

CITY OF BRAWLEY

SALES TAX UPDATE

2Q 2022 (APRIL - JUNE)



BRAWLEY

TOTAL: \$ 870,387

17.0%
2Q2022



6.3%
COUNTY

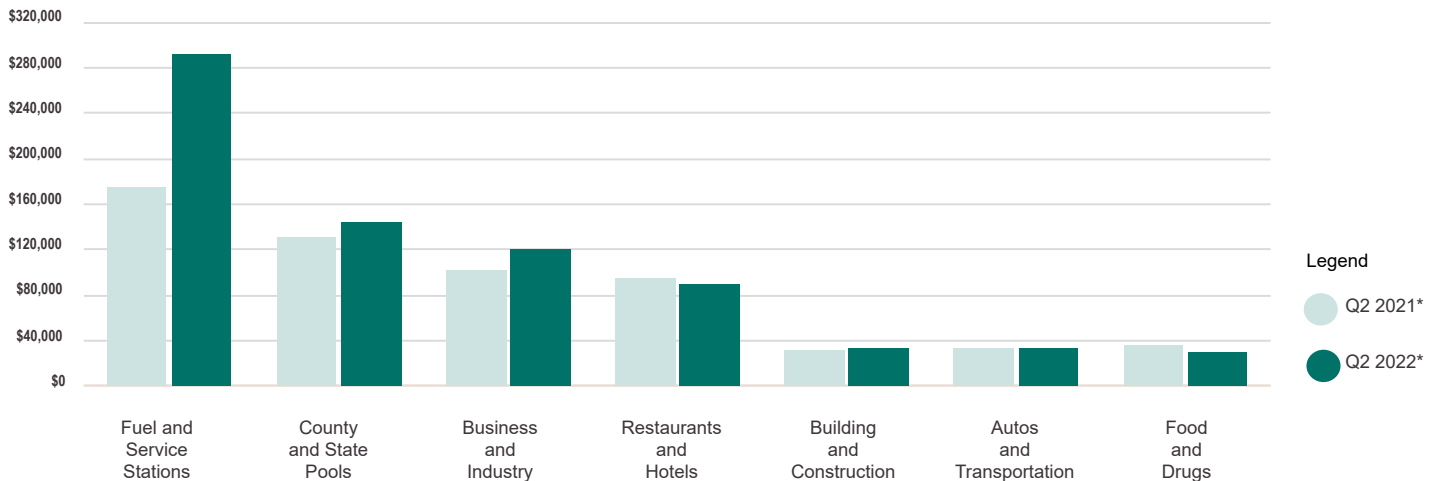


10.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF BRAWLEY HIGHLIGHTS

Brawley's receipts from April through June were 9.3% above the second sales period in 2021, though this was understated by several catch-up payments for prior quarter sales activity. These extra payments doubled cash receipts in the comparison year, particularly for several local service stations. Excluding these and other reporting aberrations, actual sales were up 17.0%, exceeding the State and regional trend.

A surge in tax payments from local fuel and service station operations, propelled by the sky-high price of petroleum products after the Russian invasion of Ukraine, accounted for 93% of the City's overall improvement this quarter.

Revenue from warehouse and farm construction equipment suppliers was also higher. These improvements led to

the City of Brawley receiving a larger share of the countywide use-tax pool as this funding is appropriated among local agencies based on proportional cash receipts.

Net of aberrations, taxable sales for all of Imperial County grew 6.3% over the comparable time period; the Southern California region was up 11.1%.



TOP 25 PRODUCERS

- 7 Eleven
- Arco AM PM
- AutoZone
- Brawley Ace Hardware
- Brawley Fuel & Food
- Brawley Tractor Parts
- Circle K Shell
- Dollar Tree
- Fillco
- Garland Company
- HD Supply Waterworks
- Jack in the Box
- Johnnys Burritos
- Jordan Implement
- La Brucherie Irrigation Supply
- Las Chabelas Restaurant
- Lidco Imperial Valley
- McDonald's
- McNeece Bros Oil
- O'Reilly Auto Parts
- Pacific Ag Rentals
- Pilot Travel Center
- Prime Fuel & Mini Mart
- Vons
- Walmart Supercenter



STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring April through June was 10% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark the sixth consecutive quarter of double-digit growth since the pandemic periods in 2020, with the July-June 2022 fiscal year up 15%.

Commuters returning to offices combined with the Russia-Ukraine conflict continuing to put upward pressure on oil prices and left Californians facing the highest average price per gallon on record resulting in fuel and service station receipts 42% higher than last year. While statewide fuel consumption still trails 2019 levels, local gas prices are expected to remain high until after the summer blend period.

Led by consumer's desire to dine out, a steady rise in tourism and business travel, higher menu prices and great weather, the restaurant sector continues to flourish. Theme parks, entertainment venues and hotels showed the strongest growth with casual dining establishments remaining solid, a trend likely to remain through 2022.

The automobile sector experienced modest gains for new car dealers and rental car vendors, however sales of used autos and leasing activity has begun to cool. Brands prioritizing full electric and hybrid models still appear to be the most attractive with consumers, however increased financing rates may cause even their activity to dampen. Tight inventories that contributed to dramatic price increases over the last 18 months are also showing signs of loosening as newer models are released

in greater numbers.

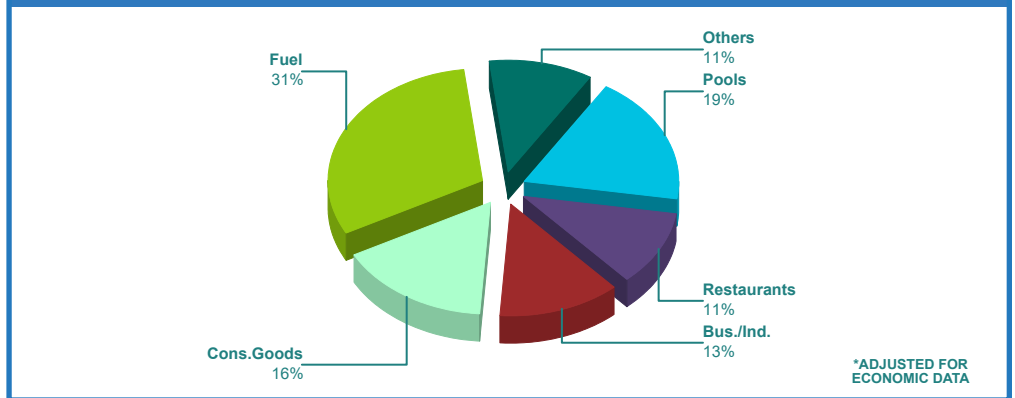
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight decrease.

With new housing starts accelerating and residential and commercial property values rising, construction contractors remain busy. Lumber prices have softened from prior year highs leaving material suppliers with modest gains, however electrical, plumbing and energy

suppliers boosted building sector results. Increased investment in capital equipment remains an important area of growth for county pool allocations, especially as online spending for general consumer goods begins to flatten as consumers return to in-store shopping.

Overall, higher priced goods through periods of consistent demand have led to economic inflation. The Federal Reserve Board's recent actions to curb inflation are anticipated to put downward pressure on auto sales, building materials and financed general consumer goods, resulting in slower growth by year end and into 2023.

REVENUE BY BUSINESS GROUP Brawley This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

| Brawley Business Type | Q2 '22 | Change | County Change | HdL State Change |
|----------------------------|---------|----------|---------------|------------------|
| Service Stations | 173,135 | 24.5% ↑ | 9.6% ↑ | 36.4% ↑ |
| Warehse/Farm/Const. Equip. | 75,299 | 100.2% ↑ | 6.4% ↑ | 11.6% ↑ |
| Quick-Service Restaurants | 74,342 | -4.7% ↓ | 5.4% ↑ | 5.2% ↑ |
| Automotive Supply Stores | 25,924 | -1.2% ↓ | 4.4% ↑ | 1.4% ↑ |
| Casual Dining | 15,033 | -2.5% ↓ | 11.2% ↑ | 17.2% ↑ |
| Variety Stores | 10,425 | 23.7% ↑ | 11.8% ↑ | 3.5% ↑ |
| Contractors | 8,652 | 588.0% ↑ | -14.3% ↓ | 14.0% ↑ |
| Convenience Stores/Liquor | 6,988 | -36.8% ↓ | 11.3% ↑ | -0.3% ↓ |
| Auto Repair Shops | 6,148 | -10.1% ↓ | -0.5% ↓ | 14.1% ↑ |
| Heavy Industrial | 4,922 | -0.6% ↓ | 38.7% ↑ | 10.0% ↑ |

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