

CITY OF COALINGA

SALES TAX UPDATE

3Q 2021 (JULY - SEPTEMBER)



COALINGA

TOTAL: \$ 328,670

22.6%
3Q2021



28.2%
COUNTY

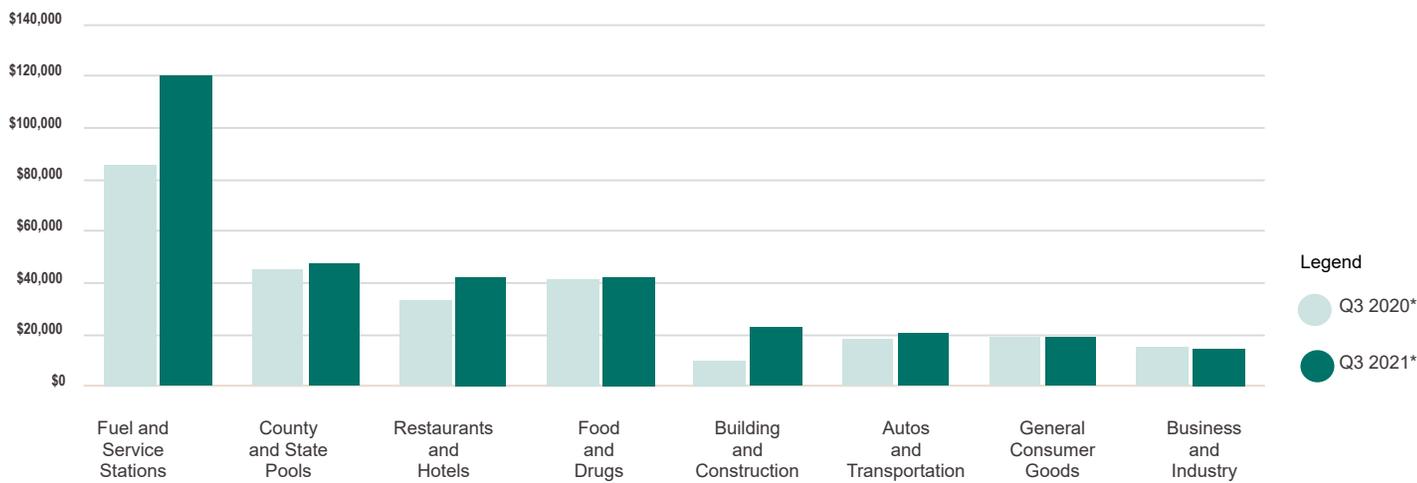


18.2%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure J

TOTAL: \$596,717

↑ 25.5%



CITY OF COALINGA HIGHLIGHTS

Coalinga's receipts from July through September were 25.7% above the third sales period in 2020. Excluding late/deferred payments and other reporting adjustments, receipts for the period were up 22.6%.

The summer months brought more travel and spending as folks took advantage of the remaining stimulus payments and relaxed pandemic restrictions.

Rising fuel prices and consumption both helped boost receipts from fuel vendors while restaurants saw increased traffic as folks flocked to restaurant dining rooms for a prepared meal. Construction spending rose with the

help of a project which generated a one-time tax allocation.

Future allocations from the use tax pool will follow this quarter's trend with single digit growth replacing the double-digit growth of the recent past as the size of the pool is reduced by reporting changes by several taxpayers.

Measure J's results include a surge in capital investment that generated additional receipts for the business and industry group. Net of adjustments, taxable sales for all of Fresno County grew 28.3% over the comparable time period while those of the entire San Joaquin Valley were up 21.0%.



TOP 25 PRODUCERS

- AutoZone
- Beacon Valley Food Mart
- Big 5
- Billingsley Tire Service
- Burger King
- Burgers, Bait & Beer
- Coalinga Fastrip Food Store
- Coalinga Hardware
- Dollar General
- Fastrip Mini Mart
- Fatte Alberts Pizza
- Green Leaf AG
- Have a Heart
- Ice Bucket Chevron
- Little Caesars Pizza
- McDonald's
- Nucor Building Systems
- O'Reilly Auto Parts
- Rite Aid
- Save Mart
- State Foods Coalinga
- Taco Bell
- Triple J Ready Mix
- Walgreens
- West Hills Oil



STATEWIDE RESULTS

Local one cent sales and use tax receipts for sales occurring July through September were 18% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These aberrations had been much greater than normal in the last two years as the Governor’s Executive Orders allowed businesses to defer some sales tax payments as a supportive measure during the pandemic. This program has now expired, and merchant remittances are more consistent, making cash receipts more reflective of underlying economic activity.

The prior year comparison quarter was the start of the pandemic recovery, and the strong growth enjoyed since continued with the recent results.

Surprisingly, one of the stronger sectors has been restaurants and hotels. Originally forecasted to take an extended amount of time to recover, statewide sales tax generated during the summer months exceeded amounts from pre-pandemic 2019. Even with the availability of indoor and outdoor dining, pent up demand resulted in long wait times to enjoy local culinary experiences. When combined with increasing restaurant tabs as the cost of food and staff wages surge, sales tax remittances are expected to continue growing. Additionally, while the industry awaits the return of foreign tourism in metropolitan areas, strong domestic travel has helped varied regions around the state especially Southern California and the Central Coast.

Receipts from general consumer goods marked a steady recovery, led by apparel retailers, jewelry, electronic/appliance and specialty outlets. Discount department stores, especially those selling gas, helped exemplify the strength of brick-and-mortar

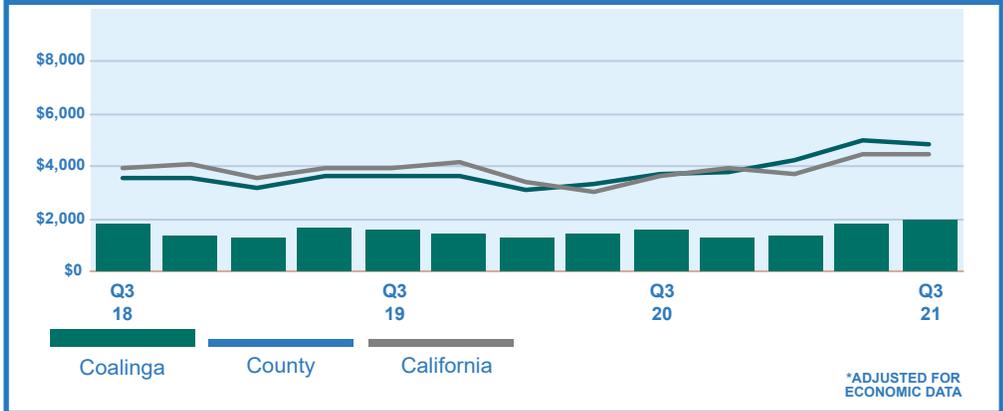
merchants. Gains from the countywide use tax pools however, slowed to 2% compared to the high-water mark last year, which had been boosted by new tax collecting requirements imposed under AB 147 for online retailers. All things considered, when combined with positive economic trends, these are a welcome sign leading up to the holiday shopping period.

Although car dealers had expressed concerns about inventory shortages due to supply chain disruptions and computer chip shortages earlier in the year, the sale of new and used vehicles posted solid gains regardless. Higher property values and good weather contributed to strong building

materials and contractor returns. As commuting workers and travelers returned to the road with increased gas prices, fuel and service stations also experienced a dramatic recovery.

Overall growth is expected to continue through the end of the 2021 calendar year. Possible headwinds into 2022 include: pent up demand for travel and experiences shifting spending away from taxable goods; higher prices for fuel, merchandise and services displacing more of consumer’s disposable income; and expected interest rate hikes resulting in more costly financing for automobiles, homes, and consumer loans.

SALES PER CAPITA*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Coalinga Business Type	Q3 '21	Change	County Change	HdL State Change
Service Stations	58,101	43.0% ↑	49.1% ↑	53.5% ↑
Quick-Service Restaurants	29,857	20.4% ↑	7.1% ↑	13.5% ↑
Grocery Stores	16,898	11.8% ↑	2.0% ↑	-0.2% ↓
Casual Dining	6,944	49.3% ↑	72.9% ↑	68.4% ↑
Auto Repair Shops	1,507	14.5% ↑	15.2% ↑	15.2% ↑

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