

CITY OF SOUTH LAKE TAHOE

SALES TAX UPDATE

2Q 2022 (APRIL - JUNE)



SOUTH LAKE TAHOE

TOTAL: \$ 1,710,334

-6.3%

2Q2022



2.7%

COUNTY



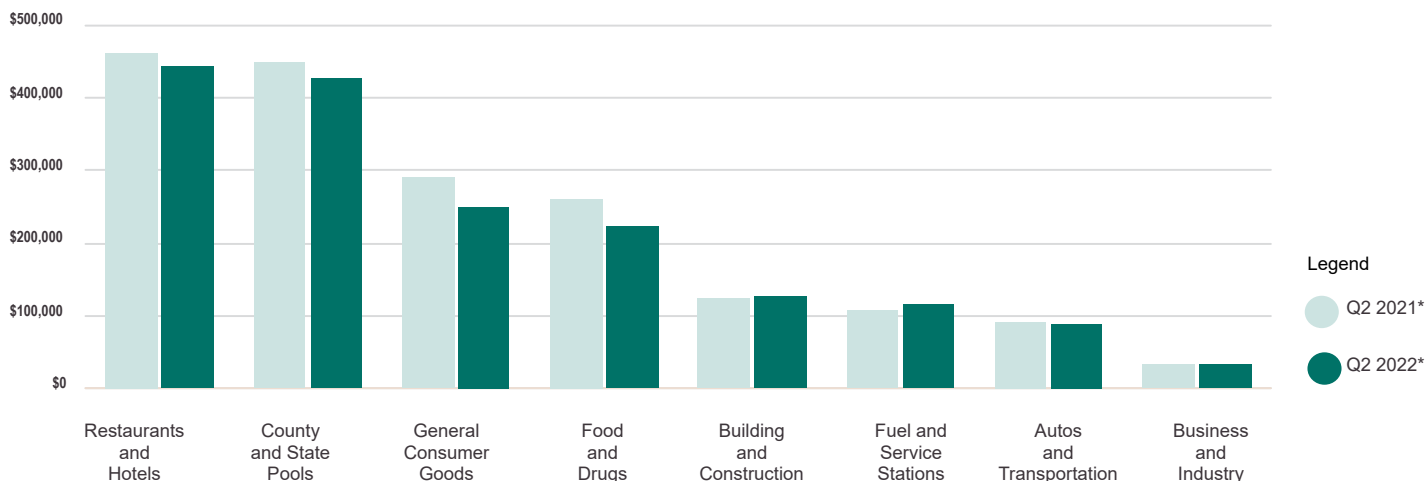
10.1%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure Q

TOTAL: \$916,555

-4.8%

Measure S

TOTAL: \$1,838,392

-3.9%



CITY OF SOUTH LAKE TAHOE HIGHLIGHTS

South Lake Tahoe's receipts from April through June were 9.3% below the second sales period in 2021. Excluding reporting adjustments, receipts for the period were down 6.3%.

Last year, tourists flocked to mountain resort areas to get away from large crowds. This year, after Covid limits were lifted and vaccination rates increased, tourism shifted to flat land attractions such as the coast, wine country and theme parks.

This changing trend should not stop local sales from at least equaling those from the last fiscal year before the pandemic struck as the negative trend

this quarter gave back some but not all of the previous gains.

Measure Q saw much of the same transition in activity as the Bradley Burns tax. In addition, the volume of new and used cars registered in the City fell, giving back some of the 22% and 64% respective gains from last year.

Net of adjustments, taxable sales for all of El Dorado County grew 2.7% over the comparable time period while those of the Sacramento region were up 7.8%.



TOP 25 PRODUCERS

- | | |
|--------------------------------|------------------------|
| Aisle 1 | Riva Grill on the Lake |
| Azul Latin Kitchen | Ross |
| Base Camp Pizza Co | Safeway |
| BevMo | Safeway Fuel |
| California Burger | Sports Ltd |
| Cannablu | Tahoe Green |
| CVS Pharmacy | Tahoe Wellness |
| Diy Home Centerdiy Home Center | TJ Maxx |
| Grocery Outlet | Up Shirt Creek |
| Heavenly Sports | Western Nevada Supply |
| Jim Bagan Toyota | |
| McDonalds | |
| McP's Pub Tahoe | |
| Meeks Building Center | |
| Raley's | |



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.

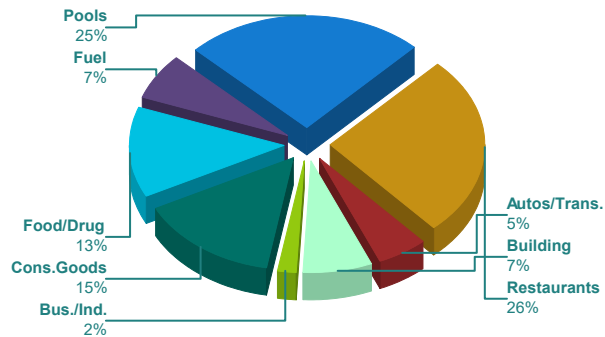
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight 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 sales of autos, building materials and financed general consumer goods, resulting in slower growth by year end and into 2023.

REVENUE BY BUSINESS GROUP
South Lake Tahoe This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

South Lake Tahoe Business Type	Q2 '22*	Change	County Change	HdL State Change
Casual Dining	308.2	-5.1% ↓	0.5% ↑	17.2% ↑
Service Stations	112.9	7.2% ↑	24.4% ↑	36.4% ↑
Grocery Stores	97.9	-8.4% ↓	-1.4% ↓	5.3% ↑
Family Apparel	89.6	-15.2% ↓	-13.9% ↓	0.6% ↑
Cannabis Related	64.4	-22.5% ↓	-18.7% ↓	-12.8% ↓
Sporting Goods/Bike Stores	58.5	-14.7% ↓	-12.1% ↓	-7.4% ↓
Quick-Service Restaurants	54.9	-2.7% ↓	-3.9% ↓	5.2% ↑
Building Materials	53.6	-3.9% ↓	-6.7% ↓	2.9% ↑
Contractors	43.0	5.5% ↑	34.1% ↑	14.0% ↑
Convenience Stores/Liquor	35.0	-17.4% ↓	-5.4% ↓	-0.3% ↓

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*In thousands of dollars