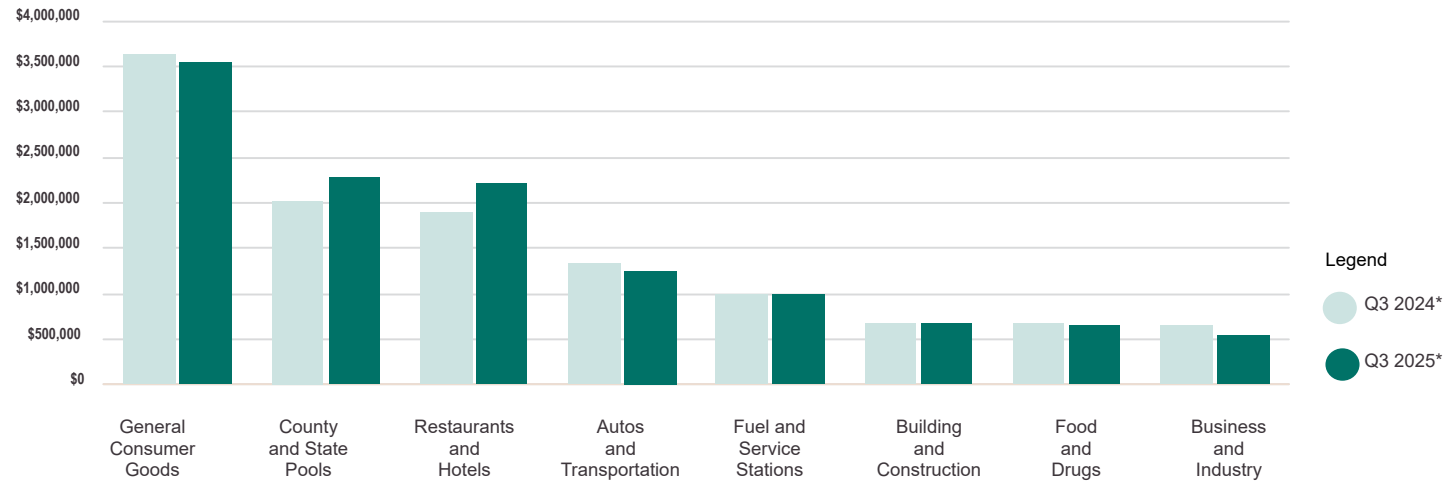
CITY OF CHULA VISTA
SALES TAX UPDATE
3Q 2025 (JULY - SEPTEMBER)

CHULA VISTA	2.4%	3.1%	1.9%
TOTAL: $ 12,169,721	3Q2025	COUNTY	STATE

*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure P	Measure A
TOTAL: $7,562,322	TOTAL: $7,562,303
3.3%	3.3%

CITY OF CHULA VISTA HIGHLIGHTS

Chula Vista's receipts from July through September were 11.3% higher than the third sales period in 2024. This increase was elevated by payment timing irregularities, including delayed payments in the comparison year from family apparel retailers, gasoline stations and other businesses that were received in the following quarter. These factors created an easier comparison. After adjusting for these and other timing issues, actual sales rose 2.4%.

An important contributor to this growth was a new transformative project that added a significant new offering to the City's restaurants-hotels major industry group portfolio. This project, together with the timing irregularities that inflated returns, helped expand Chula Vista's share of the countywide use tax pool for the quarter, since these allocations are based on proportional cash receipts.

The City's voter approved district taxes performed modestly better than the Bradley Burns results, supported by strong resident spending on ecommerce and new car purchases.

After adjusting for anomalies, taxable sales for San Diego County increased 3.1% over the same period, while the Southern California region grew 1.8%.

TOP 25 PRODUCERS

- Apple
- Arco AM PM
- Best Buy
- Burlington
- 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
- Ralphs
- Ross
- Stars & Stripes Travel Center South
- Target
- Toyota Of Chula Vista
- Vons
- Walmart

STATEWIDE RESULTS

California's local one-cent sales and use tax receipts for July through September were 1.9% higher than the same quarter last year, after adjusting for accounting anomalies. While growth appears modest, calendar year 2025 remains on pace to rebound following two years of declines. Combined with second-quarter activity, the summer period posted a 1% improvement over the 2024 season.

Sustained consumer trends reflected a willingness to spend while remaining cost-conscious and prioritizing value. Online retailers, reporting to both business-industry and countywide use tax pools (depending on inventory location at purchase), recorded the strongest gains. This momentum extended to brick-and-mortar retailers, which also posted modest improvements. Seasonal "back-to-school" activity boosted men's and family apparel along with shoe stores, lifting the General Goods sector and enhancing expectations for the upcoming holiday shopping period.

Tax receipts from restaurants edged higher, supported by households' continued desire to eat out. Despite balancing higher menu prices, tip fatigue, and tighter margins, casual dining establishments generated the largest gains. Overall, summer performance appeared stable but lacked the tourism surge many had hoped for.

Offsetting positive results was a decline in revenue from fuel-service stations—marking the 10th out of the last 11 quarters with negative year-over-year change. This trend is largely tied to West Texas Intermediate (WTI) crude oil prices, which hit their lowest monthly levels since 2021. While lower gas prices may encourage spending in other categories, potential oil refinery closures in the coming year could keep per-gallon prices elevated.

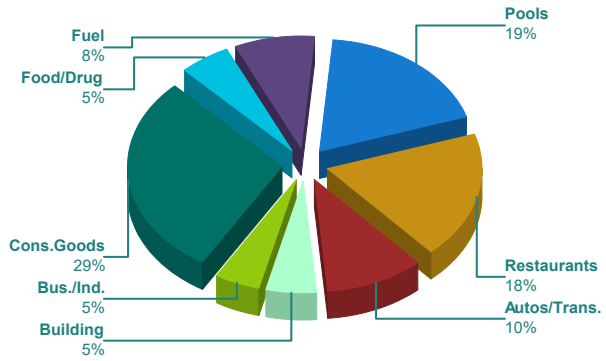
The food and drug sector continued its downward trend as grocers remitted fewer taxes, reflecting the challenge of generating taxable revenue amid rising food prices. Drug store filings have declined throughout the year, driven partly by increased access to medications through ecommerce platforms and a contraction in physical store footprints due to over-saturation and chain bankruptcies.

Two sectors poised to benefit from lower short-term interest rates—autos-transportation and building-construction—repeated a pattern of lackluster returns. A minor uptick came from new auto sales and leasing, while building material suppliers struggled during the summer, likely creating pent-up demand for repairs and improvements ahead.

With the Federal Reserve considering additional rate changes in early 2026, optimism for improved consumer financing conditions and stronger sales tax receipts remains. As national tariff and trade talks ease, inflationary pressures will continue to shape spending behavior. For now, calendar year 2025 closes with sluggish but stable performance, awaiting broader economic shifts.

REVENUE BY BUSINESS GROUP

Chula Vista This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Business Type	Q3 '25*	Chula Vista Change	County Change	HdL State Change
Discount Dept Stores	1,826.1	-3.0%	-2.0%	-0.4%
Service Stations	981.9	-0.5%	-4.2%	-5.0%
Quick-Service Restaurants	789.5	0.2%	-0.1%	-1.1%
New Motor Vehicle Dealers	734.3	-8.9%	6.7%	2.4%
Casual Dining	721.6	1.4%	1.9%	2.0%
Family Apparel	514.2	3.3%	3.9%	3.7%
Building Materials	433.8	4.8%	-1.6%	-2.4%
Electronics/Appliance Stores	368.6	-1.2%	-5.8%	-2.3%
Grocery Stores	335.8	0.1%	-1.1%	-2.0%
Specialty Stores	259.3	-2.4%	-0.5%	-2.0%

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars