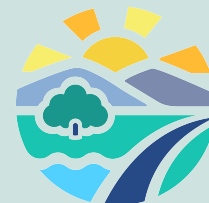


CITY OF MOUNTAIN VIEW

SALES TAX UPDATE

1Q 2024 (JANUARY - MARCH)



MOUNTAIN VIEW

TOTAL: \$ 5,158,156

-8.9%

1Q2024



2.5%

COUNTY



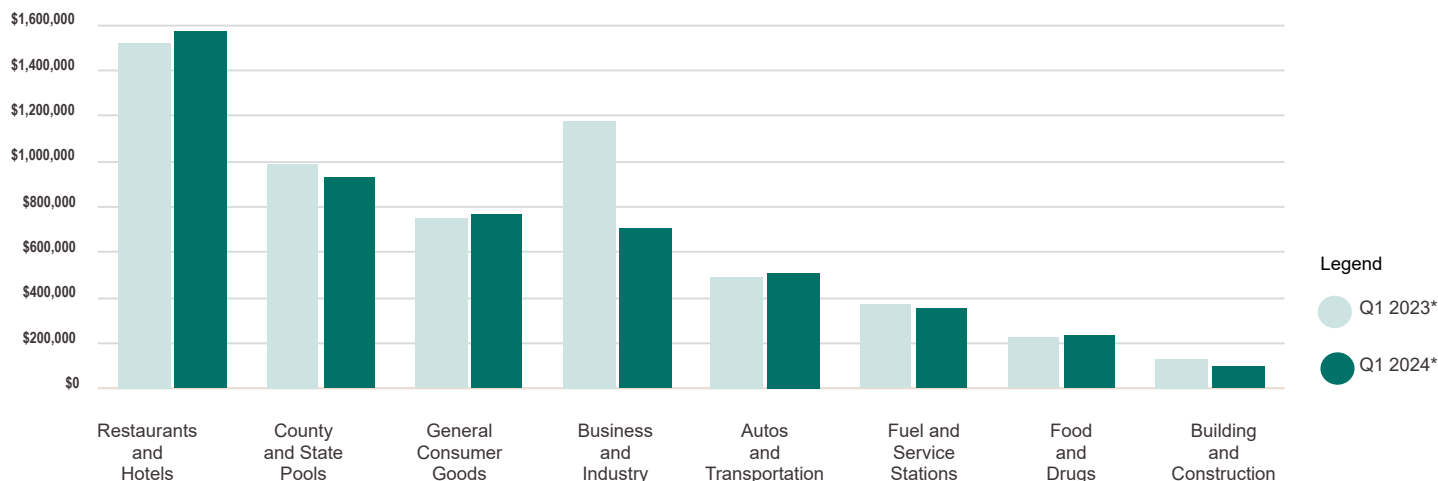
-0.3%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF MOUNTAIN VIEW HIGHLIGHTS

Mountain View's gross receipts from January – March were 6.4% below the first sales period in 2023. However, after adjusting for reporting modifications such as audit adjustments and delayed payments, actual sales were down 8.9%. Sales tax results varied by tax group.

Restaurants-hotels grew 3.6% as fast-casual dining and leisure/entertainment contributed to the gain. Retail shopping revenues edged higher during the early months of the year – with family apparel and specialty stores leading the growth. Autos-transportation related spending improved, supported by a large taxpayer payment in the transportation/rentals sector.

Conversely, several one-time taxpayer payments a year ago in the medical/ biotech category, and lower electrical equipment and office equipment sales

skewed down the business-industry group by a whopping 40%. The resulting lower overall sales tax revenues caused the City's share of the countywide use tax pool to shrink – resulting in a 6.6% decline in pool allocation.

While the price of crude oil fluctuated during the early months of the year, service station revenues netted a slight decrease. Lower building material purchases and reduced contractor activity pulled down the building-construction returns.

Net of adjustments, taxable sales for all of Santa Clara County grew 2.5% over the comparable time period; the Bay Area was down 2.3%.



TOP 25 PRODUCERS

- Allison BMW
- Best Buy
- Bon Appetit
- BP Pulse Fleet
- Chevron
- Compass Group USA
- Costco
- Financial Services Vehicle Trust
- In N Out Burger
- Kiwi Co
- Marshalls
- Mountain View Arco
- Mountain View Shell
- Project Fi by Google
- Response Motors
- Rohde & Schwarz
- Ross
- Safeway
- Santec U S A Corporation
- Synopsys
- Target
- Total Wine & More
- Valley Oil
- Walmart
- Waymo



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts during the months of January through March were 0.2% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year first quarter is traditionally the lowest sales tax generating period; however, returns were more on par with the comparison period.

One of the only sectors continuing to display declines was auto-transportation. High interest rates created more expensive long-term financing costs. Combined with a dramatic cost of insurance coverage rate spike, this group declined 7.5%.

Fuel and service stations was the other sector with a drop over last year. As California drivers embark on summer travel, they’ll do so with slightly elevated gas prices versus 2023, probably yielding the final period of negative results for the category heading into 2025.

During this post-holiday shopping period, general consumer goods experienced a soft rebound with very modest 0.5% growth. Although retailers selling gas were hurt by fuel prices, it did not stop family apparel and department stores from lifting revenues.

Restaurant activity contributed constant growth of 2.1%. Only fine dining establishments remain hindered as more affordable menus are preferred. Also, it appears some eateries made operational changes while implementing AB 1228; however, there isn’t enough data

yet to understand if this new bill impacted revenue.

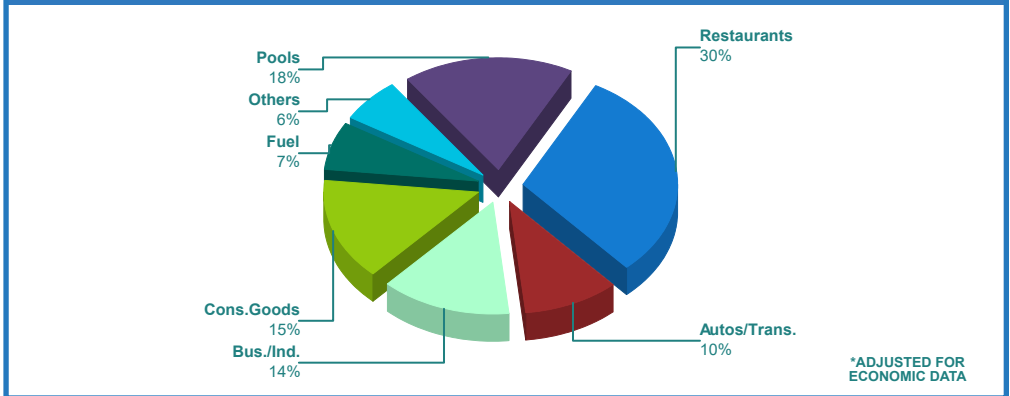
Seemingly dramatic one-time events helped boost business-industry, as investments in office supplies-furniture and energy projects were a significant reason for 3.6% gains this quarter. Additionally, strong fulfillment center direct payments demonstrated sustained logistical expansion. When coupled with improved returns via the countywide use tax pools, customers demonstrated e-commerce preferences for obtaining various goods. Overall

pool allocations improved 1.6%.

Statewide, 2024 begins in a more positive fashion compared to the recent trends of 2023. Buoyed 1st quarter results may signify ‘the floor’ helping ease tax revenue concerns while awaiting the next growth cycle. The Federal Reserve and their position with the Fed Funds Rate remains the most probable component between economic stagnation or spring-boarding consumer spending. Tourism and local travel in the coming summer period could further inspire confidence.

REVENUE BY BUSINESS GROUP

Mountain View This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Mountain View Business Type	Q1 '24*	Change	County Change	HdL State Change
Casual Dining	421.8	-0.1% ↓	5.8% ↑	2.3% ↑
Electrical Equipment	362.3	-28.6% ↓	-13.9% ↓	-2.2% ↓
Service Stations	352.7	-4.0% ↓	-1.4% ↓	-0.8% ↓
Quick-Service Restaurants	167.2	-1.6% ↓	3.3% ↑	2.7% ↑
Grocery Stores	115.4	5.1% ↑	1.3% ↑	2.8% ↑
Electronics/Appliance Stores	89.3	-0.5% ↓	-5.5% ↓	-7.0% ↓
Fast-Casual Restaurants	83.1	1.6% ↑	-1.7% ↓	2.3% ↑
Transportation-Non-Auto	77.1	-43.6% ↓	48.7% ↑	24.7% ↑
Business Services	71.5	31.9% ↑	-1.5% ↓	-0.2% ↓
Family Apparel	70.0	14.5% ↑	7.3% ↑	7.4% ↑

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