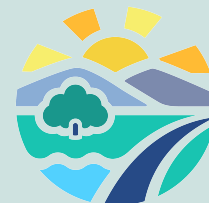


CITY OF MOUNTAIN VIEW

SALES TAX UPDATE

1Q 2025 (JANUARY - MARCH)



MOUNTAIN VIEW

TOTAL: \$ 5,055,808

2.3%

1Q2025



-2.2%

COUNTY



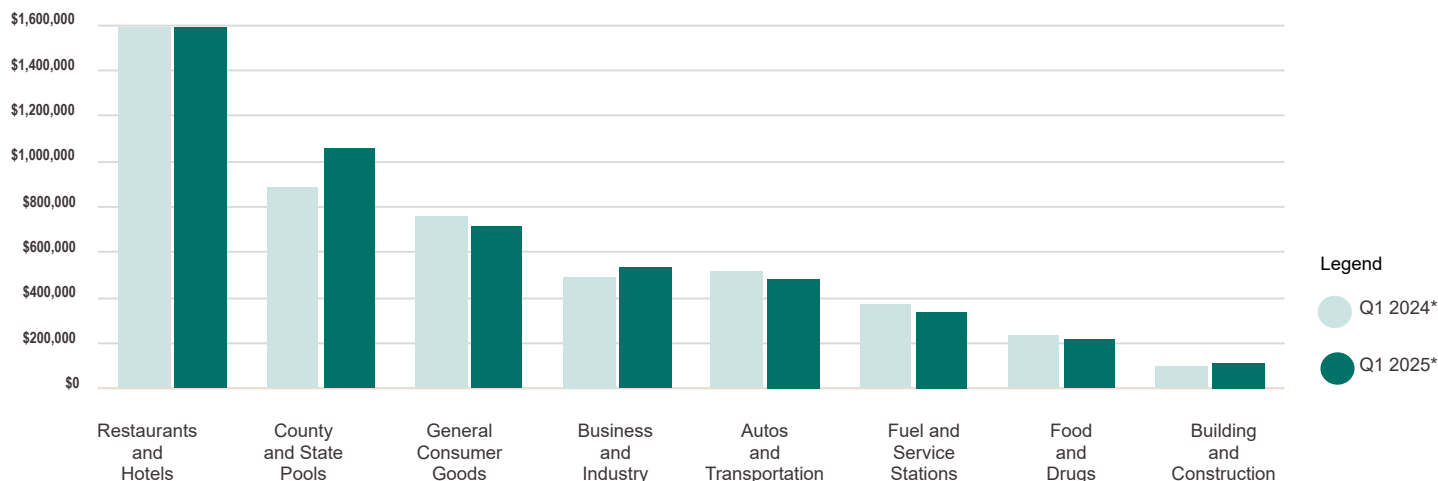
0.3%

STATE



**Allocation aberrations have been adjusted to reflect sales activity*

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF MOUNTAIN VIEW HIGHLIGHTS

Mountain View's receipts from January through March were 1.7% above the first sales period in 2024. Excluding reporting aberrations, actual sales were up 2.3%.

General consumer goods sales declined this quarter, marking the first period affected by some business closures. Statewide, receipts for general consumer goods slowed by approximately 2% with consumers continuing to make cost conscious choices and shop for value. Service stations were down as prices at the pump were lower than in the comparable quarter.

The City's largest industry group is restaurants-hotels; the group was flat this quarter with gains in casual dining and slowing in quick-service restaurants; the casual dining gains were due to new outlets.

On the bright side, business-industry gains were due to one-time allocations in this quarter out pacing the one-time allocations in the comparable quarter. While building-construction was also boosted by a one-time allocation.

The countywide pool was temporarily boosted by a negative audit adjustment in another agency in the county which increased the City's portion of the pool.

Net of aberrations, taxable sales for all of Santa Clara County declined 2.2% over the comparable time period; the Bay Area was up 0.5%.



TOP 25 PRODUCERS

- | | |
|----------------------------------|---------------------------|
| Allison BMW | Siemens Medical Solutions |
| Best Buy | Target |
| Bon Appetit | Total Wine & More |
| Bruce Bauer Lumber & Supplies | Valley Oil |
| Chevron | Viavi Solutions |
| Compass Group USA | Walmart |
| Costco | Waymo |
| Financial Services Vehicle Trust | Wisk Aero |
| Good Eating Co | |
| Google Fiber | |
| Groq Inc | |
| In N Out Burger | |
| Kiwi Co | |
| Marshalls | |
| Mountain View Shell | |
| Ross | |
| Safeway | |



STATEWIDE RESULTS

California’s local one-cent sales and use tax receipts for January through March 2025 increased by 0.34% compared to the same quarter in 2024, after adjusting for accounting anomalies. While this modest growth may signal the end of an eight-quarter decline, it could be temporary, as the broader economy remains on the edge between recovery and further slowdown.

The first quarter is traditionally the lowest sales tax-generating period of the year, often influenced by seasonal weather and post-holiday consumer behavior.

Notably, the autos-transportation and building-construction sectors—both of which had been dragging down statewide results over the past two years—showed the strongest rebounds this quarter. In the autos sector, used car sales and leasing activity led the recovery. Consumers are increasingly opting for more affordable vehicles and shorter-term commitments, moving away from high-end purchases. In construction, pent-up demand for repairs and improvements, especially in weather-affected and wildfire-damaged areas like Southern California, drove strong sales for building material suppliers.

Other segments generating modest growth included business-industry and countywide use tax pools, largely due to continued strength in online sales. Sales of goods already in California before purchase are reported under business-industry fulfillment centers. Goods shipped from outside the state are reported under county pools, based on the destination of the out-of-state shipment. Online shopping remains a preferred option for value-conscious consumers, contributing significantly to tax receipts in these categories.

Calendar year 2024 saw a decline in fuel-

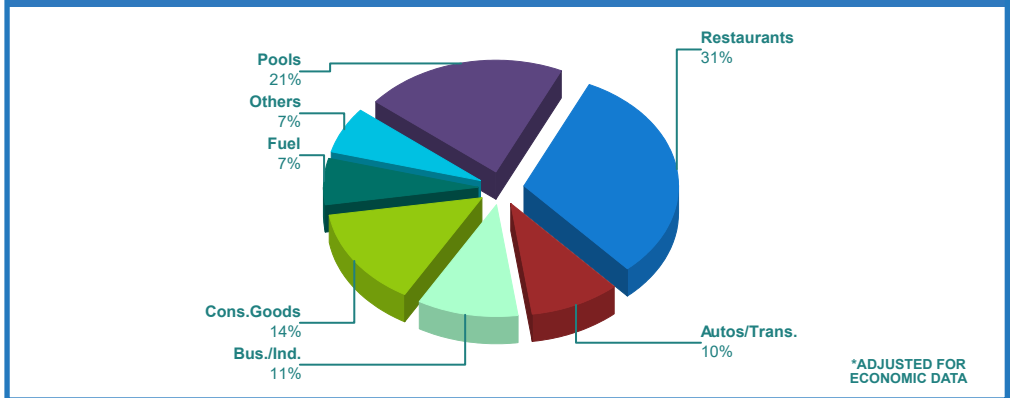
related tax receipts due to lower global crude oil prices—a trend that continued into 1Q 2025. Fuel-related returns dropped by 5%. This decline also affected general consumer goods, as large retailers that sell fuel typically report all sales under a single taxpayer ID. As a result, brick-and-mortar merchants such as post-holiday family apparel stores, winter sporting goods vendors and closures of variety stores contributed to weaker performance.

Although food-drugs is the smallest of the eight tax groupings, it was significant that cannabis returns continued a downturn trend that has been ongoing for over two years. Bankruptcies, customer shopping

alternatives and oversaturation of retail footprint diminished taxes coming from drug stores.

As 2025 begins, sales tax returns remain modest, reflecting broader economic volatility. Key factors influencing our outlook include: ongoing national tariff and trade negotiations and decisions on the federal funds rate - which directly affect consumer interest rates. Recent Middle East conflicts, which temporarily spiked crude oil prices and threatened local gas prices during the summer, will be a short-term concern. In summary, “uncertainty” remains the most accurate descriptor of California’s current and future economic climate.

REVENUE BY BUSINESS GROUP Mountain View This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Mountain View Business Type	Q1 '25*	Change	County Change	HdL State Change
Casual Dining	459.0	4.5% ↑	4.1% ↑	1.3% ↑
Service Stations	337.7	-8.4% ↓	-3.9% ↓	-5.8% ↓
Quick-Service Restaurants	167.8	-0.6% ↓	0.5% ↑	-0.9% ↓
Business Services	121.9	70.1% ↑	16.3% ↑	9.2% ↑
Electrical Equipment	121.4	-10.1% ↓	41.7% ↑	15.1% ↑
Grocery Stores	110.9	-3.9% ↓	-2.1% ↓	-0.8% ↓
Fast-Casual Restaurants	86.9	4.0% ↑	2.3% ↑	-0.3% ↓
Transportation-Non-Auto	86.4	11.9% ↑	-52.7% ↓	3.2% ↑
Electronics/Appliance Stores	83.9	-6.0% ↓	5.4% ↑	-0.6% ↓
Medical/Biotech	67.8	63.3% ↑	4.8% ↑	-0.8% ↓

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars