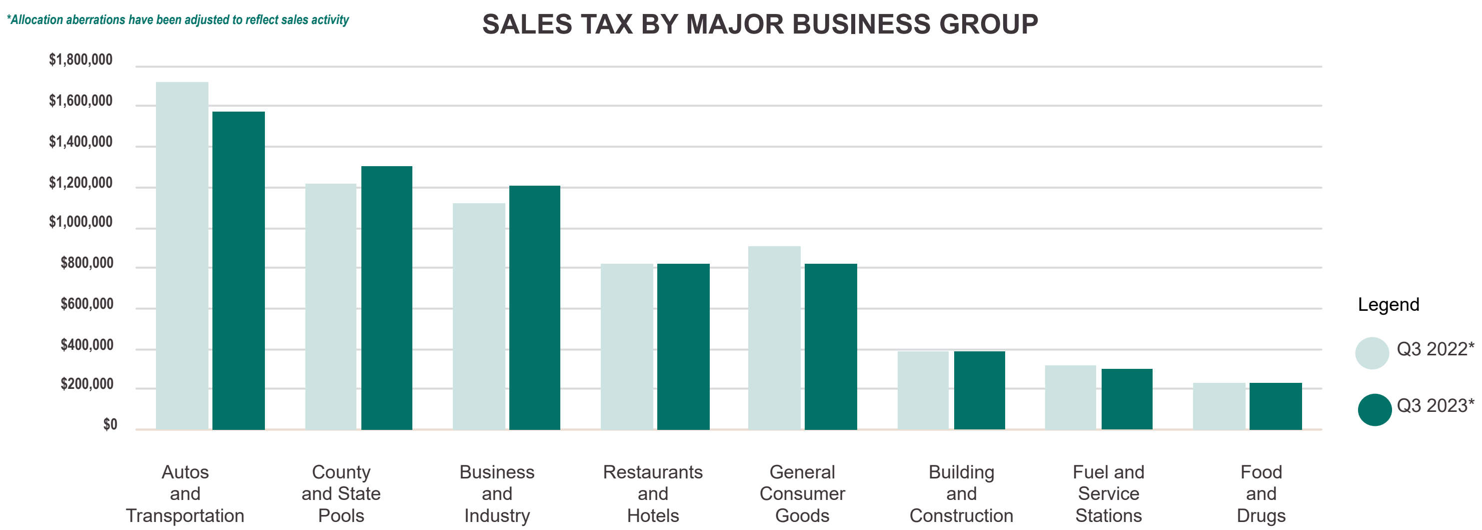
CITY OF PLEASANTON
SALES TAX UPDATE
3Q 2023 (JULY - SEPTEMBER)

PLEASANTON	-1.3%	-9.9%	-1.7%
TOTAL: $ 6,670,875	3Q2023	COUNTY	STATE



CITY OF PLEASANTON HIGHLIGHTS

Pleasanton's receipts from July through September were 5.7% below the third sales period in 2022. Excluding reporting aberrations, actual sales were down 1.3%.

Consumers are tending towards cost conscious choices this quarter; the decline in several categories are related to this change in spending pattern. New motor vehicles and electronic/appliance stores were down.

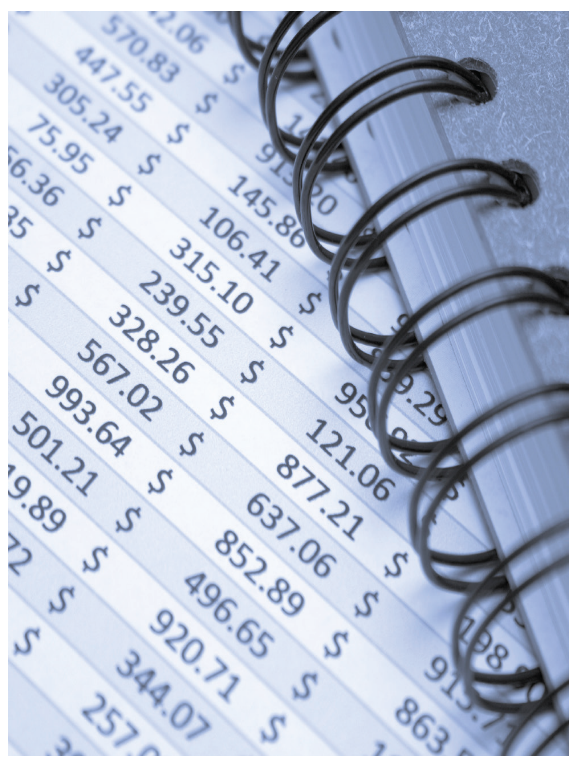
Fuel related revenues from service stations regressed as prices returned to ranges that are more normal. Fewer shoppers in retailer aisles along with store closures that took effect this summer quarter provoked a decline in general consumer goods; noticeable decreases occurred in family and women's apparel.

Restaurants-hotel's tax filings saw that patronage was flat in most categories; casual dining was up while quick-service restaurants were down. Furthering the gains was an increase in campus catering.

Business-industry was up due to a spike in the medical/biotech group.

The allocation from the pool was up because another agency in the pool had a large decrease in point of sale.

Net of aberrations, taxable sales for all of Alameda County declined 9.9% over the comparable time period; the Bay Area was down 3.1%.



STATEWIDE RESULTS

California's local one cent sales and use tax receipts for sales during the months of July through September were 1.6% lower than the same quarter one year ago after adjusting for accounting anomalies. The third quarter of the calendar year continued with a challenging comparison to prior year growth and stagnating consumer demand in the face of higher prices of goods.

Fuel and service stations contributed the greatest overall decline as lower fuel prices at the pump reduced receipts from gas stations and petroleum providers. While global crude oil prices have stabilized, they remained 15% lower year-over-year. This decline also impacted the general consumer goods category as those retailers selling fuel experienced a similar drop. Despite OPEC and Russia production cuts having upward pressure on pricing, global demand during the winter months has softened.

Along with merchants selling gas, many other general consumer categories were also down from the 2022 quarter, confirming consumers pulling back on purchases. Home furnishings and electronic-appliances were a couple of the largest sectors with the biggest reductions. As inflation and higher prices were the main story a year ago, currently it appears to be a balancing act between wants and needs, leaving meek expectations for the upcoming holiday shopping season.

Even following a long, wet first half of 2023, spending at building and construction suppliers moderately slowed. The current high interest rate environment did not help the summer period and still represents the largest potential headwind for the industry with depressed commercial development, slowing public infrastructure projects and new housing starts waiting for more profitable financial conditions.

Despite continued increases of new car registrations, revenue from the autos-transportation sector slipped 2.6%. The improved activity remains mostly attributed to rental car agencies restocking their fleets. Like other segments, elevated financing costs are expected to impede future retail volume.

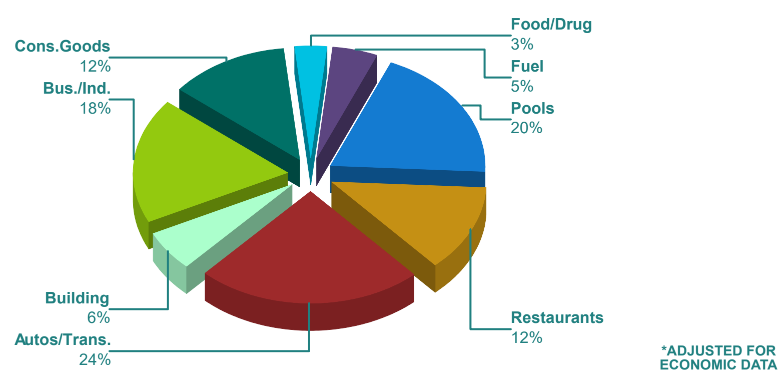
Use taxes remitted via the countywide pools dipped 3.0%, marking the fourth consecutive quarter of decline. While overall online sales volume is steady, pool collections dropped with the offsetting effect of more taxes allocated directly to local agencies via in-state fulfillment generated at large warehouses and through existing retail outlets.

Restaurants remained an economic bright spot through summer exhibiting a 2.6% gain. As tourism, holiday and business travel are all expected to have recovered in 2024, the industry is bracing for implementation of AB 1228 - new CA law setting minimum wages for 'fast food restaurants'.

With one more quarterly result to go in 2023, the recent trend of a moderate decline appears likely before a recovery in 2024. Initial reports from the holiday shopping season reflect a 3% bump in retail sales compared to 2022. Lingering consumer confidence may have also received welcome news as the Federal Reserve considers softening rates by mid-2024.

REVENUE BY BUSINESS GROUP

Pleasanton This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Pleasanton Business Type	Q3 '23*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	997.9	-12.1%	-37.8%	-2.5%
Medical/Biotech	563.0	18.4%	4.1%	-1.5%
Casual Dining	438.1	1.5%	1.9%	2.7%
Service Stations	298.0	-5.6%	-10.4%	-7.3%
Quick-Service Restaurants	185.8	-3.0%	1.9%	2.7%
Contractors	163.6	-1.8%	2.8%	-1.1%
Department Stores	156.9	2.4%	-0.3%	-1.7%
Auto Lease	116.3	17.6%	1.8%	-0.4%
Grocery Stores	111.7	-8.3%	2.2%	2.3%
Light Industrial/Printers	104.6	13.2%	-15.4%	-8.9%

Allocation aberrations have been adjusted to reflect sales activity

In thousands of dollars