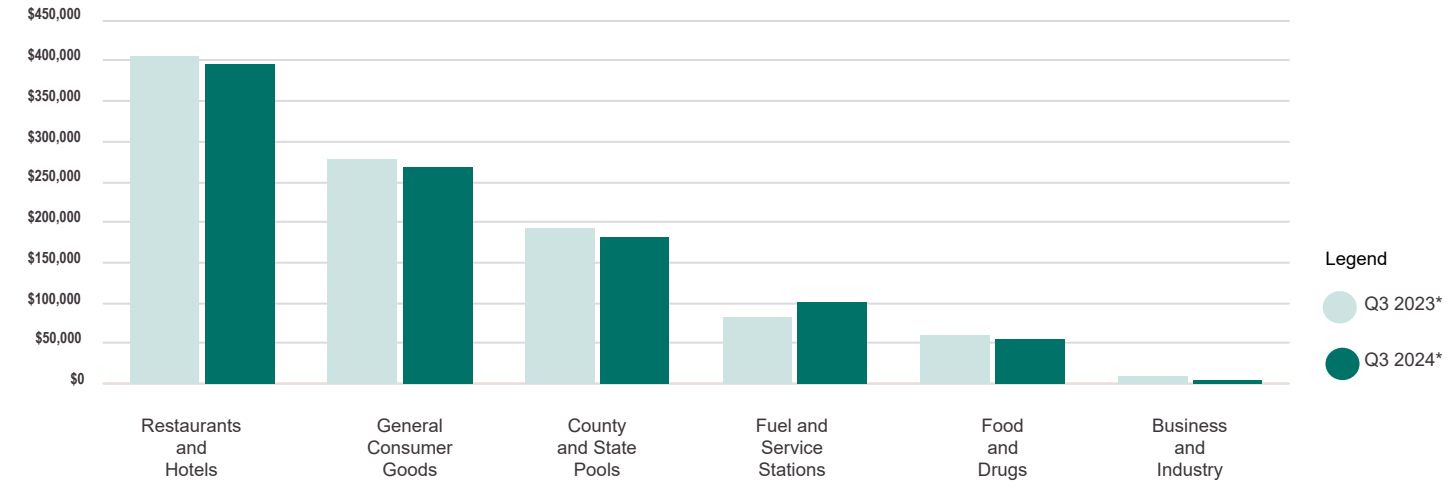
CITY OF PISMO BEACH
SALES TAX UPDATE
3Q 2024 (JULY - SEPTEMBER)

PISMO BEACH	-2.5%	-5.3%	-2.3%
TOTAL: $ 1,073,843	3Q2024	COUNTY	STATE

*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure I
TOTAL: $558,343
-0.5%

CITY OF PISMO BEACH HIGHLIGHTS

Pismo Beach's receipts from July through September were 5.1% below the third sales period in 2023. Excluding reporting aberrations, actual sales were down 2.5%.

Consumers continue to be cautious in spending on non-essential products and projects. The Feds have now begun to slowly reduce the fed rate. Holiday season projections are for limited growth.

The slow economy pushed all sectors, with the exception of fuel-service stations, into a negative position. Fuel managed a positive result due to new outlets in the sector.

General consumer goods was negatively impacted as numerous sectors were down as consumers pull back on non-essential purchases. Restaurants were hampered by higher menu pricing as price elasticity begins to grow. Food-drugs and autos-transportation both felt the affects of the slower economy as individuals pulled back on spending.

Transaction and Use Tax Measure I generated 52.1% of the Bradley Burns amount, led by the strongest percentage growth from business-industry.

Net of aberrations, taxable sales for all of San Luis Obispo County declined 5.3% over the comparable time period; the Central Coast region was down 2.8%.

TOP 25 PRODUCERS

Adas Fish House
Arco AM PM
Brads Restaurant
California Fresh Market
Chevron
Cliffs at Shell Beach
Coach
Cool Cat Cafe
Cracked Crab
Giuseppes Cucina
Levis Outlet
Lido at Dolphin Bay
McDonald's
Nike
Pismo Supply Co
Poppy Pismo Beach
Ross
Sky River RV
Splash Cafe
Teenie Wahine
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 July through September were 2.3% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year third quarter traditionally is noted for pleasant weather and statewide tourism; however, taxes fell when compared to a year ago. As such, it also means a weak start of the 2024-25 fiscal year for many California agencies.

Once again, autos-transportation receipts took a hit and declined 4.8%. This period marks the seventh consecutive quarter of downturn for the sector. While used autos returns and leasing activity have improved, revenues from new car sales struggled due to sustained high interest rates, tightened credit standards, and increased cost of auto insurance. As such, inventories for many dealers remain elevated, applying downward pressure on prices and growth into 2025.

The summer season is usually an advantageous time for home repairs and construction work, however, this industry is also struggling with high consumer interest rates and limited access to equity for homeowners. New projects remain sidelined as developers await more favorable investment conditions.

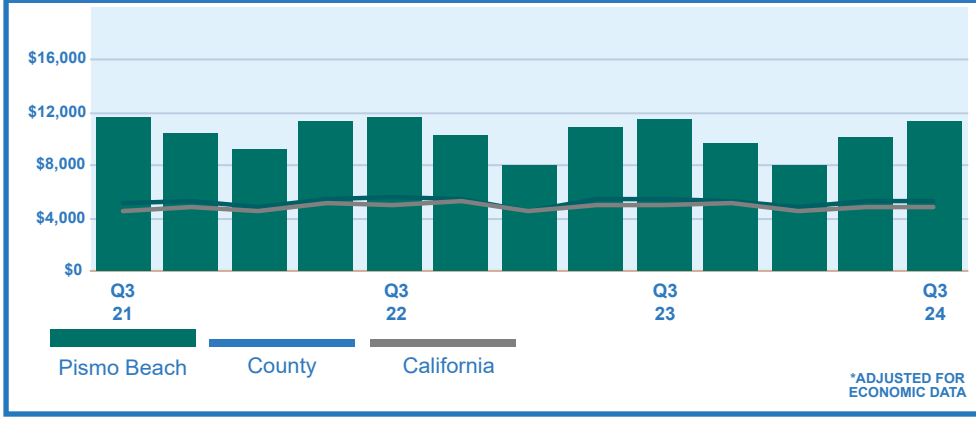
Brick-and-mortar general consumer retailers pulled back 3.8% - worsened by lower gas prices. Consumers appear more interested in lower priced/discounted items vs higher priced/luxury goods, forcing merchants to again consider inventory needs. Additionally, competition from online merchants is as fierce as ever, as shoppers look for greater value. With holiday shopping around the corner, local store expectations remain soft.

Fuel generating taxpayers had a rough quarter; a combination of consumption declines and falling fuel prices thrust comparisons down by 13%. Further contraction of national drug store locations coupled with the steady fall from cannabis merchants dating back to 2021, caused a decrease of 2.8% in the food-drugs category. Expect similar percentage declines for the upcoming end of 2024 quarter.

Although statewide tourism appears to have improved over 2023, revenue from restaurants experienced only a modest gain of 0.7%, which included a dramatic drop from fine dining establishments – consistent with spending trends in other sectors. State mandated minimum wage requirements remained a challenge, with higher menu prices reducing patron visits.

These sluggish results solidify 2024 as a down year. Recent reductions to the Fed Funds Rate aren't considered to help until later in 2025. Agencies should expect fiscal year 2024-25 sales taxes to stay flat or decline slightly as sluggish economic conditions leave consumers cautious in their spending patterns, especially for big ticket items and discretionary products.

SALES PER CAPITA*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Pismo Beach Business Type	Q3 '24	Change	County Change	HdL State Change
Casual Dining	249,136	-4.9%	-2.7%	1.1%
Family Apparel	119,825	-6.0%	-2.9%	-0.2%
Service Stations	102,193	25.7%	-9.2%	-12.8%
Shoe Stores	52,096	7.4%	7.0%	-1.6%
Hotels/Motels	51,412	-0.3%	-3.4%	2.5%
Quick-Service Restaurants	36,926	2.4%	-1.6%	1.1%
Sporting Goods/Bike Stores	33,529	3.5%	-4.9%	-4.2%
Women's Apparel	24,913	-9.4%	-7.5%	-5.8%
Fast-Casual Restaurants	23,567	25.1%	5.0%	2.1%
Convenience Stores/Liquor	18,049	2.2%	3.3%	-2.1%

Allocation aberrations have been adjusted to reflect sales activity