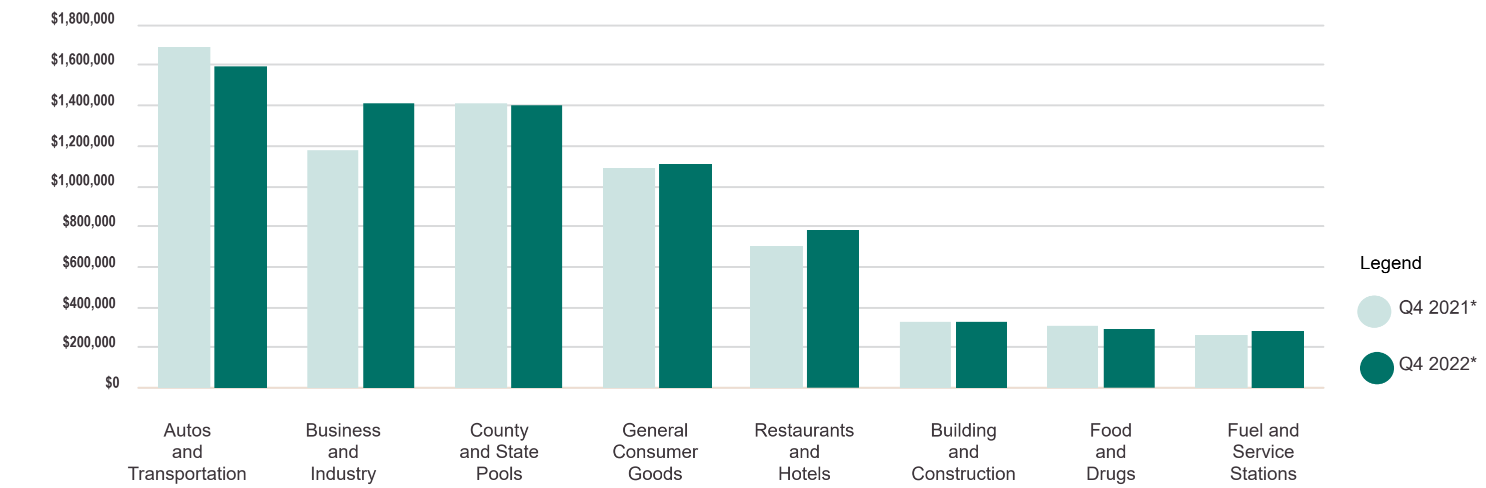
CITY OF PLEASANTON
SALES TAX UPDATE
4Q 2022 (OCTOBER - DECEMBER)

PLEASANTON
TOTAL: $ 7,210,160

3.1% 4Q2022 ↑
10.2% COUNTY ↑
4.7% STATE ↑

Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF PLEASANTON HIGHLIGHTS

Pleasanton's receipts from October through December were 5.0% above the fourth sales period in 2021. Excluding reporting aberrations, actual sales were up 3.1%.

Bursts of better activity from service-based technology companies, heavy industrial suppliers, office equipment and medical/biotech firms accounted for the bulk of the 19% surge within the business-industry group.

Restaurants-hotels added $78,000 more in taxes; customers did plenty of eating at casual diners while two new hotels opened and reported first time filings.

Fuel prices that stayed at elevated levels explain the 9% service stations gain. General consumer goods saw 3% better returns; segment results were mixed as a confidential sector performed extremely well while shoppers spent less on apparel, specialty items.

Although new vehicle dealerships improved sales 5%; the autos-transportation group declined 6% as inventory shortages, falling prices and higher lending costs lessened the number of acquisition transactions for this quarter.

Contractor busyness overcame materials sales that slowed; building-construction nudged 1% higher.

Audit corrections negatively hurt the use taxes available for distribution, thus, the Alameda pool allocation saw a 1% dip. Large, unusual year ago filings caused grocery stores comparisons to decline.

Net of aberrations, taxable sales for all of Alameda County grew 10.2% over the comparable time period; the Bay Area was up 5.6%.

STATEWIDE RESULTS

California's local one cent sales and use tax receipts for sales during the months of October through December were 4.7% higher than the same quarter one year ago after adjusting for accounting anomalies. A holiday shopping quarter, the most consequential sales period of the year, experienced solid results which lifted revenue to local agencies across the State.

Overall, general consumer goods growth was up a meager 1.8%, in large part from merchants also selling gas as prices remained elevated over last year. Otherwise, many brick and mortar retailers experienced mixed results as the phenomenal prior year activity made for an extremely difficult comparison. This was especially true for jewelry stores receipts which had soared tremendously after the pandemic as consumers diversified readily available cash into other assets.

Commuters and seasonal travelers were again burdened with gas prices above $5 per gallon in most of the State, leaving fuel-service stations 10% higher than a year ago. However, this trend did not distract from spending at local restaurants and hotels. Increased menu prices and return-to-office workplaces enhanced gains, with the Bay Area experiencing it's greatest amount of post-pandemic rebound.

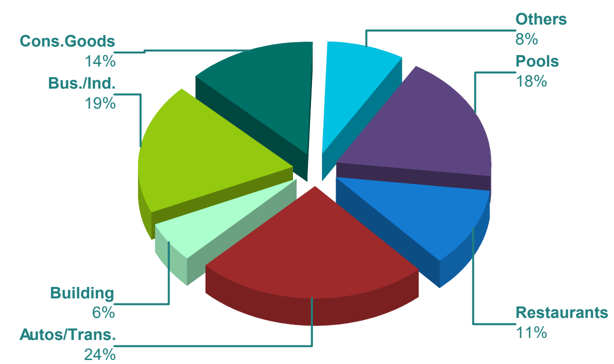
Although inventory shortages negatively impacted unit sales and leasing activity throughout 2022, year-end returns by new car dealers, especially high-end luxury and electric/hybrid brands, sustained auto-transportation sector gains. In contrast, rising interest rates and higher gas prices pulled trailer-RV revenues lower. Steady housing demand and pend up construction projects delayed by supply chain interruptions have contractors contributing the majority of growth within the building-construction sector. With rising interest rates tempering selling activity, property owners are still likely to maintain home improvement spending.

Use taxes remitted via the countywide pools rose a scant 0.3%. While national ecommerce spending behaviors climbed upward again, expansion of more in-state fulfilment centers plus retailers using existing locations to deliver goods tied to online orders shifted taxes away from pools. The offsetting effect was these dollars being directed to local agency's coffers where the goods resided. This evolving trend is anticipated to persistently weaken taxes coming from the pools in the near term.

Looking back, calendar year 2022 exhibited a 9.5% surge in tax receipts compared to 2021. Each of the eight major tax categories all reported greater returns. Most influential was inflation that drove up prices on everything from normal daily purchases to vehicles. Secondarily, all-time peak global crude oil costs had fuel seller's payments skyrocketing.

Heading into 2023, additional interest rate hikes along with consumer sentiment waning about the economy foretells minimal change coming from California's taxable sales in the months ahead.

REVENUE BY BUSINESS GROUP
Pleasanton This Calendar Year*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Pleasanton Business Type	Q4 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	1,101.9	4.6% ↑	47.4% ↑	12.4% ↑
Medical/Biotech	521.0	3.1% ↑	-3.3% ↓	1.4% ↑
Casual Dining	438.4	13.0% ↑	6.1% ↑	8.1% ↑
Service Stations	278.8	7.7% ↑	7.2% ↑	7.5% ↑
Department Stores	221.4	-7.6% ↓	-7.8% ↓	-6.3% ↓
Business Services	193.6	32.4% ↑	-1.5% ↓	7.5% ↑
Quick-Service Restaurants	168.9	-4.9% ↓	7.0% ↑	5.7% ↑
Grocery Stores	133.6	-22.9% ↓	1.4% ↑	6.2% ↑
Contractors	129.3	9.5% ↑	-1.6% ↓	11.8% ↑
Family Apparel	121.4	-3.5% ↓	0.8% ↑	-1.0% ↓

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