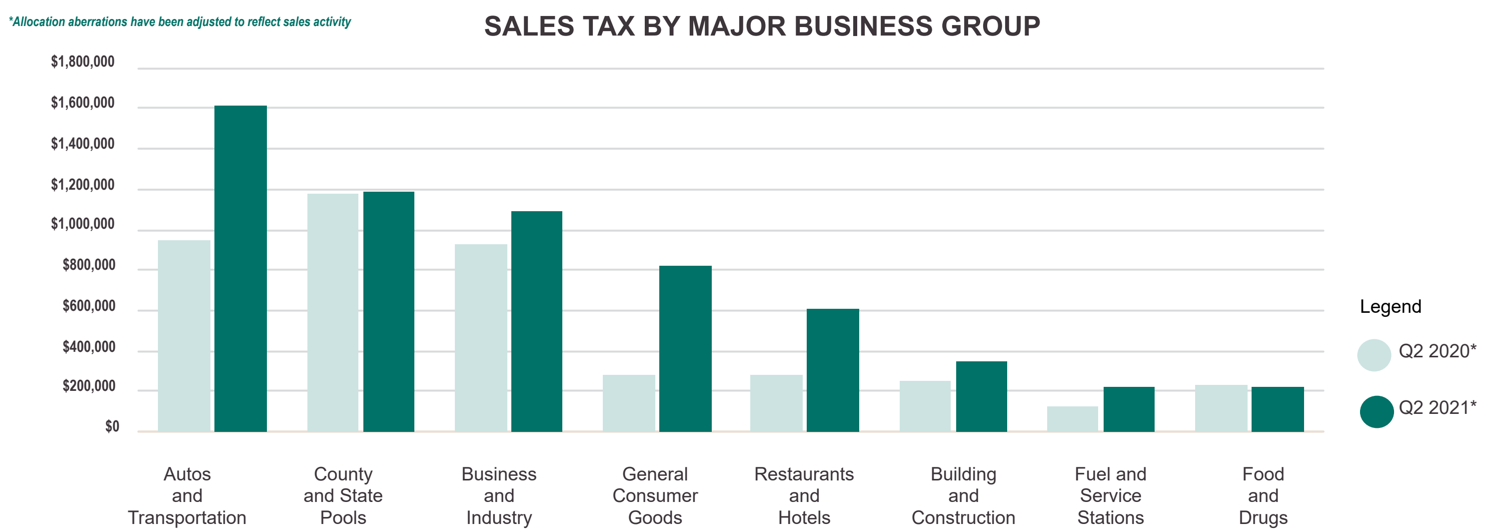
CITY OF PLEASANTON
SALES TAX UPDATE
2Q 2021 (APRIL - JUNE)

PLEASANTON	44.8%	35.8%	37.3%
TOTAL: $ 6,138,485	2Q2021 ↑	COUNTY ↑	STATE ↑



CITY OF PLEASANTON HIGHLIGHTS

Pleasanton's receipts from April through June were 21.7% above the second sales period in 2020. A year ago audit correction suppressed cash basis comparisons. Excluding this exception and all other reporting aberrations, actual sales ascended 44.8%.

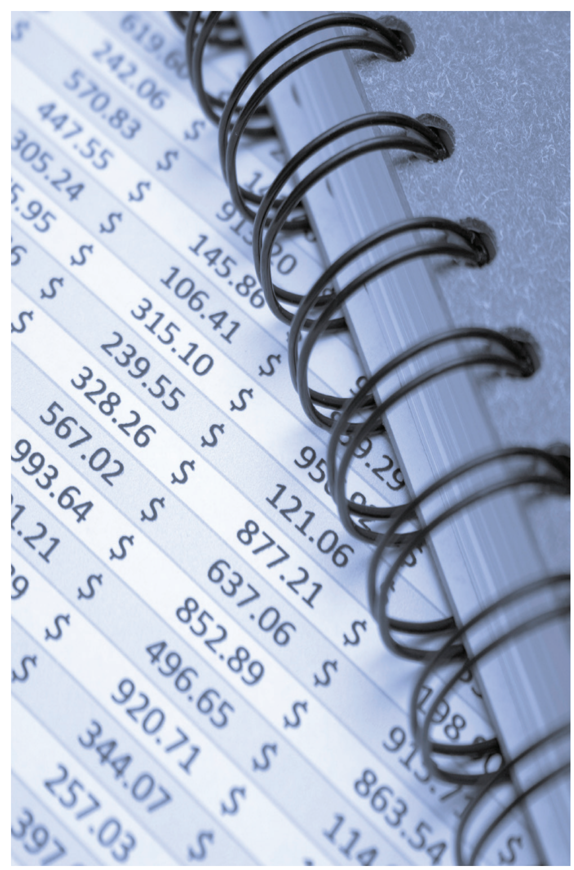
A frenzied pace of new vehicle acquisitions (a segment which rose 81%) was tied to buyers clearing out inventories as chip shortages and facility shutdowns intensified purchasing; overall the autos-transportation group accounted for 35% of the quarterly gain.

The comparable period totals reflected temporary closures of non-essential stores and eateries tied to the pandemic onset; a fully reopened economy provided strong recovery by casual dining, quick service restaurants and department stores. Further, specialty, apparel and electronics retailers rebounded from the lows of spring 2020.

Service stations captured more work and recreational traveling; gallons sold rose higher as did fuel prices.

Unexpected spikes in lumber prices did not slow returns filed by building materials suppliers. Electrical equipment and medical/biotech companies had hearty sales activity.

Net of aberrations, taxable sales for all of Alameda County grew 35.8% over the comparable time period; the Bay Area was up 34.1%.



STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring April through June, was 37% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The 2nd quarter of 2020 was the most adversely impacted sales tax period related to the Covid-19 pandemic and Shelter-In-Place directive issued by Governor Newsom. The 2Q21 comparison quarter of 2Q20 was the lowest since 2Q14 due to indoor dining restrictions at most restaurants; non-essential brick and mortar store closures; and employee remote/work from home options which significantly reduced commuting traffic and fuel sales. Therefore, similar to the 1st quarter 2020 comparison, dramatic percentage gains for 2Q21 were anticipated and materialized.

Up to this point through California's recovery, we've seen some regions experience stronger gains than others. However, with the latest data and the depths of declines in the comparison period, statewide most regions saw very similar growth.

Within the results, prolonged gains by the auto-transportation and building-construction industries generated higher receipts. Although the explosion of sales by new and used car dealers has come as welcome relief, the latest news of inventories being stretched thin due to the micro processing chip issues earlier in the year may result in a headwind into 2022. Conversely for the building-construction group, as housing prices in many markets increased over the last year, sustained available homeowner and investor equity is in place for the foreseeable future. Receipts from general consumer goods marked a steady and expected come back, led by family apparel, jewelry and home furnishing stores. When combined with solid greater economic trends, this is a welcome sign for many companies as a lead up to the normal holiday shopping period later this calendar year.

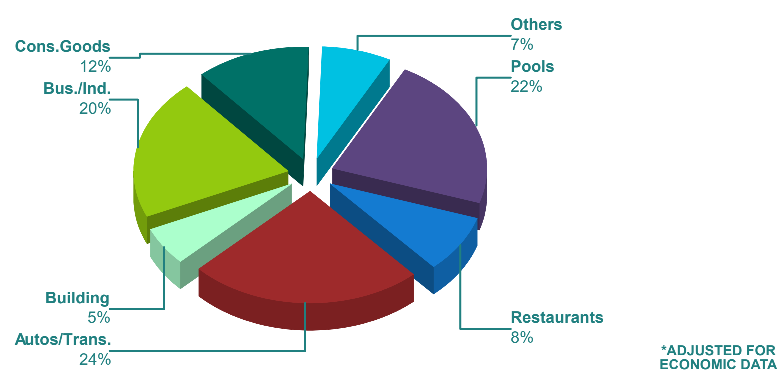
As consumers flock back into retail locations and with AB 147 fully implemented, growth from the county use tax pools - largely enhanced by out-of-state online sales activity - returned to more traditional gains of 9%. These results also included the reallocation of tax dollars previously distributed through the countywide pools to specific local jurisdictions that operate in-state fulfillment centers. Thus, the business and industry category, where fulfillment centers, medical-biotech vendors and garden-agricultural supplies are shown, jumped 26%.

In June, many restaurants reopened indoor dining. Given consumer desires to eat out and beautiful spring weather, all categories experienced a strong, much-needed rebound. However, labor shortages and a rise in menu prices continue to be a concern.

Looking ahead, sustained sales tax growth is still anticipated through the end of the 2021 calendar year. Inflationary effects are showing up in the cost of many taxable products. Pent up demand for travel and experiences, the return of commuters with more costly fuel, and labor shortages having upward pressure on prices may begin to consume more disposable income and tighten growth by the start of 2022.

REVENUE BY BUSINESS GROUP

Pleasanton This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Pleasanton Business Type	Q2 '21*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	1,015.3	80.7% ↑	55.9% ↑	55.9% ↑
Medical/Biotech	347.6	57.1% ↑	56.9% ↑	23.6% ↑
Casual Dining	344.8	168.1% ↑	119.5% ↑	130.2% ↑
Service Stations	224.5	78.5% ↑	66.3% ↑	73.9% ↑
Building Materials	214.5	32.2% ↑	26.8% ↑	21.7% ↑
Electrical Equipment	201.9	37.0% ↑	35.8% ↑	16.6% ↑
Department Stores	175.7	na	828.3% ↑	335.2% ↑
Quick-Service Restaurants	159.1	40.8% ↑	32.4% ↑	28.9% ↑
Auto Lease	149.9	-2.6% ↓	-6.7% ↓	3.3% ↑
Contractors	123.1	58.4% ↑	17.6% ↑	23.7% ↑

Allocation aberrations have been adjusted to reflect sales activity

In thousands of dollars