

CITY OF PLACERVILLE

SALES TAX UPDATE

3Q 2024 (JULY - SEPTEMBER)



PLACERVILLE
TOTAL: \$ 1,584,614

-2.6%
3Q2024



-3.7%
COUNTY

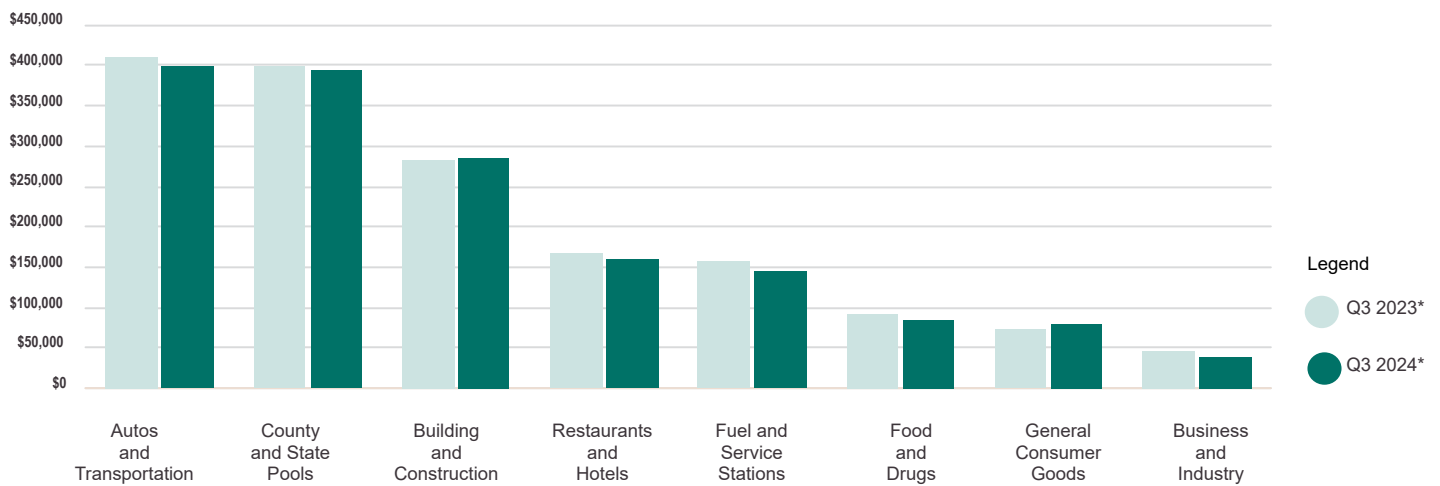


-2.3%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure J
TOTAL: \$364,783
-1.8%

Measure H
TOTAL: \$364,782
-1.8%

Measure L
TOTAL: \$729,681
-1.8%



CITY OF PLACERVILLE HIGHLIGHTS

Placerville's receipts from July through September were 8.8% below the third sales period in 2023. Excluding reporting aberrations, actual sales were down 2.6%.

Consumers and businesses continued to deal with tight credit conditions in a higher interest rate environment and multiple groups felt the pinch with lower returns.

Service station sales slipped with crude oil pricing more stable making it more affordable to fill-up for a tank of gas. While advantageous for the consumer, it equates to less tax revenue. Automotive spending stalled for another quarter as people are delaying needs, including repair and maintenance costs.

Price-weary patrons frequented restaurants less as diners became more

selective with their choices preferring quick service options to casual dining spots. Additional menu increases from last April's new minimum wage law means it is now more affordable to eat at home.

Retail receipts outpaced regional trends with multiple home furnishings taxpayers posting positive gains. A potential error is under review and may result in a future correction.

All transaction taxes declined similarly to the city with most groups down led by a drop in service station receipts, visits to casual dining venues and business investments.

Net of aberrations, taxable sales for all of El Dorado County declined 3.7% over the comparable time period; the Sacramento region was down 1.2%.



TOP 25 PRODUCERS

- | | |
|-----------------------------|-----------------------------------|
| C & H Motor Parts | Placerville Valero |
| Chuck's Cannabis Collective | Raley's |
| Diamond Pacific | Rancho Convenience Center |
| Ferguson Enterprises | Sacred Roots |
| Fuel 4 Less | Shell |
| Grocery Outlet | Sierra Nevada Tire & Wheel |
| Harbor Freight Tools | Thompsons Buick GMC |
| Home Depot | Thompsons Chrysler Dodge Jeep Ram |
| In N Out Burger | Thompson's Toyota |
| Kwik Serv | Tractor Supply |
| Les Schwab Tire Center | |
| Main Street Tap House | |
| Marathon | |
| McDonald's | |
| Mobil | |

HdL Companies



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts during the months of July through September were 2.3% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year third quarter traditionally is noted for pleasant weather and statewide tourism; however, taxes fell when compared to a year ago. As such, it also means a weak start of the 2024-25 fiscal year for many California agencies.

Once again, autos-transportation receipts took a hit and declined 4.8%. This period marks the seventh consecutive quarter of downturn for the sector. While used autos returns and leasing activity have improved, revenues from new car sales struggled due to sustained high interest rates, tightened credit standards, and increased cost of auto insurance. As such, inventories for many dealers remain elevated, applying downward pressure on prices and growth into 2025.

The summer season is usually an advantageous time for home repairs and construction work, however, this industry is also struggling with high consumer interest rates and limited access to equity for homeowners. New projects remain sidelined as developers await more favorable investment conditions.

Brick-and-mortar general consumer retailers pulled back 3.8% - worsened by lower gas prices. Consumers appear more interested in lower priced/discounted items vs higher priced/luxury goods, forcing merchants to again consider inventory needs. Additionally, competition from online merchants is as fierce as ever, as shoppers look for greater value. With holiday shopping around the corner, local store expectations remain soft.

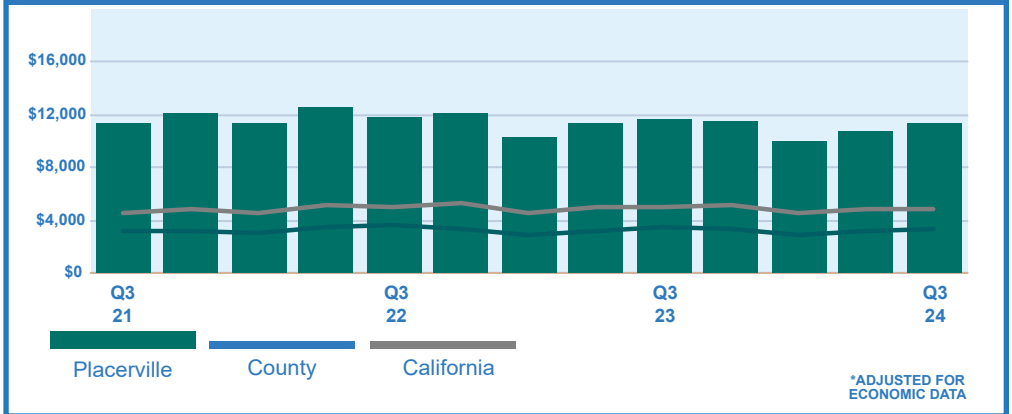
Fuel generating taxpayers had a rough quarter; a combination of consumption declines and falling fuel prices thrust comparisons down by 13%. Further contraction of national drug store locations coupled with the steady fall from cannabis merchants dating back to 2021, caused a decrease of 2.8% in the food-drugs category. Expect similar percentage declines for the upcoming end of 2024 quarter.

Although statewide tourism appears to have improved over 2023, revenue from restaurants experienced only a modest gain of 0.7%, which included a dramatic drop from fine dining establishments - consistent with spending trends in other sectors. State

mandated minimum wage requirements remained a challenge, with higher menu prices reducing patron visits.

These sluggish results solidify 2024 as a down year. Recent reductions to the Fed Funds Rate aren’t considered to help until later in 2025. Agencies should expect fiscal year 2024-25 sales taxes to stay flat or decline slightly as sluggish economic conditions leave consumers cautious in their spending patterns, especially for big ticket items and discretionary products.

SALES PER CAPITA*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Placerville Business Type	Q3 '24*	Change	County Change	HdL State Change
Service Stations	141.0	-3.1% ↓	-10.9% ↓	-12.8% ↓
Casual Dining	83.0	-9.4% ↓	-2.3% ↓	1.1% ↑
Quick-Service Restaurants	66.5	2.4% ↑	-2.4% ↓	1.0% ↑
Automotive Supply Stores	48.5	-0.2% ↓	3.8% ↑	-0.7% ↓
Grocery Stores	39.1	0.7% ↑	1.3% ↑	1.4% ↑
Auto Repair Shops	22.3	-5.1% ↓	-2.2% ↓	-2.6% ↓
Convenience Stores/Liquor	12.9	0.4% ↑	-1.4% ↓	-2.1% ↓
Cigarette/Cigar Stores	12.2	41.5% ↑	10.0% ↑	-4.6% ↓
Home Furnishings	11.9	86.2% ↑	0.5% ↑	-6.7% ↓
Repair Shop/Equip. Rentals	8.6	-8.4% ↓	2.4% ↑	1.3% ↑

*Allocation aberrations have been adjusted to reflect sales activity *In thousands of dollars