

CITY OF HOLLISTER

SALES TAX UPDATE

2Q 2022 (APRIL - JUNE)



HOLLISTER

TOTAL: \$ 1,748,480

-1.2%
2Q2022



2.8%
COUNTY

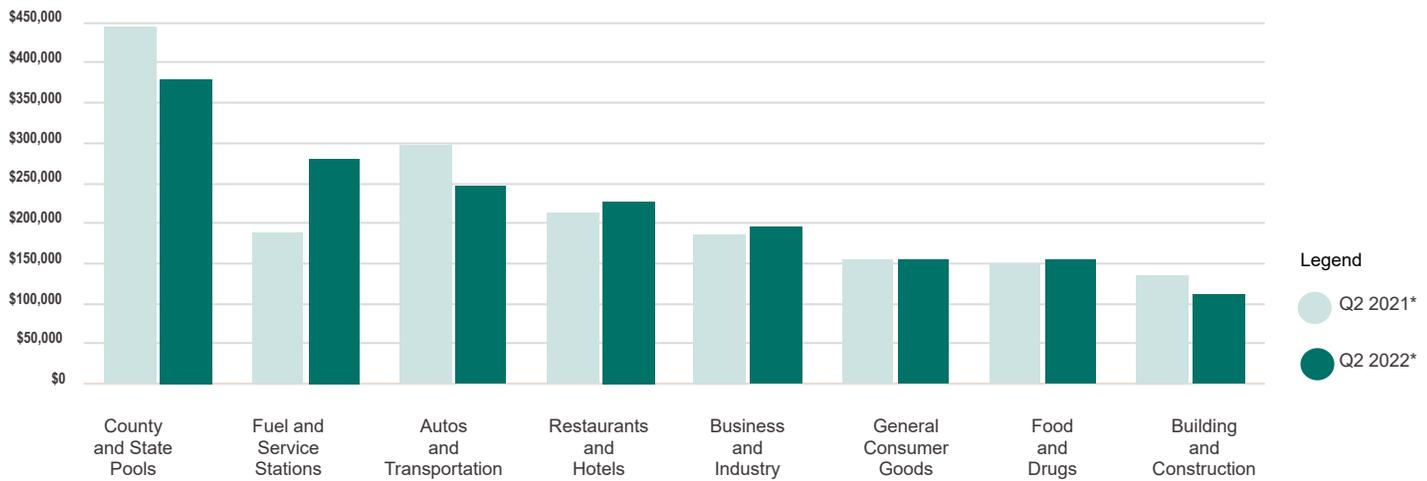


10.1%
STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure W

TOTAL: \$2,235,342

↑ 2.8%



CITY OF HOLLISTER HIGHLIGHTS

Hollister's gross receipts from April through June were 7.8% below the second sales period in 2021; however, after various reporting modifications, actual sales dipped 1.2%. Net of the countywide pools, place of sale collections improved 3.2%.

The cost of crude oil kept local gas prices high, and coupled with more drivers on the road, service station receipts skyrocketed 49%.

This was the eighth consecutive quarter that restaurant-hotels receipts expanded as people enjoyed entertainment venues and dining out at quick-service and casual dining establishments - regardless of higher menu prices.

Garden/agricultural supply sales boosted business-industry results; and electronics/appliance purchases assisted merchandise revenue results.

Conversely, the autos-transportation group felt the sting of inflation as most sectors experienced decreased receipts.

Voter-approved Measure W realized similar results - with the largest sales tax increase coming from service stations.

Net of adjustments, taxable sales for all of San Benito County grew 2.8% over the comparable time period; the Central Coast region was up 7.8%.



TOP 25 PRODUCERS

Ace Hardware & Lumber
AZ Electronics Materials
Brigantino Irrigation
Chevron
Crop Production Services
Gateway Arco AM PM
Genesis Marketplace
Greenwood Chevrolet
Greenwood Ford
Hollister Chevron
McDonald's
McKinnon Lumber
Nob Hill Foods
Quik Stop

Ranch Gas & Food
Safeway
Safeway Fuel Station
Save Mart
Shell Gas & Mini Mart
Shop N Save
Star Concrete
Taco Bell
Target
Teknova
Verizon Wireless



STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring April through June was 10% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark the sixth consecutive quarter of double-digit growth since the pandemic periods in 2020, with the July-June 2022 fiscal year up 15%.

Commuters returning to offices combined with the Russia-Ukraine conflict continuing to put upward pressure on oil prices and left Californians facing the highest average price per gallon on record resulting in fuel and service station receipts 42% higher than last year. While statewide fuel consumption still trails 2019 levels, local gas prices are expected to remain high until after the summer blend period.

Led by consumer’s desire to dine out, a steady rise in tourism and business travel, higher menu prices and great weather, the restaurant sector continues to flourish. Theme parks, entertainment venues and hotels showed the strongest growth with casual dining establishments remaining solid, a trend likely to remain through 2022.

The automobile sector experienced modest gains for new car dealers and rental car vendors, however sales of used autos and leasing activity has begun to cool. Brands prioritizing full electric and hybrid models still appear to be the most attractive with consumers, however increased financing rates may cause even their activity to dampen. Tight inventories that contributed to dramatic price increases over the last 18 months are also showing signs of loosening as newer models are released

in greater numbers.

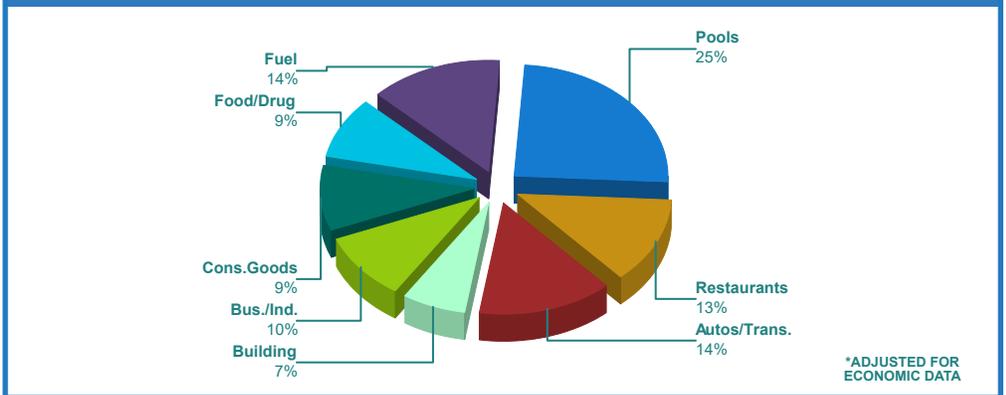
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight decrease.

With new housing starts accelerating and residential and commercial property values rising, construction contractors remain busy. Lumber prices have softened from prior year highs leaving material suppliers with modest gains, however electrical, plumbing and energy suppliers

boosted building sector results. Increased investment in capital equipment remains an important area of growth for county pool allocations, especially as online spending for general consumer goods begins to flatten as consumers return to in-store shopping.

Overall, higher priced goods through periods of consistent demand have led to economic inflation. The Federal Reserve Board’s recent actions to curb inflation are anticipated to put downward pressure on sales of autos, building materials and financed general consumer goods, resulting in slower growth by year end and into 2023.

REVENUE BY BUSINESS GROUP
Hollister This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Hollister Business Type	Q2 '22*	Change	County Change	HdL State Change
Service Stations	279.6	49.0% ↑	46.9% ↑	36.4% ↑
Quick-Service Restaurants	111.3	3.2% ↑	3.2% ↑	5.2% ↑
Casual Dining	86.6	9.8% ↑	2.7% ↑	17.2% ↑
Garden/Agricultural Supplies	80.3	18.2% ↑	14.5% ↑	-7.5% ↓
Grocery Stores	79.4	5.4% ↑	5.3% ↑	5.3% ↑
Building Materials	66.9	-14.8% ↓	-14.8% ↓	2.8% ↑
Drugs/Chemicals	61.6	-6.3% ↓	-5.9% ↓	12.4% ↑
Automotive Supply Stores	51.4	5.5% ↑	3.9% ↑	1.4% ↑
Contractors	39.1	-26.2% ↓	-4.2% ↓	14.0% ↑
Fast-Casual Restaurants	26.2	8.1% ↑	7.8% ↑	7.9% ↑

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*In thousands of dollars