

CITY OF MARINA

SALES TAX UPDATE

3Q 2024 (JULY - SEPTEMBER)



MARINA

TOTAL: \$ 772,950

1.9%
3Q2024



-2.3%
COUNTY

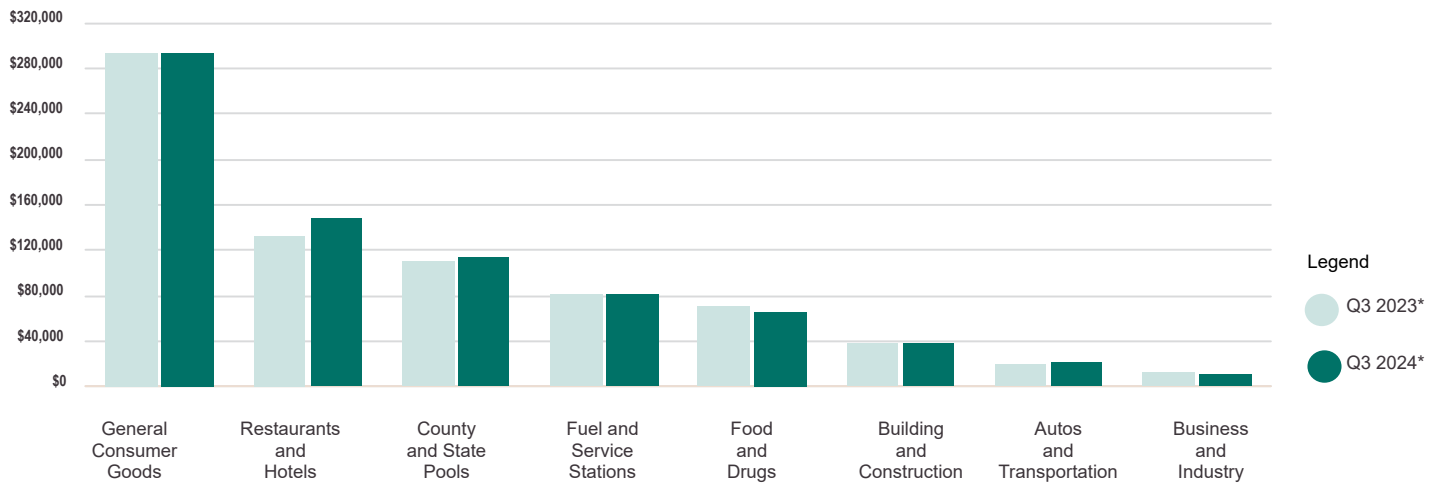


-2.3%
STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure N

TOTAL: \$1,828,415

2.4%



CITY OF MARINA HIGHLIGHTS

Marina's receipts from July through September were 1.0% below the third sales period in 2023. Excluding reporting aberrations, actual sales were up 1.9%.

The restaurant-hotel group showed solid gross receipts at casual and quick services dining primarily due to higher menu prices businesses implemented. State-county pools, the City's third largest income classification, had a modest 4.3% return due to several business categories being positive this period.

Likewise, the autos-transportation category experienced optimistic revenues from automotive supply stores as consumers choose to maintain their

current vehicles during this time while financing interest rates remain high.

The food-drug category saw meager proceeds at convenience/liquor stores as shoppers looked to discount stores for better bargains. The business-industry group had discouraging profits from light industrial/printers during this quarter.

Measure N, the City's voter approved transaction tax, experienced positive collections with returns of 2.4%.

Net of aberrations, taxable sales for all of Monterey County declined 2.3% over the comparable time period; the Central Coast region was down 2.8%.



TOP 25 PRODUCERS

7 Eleven	Old Navy
Best Buy	REI
Brass Tap	Sanctuary Beach Resort
Catalyst	Shell
Chipotle	Stiizy
Drive It	Taco Bell
Grocery Outlet	Target
Jack in the Box	Teriyaki Madness
Kohls	Walgreens
Las Animas Concrete	Walmart Supercenter
Marina	
Luckys	
Marina Chevron	
Marina Fast Fill Market	
McDonald's	
Michaels Arts & Crafts	



STATEWIDE RESULTS

California's local one cent sales and use tax receipts during the months of July through September were 2.3% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year third quarter traditionally is noted for pleasant weather and statewide tourism; however, taxes fell when compared to a year ago. As such, it also means a weak start of the 2024-25 fiscal year for many California agencies.

Once again, autos-transportation receipts took a hit and declined 4.8%. This period marks the seventh consecutive quarter of downturn for the sector. While used autos returns and leasing activity have improved, revenues from new car sales struggled due to sustained high interest rates, tightened credit standards, and increased cost of auto insurance. As such, inventories for many dealers remain elevated, applying downward pressure on prices and growth into 2025.

The summer season is usually an advantageous time for home repairs and construction work, however, this industry is also struggling with high consumer interest rates and limited access to equity for homeowners. New projects remain sidelined as developers await more favorable investment conditions.

Brick-and-mortar general consumer retailers pulled back 3.8% - worsened by lower gas prices. Consumers appear more interested in lower priced/discounted items vs higher priced/luxury goods, forcing merchants to again consider inventory needs. Additionally, competition from online merchants is as fierce as ever, as shoppers look for greater value. With holiday shopping around the corner, local store expectations remain soft.

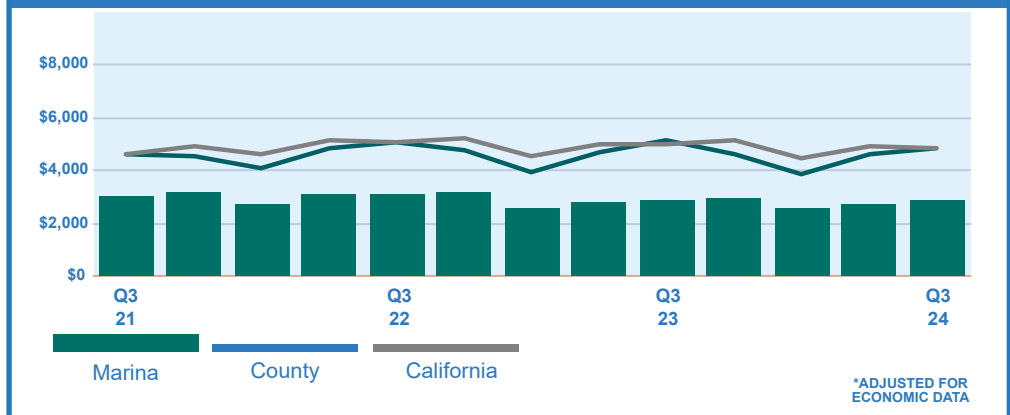
Fuel generating taxpayers had a rough quarter; a combination of consumption declines and falling fuel prices thrust comparisons down by 13%. Further contraction of national drug store locations coupled with the steady fall from cannabis merchants dating back to 2021, caused a decrease of 2.8% in the food-drugs category. Expect similar percentage declines for the upcoming end of 2024 quarter.

Although statewide tourism appears to have improved over 2023, revenue from restaurants experienced only a modest gain of 0.7%, which included a dramatic drop from fine dining establishments – consistent with spending trends in other sectors. State

mandated minimum wage requirements remained a challenge, with higher menu prices reducing patron visits.

These sluggish results solidify 2024 as a down year. Recent reductions to the Fed Funds Rate aren't considered to help until later in 2025. Agencies should expect fiscal year 2024-25 sales taxes to stay flat or decline slightly as sluggish economic conditions leave consumers cautious in their spending patterns, especially for big ticket items and discretionary products.

SALES PER CAPITA*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Marina Business Type	Q3 '24	Change	County Change	HdL State Change
Service Stations	76,565	-0.5% ↓	-5.3% ↓	-12.8% ↓
Casual Dining	54,600	25.4% ↑	0.6% ↑	1.1% ↑
Quick-Service Restaurants	51,849	4.4% ↑	5.1% ↑	1.1% ↑
Fast-Casual Restaurants	25,296	9.5% ↑	6.3% ↑	2.1% ↑
Grocery Stores	23,654	3.9% ↑	3.8% ↑	1.4% ↑
Convenience Stores/Liquor	13,565	-5.4% ↓	-4.6% ↓	-2.1% ↓
Auto Repair Shops	3,897	-6.0% ↓	-3.6% ↓	-2.5% ↓
Light Industrial/Printers	3,469	-13.9% ↓	-0.3% ↓	-0.5% ↓
Specialty Stores	729	-29.6% ↓	-3.3% ↓	-2.9% ↓
Food Service Equip./Supplies	315	-20.4% ↓	-25.9% ↓	-3.3% ↓

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