

# CITY OF LAGUNA NIGUEL

## SALES TAX UPDATE

### 2Q 2022 (APRIL - JUNE)



#### LAGUNA NIGUEL

TOTAL: \$ 3,827,786

14.9%

2Q2022



11.7%

COUNTY



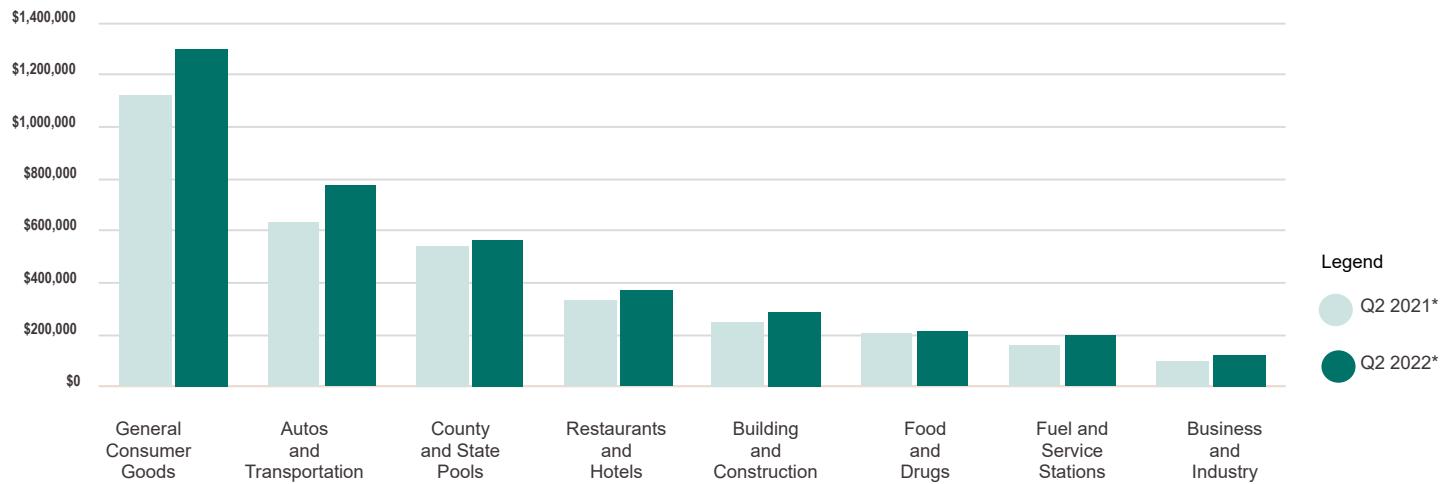
10.1%

STATE



\*Allocation aberrations have been adjusted to reflect sales activity

#### SALES TAX BY MAJOR BUSINESS GROUP



#### CITY OF LAGUNA NIGUEL HIGHLIGHTS

Laguna Niguel's receipts from April through June were 2.4% above the second sales period in 2021, though this was artificially deflated by a payment correction for an auto-leasing firm. Excluding this and other reporting aberrations, actual sales were up 14.9%, exceeding the State and regional trends.

Revenue from auto and transportation vendors surged 23% as a supply-demand imbalance continued to lift prices throughout the industry.

Tax payments from local service stations surged 27% with the sky-high price of gasoline. General consumer goods outlets that sell fuel also benefited from the higher price.

Several new restaurant openings in Laguna Niguel boosted receipts from casual eateries by 22%, exceeding the

17% statewide trend, as the industry continues to recover from last year's pandemic impaired results.

The recent relocation of a contractor firm into Laguna Niguel from a neighboring jurisdiction lifted receipts from building-construction suppliers. A business-industrial outlet also reported a significant spike in revenue this quarter.

Net of aberrations, taxable sales for all of Orange County grew 11.7% over the comparable time period; the Southern California region was up 11.1%.

#### Albertsons

Avery Energy

Chevron

Circle K

Costco

Crown Valley Shell

Daimler Trust

GMC & Cadillac of Laguna Niguel

Guardtop

Home Depot

Hyundai & Genesis Of Laguna Niguel

In N Out Burger

Kohls

Laguna Niguel Shell

Marshalls

McDonalds

Mercedes Benz of Laguna Niguel

#### Nordstrom Rack

Pavilions

Ralphs

Sepulveda Building Materials

South Coast Shingle

Sports Cards Plus

Walmart

Whole Foods Market



#### TOP 25 PRODUCERS



## 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.

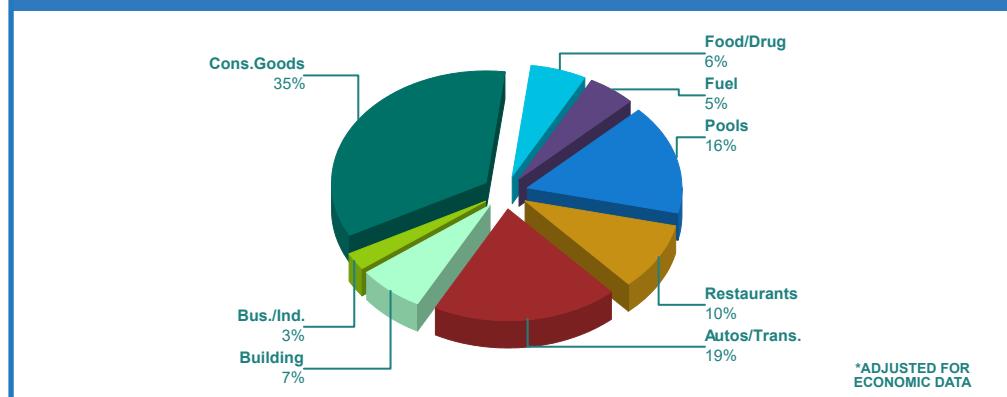
With new housing starts accelerating and residential and commercial property values rising, construction contractors remain busy. Lumber prices have softened from prior year highs leaving material suppliers with modest gains, however electrical, plumbing and energy

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

Laguna Niguel This Fiscal Year\*



### TOP NON-CONFIDENTIAL BUSINESS TYPES

Laguna Niguel Business Type	Q2 '22*	Change	County Change	HdL State Change
Building Materials	218.2	0.8% <span style="color: green;">↑</span>	5.3% <span style="color: green;">↑</span>	2.9% <span style="color: green;">↑</span>
Service Stations	197.0	26.7% <span style="color: green;">↑</span>	37.2% <span style="color: green;">↑</span>	36.4% <span style="color: green;">↑</span>
Casual Dining	145.3	22.1% <span style="color: green;">↑</span>	13.6% <span style="color: green;">↑</span>	17.2% <span style="color: green;">↑</span>
Grocery Stores	139.9	1.1% <span style="color: green;">↑</span>	8.7% <span style="color: green;">↑</span>	5.3% <span style="color: green;">↑</span>
Quick-Service Restaurants	118.2	-0.4% <span style="color: red;">↓</span>	7.5% <span style="color: green;">↑</span>	5.2% <span style="color: green;">↑</span>
Auto Lease	109.4	-9.2% <span style="color: red;">↓</span>	-6.6% <span style="color: red;">↓</span>	-8.9% <span style="color: red;">↓</span>
Specialty Stores	86.4	16.9% <span style="color: green;">↑</span>	8.5% <span style="color: green;">↑</span>	4.2% <span style="color: green;">↑</span>
Fast-Casual Restaurants	84.8	1.3% <span style="color: green;">↑</span>	6.6% <span style="color: green;">↑</span>	7.9% <span style="color: green;">↑</span>
Contractors	59.6	142.8% <span style="color: green;">↑</span>	15.4% <span style="color: green;">↑</span>	14.0% <span style="color: green;">↑</span>
Sporting Goods/Bike Stores	47.8	22.8% <span style="color: green;">↑</span>	-1.6% <span style="color: red;">↓</span>	-7.4% <span style="color: red;">↓</span>

\*Allocation aberrations have been adjusted to reflect sales activity

\*In thousands of dollars