

CITY OF BRENTWOOD

SALES TAX UPDATE

3Q 2022 (JULY - SEPTEMBER)



BRENTWOOD

TOTAL: \$ 2,926,691

4.7%
3Q2022



5.3%
COUNTY

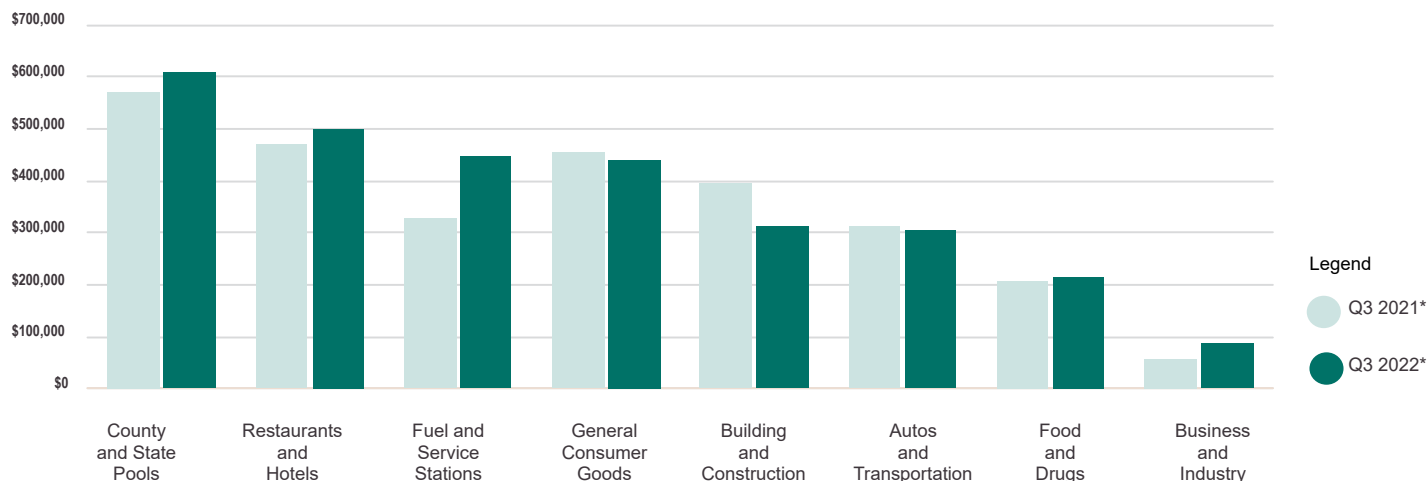


8.0%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF BRENTWOOD HIGHLIGHTS

Brentwood's receipts from July through September were 5.9% above the third sales period in 2021. Excluding reporting aberrations, actual sales were up 4.7%.

The City's largest business type, service stations, were up 36% with high prices at the pump during the third quarter and a new outlet opening.

Most in the building-construction group posted flat results, but a onetime spike in the comparable quarter created the negative results.

Restaurants were up due to rising menu prices and new outlets opening; casual dining was up almost 14% but quick service and fast casual were only up slightly.

Autos and transportation posted declines which are not in line with the statewide average gains of 5%.

General consumer goods was a mixed bag; family apparel was up due to a new store but home furnishings were down.

The countywide pool grew 8.7%, but other agencies had larger growth in point of sale, so the City's allocation only grew 6.8%.

Net of aberrations, taxable sales for all of Contra Costa County grew 5.3% over the comparable time period; the Bay Area was up 9.9%.



TOP 25 PRODUCERS

7 Eleven
Ace Hardware
Arco AM PM
Big B Lumber
Bill Brandt Ford
BJ's Restaurant & Brewhouse
Chevron
Circle K Gas
Dallas Shanks Services
Home Depot
Home Goods
In N Out Burger
Kohls
Power Market
Quik Stop
Ross
Safeway
Sportsman's Warehouse
Sunset Arco AM PM

TJ Maxx
Trident Environmental & Engineering
Ulta Beauty
Walgreens
Watersavers Irrigation
Winco Foods



STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring July through September was 8% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark another strong period of growth for the California spending economy.

Even as the Federal Reserve Board continued ramping up interest rates in an effort to curb the larger concern of inflation, consumers maintained purchases on multiple fronts, especially automobiles. Surprisingly, new car dealers experienced 10% gains over the comparable period in 2021. Limited inventory and demand for higher mileage vehicles including electric and hybrid models helped support growth. In addition, the increased cost of used vehicles has pushed many into the new vehicle market; in contrast, sales of recreation vehicles and auto leasing activity remained soft.

For Californians, the summer of 2022 had the highest gas prices on record; subsequently fuel and service stations receipts jumped 21%. Commuters and summer travel remained steady, yet overall consumption still trails pre-pandemic levels by approximately 13%. Although the Russia-Ukraine conflict initially caused a dramatic shift in global crude oil markets, prices have begun to pull back closer to historical norms.

Restaurants experienced a strong uptick as increased menu prices, consistent desire to dine out and strong tourism contributed to this favorable news. Just as important, theme parks, leisure-entertainment venues and hotels pushed positive momentum back to 2019 levels. With tightening profit margins and sustained labor concerns, future improvement could be slowed compared to the last two years.

Busy contractors and plumbing-electrical suppliers boosted the building-construction

sector. Solid residential and commercial housing prices persisted despite recent interest rate hikes. Tenant improvements further support spending activity as businesses assess future office needs. With statewide new housing requirements and federal infrastructure funding on the horizon, current forecasts stay optimistic.

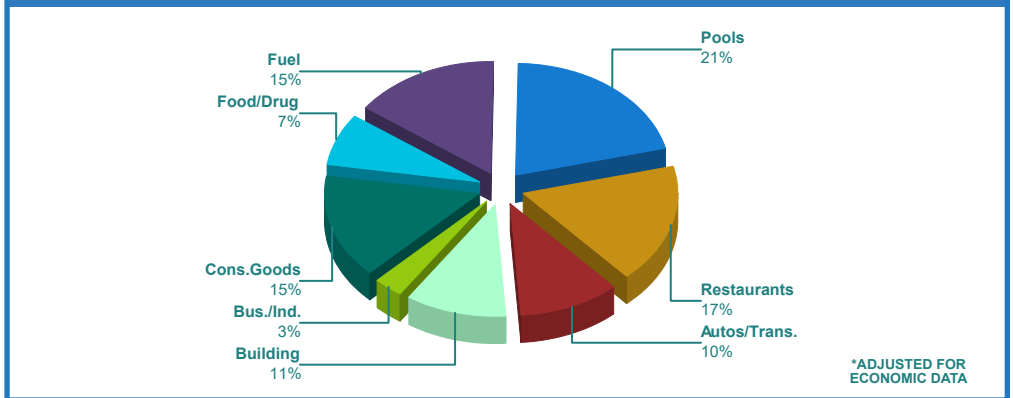
Steady investment in capital equipment coupled with the overall increased price of goods enhanced both business-industry and countywide use tax pool allocations.

For the second straight quarter, fuel sales linked to discount department stores propped up general consumer goods results. Otherwise, retailers experienced flat to decreased receipts as many apparel

categories, home furnishings and sporting goods struggled to keep pace with the prior year. As consumers balanced summer opportunities and higher prices, in-store shopping appears to have taken a temporary back seat.

Sustained price increases and interest rate hikes certainly have consumers contemplating where to spend their dollars. However, historically low statewide unemployment rates and the recovery of the national stock markets from declines earlier this year leave modest optimism heading into 2023.

REVENUE BY BUSINESS GROUP Brentwood This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Brentwood Business Type	Q3 '22*	Change	County Change	HdL State Change
Service Stations	448.5	36.4% ↑	23.9% ↑	18.5% ↑
Building Materials	263.6	0.3% ↑	2.6% ↑	2.7% ↑
Casual Dining	255.8	13.8% ↑	9.8% ↑	10.3% ↑
Quick-Service Restaurants	155.4	0.8% ↑	3.7% ↑	3.9% ↑
Grocery Stores	150.8	6.0% ↑	2.9% ↑	3.1% ↑
Family Apparel	108.9	6.6% ↑	-1.7% ↓	-1.7% ↓
Specialty Stores	75.8	13.2% ↑	7.3% ↑	4.2% ↑
Automotive Supply Stores	62.0	9.8% ↑	3.1% ↑	5.3% ↑
Home Furnishings	61.7	-23.1% ↓	-1.7% ↓	-5.5% ↓
Fast-Casual Restaurants	51.4	1.7% ↑	3.2% ↑	6.0% ↑

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