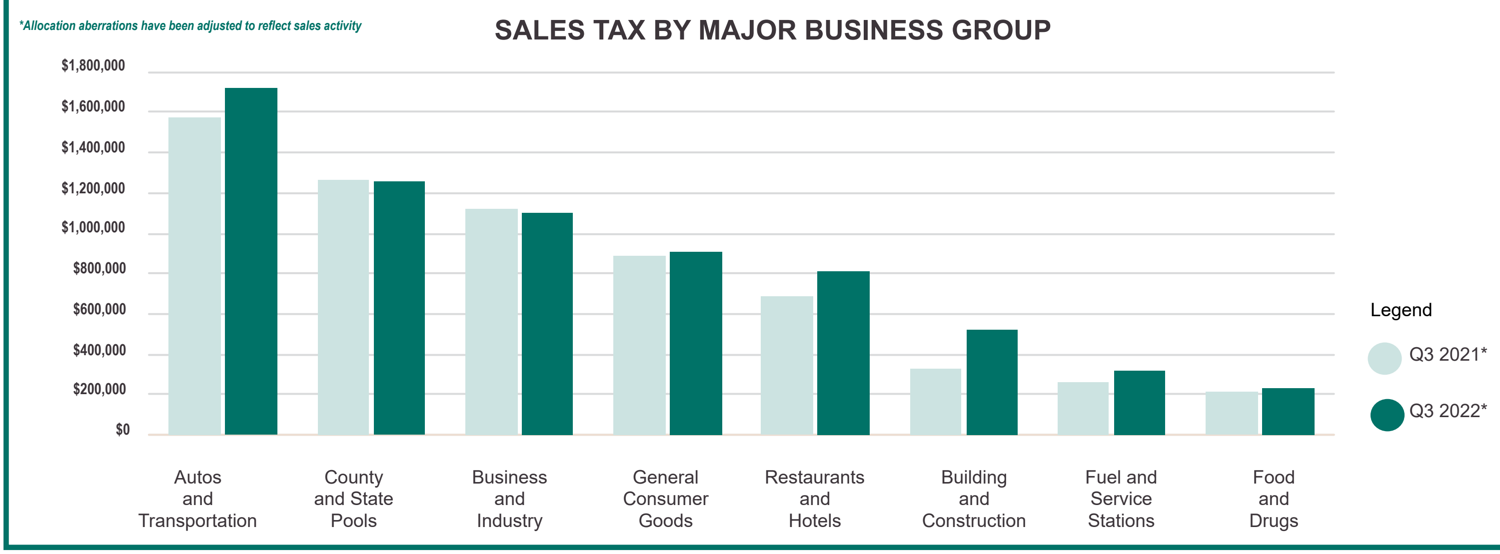
CITY OF PLEASANTON
SALES TAX UPDATE
3Q 2022 (JULY - SEPTEMBER)

PLEASANTON	8.4%	14.3%	8.0%
TOTAL: $ 6,896,882	3Q2022 ↑	COUNTY ↑	STATE ↑



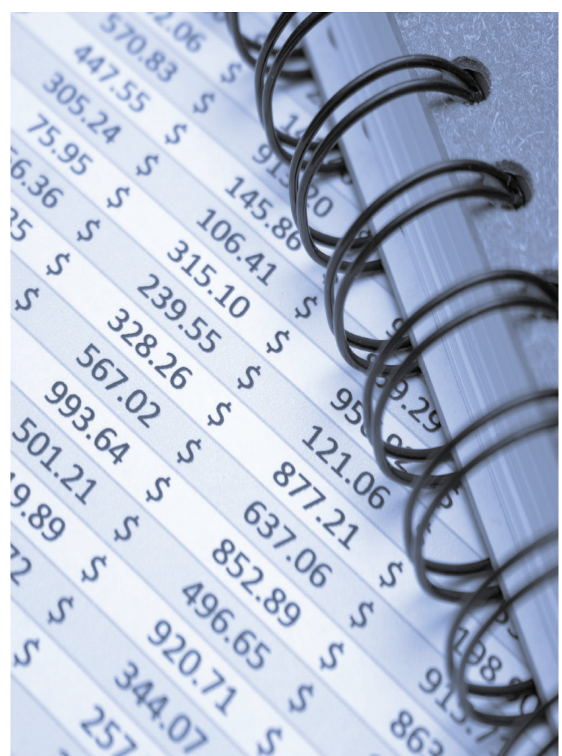
CITY OF PLEASANTON HIGHLIGHTS

Pleasanton's receipts from July through September were 7.3% above the third sales period in 2021. However, after various reporting modifications actual sales were up 8.4%. Net of the countywide pools, place of sale collections increased 11%. Even with pressures of inflation and interest rates, many sales tax groups enjoyed growth during the busy summer months.

Buyers snapped up new cars during the summer months – driving autos-transportation revenues up 9%. Retail sales slowed a bit, but remained positive with help from electronics/appliance and family apparel sales. For the sixth consecutive quarter, restaurant-hotel revenues boomed as residents and travelers stayed, played and dined in the city. Contractor activity boosted the building-construction group; however, a large incorrect allocation skewed the overall results up. The cost of crude oil kept fuel prices high during the third quarter, pumping service station receipts up 21%.

Conversely, while business-industry sectors fared well, comparison for a business that had incorrectly reported sales tax last year dipped the overall results slightly. Higher sales tax gains by other agencies in the Alameda County pool contributed to a 1.2% decrease in the City's share of the countywide use tax pool.

Net of adjustments, taxable sales for all of Alameda County grew 14.3% over the comparable time period; the Bay Area was up 9.9%.



STATEWIDE RESULTS

Local one cent sales and use tax for sales occurring July through September was 8% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark another strong period of growth for the California spending economy.

Even as the Federal Reserve Board continued ramping up interest rates in an effort to curb the larger concern of inflation, consumers maintained purchases on multiple fronts, especially automobiles. Surprisingly, new car dealers experienced 10% gains over the comparable period in 2021. Limited inventory and demand for higher mileage vehicles including electric and hybrid models helped support growth. In addition, the increased cost of used vehicles has pushed many into the new vehicle market; in contrast, sales of recreation vehicles and auto leasing activity remained soft.

For Californians, the summer of 2022 had the highest gas prices on record; subsequently fuel and service stations receipts jumped 21%. Commuters and summer travel remained steady, yet overall consumption still trails pre-pandemic levels by approximately 13%. Although the Russia-Ukraine conflict initially caused a dramatic shift in global crude oil markets, prices have begun to pull back closer to historical norms.

Restaurants experienced a strong uptick as increased menu prices, consistent desire to dine out and strong tourism contributed to this favorable news. Just as important, theme parks, leisure-entertainment venues and hotels pushed positive momentum back to 2019 levels. With tightening profit margins and sustained labor concerns, future improvement could be slowed compared to the last two years.

Busy contractors and plumbing-electrical suppliers boosted the building-construction sector. Solid residential and commercial housing prices persisted despite recent interest rate hikes. Tenant improvements further support spending activity as businesses assess future office needs. With statewide new housing requirements and federal infrastructure funding on the horizon, current forecasts stay optimistic.

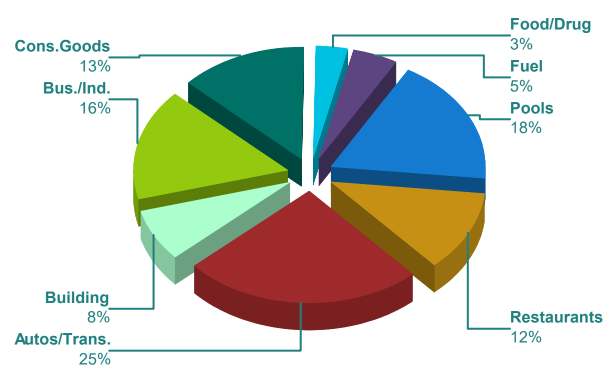
Steady investment in capital equipment coupled with the overall increased price of goods enhanced both business-industry and countywide use tax pool allocations.

For the second straight quarter, fuel sales linked to discount department stores propped up general consumer goods results. Otherwise, retailers experienced flat to decreased receipts as many apparel categories, home furnishings and sporting goods struggled to keep pace with the prior year. As consumers balanced summer opportunities and higher prices, in-store shopping appears to have taken a temporary back seat.

Sustained price increases and interest rate hikes certainly have consumers contemplating where to spend their dollars. However, historically low statewide unemployment rates and the recovery of the national stock markets from declines earlier this year leave modest optimism heading into 2023.

REVENUE BY BUSINESS GROUP

Pleasanton This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Pleasanton Business Type	Q3 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	1,134.8	18.3%	59.5%	10.0%
Medical/Biotech	456.3	23.0%	-6.7%	1.6%
Casual Dining	423.4	14.6%	9.9%	10.1%
Service Stations	315.7	20.8%	21.5%	18.5%
Contractors	299.7	181.2%	8.2%	15.6%
Quick-Service Restaurants	198.0	20.5%	6.1%	4.0%
Electronics/Appliance Stores	181.1	51.4%	4.0%	3.7%
Department Stores	152.2	-10.3%	-5.0%	-1.7%
Grocery Stores	121.8	13.6%	2.5%	3.0%
Auto Lease	99.4	-28.3%	-20.2%	-13.6%

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

**In thousands of dollars*