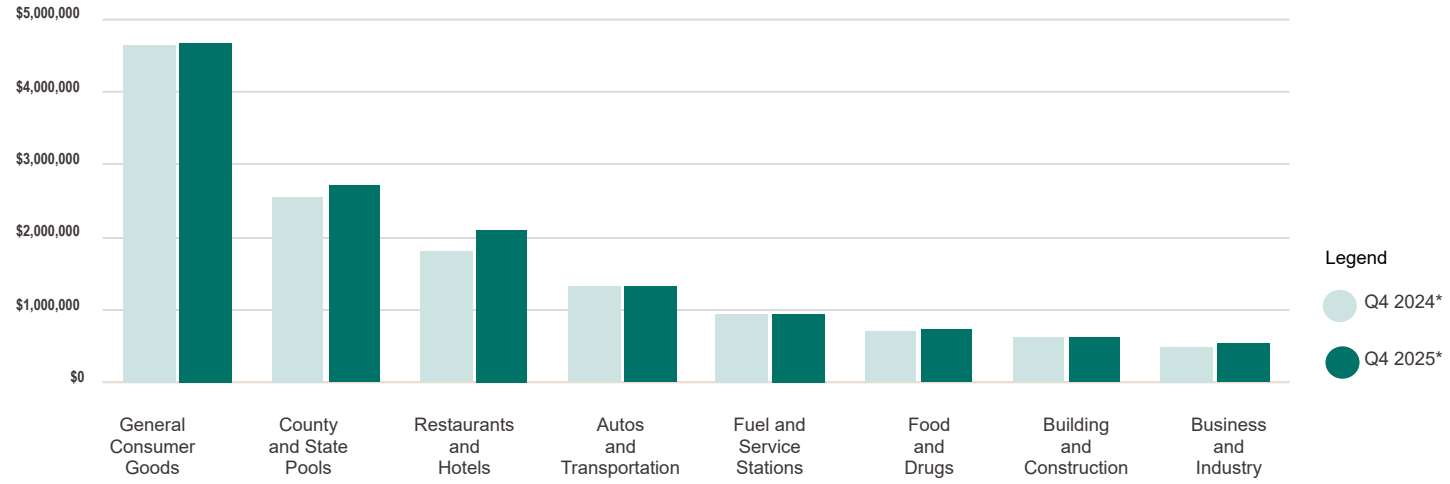
# CITY OF CHULA VISTA
## SALES TAX UPDATE
### 4Q 2025 (OCTOBER - DECEMBER)

| CHULA VISTA | 4.2% | 0.5% | 1.2% |
|---|---|---|---|
| TOTAL: $ 13,693,924 | 4Q2025 | COUNTY | STATE |

*Allocation aberrations have been adjusted to reflect sales activity

**SALES TAX BY MAJOR BUSINESS GROUP**




| Measure P | Measure A |
|---|---|
| TOTAL: $8,190,105 | TOTAL: $8,211,435 |
| 2.2% | 2.4% |

## CITY OF CHULA VISTA HIGHLIGHTS

Chula Vista's gross receipts from October – December 2025 were up 0.8% compared to the fourth sales period in 2024. After adjusting for reporting modifications, actual sales landed 4.2% higher.

General retail inched higher, with gains in family apparel, specialty and electronics/appliance stores overcoming department store and home furnishings declines during the busy shopping season.

With an overall increase in quarterly sales tax, the City's allocation from the countywide use tax pool rose 6.5%.

The opening of new businesses bolstered returns in the restaurants-hotels group, generating the largest increase for the quarter. A new dealership helped offset other declines in the autos-transportation group; and, similarly, a new service station and recently opened convenience/liquor store lifted related revenues.

Slowing contractor activity contributed to a dip in building-construction, posting the only sales tax group decline.

Voter-approved Measures P and A realized positive results as well, with the largest gains driven by in-store/online retail and new businesses in the restaurants-hotels group.

Net of adjustments, taxable sales for all of San Diego County grew 0.5% over the comparable time period; the Southern California region was up 1.0%.

## 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
Kohls
Lowes
Macy's
Marshalls
Mossy Chrysler Dodge Jeep Ram
Mossy Nissan Chula Vista
Ross
Stars & Stripes Travel Center South
Sun Moon Perfume & Gifts
Target
Toyota Of Chula Vista
Walmart

## STATEWIDE RESULTS

California's local one cent sales and use tax receipts posted moderate growth during the fourth quarter, reflecting resilient consumer behavior despite persistent economic headwinds. For the months of October through December, revenues increased 1.2% from the year ago quarter after adjusting for accounting anomalies. This performance capped an overall improvement for calendar year 2025 of 1.2%, marking a welcomed annual increase after two consecutive years of decline.

Consumer spending patterns during the holiday season played a central role in the fourth-quarter results. Fulfillment centers and countywide use tax pools generated strong returns, driven by sustained demand for online shopping as cost-conscious consumers prioritized convenience and price comparison. This e-commerce momentum persisted throughout the 2025 year. Traditional brick-and-mortar retailers, particularly apparel and jewelry stores, also realized modest seasonal gains, benefiting from holiday purchasing activity.

Restaurant sales taxes rose again, although operators reported continual pressure from rising costs that influenced customer behavior. Diners reduced visit frequency and alcohol purchases, reflecting heightened price sensitivity. While upcoming national and global sporting events in California could support localized growth, broader restaurant sector expansion is expected to remain constrained and concentrated primarily in tourism-heavy and event-focused regions.

Energy-related initiatives produced solid returns; however, revenue allocation mechanisms shifted, with proceeds previously reported directly to local agencies now distributed through county pools during the current period.

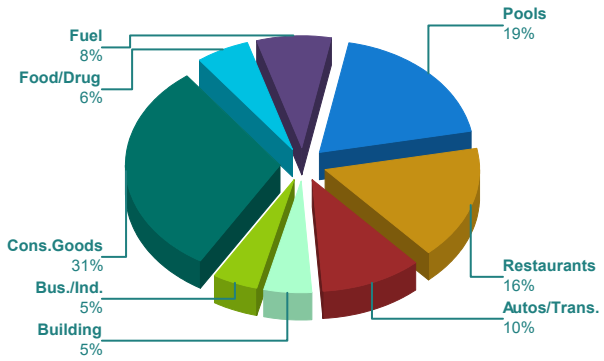
In contrast, the autos-transportation and building-construction sectors remained subdued. Elevated interest rates, seasonal purchasing patterns, and winter weather limited activity, particularly in high-value purchases such as vehicles and home improvement projects. Contractors in roofing and concrete experienced reduced productivity, reinforcing expectations of continued stagnation in these industries. With minimal interest rate relief projected for 2026, significant near-term recovery remains unlikely.

Looking ahead, emerging global risks present growing uncertainty. While not reflected in current results, escalating tensions in the Middle East have driven West Texas Intermediate crude oil prices above $100 per barrel, translating into sharply higher gasoline prices exceeding $6 per gallon locally. Refinery closures across Northern and Southern California further amplify supply pressures. Prolonged energy price volatility could force consumers to redirect spending toward fuel costs, reducing discretionary expenditures in other sectors.

Prior to these developments, short-term economic expectations were cautiously optimistic. However, renewed inflationary pressure has led the Federal Reserve to delay anticipated interest rate reductions, limiting consumer flexibility. Stubbornly high fuel prices may also dampen travel and tourism through summer, leaving little room for broad-based sales tax growth in the year.

## REVENUE BY BUSINESS GROUP

### Chula Vista This Calendar Year*




*ADJUSTED FOR ECONOMIC DATA

## TOP NON-CONFIDENTIAL BUSINESS TYPES

| Chula Vista Business Type | Q4 '25* | Change | County Change | HdL State Change |
|---|---|---|---|---|
| Discount Dept Stores | 2,319.8 | -0.9% | -0.8% | -0.2% |
| Service Stations | 936.1 | 0.8% | -1.9% | -2.2% |
| Quick-Service Restaurants | 812.6 | 4.2% | -0.5% | 0.2% |
| New Motor Vehicle Dealers | 803.2 | 2.8% | -2.9% | -5.3% |
| Casual Dining | 735.2 | 0.6% | 2.9% | 2.3% |
| Family Apparel | 693.8 | 9.4% | 3.1% | 6.5% |
| Electronics/Appliance Stores | 586.1 | 6.4% | -5.0% | -3.6% |
| Building Materials | 411.5 | 2.4% | -2.7% | -4.1% |
| Specialty Stores | 382.8 | 8.1% | -0.1% | -1.4% |
| Grocery Stores | 358.2 | 1.8% | 2.8% | 0.8% |

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars