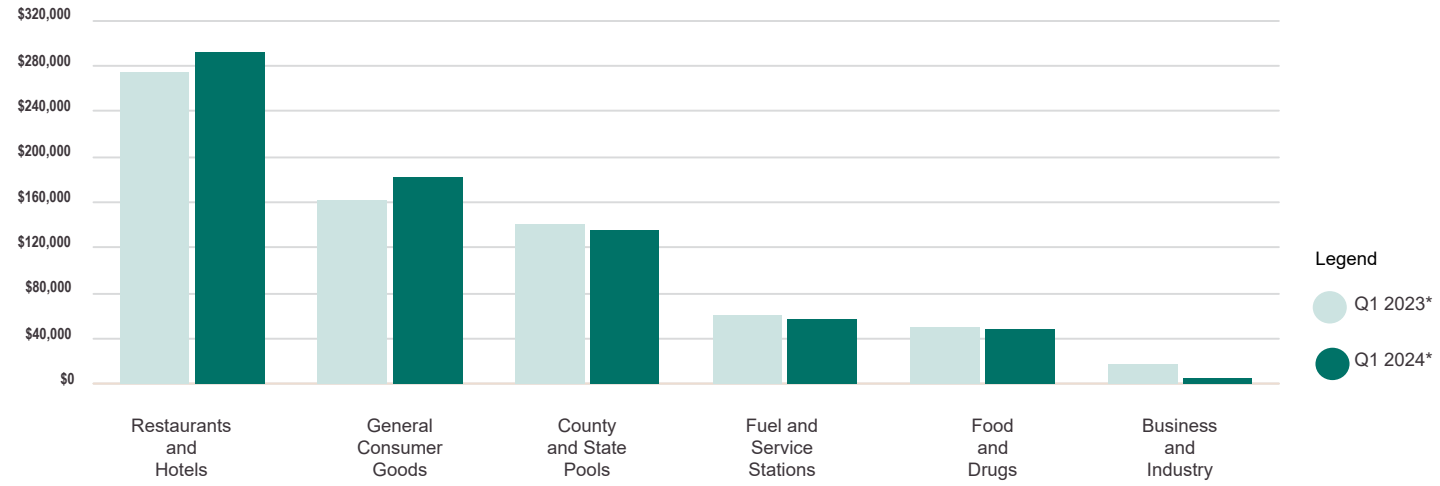
CITY OF PISMO BEACH
SALES TAX UPDATE
1Q 2024 (JANUARY - MARCH)

PISMO BEACH	1.1%	6.3%	-0.3%
TOTAL: $ 776,806	1Q2024	COUNTY	STATE

*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure I
TOTAL: $429,826
3.0%

CITY OF PISMO BEACH HIGHLIGHTS

Pismo Beach's receipts from January through March were 7.3% below the first sales period in 2023. Excluding reporting aberrations, actual sales were up 1.1%.

Consumer prices are still rising at a rate higher than the Fed's inflation target. While increased costs for insurance, energy and food remain challenges, consumers seem willing to spend on travel, entertainment and experiences.

The restaurant-hotel group outpaced regional and statewide returns with a newer business in fast casual contributing. Tourist visits to the region were up with hotels seeing gains, as did casual dining spots, only quick service receipts posted a decline.

Shoppers embraced post-holiday sales at general consumer outlets snapping up deals at family apparel and sporting goods stores. Future quarters may see more cautious with spending as consumers skip purchasing big ticket and non-essential items.

Lower consumption and prices at the pump resulted in a drop in fuel-service station revenue. Business-industry sales diminished from lower capital investment.

Measure I delivered solid gains from improved casual dining receipts and shoppers making purchases at family apparel, shoe and sporting goods stores, although automotive sales declined like results seen statewide.

Net of aberrations, taxable sales for all of San Luis Obispo County grew 6.3% over the comparable time period; the Central Coast region was up 2.2%.

TOP 25 PRODUCERS

Arco AM PM
Brads Restaurant
California Fresh Market
Chevron
Cliffs at Shell Beach
Coach
Cool Cat Cafe
CVS Pharmacy
Giuseppes Cucina
Hot Topic
Levis Outlet
McDonald's
Nike
Pismo 76
Pismo Supply Co
Rosas Italian Restaurant
Ross
Sea Venture Resort
Sky River RV
Splash Cafe
Spyglass Shell
Vans
Ventana Grill
Vista Steak & Seafood
Wooly's Oyster Loft

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.

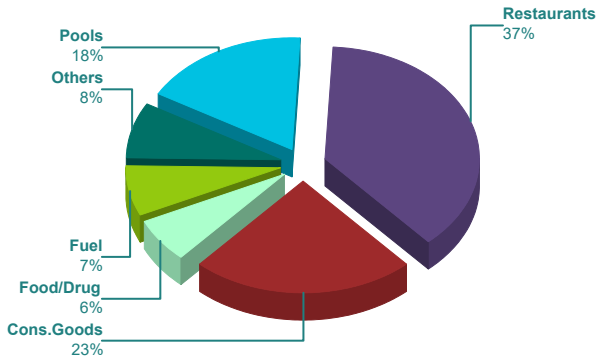
Restaurant activity contributed constant growth of 2.1%. Only fine dining establishments remain hindered as more affordable menus are preferred. Also, it appears some eateries made operational changes while implementing AB 1228; however, there isn't enough data yet to understand if this new bill impacted 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

Pismo Beach This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Business Type	Q1 '24	Pismo Beach Change	County Change	HdL State Change
Casual Dining	186,074	4.5%	2.4%	2.3%
Family Apparel	81,811	21.3%	20.9%	7.4%
Service Stations	56,986	-6.7%	2.9%	-0.8%
Hotels/Motels	35,261	6.9%	11.5%	2.6%
Shoe Stores	33,160	3.0%	2.9%	-0.9%
Quick-Service Restaurants	25,762	-6.5%	1.9%	2.7%
Sporting Goods/Bike Stores	20,080	15.3%	3.6%	-1.2%
Women's Apparel	18,749	-5.6%	-1.6%	-1.2%
Fast-Casual Restaurants	16,963	64.6%	4.9%	2.3%
Specialty Stores	11,468	21.8%	-2.9%	-2.3%

Allocation aberrations have been adjusted to reflect sales activity