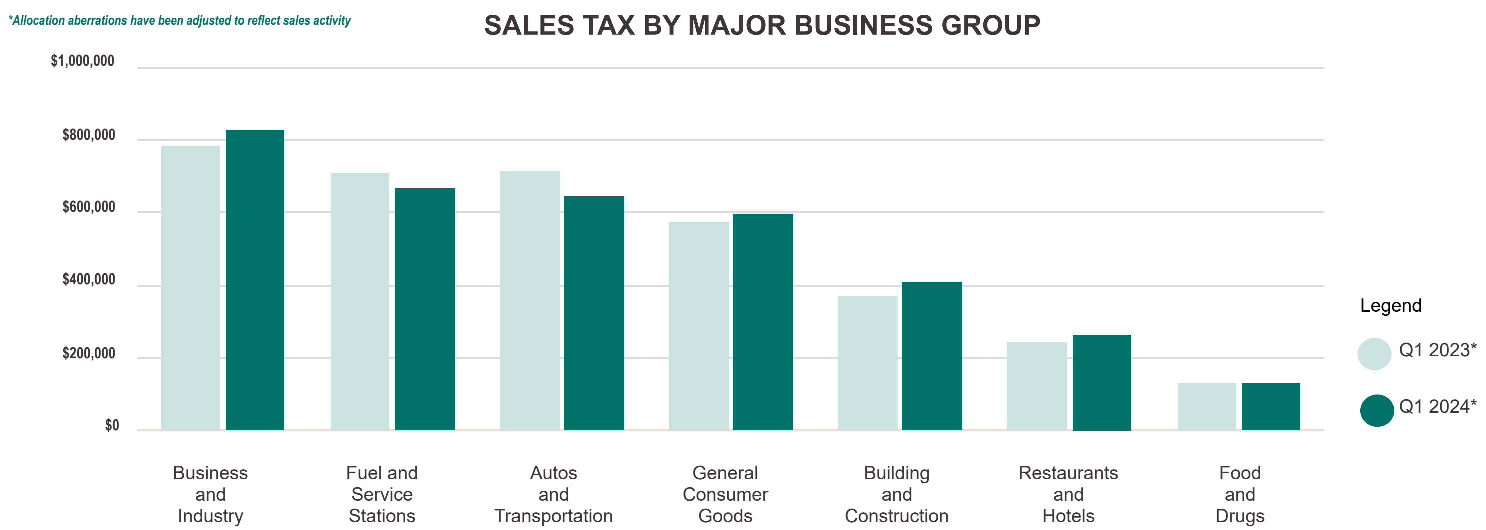
MADERA COUNTY TRANSPORTA-

SALES TAX UPDATE

1Q 2024 (JANUARY - MARCH)

MADERA COUNTY TRANSPORT | 0.1% | -0.2%

TOTAL: $ 3,566,966 | 1Q2024 | STATE



MADERA COUNTY TRANSPORTATION COMMISSION - MEASURE T HIGHLIGHTS

Measure T's receipts from January through March were 1.2% above the first sales period in 2023. Excluding reporting aberrations, this period's receipt total was flat compared to the same period last year.

Many of the business groups tracked here did well this quarter, but the community continues to shy away from big-ticket purchases. This is reflected in the auto-transportation group, which continues to see a decline in the number of new and used cars purchased by residents and local businesses. Lower fuel prices led to the decline in sales volume by gas stations.

The construction group benefited from strong demand for material and the contractors' services needed for hardscape, paving, and roofing projects. Meanwhile, corporate spending on industrial supplies/equipment yielded several one-time sales that boosted the business-industry group's sales. Those one-time sales involved warehouse and utility equipment.

Restaurant traffic is slowing in response to high menu prices, and those high prices continue to represent more of the sales increase each quarter. This period, local venues were also challenged by the opening of a popular new venue, but the impact it had on existing restaurants is not measurable.

Brick and mortar retail outlets' mixed sales were more than offset by gains in sales made online from a wide variety of vendors.

Net of aberrations, taxable sales for all of Madera County were down 1.8% from the comparable period while those of the San Joaquin Valley rose 1.3%.

TOP NON-CONFIDENTIAL BUSINESS TYPES

Madera County Transportation Commission - Measure T			HdL State
Business Type	**Q1 '24***	**Change**	**Change**
Service Stations	575.6	-5.8%	-0.9%
New Motor Vehicle Dealers	331.8	-8.9%	-10.5%
General Merchandise	215.9	11.8%	-4.0%
Building Materials	185.6	1.5%	-1.0%
Contractors	172.9	22.5%	4.5%
Warehse/Farm/Const. Equip.	152.3	31.3%	-3.9%
Garden/Agricultural Supplies	148.5	2.3%	2.6%
Used Automotive Dealers	134.0	-22.4%	-3.8%
Quick-Service Restaurants	128.4	10.7%	2.7%
Casual Dining	99.8	7.2%	2.4%

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars

STATEWIDE RESULTS

California's local one cent sales and use tax receipts during the months of January through March were 0.2% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year first quarter is traditionally the lowest sales tax generating period; however, returns were more on par with the comparison period.

One of the only sectors continuing to display declines was autos-transportation. High interest rates created more expensive long-term financing costs. Combined with a dramatic cost of insurance coverage rate spike, this group declined 7.5%.

Fuel and service stations was the other sector with a drop over last year. As California drivers embark on summer travel, they'll do so with slightly elevated gas prices versus 2023, probably yielding the final period of negative results for the category heading into 2025.

During this post-holiday shopping period, general consumer goods experienced a soft rebound with very modest 0.5% growth. Although retailers selling gas were hurt by fuel prices, it did not stop family apparel and department stores from lifting revenues.

Restaurant activity contributed constant growth of 2.1%. Only fine dining establishments remain hindered as more affordable menus are preferred. Also, it appears some eateries made operational changes while implementing AB 1228; however, there isn't enough data yet to understand if this new bill impacted revenue.

Seemingly dramatic one-time events helped boost business-industry, as investments in office supplies-furniture and energy projects were a significant reason for 3.6% gains this quarter. Additionally, strong fulfillment center direct payments demonstrated sustained logistical expansion. When coupled with improved returns via the countywide use tax pools, customers demonstrated e-commerce preferences for obtaining various goods. Overall pool allocations improved 1.6%.

Statewide, 2024 begins in a more positive fashion compared to the recent trends of 2023. Buoyed 1st quarter results may signify 'the floor' helping ease tax revenue concerns while awaiting the next growth cycle. The Federal Reserve and their position with the Fed Funds Rate remains the most probable component between economic stagnation or spring-boarding consumer spending. Tourism and local travel in the coming summer period could further inspire confidence.

Major Business Group Trends By County

Percent Change from 1st Quarter 2023 *

	Autos/Tran.	Bldg/Const	Bus/ind.	Food/Drug	Fuel	Cons. Goods	Restaurants
Fresno Co.	-8.0%	1.2%	-5.4%	0.9%	-1.6%	-0.4%	0.4%
Kern Co.	-7.4%	-5.7%	-6.1%	-0.5%	-8.3%	-1.9%	0.4%
Kings Co.	14.8%	-15.9%	-15.2%	1.4%	-3.0%	-0.9%	3.0%
Madera Co.	-8.9%	4.6%	0.6%	3.7%	-5.4%	0.2%	7.7%
Merced Co.	-6.7%	1.1%	-4.4%	-1.2%	-9.0%	0.9%	2.5%
San Joaquin Co.	-2.7%	-0.6%	28.5%	1.6%	-1.7%	0.2%	2.7%
Stanislaus Co.	-6.1%	5.2%	1.1%	-3.2%	5.5%	1.5%	1.1%
Tulare Co.	-5.6%	-2.3%	2.1%	0.3%	1.7%	3.8%	3.2%

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