

CITY OF RED BLUFF

SALES TAX UPDATE

3Q 2022 (JULY - SEPTEMBER)



RED BLUFF

TOTAL: \$ 1,411,664

0.4%
3Q2022



2.9%
COUNTY

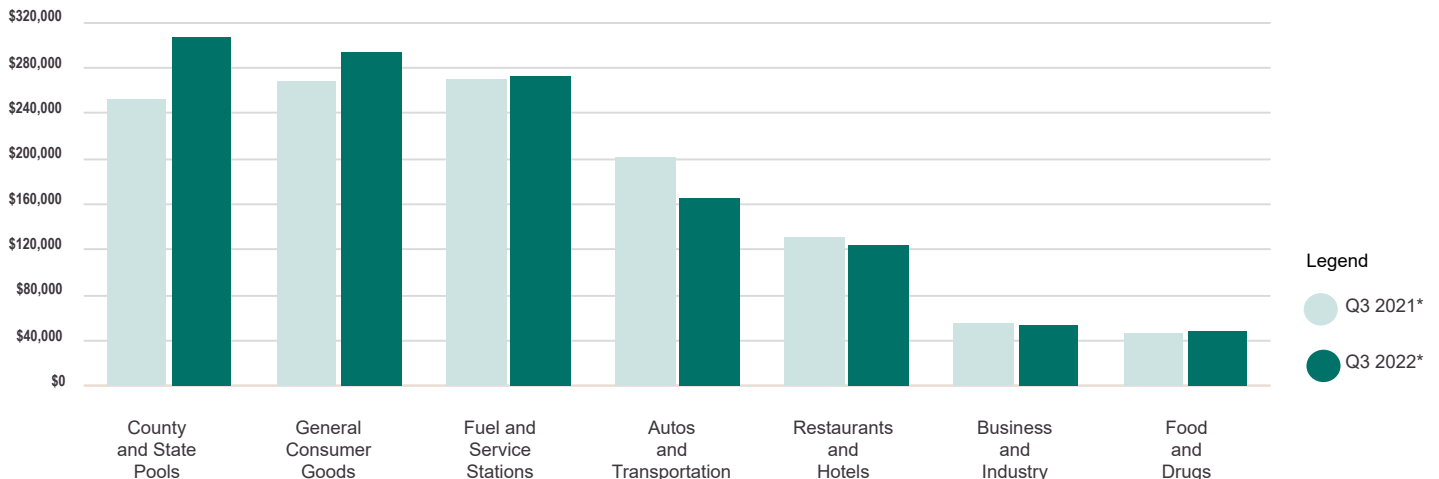


8.0%
STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure A

TOTAL: \$379,308

-1.8%



CITY OF RED BLUFF HIGHLIGHTS

Red Bluff's receipts from July through September were 13.8% above the third sales period in 2021. Excluding reporting aberrations, actual sales were up 0.4%.

Allocations from the countywide use tax pool were a bright spot boosted by strong business-industrial sector activity in the region and private party vehicle sales. General consumer goods had mixed results in family apparel and home furnishing sales were down, but strong activity in another segment offsets the gain in this group.

Prices at the pump have risen steadily, and with congestion on the highways from more travelers and freight transport, service stations reported a modest sales increase. Crude oil and pump prices have been declining recently and less demand is anticipated in calendar year 2023.

Sales weakened in multiple sectors due to pricing pressures on essentials as the Federal Reserve works to cool consumer

demand. Both quick service restaurants and casual eateries experienced declines as patrons may be selecting for more reasonably priced menu items or changing the frequency at which they dine out.

Measure A results declined as higher new & used vehicle pricing and available inventory made for fewer purchases by residents, along with drops in family apparel purchases and less receipts from casual eateries.

Net of aberrations, taxable sales for all of Tehama County grew 2.9% over the comparable time period; the Far North region was up 0.9%.



TOP 25 PRODUCERS

- A Wireless
- Adobe Minimart
- Antelope Liquors & Gas
- Arco
- Arco AM PM
- Dollar General
- Flyers
- Food Maxx
- Growney Motors
- Home Depot
- Les Schwab Tire Center
- Marshalls
- McDonald's
- More for Less Gas
- One Stop Gas & Food
- Park Planet
- Raley's
- Red Bluff Chrysler
- Dodge Jeep Ram
- Red Bluff Gas
- Red Bluff Shell
- Ross
- Taco Bell
- Tractor Supply
- Valero
- 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.

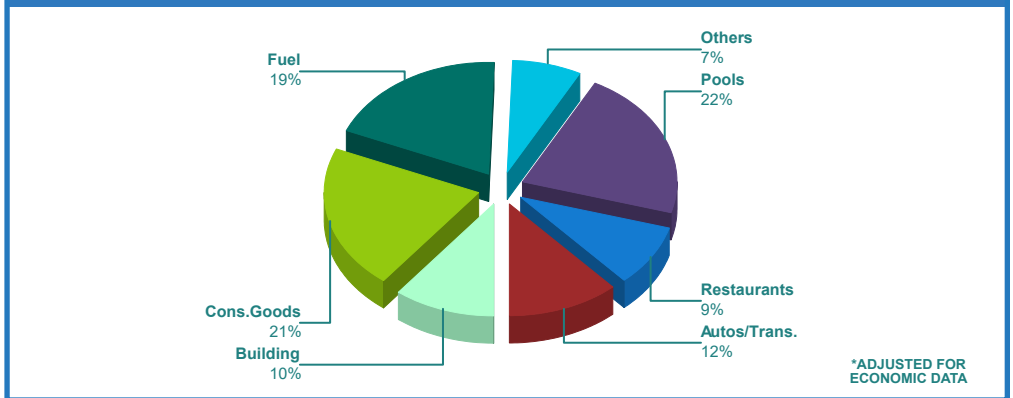
Steady investment in capital equipment coupled with the overall increased price of goods enhanced both business-industry and countywide use tax pool allocations.

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
Red Bluff This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Red Bluff Business Type	Q3 '22*	Change	County Change	HdL State Change
Service Stations	270.1	3.6% ↑	5.6% ↑	18.5% ↑
Casual Dining	57.3	-9.0% ↓	-6.3% ↓	10.1% ↑
Quick-Service Restaurants	55.5	-3.7% ↓	-3.0% ↓	4.0% ↑
Automotive Supply Stores	46.9	6.9% ↑	0.3% ↑	5.3% ↑
Grocery Stores	34.1	8.5% ↑	5.9% ↑	3.0% ↑
Garden/Agricultural Supplies	31.8	-4.5% ↓	-22.8% ↓	-2.1% ↓
Family Apparel	31.8	-14.5% ↓	-13.0% ↓	-1.7% ↓
Home Furnishings	12.9	-10.3% ↓	-9.8% ↓	-6.2% ↓
Auto Repair Shops	10.9	-2.5% ↓	1.5% ↑	10.7% ↑
Transportation/Rentals	6.1	14.4% ↑	11.1% ↑	13.9% ↑

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