

# CITY OF BRENTWOOD

## SALES TAX UPDATE

### 2Q 2024 (APRIL - JUNE)



#### BRENTWOOD

TOTAL: \$ 2,927,977

-0.4%

2Q2024



-0.2%

COUNTY



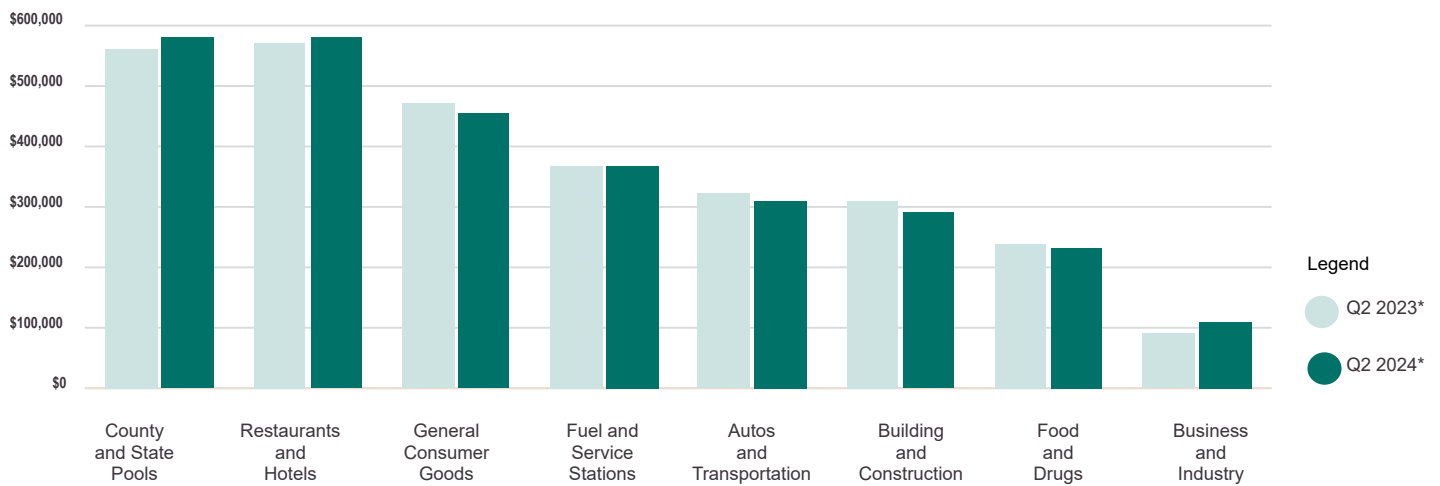
-0.6%

STATE



\*Allocation aberrations have been adjusted to reflect sales activity

#### SALES TAX BY MAJOR BUSINESS GROUP



#### CITY OF BRENTWOOD HIGHLIGHTS

Brentwood's receipts from April through June were 0.8% above the second sales period in 2023. Excluding reporting aberrations, actual sales were down 0.4%.

Persistent elevated financing costs, declines in vehicle prices and transaction volumes drove autos-transportation 4% lower than prior quarter returns.

A 5% revenue drop by building material companies revealed shoppers deferred big-ticket purchases plus fewer customers visited these stores; contractor's projects slowed as well which explained the building-construction group's decrease.

Focusing on household essential expenses, shoppers stayed away from discretionary outlays at specialty, home furnishings, and shoe retailers; general

consumer goods taxes contracted 4%. Grocer's remitted 2% fewer payments, contributed to the decrease in food-drugs.

Opening of a second fast casual chain location boosted this sector 11%; with casual and quick service eatery's sales flat and leisure venues down. The restaurant-hotels group eked out a 1% gain.

Steady improvement in online procuring from marketplace sellers boosted pool allocations 4%. An unexpected one-time payment of \$14,000 caused the business-industry surge.

Net of aberrations, taxable sales for all of Contra Costa County declined 0.2% over the comparable time period; the Bay Area was down 1.7%.



#### TOP 25 PRODUCERS

7 Eleven  
Ace Hardware  
Arco AM PM  
Big B Lumber  
Bill Brandt Ford  
BJ's Restaurant & Brewhouse  
Brentwood Chevron  
Brentwood Ready Mix  
Chevron  
Chipotle  
Home Depot  
Home Goods  
In N Out Burger  
Kohls  
Marshalls  
Power Market  
Ross  
Safeway  
Sportsman's Warehouse

Sunset Arco AM PM  
TJ Maxx  
Trident Environmental & Engineering  
Ultra Beauty  
Walgreens  
Winco Foods



### 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.

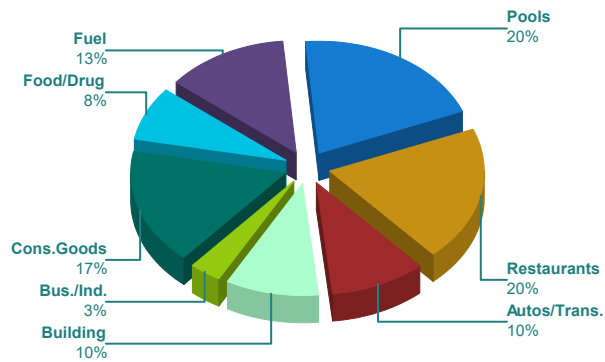
Restaurants experienced only a modest

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 Brentwood This Fiscal Year\*



\*ADJUSTED FOR ECONOMIC DATA

### TOP NON-CONFIDENTIAL BUSINESS TYPES

Brentwood Business Type	Q2 '24*	Change	County Change	HdL State Change
Service Stations	368.8	0.5% ↑	4.6% ↑	2.3% ↑
Casual Dining	288.2	-0.7% ↓	-0.6% ↓	0.7% ↑
Building Materials	236.9	-5.3% ↓	-7.4% ↓	-3.0% ↓
Quick-Service Restaurants	173.3	0.1% ↑	0.0% ↑	1.2% ↑
Grocery Stores	166.2	-1.5% ↓	0.4% ↑	1.6% ↑
Family Apparel	131.5	6.2% ↑	9.8% ↑	0.9% ↑
Fast-Casual Restaurants	77.3	19.4% ↑	8.4% ↑	3.2% ↑
Specialty Stores	73.8	-8.7% ↓	-2.5% ↓	-4.7% ↓
Automotive Supply Stores	63.5	-4.3% ↓	-2.2% ↓	-3.3% ↓
Home Furnishings	54.7	-4.7% ↓	-7.6% ↓	-7.8% ↓

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\*In thousands of dollars