

CITY OF BRAWLEY

SALES TAX UPDATE

1Q 2024 (JANUARY - MARCH)



BRAWLEY

TOTAL: \$ 809,549

-3.3%

1Q2024



12.2%

COUNTY



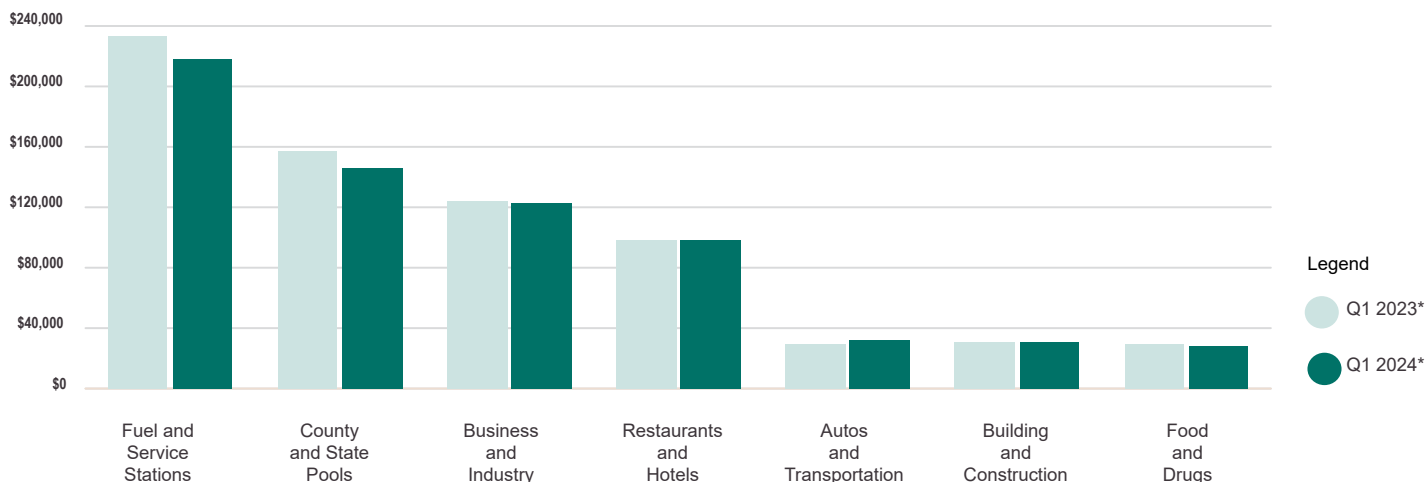
-0.3%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF BRAWLEY HIGHLIGHTS

Brawley's receipts from January through March were flat compared to the first sales period in 2023. Excluding reporting aberrations, actual sales were down 3.3%.

Fuel-service stations experienced weak returns at the pumps as increase fuel supply stabilizes, while advantages to consumers, is challenging for sales tax revenue due to the declining demand across California. State-county pools, the City's second largest income classification, had a negative 7.2% return as several major industry groups underperformed.

One of the major industry groups had meager proceeds as consumers limited their purchases as they still have concerns about the direction the economy is going at this time.

The restaurant-hotel sector had modest gains at quick-service establishments primarily due to higher menu prices that businesses implemented in preparation for the increased minimum wage requirement. Furthermore, the auto-transportation group saw encouraging returns from automotive supply stores. Likewise, building-construction gross receipts were optimistic, as certain areas saw demand for their services.

Net of aberrations, taxable sales for all of Imperial County grew 12.1% over the comparable time period; the Southern California region was flat.



TOP 25 PRODUCERS

- Arco AM PM
- AutoZone
- Brawley Ace Hardware
- Brawley Tractor Parts
- Carl's Jr
- Circle K Gas
- Circle K Shell
- Dollar Tree
- Domino's
- HD Supply Waterworks
- Jack in the Box
- Johnnys Burritos
- Jordan Implement
- KVL Tires
- Las Chabelas Restaurant
- Little Caesars
- McDonald's
- McNeece Bros Oil
- O'Reilly Auto Parts
- Pacific Ag Rentals
- Pilot Travel Center
- Prime Fuel & Mini Mart
- RDO Water
- Vons
- Walmart Supercenter



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 auto-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.

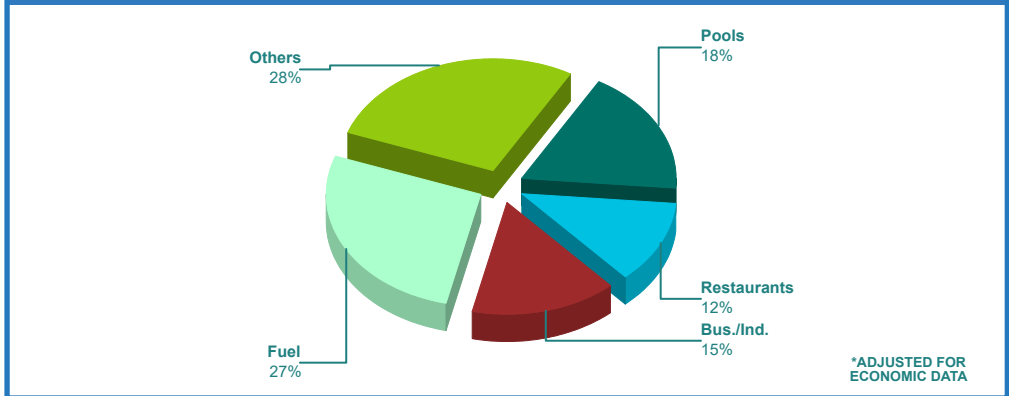
Seemingly dramatic one-time events helped boost business-industry, as investments in office supplies-furniture and energy projects were a significant reason for 3.6% gains this quarter. Additionally, strong fulfillment center direct payments demonstrated sustained logistical expansion. When coupled with 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.

REVENUE BY BUSINESS GROUP

Brawley This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Brawley Business Type	Q1 '24	Change	County Change	HdL State Change
Service Stations	145,301	-5.6% ↓	2.3% ↑	-0.8% ↓
Quick-Service Restaurants	75,547	1.4% ↑	5.0% ↑	2.7% ↑
Warehse/Farm/Const. Equip.	69,443	-12.9% ↓	11.1% ↑	-3.8% ↓
Automotive Supply Stores	25,959	10.0% ↑	-1.7% ↓	-3.2% ↓
Casual Dining	19,106	-6.1% ↓	0.5% ↑	2.3% ↑
Auto Repair Shops	6,048	-9.4% ↓	16.6% ↑	-1.9% ↓
Convenience Stores/Liquor	5,805	1.5% ↑	0.4% ↑	0.5% ↑
Heavy Industrial	4,200	-16.4% ↓	21.4% ↑	-4.0% ↓
Electronics/Appliance Stores	3,287	-49.9% ↓	-6.7% ↓	-7.0% ↓
Contractors	1,888	-20.8% ↓	35.1% ↑	4.4% ↑

*Allocation aberrations have been adjusted to reflect sales activity