

CITY OF OCEANSIDE

SALES TAX UPDATE

3Q 2022 (JULY - SEPTEMBER)



OCEANSIDE

TOTAL: \$ 7,346,790

8.4%
3Q2022



8.6%
COUNTY

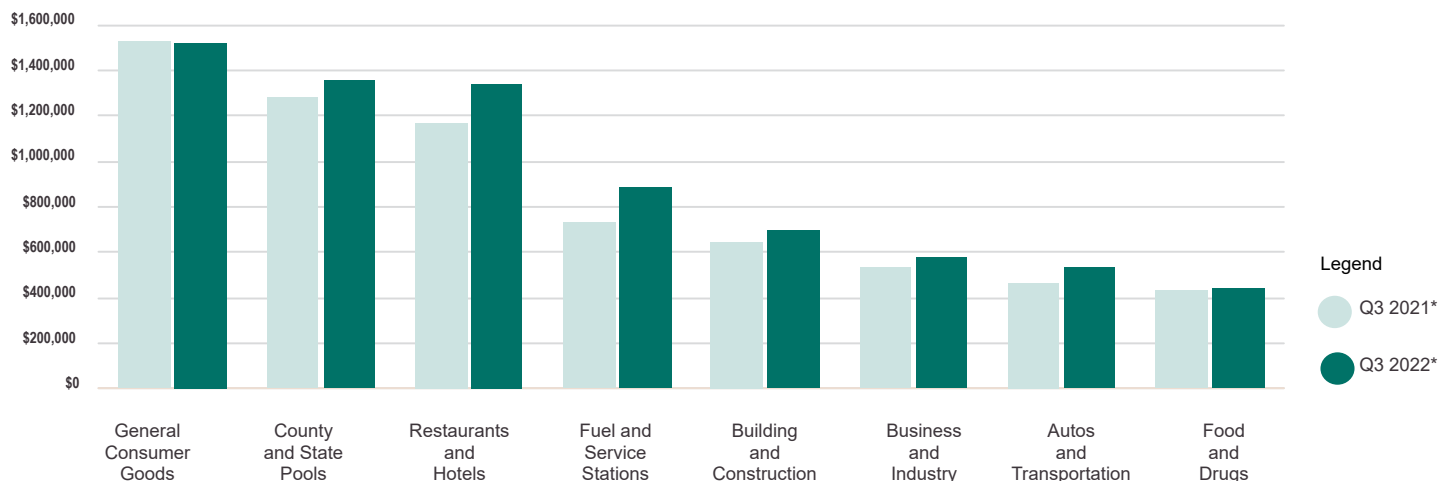


8.0%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure X

TOTAL: \$4,774,594

9.4%



CITY OF OCEANSIDE HIGHLIGHTS

Oceanside's receipts from July through September were 7.4% above the third sales period in 2021. Excluding reporting aberrations, actual sales were up 8.4%.

Several new additions to Oceanside's dynamic restaurant scene boosted tax proceeds from the casual dining category. The temporary closure of a fast-food restaurant last year for a remodeling project also lifted returns now that it has reopened.

Service stations posted ongoing gains as the price of fuel remained very high compared to last year through the end of the July to September quarter. A recent new business opening was positive for

the auto and transportation sector. The sale of contractor supplies was also strong.

The 9.4% rate of improvement for Measure X was slightly more than the growth of the Bradley-Burns tax proceeds previously discussed, largely due to a surge in building and construction material delivered into Oceanside for various projects.

Net of aberrations, taxable sales for all of San Diego County grew 8.6% over the comparable time period; the Southern California region was up 8.1%.



TOP 25 PRODUCERS

Albertsons
Arco AM PM
Best Buy
Chevron
Circle K
Express Fuel
G&M
Haier Us Appliance Solutions
Home Depot
In N Out Burger
Krannich Solar West
Lowe's
McDonald's
Melrose Shell
Mohsen Oil

Mossy Nissan
Oceana Gasoline & Auto Care
One Source Distributors
Ross
Superior Ready Mix
Target
Tesla Motors
TJ Maxx
United Oil
Walmart Supercenter



STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring July through September was 8% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark another strong period of growth for the California spending economy.

Even as the Federal Reserve Board continued ramping up interest rates in an effort to curb the larger concern of inflation, consumers maintained purchases on multiple fronts, especially automobiles. Surprisingly, new car dealers experienced 10% gains over the comparable period in 2021. Limited inventory and demand for higher mileage vehicles including electric and hybrid models helped support growth. In addition, the increased cost of used vehicles has pushed many into the new vehicle market; in contrast, sales of recreation vehicles and auto leasing activity remained soft.

For Californians, the summer of 2022 had the highest gas prices on record; subsequently fuel and service stations receipts jumped 21%. Commuters and summer travel remained steady, yet overall consumption still trails pre-pandemic levels by approximately 13%. Although the Russia-Ukraine conflict initially caused a dramatic shift in global crude oil markets, prices have begun to pull back closer to historical norms.

Restaurants experienced a strong uptick as increased menu prices, consistent desire to dine out and strong tourism contributed to this favorable news. Just as important, theme parks, leisure-entertainment venues and hotels pushed positive momentum back to 2019 levels. With tightening profit margins and sustained labor concerns, future improvement could be slowed compared to the last two years.

Busy contractors and plumbing-electrical

suppliers boosted the building-construction sector. Solid residential and commercial housing prices persisted despite recent interest rate hikes. Tenant improvements further support spending activity as businesses assess future office needs. With statewide new housing requirements and federal infrastructure funding on the horizon, current forecasts stay optimistic.

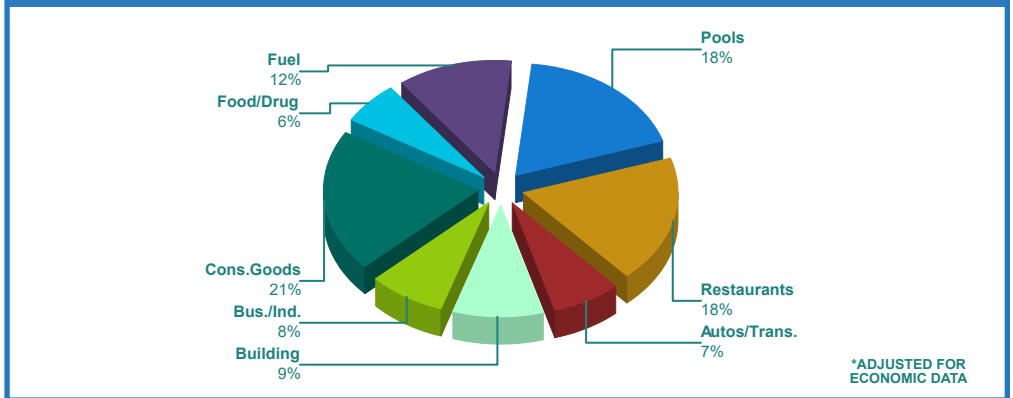
Steady investment in capital equipment coupled with the overall increased price of goods enhanced both business-industry and countywide use tax pool allocations.

For the second straight quarter, fuel sales linked to discount department stores propped up general consumer goods

results. Otherwise, retailers experienced flat to decreased receipts as many apparel categories, home furnishings and sporting goods struggled to keep pace with the prior year. As consumers balanced summer opportunities and higher prices, in-store shopping appears to have taken a temporary back seat.

Sustained price increases and interest rate hikes certainly have consumers contemplating where to spend their dollars. However, historically low statewide unemployment rates and the recovery of the national stock markets from declines earlier this year leave modest optimism heading into 2023.

REVENUE BY BUSINESS GROUP
Oceanside This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Oceanside Business Type	Q3 '22*	Change	County Change	HdL State Change
Service Stations	885.1	21.2% ↑	11.1% ↑	18.6% ↑
Casual Dining	630.2	10.6% ↑	12.8% ↑	10.2% ↑
Quick-Service Restaurants	520.3	14.9% ↑	6.5% ↑	4.0% ↑
Building Materials	500.5	2.2% ↑	4.5% ↑	2.7% ↑
Grocery Stores	235.4	2.0% ↑	2.4% ↑	3.1% ↑
Family Apparel	170.5	-4.2% ↓	11.6% ↑	-1.7% ↓
Electronics/Appliance Stores	163.3	-2.4% ↓	17.1% ↑	3.6% ↑
Specialty Stores	159.1	6.6% ↑	6.7% ↑	4.1% ↑
Contractors	154.5	29.4% ↑	6.1% ↑	15.5% ↑
Automotive Supply Stores	128.7	6.1% ↑	4.6% ↑	5.3% ↑

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars