

CITY OF MARINA

SALES TAX UPDATE

4Q 2024 (OCTOBER - DECEMBER)



MARINA

TOTAL: \$ 882,475

9.8%
4Q2024



-0.8%
COUNTY

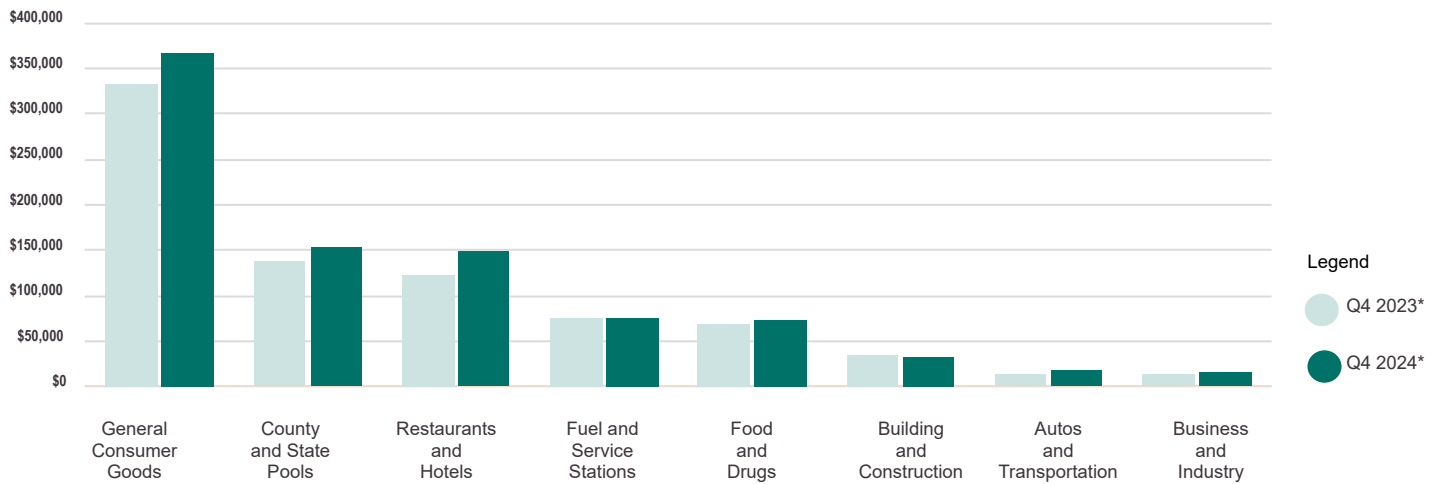


-1.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure N

TOTAL: \$2,008,824

↑ 9.1%



CITY OF MARINA HIGHLIGHTS

Marina's receipts from October through December were 10.6% above the fourth sales period in 2023. Excluding reporting aberrations, actual sales were up 9.8%.

New outlets boosted results. These new outlets are boosting food-drug, general consumer goods and restaurants-hotel groups.

In restaurants-hotels there were gains that furthered the positive results. In food-drug there was slowing that offset some of the growth from the new outlet. And in general consumer goods, there was also slowing in the existing outlets.

Lower prices at the pumps caused

the drop in service stations. Building-construction was down in line with statewide average; the industry has been slowing for the last 8 quarters.

These new outlets boosting point of sale results in an increase in the city's portion of the pool leading to a 10.8% increase in the allocation.

Voter approved Measure N was impacted by the above, but the gains were lessened by locals purchasing fewer vehicles.

Net of aberrations, taxable sales for all of Monterey County declined 0.8% over the comparable time period; the Central Coast region was down 0.8%.



TOP 25 PRODUCERS

7 Eleven
Best Buy
Brass Tap
Catalyst
Chipotle
Five Below
Grocery Outlet
Jack in the Box
Kohls
Las Animas Concrete
Marina
Luckys
Marina Chevron
Marina Fast Fill Market
McDonald's
Michaels Arts & Crafts

Old Navy
REI
Ross
Sanctuary Beach Resort
Shell
Stiizy
Target
Teriyaki Madness
Trader Joe's
Walmart Supercenter



STATEWIDE RESULTS

California's local one cent sales and use tax receipts during the months of October through December were 1.1% lower than the same quarter one year ago after adjusting for accounting anomalies. The fourth quarter is notably the highest sales tax generating period of the year but exhibited diminished year-over-year returns as consumers struggled with tariff concerns and pulling back on discretionary spending.

For the past eight quarters - two calendar years - statewide results have declined; led mostly by autos-transportation and building-construction suppressed activity due to the sustained high interest rate environment. Specifically, this quarter, as new and used car returns pulled back, only leasing activity improved likely representing buyers willingness to wait for more advantageous economic conditions before committing to long term obligations. Furthermore, building-construction drops spanned multiple categories including building materials, plumbing/electrical and contractors as property owners delay repairs and improvements until they're more comfortable tapping available equity.

During this holiday shopping period, brick-and-mortar general retailers slumped 2.4%, further hindered by lower gas prices. Recent closures by merchants selling variety/ low priced items and weaker returns from department stores were most impactful. As consumers appeared more interested in value/discounted items vs higher priced/ luxury goods, overall statewide receipts revealed growth from online retailers by way of local returns through fulfillment centers and allocations via each county's use tax pool demonstrating a desire to spend, just more through different vendors which shifted local tax distributions.

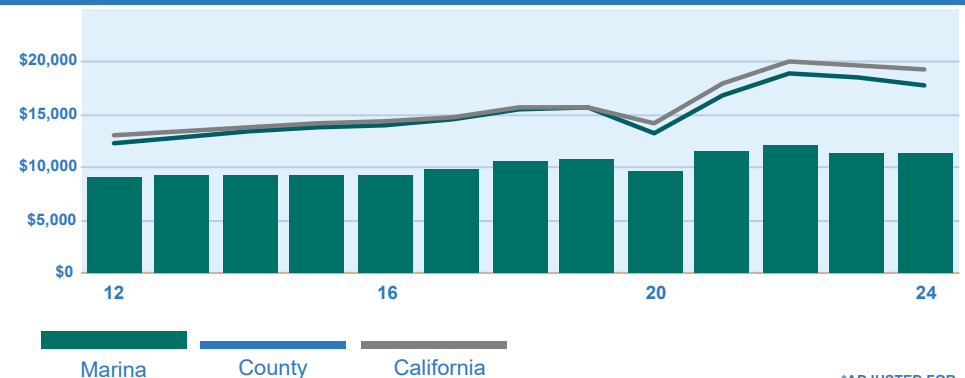
Fuel and service stations experienced a drop of 14% largely due to the decreased price of global crude oil. While this dynamic hurt the sector results, it did allow for more disposable income to be spent in other areas and does not appear to be changing in the near term.

Revenue from restaurants sustained a modest gain of 1.3%, with only a waning from fine dining establishments - consistent with spending trends in other sectors. As eateries try and balance higher menu prices and demand, a 'return to office' call by businesses could inspire future increased foot traffic for many venues in metropolitan centers.

The fourth quarter also marks the end of the calendar year. As expected 2024 was 1.2% lower than 2023 with most sectors taking a hit. Only restaurants, business-industry and allocations via the county use tax pools improved.

With national tariff discussions happening at the federal level, consumers start 2025 wondering if higher priced goods and difficult decisions are on the horizon. Also, the Federal Reserve Board hasn't signified any relief by way of lower interest rates leaving only minimal growth expectations to come. The theme of the current economic outlook is uncertainty.

SALES PER CAPITA*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Marina Business Type	Q4 '24	Change	County Change	HdL State Change
Service Stations	70,063	-0.1% ↓	-6.4% ↓	-13.0% ↓
Casual Dining	49,475	20.8% ↑	3.0% ↑	1.9% ↑
Quick-Service Restaurants	48,459	0.5% ↑	4.4% ↑	1.7% ↑
Grocery Stores	36,311	48.1% ↑	2.5% ↑	-0.9% ↓
Fast-Casual Restaurants	24,191	11.6% ↑	2.8% ↑	1.6% ↑
Convenience Stores/Liquor	8,923	-42.2% ↓	-6.4% ↓	-2.3% ↓
Light Industrial/Printers	5,447	1.8% ↑	-3.7% ↓	-1.8% ↓
Auto Repair Shops	4,682	15.7% ↑	-2.0% ↓	-5.2% ↓
Government/Social Org.	2,533	26.2% ↑	8.0% ↑	-1.9% ↓
Leisure/Entertainment	2,100	27.2% ↑	-0.6% ↓	2.0% ↑

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