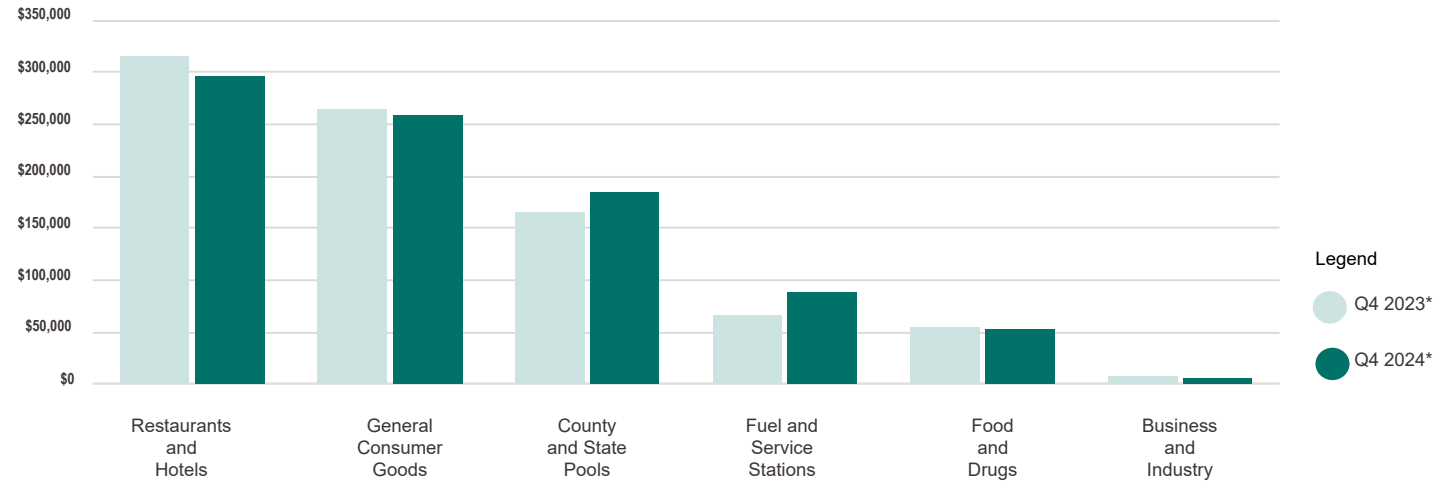
CITY OF PISMO BEACH
SALES TAX UPDATE
4Q 2024 (OCTOBER - DECEMBER)

PISMO BEACH	1.1%	0.6%	-1.1%
TOTAL: $ 946,436	4Q2024	COUNTY	STATE

*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure I
TOTAL: $527,664
3.5%

CITY OF PISMO BEACH HIGHLIGHTS

Pismo Beach's receipts from October through December were 7.8% above the fourth sales period in 2023. Excluding reporting aberrations, actual sales were up 1.1%.

High interest rates and elevated inflation levels have contributed to consumers pulling back on spending and less business investment. Economic uncertainty amidst tariffs projected to lead to higher pricing has further eroded consumer confidence as debt balances and delinquencies have also increased.

A newer business contributing to the tax base helped fuel-service stations report stellar results at a time when pricing and consumption has been trending lower. Deal seeking shoppers powered e-commerce during the holiday season with gains in the general merchandise category, along with limited term business investments, and helped to boost the City's allocation from the countywide use tax pool.

Price-weary patrons frequented casual dining restaurants less as they became more selective with their choices such as eating at home or a delivery service.

Voter approved Measure I delivered solid gains from residents purchasing new and used vehicles,.

Net of aberrations, taxable sales for all of San Luis Obispo County grew 0.5% over the comparable time period; the Central Coast Region was down 0.8%.

TOP 25 PRODUCERS

Arco AM PM
California Fresh Market
Calvin Klein
Chevron
Cliffs at Shell Beach
Coach
Cool Cat Cafe
CVS Pharmacy
Giuseppes Cucina
Levis Outlet
Lido at Dolphin Bay
Nike
Pismo 76
Pismo Supply Co
Poppy Pismo Beach
Ralph Lauren
Ross
Shell Beach Road Shell
Sky River RV
Splash Cafe
Vans
Ventana Grill
Vespera On Ocean
Vista Steak & Seafood
Wooly's Oyster Loft

STATEWIDE RESULTS

California's local one cent sales and use tax receipts during the months of October through December were 1.1% 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 TAX RATE BREAKDOWN 8.25%

State General Fund	3.9375%
City/County General Fund (Bradley-Burns)	1.0000%
Pismo Beach (2025) Measure F-24 (Pismo)	1.0000%
County Public Safety (Prop 172)	0.5000%
County Realignment (Mental Health/Welfare/Public Safety)	1.5625%
Countywide Transportation Fund	0.2500%
Tax Rate Effective April 01, 2025	**8.2500%**

TOP NON-CONFIDENTIAL BUSINESS TYPES

Business Type	Q4 '24	Pismo Beach Change	County Change	HdL State Change
Casual Dining	177,561	-8.7%	-2.0%	1.9%
Family Apparel	120,184	-1.1%	-0.2%	1.3%
Service Stations	88,659	34.5%	-8.4%	-12.9%
Shoe Stores	52,068	4.0%	1.1%	1.1%
Hotels/Motels	44,068	-0.8%	0.3%	2.3%
Quick-Service Restaurants	30,238	0.3%	-0.5%	1.7%
Women's Apparel	29,500	-2.9%	-2.0%	-1.4%
Sporting Goods/Bike Stores	20,051	-3.9%	-5.8%	-7.2%
Specialty Stores	17,399	-14.9%	-2.8%	-1.8%
Fast-Casual Restaurants	15,468	-7.2%	-0.5%	1.6%

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