

CITY OF HOLLISTER

SALES TAX UPDATE

1Q 2024 (JANUARY - MARCH)



HOLLISTER

TOTAL: \$ 1,599,079

-4.0%

1Q2024



-0.9%

COUNTY



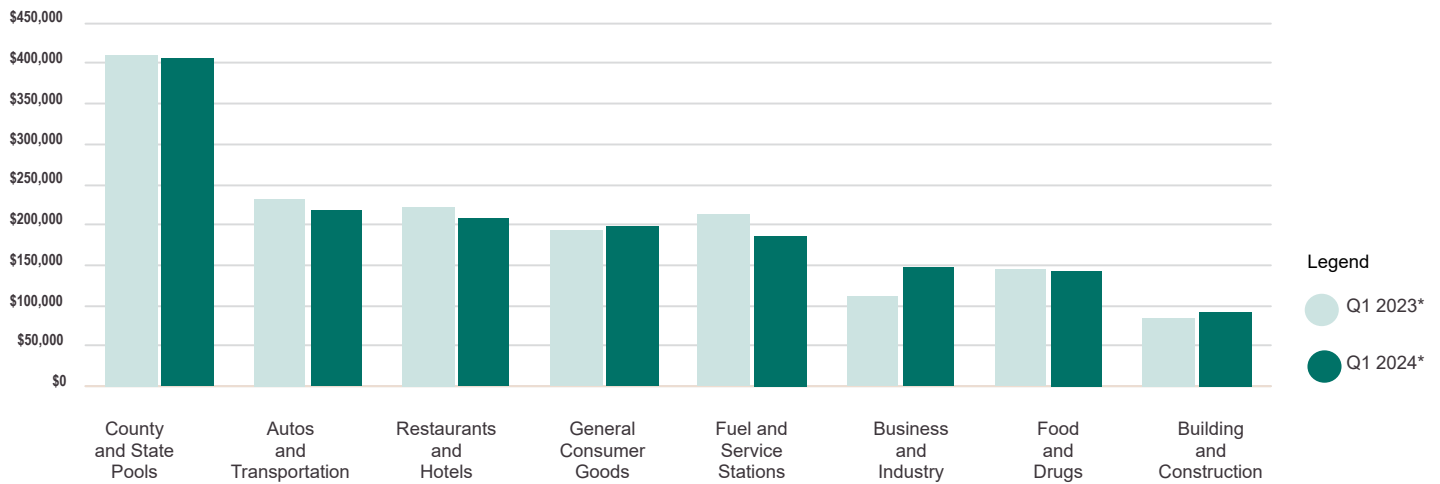
-0.3%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure W

TOTAL: \$2,005,210

↓ -3.3%



CITY OF HOLLISTER HIGHLIGHTS

Hollister's receipts from January through March were 4.5% below the first sales period in 2023. Excluding reporting aberrations, actual sales were down 4.0%.

The autos-transportation group had mixed results with used car dealers showing declining sales, however, car owners spent money at automotive supply stores to repair their current vehicles.

Restaurant-hotels had discouraging results as patrons choose to eat more at home rather than at quick-service establishments as they become more heighten to price sensitivity. Fuel-service stations had 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.

General consumer goods had modest proceeds at family apparel driven by off-price concepts that saw an increase in customer transactions. The business-industry group had exceptional revenues, from garden/agricultural supplies.

Measure W, the City's voter approved transaction tax, experienced negative collections with returns of -3.3%.

Net of aberrations, taxable sales for all of San Benito County declined 0.9% over the comparable time period; the Central Coast region was up 2.2%.



TOP 25 PRODUCERS

Ace Hardware & Lumber
AZ Electronics Materials
Brigantino Irrigation
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
Teknova
TJ Maxx



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.

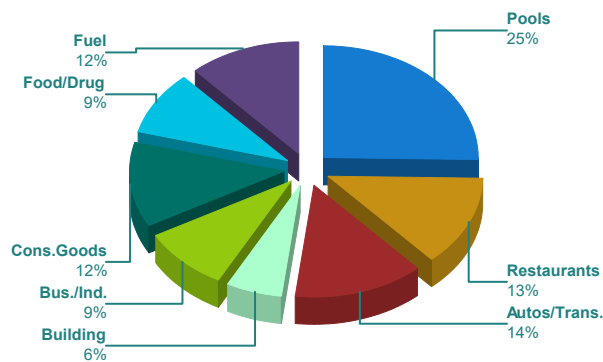
Seemingly dramatic one-time events helped boost business-industry, as investments in office supplies-furniture and energy projects were a significant reason for 3.6% gains this quarter. Additionally, strong fulfillment center direct payments demonstrated sustained logistical expansion. When coupled with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

REVENUE BY BUSINESS GROUP

Hollister This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Hollister Business Type	Q1 '24*	Change	County Change	HdL State Change
Service Stations	186.2	-12.7% ↓	-13.0% ↓	-0.8% ↓
Quick-Service Restaurants	96.2	-7.4% ↓	-5.1% ↓	2.7% ↑
Casual Dining	83.2	-10.9% ↓	-0.2% ↓	2.3% ↑
Grocery Stores	74.8	0.4% ↑	0.4% ↑	2.8% ↑
Garden/Agricultural Supplies	57.2	48.6% ↑	39.8% ↑	2.5% ↑
Building Materials	50.2	4.1% ↑	4.1% ↑	-0.9% ↓
Automotive Supply Stores	50.0	-3.8% ↓	-3.4% ↓	-3.2% ↓
Drugs/Chemicals	48.9	20.8% ↑	19.6% ↑	4.4% ↑
Family Apparel	44.4	22.9% ↑	22.9% ↑	7.4% ↑
Contractors	36.1	13.2% ↑	1.4% ↑	4.4% ↑

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*In thousands of dollars