

CITY OF CARPINTERIA

SALES TAX UPDATE

1Q 2023 (JANUARY - MARCH)



CARPINTERIA

TOTAL: \$ 459,372

-5.4%
1Q2023



-2.2%
COUNTY

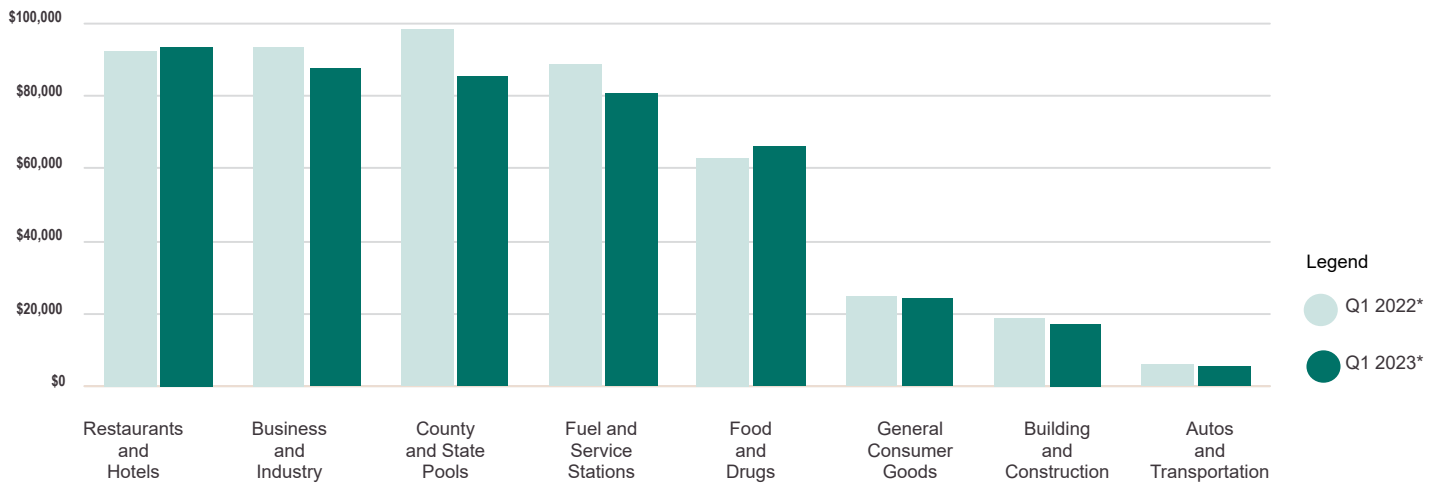


-1.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure X

TOTAL: \$862,459

↓ -0.7%



CITY OF CARPINTERIA HIGHLIGHTS

Carpinteria's receipts from January through March were 10.2% below the first sales period in 2022. Excluding reporting aberrations, actual sales were down 5.4%.

Consumers and businesses are dealing with higher pricing for energy, food and the uncertainty of the economic outlook has impacted spending choices with several groups reported lower sales. Led by casual dining, restaurants reported modest sales. Industry operators indicate some slowdown as patrons may be put off by higher menu prices or the adverse weather could have impacted visits.

Similar to the statewide trend, fuel-service station receipts slumped. Crude oil and pump prices have been declining

from the highs seen last spring, and less consumption is anticipated in the current year. General consumer goods shoppers pulled back on discretionary purchases at specialty and electronics/appliances retailers.

The business-industry sector had mixed results with more segments posting lower sales, particularly for garden/ag supplies.

Measure X skewed lower due to used auto pricing reductions during the quarter, service station receipts and contractor activity.

Net of aberrations, taxable sales for the Central Coast region was down 3.7% over the comparable time period.



TOP 25 PRODUCERS

- | | |
|-----------------------------|--------------------------|
| 7 Eleven | Pro Health |
| Agilent Technologies | Rincon Brewery |
| Albertsons | Risdons Union 76 |
| Arco AM PM | Rite Aid |
| Carpinteria Valley Lumber | Rockwell Printing |
| Chevron | Rustys Pizza Parlor |
| CVS Pharmacy | S&S Seeds |
| Delgados Mexican Restaurant | Shop Coolie |
| Eye of the Day | Siteone Landscape Supply |
| Jacks Bistro | Smart & Final |
| Lemos Feed & Pet Supply | |
| Little Doms Seafood | |
| McDonald's | |
| Nusil Technology | |
| Omni Catering | |



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of January through March were 1.1% lower than the same quarter one year ago after adjusting for accounting anomalies. The first quarter of the calendar year experienced heavy rainfall and a slight pullback by consumers during this post-holiday period.

The building and construction sector was most impacted by wet weather conditions, especially contractors and paint/glass vendors. Furthermore, when coupled with year-over-year (YOY) lumber price declines, the sector saw a 9.7% statewide drop.

YOY declines in fuel prices at the pump reduced receipts from gas stations and petroleum providers. Even with OPEC’s recent production cuts, the global cost of crude oil has remained steady setting up for moderate gas prices for travelers and commuters in the coming summer months. Retailers also selling fuel experienced a similar impact and when combined with weak results from department stores, overall general consumer goods’ returns slightly declined.

After multiple years of high demand for vehicles (especially high-end luxury and electronic/hybrid brands), along with inflation driving car prices higher, customers demand has softened with revenue slumping 1.3%. The return of available inventory later this calendar year may sustain downward pressure on activity, potentially giving buyers more leverage to negotiate lower prices.

Use taxes remitted via the countywide pools decreased 1.1%, marking the second consecutive quarter of decline. Cooling consumer confidence, expansion

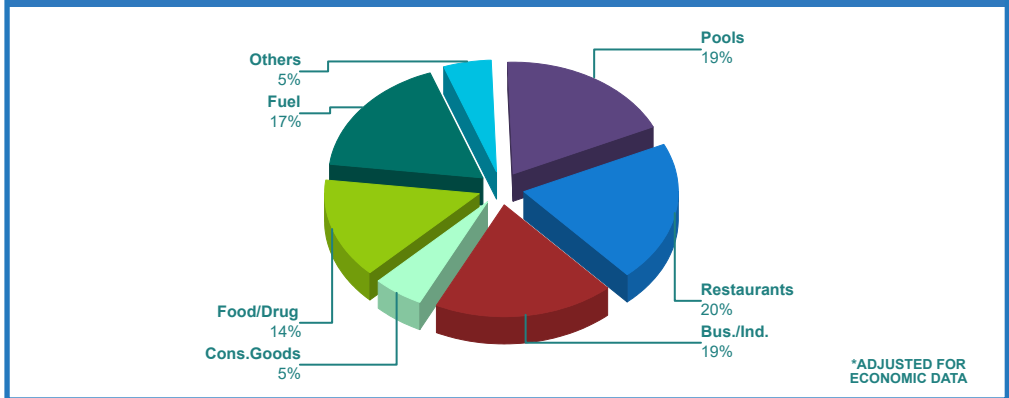
of more in-state fulfillment centers and retailers using existing locations to deliver goods tied to online orders continue to shift taxes away from the pools. While the offsetting effect was these revenues being allocated directly to jurisdictions where the goods were sourced, only a limited number of agencies benefited.

Spending at local restaurants and hotels continues to be robust. Patrons were unaffected by increased menu prices and wait times and maintained their willingness to dine out. In addition, investments in warehouse/farm/construction equipment was steady.

For the remainder of 2023 sales taxes may

decrease modestly, then begin a nominal recovery in early 2024. Volatile economic indicators such as the Federal Funds rate, unemployment levels, and discretionary spending will influence outcomes. While it appears the Federal Reserve’s actions to fight inflation is taking effect, any lasting downward pressure on consumer pricing could also hinder short term growth.

REVENUE BY BUSINESS GROUP Carpinteria This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Carpinteria Business Type	Q1 '23	Change	County Change	HdL State Change
Service Stations	80,269	-9.4% ↓	-9.0% ↓	-9.8% ↓
Casual Dining	67,115	0.8% ↑	5.3% ↑	9.6% ↑
Garden/Agricultural Supplies	29,837	-14.8% ↓	-23.9% ↓	-18.9% ↓
Quick-Service Restaurants	23,381	17.3% ↑	5.6% ↑	5.1% ↑
Convenience Stores/Liquor	18,940	-0.5% ↓	-4.5% ↓	-5.0% ↓
Drugs/Chemicals	14,843	80.1% ↑	-1.2% ↓	-3.1% ↓
Specialty Stores	4,451	-18.8% ↓	6.8% ↑	3.7% ↑
Electronics/Appliance Stores	4,019	-9.3% ↓	-9.7% ↓	-2.4% ↓
Sporting Goods/Bike Stores	3,028	4.9% ↑	-8.3% ↓	-8.1% ↓
Art/Gift/Novelty Stores	2,741	-5.7% ↓	20.2% ↑	1.8% ↑

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