

CITY OF HOLLISTER

SALES TAX UPDATE

2Q 2024 (APRIL - JUNE)



HOLLISTER

TOTAL: \$ 1,760,011

0.1%
2Q2024



-2.1%
COUNTY

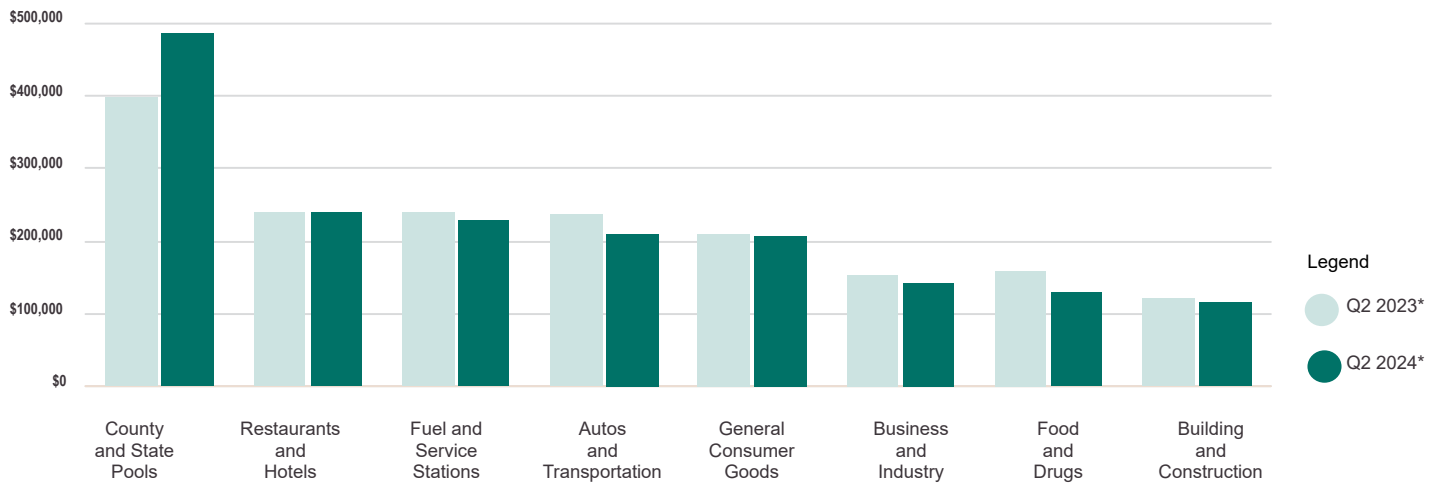


-0.7%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure W

TOTAL: \$2,195,115

↓ -4.7%



CITY OF HOLLISTER HIGHLIGHTS

Hollister's receipts from April through June were 2.0% below the second sales period in 2023. Excluding reporting aberrations, actual sales were flat.

The results for the brick and mortar businesses were down about 6%, but gains in receipts to the countywide pool as well as an increase in the city's portion of the pool led to 22% gains in the pool allocation and pushed the overall results positive.

While most of the fuel-service station group posted results in line with the statewide modest gains, a temporary anomaly in reporting is causing the groups decline.

The statewide deflation in the building-construction group hit hard in this area with the building material category hit hardest; building materials were down almost 8%.

Measure W was impacted by locals purchasing fewer vehicles as well as the slowing in the building-construction group, lessening the decline was 13% gains in on line shopping.

Net of aberrations, taxable sales for all of San Benito County declined 2.1% over the comparable time period; the Central Coast region was up 0.5%.



TOP 25 PRODUCERS

Ace Hardware & Lumber
Brigantino Irrigation
Crop Production Services
Gateway Arco AM PM
Greenwood Chevrolet
Greenwood Ford
Hollister Chevron
Jack in the Box
Lucky
McDonald's
McKinnon Lumber
Nob Hill Foods
Quik Stop
Ranch Gas & Food

Ross
Safeway
Safeway Fuel
Shell Gas & Mini Mart
Shop N Save
Star Concrete
Taco Bell
Target
Teknova
TJ Maxx
Ultra Beauty



STATEWIDE RESULTS

California's local one cent sales and use tax receipts during the months of April through June were 0.6% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year second quarter is traditionally the beginning of the summer spending season; however, returns were relatively flat when compared to a year ago. For many California agencies, this also marks the end of the 2023-24 fiscal year, where statewide sales tax revenues were down 1.3% from the 2022-23 fiscal year.

Consistent with recent trends, auto-transportation receipts fell 6.2% - the largest sector decline this quarter. Sustained high interest rates, tightened credit standards, and increased cost of insurance all converged to impact returns. While inventory-levels for many dealerships have rebounded, it's only proving to create downward pressure on prices, further constraining receipts.

Summer weather usually marks fruitful periods for building-construction, however as property owners struggle to access equity for improvements, year-over-year receipts declined. The price of lumber and other materials are now more affordable, but new projects have been sidelined by developers until financing and mortgage costs drop further.

Similarly, as the price of consumer goods has cooled with moderate inflation rates, returns from multiple merchants have curtailed. Men's and women's apparel, home furnishings, electronic-appliance and specialty stores could not escape the change in shopper's preferences for lower priced items from large brick-and-mortar retailers like discount department stores.

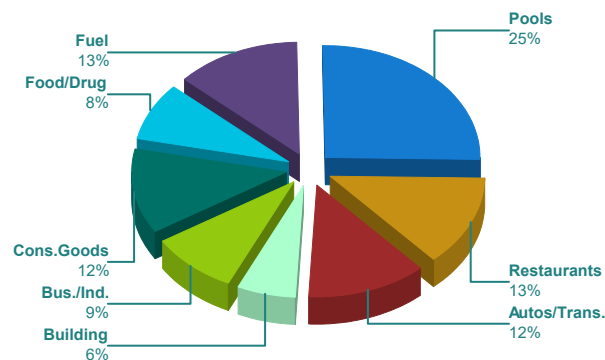
Restaurants experienced only a modest

gain of 0.7%. As AB 1228 is enacted - state law increasing California's minimum wage at designated eateries - third party data reports that foot traffic to all such establishments decreased during this same time period. Not only are diners selecting less expensive places to eat, but many may have been pushed to limit their frequency to dine out.

Multiple of sectors experienced mild growth including allocations from the countywide use tax pool and the business-industrial group, both benefiting from online shopping, and fuel-service stations as drivers continue to hit the road even as gas prices remain elevated.

Halfway through the current calendar year, revenue trends remain slightly lower than a year ago overall. Although the Federal Reserve recently reduced the Fed Funds Rate helping temper the cost of financing, personal consumption forecasts remain insipid through the remainder of 2024. Consumers are more likely to wait for greater improvement of household economic conditions before extending themselves again, inspiring the next sales tax growth cycle.

REVENUE BY BUSINESS GROUP Hollister This Fiscal Year*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Hollister Business Type	Q2 '24*	Change	County Change	HdL State Change
Service Stations	227.7	-4.4% ↓	-4.0% ↓	2.3% ↑
Quick-Service Restaurants	118.2	5.6% ↑	8.3% ↑	1.1% ↑
Casual Dining	91.1	-9.0% ↓	-3.3% ↓	0.7% ↑
Grocery Stores	84.6	0.0% ↑	1.1% ↑	1.6% ↑
Garden/Agricultural Supplies	78.5	21.1% ↑	7.2% ↑	-6.8% ↓
Building Materials	62.8	-7.8% ↓	-7.8% ↓	-3.1% ↓
Automotive Supply Stores	50.4	-9.4% ↓	-9.1% ↓	-3.3% ↓
Family Apparel	47.6	13.1% ↑	12.7% ↑	0.9% ↑
Contractors	46.7	1.2% ↑	-22.7% ↓	-0.2% ↓
Fast-Casual Restaurants	28.2	14.8% ↑	13.0% ↑	3.2% ↑

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars