

# MANHATTAN BEACH

## SALES TAX UPDATE

### 3Q 2023 (JULY - SEPTEMBER)



MANHATTAN BEACH

TOTAL: \$ 2,761,862

0.1%  
3Q2023



-2.4%  
COUNTY

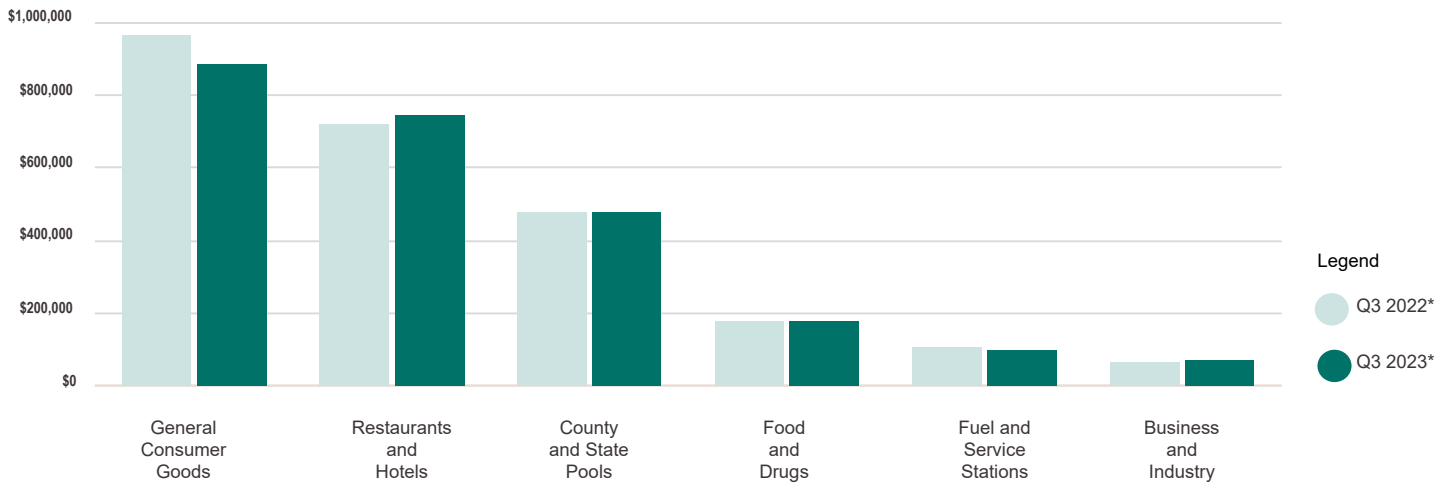


-1.7%  
STATE



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

### SALES TAX BY MAJOR BUSINESS GROUP



### MANHATTAN BEACH HIGHLIGHTS

Manhattan Beach's receipts from July through September were 2.9% below the third sales period in 2022. Excluding reporting aberrations, actual sales were flat.

Revenues from the restaurant and hotel group showed significant gains, in part due to new dining options that opened within the last year.

A one-time use tax payment provided a temporary boost in receipts for the business and industry sector.

Totals from general consumer goods slumped in the third quarter, with consumers reducing their spending on non-essentials due to concerns over interest rates and the economy.

Late-funding payments in the convenience stores category reduced quarter over quarter revenue from the food and drugs category.

Receipts from fuel-service stations declined as third quarter 2023 prices at the pump were on average thirty cents a gallon lower than in 3Q22.

The City's share of the state and countywide use tax pool remained flat when compared to the same period in the prior year.

Net of aberrations, taxable sales for all of Los Angeles County declined 2.4% over the comparable time period; the Southern California region was down 1.5%.



### TOP 25 PRODUCERS

- |                                  |                       |
|----------------------------------|-----------------------|
| Apple                            | Skechers by Mail      |
| Arco AM PM                       | Strand House Standbar |
| BevMo                            | Sushi Roku            |
| California Pizza Kitchen         | Target                |
| Chevron                          | The Arthur J          |
| Converge Technology Solutions US | Tin Roof Bistro       |
| CVS Pharmacy                     | Trader Joe's          |
| Joey Manhattan Beach             | Wrights               |
| Kettle                           |                       |
| Macy's                           |                       |
| Manhattan Beach                  |                       |
| Toyota Scion                     |                       |
| Marriott Manhattan Beach Hotel   |                       |
| Nick's Manhattan Beach           |                       |
| Old Navy                         |                       |
| Ralphs Fresh Fare                |                       |
| REI                              |                       |
| Sephora                          |                       |



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of July through September were 1.6% lower than the same quarter one year ago after adjusting for accounting anomalies. The third quarter of the calendar year continued with a challenging comparison to prior year growth and stagnating consumer demand in the face of higher prices of goods.

Fuel and service stations contributed the greatest overall decline as lower fuel prices at the pump reduced receipts from gas stations and petroleum providers. While global crude oil prices have stabilized, they remained 15% lower year-over-year. This decline also impacted the general consumer goods category as those retailers selling fuel experienced a similar drop. Despite OPEC and Russia production cuts having upward pressure on pricing, global demand during the winter months has softened.

Along with merchants selling gas, many other general consumer categories were also down from the 2022 quarter, confirming consumers pulling back on purchases. Home furnishings and electronic-appliances were a couple of the largest sectors with the biggest reductions. As inflation and higher prices were the main story a year ago, currently it appears to be a balancing act between wants and needs, leaving meek expectations for the upcoming holiday shopping season.

Even following a long, wet first half of 2023, spending at building and construction suppliers moderately slowed. The current high interest rate environment did not help the summer period and still represents the largest potential headwind for the industry with depressed commercial development, slowing public infrastructure projects and new housing starts waiting for more profitable financial conditions.

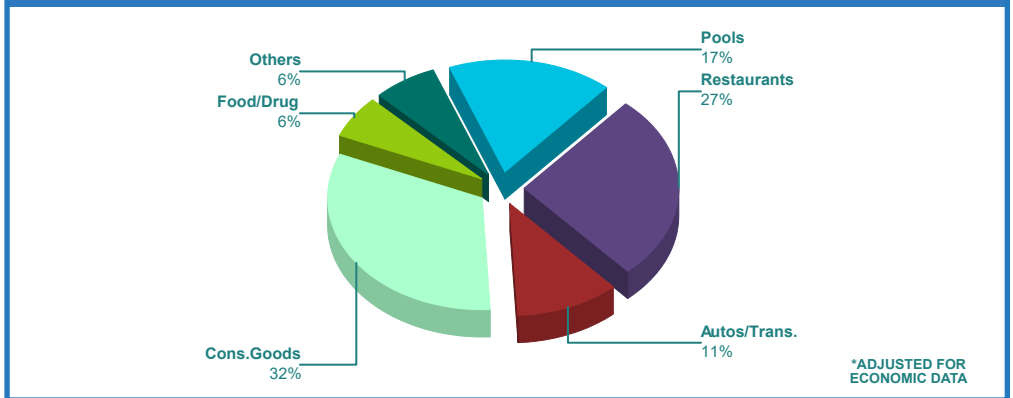
Despite continued increases of new car registrations, revenue from the autos-transportation sector slipped 2.6%. The improved activity remains mostly attributed to rental car agencies restocking their fleets. Like other segments, elevated financing costs are expected to impede future retail volume.

Use taxes remitted via the countywide pools dipped 3.0%, marking the fourth consecutive quarter of decline. While overall online sales volume is steady, pool collections dropped with the offsetting effect of more taxes allocated directly to local agencies via in-state fulfillment generated at large warehouses and through existing retail outlets.

Restaurants remained an economic bright spot through summer exhibiting a 2.6% gain. As tourism, holiday and business travel are all expected to have recovered in 2024, the industry is bracing for implementation of AB 1228 - new CA law setting minimum wages for ‘fast food restaurants’.

With one more quarterly result to go in 2023, the recent trend of a moderate decline appears likely before a recovery in 2024. Initial reports from the holiday shopping season reflect a 3% bump in retail sales compared to 2022. Lingering consumer confidence may have also received welcome news as the Federal Reserve considers softening rates by mid-2024.

REVENUE BY BUSINESS GROUP  
Manhattan Beach This Quarter\*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Manhattan Beach Business Type	Q3 '23*	Change	County Change	HdL State Change
Casual Dining	464.3	6.3% ↑	3.3% ↑	2.8% ↑
Fine Dining	132.4	-3.1% ↓	-6.9% ↓	-5.9% ↓
Family Apparel	127.4	21.0% ↑	1.8% ↑	3.2% ↑
Grocery Stores	100.6	3.7% ↑	2.7% ↑	2.3% ↑
Service Stations	88.6	-9.4% ↓	-8.2% ↓	-7.3% ↓
Specialty Stores	86.3	3.2% ↑	0.6% ↑	-1.9% ↓
Sporting Goods/Bike Stores	74.6	-0.4% ↓	-4.5% ↓	-4.8% ↓
Quick-Service Restaurants	58.3	8.1% ↑	1.5% ↑	2.7% ↑
Home Furnishings	49.1	-18.5% ↓	-11.3% ↓	-12.1% ↓
Fast-Casual Restaurants	41.9	-6.5% ↓	2.5% ↑	3.4% ↑

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