

MONTEREY COUNTY UNINC.

SALES TAX UPDATE

2Q 2022 (APRIL - JUNE)



MONTEREY COUNTY

TOTAL: \$ 4,033,998

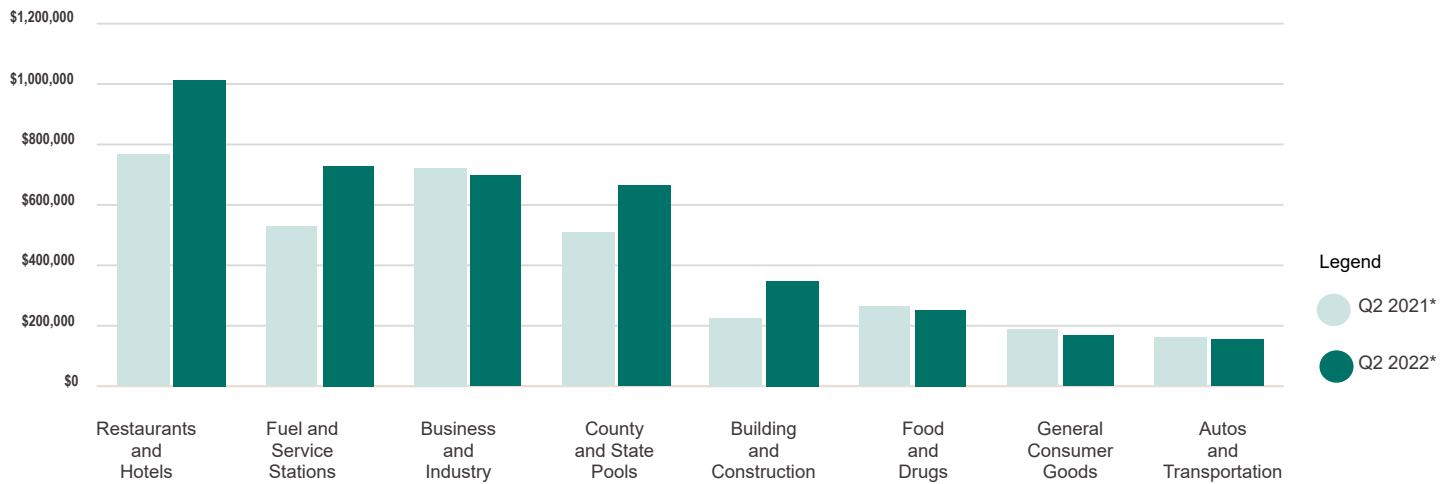
19.6%
COUNTY UNINC. ↑

12.0%
COUNTY ↑

10.1%
STATE ↑

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

SALES TAX BY MAJOR BUSINESS GROUP



MONTEREY COUNTY UNINCORPORATED HIGHLIGHTS

The unincorporated area's gross receipts from April through June were almost 21% above the second sales period in 2021; however, after various reporting modifications, actual sales were up 19.6%. Similarly, overall place of sale collections jumped 17.6% compared to a year ago. While inflation continued to climb, it did not deter people from visiting the region to dine, stay and play.

For the fifth consecutive quarter the county's largest sales tax group, restaurants-hotels, posted double digit gains. Receipts in the hotels-motels group surged 50% as people filled up rooms. Leisure/ entertainment venues were also busy with golfers and tourists enjoying the region. The cost of crude oil kept local gas prices high, and coupled with more drivers on the road, service station receipts skyrocketed.

Contractor activity and a large one-time taxpayer allocation helped lift building-construction results.

Even though countywide ecommerce slowed a bit, the Monterey County Pool experienced a couple of large onetime allocations that elevated the pool, and along with the county's sales tax growth, contributed to a 31% boost in countywide use tax allocations.

Conversely, the business-industry group dipped slightly as sales in most sectors of this diverse group ebbed. Lower cannabis receipts compared to a year ago contributed to a slide in food-drug revenues.

Net of aberrations, taxable sales for all of Monterey County grew 12.0% over the comparable time period; the Central Coast region was up 7.8%.



TOP 25 PRODUCERS

- 7 Eleven
- Associated Rebar
- Atkinson Industries
- Avfuel
- Bernardus Lodge
- C & N Tractors
- Carmel Valley Ranch
- Chevron
- Core & Main
- Duke Energy
- Dune Company of Salinas
- Gonzales Shell
- Kristich Monterey Concrete Pipe
- Monterey Fuel Company
- Nepenthe
- Pacific Ag Rentals
- Pebble Beach Resorts
- Prundale Valero/ferm's Service
- Royal Oaks Valero
- Safeway
- Shell
- Sturdy Oil Company
- Valero
- Ventana Big Sur
- Wilbur Ellis



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.

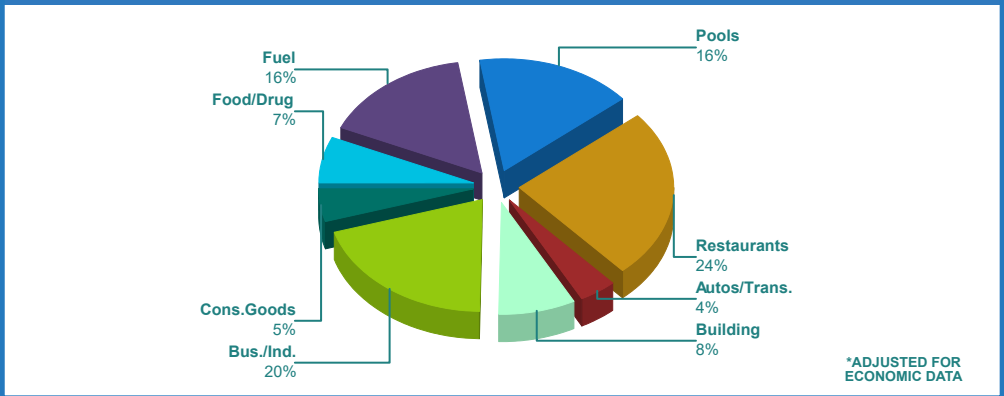
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight 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 auto sales, building materials and financed general consumer goods, resulting in slower growth by year end and into 2023.

REVENUE BY BUSINESS GROUP
Monterey Co. Uninc This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Unincorporated County Business Type	Q2 '22*	Change	County Change	HdL State Change
Hotels/Motels	613.1	50.4% ↑	68.8% ↑	112.8% ↑
Service Stations	527.0	30.7% ↑	37.5% ↑	36.4% ↑
Contractors	265.1	82.7% ↑	31.3% ↑	14.0% ↑
Garden/Agricultural Supplies	212.0	-4.8% ↓	5.2% ↑	-7.5% ↓
Casual Dining	206.9	2.9% ↑	11.3% ↑	17.2% ↑
Petroleum Prod/Equipment	189.1	55.0% ↑	73.6% ↑	85.3% ↑
Leisure/Entertainment	122.5	52.2% ↑	83.4% ↑	69.7% ↑
Grocery Stores	117.1	1.2% ↑	5.0% ↑	5.3% ↑
Warehse/Farm/Const. Equip.	93.3	-16.0% ↓	1.2% ↑	11.6% ↑
Building Materials	82.9	-0.1% ↓	2.7% ↑	2.8% ↑

*Allocation aberrations have been adjusted to reflect sales activity *In thousands of dollars