

CITY OF MOUNTAIN VIEW

SALES TAX UPDATE

1Q 2022 (JANUARY - MARCH)



MOUNTAIN VIEW

TOTAL: \$ 5,471,990

42.5%
1Q2022



14.7%
COUNTY

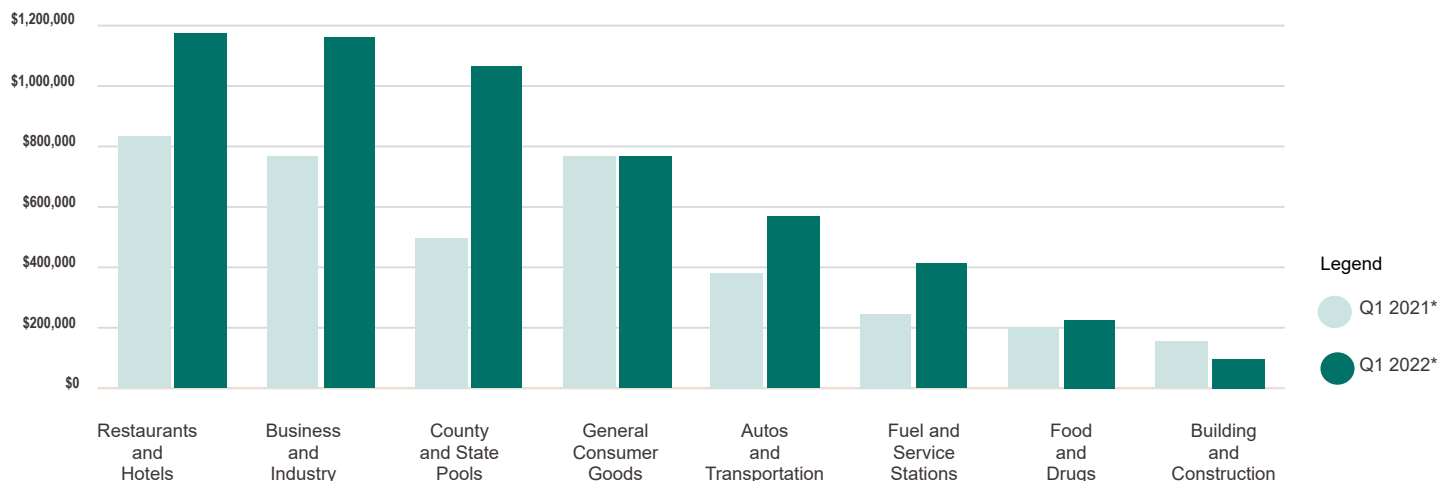


17.1%
STATE



**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 127.9% above the first sales period in 2021. Year ago negative audit corrections dragged cash totals lower which inflated current receipt comparisons. Excluding all reporting anomalies, actual sales surged upward by 42.5%.

Related, this period's use taxes appear much higher as the previously noted correction caused pool distributions to temporarily fall; taking a longer view, use tax allocations are \$187,000 more than the first quarter sum of 2020.

One of the primary categories; business-industry, remitted sizably greater taxes; their 51% increase included hearty returns from medical/biotech and other sectors deemed confidential.

Rebound occurred in all major segments

within restaurants-hotels. Hikes in menu prices provoked by rising food and labor costs did not harm results as the group posted 41% bigger revenues; casual dining's 58% jump reflected consumer demand to eat out more often.

Service station's 69% comparative growth was primary world oil prices skyrocketing due to the Ukraine invasion by Russia; more miles traveled also favorably impacted this outcome.

Vehicle buying did not slow as prices were at all-time highs while inventory challenges rolled on; autos-transportation's 50% growth significantly outperformed county and state trends as owners persistently sought luxury brands.

Net of aberrations, taxable sales for all of the Bay Area expanded 17.9%.



TOP 25 PRODUCERS

- Allison BMW
- Best Buy
- Bon Appetit
- Bruce Bauer Lumber & Supplies
- Chevron
- Costco
- CVS Pharmacy
- Financial Services Vehicle Trust
- In N Out Burger
- Kiwi Co
- Marshalls
- Mountain View Shell
- Nuro Inc
- Omniceil
- Project Fi by Google
- Pure Storage
- Safeway
- Siemens Medical Solutions
- Synopsys
- Target
- Tesla Motors
- Total Wine & More
- Valley Oil
- Walmart
- Waymo



STATEWIDE RESULTS

California’s local one-cent sales and use tax for sales occurring January through March was 17% higher than the same quarter one year ago, after adjusting for accounting anomalies and onetime payments from previous quarters. By all accounts, the California retail economy continues roaring along. Even with instability in the stock market, the crisis in Ukraine pushing up the global price of crude oil and the U.S. Federal Reserve Board beginning to tackle inflation with a series of rate increases, consumer spending continued at a strong pace.

The invasion of Ukraine by Russian military forces on February 24 had an immediate upward impact on the global price of crude oil due to fears of supply shortages. Subsequently this has caused a dramatic jump to California consumer gas and diesel prices at a time when many in the workforce were commuting back into offices, also contributing to an overall increase in consumption. As expected, fuel and service station receipts increased 47% over last year and show no signs of pulling back with summer travel right around the corner.

Sales of new and used vehicles continue to be robust causing the autos and transportation sector to jump 15% for the period. Inventory shortages by some dealers may have caused buyers to experience a Fear Of Missing Out (FOMO) and pay elevated prices while interest rates remained lower. Automotive brands that have committed to full electric or hybrid models are attractive with consumers, especially given the sudden rise in fuel prices.

Post-holiday retail sales of general consumer goods remained solid, improving 10%. Prior supply chain concerns have dissipated, port operations are returning to normal and headwinds from inflation and higher cost goods haven’t yet slowed consumer demand. The stellar returns

were largely driven by discount department stores, especially those selling gas.

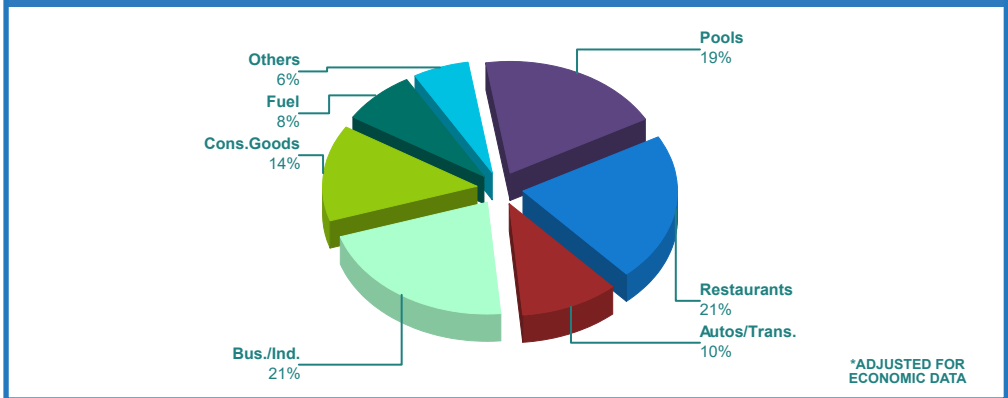
These results mark the fourth full quarter in a row that restaurant and hotel receipts have increased. While higher menu prices have contributed, steady demand by patrons to dine out is also propelling the gains. Furthermore, theme parks and entertainment venues throughout the state are busy. With the summer tourism and travel season approaching, the industry is positioned to maintain post-pandemic growth and remain positive through 2022.

Use taxes generated by online sales and purchases from out-of-state vendors allocated via the county pools, heartily surpassed expectations, gaining 13% over

the comparison period. Shoppers bought a range of merchandise and spending by businesses on capital equipment remained sensational.

The first quarter sales period contributed to an already strong 2021-22 fiscal year for most municipalities statewide. However, continued inflationary pressure, soaring interest rates and record gas prices may soften growth going into 2022-23.

REVENUE BY BUSINESS GROUP
Mountain View This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Mountain View Business Type	Q1 '22*	Change	County Change	HdL State Change
Service Stations	415.7	69.2% ↑	51.1% ↑	43.3% ↑
Casual Dining	371.0	57.7% ↑	64.5% ↑	55.7% ↑
Medical/Biotech	253.3	19.8% ↑	43.5% ↑	7.9% ↑
Quick-Service Restaurants	145.3	14.1% ↑	15.7% ↑	7.8% ↑
Grocery Stores	105.0	17.0% ↑	7.6% ↑	3.3% ↑
Electronics/Appliance Stores	102.8	-15.3% ↓	32.0% ↑	12.5% ↑
Building Materials	75.9	-13.4% ↓	3.3% ↑	7.8% ↑
Convenience Stores/Liquor	72.0	-2.4% ↓	-1.9% ↓	1.8% ↑
Fast-Casual Restaurants	59.4	26.6% ↑	18.4% ↑	11.4% ↑
Family Apparel	58.3	8.8% ↑	19.9% ↑	9.4% ↑

*Allocation aberrations have been adjusted to reflect sales activity *In thousands of dollars