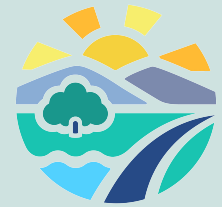


CITY OF MOUNTAIN VIEW

SALES TAX UPDATE

3Q 2022 (JULY - SEPTEMBER)



MOUNTAIN VIEW

TOTAL: \$ 6,236,241

17.4%
3Q2022



8.3%
COUNTY

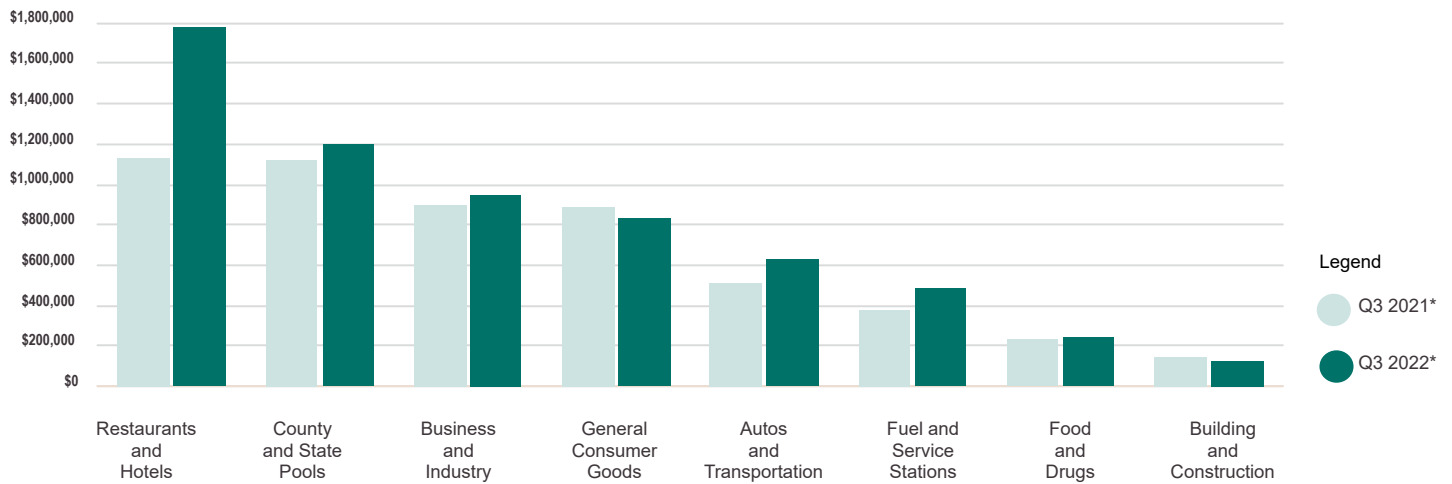


8.0%
STATE



**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 July through September were 7.1% above the third sales period in 2021; however, after various reporting modifications, actual sales were up 17.4%. Net of the countywide pools, place of sale collections surged 21%. Even with pressures of inflation and interest rates, most sales tax groups enjoyed growth during the busy summer months with the return to more in-person work and activities.

For the sixth consecutive quarter, casual dining contributed to double-digit increases in restaurant revenues as residents and visitors enjoyed the experience of dining out, regardless of higher menu prices. Leisure-entertainment venues also reflected the increased activity – jumping 70%. The cost of crude oil kept fuel prices

elevated during the third quarter, and with more drivers on the road, service station receipts skyrocketed 28%. Gains remained high in the autos-transportation group as well.

The business-industry group receipts were mixed, but sales in the medical/biotech sector pushed results into positive territory. The sales tax growth for the period buoyed the City's share of the countywide use tax pool 6.2% - even though the pool experienced a decline in ecommerce retail sales. Similarly, the only group that declined for the period, general consumer goods, felt the impact of economic pressures on retail purchases.

Net of adjustments, taxable sales for all of Santa Clara County grew 8.3% over the comparable time period; the Bay Area was up 9.9%.



TOP 25 PRODUCERS

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



STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring July through September was 8% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark another strong period of growth for the California spending economy.

Even as the Federal Reserve Board continued ramping up interest rates in an effort to curb the larger concern of inflation, consumers maintained purchases on multiple fronts, especially automobiles. Surprisingly, new car dealers experienced 10% gains over the comparable period in 2021. Limited inventory and demand for higher mileage vehicles including electric and hybrid models helped support growth. In addition, the increased cost of used vehicles has pushed many into the new vehicle market; in contrast, sales of recreation vehicles and auto leasing activity remained soft.

For Californians, the summer of 2022 had the highest gas prices on record; subsequently fuel and service stations receipts jumped 21%. Commuters and summer travel remained steady, yet overall consumption still trails pre-pandemic levels by approximately 13%. Although the Russia-Ukraine conflict initially caused a dramatic shift in global crude oil markets, prices have begun to pull back closer to historical norms.

Restaurants experienced a strong uptick as increased menu prices, consistent desire to dine out and strong tourism contributed to this favorable news. Just as important, theme parks, leisure-entertainment venues and hotels pushed positive momentum back to 2019 levels. With tightening profit margins and sustained labor concerns, future improvement could be slowed compared to the last two years.

Busy contractors and plumbing-electrical

suppliers boosted the building-construction sector. Solid residential and commercial housing prices persisted despite recent interest rate hikes. Tenant improvements further support spending activity as businesses assess future office needs. With statewide new housing requirements and federal infrastructure funding on the horizon, current forecasts stay optimistic.

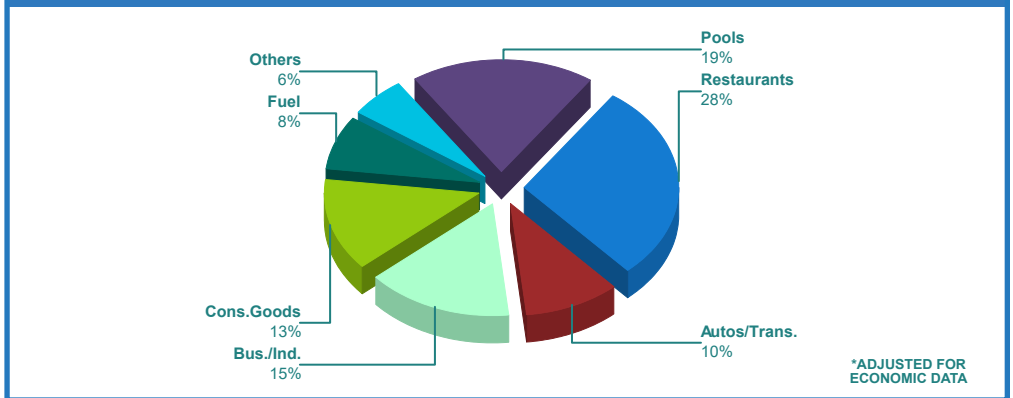
Steady investment in capital equipment coupled with the overall increased price of goods enhanced both business-industry and countywide use tax pool allocations.

For the second straight quarter, fuel sales linked to discount department stores propped up general consumer goods

results. Otherwise, retailers experienced flat to decreased receipts as many apparel categories, home furnishings and sporting goods struggled to keep pace with the prior year. As consumers balanced summer opportunities and higher prices, in-store shopping appears to have taken a temporary back seat.

Sustained price increases and interest rate hikes certainly have consumers contemplating where to spend their dollars. However, historically low statewide unemployment rates and the recovery of the national stock markets from declines earlier this year leave modest optimism heading into 2023.

REVENUE BY BUSINESS GROUP
Mountain View This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Mountain View Business Type	Q3 '22*	Change	County Change	HdL State Change
Service Stations	485.0	27.9% ↑	21.2% ↑	18.4% ↑
Casual Dining	467.7	19.7% ↑	19.2% ↑	10.1% ↑
Medical/Biotech	297.5	26.2% ↑	12.7% ↑	1.7% ↑
Electrical Equipment	239.0	-24.8% ↓	19.8% ↑	15.6% ↑
Quick-Service Restaurants	171.1	10.7% ↑	8.8% ↑	4.0% ↑
Grocery Stores	107.6	5.0% ↑	4.9% ↑	3.0% ↑
Electronics/Appliance Stores	102.8	-28.7% ↓	12.8% ↑	3.7% ↑
Leisure/Entertainment	96.7	67.9% ↑	36.6% ↑	23.7% ↑
Office Equipment	92.7	78.1% ↑	11.6% ↑	9.1% ↑
Convenience Stores/Liquor	82.2	1.6% ↑	-0.6% ↓	1.8% ↑

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