

CITY OF CARPINTERIA

SALES TAX UPDATE

1Q 2024 (JANUARY - MARCH)



CARPINTERIA

TOTAL: \$ 456,856

-1.4%

1Q2024



0.7%

COUNTY



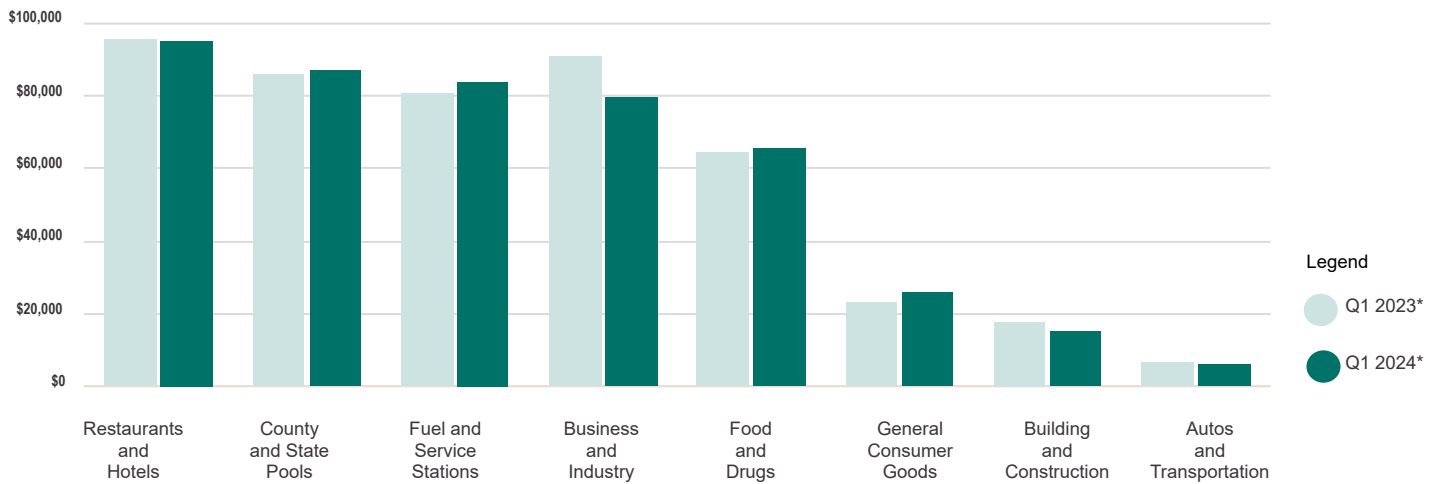
-0.2%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure X

TOTAL: \$832,936

↓ -4.5%



CITY OF CARPINTERIA HIGHLIGHTS

Carpinteria's receipts from January through March were 1.8% above the first sales period in 2023. Excluding reporting aberrations, actual sales were down 1.4%.

Consumer prices are still rising at a rate higher than the Fed's inflation target; as a result, nearly half of shoppers consider inflation a major concern. The largest decline came from the business-industrial sector with multiple categories posting lower sales including drugs-chemicals and electrical equipment.

Building projects have slowed influenced by commodity pricing and more focus on repairs rather than large improvement projects.

Strong returns this post-holiday shopping period in the retail sector led by specialty and electronics/appliance stores. Sales

for service stations outperformed regional and statewide levels that reflected declines from lower pricing and demand. The City's allocation from the countywide use tax pool grew with improved online sales activity, particularly for general merchandise sellers.

Full-service restaurants, such as casual dining, saw fewer visits, as customers sought out value with quick service options for a modest drop in the restaurant group.

Measure X2018 suffered from negative results with fewer new-used vehicles purchased by residents and a drop in business investment.

Net of aberrations, taxable sales for all of Santa Barbara County grew 0.7% over the comparable time period; the Central Coast region was up 2.2%.



TOP 25 PRODUCERS

- | | |
|-----------------------------|--------------------------|
| 7 Eleven | Pro Health |
| Agilent Technologies | Rincon Brewery |
| Albertsons | Risdons Union 76 |
| American Supreme Gas | Rockwell Printing |
| Arco AM PM | Rustys Pizza Parlor |
| Carpinteria Valley Lumber | S&S Seeds |
| Chevron | Shop Coolie |
| CVS Pharmacy | Siteone Landscape Supply |
| Delgados Mexican Restaurant | Smart & Final |
| Eye of the Day | Teddys By The Sea |
| Lemos Feed & Pet Supply | Zookers Cafe |
| Little Dom's Seafood | |
| McDonald's | |
| Pizzaman Dan's | |



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts during the months of January through March were 0.2% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year first quarter is traditionally the lowest sales tax generating period; however, returns were more on par with the comparison period.

One of the only sectors continuing to display declines was auto-transportation. High interest rates created more expensive long-term financing costs. Combined with a dramatic cost of insurance coverage rate spike, this group declined 7.5%.

Fuel and service stations was the other sector with a drop over last year. As California drivers embark on summer travel, they’ll do so with slightly elevated gas prices versus 2023, probably yielding the final period of negative results for the category heading into 2025.

During this post-holiday shopping period, general consumer goods experienced a soft rebound with very modest 0.5% growth. Although retailers selling gas were hurt by fuel prices, it did not stop family apparel and department stores from lifting revenues.

Restaurant activity contributed constant growth of 2.1%. Only fine dining establishments remain hindered as more affordable menus are preferred. Also, it appears some eateries made operational changes while implementing AB 1228; however, there isn’t enough data

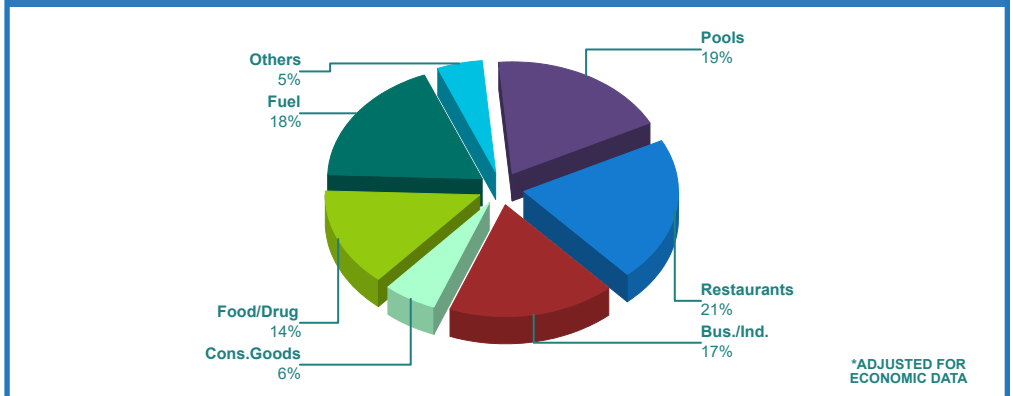
yet to understand if this new bill impacted revenue.

Seemingly dramatic one-time events helped boost business-industry, as investments in office supplies-furniture and energy projects were a significant reason for 3.6% gains this quarter. Additionally, strong fulfillment center direct payments demonstrated sustained logistical expansion. When coupled with improved returns via the countywide use tax pools, customers demonstrated e-commerce preferences for obtaining various goods. Overall

pool allocations improved 1.6%.

Statewide, 2024 begins in a more positive fashion compared to the recent trends of 2023. Buoyed 1st quarter results may signify ‘the floor’ helping ease tax revenue concerns while awaiting the next growth cycle. The Federal Reserve and their position with the Fed Funds Rate remains the most probable component between economic stagnation or spring-boarding consumer spending. Tourism and local travel in the coming summer period could further inspire confidence.

REVENUE BY BUSINESS GROUP
Carpinteria This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

| Carpinteria Business Type | Q1 '24 | Change | County Change | HdL State Change |
|------------------------------|--------|----------|---------------|------------------|
| Service Stations | 83,457 | 4.0% ↑ | 4.1% ↑ | -0.9% ↓ |
| Casual Dining | 66,489 | -5.1% ↓ | -0.3% ↓ | 2.4% ↑ |
| Garden/Agricultural Supplies | 35,061 | 19.9% ↑ | 8.3% ↑ | 2.6% ↑ |
| Quick-Service Restaurants | 25,922 | 10.9% ↑ | 2.5% ↑ | 2.6% ↑ |
| Convenience Stores/Liquor | 18,570 | 8.5% ↑ | -0.7% ↓ | 0.6% ↑ |
| Drugs/Chemicals | 6,048 | -59.3% ↓ | -3.0% ↓ | 4.2% ↑ |
| Electronics/Appliance Stores | 5,710 | 6.9% ↑ | -8.2% ↓ | -6.6% ↓ |
| Specialty Stores | 5,471 | 26.6% ↑ | -3.6% ↓ | -2.3% ↓ |
| Family Apparel | 2,553 | 6.5% ↑ | 7.6% ↑ | 7.7% ↑ |
| Automotive Supply Stores | 2,487 | 0.3% ↑ | -1.9% ↓ | -3.2% ↓ |

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