

Q4 2014



City of Brentwood Sales Tax *Update*

First Quarter Receipts for Fourth Quarter Sales (October - December 2014)

Brentwood In Brief

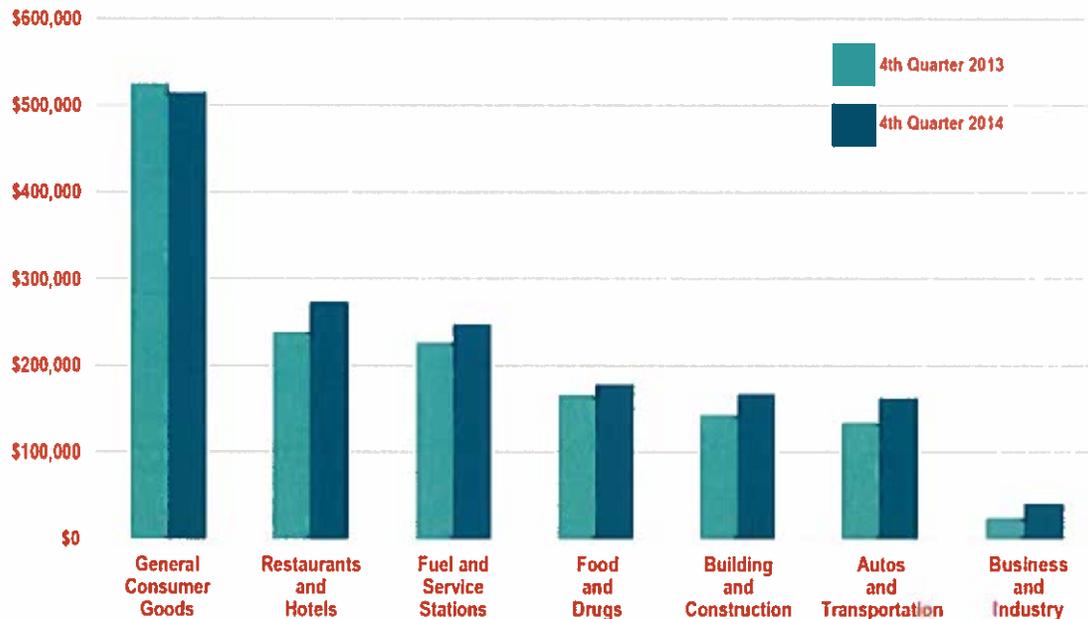
Receipts for Brentwood's October through December sales were 9.9% higher than the same quarter one year ago. Actual sales activity was up 5.0% when reporting aberrations were factored out.

Multiple payment deviations overstated results in both service stations and building and construction. Auto-related revenues surpassed regional trends while new eateries accounted for about half of the gain in the restaurant and hotel group.

Holiday general consumer sales were on par with a year ago. The city's allocation from the county use tax pool was 17.2% higher than the comparison quarter.

Adjusted for aberrations, taxable sales for all of Contra Costa County increased 3.2% over the comparable time period, while the Bay Area as a whole was up 3.2%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

Arco AM PM	Los Primos Auto Plaza
AT&T Mobility	Michaels Arts & Crafts
Best Buy	Quick Stop
Bill Brandt Ford	Raleys
Brentwood Ready Mix	Ross
Brentwood Service Station	Safeway
Chevron	TJ Maxx
Circle K Gas	Tower Mart
Dallas Shanks Chevron	Ulta Beauty
Home Depot	Victoria's Secret
Home Goods	Vintners Shell Stations
Kohls	Walgreens
	Winco Foods

REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2013-14	2014-15
Point-of-Sale	\$4,376,863	\$4,644,588
County Pool	672,440	753,690
State Pool	2,652	4,093
Gross Receipts	\$5,051,955	\$5,402,370
Cty/Cnty Share	(126,299)	(135,059)
Net Receipts	\$4,925,656	\$5,267,311
Less Triple Flip*	\$(1,231,414)	\$(1,316,828)

*Reimbursed from county compensation fund

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Holiday Quarter Up

Adjusted for accounting aberrations, California's local sales and use tax revenues for the fourth quarter (October – December) of 2014 were 3.6% higher than last year's holiday quarter.

The gain was primarily due to continued strong demand for new cars and trucks, increased restaurant patronage and a rise in the countywide "use tax" allocation pools resulting from a shift to online shopping where much of the merchandise is shipped from out of state. General consumer goods sales allocated via the pools rose 22% during this holiday quarter versus an increase in tax receipts from brick and mortar stores of only 2.8%.

Robust sales for building and construction materials added to the overall increase which was largely offset by significant declines in revenues from petroleum related industries and service stations.

Gasoline Supply and Demand

Statewide, fourth quarter's tax receipts from fuel and service stations dropped 10.4% from the previous year. Prices rebounded in the first quarter of 2015 due to refinery shutdowns and labor strife but remained well below the prior year due to a worldwide supply glut and weak demand.

Spending cuts by oil producers and a sharp decline in the number of rigs drilling for crude in the U.S. could reduce output and place upward pressure on prices in the second half of 2015. However, improved fuel efficiency and demographic changes continue to reduce demand for gasoline, with consumption at the lowest it has been in 30 years.

From 2008 through 2014 Californians purchased just over 10 million new vehicles, with mileage ratings almost 22% higher than those they replaced. Also, usage has further declined as baby boomers age into retirement and millennials increasingly favor public transportation and car services that make owning a vehicle less necessary.

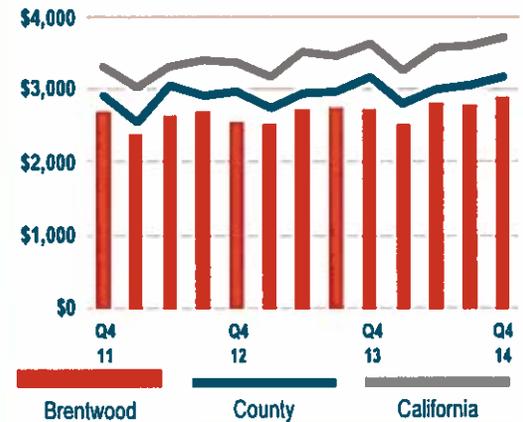
Triple Flip Unwind

In March 2004, California voters approved Proposition 57, the California Economic Recovery Bond Act that authorized the issuance of \$15 billion in "Economic Recovery Bonds" to close the state's operating budget deficit.

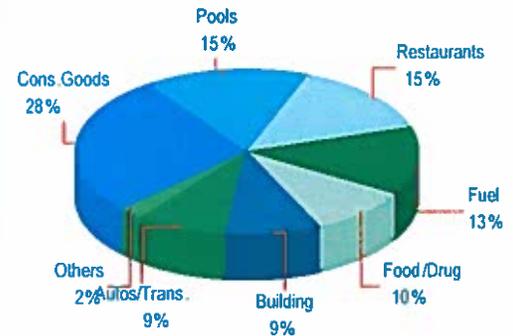
The Bradley-Burns local sales tax rate was decreased from 1 percent to 0.75 percent and the diverted 0.25 percent rate was pledged to repay the bonds. The state then directed that counties reimburse local governments for the 0.25 percent loss with property tax from the Educational Revenue Augmentation Fund (ERAF) set up for schools and then reimburse schools for the ERAF loss from the State General Fund. The funding scheme became known as the "Triple Flip."

The governor's FY 2014-15 state budget currently provides for retiring the bonds as early as July 2015. If carried out as planned, local agencies would receive their final "true-ups" of triple flip reimbursements in the first half of 2016 and the full one cent Bradley-Burns tax reinstated in their second quarter 2016 receipts.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP
Brentwood This Quarter



BRENTWOOD TOP 15 BUSINESS TYPES

Business Type	*In thousands			
	Brentwood Q4 '14*	Brentwood Change	County Change	HdL State Change
Automotive Supply Stores	49.3	7.0%	14.3%	2.0%
Casual Dining	122.8	21.3%	4.0%	5.7%
Department Stores	—	CONFIDENTIAL	-4.6%	1.2%
Drug Stores	—	CONFIDENTIAL	-1.6%	-2.3%
Electronics/Appliance Stores	134.8	-3.8%	1.1%	3.2%
Family Apparel	102.2	0.2%	3.2%	5.0%
Grocery Stores Liquor	120.8	11.3%	10.8%	3.6%
Home Furnishings	51.1	9.0%	1.4%	6.8%
Lumber/Building Materials	—	CONFIDENTIAL	2.2%	-0.8%
New Motor Vehicle Dealers	—	CONFIDENTIAL	13.7%	7.6%
Quick-Service Restaurants	87.7	8.5%	3.1%	7.5%
Service Stations	246.6	8.9%	-7.2%	-10.5%
Specialty Stores	66.5	-0.6%	4.7%	6.0%
Used Automotive Dealers	32.1	23.3%	11.0%	12.2%
Women's Apparel	34.7	-6.4%	-4.9%	-1.7%
Total All Accounts	\$1,580.3	8.6%	0.9%	3.8%
County & State Pool Allocation	\$286.3	17.5%	9.2%	4.7%
Gross Receipts	\$1,866.6	9.9%	2.1%	3.9%
City/County Share	(46.7)	-9.9%		
Net Receipts	\$1,819.9	9.9%		