

CITY OF PORT HUENEME

SALES TAX UPDATE

1Q 2022 (JANUARY - MARCH)



PORT HUENEME

TOTAL: \$ 575,078

4.7%
1Q2022



11.3%
COUNTY

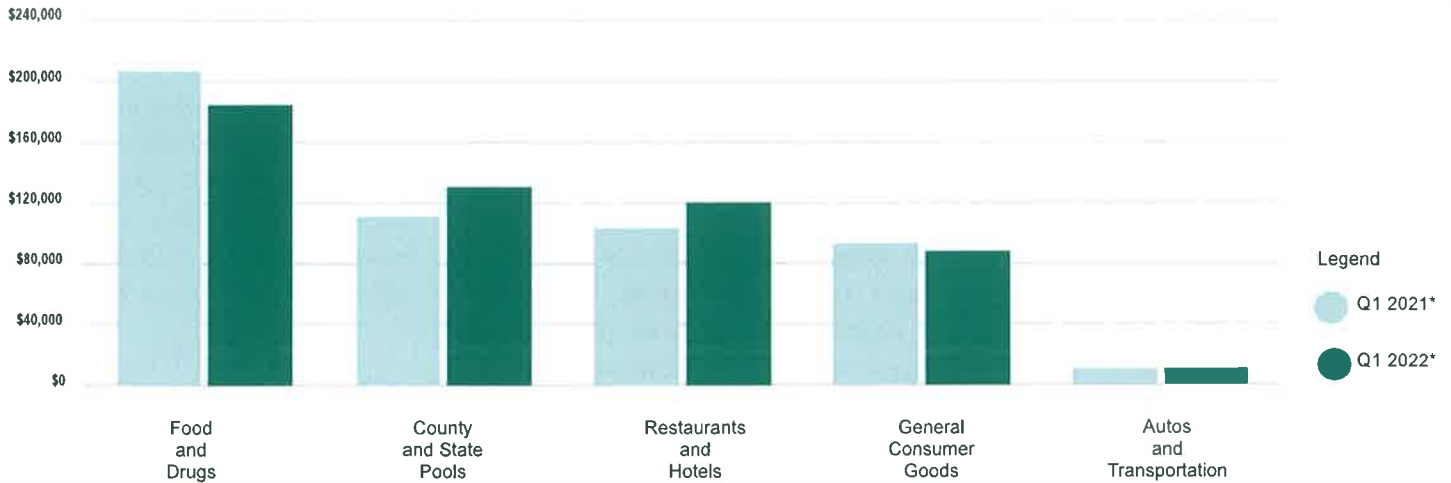


17.1%
STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure W

TOTAL: \$386,348

4.7%

Measure U

TOTAL: \$777,615

5.4%



CITY OF PORT HUENEME HIGHLIGHTS

Port Hueneme's receipts from January through March were 22.4% above the first sales period in 2021. Excluding reporting aberrations, actual sales were up 4.7%.

The local economy has continued to show signs of post-pandemic growth. This quarter, the City experienced solid growth from casual, fast casual and quick service restaurants; however, the restaurants and hotels sector has been impacted by escalating costs and staff shortages that present ongoing challenges for operators and are expected to slow growth over the coming few quarters. Receipts from autos & transportation and the state and

county pools were also up.

The largest business type, cannabis related businesses, were hit hard, and negative returns from electronics/appliance stores also combined to offset the overall quarterly gain.

The City's Transaction and Use Tax Measures W and U generated 201.8% of the Bradley Burns amount, led by solid performance from autos & transportation.

Net of aberrations, taxable sales for all of Ventura County grew 11.3% over the comparable time period; the Southern California region was up 19.2%.



TOP 25 PRODUCERS

- | | |
|--|----------------------|
| 99 Cents Only | Ralphs |
| Big Lots | Rite Aid |
| CVS Pharmacy | Ross |
| Daves Hot Chicken | SafePort |
| Freedom 1st Association | Taco Bell |
| Habit Burger Grill | Tampa Hardware |
| Hpc | Tree Factory |
| IHOP | USA Gas |
| Jack in the Box | Wendy's |
| Liebherr Mining & Construction Equipment Inc | West Marine Products |
| McDonalds | Wheelhouse |
| Panda Express | |
| Petco | |
| Pho Saigon Restaurant | |



STATEWIDE RESULTS

California's local one-cent sales and use tax for sales occurring January through March was 17% higher than the same quarter one year ago, after adjusting for accounting anomalies and onetime payments from previous quarters. By all accounts, the California retail economy continues roaring along. Even with instability in the stock market, the crisis in Ukraine pushing up the global price of crude oil and the U.S. Federal Reserve Board beginning to tackle inflation with a series of rate increases, consumer spending continued at a strong pace.

The invasion of Ukraine by Russian military forces on February 24 had an immediate upward impact on the global price of crude oil due to fears of supply shortages. Subsequently this has caused a dramatic jump to California consumer gas and diesel prices at a time when many in the workforce were commuting back into offices, also contributing to an overall increase in consumption. As expected, fuel and service station receipts increased 47% over last year and show no signs of pulling back with summer travel right around the corner.

Sales of new and used vehicles continue to be robust causing the autos and transportation sector to jump 15% for the period. Inventory shortages by some dealers may have caused buyers to experience a Fear Of Missing Out (FOMO) and pay elevated prices while interest rates remained lower. Automotive brands that have committed to full electric or hybrid models are attractive with consumers, especially given the sudden rise in fuel prices.

Post-holiday retail sales of general consumer goods remained solid, improving 10%. Prior supply chain concerns have dissipated, port operations are returning

to normal and headwinds from inflation and higher cost goods haven't yet slowed consumer demand. The stellar returns were largely driven by discount department stores, especially those selling gas.

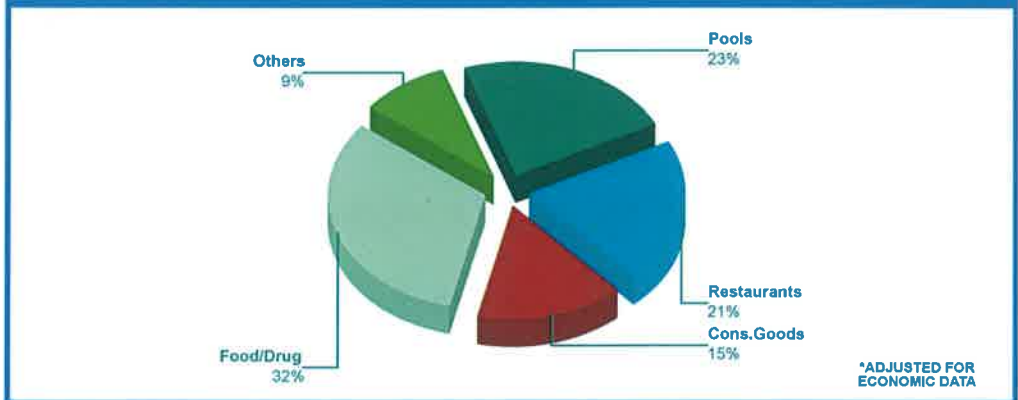
These results mark the fourth full quarter in a row that restaurant and hotel receipts have increased. While higher menu prices have contributed, steady demand by patrons to dine out is also propelling the gains. Furthermore, theme parks and entertainment venues throughout the state are busy. With the summer tourism and travel season approaching, the industry is positioned to maintain post-pandemic growth and remain positive through 2022.

Use taxes generated by online sales and purchases from out-of-state vendors allocated via the county pools, heartily surpassed expectations, gaining 13% over the comparison period. Shoppers bought a range of merchandise and spending by businesses on capital equipment remained sensational.

The first quarter sales period contributed to an already strong 2021-22 fiscal year for most municipalities statewide. However, continued inflationary pressure, soaring interest rates and record gas prices may soften growth going into 2022-23.

REVENUE BY BUSINESS GROUP

Port Hueneme This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Port Hueneme Business Type	Q1 '22	Change	County Change	HdL State Change
Cannabis Related	131,560	-14.4% ↓	-13.0% ↓	-4.8% ↓
Quick-Service Restaurants	55,855	0.9% ↑	5.2% ↑	7.8% ↑
Casual Dining	35,600	32.2% ↑	45.1% ↑	55.7% ↑
Fast-Casual Restaurants	28,064	32.2% ↑	15.1% ↑	11.4% ↑
Convenience Stores/Liquor	15,215	6.6% ↑	1.7% ↑	1.8% ↑
Specialty Stores	14,648	4.1% ↑	8.1% ↑	10.9% ↑
Cigarette/Cigar Stores	12,004	27.2% ↑	5.1% ↑	8.5% ↑
Electronics/Appliance Stores	10,778	-19.2% ↓	11.0% ↑	12.5% ↑

*Allocation aberrations have been adjusted to reflect sales activity