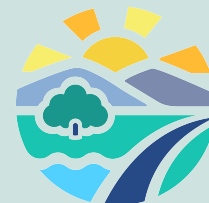


CITY OF MOUNTAIN VIEW

SALES TAX UPDATE

2Q 2022 (APRIL - JUNE)



MOUNTAIN VIEW

TOTAL: \$ 5,943,274

24.3%
2Q2022



8.7%
COUNTY

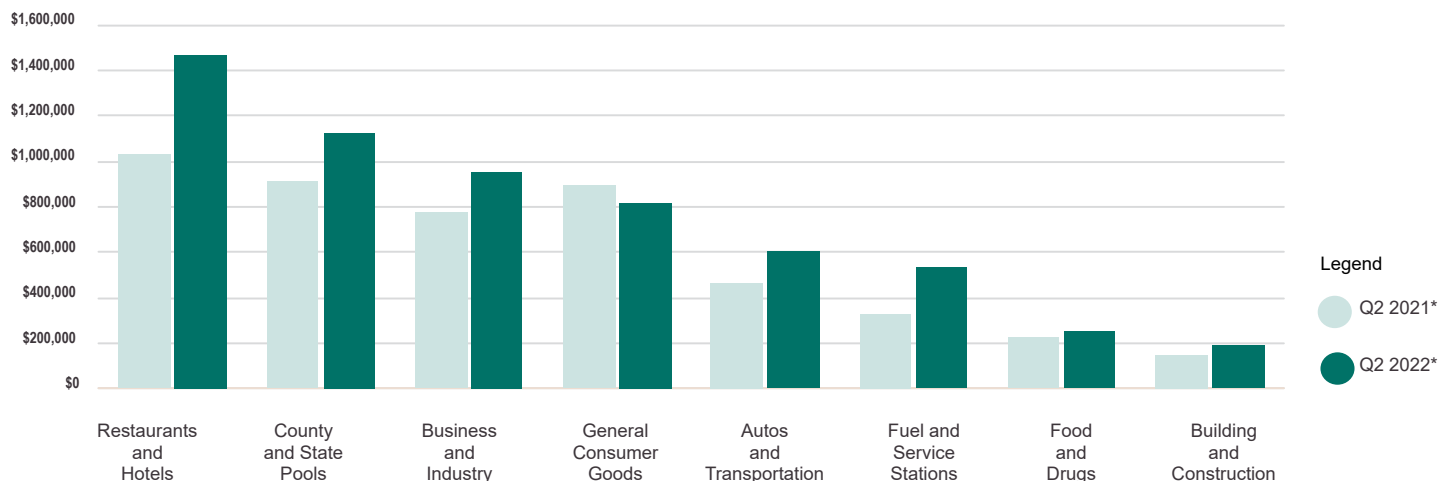


10.1%
STATE



**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 April through June were 17.7% above the second sales period in 2021. Excluding reporting aberrations, actual sales were up 24.3%.

Inflation in this quarter was brutal, rising prices were hitting consumers' pocketbooks in many basic areas, slowing spending in some categories but a return to in-person activities boosted several categories.

Restaurants-hotels posted gains as workers return to the office and as menu prices continue to rise; the group was up almost 42% while the statewide averages was only up 18%. Casual dining was up 27% and quick-service restaurants were up 11%.

High prices at the pumps and return of commuters also pushed service station receipts up 63.5% significantly higher

than the statewide increase of only 36%.

Prices remain high in the autos-transportation group. While the business-industry group had one-time spikes in the electrical equipment and medical/biotech categories; the group was furthered by a onetime use tax allocation.

The countywide pool had several one-time spikes in the business-industry group which helped to offset some of the slowing in online sales; the City's portion of the pool increased due to the solid gains in point of sale resulting in the City's allocation from the pool increasing 24%.

Net of aberrations, taxable sales for all of Santa Clara County grew 8.7% over the comparable time period; the Bay Area was up 11.7%.



TOP 25 PRODUCERS

- Allison BMW
- Best Buy
- Bon Appetit
- Bruce Bauer Lumber & Supplies
- Costco
- Financial Services Vehicle Trust
- In N Out Burger
- Juniper Networks
- K B M Office Equipment
- Kiwi Co
- Marshalls
- Mountain View Shell
- Omnicell
- Project Fi by Google
- Pure Storage
- Safeway
- Shoreline Amphitheatre
- Siemens Medical Solutions
- Synopsys
- Target
- Tesla Motors
- Total Wine & More
- Valley Oil
- Walmart
- Waymo



STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring April through June was 10% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark the sixth consecutive quarter of double-digit growth since the pandemic periods in 2020, with the July-June 2022 fiscal year up 15%.

Commuters returning to offices combined with the Russia-Ukraine conflict continuing to put upward pressure on oil prices and left Californians facing the highest average price per gallon on record resulting in fuel and service station receipts 42% higher than last year. While statewide fuel consumption still trails 2019 levels, local gas prices are expected to remain high until after the summer blend period.

Led by consumer’s desire to dine out, a steady rise in tourism and business travel, higher menu prices and great weather, the restaurant sector continues to flourish. Theme parks, entertainment venues and hotels showed the strongest growth with casual dining establishments remaining solid, a trend likely to remain through 2022.

The automobile sector experienced modest gains for new car dealers and rental car vendors, however sales of used autos and leasing activity has begun to cool. Brands prioritizing full electric and hybrid models still appear to be the most attractive with consumers, however increased financing rates may cause even their activity to dampen. Tight inventories that contributed to dramatic price increases over the last 18 months are also showing signs of loosening as newer models are released

in greater numbers.

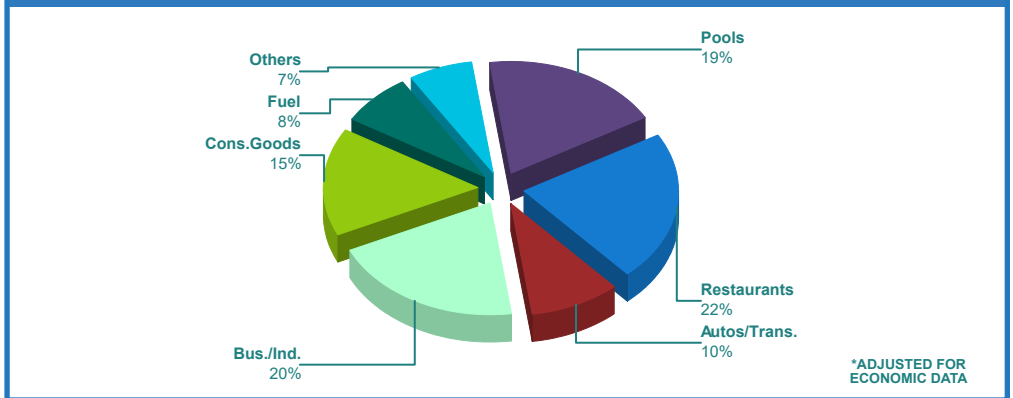
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight decrease.

With new housing starts accelerating and residential and commercial property values rising, construction contractors remain busy. Lumber prices have softened from prior year highs leaving material suppliers with modest gains, however electrical, plumbing and energy

suppliers boosted building sector results. Increased investment in capital equipment remains an important area of growth for county pool allocations, especially as online spending for general consumer goods begins to flatten as consumers return to in-store shopping.

Overall, higher priced goods through periods of consistent demand have led to economic inflation. The Federal Reserve Board’s recent actions to curb inflation are anticipated to put downward pressure on auto sales, building materials and financed general consumer goods, resulting in slower growth by year end and into 2023.

REVENUE BY BUSINESS GROUP
Mountain View This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Mountain View Business Type	Q2 '22*	Change	County Change	HdL State Change
Service Stations	533.8	63.5% ↑	44.5% ↑	36.4% ↑
Casual Dining	457.5	27.2% ↑	28.1% ↑	17.2% ↑
Electrical Equipment	363.6	34.1% ↑	27.4% ↑	15.2% ↑
Medical/Biotech	211.3	16.0% ↑	4.9% ↑	5.3% ↑
Quick-Service Restaurants	161.0	11.7% ↑	13.2% ↑	5.2% ↑
Grocery Stores	117.1	18.6% ↑	9.0% ↑	5.3% ↑
Electronics/Appliance Stores	104.4	-26.7% ↓	8.6% ↑	-1.0% ↓
Building Materials	90.3	-10.0% ↓	2.1% ↑	2.9% ↑
Leisure/Entertainment	87.8	587.9% ↑	153.3% ↑	69.7% ↑
Office Equipment	85.7	62.8% ↑	-0.8% ↓	5.2% ↑

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