CITY OF HOLLISTER
SALES TAX UPDATE
4Q 2024 (OCTOBER - DECEMBER)

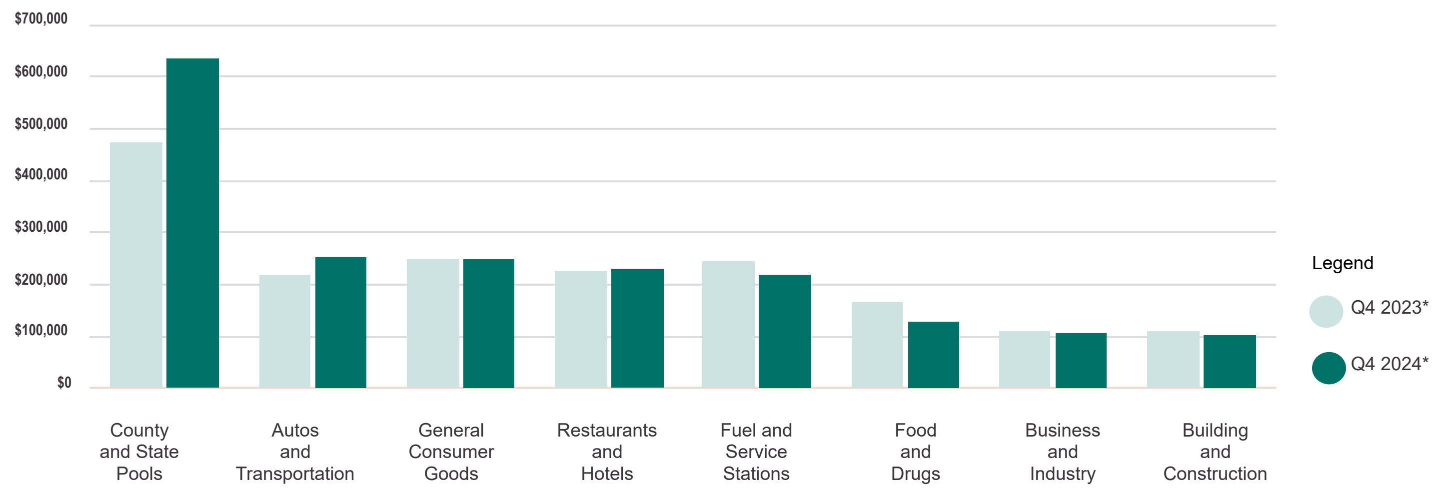
HOLLISTER

TOTAL: $ 1,920,312

7.1% 4Q2024 | -1.1% COUNTY | -1.2% STATE

*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure W

TOTAL: $2,358,793

-1.3%

CITY OF HOLLISTER HIGHLIGHTS

Hollister's receipts from October through December were 12.3% above the fourth sales period in 2023. Excluding reporting aberrations, actual sales were up 7.1%.

State-county pools the City's largest income classification enjoyed an exceptional 34.2% return due to several businesses in the pools performing well. Furthermore, the autos-transportation category experienced outstanding revenues from automotive supply stores and other promising activity in this sector.

The restaurant-hotel group showed encouraging gross receipts at quick service and casual dining primarily due to higher menu prices businesses implemented.

Fuel-service stations saw dreary returns at the pumps as increase fuel supply stabilizes, while advantages to consumers, is challenging for sales tax revenue due to the declining demand. Likewise, the food-drug category felt declining proceeds at grocery stores as consumers turned to discount stores for better bargains.

Measure W, the voter approved transaction tax had negative collections with returns of -1.3%.

Net of aberrations, taxable sales for all of San Benito County declined 1.1% over the comparable time period; the Central Coast region was down 0.7%.

TOP 25 PRODUCERS

- Ace Hardware & Lumber
- Brigantino Irrigation
- Dk Chevron
- Gateway Arco AM PM
- Greenwood Chevrolet
- Greenwood Ford
- Hollister Chevron
- Jack in the Box
- Lucky
- McDonald's
- McKinnon Lumber
- Nob Hill Foods
- Quik Stop
- Rivian
- Ross
- Safeway
- Safeway Fuel
- Shop N Save
- Star Concrete
- Taco Bell
- Target
- Teknova
- TJ Maxx
- Ulta Beauty
- Verizon Wireless

STATEWIDE RESULTS

California's local one cent sales and use tax receipts during the months of October through December were 1.2% lower than the same quarter one year ago after adjusting for accounting anomalies. The fourth quarter is notably the highest sales tax generating period of the year but exhibited diminished year-over-year returns as consumers struggled with tariff concerns and pulling back on discretionary spending.

For the past eight quarters - two calendar years - statewide results have declined; led mostly by autos-transportation and building-construction suppressed activity due to the sustained high interest rate environment. Specifically, this quarter, as new and used car returns pulled back, only leasing activity improved likely representing buyers willingness to wait for more advantageous economic conditions before committing to long term obligations. Furthermore, building-construction drops spanned multiple categories including building materials, plumbing/electrical and contractors as property owners delay repairs and improvements until they're more comfortable tapping available equity.

During this holiday shopping period, brick-and-mortar general retailers slumped 2.4%, further hindered by lower gas prices. Recent closures by merchants selling variety/low priced items and weaker returns from department stores were most impactful. As consumers appeared more interested in value/discounted items vs higher priced/luxury goods, overall statewide receipts revealed growth from online retailers by way of local returns through fulfillment centers and allocations via each county's use tax pool demonstrating a desire to spend, just more through different vendors which shifted local tax distributions.

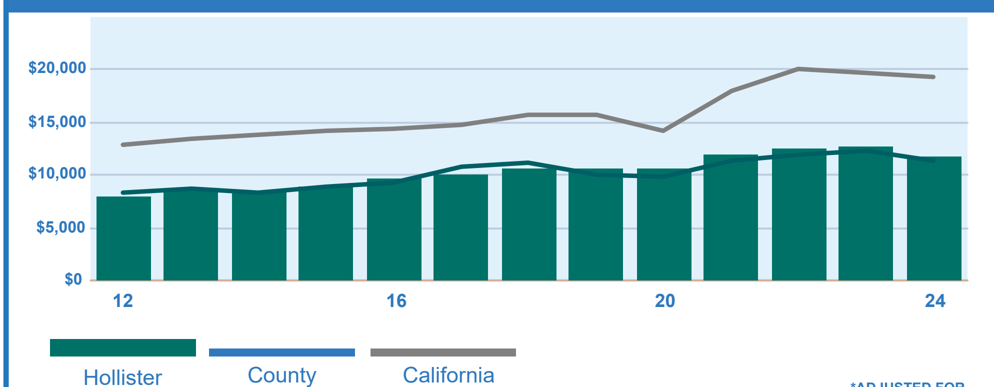
Fuel and service stations experienced a drop of 14% largely due to the decreased price of global crude oil. While this dynamic hurt the sector results, it did allow for more disposable income to be spent in other areas and does not appear to be changing in the near term.

Revenue from restaurants sustained a modest gain of 1.3%, with only a waning from fine dining establishments – consistent with spending trends in other sectors. As eateries try and balance higher menu prices and demand, a 'return to office' call by businesses could inspire future increased foot traffic for many venues in metropolitan centers.

The fourth quarter also marks the end of the calendar year. As expected 2024 was 1.2% lower than 2023 with most sectors taking a hit. Only restaurants, business-industry and allocations via the county use tax pools improved.

With national tariff discussions happening at the federal level, consumers start 2025 wondering if higher priced goods and difficult decisions are on the horizon. Also, the Federal Reserve Board hasn't signified any relief by way of lower interest rates leaving only minimal growth expectations to come. The theme of the current economic outlook is uncertainty.

SALES PER CAPITA*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Hollister Business Type	Q4 '24*	Change	County Change	HdL State Change
Service Stations	216.5	-11.8%	-11.8%	-13.1%
Quick-Service Restaurants	114.2	1.7%	1.9%	1.4%
Grocery Stores	88.5	-2.8%	-2.8%	-1.2%
Casual Dining	86.4	1.3%	-2.3%	1.8%
Family Apparel	60.8	1.1%	1.1%	1.0%
Building Materials	60.0	11.4%	11.4%	-3.5%
Automotive Supply Stores	52.4	5.4%	4.5%	0.9%
Garden/Agricultural Supplies	38.8	5.9%	-18.7%	-4.4%
Contractors	35.1	-28.5%	-33.3%	-4.8%
Drugs/Chemicals	29.1	2.4%	49.6%	-1.6%

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars