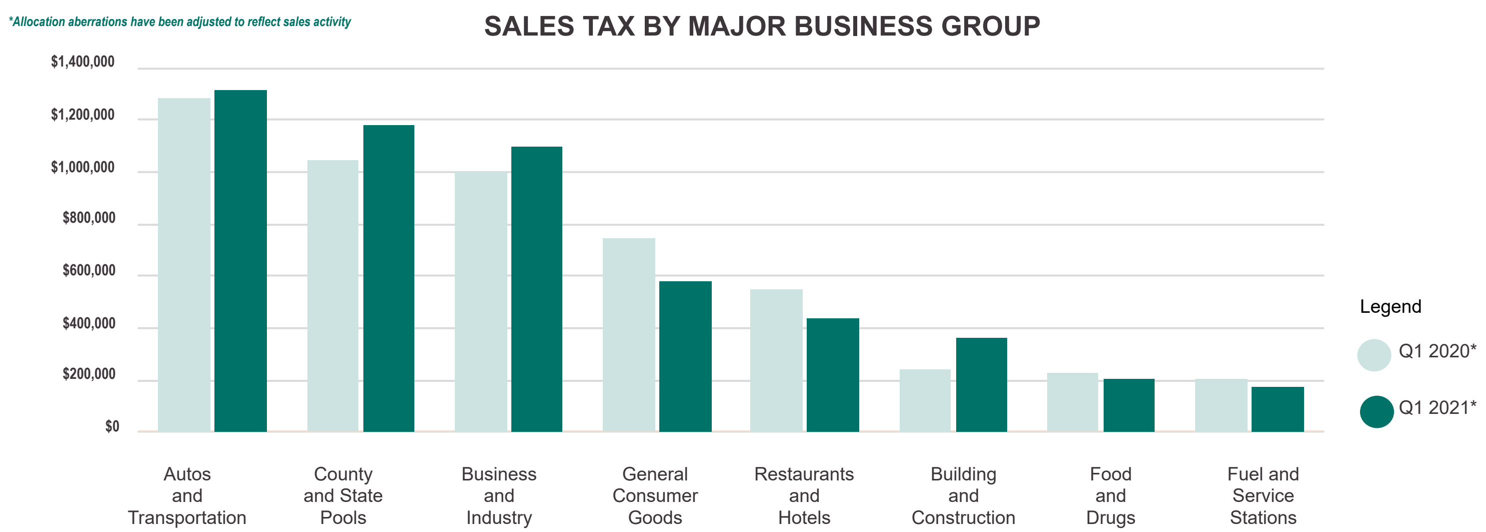
CITY OF PLEASANTON
SALES TAX UPDATE
1Q 2021 (JANUARY - MARCH)

PLEASANTON	0.7%	0.4%	9.5%
TOTAL: $ 5,342,596	1Q2021 ↑	COUNTY ↑	STATE ↑



CITY OF PLEASANTON HIGHLIGHTS

Pleasanton's receipts from January through March were 23.8% 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 0.7%.

Buyer demand was robust especially for higher priced luxury cars; new motor vehicle sales were up 18%, not quite as strong as the statewide average of 33% gains.

One-time use tax allocations in medical/biotech category and strong sales in electrical equipment boosted results for the business-industry group.

Price spike and a surge in home improvement and construction projects pushed the building-construction group up 46%.

Permanent and temporary store closures plagued the general consumer group; receipts were down 22%.

Restaurant results were down 10%; the second shelter in place did not permit onsite dining during this quarter.

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, the County's allocation was up almost 13%.

Net of aberrations, taxable sales for all of Alameda County grew 0.4% over the comparable time period; the Bay Area was up 0.8%.

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.

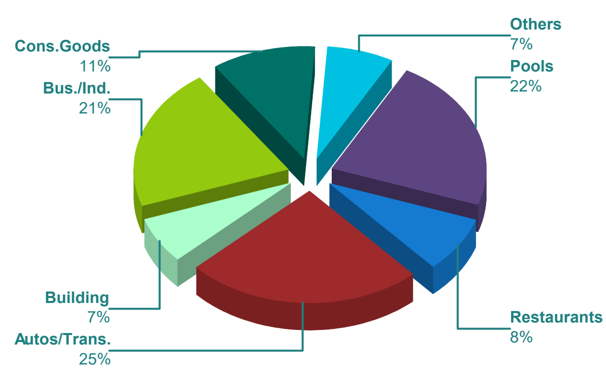
Within the results, solid performance by the auto-transportation and building-construction industries really helped push receipts higher. Weak inventories and scarcity for products increased the taxable price of vehicles (new & used), RV's, boats and lumber which appeared to be a major driving force 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
Pleasanton This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Pleasanton Business Type	Q1 '21*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	810.7	18.6%	22.3%	33.2%
Medical/Biotech	293.3	10.4%	7.2%	10.9%
Electrical Equipment	250.1	20.3%	-5.2%	-6.6%
Casual Dining	230.1	-16.4%	-21.6%	-18.9%
Service Stations	173.7	-14.5%	-10.7%	-4.0%
Auto Lease	161.9	-8.7%	-6.6%	-1.1%
Quick-Service Restaurants	144.0	-9.0%	-6.9%	1.1%
Department Stores	109.0	-34.3%	-18.9%	-2.4%
Grocery Stores	92.0	-25.7%	-15.2%	-6.2%
Light Industrial/Printers	84.3	-11.0%	-8.0%	-1.6%

Allocation aberrations have been adjusted to reflect sales activity

**In thousands of dollars*