

# CITY OF SEAL BEACH

## SALES TAX UPDATE

### 1Q 2024 (JANUARY - MARCH)



#### SEAL BEACH

TOTAL: \$ 1,162,202

3.7%

1Q2024



-0.4%

COUNTY



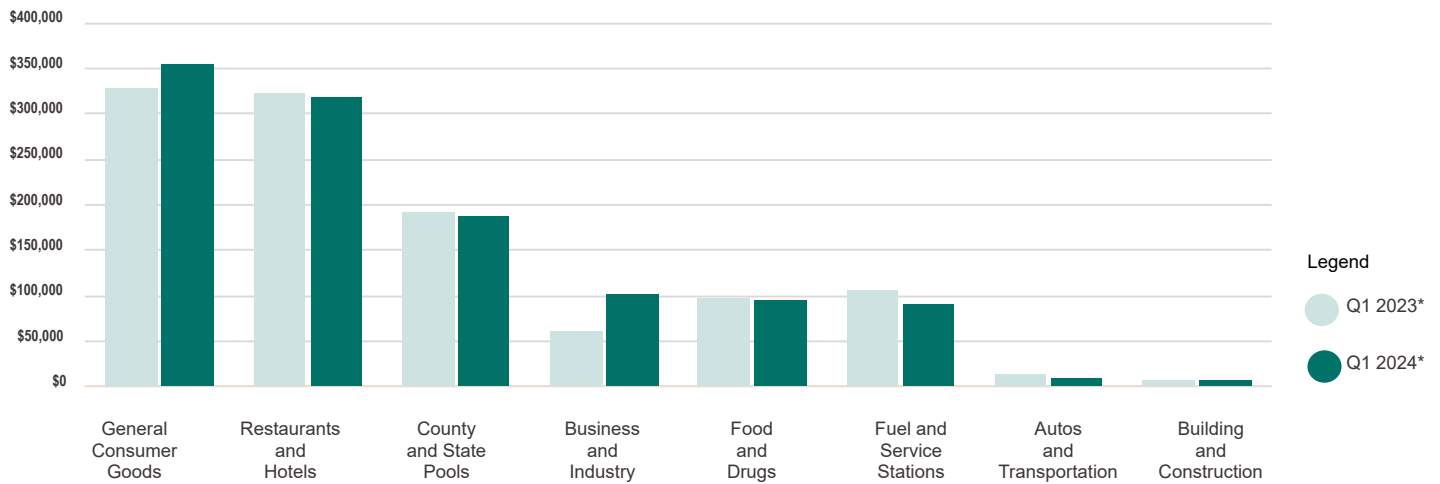
-0.2%

STATE



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

#### SALES TAX BY MAJOR BUSINESS GROUP



#### Measure BB

TOTAL: \$1,500,220

↑ 4.3%



#### CITY OF SEAL BEACH HIGHLIGHTS

Seal Beach's receipts from January through March were 0.8% below the same period in 2023, with the decline due to additional make-up payments received last year that had been owed from the quarter before, which made for a challenging comparison. Excluding this and other anomalies, actual sales rose 3.7%, surpassing state and regional trends.

A new home-furnishing outlet significantly contributed to this gain.

The city also saw increased revenue from business-industrial material purchases for a local improvement project. Apparel

sales were strong, possibly due to shoppers buying smaller sizes after losing weight with new diet medications.

However, a fire that temporarily closed a popular spot negatively impacted casual dining restaurants, and fuel and service station revenues were also down.

Measure BB slightly outperformed the Bradley-Burns results, benefiting from strong online shopping.

Adjusted for anomalies, taxable sales in Orange County declined by 0.4%, while the Southern California region remained flat.



#### TOP 25 PRODUCERS

- |                              |                        |
|------------------------------|------------------------|
| 76                           | Mobil                  |
| Boeing                       | Old Ranch Country Club |
| Chevron                      | Pavilions              |
| Chick Fil A                  | Petsmart               |
| Crate Barrel Outlet          | Ralphs                 |
| CVS Pharmacy                 | Roger Dunn Golf Shops  |
| First Solar                  | Spaghettini            |
| Hofs Hut Restaurant & Bakery | Staples                |
| Home Goods                   | Target                 |
| In N Out Burger              | Tyr Sport              |
| Islands                      | Ultra Beauty           |
| Kobe Japanese Steakhouse     |                        |
| Kohls                        |                        |
| Marshalls                    |                        |



**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.

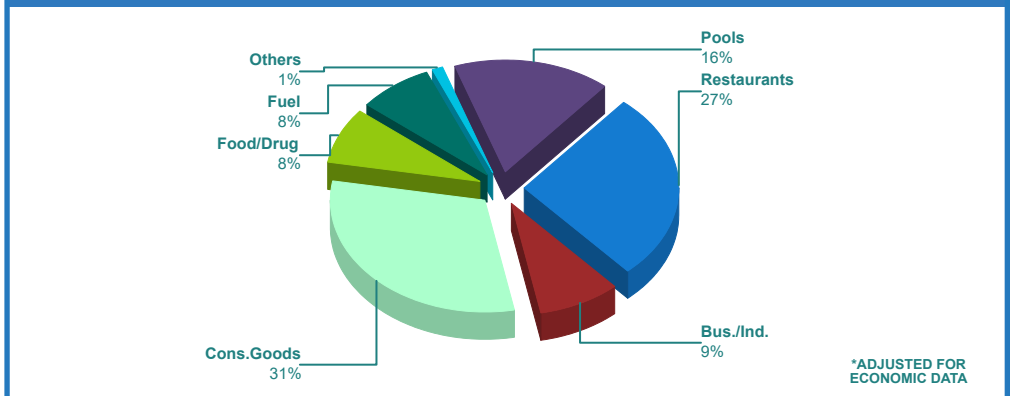
Seemingly dramatic one-time events helped boost business-industry, as investments in office supplies-furniture and energy projects were a significant reason for 3.6% gains this quarter. Additionally, strong fulfillment center direct payments demonstrated sustained logistical expansion. When coupled with 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**

Seal Beach This Quarter\*



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Seal Beach Business Type	Q1 '24	Change	County Change	HdL State Change
Casual Dining	171,153	-4.2% ↓	2.2% ↑	2.4% ↑
Service Stations	88,368	-1.8% ↓	-0.8% ↓	-0.9% ↓
Quick-Service Restaurants	73,710	2.6% ↑	4.2% ↑	2.7% ↑
Home Furnishings	61,812	46.8% ↑	5.1% ↑	-6.3% ↓
Family Apparel	52,074	9.2% ↑	1.7% ↑	7.7% ↑
Specialty Stores	33,957	1.2% ↑	-0.5% ↓	-2.3% ↓
Fast-Casual Restaurants	27,169	-3.3% ↓	3.4% ↑	2.1% ↑
Sporting Goods/Bike Stores	26,831	3.6% ↑	1.1% ↑	-1.3% ↓
Women's Apparel	21,412	8.9% ↑	0.6% ↑	-1.2% ↓
Electronics/Appliance Stores	14,193	-9.5% ↓	-9.7% ↓	-6.6% ↓

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