

# CITY OF CARMEL

## SALES TAX UPDATE

### 4Q 2021 (OCTOBER - DECEMBER)



**CARMEL**

TOTAL: \$ 845,870

39.9%  
4Q2021



12.2%  
COUNTY

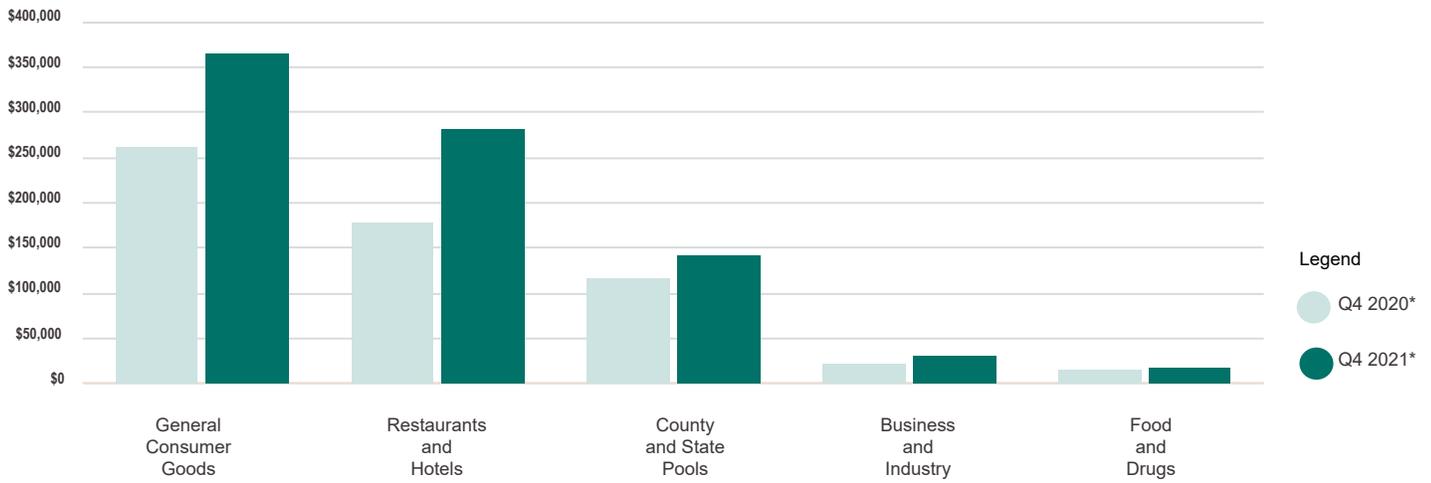


15.6%  
STATE



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

### SALES TAX BY MAJOR BUSINESS GROUP



### Measure C

TOTAL: \$1,419,450

31.9%



### CITY OF CARMEL HIGHLIGHTS

Carmel's receipts from October through December were 63.7% above the fourth sales period in 2020. Excluding reporting aberrations, actual sales were up 39.9%.

Rising menu prices and the strong desire to dine out contributed to the growth in restaurants, and the growth was further increased by the capacity restrictions in the comparable quarter; casual dining restaurants grew 49%, fine dining up 64% while quick-service was only up 15%. Casual dining has surpassed the pre-pandemic levels while the other two categories are nearing pre-pandemic level.

General consumer goods posted recovery

numbers; jewelry stores apparel stores and specialty stores all up over 34% and all surpassing pre-pandemic levels.

The use tax allocations to the pool were down, but the strong recovery for the city led to a larger portion of the pool; the City's allocation was up 20%.

Measure D was boosted by the same categories above and growth was lessened by slowing new vehicle purchases by residents.

Net of aberrations, taxable sales for all of Monterey County grew 12.2% over the comparable time period; the Central Coast region was up 11.6%.



### TOP 25 PRODUCERS

- |                                  |                              |
|----------------------------------|------------------------------|
| Alvarado Street Brewery & Bistro | Grasings Coastal Cuisine     |
| Anthropologie                    | Il Fornaio                   |
| Anton & Michel Restaurant        | J Lawrence Khakis            |
| Augustina Leathers               | La Bicyclette                |
| Caffe Napoli                     | La Playa Hotel               |
| Carmel Classics                  | L'Auberge Carmel             |
| Carmel Shell                     | Lloyds Shoes                 |
| Casanova Restaurant              | Mad Dogs & Englishmen        |
| Club                             | Pocket Carmel                |
| Coach                            | Portabella Mediterranean     |
| Dametra Cafe                     | Seventh & Dolores Restaurant |
| Fourtane Estate Jewelers         | Tiffany & Co                 |
| Girl Boy Girl                    |                              |



**STATEWIDE RESULTS**

California’s local one cent sales and use tax receipts for sales during the months of October through December were 15% higher than the same quarter one year ago after adjusting for accounting anomalies. A holiday shopping quarter, the most consequential sales period of the year, and the strong result was a boon to local agencies across the State. Consumers spent freely as the economy continued its rebound from the pandemic and as robust labor demand reduced unemployment and drove up wages.

Brick and mortar retailers did exceptionally well as many shoppers returned to physical stores rather than shopping online as the COVID crisis waned. This was especially true for traditional department stores that have long been among the weakest categories in retail. Discount department stores, particularly those selling gas, family and women’s apparel and jewelry merchants also experienced strong sales. Many retailers are now generating revenue that is nearly as much, or even higher, than pre-pandemic levels.

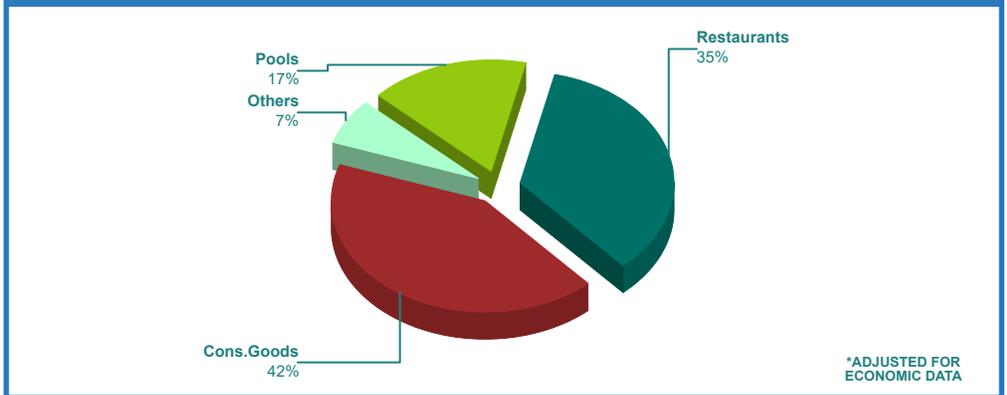
Sales by new and used car dealers were also much higher than a year ago. The inventory shortage has resulted in higher prices that have more than offset the decline in unit volume in terms of revenue generation for most dealerships. Restaurants and hotels were only moderately lower than last quarter, with both periods being the highest in the State’s history. Increased menu prices coupled with robust demand to dine out are largely responsible for these gains. These are impressive results for a sector that does not yet include the positive impact that will occur later this year as international travel steadily increases at major airports. Conference business, an important revenue component for many hotels, is also still in the early stages of recovery.

Building material suppliers and contractors were steady as growing residential and commercial property values boosted demand, particularly in the Southern California, Sacramento and San Joaquin Valley regions. Although anticipated interest rate increases by the Federal Reserve could dampen the short-term outlook for this sector, industry experts believe limited selling activity will inspire increased upgrades and improvements by existing owners. With demand remaining tight and calls for more affordable housing throughout the state, the long-term outlook remains positive.

The fourth quarter, the final sales period of calendar year 2021, exhibited a 20% rebound

in tax receipts compared to calendar year 2020. General consumer goods, restaurants, fuel and auto-transportation industries were the largest contributors to this improvement. However, the future growth rate for statewide sales tax revenue is expected to slow markedly. Retail activity has now moved past the easy year-over-year comparison quarters in 2021 versus the depths of the pandemic bottom the year before. Additional headwinds going into 2022 include surging inflation, a dramatic jump in the global price of crude oil due to Russia’s war in Ukraine and corresponding monetary tightening by the Federal Reserve. This is expected to result in weakening consumer sentiment and continued, but decelerating, sales tax growth into 2023.

**REVENUE BY BUSINESS GROUP**  
Carmel This Calendar Year\*



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Carmel Business Type	Q4 '21	Change	County Change	HdL State Change
Casual Dining	179,863	49.4% ↑	64.9% ↑	66.4% ↑
Jewelry Stores	84,408	34.4% ↑	36.1% ↑	37.6% ↑
Women's Apparel	63,433	58.7% ↑	43.9% ↑	41.5% ↑
Family Apparel	62,963	60.2% ↑	26.1% ↑	27.2% ↑
Fine Dining	60,631	64.8% ↑	84.9% ↑	95.9% ↑
Art/Gift/Novelty Stores	49,908	13.7% ↑	24.2% ↑	23.6% ↑
Specialty Stores	38,762	69.1% ↑	20.1% ↑	18.7% ↑
Hotels/Motels	31,166	111.3% ↑	159.4% ↑	228.2% ↑
Wineries	23,185	21.9% ↑	9.0% ↑	21.2% ↑
Home Furnishings	17,198	-9.6% ↓	0.0% ↓	6.5% ↑

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