

SAN JUAN CAPISTRANO

SALES TAX UPDATE

1Q 2022 (JANUARY - MARCH)



SAN JUAN CAPISTRANO

TOTAL: \$ 2,783,180

15.7%
1Q2022



20.1%
COUNTY

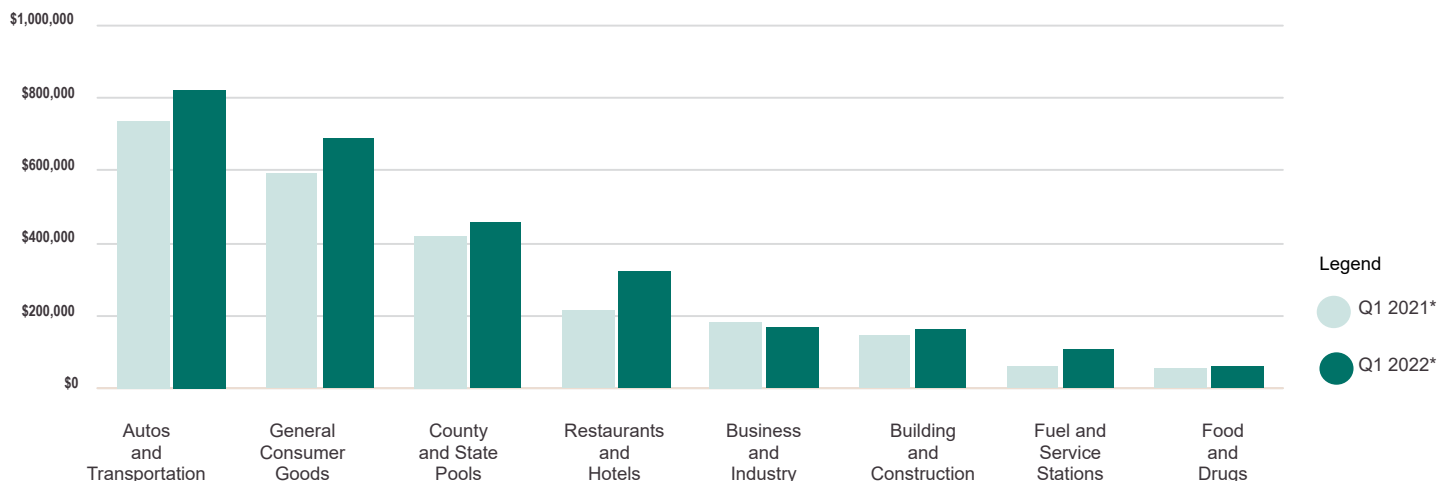


17.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



SAN JUAN CAPISTRANO HIGHLIGHTS

San Juan Capistrano's receipts from January through March were 15.7% above the first sales period in 2021.

Strong demand and limited inventory for vehicles causing elevated pricing for buyers contributed to another stellar jump from new auto dealers. Restaurants and hotels experienced another sensational sales period, especially during the normal winter period, as patrons appear unfazed by more expensive menus and populated eateries.

With the global cost of crude oil resulting in higher gas prices locally and more commuters on the road, revenue from service stations jumped 80%, much more than the state and countywide trends. Sales of fuel and improved activity from specialty stores lifted general consumer goods.

The current stable housing market supported by favorable interest rates and increased equity helped boost receipts at building suppliers.

Increased allocations from the countywide use tax pool further contributed to the overall positive outcome. Greater investments in industrial equipment purchases helping the pool grow coupled with the improved local results stated above has the City's portion 10% higher than a year ago.

Net of aberrations, taxable sales for all of Orange County grew 20.1% over the comparable time period; the Southern California region was up 19.2%.



TOP 25 PRODUCERS

- | | |
|-------------------------------|--------------------------|
| 7 Eleven | Plant Depot |
| Audi & Bentley Leasing | Ross |
| Capistrano Ford | SCP Distributors |
| Capistrano Mazda | Shell |
| Capistrano Valley Toyota | Siteone Landscape Supply |
| Coastline Chrysler | Target |
| Dodge Jeep Ram | Trevors at the Tracks |
| Costco | Vons |
| Ferguson Enterprises | |
| HD Supply | |
| Hirsch Pipe & Supply Co | |
| Main Street Materials | |
| Marshalls | |
| Nissan of San Juan Capistrano | |
| Ocean Honda | |
| Pacific Sales | |
| Pacific Sales w/Best Buy | |
| Paradise Automotive Group | |



STATEWIDE RESULTS

California’s local one-cent sales and use tax for sales occurring January through March was 17% higher than the same quarter one year ago, after adjusting for accounting anomalies and onetime payments from previous quarters. By all accounts, the California retail economy continues roaring along. Even with instability in the stock market, the crisis in Ukraine pushing up the global price of crude oil and the U.S. Federal Reserve Board beginning to tackle inflation with a series of rate increases, consumer spending continued at a strong pace.

The invasion of Ukraine by Russian military forces on February 24 had an immediate upward impact on the global price of crude oil due to fears of supply shortages. Subsequently this has caused a dramatic jump to California consumer gas and diesel prices at a time when many in the workforce were commuting back into offices, also contributing to an overall increase in consumption. As expected, fuel and service station receipts increased 47% over last year and show no signs of pulling back with summer travel right around the corner.

Sales of new and used vehicles continue to be robust causing the autos and transportation sector to jump 15% for the period. Inventory shortages by some dealers may have caused buyers to experience a Fear Of Missing Out (FOMO) and pay elevated prices while interest rates remained lower. Automotive brands that have committed to full electric or hybrid models are attractive with consumers, especially given the sudden rise in fuel prices.

Post-holiday retail sales of general consumer goods remained solid, improving 10%. Prior supply chain concerns have dissipated, port operations are returning to normal and headwinds from inflation and higher cost goods haven’t yet slowed consumer demand. The stellar returns

were largely driven by discount department stores, especially those selling gas.

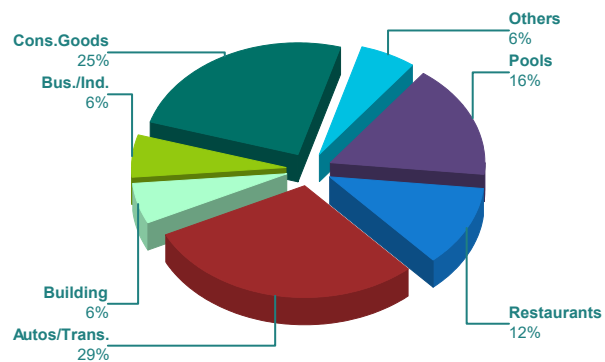
These results mark the fourth full quarter in a row that restaurant and hotel receipts have increased. While higher menu prices have contributed, steady demand by patrons to dine out is also propelling the gains. Furthermore, theme parks and entertainment venues throughout the state are busy. With the summer tourism and travel season approaching, the industry is positioned to maintain post-pandemic growth and remain positive through 2022.

Use taxes generated by online sales and purchases from out-of-state vendors allocated via the county pools, heartily surpassed expectations, gaining 13% over

the comparison period. Shoppers bought a range of merchandise and spending by businesses on capital equipment remained sensational.

The first quarter sales period contributed to an already strong 2021-22 fiscal year for most municipalities statewide. However, continued inflationary pressure, soaring interest rates and record gas prices may soften growth going into 2022-23.

REVENUE BY BUSINESS GROUP
San Juan Capistrano This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

San Juan Capistrano Business Type	Q1 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	635.3	14.3% ↑	17.7% ↑	18.7% ↑
Casual Dining	186.1	45.0% ↑	46.7% ↑	55.7% ↑
Service Stations	106.0	80.1% ↑	53.2% ↑	43.3% ↑
Building Materials	73.0	16.3% ↑	8.5% ↑	7.8% ↑
Quick-Service Restaurants	70.8	24.1% ↑	9.8% ↑	7.8% ↑
Garden/Agricultural Supplies	65.0	-30.5% ↓	8.2% ↑	2.6% ↑
Electronics/Appliance Stores	63.0	0.8% ↑	14.3% ↑	12.5% ↑
Specialty Stores	58.1	18.6% ↑	17.4% ↑	10.9% ↑
Auto Lease	54.2	-8.6% ↓	-10.5% ↓	-7.5% ↓
Auto Repair Shops	45.6	31.7% ↑	21.5% ↑	22.0% ↑

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*In thousands of dollars