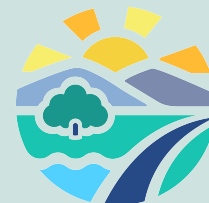


CITY OF MOUNTAIN VIEW

SALES TAX UPDATE

2Q 2024 (APRIL - JUNE)



MOUNTAIN VIEW

TOTAL: \$ 5,031,580

-11.0%

2Q2024



-1.7%

COUNTY



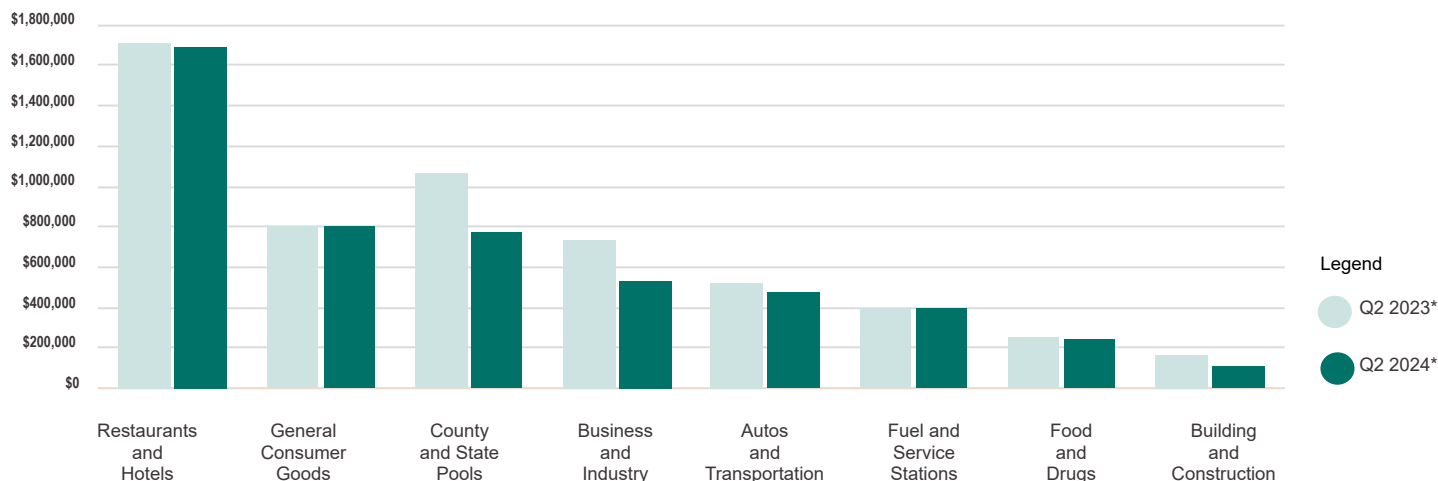
-0.6%

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 30.1% below the second sales period in 2023. Excluding reporting aberrations, actual sales were down 11.0%.

A change in reporting and a business relocating outside the City caused the large drops in electrical equipment and business services; one-time allocations in a few of the business types in the business-industry group did help to lessen the decline for the group.

Building-construction was also affected by closures, but the drop was furthered by one-time allocations in the comparable quarter as well as slowing for the building industry.

The autos-transportation group was down a little stronger than the statewide average.

On a positive note, service stations and general consumer goods both eked out slightly positive results. General consumer goods benefited from consumers opting for off-price concepts which boosted the family apparel by 7% while home furnishings gains of 8% outpaced the statewide negative trend.

Restaurants were a mixed bag; casual dining and quick-service were slightly down while fast-casual was up.

With the drop in point of sale, the City's portion of the pool also declined.

Net of aberrations, taxable sales for all of Santa Clara County declined 1.7% over the comparable time period; the Bay Area was down 1.7%.



TOP 25 PRODUCERS

- | | |
|----------------------------------|-----------------------|
| Allison BMW | Target |
| Best Buy | Total Wine & More |
| Bon Appetit | Valley Oil |
| Bruce Bauer Lumber & Supplies | Walmart |
| Chevron | Waymo |
| Coast Gasoline | Westlake Ace Hardware |
| Compass Group USA | Wisk Aero |
| Costco | |
| Diamond Gas & Mart | |
| Financial Services Vehicle Trust | |
| In N Out Burger | |
| Kiwi Co | |
| Marshalls | |
| Mountain View Arco | |
| Mountain View Shell | |
| Project Fi by Google | |
| Ross | |
| Safeway | |



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts during the months of April through June were 0.6% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year second quarter is traditionally the beginning of the summer spending season; however, returns were relatively flat when compared to a year ago. For many California agencies, this also marks the end of the 2023-24 fiscal year, where statewide sales tax revenues were down 1.3% from the 2022-23 fiscal year.

Consistent with recent trends, auto-transportation receipts fell 6.2% - the largest sector decline this quarter. Sustained high interest rates, tightened credit standards, and increased cost of insurance all converged to impact returns. While inventory-levels for many dealerships have rebounded, it’s only proving to create downward pressure on prices, further constraining receipts.

Summer weather usually marks fruitful periods for building-construction, however as property owners struggle to access equity for improvements, year-over-year receipts declined. The price of lumber and other materials are now more affordable, but new projects have been sidelined by developers until financing and mortgage costs drop further.

Similarly, as the price of consumer goods has cooled with moderate inflation rates, returns from multiple merchants have curtailed. Men’s and women’s apparel, home furnishings, electronic-appliance and specialty stores could not escape the change in shopper’s preferences for lower priced items from large brick-and-mortar retailers like discount department stores.

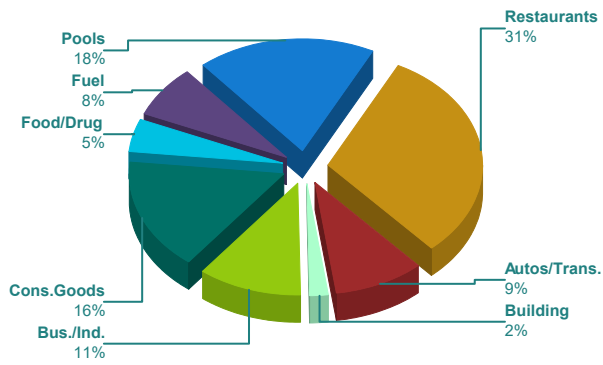
Restaurants experienced only a modest

gain of 0.7%. As AB 1228 is enacted – state law increasing California’s minimum wage at designated eateries – third party data reports that foot traffic to all such establishments decreased during this same time period. Not only are diners selecting less expensive places to eat, but many may have been pushed to limit their frequency to dine out.

Multiple of sectors experienced mild growth including allocations from the countywide use tax pool and the business-industrial group, both benefiting from online shopping, and fuel-service stations as drivers continue to hit the road even as gas prices remain elevated.

Halfway through the current calendar year, revenue trends remain slightly lower than a year ago overall. Although the Federal Reserve recently reduced the Fed Funds Rate helping temper the cost of financing, personal consumption forecasts remain insipid through the remainder of 2024. Consumers are more likely to wait for greater improvement of household economic conditions before extending themselves again, inspiring the next sales tax growth cycle.

REVENUE BY BUSINESS GROUP
Mountain View This Fiscal Year*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Mountain View Business Type	Q2 '24*	Change	County Change	HdL State Change
Casual Dining	466.7	-1.0% ↓	3.8% ↑	0.2% ↑
Service Stations	395.2	0.1% ↑	3.4% ↑	4.1% ↑
Quick-Service Restaurants	182.5	-2.6% ↓	2.3% ↑	0.7% ↑
Transportation-Non-Auto	143.3	87.5% ↑	221.1% ↑	-4.6% ↓
Electrical Equipment	119.8	-61.0% ↓	22.4% ↑	13.2% ↑
Grocery Stores	118.1	-1.1% ↓	-1.1% ↓	1.9% ↑
Fast-Casual Restaurants	89.7	3.1% ↑	2.4% ↑	2.6% ↑
Electronics/Appliance Stores	87.6	-0.9% ↓	-11.4% ↓	-10.7% ↓
Convenience Stores/Liquor	79.9	0.6% ↑	-0.4% ↓	-0.9% ↓
Family Apparel	76.4	7.1% ↑	0.4% ↑	0.3% ↑

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars