

CITY OF SEAL BEACH

SALES TAX UPDATE

1Q 2022 (JANUARY - MARCH)



SEAL BEACH

TOTAL: \$ 1,085,698

15.3%
1Q2022



20.1%
COUNTY

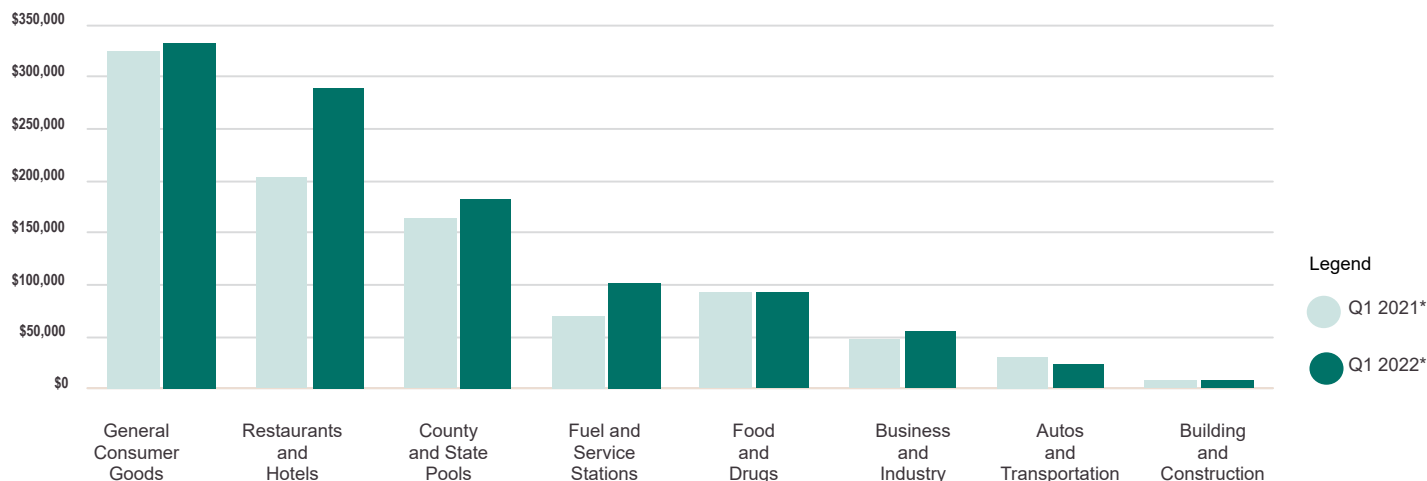


17.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure BB

TOTAL: \$1,468,861

↑ 14.0%



CITY OF SEAL BEACH HIGHLIGHTS

Seal Beach's Bradley-Burns receipts from January through March were 17.5% above the first sales period in 2021. Excluding reporting aberrations, actual sales were up 15.3%.

Casual dining restaurants rebounded 62% from last year's pandemic impacted results, exceeding the 56% statewide growth trend, as people got out of the house to come together again, seeking meaningful ways to connect with others after the isolation of the Covid-19 lockdown.

Receipts from service stations surged 48% after the invasion of Ukraine pushed up the price of gasoline.

The 14% rate of improvement for voter-approved district tax Measure BB was slightly less than the growth of Bradley-Burns tax proceeds previously discussed. This was largely due to some shoppers becoming more defensive in the face of rising inflation and others shifting discretionary spending from tangible consumer goods to travel, restaurants and services. These revenues comprise a larger percentage of the district tax base than Bradley-Burns.

Net of aberrations, taxable sales for all of Orange County grew 20.1% over the comparable time period; the Southern California region was up 19.2%.



TOP 25 PRODUCERS

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



STATEWIDE RESULTS

California's local one-cent sales and use tax for sales occurring January through March was 17% higher than the same quarter one year ago, after adjusting for accounting anomalies and onetime payments from previous quarters. By all accounts, the California retail economy continues roaring along. Even with instability in the stock market, the crisis in Ukraine pushing up the global price of crude oil and the U.S. Federal Reserve Board beginning to tackle inflation with a series of rate increases, consumer spending continued at a strong pace.

The invasion of Ukraine by Russian military forces on February 24 had an immediate upward impact on the global price of crude oil due to fears of supply shortages. Subsequently this has caused a dramatic jump to California consumer gas and diesel prices at a time when many in the workforce were commuting back into offices, also contributing to an overall increase in consumption. As expected, fuel and service station receipts increased 47% over last year and show no signs of pulling back with summer travel right around the corner.

Sales of new and used vehicles continue to be robust causing the autos and transportation sector to jump 15% for the period. Inventory shortages by some dealers may have caused buyers to experience a Fear Of Missing Out (FOMO) and pay elevated prices while interest rates remained lower. Automotive brands that have committed to full electric or hybrid models are attractive with consumers, especially given the sudden rise in fuel prices.

Post-holiday retail sales of general consumer goods remained solid, improving 10%. Prior supply chain concerns have dissipated, port operations are returning

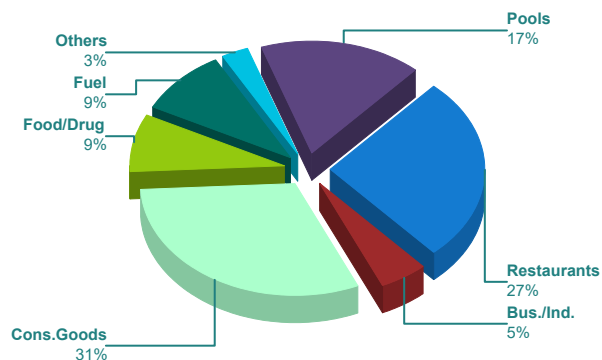
to normal and headwinds from inflation and higher cost goods haven't yet slowed consumer demand. The stellar returns were largely driven by discount department stores, especially those selling gas.

These results mark the fourth full quarter in a row that restaurant and hotel receipts have increased. While higher menu prices have contributed, steady demand by patrons to dine out is also propelling the gains. Furthermore, theme parks and entertainment venues throughout the state are busy. With the summer tourism and travel season approaching, the industry is positioned to maintain post-pandemic growth and remain positive through 2022.

Use taxes generated by online sales and purchases from out-of-state vendors allocated via the county pools, heartily surpassed expectations, gaining 13% over the comparison period. Shoppers bought a range of merchandise and spending by businesses on capital equipment remained sensational.

The first quarter sales period contributed to an already strong 2021-22 fiscal year for most municipalities statewide. However, continued inflationary pressure, soaring interest rates and record gas prices may soften growth going into 2022-23.

REVENUE BY BUSINESS GROUP Seal Beach This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Seal Beach Business Type	Q1 '22	Change	County Change	HdL State Change
Casual Dining	158,535	61.8% ↑	46.7% ↑	55.7% ↑
Service Stations	96,830	48.0% ↑	53.2% ↑	43.4% ↑
Quick-Service Restaurants	70,500	9.5% ↑	9.8% ↑	7.8% ↑
Home Furnishings	47,180	-7.3% ↓	1.9% ↑	1.0% ↑
Family Apparel	46,217	4.1% ↑	17.3% ↑	9.4% ↑
Specialty Stores	34,124	10.0% ↑	15.1% ↑	10.7% ↑
Sporting Goods/Bike Stores	30,457	-6.0% ↓	-1.6% ↓	-5.1% ↓
Fast-Casual Restaurants	22,648	3.1% ↑	10.6% ↑	11.4% ↑
Women's Apparel	21,301	29.5% ↑	43.7% ↑	30.9% ↑
Electronics/Appliance Stores	20,797	19.6% ↑	14.3% ↑	12.5% ↑

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