

CITY OF HOLLISTER

SALES TAX UPDATE

3Q 2022 (JULY - SEPTEMBER)



HOLLISTER

TOTAL: \$ 1,785,537

5.9%
3Q2022



8.9%
COUNTY

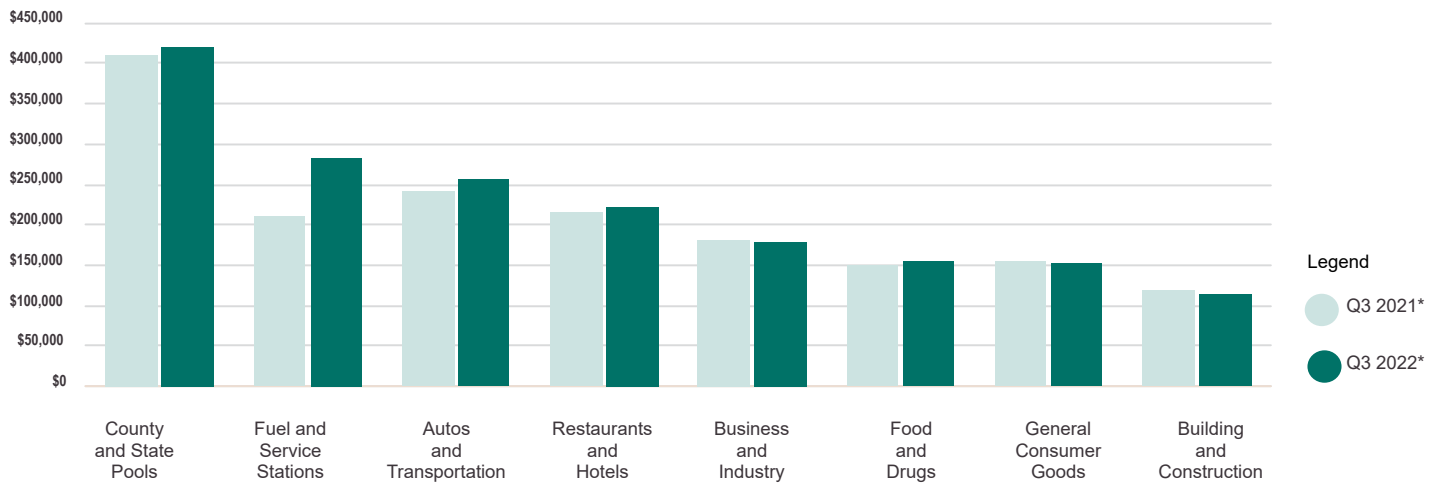


8.0%
STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure W

TOTAL: \$2,307,661

7.6%



CITY OF HOLLISTER HIGHLIGHTS

Hollister's receipts from July through September were 4.1% above the third sales period in 2021. Excluding reporting aberrations, actual sales were up 5.9%.

The state-county pools which is the City's largest revenue group had positive collections posting 2.5% returns which was driven by growth in fuel-service stations and the auto-transportation industry. As people slowly return back to their workplace and travel, services stations continue to see exceptional returns while gas prices remain moderately high.

The auto-transportation category experienced positive results from new vehicle sales, automotive supplies and auto repairs. Restaurant-hotel

establishment sales were soft this quarter as patrons started to slowly adjust to inflation cost related to food and gas prices. However, the food and drug category saw positive collections which came primarily from grocery stores.

The general consumer goods group saw weak collections. This result was driven by several decreased activities in this sector during this period

The City's Transaction and Use Tax, Measure W, generated 129.7% of the Bradley Burns amount.

Net of aberrations, taxable sales for the Central Coast region grew 7.2% over the comparable time period.



TOP 25 PRODUCERS

- Ace Hardware & Lumber
- AZ Electronics Materials
- Brigantino Irrigation
- Chevron
- Ciminos Cabinet Doors
- 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
- Royal Circuit Solutions
- Safeway
- Safeway Fuel Station
- Shell Gas & Mini Mart
- Shop N Save
- Star Concrete
- Target
- Teknova



STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring July through September was 8% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark another strong period of growth for the California spending economy.

Even as the Federal Reserve Board continued ramping up interest rates in an effort to curb the larger concern of inflation, consumers maintained purchases on multiple fronts, especially automobiles. Surprisingly, new car dealers experienced 10% gains over the comparable period in 2021. Limited inventory and demand for higher mileage vehicles including electric and hybrid models helped support growth. In addition, the increased cost of used vehicles has pushed many into the new vehicle market; in contrast, sales of recreation vehicles and auto leasing activity remained soft.

For Californians, the summer of 2022 had the highest gas prices on record; subsequently fuel and service stations receipts jumped 21%. Commuters and summer travel remained steady, yet overall consumption still trails pre-pandemic levels by approximately 13%. Although the Russia-Ukraine conflict initially caused a dramatic shift in global crude oil markets, prices have begun to pull back closer to historical norms.

Restaurants experienced a strong uptick as increased menu prices, consistent desire to dine out and strong tourism contributed to this favorable news. Just as important, theme parks, leisure-entertainment venues and hotels pushed positive momentum back to 2019 levels. With tightening profit margins and sustained labor concerns, future improvement could be slowed compared to the last two years.

Busy contractors and plumbing-electrical

suppliers boosted the building-construction sector. Solid residential and commercial housing prices persisted despite recent interest rate hikes. Tenant improvements further support spending activity as businesses assess future office needs. With statewide new housing requirements and federal infrastructure funding on the horizon, current forecasts stay optimistic.

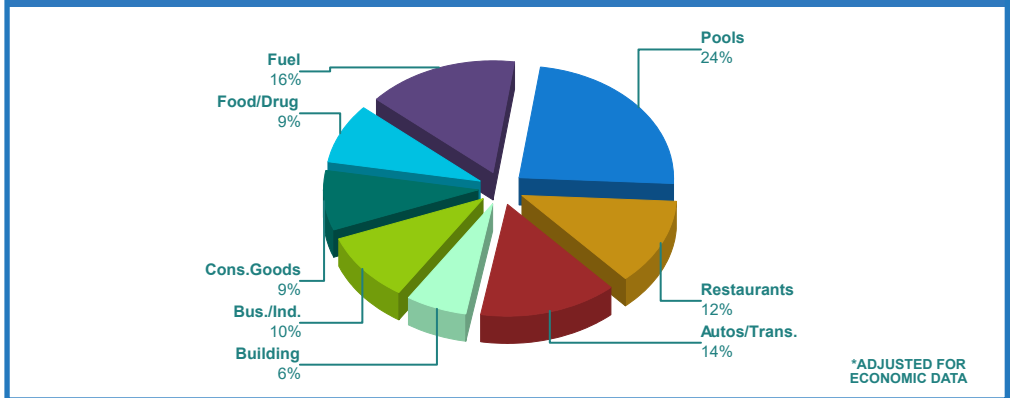
Steady investment in capital equipment coupled with the overall increased price of goods enhanced both business-industry and countywide use tax pool allocations.

For the second straight quarter, fuel sales linked to discount department stores propped up general consumer goods

results. Otherwise, retailers experienced flat to decreased receipts as many apparel categories, home furnishings and sporting goods struggled to keep pace with the prior year. As consumers balanced summer opportunities and higher prices, in-store shopping appears to have taken a temporary back seat.

Sustained price increases and interest rate hikes certainly have consumers contemplating where to spend their dollars. However, historically low statewide unemployment rates and the recovery of the national stock markets from declines earlier this year leave modest optimism heading into 2023.

REVENUE BY BUSINESS GROUP Hollister This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Hollister Business Type	Q3 '22*	Change	County Change	HdL State Change
Service Stations	281.9	34.3% ↑	32.7% ↑	18.5% ↑
Quick-Service Restaurants	111.3	0.9% ↑	1.8% ↑	4.0% ↑
Casual Dining	83.6	-1.1% ↓	-4.1% ↓	10.1% ↑
Grocery Stores	77.9	6.2% ↑	6.0% ↑	3.0% ↑
Garden/Agricultural Supplies	75.4	2.5% ↑	25.6% ↑	-2.1% ↓
Building Materials	58.6	-13.8% ↓	-13.8% ↓	2.8% ↑
Drugs/Chemicals	55.8	-5.3% ↓	-5.8% ↓	9.0% ↑
Contractors	50.7	10.0% ↑	21.9% ↑	15.6% ↑
Automotive Supply Stores	50.6	3.4% ↑	4.1% ↑	5.3% ↑
Convenience Stores/Liquor	26.0	2.9% ↑	4.5% ↑	1.6% ↑

*Allocation aberrations have been adjusted to reflect sales activity *In thousands of dollars