

CITY OF PORT HUENEME

SALES TAX UPDATE

3Q 2022 (JULY - SEPTEMBER)



PORT HUENEME

TOTAL: \$ 595,012

-5.5%
3Q2022



5.6%
COUNTY

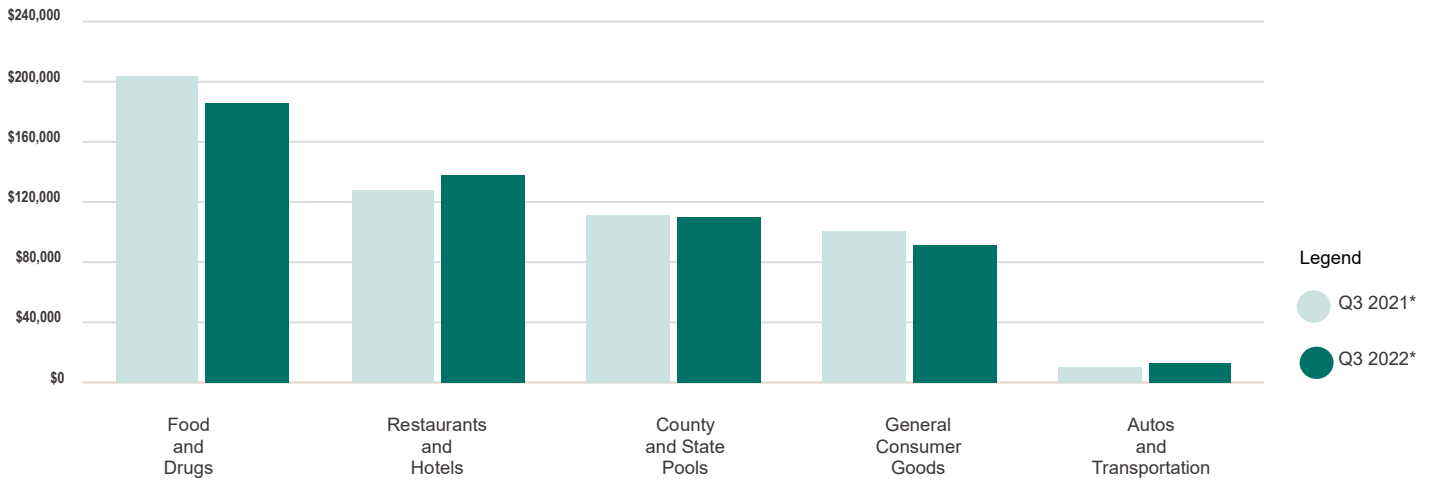


8.0%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure W

TOTAL: \$428,064

↑ 0.5%

Measure U

TOTAL: \$854,851

↑ 0.4%



CITY OF PORT HUENEME HIGHLIGHTS

Port Hueneeme's receipts from July through September were 0.6% below the third sales period in 2021. Excluding reporting aberrations, actual sales were down 5.5%.

The City's largest sector food & drugs, including cannabis related businesses, was hit the hardest. General consumer goods also dropped. Since cash as a percentage of the county receipts were down, the state and county pool allocations declined.

On the positive side, the restaurants and hotels industry performed better than one year ago mainly due to high menu prices making up for traffic that

is beginning to slow. As a result, fast casual and quick service restaurants realized gains. Receipts from autos & transportation were also up and offset the overall quarterly loss.

The City's Transaction and Use Tax Measures W and U generated 215.8% of the Bradley Burns amount led by autos & transportation.

Net of aberrations, taxable sales for all of Ventura County grew 5.6% over the comparable time period; the Southern California region was up 8.1%.



TOP 25 PRODUCERS

99 Cents Only	Rite Aid
Big Lots	Ross
CVS Pharmacy	SafePort
Daves Hot Chicken	Skunkmasters
El Capire	Taco Bell
From the Earth	Tampa Hardware
Habit Burger Grill	Tradecraft Farms
IHOP	Tree Factory
Jack in the Box	USA Gas
Liebherr Mining & Construction Equipment Inc	West Marine Products
McDonalds	Wheelhouse
Panda Express	
Petco	
Ralphs	



STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring July through September was 8% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark another strong period of growth for the California spending economy.

Even as the Federal Reserve Board continued ramping up interest rates in an effort to curb the larger concern of inflation, consumers maintained purchases on multiple fronts, especially automobiles. Surprisingly, new car dealers experienced 10% gains over the comparable period in 2021. Limited inventory and demand for higher mileage vehicles including electric and hybrid models helped support growth. In addition, the increased cost of used vehicles has pushed many into the new vehicle market; in contrast, sales of recreation vehicles and auto leasing activity remained soft.

For Californians, the summer of 2022 had the highest gas prices on record; subsequently fuel and service stations receipts jumped 21%. Commuters and summer travel remained steady, yet overall consumption still trails pre-pandemic levels by approximately 13%. Although the Russia-Ukraine conflict initially caused a dramatic shift in global crude oil markets, prices have begun to pull back closer to historical norms.

Restaurants experienced a strong uptick as increased menu prices, consistent desire to dine out and strong tourism contributed to this favorable news. Just as important, theme parks, leisure-entertainment venues and hotels pushed positive momentum back to 2019 levels. With tightening profit margins and sustained labor concerns, future improvement could be slowed compared to the last two years.

Busy contractors and plumbing-electrical

suppliers boosted the building-construction sector. Solid residential and commercial housing prices persisted despite recent interest rate hikes. Tenant improvements further support spending activity as businesses assess future office needs. With statewide new housing requirements and federal infrastructure funding on the horizon, current forecasts stay optimistic.

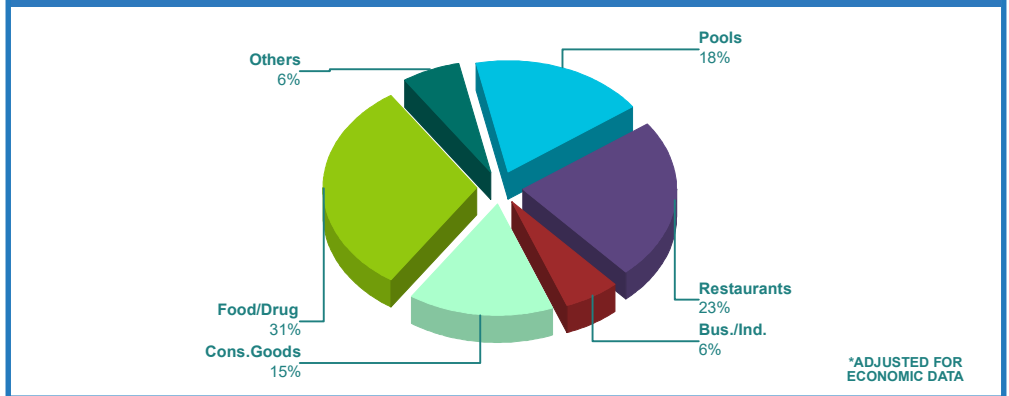
Steady investment in capital equipment coupled with the overall increased price of goods enhanced both business-industry and countywide use tax pool allocations.

For the second straight quarter, fuel sales linked to discount department stores propped up general consumer goods

results. Otherwise, retailers experienced flat to decreased receipts as many apparel categories, home furnishings and sporting goods struggled to keep pace with the prior year. As consumers balanced summer opportunities and higher prices, in-store shopping appears to have taken a temporary back seat.

Sustained price increases and interest rate hikes certainly have consumers contemplating where to spend their dollars. However, historically low statewide unemployment rates and the recovery of the national stock markets from declines earlier this year leave modest optimism heading into 2023.

REVENUE BY BUSINESS GROUP Port Hueneme This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Port Hueneme Business Type	Q3 '22	Change	County Change	HdL State Change
Cannabis Related	127,327	-12.9% ↓	-1.1% ↓	-12.1% ↓
Quick-Service Restaurants	67,268	6.1% ↑	6.2% ↑	4.0% ↑
Casual Dining	40,451	2.3% ↑	3.3% ↑	10.1% ↑
Fast-Casual Restaurants	30,687	22.8% ↑	8.2% ↑	6.2% ↑
Convenience Stores/Liquor	17,130	2.6% ↑	0.0% ↑	1.6% ↑
Specialty Stores	15,162	-3.5% ↓	3.3% ↑	4.0% ↑
Cigarette/Cigar Stores	13,288	9.8% ↑	4.8% ↑	1.2% ↑
Electronics/Appliance Stores	9,433	-21.8% ↓	-0.8% ↓	3.7% ↑

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