

CITY OF BRENTWOOD

SALES TAX UPDATE

1Q 2024 (JANUARY - MARCH)



BRENTWOOD

TOTAL: \$ 2,684,313

1.8%
1Q2024



0.9%
COUNTY

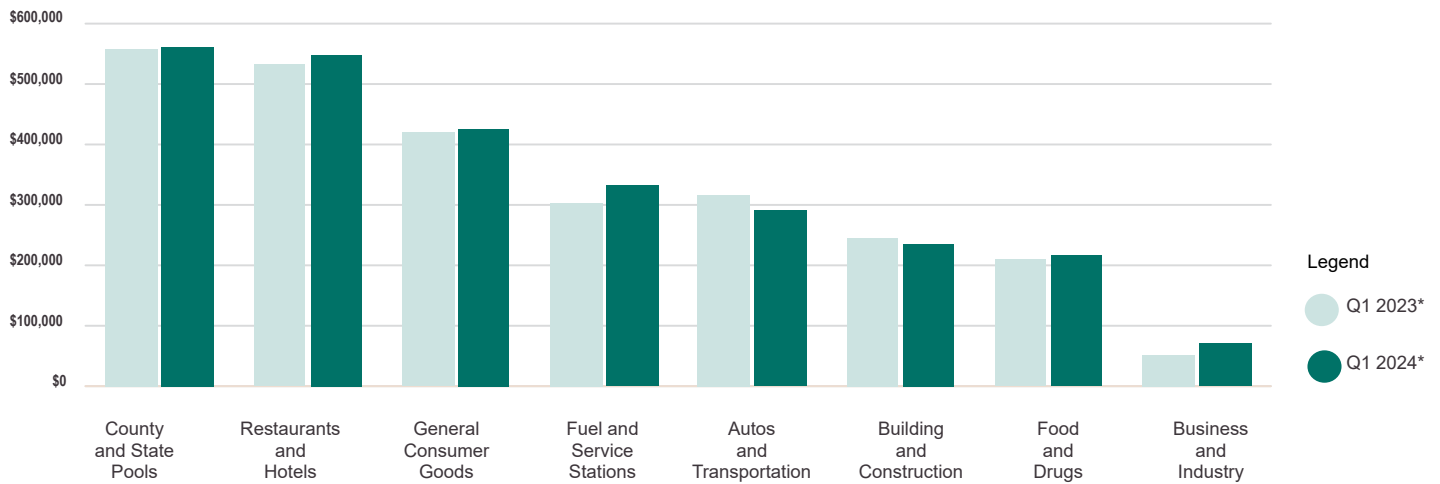


-0.3%
STATE



**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 2.2% above the first sales period in 2023. Excluding reporting aberrations, actual sales were up 1.8%.

New outlets in service stations boosted the results which otherwise would have been down due to lower prices at the pump.

Restaurants posted gains that were right line with the statewide averages, but the gains were due to new outlets in the fast-casual which hid the slowing results for casual dining and leisure/entertainment.

General consumer goods posted gains inline with statewide trends; consumers are shopping at the family apparel stores looking for value in their purchases others categories in the group were down.

Building-construction was down due to slowing in building material while contractors posted modest gains, but not enough to offset the decline.

While business-industry is the smallest group, it posted the largest gains led by growth in the garden/agricultural category.

The receipts were down in the pool, but the City's point of sale was better than others in the county leading to modest gains in the City's allocation.

Net of aberrations, taxable sales for all of Contra Costa County grew 0.9% over the comparable time period; the Bay Area was down 2.3%.



TOP 25 PRODUCERS

- 7 Eleven
- Ace Hardware
- America's Tire
- Arco AM PM
- Big B Lumber
- Bill Brandt Ford
- BJ's Restaurant & Brewhouse
- Chevron
- Chipotle
- Home Depot
- Home Goods
- In N Out Burger
- Kohls
- Marshalls
- Power Market
- Ross
- Rotten Robbie
- Safeway
- Sportsman's Warehouse
- Sunset Arco AM PM
- TJ Maxx
- Tractor Supply
- Ultra Beauty
- Walgreens
- Winco Foods



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts during the months of January through March were 0.2% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year first quarter is traditionally the lowest sales tax generating period; however, returns were more on par with the comparison period.

One of the only sectors continuing to display declines was autos-transportation. High interest rates created more expensive long-term financing costs. Combined with a dramatic cost of insurance coverage rate spike, this group declined 7.5%.

Fuel and service stations was the other sector with a drop over last year. As California drivers embark on summer travel, they’ll do so with slightly elevated gas prices versus 2023, probably yielding the final period of negative results for the category heading into 2025.

During this post-holiday shopping period, general consumer goods experienced a soft rebound with very modest 0.5% growth. Although retailers selling gas were hurt by fuel prices, it did not stop family apparel and department stores from lifting revenues.

Restaurant activity contributed constant growth of 2.1%. Only fine dining establishments remain hindered as more affordable menus are preferred. Also, it appears some eateries made operational changes while implementing AB 1228; however, there isn’t enough data

yet to understand if this new bill impacted revenue.

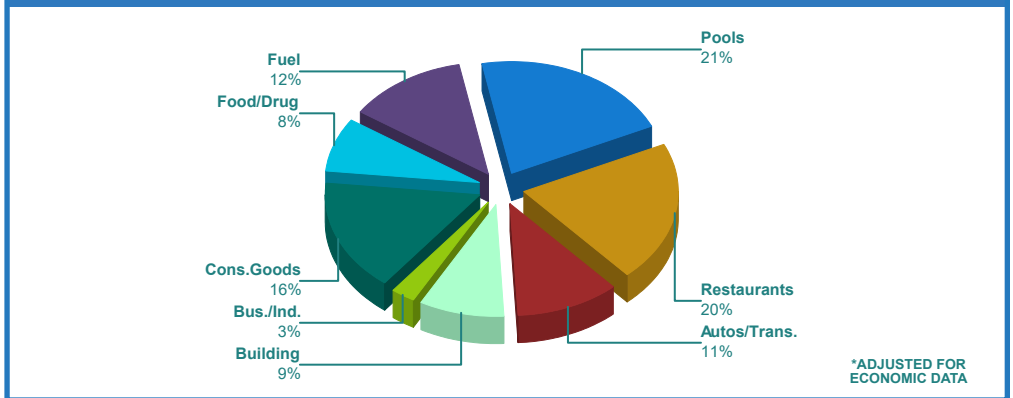
Seemingly dramatic one-time events helped boost business-industry, as investments in office supplies-furniture and energy projects were a significant reason for 3.6% gains this quarter. Additionally, strong fulfillment center direct payments demonstrated sustained logistical expansion. When coupled with improved returns via the countywide use tax pools, customers demonstrated e-commerce preferences for obtaining various goods. Overall

pool allocations improved 1.6%.

Statewide, 2024 begins in a more positive fashion compared to the recent trends of 2023. Buoyed 1st quarter results may signify ‘the floor’ helping ease tax revenue concerns while awaiting the next growth cycle. The Federal Reserve and their position with the Fed Funds Rate remains the most probable component between economic stagnation or spring-boarding consumer spending. Tourism and local travel in the coming summer period could further inspire confidence.

REVENUE BY BUSINESS GROUP

Brentwood This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Brentwood Business Type	Q1 '24*	Change	County Change	HdL State Change
Service Stations	333.3	10.6% ↑	2.5% ↑	-0.8% ↓
Casual Dining	275.0	-1.4% ↓	2.5% ↑	2.2% ↑
Building Materials	204.6	-3.5% ↓	-1.7% ↓	-0.7% ↓
Quick-Service Restaurants	163.2	3.8% ↑	1.4% ↑	2.7% ↑
Grocery Stores	153.0	2.2% ↑	1.9% ↑	2.8% ↑
Family Apparel	119.7	13.3% ↑	14.9% ↑	7.4% ↑
Fast-Casual Restaurants	71.9	23.2% ↑	8.0% ↑	2.3% ↑
Specialty Stores	69.8	-4.6% ↓	-2.0% ↓	-2.3% ↓
Automotive Supply Stores	64.7	2.6% ↑	-2.6% ↓	-3.2% ↓
Home Furnishings	55.8	-0.1% ↓	-5.2% ↓	-6.5% ↓

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