

Q1 2009



City of Brentwood Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (Jan-Mar 2009)

Brentwood In Brief

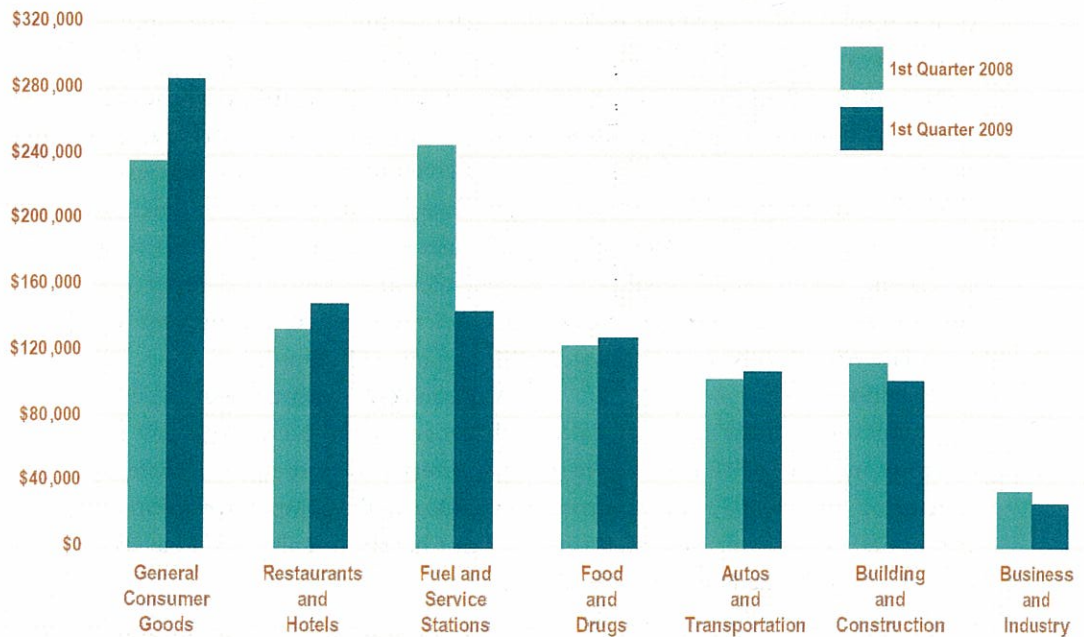
Receipts from January – March sales were 4.3% lower than the same quarter last year.

The decrease in fuel prices and lower consumption accounted for the drop in service station returns. The adverse economic conditions negatively impacted the building/construction and business to business sectors.

The recent opening of the Streets of Brentwood Lifestyle Center in combination with other new outlets bumped up receipts in general retail, restaurant, grocery and automobile categories. The exceptions were restaurants with beer/wine and home furnishings.

Adjusted for reporting aberrations, taxable sales for all of Contra Costa County and its cities declined 11.8% over the comparable time period while the Bay area as a whole was down 16.1%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

In Alphabetical Order

Ace Hardware	Raleys
Babies R Us	Ross
Best Buy	Safeway
Bill Brandt Ford	Save Mart
Brentwood Service Station	Supermarkets
Chevron	So Coast Service Station
Dallas Shanks Services	TJ Maxx
Devi Oil	Tower Mart
Home Depot	Tri City Auto Plaza
Home Goods	Verizon Wireless
Hurtados Auto Sales	Walgreens
Kohls	Winco Foods
Longs	
Michaels	

REVENUE COMPARISON

Four Quarters – Fiscal Year To Date

	2007-08	2008-09
Point-of-Sale	\$4,376,219	\$4,409,429
County Pool	609,447	563,003
State Pool	2,431	2,205
Gross Receipts	\$4,988,097	\$4,974,637
Cty/Cnty Share	(124,702)	(124,366)
Net Receipts	\$4,863,395	\$4,850,271
Less Triple Flip*	\$(1,215,849)	\$(1,212,568)

*Reimbursed from county compensation fund

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California Overall

Statewide sales tax revenues continued to trend downward for the seventh consecutive quarter with June's allocations for sales occurring in the January through March period 16.5% lower than the same period one year ago.

The contraction was experienced in all regions with previous holdouts such as the Silicon Valley and some pockets of high end tourism now exhibiting the same percentage decreases as the rest of California. The drop in tax receipts resulted as much from significant price reductions as it did from reduced consumer spending and business investment.

Excluding accounting aberrations, the most severe impact was from a 38.3% decline in fuel and service station receipts reflecting the dramatic retreat from last year's record fuel prices and lower consumption.

The allocations from new car sales dropped another 28.3% from the first quarter of 2008 while revenues from traditional department stores, furniture stores and building materials all exhibited reductions of 20% or more. Sales and use tax revenues are projected to continue to decline through the remainder of 2009 although subsequent reductions should become increasingly moderate. The beginning of a recovery for most regions and categories is not anticipated until mid-2010.

Additional Use Tax Anticipated

The state's budget package includes provisions for more aggressive collection of unpaid use tax. Sellers without physical nexus in the state are not required to collect sales tax from their California customers. In these cases the buyer is liable for paying a corresponding "use tax."

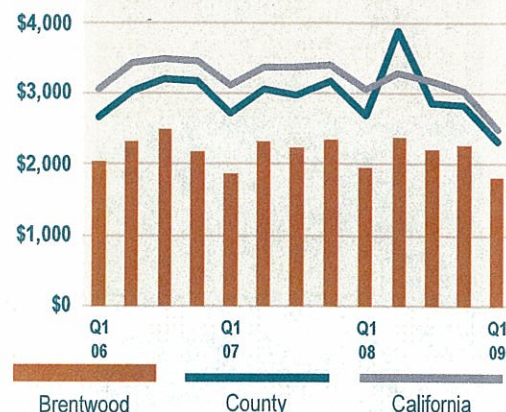
Although the state does an effective job of auditing larger companies, cost and lack of data make monitoring of taxes paid on purchases by individuals and small companies impractical.

The state proposes to partially deal with this problem through two actions. The first is to require non-sellers to register with the Board of Equalization and file annual returns on unpaid use tax. As professional tax preparers are obligated to properly report purchases, the state estimates that the proposal would generate an additional \$57 million per year by 2009-2010.

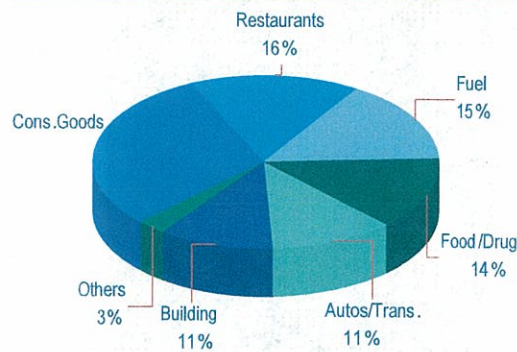
The second action involves a practice enacted by the State of New York that expands the definition of "nexus" to include companies that pay commissions on sales referrals from New York based web sites or affiliates that advertise their products. It is estimated that a similar definition in California could generate up to \$110 million per year. Both actions would also increase city and county collections.

Amazon.com recently lost a court challenge to the New York law and has threatened to drop its affiliates to avoid losing the competitive advantage of not having to collect and pay sales tax.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP
Brentwood This Quarter



BRENTWOOD TOP 15 BUSINESS TYPES

Business Type	Brentwood		County	HdL State
	Q1 '09	Change	Change	Change
Service Stations	\$143,868	-40.7%	-35.9%	-35.2%
Restaurants No Alcohol	89,424	24.5%	1.4%	-2.7%
Grocery Stores Liquor	87,904	3.8%	-2.3%	-1.8%
Family Apparel	76,756	29.6%	-2.3%	-7.5%
Lumber/Building Materials	75,862	-19.0%	-18.7%	-22.6%
Electronics/Appliance Stores	69,564	12.1%	-6.8%	-6.3%
Specialty Stores	42,345	13.4%	-8.4%	-7.8%
Automotive Supply Stores	33,483	2.5%	-12.3%	-6.3%
Restaurants Beer And Wine	32,829	-25.7%	-9.1%	-10.2%
Drug Stores	28,765	5.8%	-6.2%	-4.5%
Home Furnishings	28,435	-6.2%	-23.1%	-21.2%
New Motor Vehicle Dealers	— CONFIDENTIAL —		-30.6%	-27.7%
Used Automotive Dealers	24,710	33.3%	-28.4%	-26.0%
Restaurants Liquor	22,409	83.3%	1.8%	-2.0%
Auto Repair Shops	18,545	-4.6%	-5.6%	-10.5%
Total All Accounts	\$942,394	-4.4%	-12.7%	-17.6%
County & State Pool Allocation	135,290	-3.1%		
Gross Receipts	\$1,077,684	-4.3%		
City/County Share	(26,942)	4.3%		
Net Receipts	\$1,050,742	-4.3%		