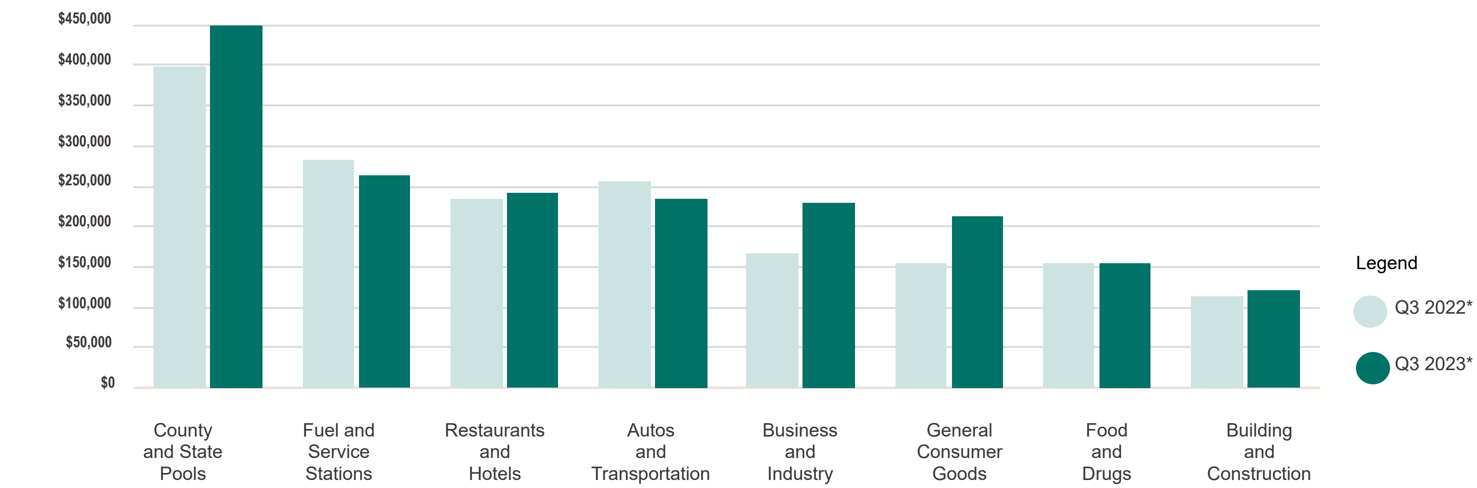
CITY OF HOLLISTER
SALES TAX UPDATE
3Q 2023 (JULY - SEPTEMBER)

HOLLISTER	7.8%	5.2%	-1.7%
TOTAL: $ 1,910,954	3Q2023 ↑	COUNTY ↑	STATE ↓

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

SALES TAX BY MAJOR BUSINESS GROUP



Measure W
TOTAL: $2,470,348
↑ 5.7%

CITY OF HOLLISTER HIGHLIGHTS

Hollister's receipts from July through September were 6.1% above the third sales period in 2022. Excluding reporting aberrations, actual sales were up 7.8%.

New businesses in the family apparel group pushed the general consumer groups into positive territory. Furthermore, a large, one-time use tax allocation was the reason for the big gains in business-industry. This helped push the City's overall results positive.

The autos-transportation group was down as prices are lower compared to the highs in the comparable quarter.

Consumers continue to eat out but are making more cost conscious choices leading quick-service and fast casual restaurants to see bigger gains than casual dining establishments.

With the gains in point of sale, the City's portion of the pool increased and the pool posted gains this quarter further the increase in the City's allocation.

Measure W benefitted from the new outlets and the one-time allocation, but results were furthered by increases in online shopping by locals.

Net of aberrations, taxable sales for all of San Benito County grew 5.2% over the comparable time period; the Central Coast region was flat.

TOP 25 PRODUCERS

Ace Hardware & Lumber
Brigantino Irrigation
Chevron
Crop Production Services
Gateway Arco AM PM
Genesis Marketplace
Greenwood Chevrolet
Greenwood Ford
Hollister Chevron
Lucky
McDonald's
McKinnon Lumber
Nob Hill Foods
Quik Stop
Ranch Gas & Food
Ross
Safeway
Safeway Fuel Station
Shell Gas & Mini Mart
Shop N Save
Star Concrete
Taco Bell
Target
TJ Maxx
Vulcraft Division

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.

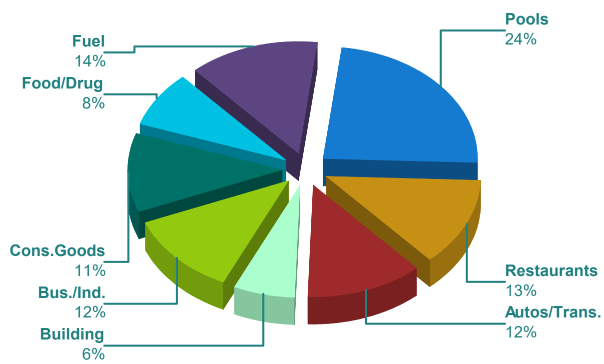
Despite continued increases of new car registrations, revenue from the autos-transportation sector slipped 2.6%. The improved activity remains mostly attributed to rental car agencies restocking their fleets. Like other segments, elevated financing costs are expected to impede future retail volume.

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
Hollister This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Hollister Business Type	Q3 '23*	Change	County Change	HdL State Change
Service Stations	261.6	-7.2%	-7.1%	-7.3%
Quick-Service Restaurants	117.1	3.7%	4.8%	2.7%
Casual Dining	97.6	0.9%	3.6%	2.8%
Grocery Stores	82.5	6.0%	5.9%	2.3%
Garden/Agricultural Supplies	75.6	-1.2%	-7.5%	1.9%
Building Materials	64.0	9.1%	9.1%	-2.7%
Automotive Supply Stores	56.4	11.3%	11.3%	2.1%
Contractors	50.5	-0.6%	16.1%	-1.1%
Family Apparel	47.4	na	na	3.2%
Drugs/Chemicals	28.1	-27.0%	-26.7%	2.0%

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars