

CITY OF CARPINTERIA

SALES TAX UPDATE

3Q 2023 (JULY - SEPTEMBER)



CARPINTERIA

TOTAL: \$ 559,625

2.0%
3Q2023



-1.4%
COUNTY

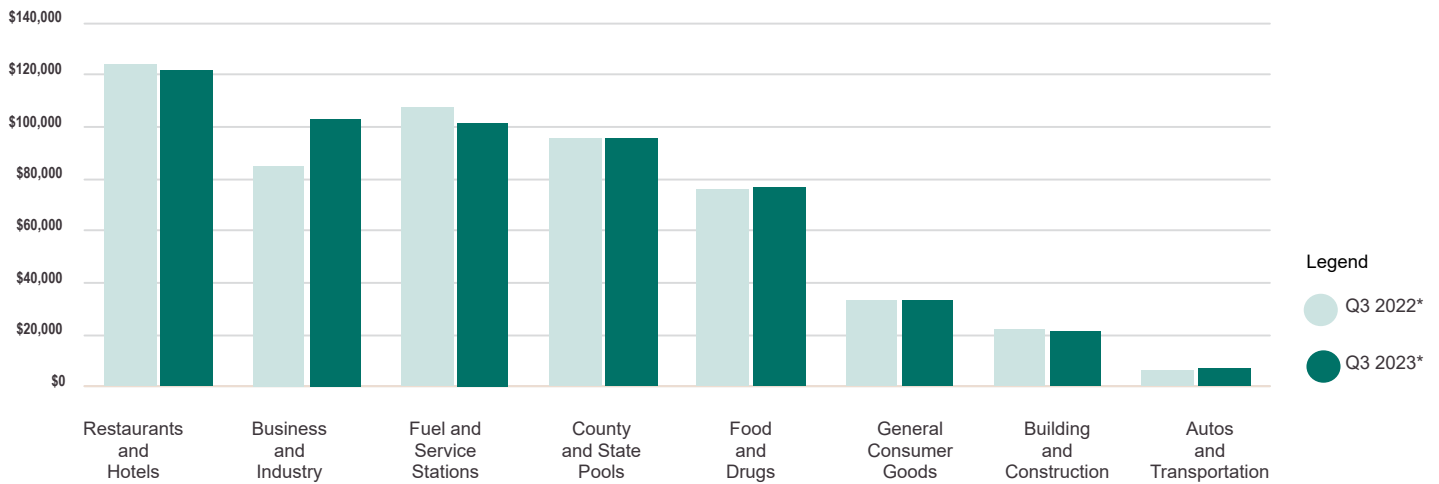


-1.7%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure X

TOTAL: \$994,764

0.1%



CITY OF CARPINTERIA HIGHLIGHTS

Carpinteria's receipts from July through September were 0.4% above the third sales period in 2022. Excluding reporting aberrations, actual sales were up 2.0%.

The business-industrial sector helped push results positive with strong sales reported in the garden/ag sector and a one-time allocation in another sector. Spending on automotive needs also contributed positive gains.

Recent news reports consumer confidence fell further with student loan resumption, savings running low, and higher interest rates are all factors. Lower fuel prices meant a drop in service stations receipts.

Patrons have shown signs of menu price fatigue as foot traffic was down again in

the restaurant sector, particularly casual dining venues. Shoppers pulled back on discretionary purchases and general consumers goods sales trended lower. Home improvement projects have slowed down and commodity prices have fallen for slumping results in the building-construction group.

Measure X posted modest receipts positive results from local residents purchasing new vehicles, general merchandise sales, and quick service restaurant visits. These results were offset by lower service station sales.

Net of aberrations, taxable sales for all of Santa Barbara County declined 1.4% over the comparable time period; the Central Coast region was flat.



TOP 25 PRODUCERS

- | | |
|-----------------------------|------------------------------|
| 7 Eleven | Omni Catering |
| Agilent Technologies | Pro Health |
| Albertsons | Rincon Brewery |
| American Supreme Gas | Risdons Union 76 |
| Arco AM PM | Rockwell Printing |
| Carpinteria Valley Lumber | Rustys Pizza Parlor |
| Chevron | S&S Seeds |
| CI Surfboards | Shop Coolie |
| Controlled Environments | Siteone Landscape Supply |
| CVS Pharmacy | Smart & Final |
| Delgados Mexican Restaurant | Software House International |
| Eye of the Day | |
| Little Dom's Seafood | |
| McDonald's | |



STATEWIDE RESULTS

California's local one cent sales and use tax receipts for sales during the months of July through September were 1.6% lower than the same quarter one year ago after adjusting for accounting anomalies. The third quarter of the calendar year continued with a challenging comparison to prior year growth and stagnating consumer demand in the face of higher prices of goods.

Fuel and service stations contributed the greatest overall decline as lower fuel prices at the pump reduced receipts from gas stations and petroleum providers. While global crude oil prices have stabilized, they remained 15% lower year-over-year. This decline also impacted the general consumer goods category as those retailers selling fuel experienced a similar drop. Despite OPEC and Russia production cuts having upward pressure on pricing, global demand during the winter months has softened.

Along with merchants selling gas, many other general consumer categories were also down from the 2022 quarter, confirming consumers pulling back on purchases. Home furnishings and electronic-appliances were a couple of the largest sectors with the biggest reductions. As inflation and higher prices were the main story a year ago, currently it appears to be a balancing act between wants and needs, leaving meek expectations for the upcoming holiday shopping season.

Even following a long, wet first half of 2023, spending at building and construction suppliers moderately slowed. The current high interest rate environment did not help the summer period and still represents the largest potential headwind for the industry with depressed commercial development, slowing public infrastructure projects and new housing starts waiting for more profitable financial conditions.

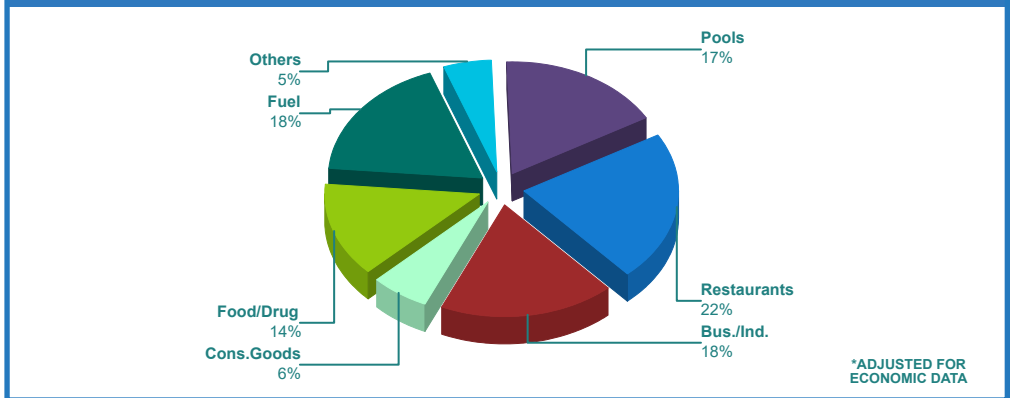
Despite continued increases of new car registrations, revenue from the auto-transportation sector slipped 2.6%. The improved activity remains mostly attributed to rental car agencies restocking their fleets. Like other segments, elevated financing costs are expected to impede future retail volume.

Use taxes remitted via the countywide pools dipped 3.0%, marking the fourth consecutive quarter of decline. While overall online sales volume is steady, pool collections dropped with the offsetting effect of more taxes allocated directly to local agencies via in-state fulfillment generated at large warehouses and through existing retail outlets.

Restaurants remained an economic bright spot through summer exhibiting a 2.6% gain. As tourism, holiday and business travel are all expected to have recovered in 2024, the industry is bracing for implementation of AB 1228 - new CA law setting minimum wages for 'fast food restaurants'.

With one more quarterly result to go in 2023, the recent trend of a moderate decline appears likely before a recovery in 2024. Initial reports from the holiday shopping season reflect a 3% bump in retail sales compared to 2022. Lingering consumer confidence may have also received welcome news as the Federal Reserve considers softening rates by mid-2024.

REVENUE BY BUSINESS GROUP Carpinteria This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Carpinteria Business Type	Q3 '23	Change	County Change	HdL State Change
Service Stations	101,311	-5.6% ↓	-7.3% ↓	-7.3% ↓
Casual Dining	88,094	-2.5% ↓	0.2% ↑	2.8% ↑
Garden/Agricultural Supplies	36,711	14.9% ↑	-3.3% ↓	1.8% ↑
Quick-Service Restaurants	29,557	18.3% ↑	3.0% ↑	2.7% ↑
Convenience Stores/Liquor	21,599	-7.0% ↓	-9.3% ↓	-10.0% ↓
Drugs/Chemicals	9,481	18.3% ↑	1.5% ↑	2.0% ↑
Specialty Stores	6,421	-5.3% ↓	4.0% ↑	-1.9% ↓
Contractors	5,417	11.1% ↑	-2.1% ↓	-1.1% ↓
Family Apparel	5,113	-7.9% ↓	-2.0% ↓	3.2% ↑
Electronics/Appliance Stores	4,656	0.2% ↑	-13.8% ↓	-14.1% ↓

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