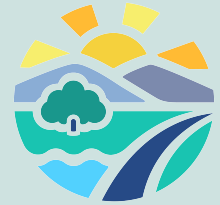


# CITY OF MOUNTAIN VIEW

## SALES TAX UPDATE

### 3Q 2024 (JULY - SEPTEMBER)



#### MOUNTAIN VIEW

TOTAL: \$ 5,180,760

-4.7%

3Q2024



-1.3%

COUNTY



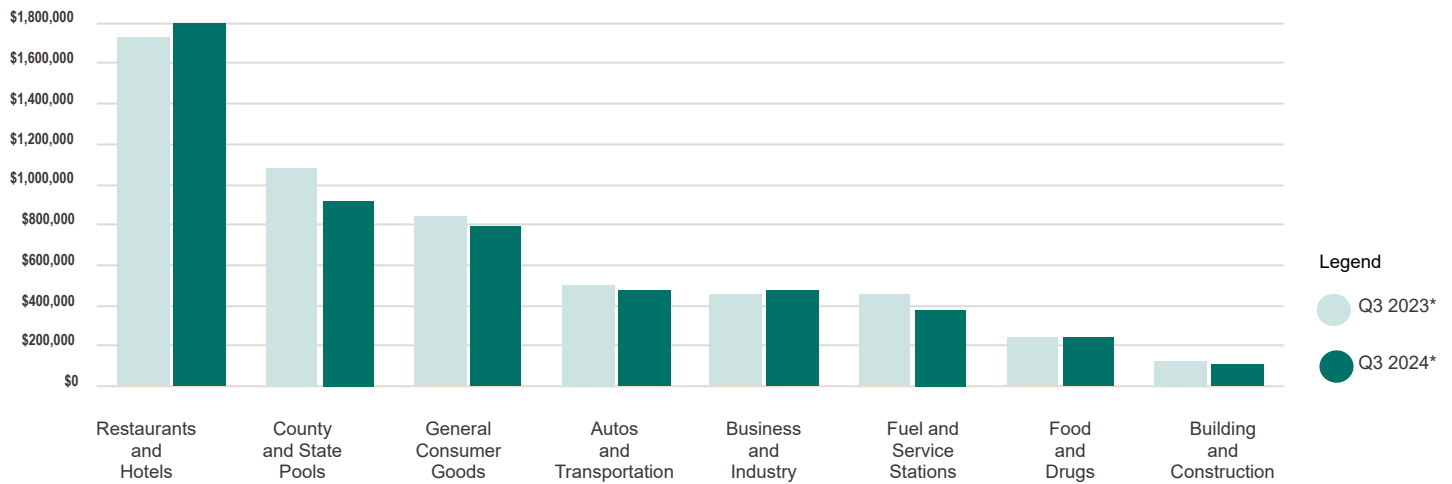
-2.3%

STATE



\*Allocation aberrations have been adjusted to reflect sales activity

#### SALES TAX BY MAJOR BUSINESS GROUP



#### CITY OF MOUNTAIN VIEW HIGHLIGHTS

Mountain View's receipts from July through September were 23.1% below the third sales period in 2023. Excluding reporting aberrations, actual sales were down 4.7%.

While consumer confidence indices have improved, this sentiment has not translated into greater spending on taxable goods. Inflation savvy shoppers spent 6% less at general consumer goods retailers; outlay contractions showed up again with decreases from the electronics, specialty stores and home furnishing.

Restaurants-hotels were up with big gains in a few of the categories including leisure/entertainment; with menu prices growing casual dining growth was minimally up while quick-service restaurants and fast-casual restaurants were down.

Business-industry was up with growth in the non-auto transportation category.

Service stations were down as prices at the pumps were lower than the comparable quarter.

Autos-transportation were down statewide and local sales followed those trends.

Receipts to the countywide pool were up, due to an anomaly the City's portion of the pool was down leading to a 15% decline in the City's allocation.

Net of aberrations, taxable sales for all of Santa Clara County declined 1.3% over the comparable time period; the Bay Area was down 1.9%.



#### TOP 25 PRODUCERS

Allison BMW  
Best Buy  
Bon Appetit  
Bruce Bauer Lumber & Supplies  
Chevron  
Compass Group USA  
Costco  
CVS Pharmacy  
Financial Services Vehicle Trust  
Good Eating Co  
In N Out Burger  
Kiwi Co  
Marshalls  
Mountain View Arco  
Mountain View Shell  
Project Fi by Google  
Ross  
Safeway

Shoreline Amphitheatre  
Target  
Total Wine & More  
Valley Oil  
Walmart  
Waymo  
Wisk Aero



## STATEWIDE RESULTS

California's local one cent sales and use tax receipts during the months of July through September were 2.3% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year third quarter traditionally is noted for pleasant weather and statewide tourism; however, taxes fell when compared to a year ago. As such, it also means a weak start of the 2024-25 fiscal year for many California agencies.

Once again, autos-transportation receipts took a hit and declined 4.8%. This period marks the seventh consecutive quarter of downturn for the sector. While used autos returns and leasing activity have improved, revenues from new car sales struggled due to sustained high interest rates, tightened credit standards, and increased cost of auto insurance. As such, inventories for many dealers remain elevated, applying downward pressure on prices and growth into 2025.

The summer season is usually an advantageous time for home repairs and construction work, however, this industry is also struggling with high consumer interest rates and limited access to equity for homeowners. New projects remain sidelined as developers await more favorable investment conditions.

Brick-and-mortar general consumer retailers pulled back 3.8% - worsened by lower gas prices. Consumers appear more interested in lower priced/discounted items vs higher priced/luxury goods, forcing merchants to again consider inventory needs. Additionally, competition from online merchants is as fierce as ever, as shoppers look for greater value. With holiday shopping around the corner, local store expectations remain soft.

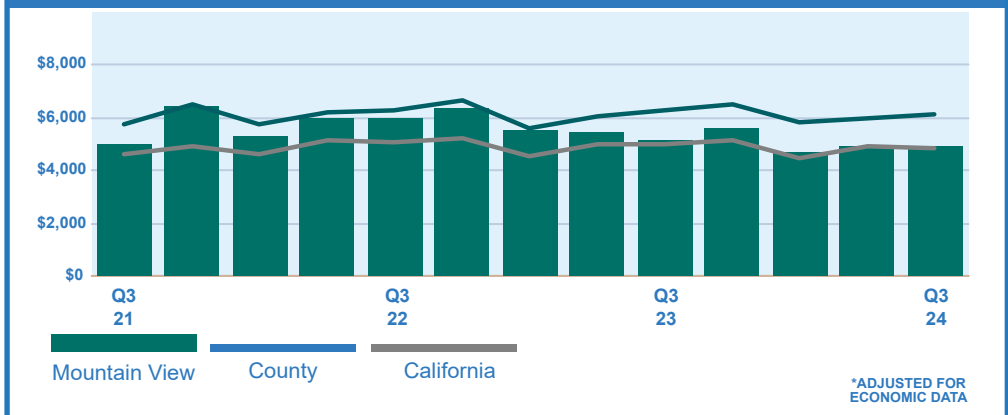
Fuel generating taxpayers had a rough quarter; a combination of consumption declines and falling fuel prices thrust comparisons down by 13%. Further contraction of national drug store locations coupled with the steady fall from cannabis merchants dating back to 2021, caused a decrease of 2.8% in the food-drugs category. Expect similar percentage declines for the upcoming end of 2024 quarter.

Although statewide tourism appears to have improved over 2023, revenue from restaurants experienced only a modest gain of 0.7%, which included a dramatic drop from fine dining establishments – consistent with spending trends in other sectors. State

mandated minimum wage requirements remained a challenge, with higher menu prices reducing patron visits.

These sluggish results solidify 2024 as a down year. Recent reductions to the Fed Funds Rate aren't considered to help until later in 2025. Agencies should expect fiscal year 2024-25 sales taxes to stay flat or decline slightly as sluggish economic conditions leave consumers cautious in their spending patterns, especially for big ticket items and discretionary products.

### SALES PER CAPITA\*



### TOP NON-CONFIDENTIAL BUSINESS TYPES

Mountain View Business Type	Q3 '24*	Change	County Change	HdL State Change
Casual Dining	473.4	0.8% ↑	2.4% ↑	1.1% ↑
Service Stations	375.7	-16.8% ↓	-14.7% ↓	-12.8% ↓
Quick-Service Restaurants	180.6	-0.3% ↓	0.0% ↓	1.1% ↑
Leisure/Entertainment	157.3	9.1% ↑	-4.8% ↓	-3.1% ↓
Electrical Equipment	121.4	0.6% ↑	33.3% ↑	9.7% ↑
Grocery Stores	113.6	-1.3% ↓	-1.1% ↓	1.4% ↑
Fast-Casual Restaurants	89.7	-2.8% ↓	1.5% ↑	2.1% ↑
Electronics/Appliance Stores	84.6	-7.2% ↓	-0.5% ↓	-5.1% ↓
Convenience Stores/Liquor	76.6	-4.3% ↓	-2.5% ↓	-2.1% ↓
Family Apparel	74.9	1.3% ↑	-0.9% ↓	-0.2% ↓

\*Allocation aberrations have been adjusted to reflect sales activity

\*In thousands of dollars