences. When combined with increasing restaurant tabs as the cost of food and staff wages surge, sales tax remittances are expected to continue growing. Additionally, while the industry awaits the return of foreign tourism in metropolitan areas, strong domestic travel has helped varied regions around the state especially Southern California and the Central Coast.

Receipts from general consumer goods marked a steady recovery, led by apparel retailers, jewelry, electronic/appliance and specialty outlets. Discount department stores, especially those selling gas, helped exemplify the strength of brick-and-mortar merchants. Gains from the countywide use tax pools however, slowed to 2% compared to the high-water mark last year, which had been boosted by new tax collecting requirements imposed under AB 147 for online retailers. All things considered, when combined with positive economic trends, these are a welcome sign leading up to the holiday shopping period.

Although car dealers had expressed concerns about inventory shortages due to supply chain disruptions and computer chip shortages earlier in the year, the sale of new and used vehicles posted solid gains regardless. Higher property values and good weather contributed to strong building materials and contractor returns. As commuting workers and travelers returned to the road with increased gas prices, fuel and service stations also experienced a dramatic recovery.

Overall growth is expected to continue through the end of the 2021 calendar year. Possible headwinds into 2022 include: pent up demand for travel and experiences shifting spending away from taxable goods; higher prices for fuel, merchandise and services displacing more of consumer's disposable income; and expected interest rate hikes resulting in more costly financing for automobiles, homes, and consumer loans.

SALES PER CAPITA*



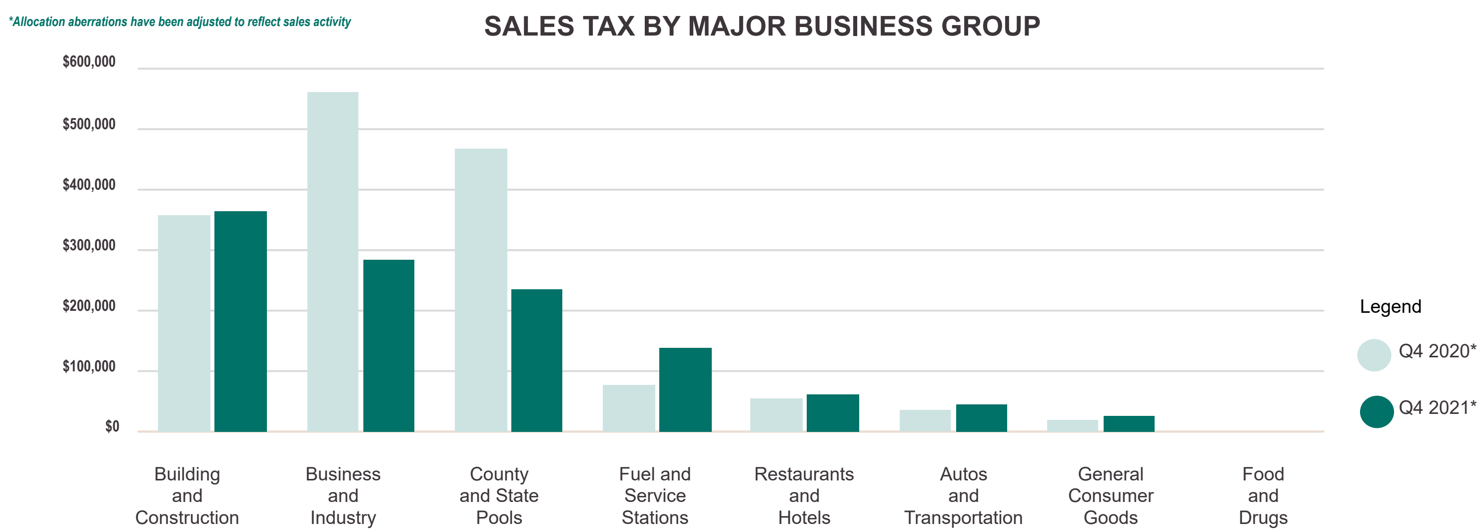
TOP NON-CONFIDENTIAL BUSINESS TYPES

Irwindale Business Type	Q3 '21	Change	County Change	HdL State Change
Contractors	387,499	1.8% ↑	3.6% ↑	12.2% ↑
Service Stations	136,229	66.5% ↑	65.3% ↑	53.6% ↑
Drugs/Chemicals	49,884	6.4% ↑	-1.9% ↓	4.7% ↑
Quick-Service Restaurants	42,896	9.5% ↑	15.3% ↑	13.5% ↑
Heavy Industrial	38,186	-11.9% ↓	20.1% ↑	10.8% ↑
Plumbing/Electrical Supplies	30,050	22.1% ↑	-2.5% ↓	13.7% ↑
Textiles/Furnishings	27,010	22.5% ↑	14.6% ↑	18.6% ↑
Light Industrial/Printers	26,290	14.8% ↑	10.1% ↑	11.9% ↑
Used Automotive Dealers	24,450	29.5% ↑	16.8% ↑	16.5% ↑
Food Service Equip./Supplies	21,098	-34.5% ↓	15.0% ↑	15.4% ↑

Allocation aberrations have been adjusted to reflect sales activity

CITY OF IRWINDALE
SALES TAX UPDATE
4Q 2021 (OCTOBER - DECEMBER)

IRWINDALE	-26.7%	16.9%	15.6%
TOTAL: $ 1,153,336	4Q2021	COUNTY	STATE



Measure I
TOTAL: $846,015

-7.5%

CITY OF IRWINDALE HIGHLIGHTS

Irwindale's receipts from October through December were 34.4% below the fourth sales period in 2020. Excluding reporting aberrations, actual sales were down 26.7%.

A large, one-time use tax payment in the year-ago period resulted in a temporary decline in receipts from the business-industry category. Revenue from food-drugs remained flat.

Higher retail gasoline prices in 4Q21 were the result of increased demand for gasoline, reduced U.S. refinery capacity, and low gasoline inventories. The restaurant-hotel sector is benefiting from the gap between inflation for food purchased for cooking at home versus dining out, making eating out more appealing to consumers. A shortage of necessary parts and supply chain issues have impacted nearly all aspects of the autos-transportation group, including autos parts stores and auto repair shops. Prices for general consumer goods reached a 40-year high in 4Q21 brought on by inflation, growing at the fastest pace since June 1982.

The City's share of the countywide use tax pool decreased 49.6% when compared to the same period in the prior year. Measure I revenue was led by sales in the business-industry and fuel-service stations categories.

TOP 25 PRODUCERS

Arco
Arco AM PM
Charter Furniture
Chem Arrow
Decore Ative Specialties
Douglas Machine
Fleetwood
Food Makers Bakery Equipment
G & I Islas Industries
Geary Pacific Supply
Gentle Carmen Auto
Irwindale Brew Yard
Johnstone Supply
McDonalds
Patton Sales
Rivergrade Shell Station
Semihandmade
Shock Surplus
Sigler
Spragues Rock & Sand
United Rock Products
Unitek
Vulcan Materials
Western Emulsions
Zotac

STATEWIDE RESULTS

California's local one cent sales and use tax receipts for sales during the months of October through December were 15% higher than the same quarter one year ago after adjusting for accounting anomalies. A holiday shopping quarter, the most consequential sales period of the year, and the strong result was a boon to local agencies across the State. Consumers spent freely as the economy continued its rebound from the pandemic and as robust labor demand reduced unemployment and drove up wages.

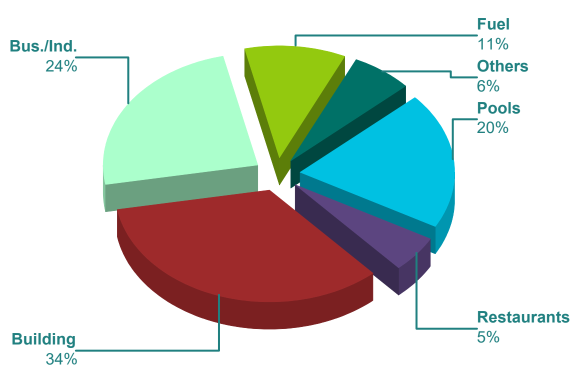
Brick and mortar retailers did exceptionally well as many shoppers returned to physical stores rather than shopping online as the COVID crisis waned. This was especially true for traditional department stores that have long been among the weakest categories in retail. Discount department stores, particularly those selling gas, family and women's apparel and jewelry merchants also experienced strong sales. Many retailers are now generating revenue that is nearly as much, or even higher, than pre-pandemic levels.

Sales by new and used car dealers were also much higher than a year ago. The inventory shortage has resulted in higher prices that have more than offset the decline in unit volume in terms of revenue generation for most dealerships. Restaurants and hotels were only moderately lower than last quarter, with both periods being the highest in the State's history. Increased menu prices coupled with robust demand to dine out are largely responsible for these gains. These are impressive results for a sector that does not yet include the positive impact that will occur later this year as international travel steadily increases at major airports. Conference business, an important revenue component for many hotels, is also still in the early stages of recovery.

Building material suppliers and contractors were steady as growing residential and commercial property values boosted demand, particularly in the Southern California, Sacramento and San Joaquin Valley regions. Although anticipated interest rate increases by the Federal Reserve could dampen the short-term outlook for this sector, industry experts believe limited selling activity will inspire increased upgrades and improvements by existing owners. With demand remaining tight and calls for more affordable housing throughout the state, the long-term outlook remains positive.

The fourth quarter, the final sales period of calendar year 2021, exhibited a 20% rebound in tax receipts compared to calendar year 2020. General consumer goods, restaurants, fuel and auto-transportation industries were the largest contributors to this improvement. However, the future growth rate for statewide sales tax revenue is expected to slow markedly. Retail activity has now moved past the easy year-over-year comparison quarters in 2021 versus the depths of the pandemic bottom the year before. Additional headwinds going into 2022 include surging inflation, a dramatic jump in the global price of crude oil due to Russia's war in Ukraine and corresponding monetary tightening by the Federal Reserve. This is expected to result in weakening consumer sentiment and continued, but decelerating, sales tax growth into 2023.

REVENUE BY BUSINESS GROUP
Irwindale This Calendar Year*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Irwindale Business Type	Q4 '21	Change	County Change	HdL State Change
Contractors	325,472	1.2%	7.0%	5.3%
Service Stations	137,026	80.4%	60.4%	53.8%
Heavy Industrial	53,882	52.8%	2.6%	5.6%
Drugs/Chemicals	46,143	-4.4%	-5.4%	2.9%
Quick-Service Restaurants	42,155	9.4%	13.9%	12.1%
Textiles/Furnishings	28,670	9.9%	14.6%	14.7%
Plumbing/Electrical Supplies	26,862	21.1%	18.4%	17.4%
Light Industrial/Printers	21,879	-21.4%	6.1%	8.1%
Automotive Supply Stores	17,081	67.1%	9.9%	10.5%
Building Materials	12,066	-19.6%	3.3%	2.3%

Allocation aberrations have been adjusted to reflect sales activity