

CITY OF IRWINDALE

SALES TAX UPDATE

3Q 2025 (JULY - SEPTEMBER)



IRWINDALE

TOTAL: \$ 1,311,716

5.6%
3Q2025



-0.1%
COUNTY

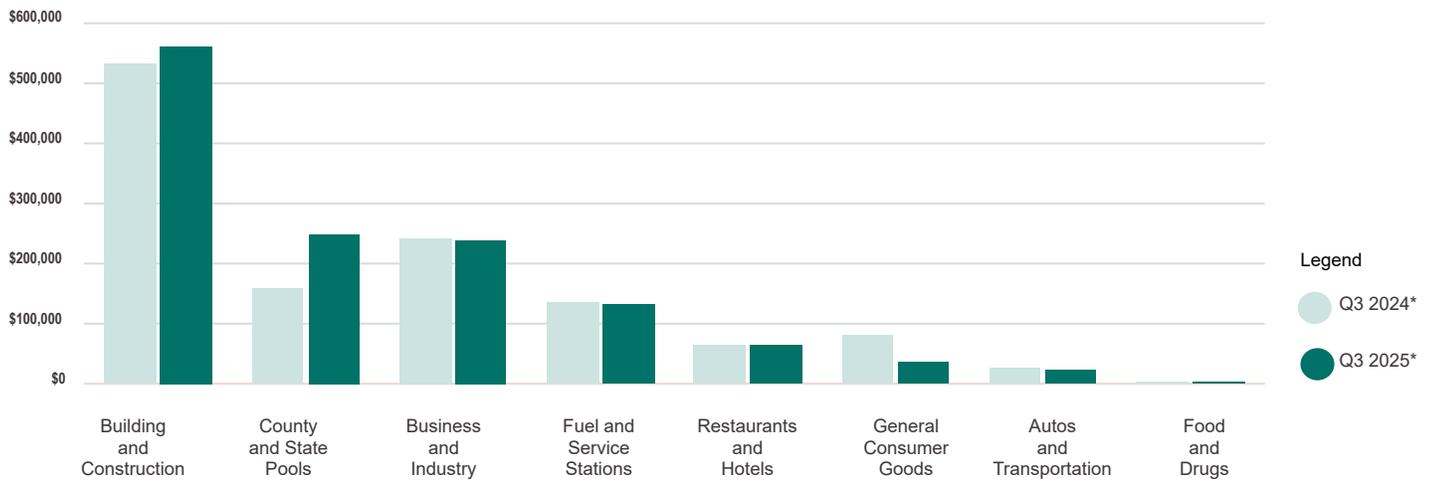


1.9%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure I

TOTAL: \$916,326

↓ -0.9%

Measure IR

TOTAL: \$296,372

→



CITY OF IRWINDALE HIGHLIGHTS

Irwindale's receipts from July through September were 57.3% above the third sales period in 2024. Excluding reporting aberrations, actual sales were up 5.6%.

Economic conditions in the U.S. and California point to only modest improvement in sales tax revenues. Consumer confidence remains fragile due to tariff uncertainty and cooling housing and labor markets. Spending continues, though consumers are prioritizing essentials and value while waiting for greater economic stability.

The City experienced a large boost in building-construction, including contractors. Returns from food-drugs, restaurants-hotels, drugs/chemicals, and

the state and county pools were also up.

Receipts from plumbing/electrical, specialty stores, service stations, heavy and light industrial/printers, and autos-transportation combined were lower than a year ago and partially offset the overall net quarterly gain.

Transaction and Use Tax Measures I and IR generated a combined 92.4% of the Bradley Burns amount, led by the strongest percentage within the autos-transportation sector.

Net of aberrations, taxable sales for all of Los Angeles County were flat over the comparable time period; the Southern California region was up 1.8%.



TOP 25 PRODUCERS

- | | |
|------------------------------|-------------------------------|
| 3M Oral Care | McDonald's |
| Arco AM PM | Patton Sales |
| Assa Abloy Residential Group | Shell |
| Chem Arrow | Sigler Wholesale Distributors |
| Crowley Company | SolarMax |
| Decore Ative Specialties | Spragues Rock & Sand |
| Food Makers Bakery Equipment | Sully Miller Contracting |
| G & I Islas Industries | Sunburst Decorative Rock |
| Geary Pacific Supply | Vulcan Materials |
| Good Smile Connect | Walters Wholesale Electric |
| Holiday Rock | Western Emulsions |
| Home Depot U S A | |
| Johnstone Supply | |
| Ma Mortenson Company | |

HdL Companies



STATEWIDE RESULTS

California’s local one-cent sales and use tax receipts for July through September were 1.9% higher than the same quarter last year, after adjusting for accounting anomalies. While growth appears modest, calendar year 2025 remains on pace to rebound following two years of declines. Combined with second-quarter activity, the summer period posted a 1% improvement over the 2024 season.

Sustained consumer trends reflected a willingness to spend while remaining cost-conscious and prioritizing value. Online retailers, reporting to both business-industry and countywide use tax pools (depending on inventory location at purchase), recorded the strongest gains. This momentum extended to brick-and-mortar retailers, which also posted modest improvements. Seasonal “back-to-school” activity boosted men’s and family apparel along with shoe stores, lifting the General Goods sector and enhancing expectations for the upcoming holiday shopping period.

Tax receipts from restaurants edged higher, supported by households’ continued desire to eat out. Despite balancing higher menu prices, tip fatigue, and tighter margins, casual dining establishments generated the largest gains. Overall, summer performance appeared stable but lacked the tourism surge many had hoped for.

Offsetting positive results was a decline in revenue from fuel-service stations—marking the 10th out of the last 11 quarters with negative year-over-year change. This trend is largely tied to West Texas Intermediate (WTI) crude oil prices, which hit their lowest monthly levels since 2021. While lower gas prices may encourage spending in other categories, potential oil refinery closures in the coming year could keep per-gallon prices elevated.

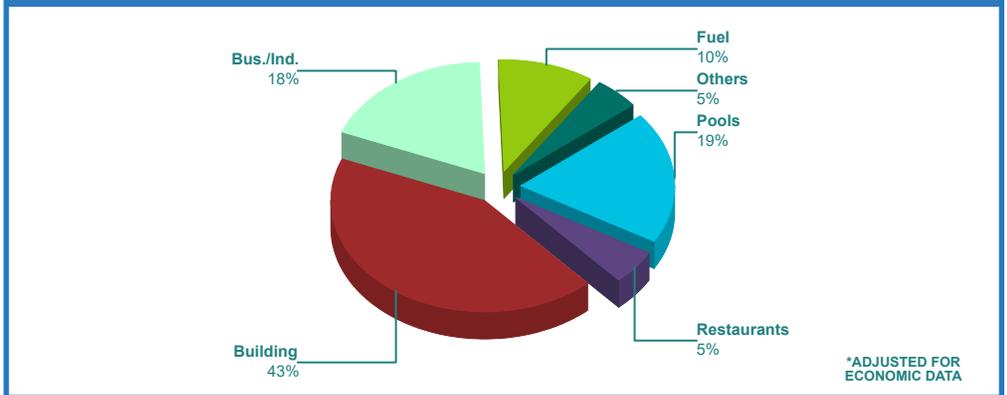
The food and drug sector continued its downward trend as grocers remitted fewer taxes, reflecting the challenge of generating taxable revenue amid rising food prices. Drug store filings have declined throughout the year, driven partly by increased access to medications through ecommerce platforms and a contraction in physical store footprints due to over-saturation and chain bankruptcies.

Two sectors poised to benefit from lower short-term interest rates—autos-transportation and building-construction—repeated a pattern of lackluster returns. A minor uptick came from new auto sales and leasing, while building material

suppliers struggled during the summer, likely creating pent-up demand for repairs and improvements ahead.

With the Federal Reserve considering additional rate changes in early 2026, optimism for improved consumer financing conditions and stronger sales tax receipts remains. As national tariff and trade talks ease, inflationary pressures will continue to shape spending behavior. For now, calendar year 2025 closes with sluggish but stable performance, awaiting broader economic shifts.

REVENUE BY BUSINESS GROUP Irwindale This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Irwindale Business Type	Q3 '25*	Change	County Change	HdL State Change
Contractors	446.3	4.7% ↑	-2.9% ↓	-0.2% ↓
Service Stations	131.6	-2.9% ↓	-5.6% ↓	-5.0% ↓
Heavy Industrial	59.6	-10.1% ↓	-19.9% ↓	2.8% ↑
Quick-Service Restaurants	43.7	-3.2% ↓	-2.2% ↓	-1.1% ↓
Light Industrial/Printers	38.7	-8.8% ↓	-1.8% ↓	-1.2% ↓
Plumbing/Electrical Supplies	31.6	-16.0% ↓	-0.6% ↓	-0.6% ↓
Specialty Stores	25.2	-22.2% ↓	-4.6% ↓	-2.0% ↓
Drugs/Chemicals	23.2	19.0% ↑	6.9% ↑	1.2% ↑
Food Service Equip./Supplies	16.2	3.1% ↑	5.5% ↑	1.9% ↑
Fast-Casual Restaurants	14.5	25.6% ↑	-4.2% ↓	-0.8% ↓

*Allocation aberrations have been adjusted to reflect sales activity *In thousands of dollars

CITY OF IRWINDALE

SALES TAX UPDATE

2Q 2025 (APRIL - JUNE)



IRWINDALE

TOTAL: \$ 1,360,393

-10.4%
2Q2025



-1.1%
COUNTY

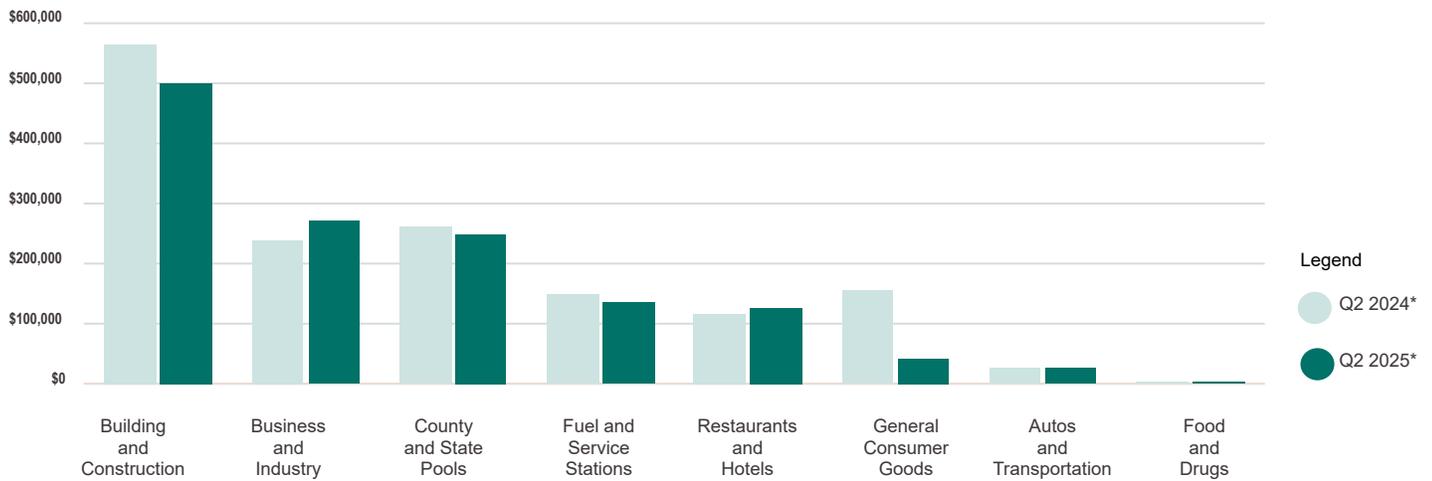


0.5%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure I

TOTAL: \$962,467

-0.4%

Measure IR

TOTAL: \$289,513

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CITY OF IRWINDALE HIGHLIGHTS

Irwindale's receipts from April through June were 6.9% below the second sales period in 2024. Excluding reporting aberrations, actual sales were down 10.4%.

Tariffs continued to be a point of concern for both consumers and businesses. Many companies stockpiled inventory in anticipation of increased pricing due to tariffs, which did not occur.

Business-industry was an active sector with multiple sectors experiencing growth, such as food service equipment and heavy industrial. Restaurants-hotels have been hampered by high menu pricing, but diners pushed past this issue and ventured out for meals.

General consumer goods fell the most during the quarter due primarily to closed businesses, pulling the sector down 72.1%. Building-construction was down 11.3% as contractor close-outs and prior year one-time revenue hit the sector hard.

The City's Transaction and Use Tax Measure I generated 70.9% of the Bradley Burns amount, led by the strongest percentage ratio from the autos-transportation sector.

Net of aberrations, taxable sales for all of Los Angeles County declined 1.1% over the comparable time period; the Southern California region was flat.



TOP 25 PRODUCERS

- 3M Oral Care
- Arco
- Arco AM PM
- Chem Arrow
- Crowley Company
- Decore Ative Specialties
- Food Makers Bakery Equipment
- G & I Islas Industries
- Geary Pacific Supply
- Holliday Rock
- Home Depot U S A
- Irwindale Brew Yard
- Johnstone Supply
- Martin Marietta
- McDonald's

- Patton Sales
- Renaissance Pleasure Faire
- Shell
- Sigler Wholesale Distributors
- Spragues Rock & Sand
- Sully Miller Contracting
- Vulcan Materials
- Walters Wholesale Electric
- Western Emulsions
- Willows Fare



STATEWIDE RESULTS

California's one-cent local sales and use tax receipts rose 0.6% in Q2 compared to the same period last year, after adjusting for accounting anomalies. While only modest growth, it is the second consecutive quarter experiencing positive results following an extended timeline of declines. This period is traditionally met with improved weather with the beginning of summer activity.

Steady gains in both business-industry and countywide use tax pools were driven by strong online sales, reflecting shopper's willingness and ability to spend. Whether pulled from inventory within California or shipped from outside the state, demand for goods by value-conscious shoppers prevailed. Other notable upticks came from purchases of office and electrical equipment.

Increased tax receipts from restaurants also demonstrated diners continued desire to eat out. Even amongst higher menu prices and tip fatigue, casual dining establishments generated the largest lift. While this is a good sign for the coming summer season, underlying data shows that disposal personal income – a key driver of restaurant sales – is growing at a slower pace than prior years, possibly signaling softer tax growth on the horizon.

The two sectors primed to take advantage of upcoming interest rate changes, autos-transportation and building-construction, only experienced lackluster returns this period. New auto sales declined, offsetting gains in used vehicles and leasing, while building material sales remained unchanged from a year ago. However, aging vehicles and deferred home improvements remain a potential catalyst driving demand in the near term.

Balancing the positive results, revenue

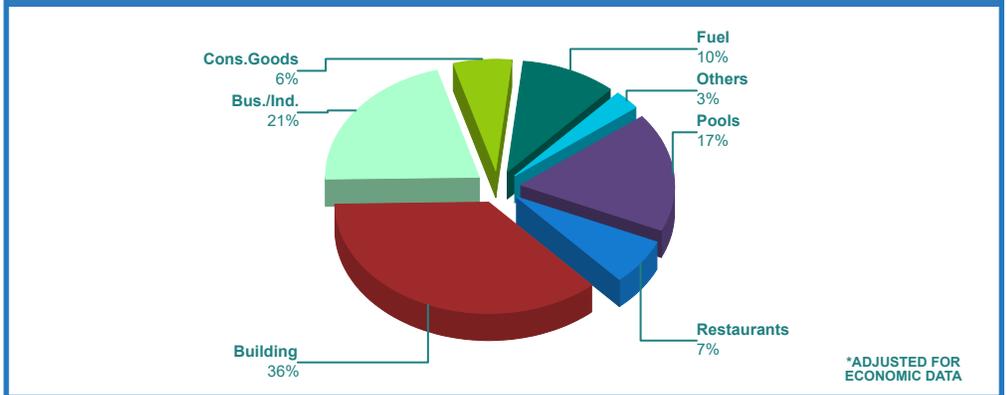
from fuel and service stations declined for the ninth time in ten quarters, primarily due to West Texas Intermediate (WTI) low crude oil prices. As the global economy and development remains tempered, so has the demand for oil, leaving prices relatively low. While this dampens sales taxes, lower fuel costs during peak travel months may boost spending in other segments.

Traditional retailers saw a 1% decline, with specialty, sporting goods, and department stores under performing compared to year ago totals. Inflation and tariffs continue to pressure consumer spending and retailer margins, prompting reevaluation of physical store investments by regional and national

companies alike.

The September reduction in the federal funds rate, noting the possibility of more in early 2026, leaves optimism regarding future financing and accessing equity opportunities for some consumers. However, national tariff/trade talks remain a vital piece of the inflation/higher prices story with the potential of diminishing spending power. So sluggish calendar year 2025 continues with only modest expansion expected braced against the ever-changing larger economic trends.

REVENUE BY BUSINESS GROUP Irwindale This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Irwindale Business Type	Q2 '25*	Change	County Change	HdL State Change
Contractors	395.6	-14.7% ↓	0.1% ↑	-0.9% ↓
Service Stations	135.0	-9.2% ↓	-10.6% ↓	-9.4% ↓
Heavy Industrial	65.9	42.3% ↑	1.0% ↑	1.6% ↑
Quick-Service Restaurants	49.6	0.1% ↑	-1.8% ↓	-0.7% ↓
Light Industrial/Printers	40.0	17.5% ↑	-2.7% ↓	-3.9% ↓
Food Service Equip./Supplies	34.9	137.5% ↑	3.4% ↑	2.2% ↑
Plumbing/Electrical Supplies	28.5	-17.8% ↓	8.2% ↑	1.4% ↑
Drugs/Chemicals	19.3	-2.8% ↓	3.2% ↑	0.8% ↑
Fast-Casual Restaurants	15.6	22.7% ↑	-4.0% ↓	-1.6% ↓
Specialty Stores	14.9	-25.1% ↓	-6.8% ↓	-3.4% ↓

*Allocation aberrations have been adjusted to reflect sales activity *In thousands of dollars

CITY OF IRWINDALE

SALES TAX UPDATE

1Q 2025 (JANUARY - MARCH)



IRWINDALE

TOTAL: \$ 1,038,446

-6.5%

1Q2025



-1.6%

COUNTY



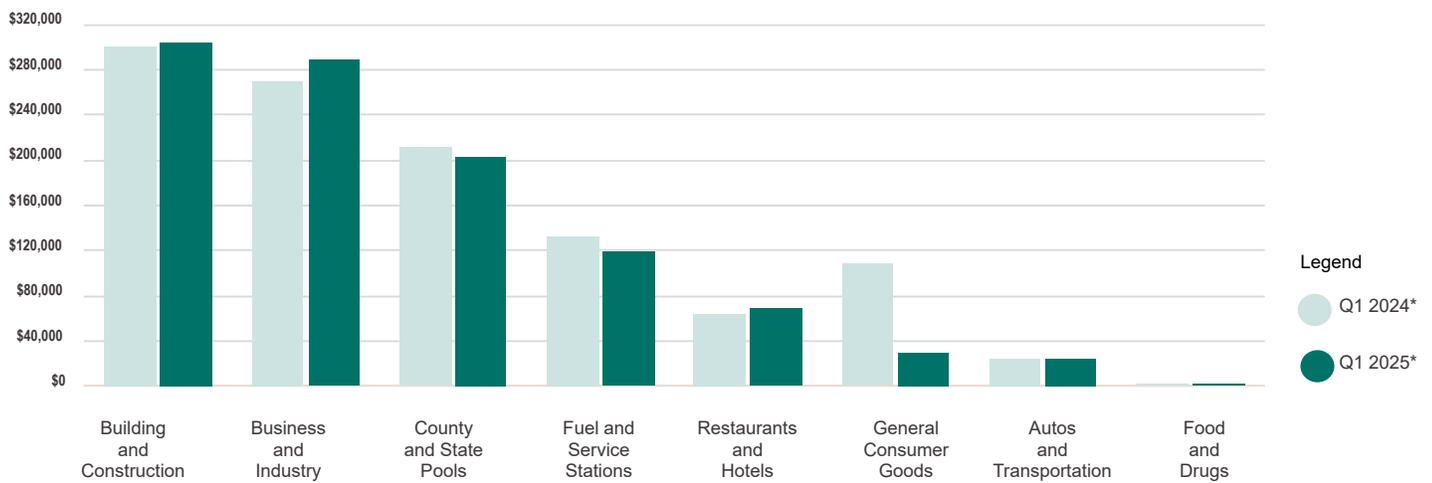
0.3%

STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure I

TOTAL: \$783,714

↑ 11.2%



CITY OF IRWINDALE HIGHLIGHTS

Irwindale's receipts from January - March were 7.8% below the first sales period in 2024. Excluding reporting aberrations, actual sales were down 6.5%.

Revenue from general consumer goods fell in the first quarter of the year as consumers remained cautious about spending.

Motor vehicle fuel consumption declined overall while oil barrel and pump prices were down significantly, reducing totals from fuel-service stations.

Revenue from both autos-transportation and food-drugs remained flat when compared to the year-ago period.

The business-industry sector reported a strong sales quarter, while a new business

addition helped to boost revenue from restaurants-hotels.

California's real GDP growth slowed to an annualized rate of 1.2% in the first quarter, a significant drop from 3.1% in the fourth quarter of 2024.

The City's share of the countywide use tax pool decreased 4.0% when compared to the same period in the prior year. Measure I, the City's voter-approved transactions and use tax, brought in an additional \$783,714.

Net of aberrations, taxable sales for Los Angeles County declined 1.6% over the comparable time-period; the Southern California region was flat.



TOP 25 PRODUCERS

3M Oral Care

Arco

Assa Abloy Residential Group

Chem Arrow

Crowley Company

Decore Ative Specialties

Food Makers Bakery Equipment

G & I Islas Industries

Geary Pacific Supply

Good Smile Connect

Holiday Rock

Home Depot U S A

Irwindale Brew Yard

Johnstone Supply

McDonald's

Pall Corporation

Patton Sales

Rivergrade Shell Station

Sigler Wholesale Distributors

Spragues Rock & Sand

Sully Miller Contracting

Superior Merchandise

Vulcan Materials

Walters Wholesale Electric

Western Emulsions



STATEWIDE RESULTS

California’s local one-cent sales and use tax receipts for January through March 2025 increased by 0.34% compared to the same quarter in 2024, after adjusting for accounting anomalies. While this modest growth may signal the end of an eight-quarter decline, it could be temporary, as the broader economy remains on the edge between recovery and further slowdown.

The first quarter is traditionally the lowest sales tax-generating period of the year, often influenced by seasonal weather and post-holiday consumer behavior.

Notably, the autos-transportation and building-construction sectors—both of which had been dragging down statewide results over the past two years—showed the strongest rebounds this quarter. In the autos sector, used car sales and leasing activity led the recovery. Consumers are increasingly opting for more affordable vehicles and shorter-term commitments, moving away from high-end purchases. In construction, pent-up demand for repairs and improvements, especially in weather-affected and wildfire-damaged areas like Southern California, drove strong sales for building material suppliers.

Other segments generating modest growth included business-industry and countywide use tax pools, largely due to continued strength in online sales. Sales of goods already in California before purchase are reported under business-industry fulfillment centers. Goods shipped from outside the state are reported under county pools, based on the destination of the out-of-state shipment. Online shopping remains a preferred option for value-conscious consumers, contributing significantly to tax receipts in these categories.

Calendar year 2024 saw a decline in fuel-

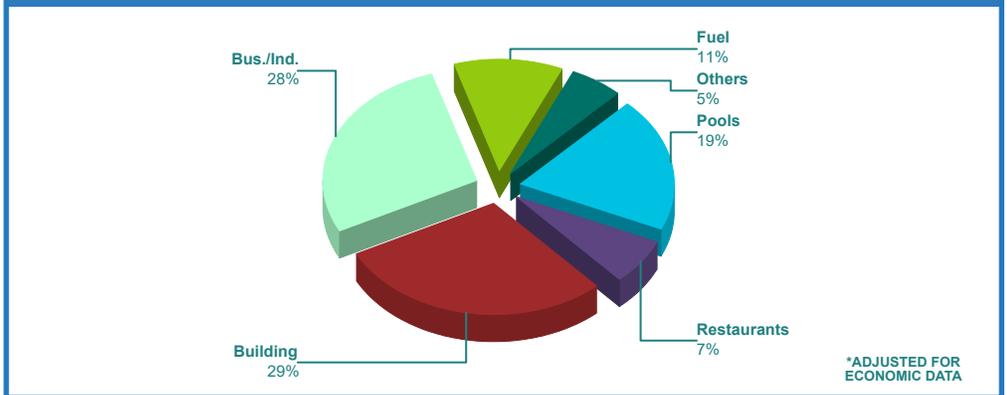
related tax receipts due to lower global crude oil prices—a trend that continued into 1Q 2025. Fuel-related returns dropped by 5%. This decline also affected general consumer goods, as large retailers that sell fuel typically report all sales under a single taxpayer ID. As a result, brick-and-mortar merchants such as post-holiday family apparel stores, winter sporting goods vendors and closures of variety stores contributed to weaker performance.

Although food-drugs is the smallest of the eight tax groupings, it was significant that cannabis returns continued a downturn trend that has been ongoing for over two years. Bankruptcies, customer shopping

alternatives and oversaturation of retail footprint diminished taxes coming from drug stores.

As 2025 begins, sales tax returns remain modest, reflecting broader economic volatility. Key factors influencing our outlook include: ongoing national tariff and trade negotiations and decisions on the federal funds rate - which directly affect consumer interest rates. Recent Middle East conflicts, which temporarily spiked crude oil prices and threatened local gas prices during the summer, will be a short-term concern. In summary, “uncertainty” remains the most accurate descriptor of California’s current and future economic climate.

REVENUE BY BUSINESS GROUP Irwindale This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Irwindale Business Type	Q1 '25	Change	County Change	HdL State Change
Contractors	280,347	5.7% ↑	-2.5% ↓	1.2% ↑
Service Stations	118,416	-10.7% ↓	-8.9% ↓	-5.8% ↓
Medical/Biotech	63,376	28.5% ↑	2.3% ↑	-0.8% ↓
Heavy Industrial	46,055	1.3% ↑	-1.1% ↓	2.4% ↑
Quick-Service Restaurants	43,534	1.5% ↑	-2.9% ↓	-0.9% ↓
Food Service Equip./Supplies	27,153	47.1% ↑	-0.2% ↓	-1.9% ↓
Light Industrial/Printers	26,870	10.9% ↑	-3.8% ↓	-2.9% ↓
Drugs/Chemicals	23,275	21.7% ↑	-0.4% ↓	-3.2% ↓
Plumbing/Electrical Supplies	19,174	-13.8% ↓	1.1% ↑	1.7% ↑
Specialty Stores	17,685	-11.4% ↓	-3.8% ↓	-0.5% ↓

*Allocation aberrations have been adjusted to reflect sales activity