

CITY OF PORT HUENEME

SALES TAX UPDATE

2Q 2022 (APRIL - JUNE)



PORT HUENEME

TOTAL: \$ 654,203

6.6%
2Q2022



7.4%
COUNTY

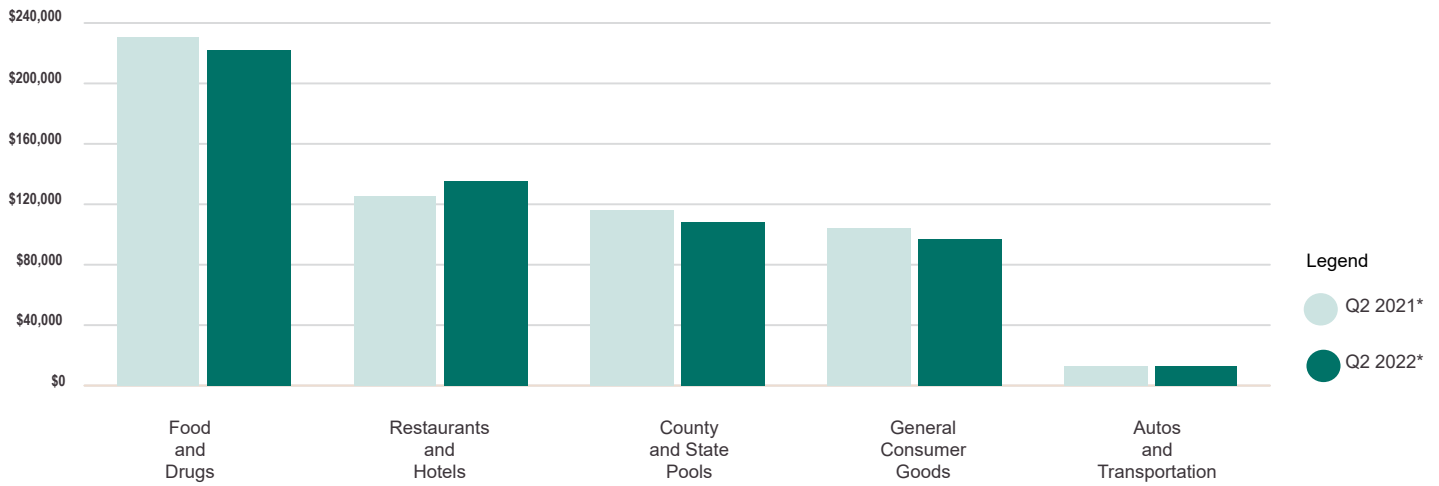


10.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure W

TOTAL: \$432,443

↑ 0.3%

Measure U

TOTAL: \$864,458

↑ 0.3%



CITY OF PORT HUENEME HIGHLIGHTS

Port Hueneeme's receipts from April through June were 4.9% below the second sales period in 2021. Excluding reporting aberrations, actual sales were up 6.6%.

Even with news reports about inflation and an economic slowdown, consumers are still seeking out restaurant experiences despite rising menu prices. Patrons continued to enjoy frequenting casual eateries, quick-service and fast casual restaurants, including recently added outlets as a way to socialize or celebrate special occasions. Food and drug sales dipped as cannabis related businesses reported another quarter of declining receipts.

General consumer goods activity couldn't match the stellar receipts from last year as sales slumped. Electronics/appliance purchases have tapered off from the previous high demand.

Although sales in the countywide pool rose modestly, the City's allocation posted a decline because other agencies in the county had larger gains in their point of sale. Unlike the region and the state which reported steady growth in the automotive sector, spending on transportation needs declined.

Measures U and W rose modestly led by sales from the fuel and restaurant groups.



TOP 25 PRODUCERS

99 Cents Only
Big Lots
CVS Pharmacy
Daves Hot Chicken
El Capire
Freedom 1st Association
From the Earth
Habit Burger Grill
Hpc
IHOP
Jack in the Box
Liebherr Mining & Construction Equipment
McDonalds
Panda Express

Petco
Ralphs
Rite Aid
Ross
SafePort
Taco Bell
Tampa Hardware
Tree Factory
USA Gas
West Marine Products
Wheelhouse



STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring April through June was 10% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark the sixth consecutive quarter of double-digit growth since the pandemic periods in 2020, with the July-June 2022 fiscal year up 15%.

Commuters returning to offices combined with the Russia-Ukraine conflict continuing to put upward pressure on oil prices and left Californians facing the highest average price per gallon on record resulting in fuel and service station receipts 42% higher than last year. While statewide fuel consumption still trails 2019 levels, local gas prices are expected to remain high until after the summer blend period.

Led by consumer’s desire to dine out, a steady rise in tourism and business travel, higher menu prices and great weather, the restaurant sector continues to flourish. Theme parks, entertainment venues and hotels showed the strongest growth with casual dining establishments remaining solid, a trend likely to remain through 2022.

The automobile sector experienced modest gains for new car dealers and rental car vendors, however sales of used autos and leasing activity has begun to cool. Brands prioritizing full electric and hybrid models still appear to be the most attractive with consumers, however increased financing rates may cause even their activity to dampen. Tight inventories that contributed to dramatic price increases over the last 18 months are also showing signs of loosening as newer models are released

in greater numbers.

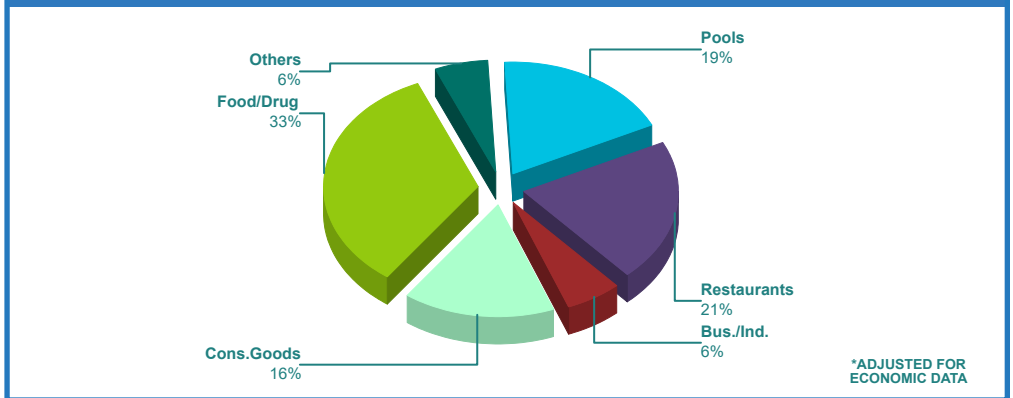
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight decrease.

With new housing starts accelerating and residential and commercial property values rising, construction contractors remain busy. Lumber prices have softened from prior year highs leaving material suppliers with modest gains, however electrical, plumbing and energy suppliers

boosted building sector results. Increased investment in capital equipment remains an important area of growth for county pool allocations, especially as online spending for general consumer goods begins to flatten as consumers return to in-store shopping.

Overall, higher priced goods through periods of consistent demand have led to economic inflation. The Federal Reserve Board’s recent actions to curb inflation are anticipated to put downward pressure on sales of autos, building materials and financed general consumer goods, resulting in slower growth by year end and into 2023.

REVENUE BY BUSINESS GROUP
Port Hueneme This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Port Hueneme Business Type	Q2 '22	Change	County Change	HdL State Change
Cannabis Related	161,012	-4.9% ↓	-4.3% ↓	-12.8% ↓
Quick-Service Restaurants	64,560	4.0% ↑	5.3% ↑	5.2% ↑
Casual Dining	41,196	7.6% ↑	8.2% ↑	17.2% ↑
Fast-Casual Restaurants	29,256	18.9% ↑	9.1% ↑	7.9% ↑
Convenience Stores/Liquor	16,663	4.1% ↑	-0.6% ↓	-0.3% ↓
Specialty Stores	14,803	-2.8% ↓	4.2% ↑	4.2% ↑
Cigarette/Cigar Stores	12,691	15.0% ↑	2.2% ↑	3.3% ↑
Electronics/Appliance Stores	12,146	-16.7% ↓	-9.1% ↓	-1.0% ↓
Light Industrial/Printers	380	132.7% ↑	23.1% ↑	12.2% ↑
Non-Store Retailers	288	15.0% ↑	-21.0% ↓	13.2% ↑

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