

CITY OF PLACERVILLE

SALES TAX UPDATE

3Q 2022 (JULY - SEPTEMBER)



PLACERVILLE
TOTAL: \$ 1,630,039

0.2%
3Q2022



13.6%
COUNTY

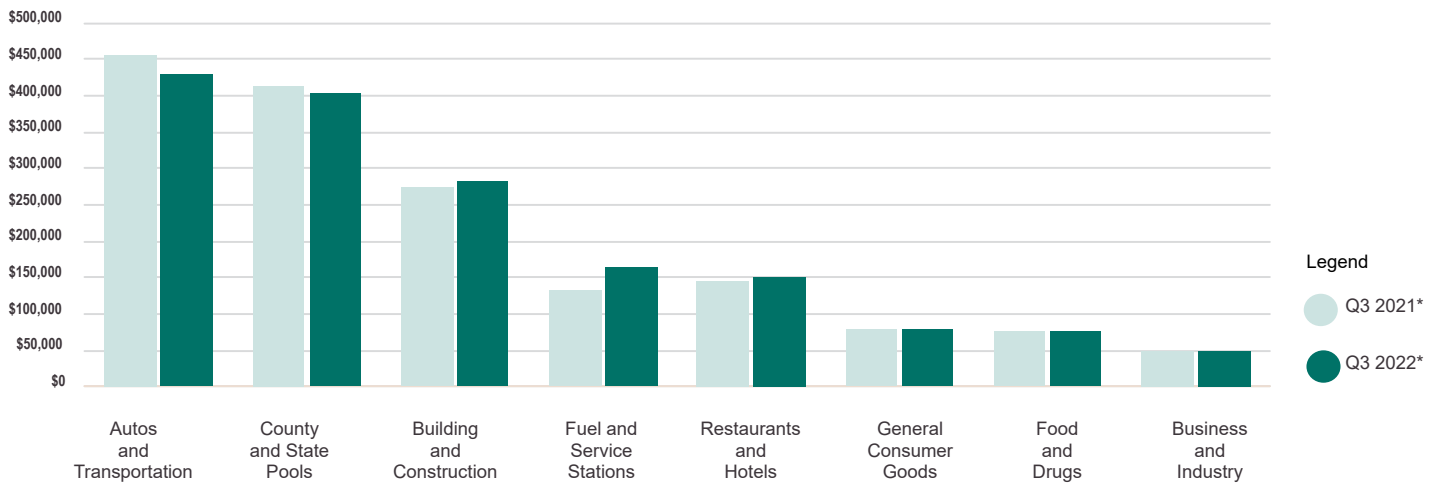


8.0%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure J
TOTAL: \$379,039
↓ -0.2%

Measure H
TOTAL: \$379,036
↓ -0.2%

Measure L
TOTAL: \$758,024
↓ -0.2%



CITY OF PLACERVILLE HIGHLIGHTS

Placerville's receipts from July through September were 0.3% below the third sales period in 2021. Excluding reporting aberrations, actual sales were up 0.2%.

Sales weakened in multiple sectors due to pricing pressures on essentials such as food, housing and energy as federal policy makers took action to cool consumer demand. Prices at the pump have risen steadily and service stations reported another quarter of double-digit gains. Crude oil and pump prices have been declining recently and less demand is anticipated in calendar year 2023.

Patrons enjoyed the experiences of dining out at local full-service dining

options and quick service restaurants even when faced with rising menu prices. Results in the automotive sector couldn't match the strong receipts posted last year. General consumer goods retail activity dropped as shoppers felt pricing pressures and had less savings or stimulus dollars to spend.

Voter approved Measures J, H and L posted similar overall results with declines in the automotive group and general consumer goods purchases.

Net of aberrations, taxable sales for all of El Dorado County grew 13.6% over the comparable time period; the Sacramento region was up 6.8%.



TOP 25 PRODUCERS

- Big 5 Sporting Goods
- Bricks Restaurant
- C & H Motor Parts
- Chuck's Cannabis Collective
- Diamond Pacific
- Ferguson Enterprises
- Home Depot
- In N Out Burger
- Kwik Serv
- Les Schwab Tire Center
- Marathon
- McDonalds
- Placerville Valero
- Raley's
- Rancho Convenience Center
- Rite Aid
- Save Mart
- Shell
- Sierra Nevada Tire & Wheel
- Thompsons Buick Gmc
- Thompsons Chrysler Dodge Jeep Ram
- Thompson's Toyota
- Tractor Supply
- W N Hunt & Sons Distributors
- Western Refining Retail



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.

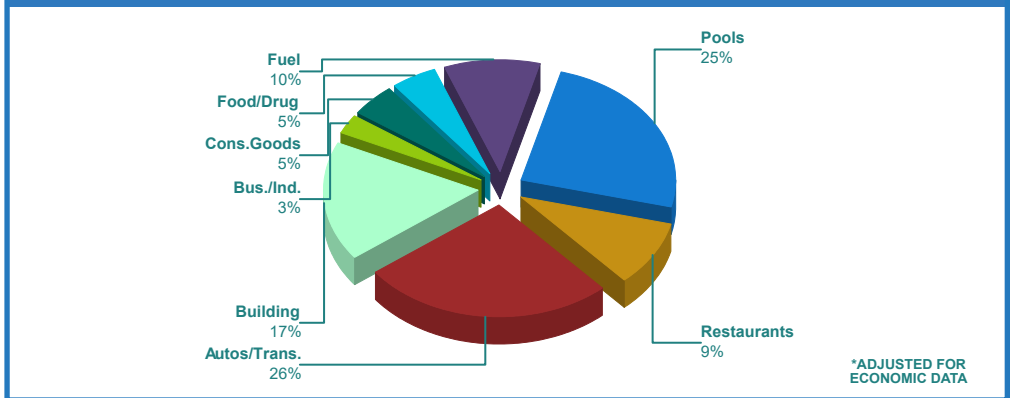
Steady investment in capital equipment coupled with the overall increased price of goods enhanced both business-industry and countywide use tax pool allocations.

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 Placerville This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Placerville Business Type	Q3 '22*	Change	County Change	HdL State Change
Service Stations	126.1	11.4% ↑	28.4% ↑	18.5% ↑
Casual Dining	83.2	9.2% ↑	22.2% ↑	10.1% ↑
Automotive Supply Stores	66.0	12.5% ↑	12.9% ↑	5.3% ↑
Quick-Service Restaurants	61.7	4.7% ↑	13.2% ↑	4.0% ↑
Grocery Stores	39.0	0.6% ↑	9.4% ↑	3.0% ↑
Garden/Agricultural Supplies	23.2	4.4% ↑	3.5% ↑	-2.1% ↓
Auto Repair Shops	20.2	17.9% ↑	10.5% ↑	10.7% ↑
Convenience Stores/Liquor	13.6	-0.3% ↓	5.8% ↑	1.6% ↑
Sporting Goods/Bike Stores	11.9	-1.5% ↓	24.2% ↑	-4.2% ↓
Home Furnishings	11.7	-8.1% ↓	4.5% ↑	-6.2% ↓

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*In thousands of dollars