

Q4 2010



Pleasant Hill Sales Tax Update

First Quarter Receipts for Fourth Quarter Sales (Oct-Dec 2010)

Pleasant Hill In Brief

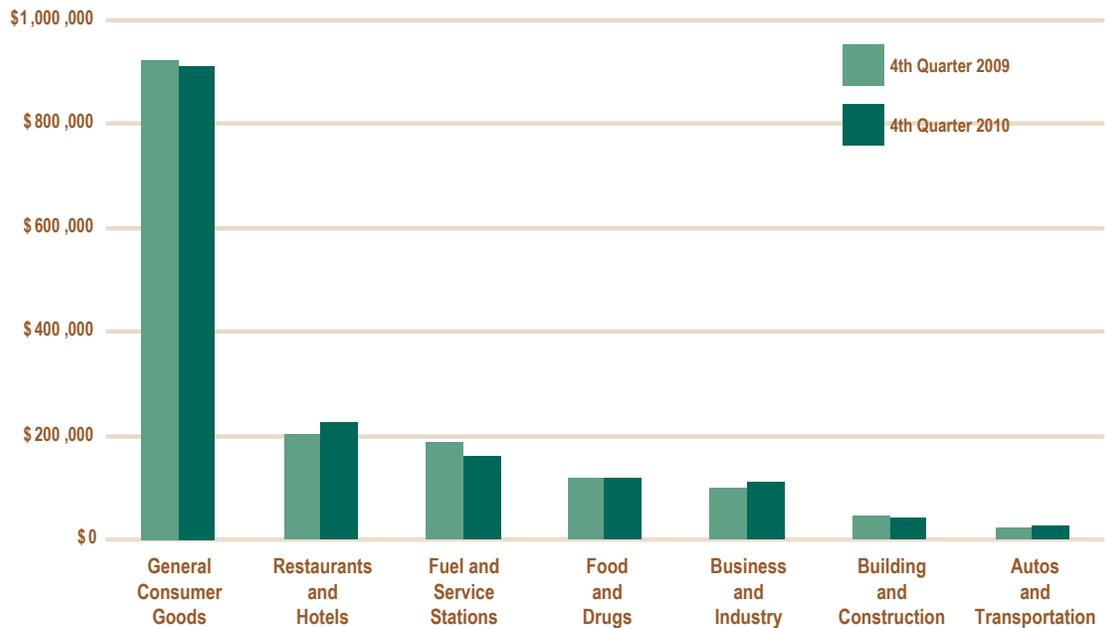
Fourth quarter receipts from October through December sales were up 1.3% compared to the same period one year earlier.

Gains came principally from the office supplies/furniture, specialty store, grocery stores with liquor and all restaurant classifications. A business shift from grocery stores with beer/wine to grocery stores with liquor caused the gain in the latter group. A reporting aberration boosted the restaurants with beer/wine comparison. The city realized a gain of 16% or \$32,942 in its allocation from the countywide use tax pool.

Electronics/appliance stores, service stations, and art/gift/novelty store categories showed year-over year declines. A missing payment cut art/gift totals. A business close-out combined with a late or missing payment caused the service station decrease.

Excluding onetime payment aberrations, all of Contra Costa County was up 3.6%; statewide sales grew 7.3%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

In Alphabetical Order

AT&T Mobility	Kohls
Back Forty Texas BBQ	Marshalls
Barnes & Noble	Michaels Arts & Crafts
Bay Counties Pitcock Petroleum	Pacific States Petroleum
Bed Bath & Beyond	Pleasant Hill Chevron
Best Buy	Ross Dress For Less
Buskirk Gas Mart & Car Wash	Safeway
Expert Auto Care	Staples
Friedman's Appliances	Sun Valley Shell
Harbor Freight Tools	T J Maxx
JC Penney	Target
K Mart	Toys R Us
	Verizon Wireless

REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2009-10	2010-11
Point-of-Sale	\$4,309,656	\$4,288,803
County Pool	541,886	631,874
State Pool	4,229	2,185
Gross Receipts	\$4,855,771	\$4,922,863
Cty/Cnty Share	(121,394)	(123,072)
Net Receipts	\$4,734,376	\$4,799,791
Less Triple Flip*	\$(1,183,594)	\$(1,199,948)

*Reimbursed from county compensation fund

Statewide Sales Increase!

Adjusted for accounting aberrations, California's local sales and use tax revenues for the fourth quarter of 2010 were 7.3% higher than the same quarter one year ago. This represents the fourth straight quarter of growth and the largest percentage increase since the third quarter of 2005.

Higher fuel prices and usage, robust sales of new autos and rebounds in restaurants and general consumer goods helped boost overall receipts. Capital purchases of business equipment and labor-saving technology were especially strong in the Bay Area and Southern California. A onetime use tax payment for alternative energy equipment added to San Joaquin Valley's pooled use tax totals. Excluding accounting aberrations the state's strongest regions were the San Joaquin Valley +12.5%, the Bay Area +7.7% and the Central Coast +7.1%.

Some Problems Remain

Although recent better than expected improvements in the state's labor markets suggest the rebound is gaining momentum, most economists believe the unemployment rate will remain in double-digits through 2012.

The large volume of unsold residential, commercial and office properties will continue to suppress new construction spending and be a drag on the economy through 2012-13. Soaring oil prices and budget cutbacks by state and local governments will have a short-term negative impact on economic growth.

Post tsunami problems in Japan are likely to cause supply shortages of autos, auto parts and various electronic components. However, the depth and duration of the impact remains unclear at this time.

Green Energy Exemptions

SB 71, which was pushed through the Legislature as one of last year's budget deals, authorizes the previously ob-

scure California Alternative Energy & Advanced Transportation Financing Authority (CAEATFA) to grant sales and use tax exemptions of state and local sales, use and transactions taxes for "green manufacturing" projects. There is no cap on the value of exemptions CAEATFA may approve but the Legislature must be notified if they exceed \$100 million annually.

Through March, CAEATFA has approved 28 projects exempting almost \$961 million in qualified property that would have generated about \$87.5 million statewide using an average tax rate of 9.1%. Local government losses are expected to exceed \$19 million.

Although approved projects are located in various areas of the state, Santa Clara and Alameda Counties have been the most impacted thus far.

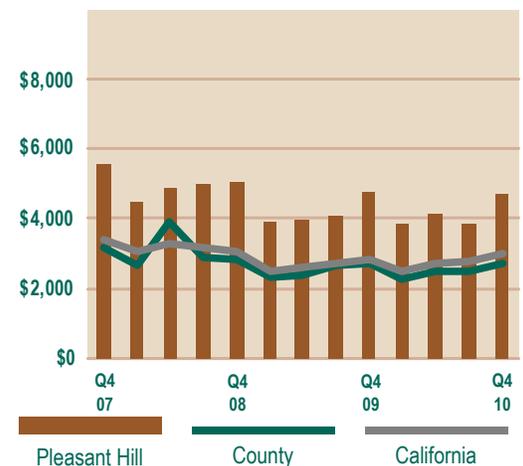
Renewable Energy Exemptions

In late February the CAEATFA Board of Directors postponed expansion of the exemption program with a proposed \$50 million sales and use tax exemption program for renewable

energy generation projects until early 2012 pending a better understanding of the state's fiscal condition. Industry lobbyists are pushing for a much larger program than CAEATFA originally planned.

Local governments will not be notified of applications that could affect their revenues. However, agenda notices can be obtained by visiting <http://www.treasurer.ca.gov/caeatfa/agenda.asp>.

SALES PER CAPITA



PLEASANT HILL TOP 15 BUSINESS TYPES

Business Type	Pleasant Hill		County	HdL State
	Q4 '10*	Change	Change	Change
Art/Gift/Novelty Stores	35.1	-11.5%	12.6%	7.6%
Discount Dept Stores	— CONFIDENTIAL —		0.3%	2.2%
Electronics/Appliance Stores	273.9	-5.3%	-0.2%	8.8%
Family Apparel	135.0	0.3%	2.4%	5.8%
Grocery Stores Liquor	71.9	9.5%	1.4%	4.7%
Hardware Stores	29.9	3.4%	4.6%	-1.1%
Home Furnishings	97.7	5.7%	2.5%	5.8%
Office Supplies/Furniture	40.0	23.4%	-11.0%	5.0%
Petroleum Prod/Equipment	— CONFIDENTIAL —		11.7%	18.1%
Restaurants Beer And Wine	51.6	5.4%	-8.6%	-2.2%
Restaurants Liquor	87.5	18.1%	6.2%	7.8%
Restaurants No Alcohol	76.4	6.9%	6.1%	5.5%
Service Stations	129.1	-2.8%	8.4%	13.1%
Specialty Stores	98.2	6.3%	-1.1%	7.5%
Stationery/Book Stores	32.8	-2.9%	-6.2%	0.4%
Total All Accounts	\$1,592.3	-0.5%	0.2%	5.8%
County & State Pool Allocation	238.8	15.3%		
Gross Receipts	\$1,831.2	1.3%		
City/County Share	(45.8)	-1.3%		
Net Receipts	\$1,785.4	1.3%		

*In thousands