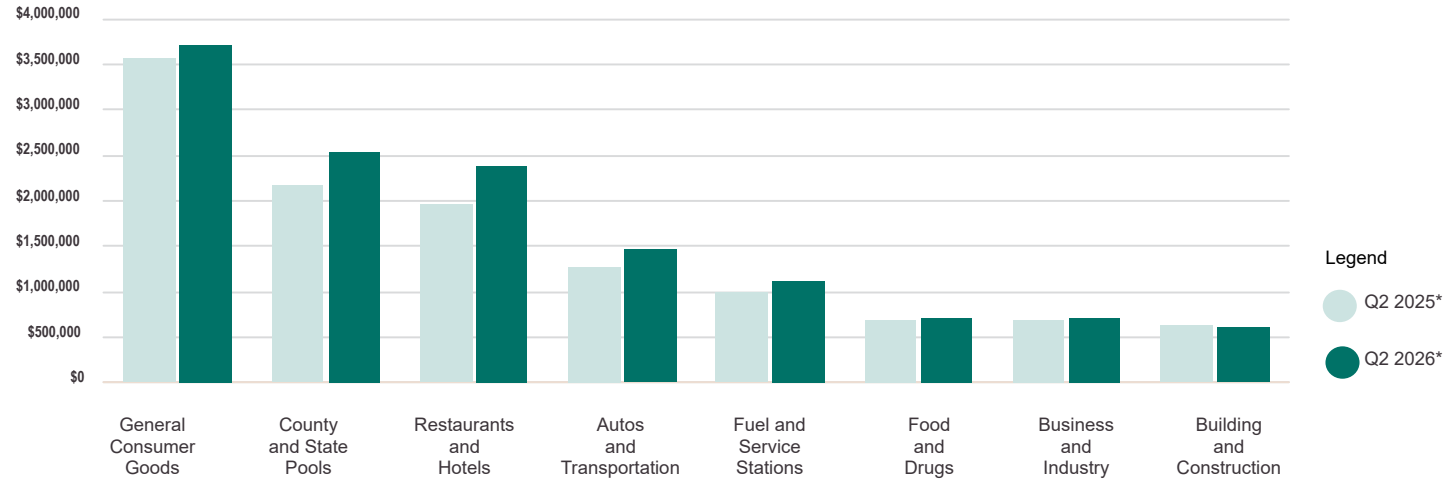
CITY OF CHULA VISTA
SALES TAX UPDATE
2Q 2026 (APRIL - JUNE)

CHULA VISTA					
TOTAL: $ 13,267,233	10.8% 2Q2026	↑	4.4% COUNTY	↑	5.9% STATE ↑

*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



Measure P	Measure A
TOTAL: $7,881,785	TOTAL: $7,881,759
↑ 8.1%	↑ 8.1%

CITY OF CHULA VISTA HIGHLIGHTS

Chula Vista's gross (cash) receipts from April – June 2026 were 13% higher compared to the second sales period in 2025. However, after adjusting for reporting modifications from audit corrections and delayed payments, actual sales landed up 10.8%.

The largest gains this quarter came from new businesses in the restaurant-hotels group, with all sectors experiencing expansion compared to last year. General retail also improved with family apparel and electronics/appliance stores contributing to the 4.5% increase.

The City's allocation from the countywide use tax pool jumped 16.6% due to both a larger pool share from the City's sales tax growth and ecommerce related payments into the San Diego pool.

A recently opened dealership added to new car sales returns, which pushed autos-transportation up 16.8%. The price of fuel shot up with the beginning of the Iran War, and local fuel-service station revenues benefitted from the higher pricing.

Conversely, comparison to high, one-time payments last year skewed down building-construction.

Voter-approved Measures P and A posted similar results, with the largest gains in online and in-store retail.

Net of aberrations, taxable sales for all of San Diego County grew 4.4% over the comparable time period; the Southern California region was up 6.4%.

TOP 25 PRODUCERS

Apple
Arco AM PM
Best Buy
BMW of Chula Vista
Burlington
Chevron
Chula Vista Ford
Chula Vista Honda
Chula Vista Kia
Circle K
Conserv Fuel
Costco
Gaylord Pacific Resort Conv Ctr
Home Depot
In N Out Burger
LD Supply
Marshalls
Mossy Chrysler Dodge Jeep Ram
Mossy Nissan Chula Vista
Ralphs Fresh Fare
Ross
Stars & Stripes Travel Center South
Target
Toyota of Chula Vista
Walmart

STATEWIDE RESULTS

California's local one cent sales and use tax receipts posted vibrant growth during the second quarter, reflecting sustained consumer behavior ahead of potential economic headwinds. For the months of April through June, revenues increased 5.9% from the year ago quarter after adjusting for accounting anomalies.

Strong consumer spending patterns that began in the first quarter continued through the current period. This activity aligns with the income tax refund timeline, reportedly 11% higher than 2025, beginning of summer tourism and larger inflation factors propelling the economy forward.

Similar to last quarter, online retailers and brick and mortar merchants continued to surge over last year far exceeding 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. Multiple apparel merchants and discount department stores, especially those selling fuel, boosted general consumer goods the most.

Sustained tensions in the Middle East kept West Texas Intermediate (WTI) crude oil prices above $100 per barrel to start off the travel season, pushing local gas prices higher and revenue from service stations up 18% more than one year ago. With refinery closures in both Northern and Southern California regions compounding supply pressures, all signs indicate higher prices through the remainder of summer.

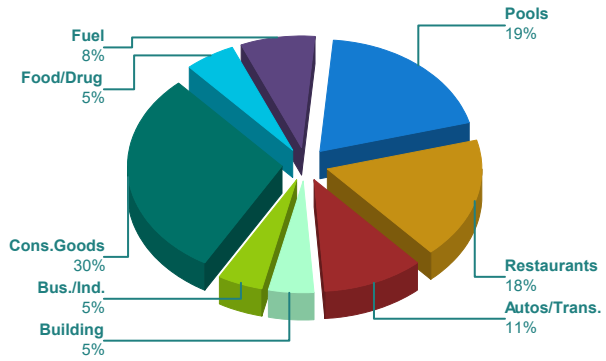
Restaurant sales taxes rose again, experiencing an additional uptick from World Cup activities and seasonal tourism. While operators reported continual pressure from rising costs that influenced customer behavior like visit frequency and alcohol purchases, gains by all types of eateries signal unwavering resolve to dining out. Even with additional sporting events on the horizon, unfavorable economic conditions could constrain growth.

Autos-transportation returns also exceeded expectations this quarter, supported by higher-income consumers, who now account for more than half of new vehicle purchases and benefitted from recent tax cuts and equity market gains. Hybrids continued to gain share as fuel prices increased, while electric vehicle sales also improved.

Recently, the Federal Reserve moved interest rates higher with a stated goal of slowing inflation and cooling economic growth. This action should temper short-term growth prospects especially from sectors requiring long-term financing like autos and building-construction. As gas prices average above $6 per gallon during peak summer months, consumers may further curb discretionary-type spending heading into the holiday shopping season.

REVENUE BY BUSINESS GROUP

Chula Vista This Fiscal Year*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Business Type	Q2 '26*	Chula Vista Change	County Change	HdL State Change
Discount Dept Stores	1,928.1	5.8%	7.6%	7.2%
Service Stations	1,098.6	12.7%	14.3%	14.6%
New Motor Vehicle Dealers	867.6	15.0%	4.3%	2.9%
Casual Dining	804.5	4.4%	4.4%	4.2%
Quick-Service Restaurants	795.6	1.0%	0.5%	1.8%
Family Apparel	530.3	3.8%	4.9%	5.6%
Electronics/Appliance Stores	406.9	13.1%	3.9%	2.0%
Building Materials	376.6	-0.1%	-0.6%	0.1%
Grocery Stores	372.8	0.0%	-0.1%	-0.2%
Specialty Stores	295.0	6.2%	1.7%	1.2%

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars