

CITY OF BRENTWOOD

SALES TAX UPDATE

1Q 2021 (JANUARY - MARCH)



BRENTWOOD

TOTAL: \$ 2,255,946

8.0%
1Q2021



9.6%
COUNTY

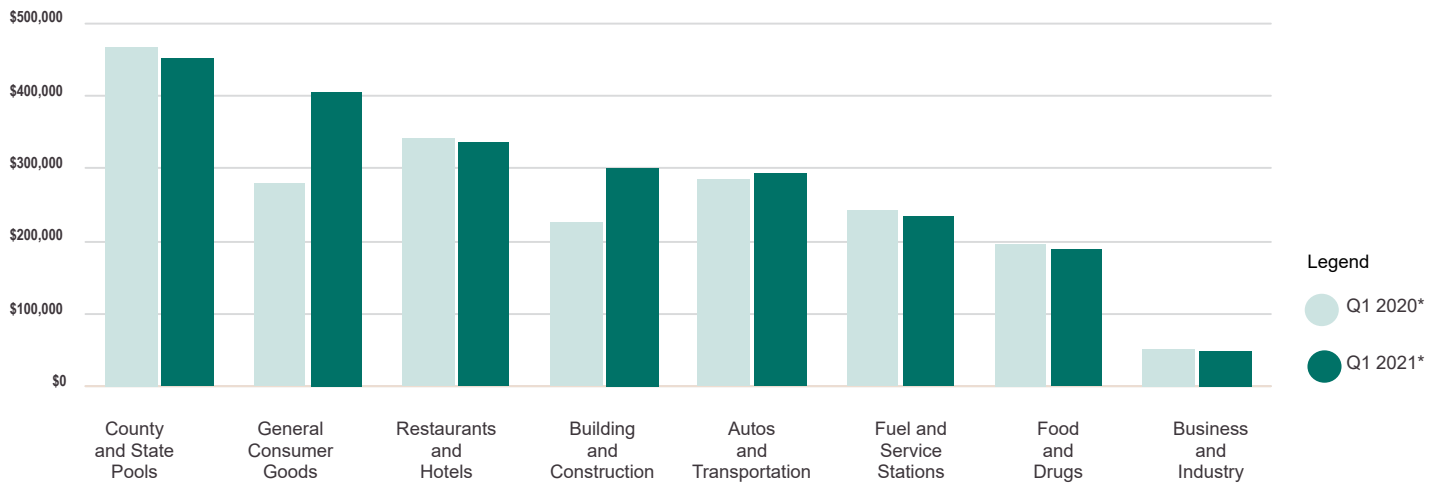


9.5%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF BRENTWOOD HIGHLIGHTS

Brentwood's receipts from January through March were 18.6% above the first sales period in 2020; inflated by payments missing from the comparable quarter due to the Governor's deferral program. Excluding reporting aberrations, actual sales were up 8.0%.

Building material stores benefited from the home improvement trend and posted gains of 31%; far surpassing the statewide average of 19% gains. In the comparable quarter, several stores that were deemed non-essential were temporarily closed; the gains posted this quarter are partially due to the circumstances in the comparable quarter but the positive results were furthered by a new outlet.

Restaurants were a mixed bag, while casual dining receipts were impacted by the second shelter-in-place that

prohibited on-site dining, quick service and fast casual restaurants surged. Service stations results were down 3%; prices were still lower but commuters were back on the road.

E-commerce spending didn't slow down, even after accounting for expected change in taxpayer return filing that pulled some use taxes out of the countywide pool, but the pool was lessened by a one-time negative correction and a spike in the comparable year. The City's allocation was lower because other agencies posted stronger gains because they had more missing payments in the comparable quarter.

Net of aberrations, taxable sales for all of Contra Costa County grew 9.6% over the comparable time period; the Bay Area was up 0.8%.



TOP 25 PRODUCERS

Ace Hardware
Arco AM PM
Big B Lumber
Bill Brandt Ford
Brentwood Chevron
Brentwood Ready Mix
Chevron
Circle K Gas
Dallas Shanks Services
Home Depot
Home Goods
In N Out Burger
Kohls
Manic Motors
McDonalds
Power Market
Quik Stop
Ross
Safeway

Sportmans Warehouse
Southwest
TJ Maxx
Tractor Supply
Ultra Beauty
Walgreens
Winco Foods



STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring January through March, was 9.5% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The Shelter-In-Place directive began one year ago which had the impact of immediate store and restaurant closures combined with remote/work from home options for employees which significantly reduced commuting traffic and fuel sales. When comparing to current period data, percentage gains are more dramatic. Furthermore, this pandemic dynamic combined with the Governor’s first Executive Order of last spring allowing for deferral of sales tax remittances explained why non-adjusted cash results were actually up 33%.

These initial recovery gains were not the same everywhere. Inland regions like Sacramento, San Joaquin Valley, Sierras, Far North and the Inland Empire area of Southern California performed much stronger than the Bay Area, Central Coast and metro areas of Southern California.

Within the results, solid performance by the auto-transportation and building-construction industries really helped push receipts higher. Weak inventories and scarcity for products increased the taxable price of vehicles (new & used), RV’s, boats and lumber which appeared to be a major driving force for these improved returns. Even though e-commerce sales activity continued to rise, brick and mortar general consumer retailers also showed solid improvement of 11% statewide.

An expected change occurred this quarter as a portion of use tax dollars previously distributed through the countywide pools was redirected to specific local jurisdictions. Changes in business structure required a

taxpayer to determine where merchandise was inventoried at the time orders were made. Therefore, rather than apportion sales to the county pool representing where the merchandise was shipped, goods held in California facilities required allocations be made to the agency where the warehouse resides. With this modification, the business and industry category jumped 18% inclusive of steady gains by fulfillment centers, medical-biotech and garden-agricultural suppliers. Even after the change noted, county pools surged 18% which demonstrated consumers continued desire to make purchases online.

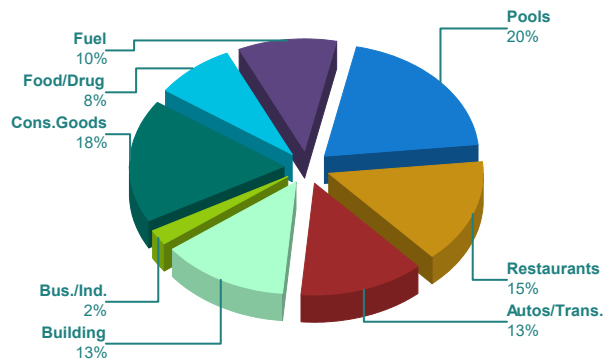
Although indoor dining was available in many counties, the recovery for restaurants

and hotels still lagged other major categories. Similarly, while commuters and travelers slowly began returning to the road, the rebound for gas stations and jet fuel is trailing as well. Both sectors are expected to see revenues climb in the coming quarters as commuters and summer tourism heats up.

Looking ahead, sustained growth is anticipated through the end of the 2021 calendar year. As a mild head wind, pent up demand for travel and experiences may begin shifting consumer dollars away from taxable goods; this behavior modification could have a positive outcome for tourist areas within the state.

REVENUE BY BUSINESS GROUP

Brentwood This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Brentwood Business Type	Q1 '21*	Change	County Change	HdL State Change
Building Materials	240.7	31.4% ↑	17.8% ↑	19.0% ↑
Service Stations	233.4	-3.1% ↓	-9.1% ↓	-4.0% ↓
Casual Dining	142.7	-12.1% ↓	-19.1% ↓	-18.9% ↓
Grocery Stores	139.8	-3.2% ↓	-10.1% ↓	-6.2% ↓
Quick-Service Restaurants	130.9	13.6% ↑	6.1% ↑	1.1% ↑
Family Apparel	84.8	41.8% ↑	31.6% ↑	20.5% ↑
Home Furnishings	78.9	57.6% ↑	20.5% ↑	19.3% ↑
Specialty Stores	60.5	23.2% ↑	10.9% ↑	9.0% ↑
Automotive Supply Stores	50.4	12.4% ↑	9.6% ↑	13.7% ↑
Fast-Casual Restaurants	47.5	28.0% ↑	6.4% ↑	1.2% ↑

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*In thousands of dollars