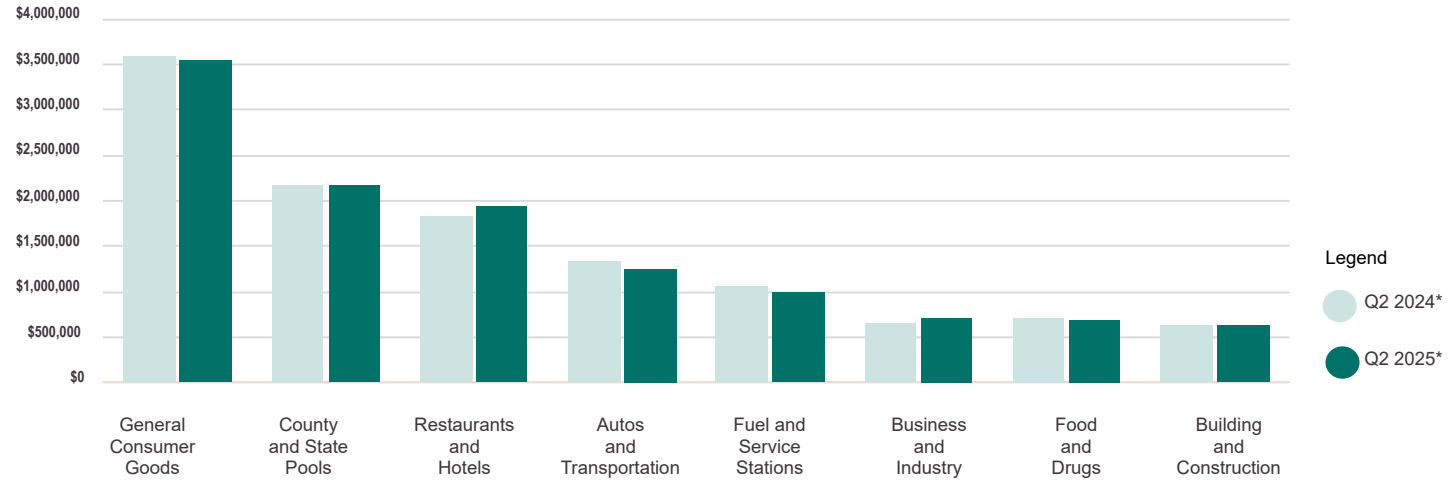
CITY OF CHULA VISTA
SALES TAX UPDATE
2Q 2025 (APRIL - JUNE)

CHULA VISTA	-0.3%	0.6%	0.5%
TOTAL: $ 11,941,428	2Q2025	COUNTY	STATE

*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure P	Measure A
TOTAL: $7,308,623	TOTAL: $7,308,619
-0.7%	-0.7%

CITY OF CHULA VISTA HIGHLIGHTS

Chula Vista's gross receipts from May – June 2025 were down 1.6% compared to the second sales period in 2024. After adjusting for reporting modifications from audit adjustments and a number of delayed payments, actual sales dipped 0.3%.

The City's largest tax group netted a 1.7% decline in revenues as spending at discount and regular department stores fell – while some other retail sectors, such as family apparel and electronics/appliance stores improved. New car sales plummeted compared to much higher sales a year ago. Similar to statewide results, the fluctuating price of crude oil directly affected fuel-service station receipts – with revenues falling 5.5%. A closed cannabis business contributed to lower comparable food-drug receipts.

Several new businesses boosted quick service and casual dining returns – and along with gains in other sectors, restaurants-hotels jumped 5.8%. Several one-time payments in the business-industry group lifted receipts 9%. The City's allocation from the countywide use-tax pool improved slightly.

Voter-approved Measures P & A posted similar results – with gains in restaurants-hotels offset by declines in building-construction and new car purchases by locals.

Net of adjustments, taxable sales for all of San Diego County grew 0.6% over the comparable time period; the Southern California region was flat.

TOP 25 PRODUCERS

Apple
Arco AM PM
Best Buy
Chevron
Chula Vista Ford
Chula Vista Honda
Chula Vista Kia
Circle K
Costco
Gaylord Pacific Resort Conv Ctr
Home Depot
In N Out Burger
Lowes
Marshalls
Mohsen Oil
Mossy Chrysler Dodge Jeep Ram
Mossy Nissan Chula Vista
New Flyer of America
Ralphs
Ross
Stars & Stripes Travel Center South
Target
Toyota Of Chula Vista
Vons
Walmart

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.

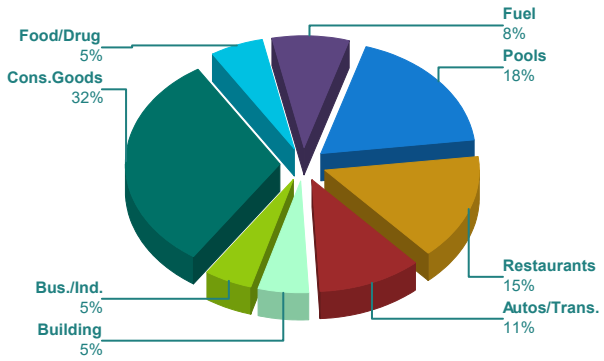
Balancing the positive results, revenue from fuel and service stations declined for the ninth time in ten quarters, primarily due to West Texas Intermediate (WTI) low crude oil prices. As the global economy and development remains tempered, so has the demand for oil, leaving prices relatively low. While 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

Chula Vista This Fiscal Year*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Chula Vista Business Type	Q2 '25*	Change	County Change	HdL State Change
Discount Dept Stores	1,819.0	-2.7% ↓	-2.9% ↓	-1.6% ↓
Service Stations	981.3	-5.5% ↓	-9.7% ↓	-9.5% ↓
Quick-Service Restaurants	781.7	1.5% ↑	0.1% ↑	-0.8% ↓
Casual Dining	771.4	6.5% ↑	3.0% ↑	1.5% ↑
New Motor Vehicle Dealers	754.5	-8.0% ↓	-2.1% ↓	-2.4% ↓
Family Apparel	494.2	1.0% ↑	1.2% ↑	1.4% ↑
Building Materials	374.7	-0.8% ↓	-1.0% ↓	-0.9% ↓
Grocery Stores	372.6	3.7% ↑	1.4% ↑	-0.2% ↓
Electronics/Appliance Stores	359.7	4.1% ↑	5.5% ↑	6.9% ↑
Specialty Stores	276.8	-1.5% ↓	0.5% ↑	-3.4% ↓

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*In thousands of dollars