

CITY OF OCEANSIDE

SALES TAX UPDATE

2Q 2022 (APRIL - JUNE)



OCEANSIDE

TOTAL: \$ 7,284,516

10.2%
2Q2022



13.5%
COUNTY

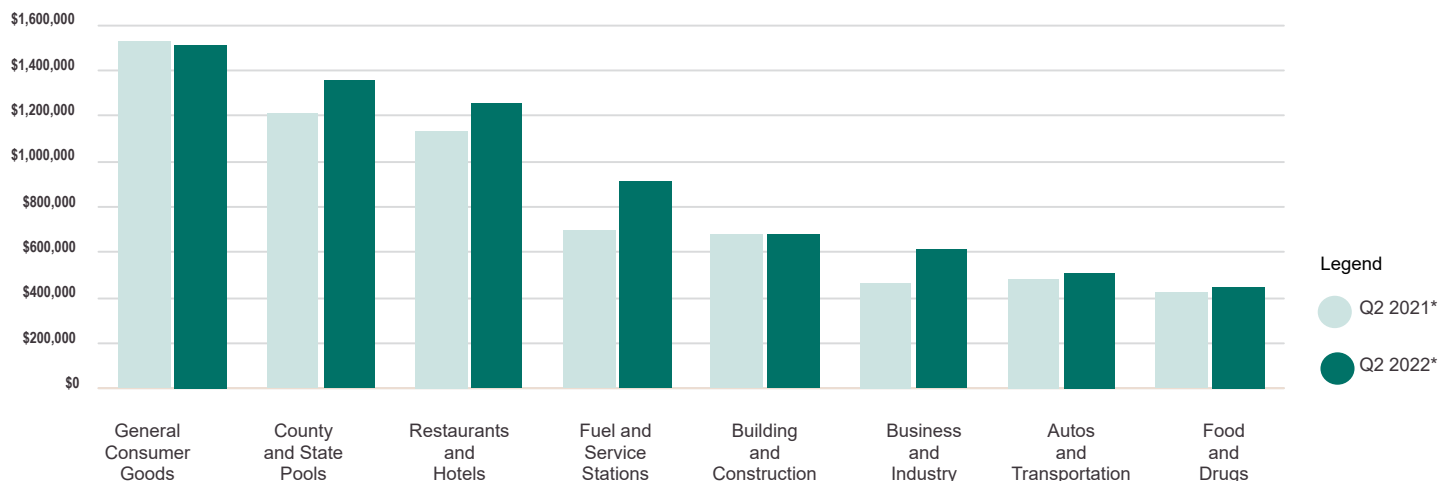


10.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure X

TOTAL: \$4,683,764

↑ 7.5%



CITY OF OCEANSIDE HIGHLIGHTS

Oceanside's Bradley-Burns sales tax receipts from April through June were 5.2% above the second sales period in 2021. Excluding reporting aberrations, actual sales were up 10.2%.

Allocations from local service stations surged 31% on sky-high gasoline prices.

Restaurants continued their rebound from the Covid-19 epidemic, while the performance of the hospitality category overall was further boosted by the recent opening of two popular new hotels.

Business and industrial returns were boosted by a large spike in revenue from one of the City's vendors. The recent

opening of a new electrical equipment supplier further lifted returns. Allocations from the countywide use tax pool increased 12%, which was very close to the local trend.

Measure X, the City's half-cent voter approved district tax, improved 7.5%. This was slightly less than the Bradley-Burns rate of improvement previously discussed, largely because online consumer goods sales slowed in comparison to the pandemic surge.

Net of aberrations, taxable sales for all of San Diego County grew 13.5% over the comparable time period; the Southern California region was up 11.1%.



TOP 25 PRODUCERS

Albertsons
Arco AM PM
Best Buy
Chevron
Circle K
Express Fuel
G&M
Home Depot
In N Out Burger
Krannich Solar West
Lowe's
McDonald's
Melrose Shell
Mohsen Oil
Mossy Nissan
MWI Plumbers Supply

Oceana Gasoline & Auto Care
One Source Distributors
Procraft Media
Ross
Superior Ready Mix
Target
TJ Maxx
United Oil
Walmart Supercenter



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.

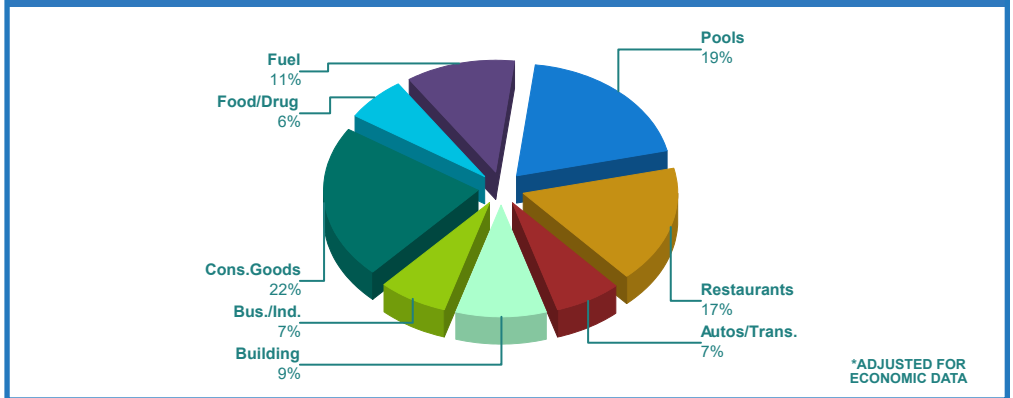
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight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



TOP NON-CONFIDENTIAL BUSINESS TYPES

Oceanside Business Type	Q2 '22*	Change	County Change	HdL State Change
Service Stations	913.5	31.4% ↑	28.2% ↑	36.4% ↑
Casual Dining	585.7	9.3% ↑	17.6% ↑	17.3% ↑
Quick-Service Restaurants	494.8	5.3% ↑	10.0% ↑	5.2% ↑
Building Materials	482.4	-2.0% ↓	4.1% ↑	2.9% ↑
Grocery Stores	240.5	2.4% ↑	5.2% ↑	5.3% ↑
Family Apparel	171.9	-4.0% ↓	10.4% ↑	0.6% ↑
Electronics/Appliance Stores	167.2	-2.8% ↓	15.1% ↑	-0.8% ↓
Specialty Stores	158.1	4.4% ↑	7.2% ↑	4.2% ↑
Contractors	145.2	3.3% ↑	10.8% ↑	13.9% ↑
Automotive Supply Stores	124.5	9.2% ↑	2.8% ↑	1.4% ↑

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