

CITY OF CARMEL

SALES TAX UPDATE

2Q 2022 (APRIL - JUNE)



CARMEL

TOTAL: \$ 923,701

10.0%
2Q2022



12.0%
COUNTY

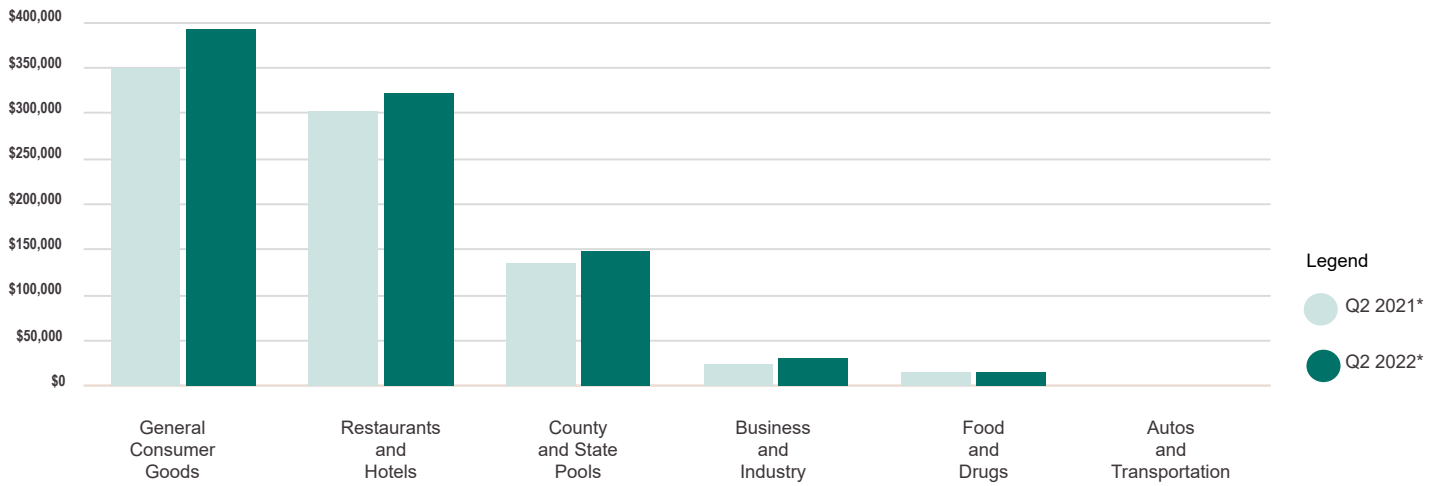


10.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure C

TOTAL: \$1,522,602

↑ 9.2%



CITY OF CARMEL HIGHLIGHTS

Carmel's gross receipts from April through June were 1.3% above the second sales period in 2021; however, after various reporting modifications, actual sales were up 10%. Similarly, overall place of sale collections jumped 10% compared to a year ago – with most major categories demonstrating growth.

While inflation continued to climb, it did not deter people from visiting the region to shop, dine, stay and play. Jewelry, apparel and home furnishings sales contributed to double-digit consumer goods receipts. Tourism bolstered restaurants-hotels as the group posted solid gains – with a 45% jump in hotel/motel revenues. Winery and textile/

furnishings sales boosted the business-industry group.

Even though ecommerce slowed a bit, the Monterey County Pool experienced a couple of large one-time allocations that elevated the pool and contributed to a 9.6% bump in countywide use tax allocations for Carmel.

The voter-approved Measure C 1.5% district tax enjoyed similar gains – bolstered by an active spring season.

Net of adjustments, 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

- Alvarado Street Brewery & Bistro
- Anthropologie
- Anton & Michel
- Arhaus Furniture
- Caffe Napoli
- Carmel Classics
- Carmel Shell
- Coach
- Dametra Cafe
- Flahertys Seafood Grill & Oyster Bar
- Fourtane Estate Jewelers
- Girl Boy Girl
- Grasings Coastal Cuisine
- Il Fornaio
- J Lawrence Khakis
- La Bicyclette
- La Playa Hotel
- L'Auberge Carmel
- Mad Dogs & Englishmen
- Pangaea Grill
- Pocket Carmel
- Portabella Mediterranean
- Seventh & Dolores Restaurant
- Tiffany & Co
- Treehouse Cafe



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.

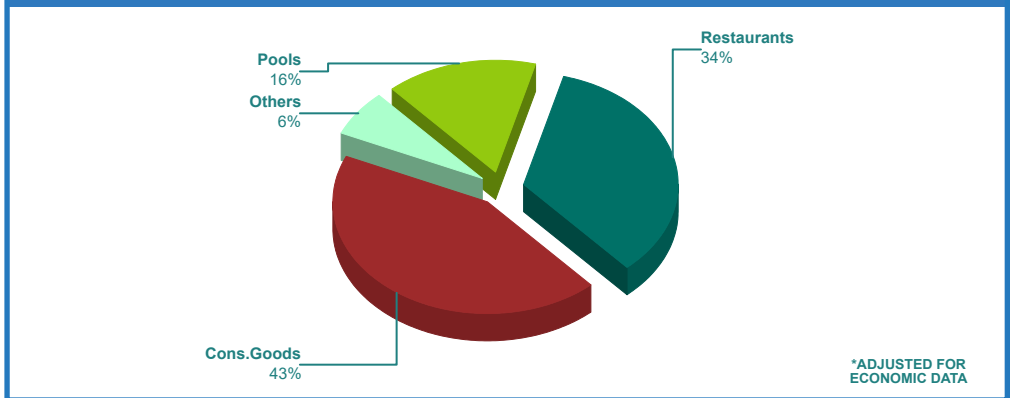
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight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



TOP NON-CONFIDENTIAL BUSINESS TYPES

Carmel Business Type	Q2 '22	Change	County Change	HdL State Change
Casual Dining	208,274	2.0% ↑	11.3% ↑	17.2% ↑
Jewelry Stores	102,199	7.3% ↑	4.0% ↑	1.2% ↑
Family Apparel	72,385	31.6% ↑	-1.8% ↓	0.6% ↑
Fine Dining	64,668	3.4% ↑	12.9% ↑	18.0% ↑
Women's Apparel	59,552	4.3% ↑	0.5% ↑	6.2% ↑
Art/Gift/Novelty Stores	52,226	0.0% ↓	-1.4% ↓	-1.4% ↓
Hotels/Motels	35,891	43.8% ↑	68.8% ↑	112.8% ↑
Home Furnishings	30,165	72.7% ↑	-1.3% ↓	-4.5% ↓
Specialty Stores	28,786	-2.8% ↓	4.0% ↑	4.2% ↑
Wineries	21,495	5.3% ↑	-1.8% ↓	1.5% ↑

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