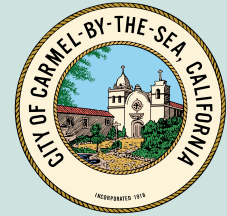


CITY OF CARMEL

SALES TAX UPDATE

1Q 2024 (JANUARY - MARCH)



CARMEL

TOTAL: \$ 765,068

15.6%
1Q2024



0.7%
COUNTY

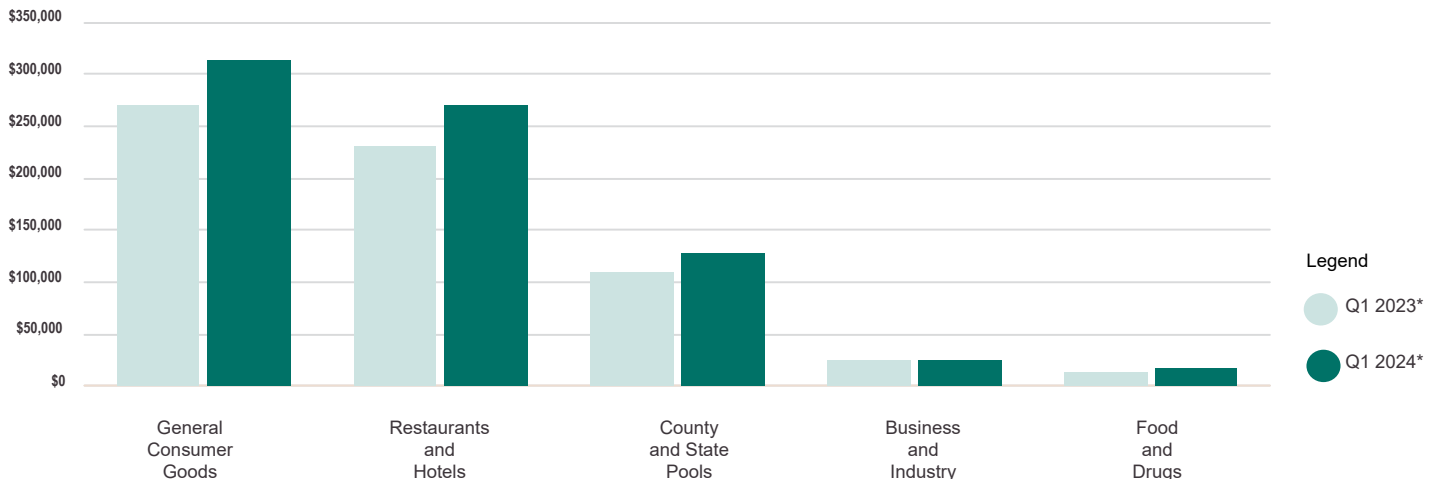


-0.3%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure C

TOTAL: \$1,324,767

16.9%



CITY OF CARMEL HIGHLIGHTS

Carmel's receipts from January through March were 17.1% above the first sales period in 2023. Excluding reporting aberrations, receipts for the period were up 15.6%.

This turned out to be a solid quarter for most taxing jurisdictions in the county, but Carmel's results topped all other agencies. An added benefit was the City received a larger payout from the countywide use tax pool.

Sales of general consumer goods were especially strong this period, with retailers posting their strongest showing in 2 years. Family apparel, women's apparel, and jewelry were the top sellers. Restaurants

also did well this quarter, posting their third consecutive growth quarter.

Measure C's results were just as impressive and reflected a large increase in the number of new luxury automobiles purchased and registered to local addresses. There was, however, a notable decline in the amount of material and equipment acquired for commercial use. This lowered the receipt total for the business and industry group.

Net of aberrations, taxable sales for all of Monterey County grew 0.7% over the comparable period while those of the Central Coast region were up 2.2%.



TOP 25 PRODUCERS

- | | |
|--------------------------------------|------------------------------|
| Alvarado Street Brewery & Bistro | Grasings Coastal Cuisine |
| Anthropologie | Il Fornaio |
| Anton & Michel | J Lawrence Khakis |
| Arhaus Furniture | La Bicyclette |
| Caffe Napoli | La Playa Hotel |
| Carmel Classics | Nielsen Bros Market |
| Chez Noir | Photography West Graphics |
| Club | Pocket Carmel |
| Coach | Portabella Mediterranean |
| Dametra Cafe | Seventh & Dolores Restaurant |
| Flahertys Seafood Grill & Oyster Bar | Stationary |
| Fourtane Estate Jewelers | Tiffany & Co |
| Girl Boy Girl | |



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts during the months of January through March were 0.2% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year first quarter is traditionally the lowest sales tax generating period; however, returns were more on par with the comparison period.

One of the only sectors continuing to display declines was auto-transportation. High interest rates created more expensive long-term financing costs. Combined with a dramatic cost of insurance coverage rate spike, this group declined 7.5%.

Fuel and service stations was the other sector with a drop over last year. As California drivers embark on summer travel, they’ll do so with slightly elevated gas prices versus 2023, probably yielding the final period of negative results for the category heading into 2025.

During this post-holiday shopping period, general consumer goods experienced a soft rebound with very modest 0.5% growth. Although retailers selling gas were hurt by fuel prices, it did not stop family apparel and department stores from lifting revenues.

Restaurant activity contributed constant growth of 2.1%. Only fine dining establishments remain hindered as more affordable menus are preferred. Also, it appears some eateries made operational changes while implementing AB 1228; however, there isn’t enough data

yet to understand if this new bill impacted revenue.

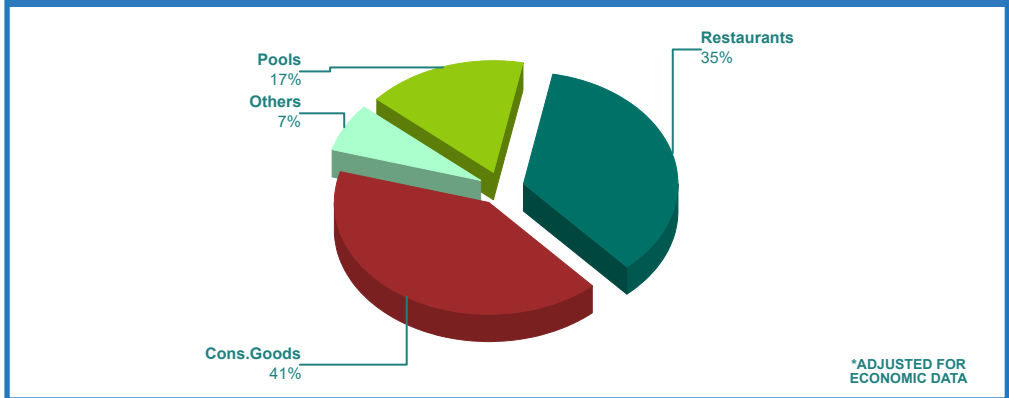
Seemingly dramatic one-time events helped boost business-industry, as investments in office supplies-furniture and energy projects were a significant reason for 3.6% gains this quarter. Additionally, strong fulfillment center direct payments demonstrated sustained logistical expansion. When coupled with improved returns via the countywide use tax pools, customers demonstrated e-commerce preferences for obtaining various goods. Overall

pool allocations improved 1.6%.

Statewide, 2024 begins in a more positive fashion compared to the recent trends of 2023. Buoyed 1st quarter results may signify ‘the floor’ helping ease tax revenue concerns while awaiting the next growth cycle. The Federal Reserve and their position with the Fed Funds Rate remains the most probable component between economic stagnation or spring-boarding consumer spending. Tourism and local travel in the coming summer period could further inspire confidence.

REVENUE BY BUSINESS GROUP

Carmel This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Carmel Business Type	Q1 '24	Change	County Change	HdL State Change
Casual Dining	178,711	18.0% ↑	5.8% ↑	2.3% ↑
Jewelry Stores	91,087	14.4% ↑	8.9% ↑	-0.6% ↓
Fine Dining	58,484	8.8% ↑	8.4% ↑	-5.2% ↓
Family Apparel	51,509	29.8% ↑	13.6% ↑	7.4% ↑
Women's Apparel	49,064	7.8% ↑	3.4% ↑	-1.2% ↓
Art/Gift/Novelty Stores	37,985	19.8% ↑	6.9% ↑	-2.4% ↓
Home Furnishings	31,374	34.7% ↑	4.5% ↑	-6.5% ↓
Hotels/Motels	22,510	19.1% ↑	2.4% ↑	2.6% ↑
Specialty Stores	17,992	1.2% ↑	0.6% ↑	-2.3% ↓
Wineries	17,323	-7.8% ↓	-13.5% ↓	-4.0% ↓

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