

CITY OF SEAL BEACH

SALES TAX UPDATE

2Q 2022 (APRIL - JUNE)



SEAL BEACH

TOTAL: \$ 1,219,841

3.6%
2Q2022



11.7%
COUNTY

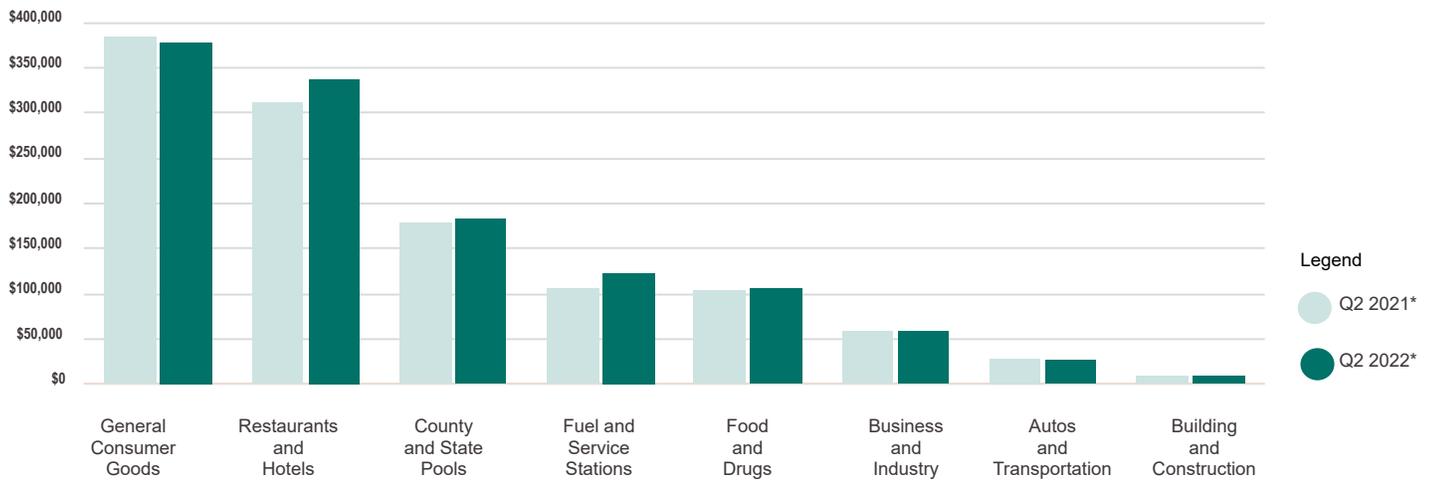


10.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure BB

TOTAL: \$1,626,623

↑ 6.8%



CITY OF SEAL BEACH HIGHLIGHTS

Seal Beach's receipts from April through June were 1.6% above the second sales period in 2021. Excluding reporting aberrations, actual sales were up 3.6%.

The post pandemic return of new businesses and higher menu prices are boosting restaurant sales. This has resulted in positive returns from quick-service, casual, and fast casual restaurants.

While the fuel and services station sector is starting to experience downward pressure on sales tax, pump and oil barrel prices and consumer demand in this quarter were strong, which generated additional revenue.

Receipts from convenience stores, building-construction, and the state and county pools were also up.

Returns from autos-transportation, home furnishings, and business-industry decreased and combined to partially offset the overall gain.

The City's Transaction and Use Tax Measure BB generated 134.3% of the Bradley Burns amount, led by solid performance from autos & transportation. Net of aberrations, taxable sales for all of Orange County grew 11.7% over the comparable time period; the Southern California region was up 11.1%.



TOP 25 PRODUCERS

- | | |
|--------------------------|------------------------|
| 76 | Old Ranch Country Club |
| Bed Bath & Beyond | Original Parts Group |
| Burlington | Pavilions |
| California Pizza Kitchen | Petsmart |
| Chevron | Ralphs |
| Chick Fil A | Roger Dunn Golf Shops |
| CVS Pharmacy | Spaghettini |
| Hoffs Hut | Target |
| Home Goods | Ulta Beauty |
| In N Out Burger | Walts Wharf |
| Islands | |
| Kobe Japanese Steakhouse | |
| Kohls | |
| Marshalls | |
| Mobil | |



STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring April through June was 10% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark the sixth consecutive quarter of double-digit growth since the pandemic periods in 2020, with the July-June 2022 fiscal year up 15%.

Commuters returning to offices combined with the Russia-Ukraine conflict continuing to put upward pressure on oil prices and left Californians facing the highest average price per gallon on record resulting in fuel and service station receipts 42% higher than last year. While statewide fuel consumption still trails 2019 levels, local gas prices are expected to remain high until after the summer blend period.

Led by consumer's desire to dine out, a steady rise in tourism and business travel, higher menu prices and great weather, the restaurant sector continues to flourish. Theme parks, entertainment venues and hotels showed the strongest growth with casual dining establishments remaining solid, a trend likely to remain through 2022.

The automobile sector experienced modest gains for new car dealers and rental car vendors, however sales of used autos and leasing activity has begun to cool. Brands prioritizing full electric and hybrid models still appear to be the most attractive with consumers, however increased financing rates may cause even their activity to dampen. Tight inventories that contributed to dramatic price increases over the last 18 months are also showing signs of loosening as newer models are released

in greater numbers.

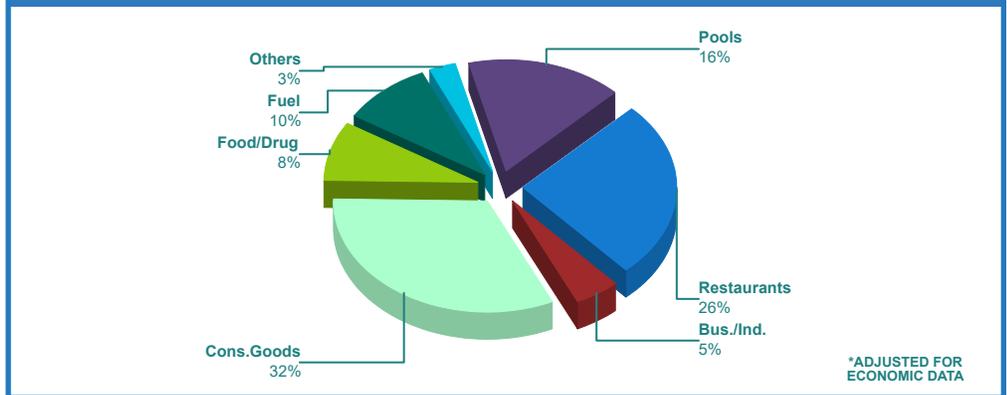
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight decrease.

With new housing starts accelerating and residential and commercial property values rising, construction contractors remain busy. Lumber prices have softened from prior year highs leaving material suppliers with modest gains, however electrical, plumbing and energy suppliers

boosted building sector results. Increased investment in capital equipment remains an important area of growth for county pool allocations, especially as online spending for general consumer goods begins to flatten as consumers return to in-store shopping.

Overall, higher priced goods through periods of consistent demand have led to economic inflation. The Federal Reserve Board's recent actions to curb inflation are anticipated to put downward pressure on sales of autos, building materials and financed general consumer goods, resulting in slower growth by year end and into 2023.

REVENUE BY BUSINESS GROUP Seal Beach This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Seal Beach Business Type	Q2 '22*	Change	County Change	HdL State Change
Casual Dining	179.4	2.6% ↑	13.6% ↑	17.3% ↑
Service Stations	121.2	31.9% ↑	37.2% ↑	36.4% ↑
Quick-Service Restaurants	76.7	8.4% ↑	7.5% ↑	5.2% ↑
Family Apparel	54.2	-3.6% ↓	5.5% ↑	0.6% ↑
Home Furnishings	45.4	-9.5% ↓	-1.8% ↓	-4.6% ↓
Sporting Goods/Bike Stores	39.0	-6.6% ↓	-1.6% ↓	-7.4% ↓
Specialty Stores	36.3	4.2% ↑	8.5% ↑	4.2% ↑
Fast-Casual Restaurants	30.5	20.8% ↑	6.5% ↑	7.8% ↑
Women's Apparel	29.7	11.3% ↑	14.6% ↑	6.2% ↑
Electronics/Appliance Stores	20.2	7.0% ↑	-0.9% ↓	-0.8% ↓

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