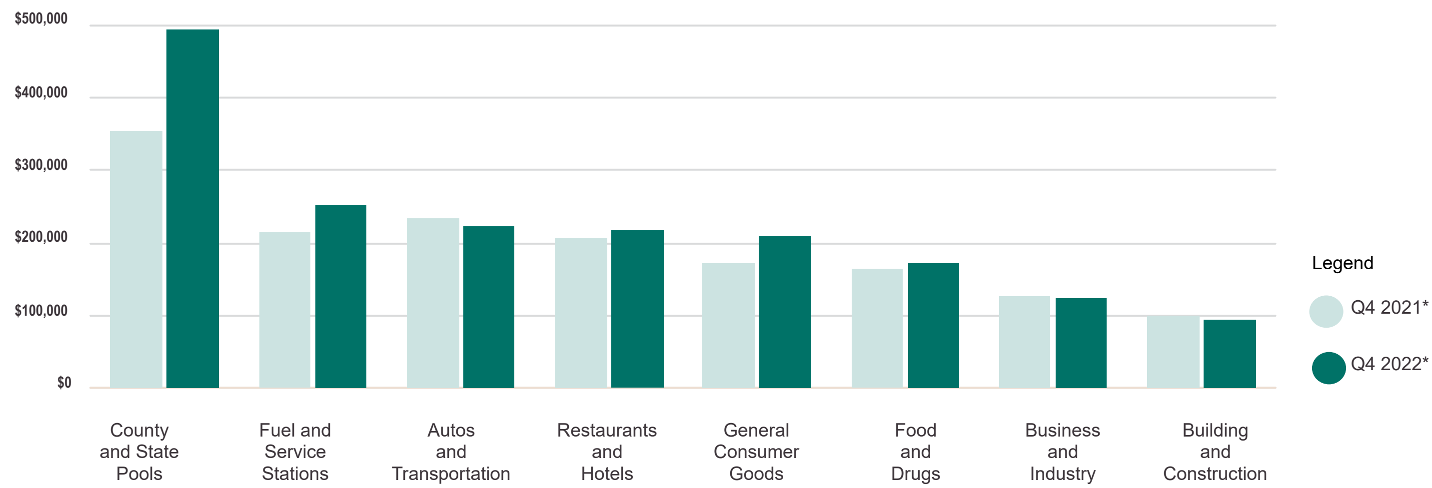
CITY OF HOLLISTER
SALES TAX UPDATE
4Q 2022 (OCTOBER - DECEMBER)

HOLLISTER	13.6%	5.0%	4.7%
TOTAL: $ 1,786,419	4Q2022 ↑	COUNTY ↑	STATE ↑

*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure W
TOTAL: $2,275,712

↑ 7.5%

CITY OF HOLLISTER HIGHLIGHTS

Hollister's receipts from October through December were 21.1% above the fourth sales period in 2021. Excluding reporting aberrations, actual sales were up 13.6%.

Although sales tax is starting to see a gradual slowing, this quarter's results were strong. The solid gains in general consumer goods were due to new outlets opening contributed to the overall growth. The restaurant group had several new outlets boosting the receipts; casual dining was up over 9% at a time when others in the area were flat. Another group contributing to the positive results was the fuel-service station group; prices were still high during this quarter.

An error in the comparable quarter deflated those results this quarter, resulting in a higher percentage growth for the city's portion of the pool.

Measure W was boosted by the items listed above as well as an increase in purchases of vehicles and boosted online sales being delivered into the city

Net of aberrations, taxable sales for all of San Benito County grew 5.0% over the comparable time period; the Central Coast region was up 1.4%.

TOP 25 PRODUCERS

Ace Hardware & Lumber
Boot Barn
Brigantino Irrigation
Chevron
Gateway Arco AM PM
Genesis Marketplace
Greenwood Chevrolet
Greenwood Ford
Hollister Chevron
Lucky 719
McDonald's
McKinnon Lumber
Nob Hill Foods
Quik Stop
Ranch Gas & Food
Rite Aid
Ross
Safeway
Safeway Fuel Station
Shell Gas & Mini Mart
Shop N Save
Star Concrete
Target
Teknova
Verizon Wireless

STATEWIDE RESULTS

California's local one cent sales and use tax receipts for sales during the months of October through December were 4.7% 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, experienced solid results which lifted revenue to local agencies across the State.

Overall, general consumer goods growth was up a meager 1.8%, in large part from merchants also selling gas as prices remained elevated over last year. Otherwise, many brick and mortar retailers experienced mixed results as the phenomenal prior year activity made for an extremely difficult comparison. This was especially true for jewelry stores receipts which had soared tremendously after the pandemic as consumers diversified readily available cash into other assets.

Commuters and seasonal travelers were again burdened with gas prices above $5 per gallon in most of the State, leaving fuel-service stations 10% higher than a year ago. However, this trend did not distract from spending at local restaurants and hotels. Increased menu prices and return-to-office workplaces enhanced gains, with the Bay Area experiencing it's greatest amount of post-pandemic rebound.

Although inventory shortages negatively impacted unit sales and leasing activity throughout 2022, year-end returns by new car dealers, especially high-end luxury and electric/hybrid brands, sustained auto-transportation sector gains. In contrast, rising interest rates and higher gas prices pulled trailer-RV revenues lower. Steady housing demand and pend up construction projects delayed by supply chain interruptions have contractors contributing the majority of growth within the building-construction sector. With rising interest rates tempering selling activity, property owners are still likely to maintain home improvement spending.

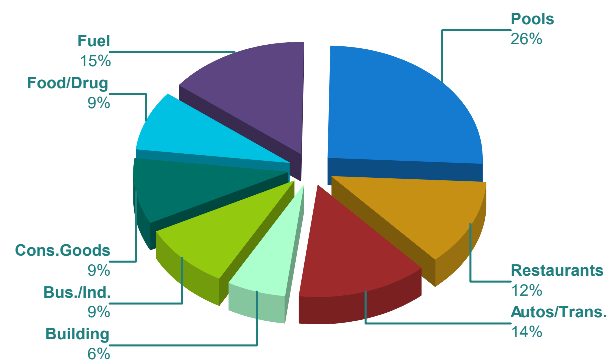
Use taxes remitted via the countywide pools rose a scant 0.3%. While national ecommerce spending behaviors climbed upward again, expansion of more in-state fulfilment centers plus retailers using existing locations to deliver goods tied to online orders shifted taxes away from pools. The offsetting effect was these dollars being directed to local agency's coffers where the goods resided. This evolving trend is anticipated to persistently weaken taxes coming from the pools in the near term.

Looking back, calendar year 2022 exhibited a 9.5% surge in tax receipts compared to 2021. Each of the eight major tax categories all reported greater returns. Most influential was inflation that drove up prices on everything from normal daily purchases to vehicles. Secondarily, all-time peak global crude oil costs had fuel seller's payments skyrocketing.

Heading into 2023, additional interest rate hikes along with consumer sentiment waning about the economy foretells minimal change coming from California's taxable sales in the months ahead.

REVENUE BY BUSINESS GROUP

Hollister This Calendar Year*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Hollister Business Type	Q4 '22*	Change	County Change	HdL State Change
Service Stations	250.9	16.2%	15.8%	7.5%
Quick-Service Restaurants	109.1	1.5%	1.3%	5.7%
Grocery Stores	94.4	7.5%	7.4%	6.2%
Casual Dining	85.2	9.5%	5.0%	8.1%
Automotive Supply Stores	51.5	-1.7%	-0.7%	2.6%
Building Materials	50.9	-10.1%	-10.1%	2.1%
Drugs/Chemicals	50.7	-3.8%	-2.7%	2.3%
Garden/Agricultural Supplies	39.4	-3.3%	1.9%	-5.6%
Contractors	36.7	-5.0%	7.5%	11.7%
Convenience Stores/Liquor	23.9	-2.3%	-15.6%	0.9%

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars