

CITY OF CARMEL

SALES TAX UPDATE

1Q 2022 (JANUARY - MARCH)



CARMEL

TOTAL: \$ 813,603

63.3%
1Q2022



18.1%
COUNTY

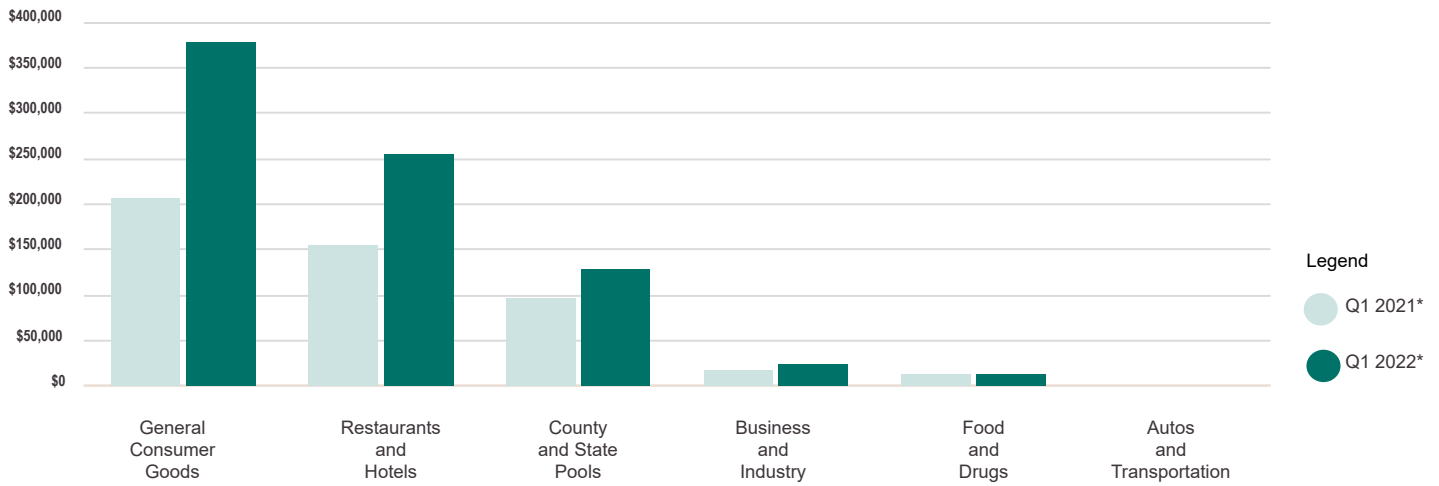


17.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure C

TOTAL: \$1,377,576

52.0%



CITY OF CARMEL HIGHLIGHTS

Carmel's receipts from January through March were 59.5% above the first sales period in 2021. Excluding reporting adjustments, receipts for the period were up 63.3%.

Nothing about this quarter says a recession looms in the future. Tourism is up along with overall consumer optimism despite the sharp rise in all prices. Fortunately, higher prices seem to be doing little to force consumers to cut back their spending.

Restaurants continued to post impressive gains this quarter, with this being the fourth consecutive period having at least 62% growth. Meanwhile,

general consumer goods sales volume has averaged at least 40% growth over the same timeframe.

Measure C's results reflect more of the same. In a further sign of a hot economy, new car sales to locals were up 22%. Overall results, however, appear to be overstated by nearly \$90,000 or 9.9% from two taxpayers who sent money to the wrong agency.

Net of adjustments, taxable sales for all of Monterey County grew 18.1% over the comparable time period while those of the Central Coast region were up 15.1%.



TOP 25 PRODUCERS

- Alvarado Street Brewery & Bistro
- Anthropologie
- Anton & Michel
- Artemis Collections
- Caffe Napoli
- Carmel Classics
- Carmel Shell
- Casanova Restaurant Club
- Dametra Cafe
- Fourtane Estate Jewelers
- Gh Wilke Jewelers
- Girl Boy Girl
- Grasings Coastal Cuisine
- Il Fornaio
- J Lawrence Khakis
- Josh Hardy Galleries
- La Bicyclette
- La Playa Hotel
- L'Auberge Carmel
- Mad Dogs & Englishmen
- Pangaea Grill
- Pocket Carmel
- Portabella Mediterranean
- Tiffany & Co



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.

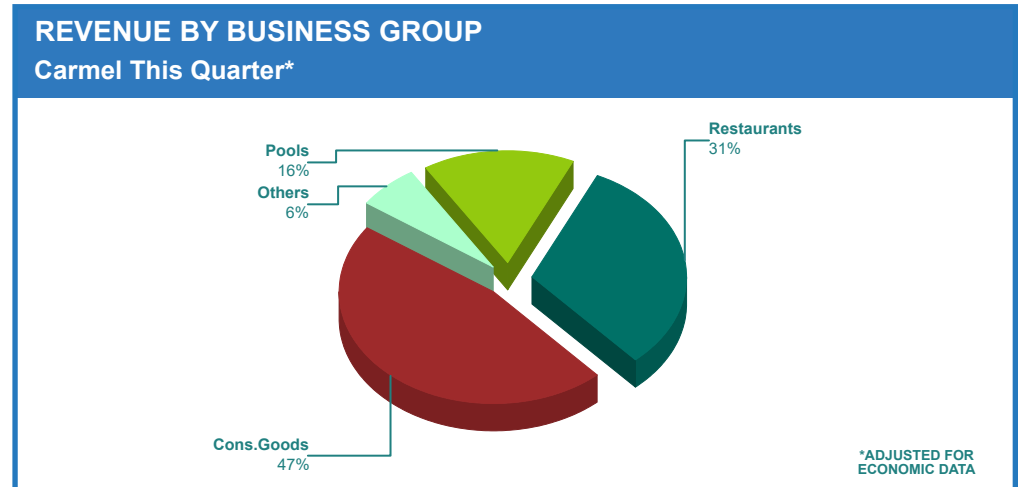
Post-holiday retail sales of general consumer goods remained solid, improving 10%. Prior supply chain concerns have dissipated, port operations are returning

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.



TOP NON-CONFIDENTIAL BUSINESS TYPES

Carmel Business Type	Q1 '22	Change	County Change	HdL State Change
Casual Dining	168,403	58.0% ↑	59.4% ↑	55.7% ↑
Jewelry Stores	133,167	148.0% ↑	72.9% ↑	24.0% ↑
Art/Gift/Novelty Stores	54,383	40.4% ↑	26.0% ↑	14.7% ↑
Fine Dining	53,846	86.4% ↑	126.6% ↑	82.4% ↑
Family Apparel	53,279	99.0% ↑	8.1% ↑	9.4% ↑
Women's Apparel	48,743	44.5% ↑	28.1% ↑	25.2% ↑
Hotels/Motels	23,569	78.6% ↑	224.8% ↑	244.1% ↑
Specialty Stores	23,177	33.7% ↑	10.5% ↑	10.7% ↑
Home Furnishings	18,630	55.3% ↑	9.5% ↑	1.0% ↑
Shoe Stores	18,225	157.0% ↑	31.7% ↑	14.8% ↑

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