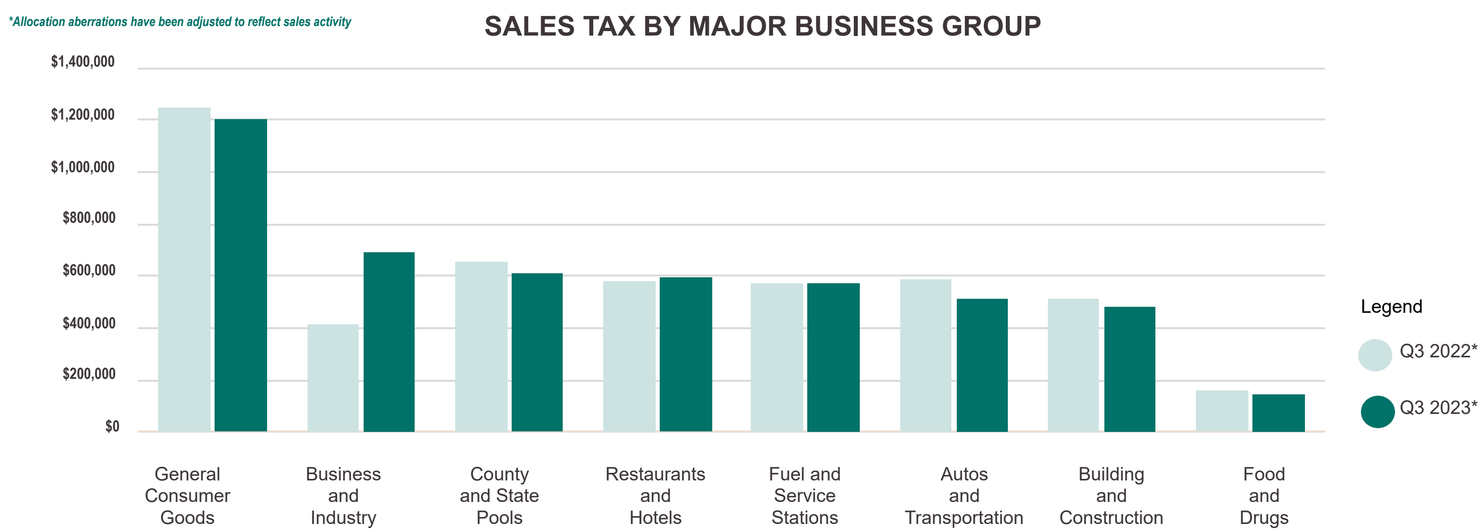
CITY OF MANTECA
SALES TAX UPDATE
3Q 2023 (JULY - SEPTEMBER)

MANTECA	2.1%	2.7%	-1.7%
TOTAL: $ 4,842,138	3Q2023 ↑	COUNTY ↑	STATE ↓



Measure M
TOTAL: $2,643,970

↑ 0.8%

CITY OF MANTECA HIGHLIGHTS

Manteca's receipts from July through September were 1.5% above the third sales period in 2022. Excluding reporting aberrations, actual sales were up 2.1%.

The business-industry sector has many diverse segments including taxpayers selling B-T-B, as well as those selling direct to businesses and consumers. This sector propelled gains including in the food service equipment category. Restaurants-hotels posted modest gains as customers continue to accept higher menu pricing.

With the sharp drop in pricing to fill up at the pump, there were lower receipts for fuel-service stations. Automotive sales fell continuing the multi-quarter slide after the higher levels seen in prior years. Interest has tapered off in trailers/ RV purchases with more travel options available, and financing costs remain elevated.

Voter approved Measure M had mixed results for a net positive gain led by general merchandise and quick service restaurant sales, along with demand for contractor services. Categories with lower activity included service stations, used cars with fewer private party vehicle transactions, and specialty store purchases.

Net of aberrations, taxable sales for all of San Joaquin County grew 2.7% over the comparable time period; the San Joaquin Valley was down 0.4%.

TOP 25 PRODUCERS

- A&A Gas & Food Mart
- Amazon Com Services
- Amazon MFA
- American Modular Systems
- Arco
- Arco AM PM
- B R Funsten & Company
- Bass Pro Shops Outdoor World
- Blue Compass Rv
- Cabral Chrysler Jeep Dodge Ram Fiat
- Chevron
- Chick Fil A
- Core & Main Lp
- Costco
- Country Kia
- Diamond Gas & Food Mart
- Great Wolf Lodge
- Home Depot
- J M Equipment Company
- Living Spaces Furniture
- Manteca Ford
- Ross
- Target
- TJ Maxx
- Walmart Supercenter

STATEWIDE RESULTS

California's local one cent sales and use tax receipts for sales during the months of July through September were 1.6% lower than the same quarter one year ago after adjusting for accounting anomalies. The third quarter of the calendar year continued with a challenging comparison to prior year growth and stagnating consumer demand in the face of higher prices of goods.

Fuel and service stations contributed the greatest overall decline as lower fuel prices at the pump reduced receipts from gas stations and petroleum providers. While global crude oil prices have stabilized, they remained 15% lower year-over-year. This decline also impacted the general consumer goods category as those retailers selling fuel experienced a similar drop. Despite OPEC and Russia production cuts having upward pressure on pricing, global demand during the winter months has softened.

Along with merchants selling gas, many other general consumer categories were also down from the 2022 quarter, confirming consumers pulling back on purchases. Home furnishings and electronic-appliances were a couple of the largest sectors with the biggest reductions. As inflation and higher prices were the main story a year ago, currently it appears to be a balancing act between wants and needs, leaving meek expectations for the upcoming holiday shopping season.

Even following a long, wet first half of 2023, spending at building and construction suppliers moderately slowed. The current high interest rate environment did not help the summer period and still represents the largest potential headwind for the industry with depressed commercial development, slowing public infrastructure projects and new housing starts waiting for more profitable financial conditions.

Despite continued increases of new car registrations, revenue from the autos-transportation sector slipped 2.6%. The improved activity remains mostly attributed to rental car agencies restocking their fleets. Like other segments, elevated financing costs are expected to impede future retail volume.

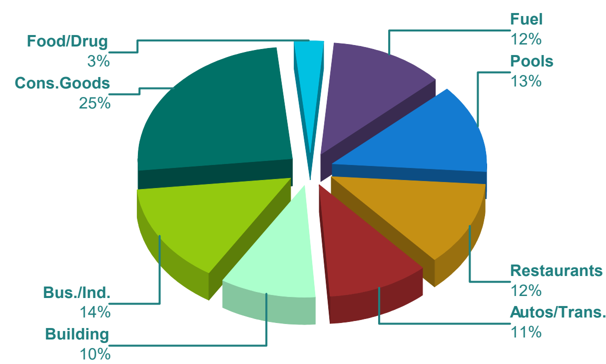
Use taxes remitted via the countywide pools dipped 3.0%, marking the fourth consecutive quarter of decline. While overall online sales volume is steady, pool collections dropped with the offsetting effect of more taxes allocated directly to local agencies via in-state fulfillment generated at large warehouses and through existing retail outlets.

Restaurants remained an economic bright spot through summer exhibiting a 2.6% gain. As tourism, holiday and business travel are all expected to have recovered in 2024, the industry is bracing for implementation of AB 1228 - new CA law setting minimum wages for 'fast food restaurants'.

With one more quarterly result to go in 2023, the recent trend of a moderate decline appears likely before a recovery in 2024. Initial reports from the holiday shopping season reflect a 3% bump in retail sales compared to 2022. Lingering consumer confidence may have also received welcome news as the Federal Reserve considers softening rates by mid-2024.

REVENUE BY BUSINESS GROUP

Manteca This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Manteca Business Type	Q3 '23*	Change	County Change	HdL State Change
Service Stations	558.6	-0.4% ↓	-7.6% ↓	-7.3% ↓
Building Materials	287.8	-3.5% ↓	0.1% ↑	-2.6% ↓
Quick-Service Restaurants	273.1	-0.2% ↓	3.7% ↑	2.7% ↑
Casual Dining	171.9	0.6% ↑	2.0% ↑	2.8% ↑
Contractors	136.0	-1.5% ↓	-4.8% ↓	-1.1% ↓
Family Apparel	133.6	7.8% ↑	10.0% ↑	3.2% ↑
Sporting Goods/Bike Stores	112.8	0.7% ↑	-2.0% ↓	-4.8% ↓
Grocery Stores	86.4	1.9% ↑	2.1% ↑	2.3% ↑
Warehse/Farm/Const. Equip.	82.1	-12.8% ↓	3.2% ↑	-2.9% ↓
Automotive Supply Stores	80.7	0.9% ↑	3.5% ↑	2.1% ↑

Allocation aberrations have been adjusted to reflect sales activity

**In thousands of dollars*