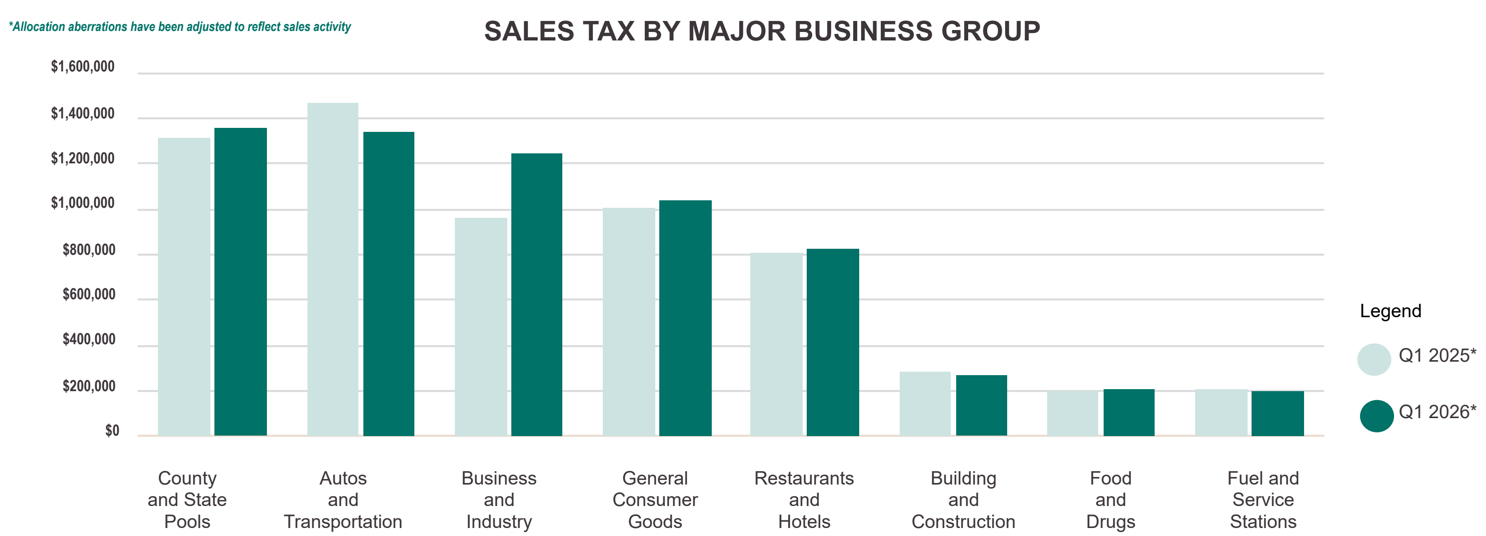
CITY OF PLEASANTON
SALES TAX UPDATE
1Q 2026 (JANUARY - MARCH)

THE CITY OF PLEASANTON

PLEASANTON	3.5%	3.9%	4.0%
TOTAL: $ 6,479,414	1Q2026 ↑	COUNTY ↑	STATE ↑



CITY OF PLEASANTON HIGHLIGHTS

Pleasanton's gross receipts from January – March 2026 were 1.1% lower compared to the first sales period in 2025. However, after adjusting for reporting modifications from audit corrections and several delayed taxpayer payments, actual sales landed 3.5% higher.

The U.S. economy grew modestly in 1Q26. Business investment and exports encouraged growth, while slower consumer spending, rising imports, and persistent inflation tempered a resilient but moderate expansion.

A new ecommerce distribution and several one-time technology related taxpayer payments to the Alameda pool, resulted in a 3.3% increase in the City's quarterly allocation.

The largest increase occurred in the business-industry group, with tax payments related to medical/biotech and information technology contributing to a 29.5% jump in receipts.

While general retail results were mixed across the sectors, shopper sought value and the group ended 3% higher. Casual and quick service led the gains in the restaurant-hotels group; and grocery sales lifted the food-drugs returns.

Conversely, new car sales slumped as consumers pulled back on big purchases. Contractor activity slipped as well during the winter months. The price of fuel fluctuated during the period and netted 5.8% down – even with an increase in fuel prices beginning in March.

Net of adjustments, taxable sales for all of Alameda County grew 3.9% over the comparable time period; the Bay Area was up 3.5%.

STATEWIDE RESULTS

California's local one cent sales and use tax receipts posted moderate growth during the first quarter, reflecting resilient consumer behavior despite persistent economic headwinds. For the months of January through March, revenues increased 4% from the year ago quarter after adjusting for accounting anomalies.

Strong consumer spending patterns did not falter and was the main reason of growth, partially enhanced by larger-than-expected income tax refunds. Both online retailers and brick and mortar merchants experienced dynamic changes over last year that far exceed expectations. E-commerce remains the platform of choice providing convenience, broad product availability, and flexible payment options – benefitting the business-industry sector and allocations via the countywide use tax pool. Family apparel and discount department stores both boosted general consumer goods the most, with a slight bump in gas prices further pushing returns from multiple vendors.

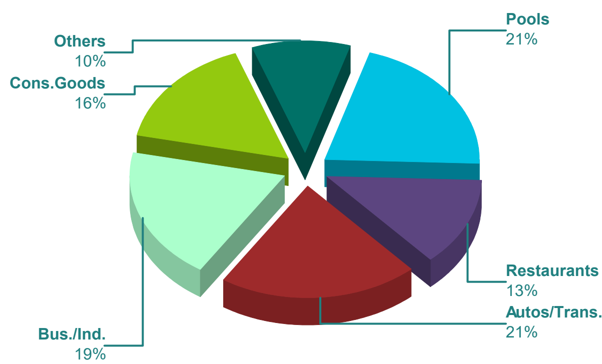
Patronage at restaurants resulted in a 4.2% year over year jump. With demand constrained due to increasing price-sensitivity and slower foot traffic, gains by all types of eateries signaled underlying resolve to dine out. Temporary events further contributed to the positive outcome – Southern California wildfires hindered 2025 and the Super Bowl lifting 2026.

The first quarter also included the initial impacts of elevated tensions in the Middle East which drove West Texas Intermediate crude oil prices above $95 per barrel. This had an immediate impact on local gas prices resulting in a modest bump to receipts from gas stations and created large amounts of uncertainty. At the time of writing, the conflict appears to have subsided with the Strait of Hurmuz reopened reducing the possibility of future strain.

Autos-transportation posted a nominal gain in first quarter 2026, as higher average transaction prices offset weaker unit sales. These price increases reflected tariff impacts reaching consumers after months of absorption by automakers, along with rising material costs. As in the prior quarter, the transition to the new DMV payment system for used vehicle dealers under AB 85 modestly reduced cash receipts, with adjustments still pending.

Overall, the short-term outlook remains cautiously optimistic. Normal consumer spending combined with multiple host sites of World Cup matches and corresponding tourism should sustain growth, albeit varied regionally. The Middle East conflict temporarily resulted in $6 per gallon average peak pricing during the start of the summer months. The forecast is coupled with a national inflation rate that anticipates an upward trend leaving little room for the Federal Reserve to alter interest rates in a favorable way for consumers, potentially slowing down the retail economy.

REVENUE BY BUSINESS GROUP
Pleasanton This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Pleasanton Business Type	Q1 '26*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	818.8	-8.0% ↓	7.9% ↑	-0.6% ↓
Casual Dining	455.2	2.0% ↑	3.8% ↑	4.0% ↑
Medical/Biotech	436.1	33.3% ↑	12.2% ↑	2.8% ↑
Computer/Office Equipment	244.2	60.5% ↑	22.6% ↑	10.3% ↑
Service Stations	197.5	-5.8% ↓	-1.7% ↓	0.9% ↑
Quick-Service Restaurants	184.5	4.0% ↑	1.0% ↑	1.9% ↑
Auto Lease	127.8	7.8% ↑	31.7% ↑	14.7% ↑
Electronics/Appliance Stores	124.1	-6.7% ↓	0.3% ↑	-2.6% ↓
Light Industrial/Printers	121.1	19.2% ↑	10.9% ↑	3.6% ↑
Grocery Stores	111.8	9.1% ↑	-2.2% ↓	-0.7% ↓

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