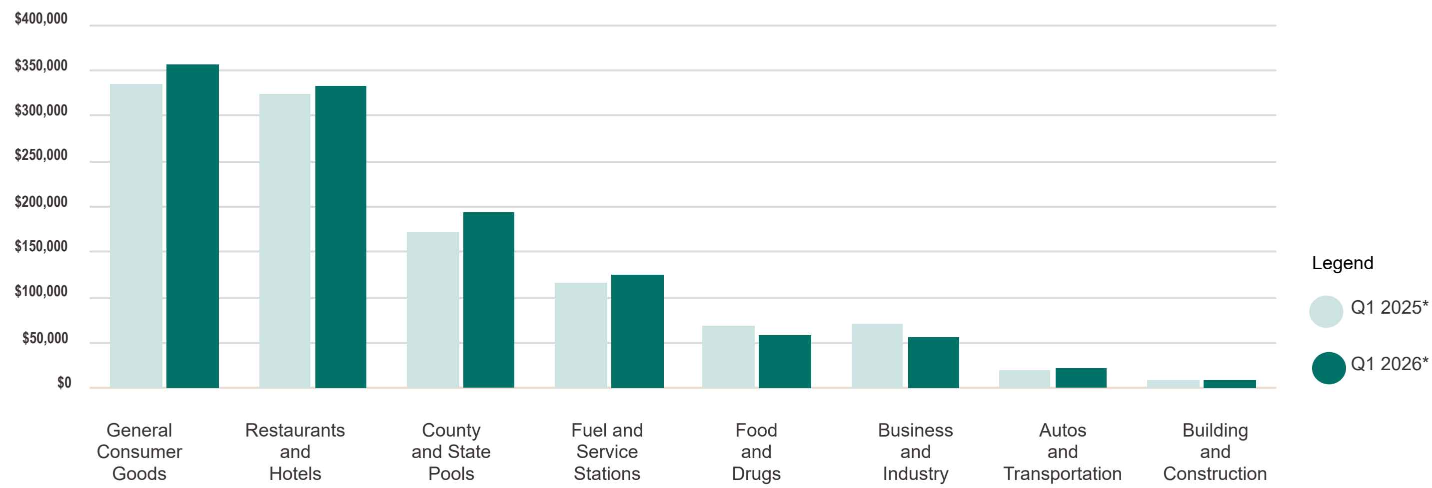
# CITY OF SEAL BEACH
## SALES TAX UPDATE
### 1Q 2026 (JANUARY - MARCH)

SEAL BEACH
TOTAL: $ 1,151,446

3.1% 1Q2026 | 3.1% COUNTY | 4.0% STATE

*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP




Measure GG
TOTAL: $2,257,509
36,332.1%

## CITY OF SEAL BEACH HIGHLIGHTS

Seal Beach's receipts from January through March were 3.1% above the first sales period in 2025. Excluding reporting aberrations, actual sales were up 3.1%.

The general consumer goods sector reported a strong sales quarter. Restaurants-hotels showed increased sales in the first quarter of the year. Revenue from fuel-service stations saw increases driven by a spike in global oil prices.

Spending in auto parts and accessories saw solid momentum, driven by resilient consumer demand for DIY repairs and professional maintenance.

Consumer spending on food-drugs slumped with shoppers still sensitive to higher costs driven by elevated inflation. Higher shipping costs and tariffs continued to have negative impacts on the business-industry sector.

The building-construction category remained flat when compared to the year ago period.

The City's share of the countywide use tax pool increased 12.9% when compared to the same period in the prior year. Measure GG, the City's voter-approved transactions and use tax, brought in $2,257,509.

Net of aberrations, taxable sales for Orange County grew 3.1% over the comparable time-period; the Southern California region was up 4.0%.

## TOP 25 PRODUCERS

Boeing
California Pizza Kitchen
Chevron
Chick Fil A
Crate Barrel Outlet
CVS Pharmacy
DTS
G&M
Hofs Hut Restaurant & Bakery
Home Goods
In N Out Burger
Kohls
Marshalls
Mobil
Old Ranch Country Club
Original Parts Group
Pavilions
Petsmart
Pioneer Fuel
Ralphs Fuel Center
Roger Dunn Golf Shops
Spaghettini
Target
Ulta Beauty
Walts Wharf

## STATEWIDE RESULTS

California's local one cent sales and use tax receipts posted moderate growth during the first quarter, reflecting resilient consumer behavior despite persistent economic headwinds. For the months of January through March, revenues increased 4% from the year ago quarter after adjusting for accounting anomalies.

Strong consumer spending patterns did not falter and was the main reason of growth, partially enhanced by larger-than-expected income tax refunds. Both online retailers and brick and mortar merchants experienced dynamic changes over last year that far exceed expectations. E-commerce remains the platform of choice providing convenience, broad product availability, and flexible payment options – benefitting the business-industry sector and allocations via the countywide use tax pool. Family apparel and discount department stores both boosted general consumer goods the most, with a slight bump in gas prices further pushing returns from multiple vendors.

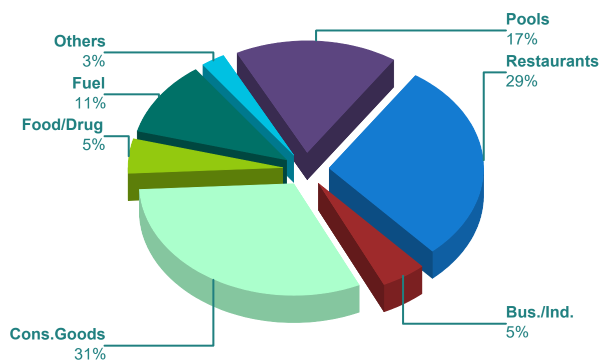
Patronage at restaurants resulted in a 4.2% year over year jump. With demand constrained due to increasing price-sensitivity and slower foot traffic, gains by all types of eateries signaled underlying resolve to dine out. Temporary events further contributed to the positive outcome – Southern California wildfires hindered 2025 and the Super Bowl lifting 2026.

The first quarter also included the initial impacts of elevated tensions in the Middle East which drove West Texas Intermediate crude oil prices above $95 per barrel. This had an immediate impact on local gas prices resulting in a modest bump to receipts from gas stations and created large amounts of uncertainty. Recently, the conflict appears to have subsided with the Strait of Hurmuz reopened reducing the possibility of future strain.

Autos-transportation posted a nominal gain in first quarter 2026, as higher average transaction prices offset weaker unit sales. These price increases reflected tariff impacts reaching consumers after months of absorption by automakers, along with rising material costs. As in the prior quarter, the transition to the new DMV payment system for used vehicle dealers under AB 85 modestly reduced cash receipts, with adjustments still pending.

Overall, the short-term outlook remains cautiously optimistic. Normal consumer spending combined with multiple host sites of World Cup matches and corresponding tourism should sustain growth, albeit varied regionally. The Middle East conflict temporarily resulted in $6 per gallon average peak pricing during the start of the summer months. The forecast is coupled with a national inflation rate anticipates an upward trend leaving little room for the Federal Reserve to alter interest rate in a favorable way for consumers, potentially slowing down the retail economy.

### REVENUE BY BUSINESS GROUP
Seal Beach This Quarter*




### TOP NON-CONFIDENTIAL BUSINESS TYPES

| Seal Beach Business Type | Q1 '26 | Change | County Change | HdL State Change |
|---|---|---|---|---|
| Casual Dining | 188,719 | 6.4% | 2.8% | 4.1% |
| Service Stations | 121,301 | 4.9% | 0.5% | 1.1% |
| Quick-Service Restaurants | 76,418 | 3.1% | 1.2% | 1.9% |
| Home Furnishings | 65,317 | 10.1% | -2.1% | -2.0% |
| Family Apparel | 60,140 | 15.1% | 7.3% | 11.2% |
| Specialty Stores | 32,439 | -2.6% | -3.7% | -1.9% |
| Fast-Casual Restaurants | 26,463 | -10.2% | 2.7% | 3.7% |
| Sporting Goods/Bike Stores | 26,398 | 2.3% | -4.1% | 0.4% |
| Women's Apparel | 18,563 | 11.0% | 14.5% | 7.1% |
| Electronics/Appliance Stores | 16,507 | 4.0% | -1.5% | -1.5% |

*Allocation aberrations have been adjusted to reflect sales activity*