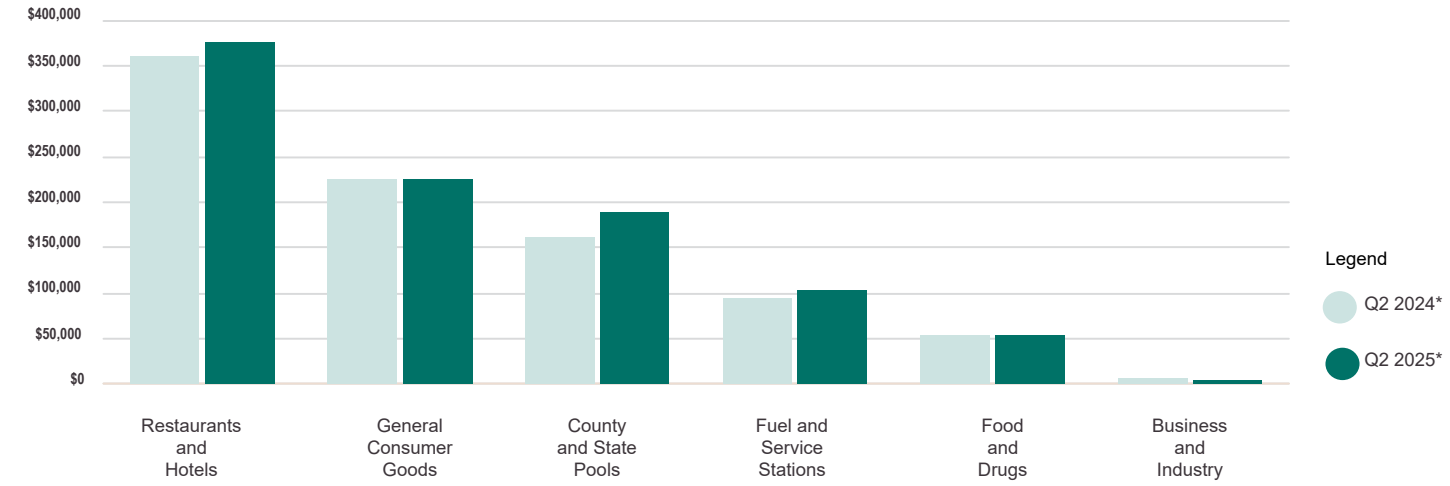
CITY OF PISMO BEACH
SALES TAX UPDATE
2Q 2025 (APRIL - JUNE)

PISMO BEACH	5.8%	1.5%	0.5%
TOTAL: $ 1,023,693	2Q2025	COUNTY	STATE

*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure F-24
TOTAL: $1,058,007

CITY OF PISMO BEACH HIGHLIGHTS

Pismo Beach's receipts from April through June were 8.7% above the second sales period in 2024. Excluding reporting aberrations, actual sales were up 5.8%.

Tariffs continued to be a point of concern for both consumers and businesses. Many companies stockpiled inventory in anticipation of increased pricing due to tariffs, which did not occur. Overall, the national economy grew approximately 3.0% for the quarter.

Restaurants benefited from continued high menu pricing and strong tourism, ending up 4.4%. Fuel-service stations pushed past the current statewide downward trend with strong results as the sector ended up 8.9%.

Three sectors posted very small reductions in comparison to prior year. These being business-industry, food-drugs, and autos-transportation.

General consumers goods continue to trend downward nationally, but consumers were able to push the sector into positive territory.

Transaction and Use Tax Measure I generated 44.3% 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 grew 1.5% over the comparable time period; the Central Coast region was up 2.5%.

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
CVS Pharmacy
Giuseppes Cucina
Levis Outlet
Lido at Dolphin Bay
Nike
Pismo 76
Pismo Supply Co
Poppy Pismo Beach
Ross
Shell Beach Road Shell
Sky River RV
Splash Cafe
Ventana Grill
Vespera On Ocean
Vista Steak & Seafood
Wooly's Oyster Loft

STATEWIDE RESULTS

California's one-cent local sales and use tax receipts rose 0.6% in Q2 compared to the same period last year, after adjusting for accounting anomalies. While only modest growth, it is the second consecutive quarter experiencing positive results following an extended timeline of declines. This period is traditionally met with improved weather with the beginning of summer activity.

Steady gains in both business-industry and countywide use tax pools were driven by strong online sales, reflecting shopper's willingness and ability to spend. Whether pulled from inventory within California or shipped from outside the state, demand for goods by value-conscious shoppers prevailed. Other notable upticks came from purchases of office and electrical equipment.

Increased tax receipts from restaurants also demonstrated diners continued desire to eat out. Even amongst higher menu prices and tip fatigue, casual dining establishments generated the largest lift. While this is a good sign for the coming summer season, underlying data shows that disposal personal income – a key driver of restaurant sales – is growing at a slower pace than prior years, possibly signaling softer tax growth on the horizon.

The two sectors primed to take advantage of upcoming interest rate changes, autos-transportation and building-construction, only experienced lackluster returns this period. New auto sales declined, offsetting gains in used vehicles and leasing, while building material sales remained unchanged from a year ago. However, aging vehicles and deferred home improvements remain a potential catalyst driving demand in the near term.

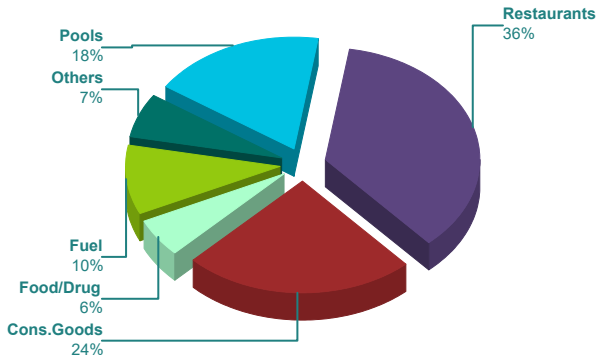
Balancing the positive results, revenue from fuel and service stations declined for the ninth time in ten quarters, primarily due to West Texas Intermediate (WTI) low crude oil prices. As the global economy and development remains tempered, so has the demand for oil, leaving prices relatively low. While this dampens sales taxes, lower fuel costs during peak travel months may boost spending in other segments.

Traditional retailers saw a 1% decline, with specialty, sporting goods, and department stores under performing compared to year ago totals. Inflation and tariffs continue to pressure consumer spending and retailer margins, prompting reevaluation of physical store investments by regional and national companies alike.

The September reduction in the federal funds rate, noting the possibility of more in early 2026, leaves optimism regarding future financing and accessing equity opportunities for some consumers. However, national tariff/trade talks remain a vital piece of the inflation/higher prices story with the potential of diminishing spending power. So sluggish calendar year 2025 continues with only modest expansion expected braced against the ever-changing larger economic trends.

REVENUE BY BUSINESS GROUP

Pismo Beach This Fiscal Year*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Business Type	Q2 '25	Pismo Beach Change	County Change	HdL State Change
Casual Dining	225,267	0.1%	1.3%	1.4%
Service Stations	103,053	8.9%	-6.5%	-9.4%
Family Apparel	94,493	-7.0%	-0.3%	1.4%
Hotels/Motels	54,195	23.6%	8.9%	5.3%
Shoe Stores	42,190	8.7%	1.0%	-1.3%
Quick-Service Restaurants	32,063	-12.4%	-2.3%	-0.7%
Sporting Goods/Bike Stores	28,354	3.9%	-2.5%	-7.5%
Fast-Casual Restaurants	26,424	25.5%	8.0%	-1.6%
Women's Apparel	23,840	-2.8%	12.9%	-1.2%
Convenience Stores/Liquor	16,561	6.6%	3.8%	-2.6%

Allocation aberrations have been adjusted to reflect sales activity