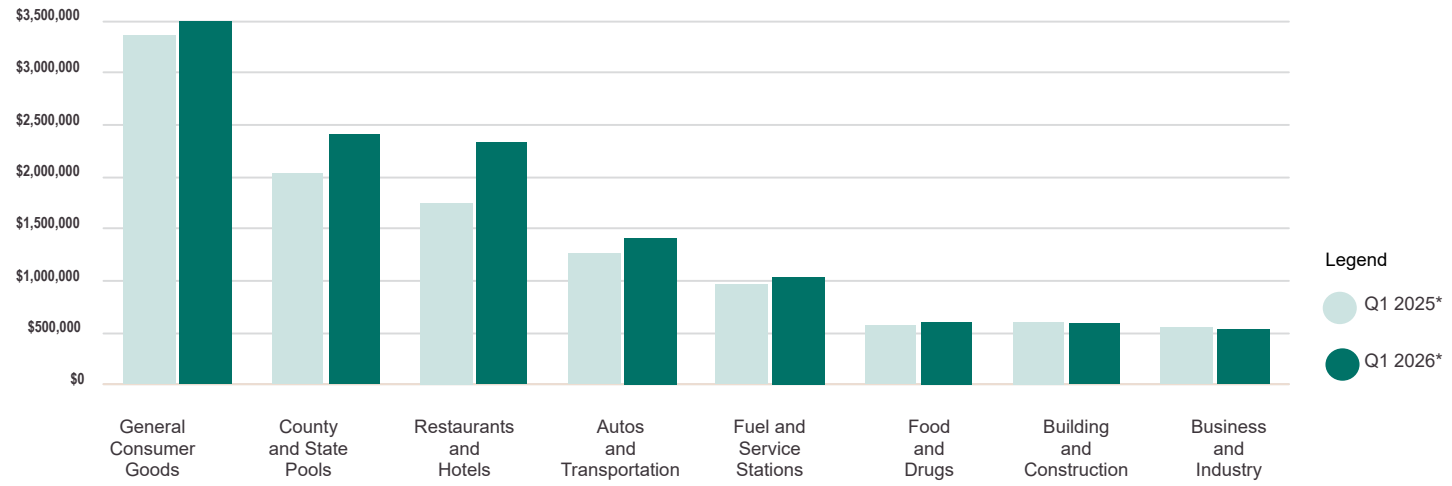
CITY OF CHULA VISTA
SALES TAX UPDATE
1Q 2026 (JANUARY - MARCH)

CHULA VISTA	11.9%	3.6%	4.0%
TOTAL: $ 12,424,191	1Q2026	COUNTY	STATE

*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure P	Measure A
TOTAL: $7,403,019	TOTAL: $7,402,897
7.2%	7.2%

CITY OF CHULA VISTA HIGHLIGHTS

Chula Vista's receipts from January through March were 11.6% above the comparable sales period in 2025. Excluding reporting aberrations, actual sales increased 11.9%, significantly outperforming state and regional trends.

The largest contributor to this growth were new additions within the restaurants-hotels sector. Other recent business openings also boosted the food-drugs and building-construction categories.

Allocations from the countywide use tax pool also surged, reflecting the City's relative outperformance, as these funds are distributed among local agencies based on proportional countywide cash receipts. A statewide methodology change implemented this quarter affecting the distribution of sales tax receipts from a major online retailer also established a higher ongoing revenue baseline for this category.

Measures A and P also posted strong growth, although at a slower pace than Bradley-Burns revenues because, as different forms of taxation, they did not benefit from the increase in countywide use tax pool allocations.

Net of aberrations, taxable sales across San Diego County increased 3.6% compared with the same period last year, while taxable sales throughout Southern California grew 4.0%.

TOP 25 PRODUCERS

Apple
Best Buy
Bmw Of Chula Vista
Burlington
Chevron
Chula Vista Ford
Chula Vista Honda
Chula Vista Kia
Circle K
Costco
Dollar Tree
Gaylord Pacific Resort Conv Ctr
Home Depot
In N Out Burger
Lowes
Marshalls
Mossy Chrysler Dodge Jeep Ram
Mossy Nissan Chula Vista
Ralphs Fuel Center
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 posted moderate growth during the first quarter, reflecting resilient consumer behavior despite persistent economic headwinds. For the months of January through March, revenues increased 4% from the year ago quarter after adjusting for accounting anomalies.

Strong consumer spending patterns did not falter and was the main reason of growth, partially enhanced by larger-than-expected income tax refunds. Both online retailers and brick and mortar merchants experienced dynamic changes over last year that far exceed expectations. E-commerce remains the platform of choice providing convenience, broad product availability, and flexible payment options – benefitting the business-industry sector and allocations via the countywide use tax pool. Family apparel and discount department stores both boosted general consumer goods the most, with a slight bump in gas prices further pushing returns from multiple vendors.

Patronage at restaurants resulted in a 4.2% year over year jump. With demand constrained due to increasing price-sensitivity and slower foot traffic, gains by all types of eateries signaled underlying resolve to dine out. Temporary events further contributed to the positive outcome – Southern California wildfires hindered 2025 and the Super Bowl lifting 2026.

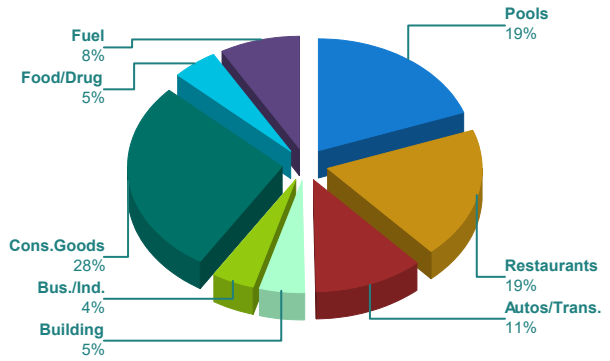
The first quarter also included the initial impacts of elevated tensions in the Middle East which drove West Texas Intermediate crude oil prices above $95 per barrel. This had an immediate impact on local gas prices resulting in a modest bump to receipts from gas stations and created large amounts of uncertainty. Recently, the conflict appears to have subsided with the Strait of Hurmuz reopened reducing the possibility of future strain.

Autos-transportation posted a nominal gain in first quarter 2026, as higher average transaction prices offset weaker unit sales. These price increases reflected tariff impacts reaching consumers after months of absorption by automakers, along with rising material costs. As in the prior quarter, the transition to the new DMV payment system for used vehicle dealers under AB 85 modestly reduced cash receipts, with adjustments still pending.

Overall, the short-term outlook remains cautiously optimistic. Normal consumer spending combined with multiple host sites of World Cup matches and corresponding tourism should sustain growth, albeit varied regionally. The Middle East conflict temporarily resulted in $6 per gallon average peak pricing during the start of the summer months. The forecast is coupled with a national inflation rate anticipates an upward trend leaving little room for the Federal Reserve to alter interest rate in a favorable way for consumers, potentially slowing down the retail economy.

REVENUE BY BUSINESS GROUP

Chula Vista This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Business Type	Q1 '26*	Chula Vista Change	County Change	HdL State Change
Discount Dept Stores	1,766.4	3.9%	4.1%	4.3%
Service Stations	1,015.9	6.3%	2.4%	1.0%
New Motor Vehicle Dealers	838.4	15.1%	0.6%	-0.6%
Casual Dining	777.4	5.2%	5.3%	4.1%
Quick-Service Restaurants	754.5	2.9%	0.9%	1.9%
Family Apparel	514.0	14.5%	11.7%	11.1%
Electronics/Appliance Stores	412.4	12.1%	1.9%	-1.7%
Building Materials	396.8	0.7%	-4.7%	-3.7%
Specialty Stores	270.6	4.3%	-0.8%	-1.9%
Grocery Stores	265.0	0.0%	-0.9%	-1.0%

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars