

CITY OF PLEASANTON

SALES TAX UPDATE

1Q 2022 (JANUARY - MARCH)



PLEASANTON
TOTAL: \$ 6,009,823

13.6%
1Q2022



18.9%
COUNTY

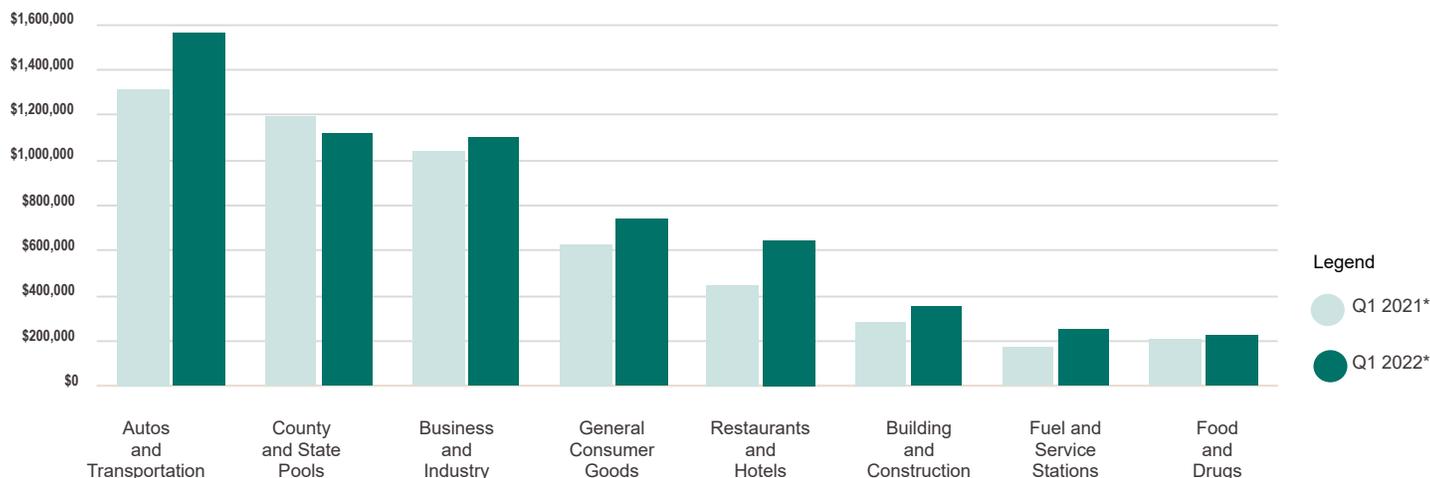


17.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF PLEASANTON HIGHLIGHTS

Pleasanton's receipts from January through March were flat compared to the first sales period in 2021. Excluding reporting aberrations, actual sales were up 13.6%.

Consumer spending remains at an all-time high despite rising gas prices and higher menu prices which boosted receipts for both groups; service stations were up 50% while casual dining was up 52%. Department stores and electronic stores both posted strong gains in the general consumer goods group which hid some of the categories posting slightly below comparable year levels.

Sticker shock plus limited inventories did not diminish vehicle acquisitions; new dealership's 19% improvement also reflected more buyers deciding to stretch into pricier luxury brand models.

A new outlet in the business/industry group led to positive results despite multiple one-time allocations in the comparable quarter last year. The building-construction group was boosted by several one-time allocation in this current quarter as well as benefiting from high material prices.

The countywide use-tax pool was up due to business to business sales and a new outlet in the restaurant group, however, due reporting anomaly in the City's point of sale, the City's share of the countywide use tax pool posted a decline.

Net of aberrations, taxable sales for all of Alameda County grew 18.9% over the comparable time period; the Bay Area was up 17.9%.





STATEWIDE RESULTS

California’s local one-cent sales and use tax for sales occurring January through March was 17% higher than the same quarter one year ago, after adjusting for accounting anomalies and onetime payments from previous quarters. By all accounts, the California retail economy continues roaring along. Even with instability in the stock market, the crisis in Ukraine pushing up the global price of crude oil and the U.S. Federal Reserve Board beginning to tackle inflation with a series of rate increases, consumer spending continued at a strong pace.

The invasion of Ukraine by Russian military forces on February 24 had an immediate upward impact on the global price of crude oil due to fears of supply shortages. Subsequently this has caused a dramatic jump to California consumer gas and diesel prices at a time when many in the workforce were commuting back into offices, also contributing to an overall increase in consumption. As expected, fuel and service station receipts increased 47% over last year and show no signs of pulling back with summer travel right around the corner.

Sales of new and used vehicles continue to be robust causing the autos and transportation sector to jump 15% for the period. Inventory shortages by some dealers may have caused buyers to experience a Fear Of Missing Out (FOMO) and pay elevated prices while interest rates remained lower. Automotive brands that have committed to full electric or hybrid models are attractive with consumers, especially given the sudden rise in fuel prices.

Post-holiday retail sales of general consumer goods remained solid, improving 10%. Prior supply chain concerns have dissipated, port operations are returning to normal and headwinds from inflation and higher cost goods haven’t yet slowed consumer demand. The stellar returns

were largely driven by discount department stores, especially those selling gas.

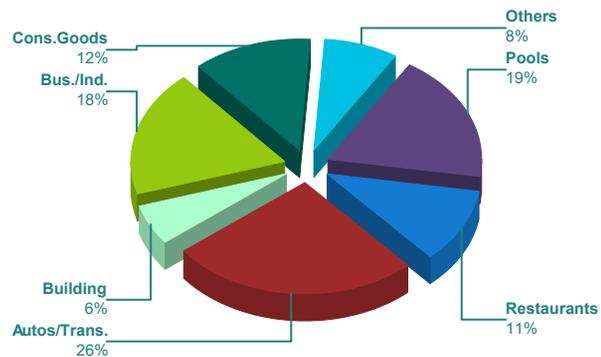
These results mark the fourth full quarter in a row that restaurant and hotel receipts have increased. While higher menu prices have contributed, steady demand by patrons to dine out is also propelling the gains. Furthermore, theme parks and entertainment venues throughout the state are busy. With the summer tourism and travel season approaching, the industry is positioned to maintain post-pandemic growth and remain positive through 2022.

Use taxes generated by online sales and purchases from out-of-state vendors allocated via the county pools, heartily surpassed expectations, gaining 13% over

the comparison period. Shoppers bought a range of merchandise and spending by businesses on capital equipment remained sensational.

The first quarter sales period contributed to an already strong 2021-22 fiscal year for most municipalities statewide. However, continued inflationary pressure, soaring interest rates and record gas prices may soften growth going into 2022-23.

REVENUE BY BUSINESS GROUP
Pleasanton This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Pleasanton Business Type	Q1 '22*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	965.1	19.0% ↑	24.5% ↑	18.7% ↑
Medical/Biotech	369.3	26.3% ↑	10.2% ↑	7.9% ↑
Casual Dining	367.4	52.4% ↑	51.3% ↑	55.8% ↑
Service Stations	249.7	50.0% ↑	48.1% ↑	43.3% ↑
Heavy Industrial	158.1	119.6% ↑	30.9% ↑	17.4% ↑
Quick-Service Restaurants	155.3	7.5% ↑	8.6% ↑	7.8% ↑
Contractors	146.6	63.1% ↑	24.5% ↑	20.0% ↑
Department Stores	136.4	25.2% ↑	22.2% ↑	25.3% ↑
Electronics/Appliance Stores	126.6	114.5% ↑	16.6% ↑	12.5% ↑
Grocery Stores	122.8	31.6% ↑	7.3% ↑	3.3% ↑

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*In thousands of dollars