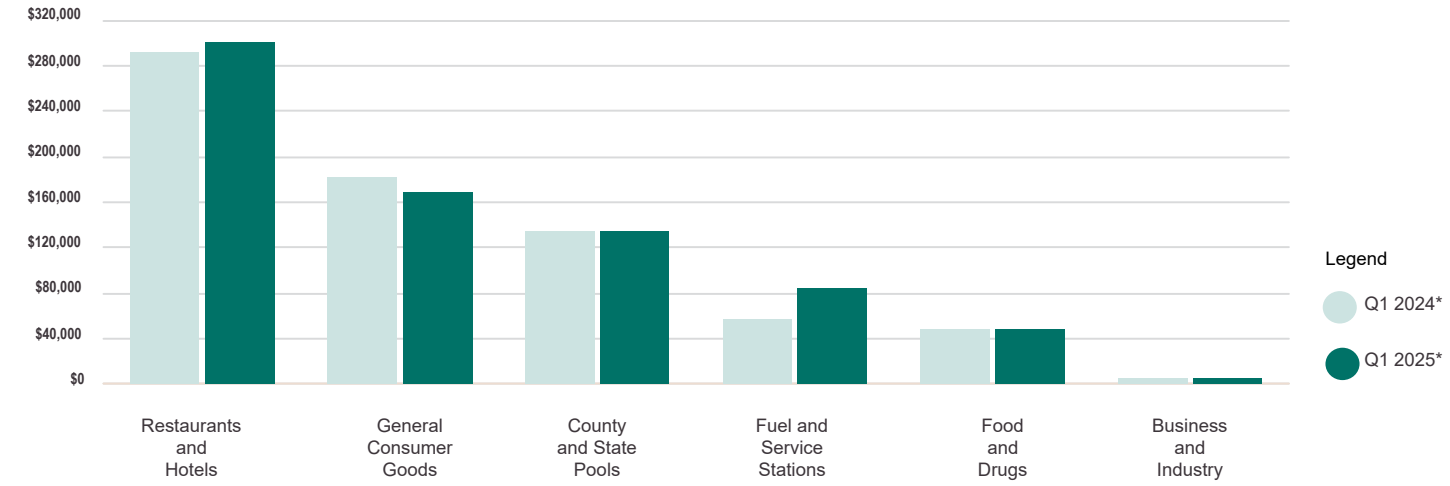
CITY OF PISMO BEACH
SALES TAX UPDATE
1Q 2025 (JANUARY - MARCH)

PISMO BEACH	2.3%	0.0%	0.3%
TOTAL: $ 793,182	1Q2025	COUNTY	STATE

*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure I
TOTAL: $452,024
6.1%

CITY OF PISMO BEACH HIGHLIGHTS

From January through March, Pismo Beach saw a 1.1 percent increase in receipts compared to the same period in 2024. When adjusting for reporting anomalies, actual sales rose by 2.3 percent.

A newly opened gasoline station within the past year significantly boosted fuel and service station revenues, and was the most impactful factor in the quarter's improvement.

Local hotels reported strong returns, likely due to an influx of evacuees from the devastating Los Angeles fires in January. Restaurants may have seen similar benefits, despite the closure of a well-known local establishment within the past year.

Retail sales faced challenges. Intense industry competition, rising interest rates, inflation, and shifting consumer preferences contributed to weaker performance in this sector.

Measure I, the City's voter-approved district tax, outpaced the City's Bradley-Burns tax revenue performance. This success was driven by increased auto purchases and growing e-commerce activity among City residents.

Across San Luis Obispo County, taxable sales remained flat after adjusting for anomalies. The broader Central Coast region experienced a 3.3 percent increase.

TOP 25 PRODUCERS

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
McDonald's
Nike
Pismo 76
Pismo Supply Co
Poppy Pismo Beach
Rosas Italian Restaurant
Ross
Shell Beach Road Shell
Sky River RV
Splash Cafe
Ventana Grill
Vista Steak & Seafood
Wooly's Oyster Loft

STATEWIDE RESULTS

California's local one-cent sales and use tax receipts for January through March 2025 increased by 0.34% compared to the same quarter in 2024, after adjusting for accounting anomalies. While this modest growth may signal the end of an eight-quarter decline, it could be temporary, as the broader economy remains on the edge between recovery and further slowdown.

The first quarter is traditionally the lowest sales tax-generating period of the year, often influenced by seasonal weather and post-holiday consumer behavior.

Notably, the autos-transportation and building-construction sectors—both of which had been dragging down statewide results over the past two years—showed the strongest rebounds this quarter. In the autos sector, used car sales and leasing activity led the recovery. Consumers are increasingly opting for more affordable vehicles and shorter-term commitments, moving away from high-end purchases. In construction, pent-up demand for repairs and improvements, especially in weather-affected and wildfire-damaged areas like Southern California, drove strong sales for building material suppliers.

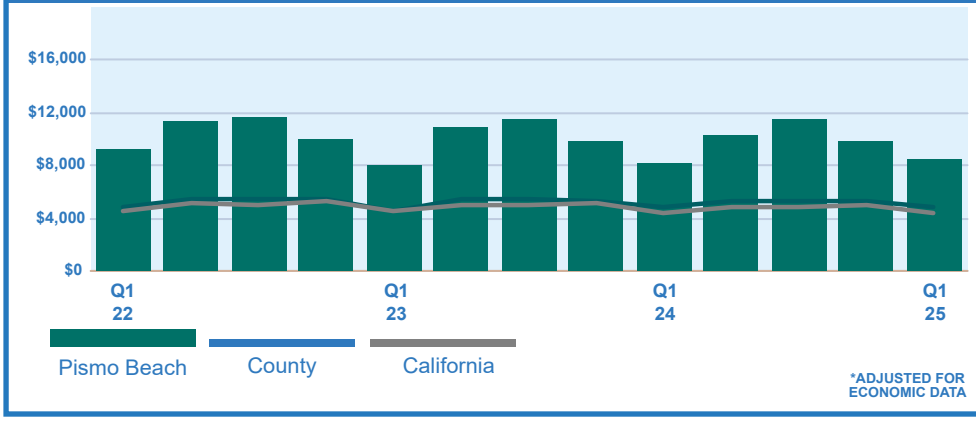
Other segments generating modest growth included business-industry and countywide use tax pools, largely due to continued strength in online sales. Sales of goods already in California before purchase are reported under business-industry fulfillment centers. Goods shipped from outside the state are reported under county pools, based on the destination of the out-of-state shipment. Online shopping remains a preferred option for value-conscious consumers, contributing significantly to tax receipts in these categories.

Calendar year 2024 saw a decline in fuel-related tax receipts due to lower global crude oil prices—a trend that continued into 1Q 2025. Fuel-related returns dropped by 5%. This decline also affected general consumer goods, as large retailers that sell fuel typically report all sales under a single taxpayer ID. As a result, brick-and-mortar merchants such as post-holiday family apparel stores, winter sporting goods vendors and closures of variety stores contributed to weaker performance.

Although food-drugs is the smallest of the eight tax groupings, it was significant that cannabis returns continued a downturn trend that has been ongoing for over two years. Bankruptcies, customer shopping alternatives and oversaturation of retail footprint diminished taxes coming from drug stores.

As 2025 begins, sales tax returns remain modest, reflecting broader economic volatility. Key factors influencing our outlook include: ongoing national tariff and trade negotiations and decisions on the federal funds rate - which directly affect consumer interest rates. Recent Middle East conflicts, which temporarily spiked crude oil prices and threatened local gas prices during the summer, will be a short-term concern. In summary, "uncertainty" remains the most accurate descriptor of California's current and future economic climate.

SALES PER CAPITA*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Pismo Beach Business Type	Q1 '25	Change	County Change	HdL State Change
Casual Dining	186,278	2.6%	1.0%	1.3%
Service Stations	85,047	49.2%	-3.6%	-5.8%
Family Apparel	72,032	-13.0%	-5.7%	-3.2%
Hotels/Motels	40,031	13.3%	1.8%	1.8%
Shoe Stores	32,359	-2.2%	-1.1%	-5.0%
Quick-Service Restaurants	28,122	-9.6%	-0.3%	-0.9%
Women's Apparel	19,768	4.0%	-0.5%	-3.4%
Sporting Goods/Bike Stores	18,258	-8.0%	-6.9%	-5.8%
Fast-Casual Restaurants	15,019	-5.4%	4.0%	-0.3%
Convenience Stores/Liquor	12,510	13.4%	9.1%	-2.2%

Allocation aberrations have been adjusted to reflect sales activity