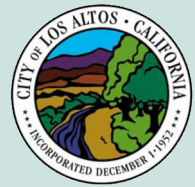


# CITY OF LOS ALTOS

## SALES TAX UPDATE

### 2Q 2022 (APRIL - JUNE)



**LOS ALTOS**

TOTAL: \$ 841,178

14.7%  
2Q2022



8.7%  
COUNTY

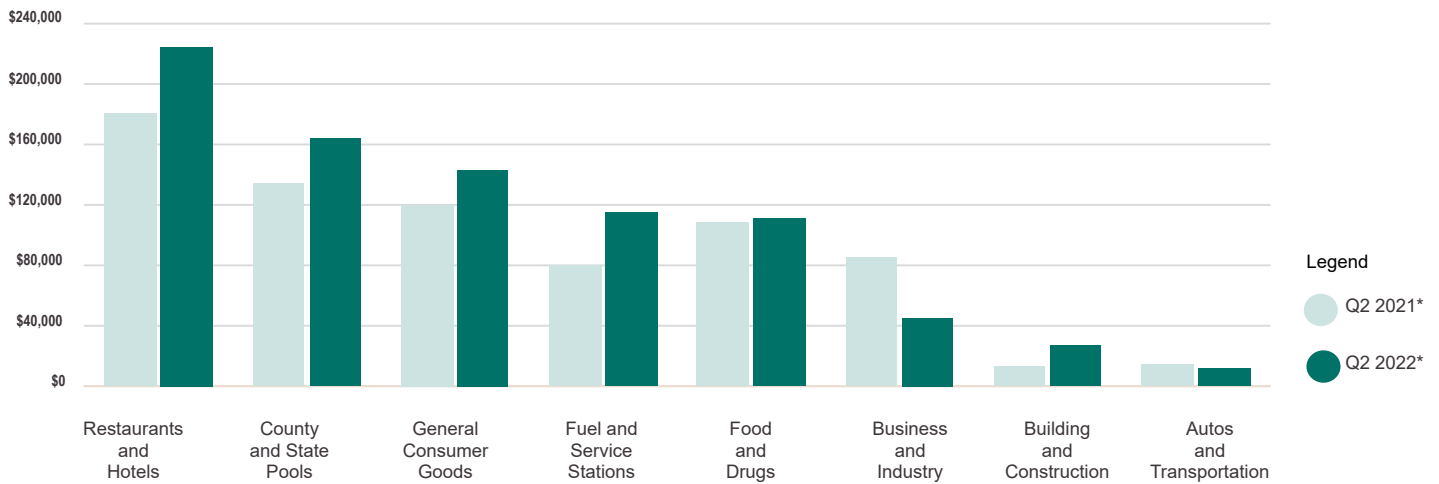


10.1%  
STATE



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

### SALES TAX BY MAJOR BUSINESS GROUP



### CITY OF LOS ALTOS HIGHLIGHTS

Los Altos' receipts from April through June were 16.8% above the second sales period in 2021. Excluding reporting aberrations, actual sales were up 14.7%.

Inflation in this quarter was brutal, rising prices were hitting consumers' pocketbooks in many basic areas, boosting revenues for service stations and slowing spending in some categories but consumers continued to spend at restaurants and on luxury items.

The City's biggest category, casual dining, was pushed up 14% by the high menu prices; while fine dining receipts were up 25% and quick-service restaurants were up almost 21%. The high menu prices are not deterring diners.

Services stations increased due to the high prices at the pumps while grocery stores were up due to high prices in the

stores.

Business-industry declines were due to large, one-time allocations in the comparable quarter.

While the receipts to the countywide pool were up almost 10%, the city's point of sale was stronger than other agencies in the pool, resulting in an 23% increase in the city's pool allocation.

Net of aberrations, taxable sales for all of Santa Clara County grew 8.7% over the comparable time period; the Bay Area was up 11.7%.



### TOP 25 PRODUCERS

- Arco AM PM
- BevMo
- Bicycle Outfitter
- Bon Appetit Management
- Chef Chus
- Draegers Super Market
- El Camino 76
- Los Altos 76
- Los Altos Chevron
- Los Altos Grill
- Lucky Supermarket
- Main Street Chevron
- Rancho 76
- Rustic House
- Safeway
- Securify Us
- Speedway Express
- State of Mind Public House & Pizzeria
- Steinway
- The Post
- Trader Joes
- True Value Hardware
- Turn 2 Solutions
- Walgreens
- Whole Foods Market



**STATEWIDE RESULTS**

Local one cent sales and use tax for sales occurring April through June was 10% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark the sixth consecutive quarter of double-digit growth since the pandemic periods in 2020, with the July-June 2022 fiscal year up 15%.

Commuters returning to offices combined with the Russia-Ukraine conflict continuing to put upward pressure on oil prices and left Californians facing the highest average price per gallon on record resulting in fuel and service station receipts 42% higher than last year. While statewide fuel consumption still trails 2019 levels, local gas prices are expected to remain high until after the summer blend period.

Led by consumer's desire to dine out, a steady rise in tourism and business travel, higher menu prices and great weather, the restaurant sector continues to flourish. Theme parks, entertainment venues and hotels showed the strongest growth with casual dining establishments remaining solid, a trend likely to remain through 2022.

The automobile sector experienced modest gains for new car dealers and rental car vendors, however sales of used autos and leasing activity has begun to cool. Brands prioritizing full electric and hybrid models still appear to be the most attractive with consumers, however increased financing rates may cause even their activity to dampen. Tight inventories that contributed to dramatic price increases over the last 18 months are also showing signs of loosening as newer models are released

in greater numbers.

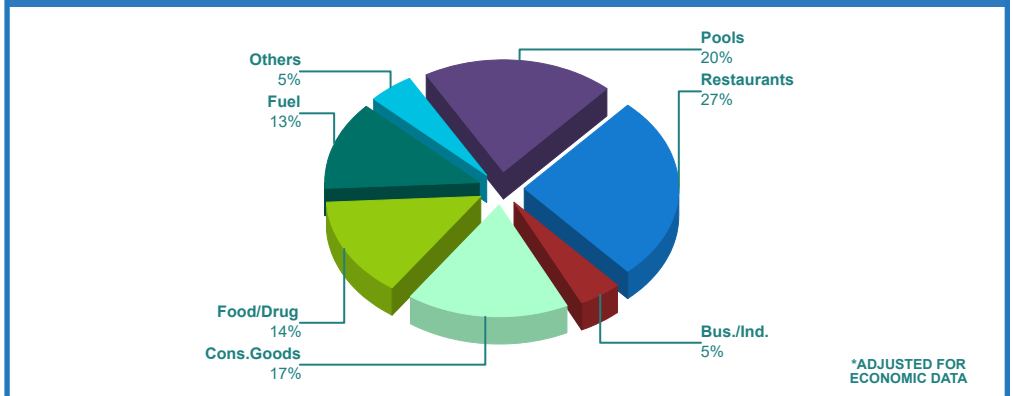
General consumer goods categories saw steady returns largely propped up by retailers also selling fuel. In comparison with the prior year when consumers were buying merchandise at a record pace, the current returns from apparel and jewelry stores grew moderately with home furnishings showing a slight decrease.

With new housing starts accelerating and residential and commercial property values rising, construction contractors remain busy. Lumber prices have softened from prior year highs leaving material suppliers with modest gains, however electrical, plumbing and energy

suppliers boosted building sector results. Increased investment in capital equipment remains an important area of growth for county pool allocations, especially as online spending for general consumer goods begins to flatten as consumers return to in-store shopping.

Overall, higher priced goods through periods of consistent demand have led to economic inflation. The Federal Reserve Board's recent actions to curb inflation are anticipated to put downward pressure on auto sales, building materials and financed general consumer goods, resulting in slower growth by year end and into 2023.

**REVENUE BY BUSINESS GROUP**  
Los Altos This Fiscal Year\*



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Los Altos Business Type	Q2 '22	Change	County Change	HdL State Change
Casual Dining	140,585	14.1% ↑	28.1% ↑	17.2% ↑
Service Stations	114,397	42.4% ↑	44.5% ↑	36.4% ↑
Grocery Stores	79,327	2.5% ↑	9.0% ↑	5.3% ↑
Home Furnishings	38,921	4.9% ↑	0.7% ↑	-4.5% ↓
Fine Dining	35,224	25.6% ↑	26.4% ↑	18.0% ↑
Specialty Stores	16,567	6.2% ↑	11.4% ↑	4.2% ↑
Quick-Service Restaurants	15,689	20.7% ↑	13.2% ↑	5.2% ↑
Convenience Stores/Liquor	13,472	-6.5% ↓	-1.6% ↓	-0.3% ↓
Sporting Goods/Bike Stores	12,537	12.2% ↑	-3.8% ↓	-7.4% ↓
Contractors	11,873	84.0% ↑	11.0% ↑	14.0% ↑

\*Allocation aberrations have been adjusted to reflect sales activity