

CITY OF BEAUMONT

SALES TAX UPDATE

4Q 2021 (OCTOBER - DECEMBER)



BEAUMONT

TOTAL: \$ 7,639,852

303.5%

4Q2021



27.4%

COUNTY



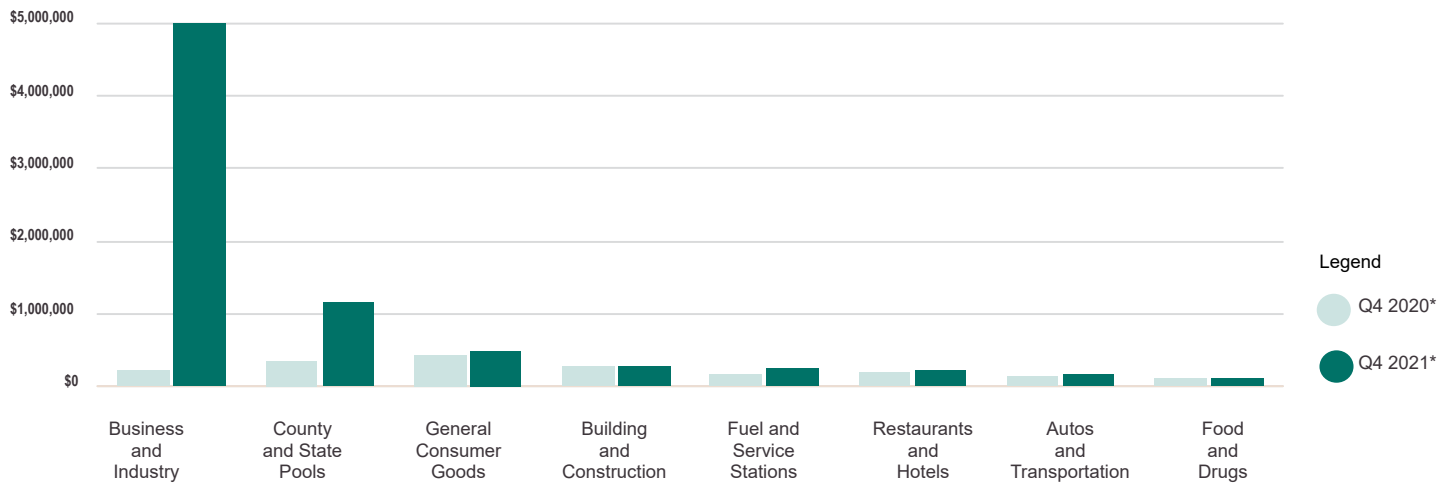
15.6%

STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF BEAUMONT HIGHLIGHTS

Beaumont's receipts from October through December were 360.4% above the fourth sales period in 2020. Excluding reporting aberrations, actual sales were up 303.5%.

The local economy has returned to pre-pandemic levels. The largest sector by far is business-industry, led by a very strong growth in fulfillment centers and light industrial/printers. Since the City's point of sale cash as a percentage of the County's point of sale cash grew by a much bigger percentage on average than other cities in Riverside County, the county pool allocation skyrocketed.

The fuel and service stations sector has seen upward pressure on sales tax being generated, which include consumption and demand for fuel, record prices of regular and diesel at the pumps, strong oil barrel prices, and restricted supply

from the Russian-Ukraine crisis. This has caused a solid boost from service stations.

One of the industries that was hit the hardest in the state during the pandemic was restaurants and hotels, and most business types have now fully recovered. Consumers are continuing to increase their activity in dining, shopping, and traveling. As a result, strong returns were realized from casual and quick-service restaurants. Receipts from electronics/appliance and specialty stores, trailers/RVs, food-drugs, and building materials were also up. Results from contractors were down, which partially offset the overall gain.

Net of aberrations, taxable sales for all of Riverside County grew 27.4% over the comparable time period; the Southern California region was up 17.4%.



TOP 25 PRODUCERS

84 Lumber Co
 Amazon Com Services
 Amazon MFA
 Arco AM PM
 Beaumont Gas Mart
 Beaumont RV
 Beaumont Service Station
 Best Buy
 Big Tex Trailers
 Carson Trailer
 Grove 76
 Home Depot
 Icon Health & Fitness
 In N Out Burger
 Kohls
 Mayas Chevron
 Oak Valley Chevron
 Raising Cane's
 Rite Aid

Ross
 Stater Bros
 Trailer Factory Outlet
 USA Gas
 Walmart Supercenter
 Wolverine Worldwide



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of October through December were 15% higher than the same quarter one year ago after adjusting for accounting anomalies. A holiday shopping quarter, the most consequential sales period of the year, and the strong result was a boon to local agencies across the State. Consumers spent freely as the economy continued its rebound from the pandemic and as robust labor demand reduced unemployment and drove up wages.

Brick and mortar retailers did exceptionally well as many shoppers returned to physical stores rather than shopping online as the COVID crisis waned. This was especially true for traditional department stores that have long been among the weakest categories in retail. Discount department stores, particularly those selling gas, family and women’s apparel and jewelry merchants also experienced strong sales. Many retailers are now generating revenue that is nearly as much, or even higher, than pre-pandemic levels.

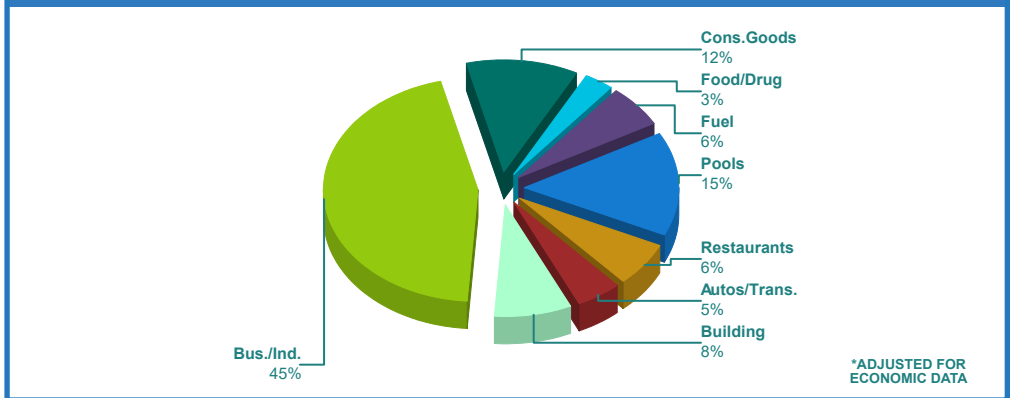
Sales by new and used car dealers were also much higher than a year ago. The inventory shortage has resulted in higher prices that have more than offset the decline in unit volume in terms of revenue generation for most dealerships. Restaurants and hotels were only moderately lower than last quarter, with both periods being the highest in the State’s history. Increased menu prices coupled with robust demand to dine out are largely responsible for these gains. These are impressive results for a sector that does not yet include the positive impact that will occur later this year as international travel steadily increases at major airports. Conference business, an important revenue component for many hotels, is also still in the early stages of recovery.

Building material suppliers and contractors were steady as growing residential and commercial property values boosted demand, particularly in the Southern California, Sacramento and San Joaquin Valley regions. Although anticipated interest rate increases by the Federal Reserve could dampen the short-term outlook for this sector, industry experts believe limited selling activity will inspire increased upgrades and improvements by existing owners. With demand remaining tight and calls for more affordable housing throughout the state, the long-term outlook remains positive.

The fourth quarter, the final sales period of calendar year 2021, exhibited a 20% rebound

in tax receipts compared to calendar year 2020. General consumer goods, restaurants, fuel and auto-transportation industries were the largest contributors to this improvement. However, the future growth rate for statewide sales tax revenue is expected to slow markedly. Retail activity has now moved past the easy year-over-year comparison quarters in 2021 versus the depths of the pandemic bottom the year before. Additional headwinds going into 2022 include surging inflation, a dramatic jump in the global price of crude oil due to Russia’s war in Ukraine and corresponding monetary tightening by the Federal Reserve. This is expected to result in weakening consumer sentiment and continued, but decelerating, sales tax growth into 2023.

REVENUE BY BUSINESS GROUP Beaumont This Calendar Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Beaumont Business Type	Q4 '21*	Change	County Change	HdL State Change
Service Stations	235.4	50.2% ↑	54.1% ↑	53.8% ↑
Building Materials	229.1	3.1% ↑	8.0% ↑	2.3% ↑
Quick-Service Restaurants	153.4	7.5% ↑	8.3% ↑	12.1% ↑
Trailers/RVs	116.9	14.5% ↑	16.1% ↑	11.2% ↑
Grocery Stores	67.7	-0.1% ↓	2.7% ↑	0.6% ↑
Casual Dining	50.1	59.3% ↑	67.5% ↑	66.4% ↑
Contractors	33.9	-26.5% ↓	3.8% ↑	5.3% ↑
Specialty Stores	28.2	84.7% ↑	22.1% ↑	18.7% ↑
Drug Stores	26.8	2.6% ↑	7.4% ↑	7.9% ↑
Fast-Casual Restaurants	24.2	-5.1% ↓	16.9% ↑	16.6% ↑

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