



FINAL



Economic Development Strategic Plan Background Report

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City of Pleasanton

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Table of Contents

Introduction	1
The Economic Development Planning Process	1
Purpose of Report	1
Summary of Findings.....	3
Overview of Pleasanton’s Economic Development.....	4
Demographic Trends	5
Population and Household Growth	5
Household Size and Composition.....	5
Tenure.....	5
Age Distribution	7
Household Income	7
Educational Attainment.....	9
Occupations and Unemployment.....	11
Ratio of Jobs to Employed Residents	13
Commuting and Place of Work	14
Household Income by Commuting and Place of Work	16
Future Growth	16
Implications of Demographic Trends	19
Economic Base Analysis.....	20
Methodology.....	20
Historic and Current Jobs	21
Fiscal Vitality	25
Existing Real Estate Market Conditions	28
Residential Market Overview	28
Office and Industrial Market Overview	33
Retail Market Overview	36
Lodging Market Overview	38
Unique Features of Pleasanton’s Economy.....	40
Location and Transportation	40
Higher Educational and Research Facilities	40
Alameda County Fairgrounds	41
Downtown Pleasanton.....	41
Agriculture/ Wine Industry	42
Appendix A: Key Informant Interviews.....	43
Appendix B: Supplemental Data	44



Table of Tables

Table 1: Population and Household Trends, 1990-2005	6
Table 2: Age Distribution, 2005	8
Table 3: Household Income Distribution, 2005	8
Table 4: Educational Attainment for Population 25+ Years of Age, 2000	10
Table 5: PUSD Academic Performance Index, 2004	10
Table 6: Residents Aged 16 Years and Older by Occupation, 2000	12
Table 7: Labor Force and Unemployment, 2000 to May 2005	12
Table 8: Jobs-to-Employed Residents Ratio, 1990 to 2005	13
Table 9: Pleasanton Residents by Place of Work, 2000	14
Table 10: Pleasanton Jobs by Place of Residence, 2000	15
Table 11: Household Income of Pleasanton Residents by Place of Work, 2000	17
Table 12: Household Income of Pleasanton Workers by Place of Residence, 2000	18
Table 13: Population, Household and Job Projections, 2005 to 2030	19
Table 14: Jobs by Sector, 2002 – 2004	23
Table 15: Pleasanton Businesses by Firm Size, 2004	24
Table 16: Pleasanton Business Births and Deaths	25
Table 17: Pleasanton General Fund Revenue and Expenditures 2003 to 2006	26
Table 18: Affordable Sales Prices and Monthly Rents, Alameda County 2005	31
Table 19: City of Pleasanton TOT Revenue	39

Introduction

The Economic Development Planning Process

The City of Pleasanton, as it approaches build-out, is updating its General Plan, including strategic planning for land use, infrastructure, and fiscal vitality. As a result of this process, several key economic development issues have emerged, related to current and future economic trends, quality of life, and the enhancement of employment growth in the next 20 years. At the same time, the work of the Economic Vitality Committee (EVC) and City staff has increasingly focused on updating the City's economic development goals and policies.

Thus, as part of the City's General Plan update, the City of Pleasanton commissioned an Economic Development Planning process in Summer 2005 and amended as part of the Draft Economic Development Strategic Plan in late 2005. Specifically, the economic development planning process is intended to guide policymakers and City staff in implementing economic development initiatives such as business retention, expansion, and attraction programs. The Economic Development Strategy will also outline cost-effective uses of the City's resources to strengthen and maintain the local economy. In addition, the Economic Development Strategy, combined with a fiscal/economic impact analysis for the City's General Plan process, will help inform decisions on land use and future development.

To prepare the Economic Development Plan, the City engaged the services of Bay Area Economics (BAE) to work with the Economic Vitality Committee, community stakeholders, and City staff to conduct the following:

- Analyze current economic trends and key industries
- Identify opportunities for future economic development and job creation
- Formulate economic development goals and strategies
- Create an action plan to serve as a blueprint for implementation activities

Purpose of Report

This Background Report is the first step in the preparation of an Economic Development Strategy for the City of Pleasanton, and has been prepared to provide factual data and analysis of trends and conditions to inform strategic planning.

The Report was developed by reviewing a series of published plans and reports, analyzing published and unpublished data, and conducting numerous stakeholder interviews. Published data sources included the U.S. Census, the State of California Employment Development Department (EDD), the State Board of Equalization (SBOE), Pleasanton's business license data, and private data vendors. In addition, BAE analyzed several unpublished data sources including special tabulations of confidential employment data by

North American Industrial Classification System (NAICs), provided by the State of California Economic Development Department, and confidential taxable retail sales data from the State Board of Equalization. BAE also conducted interviews with key economic stakeholders, including members of the EVC, economic development professionals, business and community leaders, and real estate developers. A list of stakeholders interviewed for this report is included in Appendix A. Supplemental data tables are also included in Appendix B.

Summary of Findings

This Background Report indicates that in general, Pleasanton has fared relatively well in recent years, despite some weaknesses in several sectors influenced by general economic trends.

- The City's demographic trends indicate a stable, affluent residential community characterized by high household incomes, low unemployment, strong educational attainment, and a concentration in middle age ranges. As the community's residents continue to age in place, there may be shifts in the patterns of presence of children, and some long-time residents may seek relocation as their housing needs decline.
- Pleasanton is a "job rich" community, with more than 1.6 jobs for every working resident. While about one-third of Pleasanton's working residents stay in Pleasanton to work (including substantial numbers of home based businesses), the more than 56,000 jobs in Pleasanton are also filled by numerous in-commuters. Many communities with more jobs than working residents face the impacts influencing Pleasanton today. With strong economies and resulting fiscal vitality, job-rich communities at the same time face traffic congestion and rising home prices, which some stakeholders perceive as threatening future economic vitality.
- Pleasanton's economy has a broad distribution of jobs among high wage professional sectors including professional, scientific, technical, administrative, and information related jobs. These sectors have seen strong growth since 2002 creating over 3,300 new jobs.
- A large proportion of current jobs in Pleasanton are found in small firms, including more than 1,300 firms with 0 to 4 workers. Analysis of business license data suggests the underlying strength of the small and home-based business segments in Pleasanton, with more than 2,000 new businesses formed in the past two fiscal years. At present, new business formations outpace business cessations, a positive indicator of a healthy economy. Thus, despite the widely publicized impacts of large corporate ownership change and layoffs such as at Oracle, Pleasanton's economy is flourishing at the vital start-up level. Even the recent sale of vacant Oracle (formerly PeopleSoft) buildings to new investors suggests the private market's confidence in Pleasanton as a location for office-based businesses.

To ensure future fiscal and General Fund revenues, the Economic Development Plan should also focus on maintaining Pleasanton's retail and lodging/tourism competitive advantage. Future expansion by the current owner of Stoneridge, along with planning for mixed use development at Hacienda and new agri-tourism initiatives, will be important contributors to Pleasanton's fiscal vitality.

Overview of Pleasanton's Economic Development

The City of Pleasanton, incorporated in 1894, has enjoyed a long history of strong economic growth. Even prior to its incorporation, the area benefited from its location along a major railway corridor, and, more recently, its strategic placement at the crossroads of two major interstate freeways, I-580 and I-680, that in turn connect subregions of the Bay Area. Early development patterns focused around the City's historic downtown area, which has long functioned as the Main Street and heart of the community. The downtown also contained a rail depot, and served as a center for commerce in support of historic ranching and agricultural activity.

During the mid-1960s and 1970s, Pleasanton added substantial housing units and population. In the late 1970s, Stoneridge Shopping Center was developed, creating a key regional shopping attraction that has continued to evolve and serve as a major destination and fiscal revenue generator. In the early 1980s, the development of Hacienda Business Park, with major master planned business and light industrial complexes, attracted numerous large employers to the area. Meanwhile, a strong emphasis on the historic downtown core, preservation of scenic and natural resources, development of extensive community facilities, the addition of several full service hotels and meeting facilities, the continued success of the Alameda County Fair, and an overall attention to quality of life have combined to create the Pleasanton of today.

During recent years, shifting patterns of corporate ownership, changing demographics, and competing commercial and retail development in surrounding communities have all influenced Pleasanton's economic development. The community, elected officials, and staff have sought ways to balance growth and vitality, leading to a system of limiting building permits (Growth Management Program), increased emphasis on traffic congestion management, and a focus on fiscal vitality.

By describing these trends and conditions, this Report provides a foundation on which to build the future economy of Pleasanton.

Demographic Trends

This chapter analyzes overall trends in the economy of Pleasanton, including basic demographic and economic conditions. Where available, these trends are compared to the Tri-Valley region, as well as to the Bay Area¹ as a whole, for benchmarking purposes.

Population and Household Growth

The City of Pleasanton's population has grown significantly since 1990. According to the U.S. Census, the City's population grew from 50,553 to 63,654 between 1990 and 2000, an increase of 26 percent (see Table 1). During the same period, the Tri-Valley region also experienced strong growth, increasing by 30 percent, while the Bay Area as a whole grew a more moderate 13 percent. Since 2000, estimates for Pleasanton show an additional population increase to 67,441 in 2005, a jump of six percent. In the Tri-Valley area, population has grown eight percent in the same period, while the Bay Area increased just two percent.

Household Size and Composition

From 1990 to 2000, the City and the Tri-Valley have also experienced significant growth in the number of households (26 and 31 percent, respectively). Average household sizes for Pleasanton and Tri-Valley held relatively stable at 2.7 persons per household during the period.

The City and the Tri-Valley have a higher proportion of family households (i.e., related individuals) than the Bay Area. An estimated 74 percent of Pleasanton households were comprised of families in 2005, as compared to just 64 percent in the Bay Area.

Tenure

Pleasanton households had a relatively high homeownership rate in 2000, (73 percent) compared to the Bay Area (58 percent). Interestingly, the rate of ownership rose during the 1990s, despite rising sale prices. In 1990, 70 percent of Pleasanton households owned their own homes, increasing to 73 percent in 2000. This pattern echoes trends in the Tri-Valley, where ownership rates increased from 73 to 76 percent during the 1990s, and for the Bay Area overall (56 to 58 percent for the period).

¹ The Bay Area refers the nine county region as defined by the Association of Bay Area Governments (ABAG), including Alameda, Contra Costa, Napa, Marin, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma counties.

Table 1: Population and Household Trends, 1990-2005

City of Pleasanton	1990	2000	% Change 1990-2000	2005 (est.)	% Change 2000-2005
Population	50,553	63,654	25.9%	67,441	5.9%
Households	18,484	23,311	26.1%	24,603	5.5%
Average Household Size	2.73	2.72		2.73	
Household Type					
Families	75.6%	74.6%		73.9%	
Non-Families	24.4%	25.4%		26.1%	
Tenure					
Owner	70.2%	73.4%			
Renter	29.8%	26.6%			
Tri-Valley Region (a)					
Population	215,608	280,415	30.1%	303,727	8.3%
Households	76,078	99,734	31.1%	108,079	8.4%
Average Household Size	2.78	2.75		2.74	
Household Type					
Families	77.1%	75.6%		74.8%	
Non-Families	22.9%	24.4%		25.2%	
Tenure					
Owner	73.2%	76.1%			
Renter	26.8%	23.9%			
Bay Area (b)					
Population	6,023,577	6,783,760	12.6%	6,944,895	2.4%
Households	2,246,242	2,466,019	9.8%	2,501,259	1.4%
Average Household Size	2.61	2.69		2.72	
Household Type					
Families	64.9%	64.7%		64.4%	
Non-Families	35.1%	35.3%		35.6%	
Tenure					
Owner	56.4%	57.7%			
Renter	43.6%	42.3%			

Notes: (a) The Tri-Valley Region includes Alamo, Blackhawk, Danville, Dublin, Livermore, Pleasanton, San Ramon & Sunol.

(b) The Bay Area defined as the nine county region.

Sources: 1990 & 2000 U.S. Census; Claritas, 2005; Bay Area Economics, 2005.

Age Distribution

Pleasanton and Tri-Valley residents tend to be concentrated in the middle age ranges. In 2005, approximately 29 percent of Pleasanton's population was middle-aged (between 45 and 64), compared to 26 percent of the Bay Area (see Table 2). Pleasanton also contains substantial proportions of children; 27 percent of Pleasanton's residents were age 17 or below, compared the Bay Area (22 percent), in 2005. At the other end of the spectrum, the senior population (65 years and older) in Pleasanton was substantially less concentrated than for the Bay Area overall; Pleasanton's seniors represented 9 percent of total population, compared to 12 percent for the Bay Area.

These proportions of middle aged adults living primarily in family households influence demand for retail, entertainment, and dining options. Moreover, as the adult population ages in place, demand for a wider variety of housing types may also be experienced in Pleasanton.

Household Income

In 2005, both the City and Tri-Valley had higher median household incomes than the Bay Area region (see Table 3). With median income at an estimated \$107,219, Pleasanton is among the most affluent communities in the Bay Area. The distribution of income among categories further illustrates Pleasanton's affluence; while 15 percent of Bay Area households earn less than \$25,000 per year, only 7 percent of Pleasanton households were in this category. In contrast, over half of City households earn more than \$100,000 per year, compared to only 34 percent of Bay Area households. In fact, almost 10 percent of Pleasanton's households earned over \$250,000 in 2005.

Table 2: Age Distribution, 2005

Age Cohort	City of Pleasanton		Tri-Valley Region (a)		Bay Area (b)	
	Number	Percent	Number	Percent	Number	Percent
Under 15	15,104	22.4%	65,622	21.6%	1,354,256	19.5%
15 to 17	3,433	5.1%	14,576	4.8%	267,526	3.9%
18 to 20	2,265	3.4%	10,595	3.5%	250,146	3.6%
21 to 24	2,740	4.1%	13,152	4.3%	325,451	4.7%
25 to 34	6,247	9.3%	31,797	10.5%	993,130	14.3%
35 to 44	12,162	18.0%	53,916	17.8%	1,150,250	16.6%
45 to 54	11,973	17.8%	52,821	17.4%	1,059,017	15.2%
55 to 64	7,788	11.5%	35,526	11.7%	736,750	10.6%
65 to 74	3,336	4.9%	15,290	5.0%	414,180	6.0%
75 to 84	1,746	2.6%	7,589	2.5%	281,147	4.0%
85 +	647	1.0%	2,843	0.9%	113,042	1.6%
Total	67,441	100.0%	303,727	100.0%	6,944,895	100.0%
Median Age	38.2		38.0		37.5	

Table 3: Household Income Distribution, 2005

Household Income	City of Pleasanton		Tri-Valley Region (a)		Bay Area (b)	
	Number	Percent	Number	Percent	Number	Percent
Less than \$15,000	741	3.0%	3,136	2.9%	210,059	8.4%
\$15,000 to \$24,999	904	3.7%	3,629	3.4%	165,120	6.6%
\$25,000 to \$34,999	799	3.2%	3,777	3.5%	179,130	7.2%
\$35,000 to \$49,999	1,716	7.0%	8,028	7.4%	294,062	11.8%
\$50,000 to \$74,999	3,681	15.0%	15,512	14.4%	445,583	17.8%
\$75,000 to \$99,999	3,591	14.6%	16,283	15.1%	354,383	14.2%
\$100,000 to \$149,999	6,025	24.5%	26,466	24.5%	451,190	18.0%
\$150,000 to \$249,999	4,730	19.2%	20,770	19.2%	274,834	11.0%
\$250,000 to \$499,999	1,651	6.7%	7,109	6.6%	83,431	3.3%
\$500,000 and over	765	3.1%	3,369	3.1%	43,467	1.7%
Total	24,603	100.0%	108,079	100.0%	2,501,259	100.0%
Median Household Income	\$107,219		\$106,943		\$72,569	

Notes: (a) The Tri-Valley Region includes Alamo, Blackhawk, Danville, Dublin, Livermore, Pleasanton, San Ramon and Sunol.

(b) The Bay Area defined as the nine county region.

Sources: Claritas, Inc., Bay Area Economics, 2005.

Educational Attainment

One of the most distinctive characteristics of Pleasanton's adult residents is the high level of educational attainment. Over 56 percent of Pleasanton residents hold at least an associate degree or higher, compared to just under 42 percent for the Bay Area. Almost 16 percent of Pleasanton's residents have completed a graduate or professional degree. This feature of Pleasanton's demographics is an important competitive advantage, because many employers seek a highly skilled, educated labor force.

Another important aspect of education in Pleasanton is the high quality of its public schools. The community is served by the Pleasanton Unified School District (PUSD), which consists of nine elementary schools, three middle schools and four high schools including an alternative high school. Table 5 shows the Academic Performance Index for PUSD schools, based on three standardized tests administered to students statewide. As shown, PUSD schools score high; with every school receiving a rank of nine or ten (on a scale of one to ten). The strong performance and high ranking of PUSD schools is a significant attraction for both residents and, from an economic development viewpoint, employers concerned about attracting a skilled labor force and therefore interested in local school quality.

Table 4: Educational Attainment for Population 25+ Years of Age, 2000

Education Level	City of Pleasanton		Tri-Valley Region (a)		Bay Area (b)	
	Number	%	Number	%	Number	%
Less than 9th Grade	588	1.4%	3,618	1.9%	76,513	8.0%
9th to 12th Grade, No Diploma	1,857	4.4%	9,083	4.8%	91,768	9.6%
High School Graduate	6,228	14.7%	28,548	15.2%	181,668	19.0%
Some College, No Degree	9,963	23.5%	44,885	23.9%	206,013	21.6%
Associate Degree	3,704	8.7%	15,355	8.2%	64,800	6.8%
Bachelor's Degree	13,355	31.5%	56,646	30.2%	202,586	21.2%
Graduate or Prof. Degree	6,675	15.8%	29,370	15.7%	130,368	13.7%
Total	42,370	100.0%	187,505	100.0%	953,716	100.0%

Notes: (a) The Tri-Valley Region includes Alamo, Blackhawk, Danville, Dublin, Livermore, Pleasanton, San Ramon and Sunol.

(b) The Bay Area defined as the nine county region.

Sources: U.S. Census, 2000; Bay Area Economics, 2005.

Table 5: PUSD Academic Performance Index, 2004

Elementary Schools	API 2004	State Rank
Alisal Elementary	854	9
Donlon Elementary	867	10
Fairlands Elementary	881	10
Hearst (Pheobe Apperson) Elementary	896	10
Lydiksen Elementary	882	10
Mohr (Henry P.) Elementary	935	10
Valley View Elementary	875	10
Vintage Hills Elementary	900	10
Walnut Grove Elementary	917	10
Middle Schools		
Hart (Thomas S.) Middle	866	10
Harvest Park Intermediate	855	10
Pleasanton Middle	880	10
High Schools		
Amador Valley High	818	10
Foothill High	837	10
Horizon High	n/a	n/a

Notes: (a) Academic Performance Index (API) based on Standardized Testing and Reporting (STAR), California High School Exit Exam (CAHSEE), and California Alternate Performance Assessment (CAPA) results, current as of March 15, 2005.

(b) Village High, as an alternative high school, is not included.

Sources: California Department of Education, 2005; Bay Area Economics, 2005.

Occupations and Unemployment

As shown on Table 6, occupation patterns of employed Pleasanton residents reflect the high educational attainment and household incomes. In 2000, the City's working residents were strongly concentrated in Management, Professional, and Related occupations; 52 percent of employed residents were occupied in these fields, on par with the Tri-Valley (51 percent) and slightly higher than Bay Area workers as a whole (44 percent). Nine percent of Pleasanton and Tri-Valley employed residents worked in service occupations, as compared to 13 percent for the Bay Area.

Unemployment among working Pleasanton residents has been relatively low since 2000. As shown in Table 7, although unemployment averaged an extremely low 1.7 percent for 2000, and rose slightly to 2.8 percent during 2004, it has recently declined again to 2.2 percent for May 2005. These rates compare very favorably to the Bay Area, which registered an average unemployment rate of 3.3 percent for 2004, rose to 5.7 percent for 2004, and have fallen somewhat to 4.5 percent for May 2005.

It should be noted, however, that despite population and household growth in Pleasanton, its labor force participation has been declining. For example, between 2000 and 2004, Pleasanton's labor force has dropped from 36,600 to 35,300, a decrease of 3.4 percent. This trend would be expected if unemployment were substantial, influencing those seeking work or in a job. However, according to the unemployment data, Pleasanton's residents were not unduly impacted by the general economic downturn of the early part of the decade. Thus, the decline in labor force may instead be attributable to overall aging or retirement (early or otherwise) of the adult population.

Table 6: Residents Aged 16 Years and Older by Occupation, 2000

Occupation	Pleasanton		Tri-Valley (a)		Bay Area (b)	
	Number	%	Number	%	Number	%
Management, professional, & related occupations	17,543	52%	74,117	51%	1,470,597	44%
Service occupations	2,912	9%	12,682	9%	430,965	13%
Sales and office occupations	9,611	29%	41,097	28%	863,193	26%
Farming, fishing, and forestry occupations	15	0%	97	0%	14,107	0%
Construction, extraction, & maintenance	1,585	5%	9,004	6%	248,501	7%
Production, transportation, & material moving	1,942	6%	8,634	6%	339,140	10%
Armed Forces	31	0%	156	0%	10,872	0%
Total Employed Residents	33,639	100%	145,787	100%	3,377,375	100%

a) Tri-Valley includes Alamo, Blackhawk, Danville, Dublin, Livermore, Pleasanton, San Ramon & Sunol.

b) The Bay Area defined as the nine county region.

Sources: 2000 U.S. Census; Bay Area Economics, 2005.

Table 7: Labor Force and Unemployment, 2000 to May 2005

City of Pleasanton	2000 (a)	2004 (a)	% Change	May 2005 (b)
			1994 - 2004	
Employed Residents	36,000	34,300	-4.7%	34,700
Total Labor Force (c)	36,600	35,300	-3.6%	35,500
Total Unemployment	600	1,000		800
<i>Unemployment Rate</i>	1.7%	2.8%		2.2%
Tri-Valley Region (d)				
Employed Residents	156,000	151,300	-3.0%	152,800
Total Labor Force (c)	158,900	156,200	-1.7%	156,600
Total Unemployment	2,900	4,900		3,800
<i>Unemployment Rate</i>	1.8%	3.1%		2.4%
Bay Area (e)				
Employed Residents	2,878,300	2,637,900	-8.4%	2,658,800
Total Labor Force (c)	2,977,000	2,797,600	-6.0%	2,782,900
Total Unemployment	98,700	159,700		124,100
<i>Unemployment Rate</i>	3.3%	5.7%		4.5%

a) Annual average, not seasonally adjusted.

b) Monthly data, not seasonally adjusted.

c) U.S. Census defines Labor Force as total of employed (civilian and military), those looking for work in past 4 weeks, and those on temporary layoff from their jobs.

d) Tri-Valley includes Alamo, Blackhawk, Danville, Dublin, Livermore, Pleasanton, San Ramon & Sunol.

e) The Bay Area defined as the nine county region.

Sources: California Employment Development Department, 2005; Bay Area Economics, 2005.

Ratio of Jobs to Employed Residents

One measure of economic and fiscal vitality is the ratio between the number of jobs in a community and the number of employed residents in that community. Theoretically, if this ratio is one or more, it means that there is at least one job in a community for every resident who is working. A ratio of 1:1 for jobs to employed residents is considered ideal for a balanced community.

As shown on Table 8, ABAG projects a total of 59,480 jobs in Pleasanton in 2005, with 35,790 employed residents. This translates to a jobs-to-employed-residents ratio of 1.66, meaning there are 1.66 jobs in the community for every employed resident. In comparison, the jobs-to-employed-residents ratios for the Tri-Valley and the Bay Area in 2005 were 1.34 and 1.09 respectively. These ratios mean that Pleasanton has captured a very high number of jobs compared to its resident population, leading to substantial in-commuting even if every working Pleasanton resident remained in Pleasanton and commutes to his/her job every day. The following section analyzes these commute flows in more detail.

Table 8: Jobs-to-Employed Residents Ratio, 1990 to 2005

City of Pleasanton (a)	1990	2000	2005	% Change
				1990-2005
Jobs	33,710	59,480	59,480	76.4%
Residents	52,035	65,058	69,900	34.3%
Employed Residents	30,501	35,198	35,790	17.3%
Jobs/Employed Residents Ratio	1.11	1.69	1.66	
Tri-Valley Region (b)				
Jobs	80,210	124,270	128,770	60.5%
Residents	133,054	168,906	191,100	43.6%
Employed Residents	73,385	89,684	95,740	30.5%
Jobs/Employed Residents Ratio	1.09	1.39	1.34	
Bay Area (c)				
Jobs	3,206,080	3,753,460	3,516,960	9.7%
Residents	6,020,147	6,783,762	7,091,700	17.8%
Employed Residents	3,151,993	3,452,117	3,225,100	2.3%
Jobs/Employed Residents Ratio	1.02	1.09	1.09	

a) Includes City sphere of influence.

b) Tri-Valley includes Dublin, Livermore, Pleasanton, cities' spheres of influence, & other subregional areas.

c) The Bay Area defined as the nine county region.

Sources: ABAG *Projections*, 2000 and 2005; Bay Area Economics, 2005.

Commuting and Place of Work

An important issue facing communities like Pleasanton is the location of its residents' place of work. Commute patterns affect traffic congestion through a community, and can affect residents' quality of life. Many cities seek to organize economic development strategies around a better matching of jobs located within a community to residents' skills and occupations, minimizing in- and out- commuting or at least giving residents greater opportunity to work within their community.

Table 9 profiles where Pleasanton residents go to work. Slightly less than one-third of Pleasanton's employed residents worked at jobs located within the community in 2000, including about five percent who worked at home. This represents an increase of over eighteen percent since 1990. Based on employed residents at the time, this equated to approximately 10,515 Pleasanton residents who worked within Pleasanton in 2000, including approximately 1,760 residents working at home. An additional nearly 16 percent commuted to nearby job locations in other Tri-Valley areas, a slight decline from 1990 when just over 17 percent of employed Pleasanton residents worked in the Tri-Valley. While only just under 13 percent of Pleasanton workers commuted to Silicon Valley in 1990, this number jumped to almost 15 percent in 2000 as the high tech industry in the region was booming. Only 4.2 percent commuted to San Francisco in 2000, an increase from 3.2 percent in 1990. The number of Pleasanton workers commuting to the Central Valley remained flat over the ten-year period. Overall, this resident commute pattern to local jobs in Pleasanton was relatively high; meaning that the jobs in Pleasanton were capturing many local residents as workers.

Table 9: Pleasanton Employed Residents by Place of Work, 1990 - 2000

Place of Work	U.S. Census					Pleasanton Commute Survey	
	1990		2000		Percent Change, 1990 - 2000	2003	
	Number	Percent	Number	Percent		Number	Percent
Pleasanton Residents Working in Pleasanton	8,878	30.8%	10,515	31.8%	18.4%	118	29.8%
Pleasanton Residents Working Elsewhere in Tri-Valley	4,919	17.1%	5,255	15.9%	6.8%	79	19.9%
Pleasanton Residents Working Elsewhere in the Bay Area (a)	14,320	49.7%	16,998	51.4%	18.7%	190	48.0%
Pleasanton Residents Working in San Francisco	929	3.2%	1,390	4.2%	49.6%	16	4.0%
Pleasanton Residents Working in Silicon Valley (b)	3,642	12.7%	4,939	14.9%	35.6%	62	15.7%
Pleasanton Residents Working in the Central Valley (c)	196	0.7%	203	0.6%	3.6%	9	2.3%
Pleasanton Residents Working in Other Locations (d)	472	1.6%	95	0.3%	-79.9%	0	0.0%
Total Pleasanton Employed Residents (e)	28,785	100.0%	33,066	100.0%	14.9%	396	100%

Notes: (a) Bay Area defined as the nine county region.

(b) Silicon Valley defined as Santa Clara County.

(c) Central Valley defined as the following Counties: Stanislaus, San Joaquin, and Sacramento.

(d) Other includes all those working outside of the Bay Area and the Central Valley as defined above.

(e) Does not include employed Pleasanton residents working outside of California.

Sources: 1990 and 2000 U.S. Census, CTPP Part 3; Bay Area Economics, 2005.

The 2003 City of Pleasanton Resident and Employee Commute Surveys are another source for examining commute behaviors of those who live and work in Pleasanton. A sample of approximately 400 residents was identified and surveyed by telephone using random digit dialing. For the employee survey, 30 local businesses agreed to participate (of 49 that were selected) and questionnaires were distributed either electronically or as hard copies, depending on the wishes of the employer. The City received a total of 640 completed employee surveys. The results of the resident survey are fairly consistent with the 2000 Census data. The most significant difference is an increase in employed Pleasanton residents commuting to other Tri-Valley locations, from 15.9 percent in 2000 to 19.9 percent as reported by the 2003 Commute Survey.

Because Pleasanton has more jobs than employed residents, and also due to the lack of a perfect match between place of residence and work, only 20 percent of Pleasanton jobs were held by Pleasanton residents in 2000 (see Table 10). This represents a significant drop from 1990, when over 27 percent of Pleasanton jobs were held by City residents. Almost half of the jobs in 2000 were held by in-commuters from other Bay Area locations, contributing to major in-commuting traffic congestion. The 2003 Employee Commute Survey shows similar patterns. Some communities have sought to address this issue with initiatives to construct more housing, in order to balance available housing supply with the level of jobs in the community.

Table 10: Pleasanton Jobs by Place of Residence, 1990 - 2003

Place of Residence	U.S. Census			Pleasanton Commute Survey 2003 Percent
	1990 Percent	2000 Percent	% Change, '90 - '00	
Pleasanton Jobs Held by Pleasanton Residents	27.3%	19.8%	18.4%	17.4%
Pleasanton Jobs Held by Other Tri-Valley Residents	25.6%	23.2%	48.1%	27.2%
Pleasanton Jobs Held by Other Bay Area Residents (a)	36.6%	47.1%	109.5%	41.3%
Pleasanton Jobs Held by Central Valley Residents (b)	9.2%	8.4%	47.5%	14.1%
Pleasanton Jobs Held by Others (c)	1.3%	1.5%	89.1%	0.0%
Total Jobs in Pleasanton (d)	100%	100%	63.0%	100%

Notes: (a) Bay Area defined as the nine county region.

(b) Central Valley defined as the following Counties: Stanislaus, San Joaquin, and Sacramento.

(c) Other includes all those living outside of the Bay Area and the Central Valley as defined above.

(d) Does not include residents working in Pleasanton that live outside of California.

Sources: 1990 and 2000 U.S. Census, CTPP Part 3; Pleasanton Commute Survey, 2003 ; Bay Area Economics, 2005.

Household Income by Commuting and Place of Work

Over half of Pleasanton residents working within the City report 1999 household income of \$100,000 or more (see Table 11). This pattern holds true for many of Pleasanton's residents, including those commuting to San Francisco (64.1 percent of households reporting income over \$100,000), Silicon Valley (67.3 percent), and the remainder of the Bay Area (55.2 percent). Because of data constraints, median household incomes cannot be calculated for these populations. Pleasanton residents working in the remainder of the Tri-Valley also report high household incomes, with a median household income of \$99,200. The lowest incomes reported by Pleasanton households were those with workers commuting to the Central Valley, with a median household income of \$83,100. It is important to note, however, that this is still higher than the 2005 median income of the Bay Area as a whole.

Pleasanton workers reported 1999 median household income of \$89,800 or more (see Table 12). Pleasanton workers in-commuting from other places tend to earn less overall than Pleasanton employed residents. Those commuting from the remainder of the Tri-Valley report a 1999 median household income of approximately \$99,000. Pleasanton workers who reside in the rest of the Bay Area earn a median household income of \$83,800 and those commuting from the Central Valley earn a median household income of \$70,000.

Future Growth

According to the Association of Bay Area Governments (ABAG) projections, the City of Pleasanton will experience significant growth over the next 25 years. It should be noted however, that by 2030, these ABAG projections do not match the City's current growth management cap on residential units.

Table 13 provides estimates of future growth in population, households, and jobs for the City of Pleasanton, the Tri-Valley, and the Bay Area between 2005 and 2030. As shown, by 2015 Pleasanton's population and number of households are projected to increase by over 12 percent from 2005 levels. Pleasanton's growth is somewhat less than Tri-Valley's population and household projections, expected to rise by 19.7 percent and 20.3 percent, respectively. Both Pleasanton and the Tri-Valley are expected to grow more rapidly than the Bay Area overall (with an increase of just 9.3 percent for population, and 9.1 percent for households).

By 2030, ABAG projects that Pleasanton will have 32,180 households, which exceeds the 29,000 unit cap of housing units currently in place under the General Plan (see "Residential Market Overview" section later in this report).

Table 11: Household Income Distribution of Pleasanton Residents by Place of Work, 2000

<u>Household Income</u>	<u>City of Pleasanton</u>		<u>Remainder of Tri-Valley Region (a)</u>		<u>San Francisco</u>		<u>Silicon Valley (b)</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$15,000	135	1.3%	35	0.5%	15	1.1%	28	0.6%
\$15,000 to \$29,999	315	3.0%	149	2.3%	25	1.8%	69	1.4%
\$30,000 to \$39,999	515	4.9%	289	4.5%	30	2.2%	52	1.1%
\$40,000-\$49,999	560	5.3%	289	4.5%	25	1.8%	50	1.0%
\$50,000-\$59,999	815	7.8%	434	6.8%	50	3.6%	239	4.9%
\$60,000-\$74,999	1,030	9.8%	715	11.2%	95	6.9%	420	8.6%
\$75,000-\$99,999	1,635	15.6%	1,315	20.7%	255	18.5%	744	15.2%
<u>\$100,000 or more</u>	<u>5,505</u>	<u>52.4%</u>	<u>3,140</u>	<u>49.3%</u>	<u>885</u>	<u>64.1%</u>	<u>3,295</u>	<u>67.3%</u>
Total	10,510	100%	6,366	100%	1,380	100%	4,897	100%
Median Household Income	n/a		\$99,200		n/a		n/a	

<u>Household Income</u>	<u>Remainder of Bay Area (c)</u>		<u>Central Valley (d)</u>		<u>Total</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$15,000	103	1.1%	-	0.0%	316	1.0%
\$15,000 to \$29,999	279	3.0%	4	3.0%	841	2.6%
\$30,000 to \$39,999	201	2.1%	10	7.5%	1,097	3.4%
\$40,000-\$49,999	406	4.3%	4	3.0%	1,334	4.1%
\$50,000-\$59,999	565	6.0%	10	7.5%	2,113	6.5%
\$60,000-\$74,999	851	9.1%	28	20.9%	3,139	9.6%
\$75,000-\$99,999	1,781	19.1%	34	25.4%	5,764	17.7%
<u>\$100,000 or more</u>	<u>5,163</u>	<u>55.2%</u>	<u>44</u>	<u>32.8%</u>	<u>18,032</u>	<u>55.3%</u>
Total	9,349	100%	134	100%	32,636	100%
Median Household Income	n/a		\$83,100		n/a	

Notes: (a) Does not include Pleasanton. Tri-Valley defined as Alamo, Blackhawk, Danville, Dublin, Livermore, Pleasanton, San Ramon and Sunol.

(b) Silicon Valley defined as Santa Clara County

(c) Does not include Tri-Valley, San Francisco or Silicon Valley. The Bay Area defined as the nine county region.

(d) Central Valley defined as the following Counties: Stanislaus, San Joaquin, and Sacramento.

Sources: U.S. Census CTPP, 2000; Bay Area Economics, 2005.

Table 12: Household Income Distribution of Pleasanton Workers, by Place of Residence, 2000

Household Income	City of Pleasanton		Tri-Valley Region (a)		Central Valley (b)		Bay Area (c)		Total (e)	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than \$15,000	135	1.3%	100	0.8%	83	2.0%	594	2.5%	922	1.8%
\$15,000 to \$29,999	315	3.0%	418	3.2%	314	7.6%	1,531	6.4%	2,582	5.0%
\$30,000 to \$39,999	515	4.9%	560	4.3%	212	5.1%	1,494	6.3%	2,785	5.4%
\$40,000-\$49,999	560	5.3%	580	4.5%	522	12.6%	1,742	7.3%	3,404	6.6%
\$50,000-\$59,999	815	7.8%	700	5.4%	433	10.4%	1,893	7.9%	3,870	7.5%
\$60,000-\$74,999	1,030	9.8%	1,535	11.9%	763	18.4%	3,071	12.8%	6,409	12.4%
\$75,000-\$99,999	1,635	15.6%	2,685	20.8%	936	22.6%	4,644	19.4%	9,960	19.3%
\$100,000 or more	5,505	52.4%	6,360	49.2%	881	21.3%	8,932	37.4%	21,803	42.1%
Total	10,510	100.0%	12,938	100.0%	4,144	100.0%	23,901	100.0%	51,735	100.0%
Median Household Income	\$107,200 (d)		\$99,000		\$70,000		\$83,800		\$89,800	

Notes: (a) Does not include Pleasanton. Tri-Valley Region defined as Alamo, Blackhawk, Danville, Dublin, Livermore, Pleasanton, San Ramon and Sunol.

(b) Central Valley defined as the following Counties: Stanislaus, San Joaquin, and Sacramento.

(c) Does not include Tri-Valley, San Francisco or Silicon Valley. The Bay Area defined as the nine county region.

(d) CTPP Data does not allow for calculation of medians above \$100,000, however inspection of the data indicates that the income distribution of Pleasanton workers is similar to household income in Pleasanton overall.

(e) Pleasanton workers residing outside of the Bay Area or the Central Valley are included in the total, but not broken out on the table.

Sources: U.S. Census CTPP, 2000; Bay Area Economics, 2005.

Pleasanton's projected job growth is also substantial, with a 22.8 percent increase expected by 2015. Again, this is somewhat less growth than the Tri-Valley (31.2 percent), but greater than the Bay Area (17.9 percent) for the next decade.

Table 13: Population, Household and Job Projections, 2005 to 2030

	2005	2010	% Change		2020	2025	2030	% Change
			2015	2005-2015				
Pleasanton								
Population	68,200	72,600	76,500	12.2%	80,400	84,900	88,700	10.3%
Households	24,680	26,170	27,680	12.2%	29,270	30,870	32,180	9.9%
Jobs	58,670	66,050	72,020	22.8%	73,410	76,180	78,670	7.2%
Tri-Valley Region (a)								
Population	186,900	206,900	223,700	19.7%	240,500	259,000	277,400	15.3%
Households	65,190	72,090	78,420	20.3%	85,000	91,680	98,100	15.4%
Jobs	112,280	131,240	147,360	31.2%	160,510	180,440	200,810	25.1%
Bay Area (b)								
Population	7,091,700	7,419,600	7,749,100	9.3%	8,094,000	8,419,100	8,747,100	8.1%
Households	2,582,980	2,697,600	2,818,610	9.1%	2,940,630	3,060,340	3,182,220	8.2%
Jobs	3,516,960	3,836,540	4,147,250	17.9%	4,463,630	4,788,330	5,120,600	14.7%

Notes: (a) Tri-Valley region refers to the Cities of Dublin, Livermore, and Pleasanton.

(b) The Bay Area defined as the nine county region.

Sources: Association of Bay Area Governments, *Projections 2005*; Bay Area Economics, 2005.

Implications of Demographic Trends

Pleasanton's demographic profile suggests a strong potential for economic development. Residents' advanced educational attainment, the City's excellent schools, and the presence of a professional workforce match the workforce needs of many firms, particularly in higher wage professional industries that locate in well-educated, stable communities in order to attract employees. The City's strong household incomes and high homeownership rates further underscore the quality of life sought by many firms, large and small, in order to attract workers. Moreover, the City's strong rate of residents working at home suggests opportunities for strategies to strengthen support and assistance for small, start-up companies and home-based businesses.

Economic Base Analysis

This section examines employment data for Pleasanton, providing an overview of Pleasanton's economic base and key industrial sectors in the local economy.

Methodology

The economic base analysis summarized in this report relies primarily on the Quarterly Census of Employment and Wages (QCEW), or ES202, program. The ES202 data are the most complete universe of monthly employment and quarterly wage information by detailed industry at the national, state, county, and local levels. Analysis of these data enables comparisons among different industry sectors, as well as comparisons of growth or decline over time. The data are derived from the quarterly tax reports submitted to the California Employment Development Department (EDD) by California employers subject to State unemployment insurance (UI) laws, and from Federal agencies subject to the Unemployment Compensation for Federal Employees (UCFE) program.

Each quarter, EDD edits and processes the data and sends the information to Bureau of Labor Statistics in Washington, DC. The Bureau of Economic Analysis of the Department of Commerce uses ES202 data as a base for developing the wage and salary component of personal income. This measure and other applications of ES202 data are widely used in determining Federal allocation of program grants to State and local governments. ES202 data are also used by businesses and by public and private research organizations as one of the best sources of detailed employment and wage statistics for economic forecasting, industry and regional analysis, impact studies, and other uses.

Despite its broad application, it is important to note that the ES202 dataset has some limitations. First, it excludes any independent contractors or employers that do not pay unemployment insurance. For example, a sole practitioner architect without any employees would not be identified through this dataset. In general, however, these cases represent a relatively small portion of an area's overall economic base. As a second limitation, the dataset is driven by the employer's location and zip code. The dataset used for this analysis only includes employers with a physical address in the 94566 and 94588 zip codes, which roughly corresponds with the City's boundaries.² Therefore, a Livermore-based building contractor with a crew working in Pleasanton, for example, would not appear in this dataset.

Third, the data relies on self-reporting by employers, and firms often do not list a physical address, despite having an establishment in a particular city. For example, the EDD states that when the total employment in an employer's secondary offices (all offices other than the

² Mailing address, as opposed to physical address, cannot be used to identify Pleasanton employers, as many firms maintain mailing addresses outside the City, despite having an office in Pleasanton.

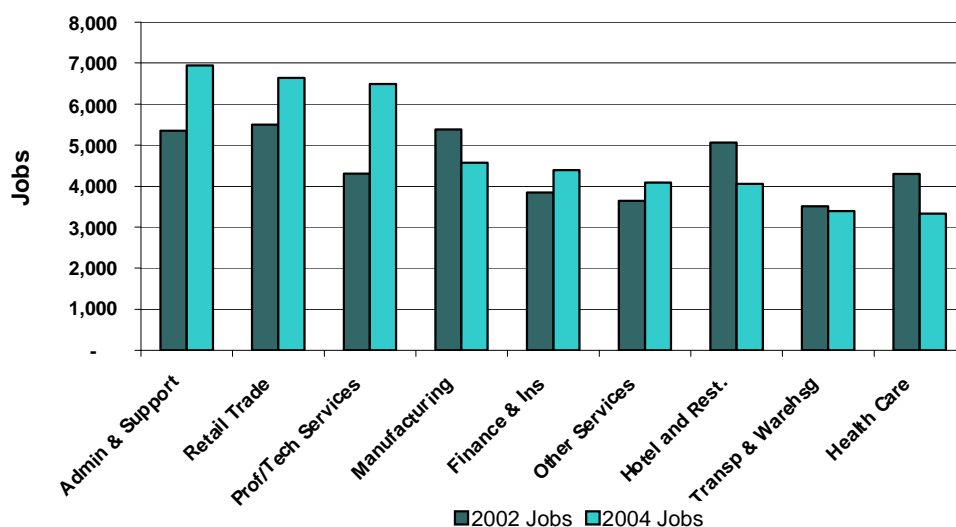
largest) is 10 or fewer, the employer generally will file a consolidated report for all establishments. Therefore, a small company with a secondary office in Pleasanton may not be recorded in a Pleasanton zip code. Complex organizational structures and accounting practices within multinational or interstate firms may also affect the accuracy of ES202 records, depending on how these firms report the presence of employees in multiple offices. Finally, the EDD requires that individual firms' employment and payroll remain confidential, and the City of Pleasanton staff and BAE have signed agreements to this effect. As such, this report takes the necessary steps to avoid disclosure, and reports findings at the general industry level.

Historic and Current Jobs

Overall Trends and Key Industrial Sectors

Table 14 shows Pleasanton job trends between 2002 and 2004.³ Overall, the data indicates that recent job growth has been positive, rising from a total of 51,400 jobs in Pleasanton in 2002, to 56,000 jobs by 2004, an increase of 8.9 percent in just two years.

**Pleasanton's Jobs By Industry
2002-2004**



Retail Trade, the largest sector in the Pleasanton economy, constituted 12.4 percent of the City's jobs in 2004, and is also growing at a strong pace. Between 2002 and 2004, the Retail Trade sector expanded from 5,500 to 6,600 jobs, a gain of over 30 percent. This sector's growth suggests strong sales in Pleasanton retail stores. The City's largest retail employers include Macys, Nordstrom and JC Penney.

³ EDD has only released ES202 data through 2004.

Professional, Scientific, and Technical Skills represents Pleasanton's second largest sector, with approximately 6,600 jobs in 2004, or 11.9 percent of total employment. This sector had a 21 percent increase in employment between 2002 and 2004, which was relatively strong growth compared with many other segments of the Pleasanton economy. Major Pleasanton employers in this category include JD Edwards, Robert Half International, and Pro Business (now a division of ADP).

Administrative and Support, and Waste Management, which combines jobs in administration, human resources, temporary agencies, credit bureaus, and recycling/waste collection, comprises Pleasanton's third largest sector (11.6 percent of total). This category is also the fastest growing segment of the local economy; between 2002 and 2004, the sector expanded from 4,300 to 6,500 jobs, a 51 percent gain. This increase is probably pronounced because of the inclusion of temporary agencies within the sector. Major firms in this sector in Pleasanton include Providian Bancorp, West Valley Engineering, and Benchmark Staffing.

The Information sector comprises the fourth largest share of the Pleasanton economy, accounting for over 8.2 percent of the City's total employment. This sector has seen a significant drop in recent years due to the regional and national economic downturn and the resulting layoffs and closures among technology firms. Between 2002 and 2004, the Information sector declined from 5,400 to 4,600 employees, a 15 percent decline for the two year period in Pleasanton. Examples of Pleasanton Information firms include Cingular, EMC Documentum, and Oracle.

Finance and Insurance comprised Pleasanton's fifth largest industry sector in 2004 (7.8 percent of total), and is one of the fastest growing segments of the local economy. Between 2002 and 2004, the Finance and Insurance sector expanded from 3,850 to 4,400 jobs, a 14 percent gain. Major Finance and Insurance firms in Pleasanton include Assurance Mortgage Corporation, Farmers Group, and Wausau Mortgage Corporation.

Other notable sectors include Health Care, Accommodation and Food Services, Management of Companies and Enterprises, Manufacturing, and Wholesale Trades. Health Care, usually a rapidly growing sector in communities with substantial middle-age populations such as Pleasanton, was the ninth largest sector in 2004, and grew a relatively strong 7.8 percent in the two year period. Interestingly, employment in the Accommodation & Food Services increased relatively rapidly, adding 450 jobs, for a 12 percent growth rate during the two year period, and its 4,100 jobs represented 7.3 percent of total employment in Pleasanton by 2004. Manufacturing also grew rapidly, gaining over 600 jobs (growth of 34 percent), reaching 2,400 jobs in 2004.

In contrast, sectors losing substantial percentages of jobs included Management of Companies and Enterprises (decreased by 20 percent), and Wholesale Trades (decreased

22 percent). These two sectors together represent 13 percent of Pleasanton's economy in 2004, and these substantial declines signal the need to further explore retention strategies.

Table 14: Employment by Sector, 2002 - 2004

Sector (a)	2002 Jobs (b)	2004 Jobs (b)	Percent of Total 2004	(2002 - 2004)		2004 Annualized Wages (d)
				Change	Percent Change	
Agriculture, Forestry, Fishing and Hunting	93	64	0.1%	-29	-31%	\$24,074
Tourism & Retail						
Accommodation and Food Services	3,644	4,090		446	12%	\$18,135
Arts, Entertainment, and Recreation	1,284	1,315		32	2%	\$32,501
Retail Trade	5,354	6,948		1,594	30%	\$31,320
Subtotal	10,282	12,353	22.1%	2,071	20%	\$27,081
Public Administration	825	864	1.5%	39	5%	\$49,085
Health Care and Social Assistance	2,602	2,804	5.0%	203	8%	\$44,628
Educational Services	1,400	1,491	2.7%	90	6%	\$41,675
Construction & Real Estate						
Construction	3,508	3,399		-110	-3%	\$57,132
Real Estate and Rental and Leasing	622	665		43	7%	\$53,201
Subtotal	4,130	4,064	7.3%	-67	-2%	\$56,489
Technology & Business Services						
Information	5,382	4,573		-809	-15%	\$82,526
Admin. & Support, Waste Mgt/Remediation	4,309	6,490		2,180	51%	\$36,351
Management of Companies and Enterprises	5,066	4,053		-1,013	-20%	\$88,767
Professional, Scientific and Technical Services	5,498	6,641		1,143	21%	\$87,185
Other Services (except Public Administration)	726	1,228		502	69%	\$42,894
Finance and Insurance	3,847	4,393		546	14%	\$68,227
Subtotal	24,828	27,378	48.9%	2,550	10%	\$69,562
Manufacturing	1,786	2,393	4.3%	606	34%	\$76,621
Logistics & Utilities						
Transportation and Warehousing	872	1,118		247	28%	\$41,050
Wholesale Trade	4,292	3,334		-957	-22%	\$66,821
Utilities	3	3		0	-10%	\$48,113
Mining	309	124		-185	-60%	\$76,329
Subtotal	5,476	4,580	8.2%	-896	-16%	\$60,773
Total (c)	51,423	55,990	100%	4,567	9%	\$56,464

Notes:

(a) North American Industry Classification System (NAICS) sectors.

(b) Number of jobs is the average of Q3 monthly data.

(c) Approximately 0.02% of firms included in this analysis did not list a physical address. However, the zip codes for these firms are those primarily used for the City of Pleasanton, and are assumed to be within the City limits.

(d) Does not reflect full-time wages, the data includes all wages, including those earned by part time workers.

Sources: CA Employment Development Department, 2005; BAE, 2005.

Employer Size

Although most of Pleasanton's jobs occur in larger companies, small business has played an increasingly prominent role in the local economy. As documented by the Tri-Valley Business Council's *Preserving Prosperity Project*, many of these small, rapidly growing firms are involved in "knowledge" economy activities such as producing biomedical products, software and communication technology. These types of entrepreneurial, innovative companies are considered as the linchpin to economic sustainability by economists, and create a uniquely strong foundation for Pleasanton and the Tri-Valley's economy.

In 2004 (see Table 15), almost 85 percent of Pleasanton's firms reported up to 25 employees, including a large segment (half of all firms) with just 0 to 4 employees. In total, these employers contained approximately 22 percent of all jobs in Pleasanton. Mid-sized employers, with 26 to 75 workers, made up 12 percent of total firms, but accounted for 21 percent of the City's jobs. The largest firms, with 76 or more employees comprised just five percent of the total number of firms, but provided 57.2 percent of total jobs in the City.

Table 15: Pleasanton Businesses by Firm Size, 2004

Firm Size	Firms		Employees		Aggregate Wages	
	Number	% of Total	Number	% of Total	Total \$	% of Total
0-4 Employees	1,347	50.4%	2,309	4.1%	\$28,437,382	3.6%
5-10 Employees	533	19.9%	3,681	6.6%	\$42,866,352	5.4%
11-25 Employees	386	14.4%	6,379	11.4%	\$72,116,872	9.1%
26-50 Employees	192	7.2%	6,745	12.0%	\$88,851,808	11.2%
51-75 Employees	80	3.0%	4,837	8.6%	\$71,455,653	9.0%
76-125 Employees	51	1.9%	4,983	8.9%	\$78,882,356	10.0%
126-300 Employees	55	2.1%	10,375	18.5%	\$139,098,755	17.6%
301+ Employees	29	1.1%	16,691	29.8%	\$268,743,704	34.0%
Total	2,673	100.0%	55,999	100.0%	\$790,452,882	100.0%

Note: All data is for the third quarter of 2004, the most recent data available. Data for number of firms and number of employees was reached by averaging Q3 monthly data.

Approximately 0.02% of firms included in this analysis did not list a physical address. However, the zip codes for these firms are those primarily used for the City of Pleasanton, and are assumed to be within the City limits.

Sources: CA Employment Development Department, 2005; Bay Area Economics, 2005.

Business Formation

An analysis of Pleasanton business license data was conducted to track the "births", or start-ups, and "deaths", or cessation, of businesses in the local economy. Table 16 profiles business formation/cessation of all business license holders in Pleasanton, excluding licenses for vending machines, and apartment buildings. As shown, recent years have seen substantial activity related to business formations; more than 30 percent of existing licenses

in Pleasanton are held by businesses formed in the past two fiscal years. Business deaths exceeded births during the 2000 to 2002 economic slowdown, but this pattern dramatically reversed during 2003 to 2005, with new businesses formed more rapidly. For example, in FY 2004/05, Pleasanton saw the formation of 1,076 new firms (15 percent of all business licenses), and just 820 “deaths.” This pattern of births exceeding deaths, and overall births forming such a vibrant part of the local economy, indicate a vital and healthy economy.

It is also important to note that a large portion of new business formations in the past two years have been home-based, meaning that these firms are started by local residents in their homes. This significant pattern suggests that economic development strategies to assist working at home, such as flexible land use permitting and increased access to high-speed broadband services, will be important support for this vital part of the local economy.

Table 16: Pleasanton Business Births and Deaths

Year	Births (New Licenses)			Deaths	
	<u># of Firms</u>	<u>% of Existing Licenses</u>	<u>New Home Based Firms</u>	<u># of Firms</u>	<u>Home Based</u>
FY04/05	1,076	15%	685	820	387
FY03/04	1,115	16%	647	582	321
FY02/03	662	9%	358	n/a	n/a
FY01/02	349	5%	163	1,458	665
FY00/01	324	5%	146	931	n/a
FY99/00	361	5%	178	623	n/a
Before 1999	3,182	45%	1,489		
Total	7,069		3,666		

Source: City of Pleasanton business license database, Bay Area Economics, 2005.

Fiscal Vitality

The quality of life in a community is partially attributable to the quality of the municipal services a city government can offer its citizens. General Plan decisions regarding land uses, transportation, public services, and economic development can all affect the fiscal vitality of the City’s budget, and ultimately, its quality of life. This section provides basic analysis of the City’s General Fund, with additional research to follow as the process continues.

Like many cities across California, Pleasanton has faced a number of financial challenges in

recent years. As municipal costs rise, two the of City's larger revenues sources (sales and hotel taxes) are down from their historic highs of 2000, while citizens expect continued excellence from city staff and services. The single largest portion of the City budget is referred to as the General Fund, and revenues and expenses for this fund are also the components of the City budget which are most closely tied to economic development. The following section focuses on describing the major components of the General Fund and their relationship to economic development.

City of Pleasanton General Fund Budget

The City of Pleasanton General Fund provides most of the funding for public safety, libraries and other public services that are essential for the quality of life for Pleasanton residents. General Fund sources and uses are illustrated in Table 17. The City of Pleasanton's fiscal year 2005-2006 General Fund budget, totaling \$76.8 million, anticipates \$32.4 million of expenditures, or 42 percent for public safety uses, including the police and fire departments. Community activities including libraries, parks and community services account for 20 percent of General Fund expenditures, and public works, planning and community

Table: 17: Pleasanton General Fund Revenue and Expenditures 2003 to 2006

	Actual 2003-04	2004-05 (a)	Projected 2005-06	Pct. Of City Revenue
Revenues				
Sales and Use Tax	\$18,898,791	\$19,055,000	\$20,007,750	24.4%
Property Tax	\$33,310,776	\$35,164,741	\$37,209,893	45.4%
Vehicle In-Lieu Tax (b)	\$2,916,339	\$2,398,717	\$2,233,294	2.7%
Other Taxes	\$1,150,733	\$1,205,000	\$1,015,250	1.2%
Local Revenue	\$11,464,599	\$9,911,244	\$10,274,964	12.5%
Franchise Fees	\$1,403,790	\$1,458,598	\$1,531,528	1.9%
Transient Occupancy Tax	\$2,528,156	\$2,750,000	\$2,997,500	3.7%
Business License Tax	\$2,662,803	\$2,950,000	\$3,097,500	3.8%
Other Intergovernmental Revenues	\$727,070	\$740,882	\$573,960	0.7%
Interfund Reimbursements & Overhead	\$2,368,808	\$2,586,155	\$2,977,931	3.6%
TOTAL	\$77,431,865	\$78,220,337	\$81,919,570	100.0%
Change from Previous Year		1.0%	4.7%	
Expenditures				
General Government	\$9,197,418	\$12,577,981	\$11,430,155	
Public Safety	\$25,634,450	\$30,082,697	\$32,442,309	
Planning & Community Development	\$2,482,934	\$3,529,464	\$2,911,241	
Public Works	\$13,563,001	\$14,704,289	\$14,241,117	
Community Activities	\$16,064,936	\$15,663,610	\$15,814,748	
TOTAL	\$66,942,739	\$76,558,041	\$76,839,570	
Change from Previous Year		14.4%	0.4%	

Sources: City of Pleasanton Finance Department; BAE, 2005.

Notes:

(a) Adjusted FY 2004-04 budget. Actuals are not yet available.

(b) Includes In-Lieu tax that is now used to backfill property tax reduced in the 2004 State budget agreement.

development accounting for 22 percent. General government uses (City Manager, Finance, City Council, etc.) account for 15 percent of General Fund expenditures.

Economic development and the vitality of the economy can directly affect revenues to the City's General Fund. For Pleasanton, several key sources of revenue in the City General Fund come from traditional local taxes. For example, sales and use tax revenues from local retail and industrial businesses account for 24 percent of the City's General Fund revenues. Transient Occupancy Tax (TOT), another source tied to economic prosperity, contributes 3.7 percent to the General Fund. Quality of life, as reflected in stable or rising residential property values and sales volumes, also supports the General Fund; for Pleasanton, this is the single largest revenue source, making up almost half of the City's General Fund revenue.

The City's 2006-07/2007-08 two-year operating and capital budgets were approved recently by the City Council. These budgets maintain core service levels; address all program and project initiatives prioritized by the City Council; and implement measures to promote long-term fiscal stability. Careful planning and a diversified local economy have allowed the City to maintain a balanced budget without reductions in service or increases in fees or taxes.

Existing Real Estate Market Conditions

This section assesses real estate market conditions, which provide an important measure of near-term economic vitality. For this section, most of the data tables can be found in the Appendices.

Residential Market Overview

Pleasanton's residential housing market is influenced by its current General Plan, which mandates a voter-approved cap on the development of housing units within the City, with no more than 29,000 units allowed. The Growth Management Program was created in order to manage the City's increasing population, and housing growth. Through its Annual Growth Management Reports, the City seeks to monitor growth and to ensure that new residential development is accessible to all segments of the population and can be supported by existing infrastructure and services. For example, projects containing at least 25 percent or more lower-income units have access to an additional allotment of units, over and above what is typically allowed. As of January 1, 2002 the City had achieved approximately 84 percent of the total housing units allowed. According to the 2002 Growth Management Plan, housing production has been fairly steady since 1980, at a rate of one to three percent growth in housing stock each year. The Growth Management Program also limits the number of residential building permits that can be issued each year at 350.

Table B-1 (see Appendices) shows the history of residential building permits in the City from 1996 to mid-2005, with a total of 3,984 units approved over the period. Nearly 20 percent of those units were in multi-family projects with five or more units, just under one percent of new units were in projects with three to four units, and the remaining roughly 80 percent of new units were single family homes. This trend is reflected in the composition of Pleasanton's housing stock (see Table B-2). Approximately 73 percent of Pleasanton households in 2000 were lived in owner-occupied units, including 83 percent of those households in single family detached units.

Tables B-3 through B-5 present recent sales data for single family homes and condominiums in Pleasanton and the Tri-Valley. This data was obtained from First American Real Estate Solutions (FARES), a subscription service that reports County Assessor's data for recorded real estate sales.

Single Family For-Sale Market

Recent Sales

The single family market in Pleasanton is strong, with a significantly higher median sale price than the Tri-Valley region. The median sale price for the 316 full and verified single family

home sales in the City recorded between January and July, 2005 was \$823,000, as compared to \$705,000 for the Tri-Valley over the same period. This represents a 15 percent increase from Pleasanton's median sale price over the same period in 2004 (\$715,750). Only 6.3 percent of sales were under \$600,000 in the past six months, while 25.3 percent were over \$1 million. The majority of single family sales (65 percent) were homes with four or more bedrooms; this housing type had a median sale price of \$875,000 and an average size of 2,522 square feet (compared to 2,226 square feet for all units sold).

Currently Selling Single Family Projects

New residential construction in Pleasanton consists primarily of single family homes located in master planned communities. There are currently eight major projects on the market, generally with three to six bedroom homes ranging from 2,000 to 5,000 square feet. These new developments tend to be large lot homes, on 9,000 to 12,000 square foot lots, although there are some small lot homes on approximately 5,000 square feet. Sale prices range from \$900,000 for the smaller homes to over \$1.5 million for the larger homes. An example of currently selling new homes can be found at Ponderosa Classics, with homes ranging from 2,162 to 3,067 square feet selling for \$925,000 to \$1,075,000.

Planned and Proposed Single Family Projects

Approved residential construction in Pleasanton consists primarily of single family homes in master planned communities, concentrated in four areas of the City. The Ruby Hill project in southeastern Pleasanton has been approved for 850 large-lot custom homes and is mainly built out. Of the 141 total approved units in the Vineyard Avenue Corridor Specific Plan Area, 44 are currently under construction. The Happy Valley Specific Plan Area has a total of over 65 approved units under construction. Ponderosa Homes' 365 unit Busch Property development, including 172 senior apartments, is under construction, as is a 49-unit residential development by Summerhill Homes in the North Sycamore Area. Three proposed hillside residential developments totaling approximately 300 units are currently in the review process.

Multifamily For-Sale Market

Recent Sales

As shown in Table B-5, Pleasanton had 54 condominium sales in the last six months, a slight decrease from the 65 sales over the same period in 2004. The median price of multi-family units was \$400,500 over the past six months, an increase of nearly 14 percent from the median last year (\$352,000). With very few sales below \$300,000 and no recorded sales over \$600,000, the majority of condominiums sold for between \$350,000 and \$500,000. Most of the reported sales were of two-bedroom units (72 percent), with a median price of \$405,000 and an average size of 935 square feet. Condominium sales in the Tri-Valley as a whole were somewhat more expensive, with a median sale price of \$451,000 over the last six months (see Table B-4).

Multifamily Rental

As shown on Table B-2, approximately 70 percent of Pleasanton renters live in multi-family units (with 24 percent living in properties with 50 or more units). According to RealFacts, Inc., a private data vendor that surveys multi-family rental properties of 50 or more units, there were 3,771 units on the market as of October 2005 (see Table B-6). The average rent for all units is \$1,333 and average size is 901 square feet. The majority of rental units are one-bedroom one-bath (39.6 percent) and two-bedroom two-bath (29.5 percent). Rents in Pleasanton have dropped slightly more than 10 percent over the period from 2000 to 2005, with occupancy rates also dropping slowly; from 97.5 percent in 2000 to just under 93 percent in 2005. While this is true for the Pleasanton rental market overall, some product types are in high demand. For example, the average rent for two-bedroom townhomes increased by over 17 percent between 2004 and 2005 (first quarter). However, it is important to note that this overall trend is mirrored across the Bay Area after the economic decline beginning in late 2000. As such, a significant amount of the decline in rents and occupancy in Pleasanton occurred in the first couple of years.

Affordable Housing

The Growth Management Plan has aided in the construction of many affordable units in Pleasanton, with nearly 28 percent of new construction between 1996 and 2000 consisting of units affordable to very-low, low-, and moderate-income households. The City's Housing Element, adopted by City Council in 2003, reports an inventory of 449 below-market-rate (BMR) units; with the construction of another 396 BMR units for seniors since that time, a total of 845 units are currently available in Pleasanton.

Affordability

The California Department of Housing and Community Development defines Area Median Incomes on an annual basis. The 2005 median household income for Alameda County was \$65,750 for a two-person household and \$82,200 for a four-person household. "Very low income" households are defined as earning up to 50 percent of Area Median Income (AMI), "low income" households earning up to 80 percent of AMI, "moderate income households earning up to 120 percent of AMI and "workforce" households are those earning between 120 percent and 200 percent of AMI. Using a series of assumptions about mortgage terms, property tax rates and insurance (see Table 18 for detailed assumptions), BAE calculated affordable home sale prices for the different income levels and household sizes. According to these calculations, those households earning 100 percent of AMI can afford to purchase a house for up to \$243,290 (two-person household) or \$304,946 (four-person household). Based on the inventory of recent Pleasanton home sales reported in Tables B-3 and B-4, only 0.2 percent of sales were affordable to two-family households earning the area median, and 1.9 percent to four-person households. Because of the high cost of housing in the local market, only when looking at larger households earning 150 percent of AMI or greater does the percent of recent sales affordable climb above 10 percent for a given income level. Based on the \$89,800 median household income of Pleasanton workers reported in the 2000

Census (see Table 12), the median worker household can afford only about five percent of Pleasanton's for-sale housing.

Table 18: Affordable Sale Prices and Monthly Rents, Alameda County 2005

<u>Household Income/Type</u>	<u>Household Income</u>	<u>Sale Price (a)</u>	<u>Percent of Recent Sales Affordable (c)</u>	<u>Monthly Rent (b)</u>
50 Percent AMI				
2 Person HH	\$33,100	\$122,795	0.0%	\$830
4 Person HH	\$41,400	\$153,586	0.0%	\$1,040
80 Percent AMI				
2 Person HH	\$53,000	\$196,620	0.0%	\$1,330
4 Person HH	\$66,250	\$245,775	0.2%	\$1,660
100 Percent AMI				
2 Person HH	\$65,750	\$243,920	0.2%	\$1,640
4 Person HH	\$82,200	\$304,946	1.9%	\$2,060
120 Percent AMI				
2 Person HH	\$78,900	\$292,704	1.6%	\$1,970
4 Person HH	\$98,650	\$365,973	5.7%	\$2,470
150 Percent AMI				
2 Person HH	\$98,625	\$365,880	5.7%	\$2,470
4 Person HH	\$123,300	\$457,419	11.8%	\$3,080
170 Percent AMI				
2 Person HH	\$111,775	\$414,664	9.6%	\$2,790
4 Person HH	\$139,740	\$518,409	16.1%	\$3,490
200 Percent AMI				
2 Person HH	\$131,500	\$487,840	14.2%	\$3,290
4 Person HH	\$164,400	\$609,893	26.1%	\$4,110

Notes:

(a) Assumptions for ownership calculation are:

Mortgage terms:	
Annual Interest Rate (Fixed)	7.0%
Term of mortgage (Years)	30
Percent of sale price as down payment	5.0%
Initial property tax rate (Annual)	1.10%
Annual insurance rate as percent of sale price	0.75%
Percent of household income available for PITI	35.0%
Homeowner's Dues	\$0

(b) Affordable rents are 30 percent of gross income, including utility payments.

(c) Percentage of full and verified sales identified from First American Real Estate Solutions (FARES) for 2004 and 2005, see Tables B-3, B-4

Sources: California Department of Housing and Community Development, Bay Area Economics, 2005.

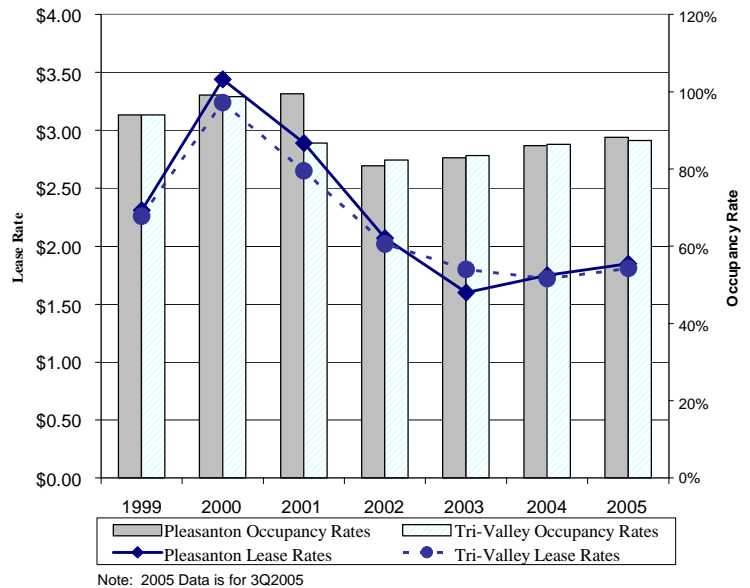
Affordable monthly rents are also shown on Table 18. These are calculated on a monthly basis as 30 percent of gross income, including utility payments. The rental market in Pleasanton is somewhat more affordable, given Area Median Incomes, with low income households able to afford the average rent of \$1,333. This remains true when examining average rents based on unit type and household size (see Table B-6 for average rents).

Office and Industrial Market Overview

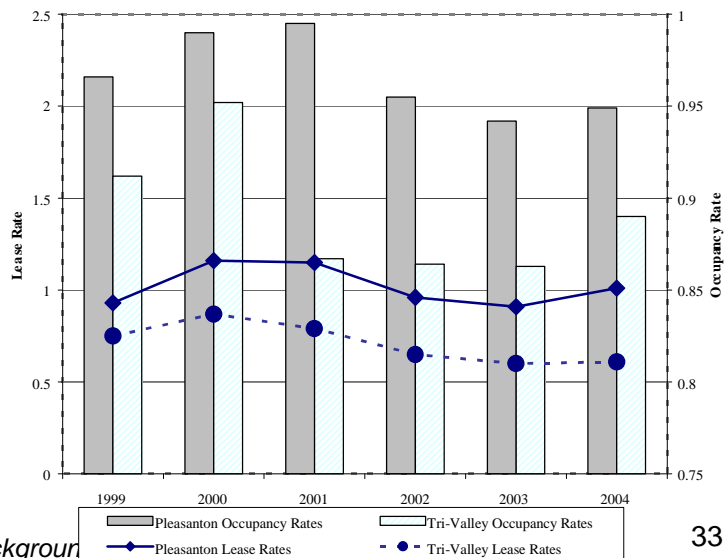
Throughout the Tri-Valley, technology and other office-based companies have been attracted by abundant housing, the skilled labor force, shorter commute times, and available land. However, current market conditions vary widely among communities in the Tri-Valley, and between different types of office and flex space. With vacancy rates decreasing in most submarkets across the Tri-Valley, the regional office and industrial rental market is gaining strength. With decreasing vacancies, outlook for rental rates is positive despite current downward trends in some market segments. Across the Tri-Valley the Class A office market is very strong, with average asking rents of \$2.13 per square foot having increased by 15.8 percent and vacancy decreasing by nearly two percent, from the fourth quarter of 2004 to the third quarter of 2005.

Table B-7 shows historic data from Colliers International illustrating office and industrial market trends in Pleasanton and the Tri-Valley from 1999 through 2004. After the collapse of important segments of the high technology sector, vacancy rates across the region soared by the fourth quarter of 2002 as rental rates began to drop. The Pleasanton office market is recovering, however, with vacancy rates dropping from 19.2 percent in 2002 to 13.9 percent in 2004 (just slightly

Historic Office Market Trends (Fourth Quarter), Pleasanton and the Tri-Valley



Historic Industrial Market Trends (Fourth Quarter), Pleasanton and the Tri-Valley



higher than the 2004 Tri-Valley rate of 13.6 percent) and asking rents on the rise (from \$1.60 to \$1.75 between the fourth quarter of 2003 and 2004). Pleasanton's industrial market is also rebounding, with vacancy rates down from 5.8 percent in 2003, to 5.1 percent at the end of 2004. Despite historical downward trends since 2001, industrial rents were also beginning to increase over the period with average asking rents up from \$0.91 to \$1.01 between the end of 2003 and 2004.

As shown in Table B-8, as of the third quarter of 2005, the Pleasanton office market (including office/flex space) encompasses 12.03 million square feet. This represents 47 percent of the total inventory in the Tri-Valley, which has over 25 million square feet of office space. The vacancy rate in Pleasanton is 11.8 percent (down from 13.9 percent in the fourth quarter of 2004), just slightly higher than San Ramon with eleven percent, and somewhat lower than Dublin with 12.9 percent, and significantly lower than Livermore which has office vacancies of over 27 percent. Asking rent for Class A office was \$2.05 in Pleasanton (a 10.8 percent increase from the fourth quarter of 2004), slightly lower than the Tri-Valley (\$2.13) and Dublin (\$2.20).

Hacienda Business Park

With nearly 7 million square feet of built office and R & D space, Hacienda Business Park is one of the largest developments of its kind in Northern California. Situated at the intersection of Interstates I-580 and I-680, and located equidistant from San Francisco and Silicon Valley, as well as serving as the closest major Bay Area employment center to Sacramento, the Business Park is well-positioned to tap into local labor markets.

Hacienda was originally developed in the early 1980s by The Prudential Insurance Company and the Callahan Property Company on an 854 acre site. Its original marketing targeted large firms outgrowing Silicon Valley or San Francisco locations and seeking to locate closer to large East Bay labor pools. Today, Hacienda maintains a strong competitive advantage among office locations in the Bay Area. It has developed with a high level of amenities for employers and their workers, including four publicly accessible fiber networks, proximity to BART connected by free shuttles, and an extensive commuter program. The project has also matured into a mixed use development, incorporating mid- and low-rise office, office "flex," retail, and residential uses.

Hacienda Business Park is zoned for nearly 12.5 million square feet of built space and currently boasts 10.4 million square feet. In addition to 5.4 million square feet of built office space, Hacienda also has nearly 1.7 million square feet of R & D/Flex space, 891,000 square feet of retail, and over 1,500 residential units housing approximately 3,500 residents. Oracle, currently Hacienda's largest employer, contains nearly 3,000 employees occupying almost 600,000 square feet. Multiple Fortune 500 companies have been attracted to the Park and established branch or headquarters offices, including AT&T, Hewlett-Packard, Sun Microsystems, and Roche Molecular Systems. All land owners at Hacienda are members of

the Hacienda Business Park Owners Association, which was formed in 1982 to take over management of the Park and planning for its future.

Recent leasing activity (2004) has been modest, impacted by national and regional economic slowdowns as well as a loss of approximately 600 jobs arising from the acquisition of PeopleSoft by Oracle. According to the 2004 Hacienda Business Park Owners Association Annual Report, Hacienda office transactions accounted for over 54 percent of gross office space absorption in Pleasanton last year. However, the Park is beginning to see an increase in occupied space, resulting in a drop in vacancy rate from 14.9 percent at the end of 2003 to 12.3 percent by the end of 2004. Major leasing activity in 2004 included roughly 150,000 square feet to Ross Stores, and an additional 140,000 square feet comprised of five transactions for more than 22,000 square feet of space each.

In addition, a significant share of 2004 leasing activity was to small users, with transactions involving less than 10,000 square feet (this activity comprised over 80 percent of all transactions within the Park in 2004). This resurgence in small office users, primarily between 1,500 to 7,500 square feet, occurred as major landlords such as Equity Office subdivided space, performed tenant improvements on spec, and lowered rent to attract small office tenants. Building and subdividing space for use as for-sale office/R&D condominiums has also seen an increase in activity. Currently, two buildings which will offer for-sale office condominiums to smaller business owners are undergoing entitlement.

A major change of ownership was recently announced with Kaiser Permanente purchasing 363,000 square feet from Oracle. This transaction reported at roughly \$200 per square foot will consolidate Kaiser's 2,000 person information technology operation at Hacienda. The nearly 20 offers made on the property suggest a possible resurgence in the marketplace for this type of high quality office space.

To plan for the future, a Specific Plan for Hacienda was recently initiated, funded by Hacienda Property Owners Association and the East Bay Community Foundation. This planning process will explore adding transit-oriented mixed use development to Hacienda, primarily near the BART station. The Plan expects to focus primarily on development of housing, along with additional supporting retail uses to serve the needs of both existing occupants and new residents.

Bernal Corporate Park

The Bernal Corporate Park is comprised of 1.125 million square feet of office space in 9 developed parcels, and sits on 89 acres adjacent to the I-680 freeway. Buildings were developed starting in 1987 and are primarily mid-rise Class A office, and some one- and two-story office, along with service/R & D and retail. Occupancy rates have remained above 90 percent over the last five years. Asking rents are \$1.25 per square foot, per month, on a triple net basis (tenant pays all operating expenses in addition to rent).

Retail Market Overview

One of Pleasanton's most visible and important economic sectors is retail trade. Employing over 6,900 workers in 2004, retail trade in Pleasanton was the largest employment category in the City, with over 12 percent of all jobs. There are several ways to analyze the retail sector in Pleasanton, including overall trends in taxable sales, per capita trends in taxable sales, and changes by store type from year to year.

Taxable Sales Trends

Table B-10 presents taxable retail sales trends in Pleasanton between 1999 and 2003, on an inflation adjusted basis. The data, including the most recent available published data for a full year of sales (2001), are adjusted to track real growth (or decline) in sales without the impact of inflation. As shown, during this period, which covers an economic boom and bust period, inflation-adjusted taxable retail sales declined in Pleasanton, from \$1.3 billion to \$1.2 billion between 2000 and 2003. Despite an overall decline of 12 percent between 1999 and 2003, some categories increased substantially over the period, including Apparel Stores (just over 25 percent) and the Automotive Group (over 16 percent).

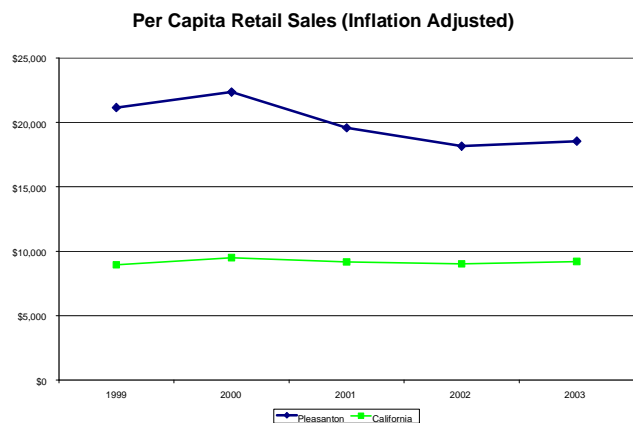
Table B-11 shows taxable trends measured on a per capita basis. Per capita taxable retail sales dropped 12.3 percent over the period from 1999 to 2003, from \$21,164 to \$18,554 (with the highest per capita sales in 2000 at \$22,358).

Taxable Sales in Comparison Cities

Pleasanton's per capita taxable retail sales for 2003 were also compared to several other local retail centers in California for the same year (see Table B-12). This comparison highlights the City's strong retail position.

Total retail sales in Pleasanton in 2003 were \$18,330 per capita, exceeding per capita sales in neighboring communities such as Livermore (\$19,541), San Ramon (\$13,844), and Danville (\$8,123).

Pleasanton's sales in 2003 were almost twice the level as the State overall (\$12,891 per capita). Walnut Creek, a regional retail center, had slightly higher per capita sales, at \$25,286. Only Dublin surpassed Pleasanton significantly, with \$33,123 retail sales per capita.



However, when examined on a category by category basis, the data reveals that Pleasanton substantially outdistanced Dublin in several key categories. Pleasanton's per capita apparel store taxable sales, for instance, at \$1,595, far exceeded Dublin's figure (\$1,091). General

merchandise taxable sales in the City were \$4,644 per capita in 2003, while Dublin sold just \$1,882 per capita. In 2003, Dublin exceeded Pleasanton in per capita sales in the eating and drinking, home furnishing, building material, auto, and other retail categories.

Leakage Analysis

Table B-13 analyzes the current outflow of potential retail sales from Pleasanton's residents to surrounding communities with larger, region-serving retail centers. The leakage analysis indicates the amount of potential sales dollars "leaking" from Pleasanton due to residents shopping elsewhere. Theoretically, these lost sales could be "recaptured" by adding additional retail space in the City. Per capita taxable sales data by category for the City of Pleasanton is compared to the Tri-Valley region as a whole, which serves as the benchmark for retail potential in the City. As shown on the table, Pleasanton is faring very well in terms of capturing retail dollars; the City has a 27 percent overall injection of retail taxable sales dollars, reflecting the attraction of dollars into the community via its regional shopping center. In other words, Pleasanton is capturing significantly more retail dollars per capita than the Tri-Valley as a whole. Categories where the City is "leaking" dollars are Food Stores (with a leakage of 11 percent), Building Materials and Farm Implements (leaking 26 percent), and Service Stations (22 percent).

Shopping Centers

As shown on Table B-14, Pleasanton's retail supply is primarily concentrated in five community shopping centers, one super regional mall, and a variety of smaller neighborhood and community centers. The larger centers typically have a grocery, hardware, or home goods store anchor, with restaurants, specialty goods stores, and personal service establishments as complementary tenants.

Based on interviews with shopping center managers, Pleasanton centers experience strong monthly lease rates of approximately \$2.00 per square foot on a triple net (NNN) basis. Occupancy rates are high, with most centers reporting occupancy of over 95 percent. These findings point to the underlying strength in the retail marketplace. Aside from Stoneridge, other centers in Pleasanton range from 11,000 to 90,000 square feet, with lease rates of \$1.75 gross to \$2.00 triple net, and occupancy rates from 88 percent to 97 percent.

Stoneridge Shopping Center

The Stoneridge Shopping Center is a 1.3 million square foot super regional enclosed mall, including five department stores serving as anchor tenants, and over 165 specialty stores and services. The Mills Corporation, a national real estate investment trust, purchased the mall in 2004 and currently acts as owner and manager of the center. Mills reports a near full occupancy rate of 98 percent with lease rates for its available small spaces (roughly 1,000 square feet) of approximately \$5.00 per square foot per month, on a triple net basis. Due to the success of the center, Mills is considering an expansion of the mall, although plans are not yet final. Based on a development agreement, the center is already approved for

380,000 square feet of additional space.

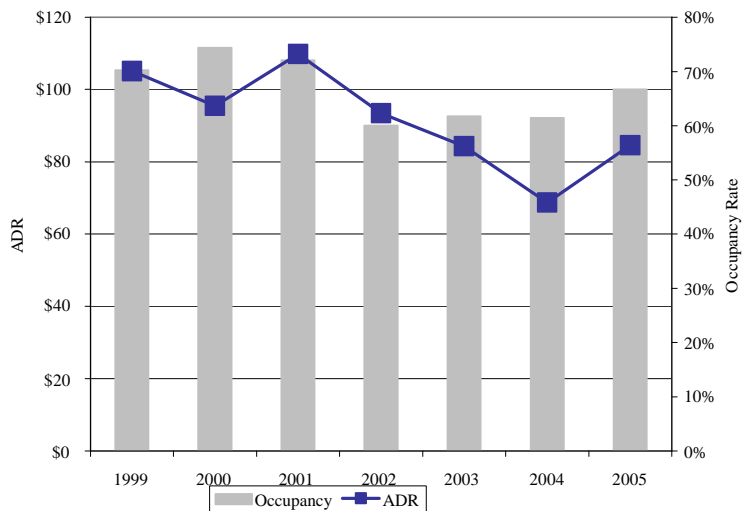
Lodging Market Overview

Pleasanton has a total of 1,824 hotel rooms in 16 different establishments, with the most recent additions being the Marriott Residence Inn in 1999 and the Rose Hotel in 2001. The majority of Pleasanton hotels accommodate business travelers, with six hotels serving the business community and an additional four establishments offering extended-stay corporate rentals. These include the Crowne Plaza, Marriott Courtyard, and Summerfield Suites. The City also has two budget motels (including Motel 6), one bed and breakfast (Evergreen Bed & Breakfast) and one luxury hotel (the Rose Hotel).

Until recently, the major source of lodging revenue has been business travelers, including participants in corporate training occurring in Hacienda (particularly associated with PeopleSoft). Although weekend and wedding business has increased over the past five years, the overall economic downturn and the acquisition of PeopleSoft has greatly reduced this key corporate business hotel segment. For

example, average daily room rates (ADRs) peaked in 2001, at 110 per room night, but dropped between 2001 and 2004 by 37 percent. Occupancy rates declined rapidly between 2001 and 2002 (the year of economic decline), from 72 percent to 60 percent, and held relatively steady at this lower level until 2005. Both ADR and Occupancy rates have recovered in 2005 to an ADR of \$85 and an average occupancy of 67 percent (see Table 19).

Pleasanton Hotel Average Daily Rate and Occupancy Trends



Transient Occupancy Tax (TOT) is a tax charged by hotels, motels and other temporary lodging facilities for the occupancy of a guest room, and represents a measure of hotel market conditions linked to the City's fiscal vitality. In Pleasanton, the current TOT rate is eight percent of the room rate (TOT is not applied to charges for meals, telephone, or other hotel services).

Table 19: City of Pleasanton TOT Revenue

	<u>TOT Revenue</u>	<u>Total # Rooms</u>	<u>Occupancy</u>	<u>ADR</u>
1999	\$3,220,465	1,657	70%	\$105
2000	\$3,623,523	1,792	74%	\$95
2001	\$3,977,561	1,792	72%	\$110
2002	\$2,971,145	1,831	60%	\$93
2003	\$2,765,718	1,830	62%	\$84
2004	\$2,528,156	1,826	61%	\$69
2005	\$2,798,870	1,829	67%	\$85
Percent Change:				
(1999-2005)	-13%	10%	-5%	-20%
(2001-2005)	-30%	2%	-7%	-23%

Sources: City of Pleasanton, 2005; Bay Area Economics, 2005.

For Pleasanton, total TOT revenue in fiscal year 2005 was almost \$2.8 million based on an average daily rate (ADR) of \$85 and an average occupancy of 67 percent (see Table 19).

TOT revenue represents 3.6 percent of projected fiscal year 2005 revenues. As indicated by the above assessment, the hotel segment of Pleasanton's economy has experienced substantial decline. With the shift in ownership of one of the largest hotel customers (PeopleSoft), it will be important to explore economic development strategies that expand other visitor and hotel segments to reinforce this sector of the economy. Though TOT tax is dwarfed by property and sales tax as a revenue source it is a revenue stream the City can enhance through promotion of tourism and business.

Unique Features of Pleasanton's Economy

Location and Transportation

Located at the intersection of Interstates I-580 and I-680, Pleasanton is conveniently linked to important markets: Sacramento to the north, San Francisco and Oakland to the west, the Silicon Valley to the south, and the San Joaquin Valley to the east. As the regional workforce moves east for affordable housing, Pleasanton's proximity to the Central Valley becomes more attractive for companies who want to be accessible to their employees and to the sizable markets and resources within the Bay Area. As the educated, affluent workforce expands in the Tri-Valley, Pleasanton has strengthened its competitive position as an ideal location for entrepreneurial innovation-focused businesses in information technology, biomedical and related fields.

Pleasanton's access to transportation alternatives is very strong. In addition to the I-580 and I-680 freeways, the Bay Area Rapid Transit (BART) provides direct service to San Francisco and Oakland. Pleasanton is also an important destination for workers on the Altamont Commuter Express (ACE), which provides commuter service between the San Joaquin Valley and Silicon Valley. Wheels offers local bus service to BART and ACE, as well as throughout Pleasanton and the neighboring cities of Dublin and Livermore.

Higher Educational and Research Facilities

In addition to Pleasanton's strong public K-12 school district, the community has excellent access to a range of higher educational facilities. The Los Positas Community College, located in Livermore provides two-year associate degrees and extensive employer training programs. Within Pleasanton, the University of Phoenix Learning Center at Stoneridge Business Center offers courses at the undergraduate and graduate levels in Nursing, Education, Technology, and other fields. Numerous other four-year and post-graduate university programs also abound, including those offered at the Hayward and Concord campuses of CSU East Bay, and extensive opportunities offered at University of California at Berkeley.

In addition, the Lawrence Livermore National (LLNL) and Sandia Laboratories, located nearby in Livermore, employ together almost 8,000 engaged in national scientific research on a host of fronts such as laser technology, high speed optical information processing and biophysical sciences and bioengineering. Additionally, University of California, Davis has a satellite applied science research center adjacent to LLNL and Sandia.

Alameda County Fairgrounds

The Alameda County Fair originated in 1859 with its racetrack dating to 1858, constructed by the sons of Spaniard Don Augustin Bernal. The first modern-day County Fair was held in 1939, and has been held annually with the exception of the war years. Other events held throughout the year at the fairgrounds are produced by outside promoters, including the Scottish games, the Goodguys Rod & Custom Car Show, RV and boat shows and the Harvest Festival. Events at the fairgrounds attract over 3 million visitors to Pleasanton annually, including over 400,000 for the annual Alameda County Fair. Other facilities at the fairgrounds include ten buildings, with over 131,000 square feet of exhibit and meeting space, picnic facilities accommodating 50 to 5,000 guests, professional onsite catering, racetrack, off-track betting facility, nine golf course and driving range, 267 acres of landscaped grounds and parking for 12,000 vehicles including boat and RV storage and camping with recreational vehicle hook-ups.

In 2003 the California Department of Food and Agriculture's Division of Fairs and Expositions engaged the firm of KPMG LLP to measure the annual economic and social impacts of the Alameda County Fair. This study found that in 2002, the fairgrounds contributed nearly \$195.7 million in economic impact to Alameda County, created 1,854 local jobs and generated about \$3.2 million in local (primarily City of Pleasanton and Alameda County) tax revenues. The fairgrounds is completely self-supporting, and receives no funding from local or state tax revenue. According to Association staff, the fairgrounds has a close working relationship with the local hotels including the Crown Plaza and Marriott Courtyards, and the Pleasanton Downtown Association.

Currently, Association staff is studying the feasibility of developing a new 100,000 square foot exhibition building within the next two years. Expanded exhibition space would allow for the expansion of existing events and allow the fairgrounds to attract larger shows and consumer festivals.

Downtown Pleasanton

Downtown Pleasanton runs along Main Street from Bernal Avenue to Stanley Boulevard. The pedestrian-friendly, tree-lined streets include parks, historic buildings, specialty shops and service businesses, fine dining and coffee shops. According to the 2002 Downtown Specific Plan, total downtown employment is approximately 2,250 in 490 establishments including a mix of retail, service, office and institutional (City of Pleasanton) uses. There are approximately 850,000 square feet of existing commercial/office uses including 425,000 in office/institutional uses (including the City of Pleasanton), 340,000 of retail and restaurant uses, 35,000 of services uses and the 25,000 square foot Rose Hotel. Rents have increased as demand strengthens; currently, asking rents for ground floor space are approximately \$3 per square foot. Office condos are asking \$525 to \$575 per square foot. The majority of the

businesses are local, with few chain outlets represented. According to a 2000 Downtown Shopping Survey, Pleasanton residents spend 6 percent of their retail dollars downtown. In the 2003-2004 fiscal year the downtown represented 3.7 percent of citywide sales tax revenues.

According to Mike Madden, current President of the Pleasanton Downtown Association, the City has always been very responsive to downtown business needs. The City Council and staff have supported downtown through re-zonings, public facilities (bathrooms) and other measures. However, in recent years, City has also been concerned about neighborhood complaints regarding noise, and other encroachments of downtown activity on residential areas.

Agriculture/ Wine Industry

For much of its history, Pleasanton has been an agricultural community. Vineyards and ranches continue within and around the city today. The Livermore Valley has been a winegrowing region since the 1880s with a Livermore Valley Wine Appellation status granted in 1983. Acreage planted to vineyards continues to expand in the Livermore Valley despite pressure to develop the property for residential use. Currently there are over 20 vineyards in operation in the Livermore Valley, with approximately 4,000 acres planted to wine grapes. The agricultural heritage of Pleasanton and Livermore provide an anchor of the tourism industry in the region. Tri-Valley events such as the Alameda County Fair, Harvest Festival, Livermore Rodeo, and the Farmer's Market attract visitors interested in the Tri-Valley's agricultural heritage and culture.

The Tri-Valley Business Council and Conservation Partnership have developed the *Working Landscape Plan* in order to identify opportunities to enhance the agricultural economy of the region and improve the relationships between urban and rural land uses. This project is moving forward to identify opportunities to develop more agri-tourism opportunities and infrastructure (including bed and breakfasts, wine tasting venues and garden/restaurant destinations) as well as strengthen the Tri-Valley's unique regional identity.

Appendix A: Key Informant Interviews

David Bouchard	Pleasanton Chamber of Commerce
Robert Coakley	Economic Vitality Committee
Chris Crabtree	Economic Vitality Committee and CM Realty, Inc.
Judy Wheeler Ditter	Economic Vitality Committee, Towne Center Books and Pleasanton Downtown Association
Brad Hirst	Equity Enterprises
Jim Isaac	Bank of Walnut Creek
Michael Madden	President, Pleasanton Downtown Association and The Rose Hotel
Peter MacDonald	Pleasanton Downtown Association's Parking Committee
Ken Mercer	Valleycare Foundation
April Mitchell	Alameda County Fairgrounds
Tom O'Malley	Tri-Valley Business Council
Arne Olson	Economic Vitality Committee and Comerica Bank
James Paxson	Economic Vitality Committee and Hacienda Business Owners Association
Julie Robey	Economic Vitality Committee and Crowne Plaza Hotel

Appendix B: Supplemental Data

Table B-1: Pleasanton Building Permits by Number of Units, 1996 - 2005 (Year to Date)

Building Type	1996	1997	1998	1999	2000	2001	2002	2003	2004	YTD 2005 (a)	Total Units 1996 to May, 2005
Single Family	512	702	389	227	368	189	259	253	237	67	3,203
Two Family	-	-	-	-	-	-	-	-	-	-	-
Three and Four Family	-	-	4	-	-	4	-	-	-	-	8
Five or More Family	40	108	121	300	-	96	-	-	108	-	773
Total	552	810	514	527	368	289	259	253	345	67	3,984

Notes: (a) Reported, as of May, 2005.

Sources: U.S. Census Bureau, 2005; Bay Area Economics, 2005.

Table B-2: Housing Units by Unit Type and Tenure, 2000

Tenure by Units in Structure	City of Pleasanton		Tri-Valley Region (a)		Bay Area (b)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied						
1 unit, detached	14,193	83.0%	64,423	85.1%	1,120,911	78.7%
1 unit, attached	2,068	12.1%	8,559	11.3%	146,521	10.3%
2 units	56	0.3%	212	0.3%	22,764	1.6%
3 or 4 units	194	1.1%	600	0.8%	24,856	1.7%
5 to 9 units	141	0.8%	680	0.9%	18,790	1.3%
10 to 19 units	38	0.2%	236	0.3%	11,076	0.8%
20 to 49 units	16	0.1%	91	0.1%	12,633	0.9%
50 or more units	23	0.1%	170	0.2%	18,201	1.3%
Mobile home or trailer	362	2.1%	734	1.0%	45,868	3.2%
Other	16	0.1%	16	0.0%	2,404	0.2%
Total Owner-Occupied Units	17,107	100.0%	75,721	100.0%	1,424,024	100.0%
Renter-Occupied						
1 unit, detached	1,233	19.9%	6,248	26.2%	220,311	21.1%
1 unit, attached	601	9.7%	2,318	9.7%	72,153	6.9%
2 units	147	2.4%	589	2.5%	69,427	6.7%
3 or 4 units	722	11.6%	2,448	10.3%	137,851	13.2%
5 to 9 units	782	12.6%	3,625	15.2%	128,098	12.3%
10 to 19 units	748	12.0%	2,463	10.3%	115,995	11.1%
20 to 49 units	443	7.1%	1,818	7.6%	119,143	11.4%
50 or more units	1,499	24.1%	4,196	17.6%	169,812	16.3%
Mobile home or trailer	28	0.5%	118	0.5%	8,362	0.8%
Other	7	0.1%	7	0.0%	843	0.1%
Total Renter-Occupied Units	6,210	100.0%	23,830	100.0%	1,041,995	100.0%
Vacant						
1 unit, detached	215	32.1%	1,138	40.8%	35,689	41.3%
1 unit, attached	37	5.5%	198	7.1%	6,163	7.1%
2 units	14	2.1%	27	1.0%	4,517	5.2%
3 or 4 units	6	0.9%	133	4.8%	6,906	8.0%
5 to 9 units	51	7.6%	295	10.6%	6,748	7.8%
10 to 19 units	120	17.9%	394	14.1%	6,112	7.1%
20 to 49 units	135	20.1%	369	13.2%	5,772	6.7%
50 or more units	49	7.3%	155	5.6%	10,965	12.7%
Mobile home or trailer	43	6.4%	81	2.9%	2,899	3.4%
Other	-	0.0%	-	0.0%	612	0.7%
Total Vacant Units	670	100.0%	2,790	100.0%	86,383	100.0%
Total Occupied Units	23,317		99,551		2,466,019	
Total Housing Units	23,987		102,341		2,552,402	
Vacancy Rate	2.8%		2.7%		3.4%	

Notes: (a) The Tri-Valley Region (2000) includes Alamo, Blackhawk, Danville, Dublin, Livermore, Pleasanton, San Ramon and Sunol.

(b) The Bay Area defined as the nine county region.

Sources: 2000 U.S. Census; Bay Area Economics, 2005.

Table B-3: Single Family Home Sales in Pleasanton by # of Bedrooms, January to July (a)

2004						
	<u>ALL UNITS</u>	<u>ALL UNITS</u>	<u>ONE BEDROOM</u>	<u>TWO BEDROOM</u>	<u>THREE BEDROOM</u>	<u>FOUR+ BEDROOM</u>
	<u>Number of Units</u>	<u>% of Total</u>	<u>Number of Units</u>	<u>Number of Units</u>	<u>Number of Units</u>	<u>Number of Units</u>
Less than \$300,000	1	0.2%	-	1	-	-
\$300,000 to \$349,999	2	0.4%	-	-	2	-
\$350,000 to \$399,999	2	0.4%	-	2	-	-
\$400,000 to \$449,999	7	1.3%	-	3	1	3
\$450,000 to \$499,999	18	3.4%	-	8	9	1
\$500,000 to \$549,000	21	3.9%	-	9	10	2
\$550,000 to \$599,999	46	8.6%	-	3	29	14
\$600,000 to \$649,999	76	14.2%	-	1	41	34
\$650,000 to \$699,999	69	12.9%	-	-	32	37
\$700,000 to \$749,999	75	14.0%	-	-	22	53
\$750,000 to \$799,999	38	7.1%	-	-	11	27
\$800,000 to \$849,999	27	5.1%	-	-	7	20
\$850,000 to \$899,999	19	3.6%	-	-	6	13
\$900,000 to \$949,000	13	2.4%	-	-	5	8
\$950,000 to \$999,000	15	2.8%	-	-	1	14
\$1,000,000 or more	105	19.7%	-	-	10	95
Total	534	100.0%	0	27	186	321
Median Sale Price	\$715,750		n/a	\$497,000	\$650,000	\$775,000
Average Sale Price	\$861,225		n/a	\$487,481	\$690,598	\$991,530
Avg. Square Feet	2,331		n/a	1,309	1,814	2,716
Avg. Price per SF	\$373		n/a	\$390	\$386	\$364

2005						
	<u>ALL UNITS</u>	<u>ALL UNITS</u>	<u>ONE BEDROOM</u>	<u>TWO BEDROOM</u>	<u>THREE BEDROOM</u>	<u>FOUR+ BEDROOM</u>
	<u>Number of Units</u>	<u>% of Total</u>	<u>Number of Units</u>	<u>Number of Units</u>	<u>Number of Units</u>	<u>Number of Units</u>
Less than \$300,000	1	0.3%	1	-	-	-
\$300,000 to \$349,999	1	0.3%	-	1	-	-
\$350,000 to \$399,999	-	0.0%	-	-	-	-
\$400,000 to \$449,999	1	0.3%	-	1	-	-
\$450,000 to \$499,999	1	0.3%	-	1	-	-
\$500,000 to \$549,000	5	1.6%	-	3	1	1
\$550,000 to \$599,999	11	3.5%	1	5	4	1
\$600,000 to \$649,999	21	6.6%	-	4	13	4
\$650,000 to \$699,999	27	8.5%	1	1	13	12
\$700,000 to \$749,999	27	8.5%	-	1	12	14
\$750,000 to \$799,999	37	11.7%	-	-	12	25
\$800,000 to \$849,999	45	14.2%	-	1	13	31
\$850,000 to \$899,999	30	9.5%	-	-	3	27
\$900,000 to \$949,000	18	5.7%	-	1	6	11
\$950,000 to \$999,000	11	3.5%	-	1	-	10
\$1,000,000 or more	80	25.3%	-	2	9	69
Total	316	100.0%	3	22	86	205
Median Sale Price	\$823,000		\$550,000	\$610,500	\$745,000	\$875,000
Average Sale Price	\$955,127		\$473,333	\$727,477	\$801,233	\$1,051,169
Avg. Square Feet	2,226		1,377	1,304	1,785	2,522
Avg. Price per SF	\$443		\$405	\$611	\$453	\$421

Notes: (a) Represents all full and verified single family home sales in Pleasanton from January to July, 2004 and 2005, current as of June 23, 2005.

Sources: First American Real Estate Solutions, 2005; Bay Area Economics, 2005.

Table B-4: Single Family Home and Condominium Sales in the Tri-Valley by # of Bedrooms, 1/05 - 7/05 (a)

Single Family Home Sales

	<u>ALL UNITS</u>	<u>ALL UNITS</u>	<u>ONE BEDROOM</u>	<u>TWO BEDROOM</u>	<u>THREE BEDROOM</u>	<u>FOUR+ BEDROOM</u>
	<u>Number of Units</u>	<u>% of Total</u>	<u>Number of Units</u>	<u>Number of Units</u>	<u>Number of Units</u>	<u>Number of Units</u>
Less than \$300,000	1	0.1%	1	-	-	-
\$300,000 to \$349,999	3	0.3%	1	1	-	1
\$350,000 to \$399,999	5	0.5%	1	2	1	1
\$400,000 to \$449,999	7	0.7%	-	5	1	1
\$450,000 to \$499,999	34	3.2%	-	9	21	4
\$500,000 to \$549,000	109	10.2%	-	14	69	26
\$550,000 to \$599,999	119	11.1%	1	12	80	26
\$600,000 to \$649,999	139	13.0%	-	7	79	53
\$650,000 to \$699,999	100	9.4%	1	3	47	49
\$700,000 to \$749,999	82	7.7%	-	2	35	45
\$750,000 to \$799,999	83	7.8%	-	-	29	54
\$800,000 to \$849,999	88	8.2%	-	3	22	63
\$850,000 to \$899,999	64	6.0%	-	-	7	57
\$900,000 to \$949,000	36	3.4%	-	1	12	23
\$950,000 to \$999,000	38	3.6%	-	2	3	33
\$1,000,000 or more	160	15.0%	-	2	20	138
Total	1068	100.0%	5	63	426	574
Median Sale Price	\$705,000		\$375,000	\$550,000	\$620,000	\$820,000
Average Sale Price	\$789,877		\$425,600	\$609,698	\$670,441	\$901,467
Avg. Square Feet	1,990		1,111	1,267	1,590	2,373
Avg. Price per SF	\$411		\$442	\$505	\$431	\$385

Condominium Sales

	<u>ALL UNITS</u>	<u>ALL UNITS</u>	<u>ONE BEDROOM</u>	<u>TWO BEDROOM</u>	<u>THREE BEDROOM</u>	<u>FOUR+ BEDROOM</u>
	<u>Number of Units</u>	<u>% of Total</u>	<u>Number of Units</u>	<u>Number of Units</u>	<u>Number of Units</u>	<u>Number of Units</u>
\$200,000 to \$249,999	3	2.1%	2	1	-	-
\$250,000 to \$299,999	3	2.1%	3	-	-	-
\$300,000 to \$349,999	12	8.5%	7	5	-	-
\$350,000 to \$399,999	27	19.0%	8	19	-	-
\$400,000 to \$449,999	22	15.5%	2	18	2	-
\$450,000 to \$499,999	29	20.4%	1	26	2	-
\$500,000 to \$549,999	18	12.7%	-	9	9	-
\$550,000 to \$599,999	15	10.6%	-	8	7	-
\$600,000 to \$649,999	10	7.0%	-	1	9	-
\$650 or more	3	2.1%	-	-	3	-
Total	142	100.0%	23	87	32	0
Median Sale Price	\$451,000		\$345,000	\$450,000	\$559,250	n/a
Average Sale Price	\$456,708		\$341,937	\$446,603	\$566,672	n/a
Avg. Square Feet	1,071		745	1,030	1,414	n/a
Avg. Price per SF	\$434		\$466	\$437	\$402	n/a

Notes: (a) Represents all full and verified single family home sales in the Tri-Valley from January to July, 2005, current as of June 23, 2005. Tri-Valley defined as Alamo, Blackhawk, Danville, Dublin, Livermore, Pleasanton, San Ramon, and Sunol.

Sources: First American Real Estate Solutions, 2005; Bay Area Economics, 2005.

Table B-5: Condominium Sales in Pleasanton by # of Bedrooms, January to July (a)

2004					
	<u>ALL UNITS</u>	<u>ALL UNITS</u>	<u>ONE BEDROOM</u>	<u>TWO BEDROOM</u>	<u>THREE BEDROOM</u>
	<u>Number of Units</u>	<u>% of Total</u>	<u>Number of Units</u>	<u>Number of Units</u>	<u>Number of Units</u>
\$200,000 to \$249,999	1	1.5%	1	-	-
\$250,000 to \$299,999	14	21.5%	3	11	-
\$300,000 to \$349,999	14	21.5%	4	9	1
\$350,000 to \$399,999	21	32.3%	-	18	3
\$400,000 to \$449,999	12	18.5%	-	8	4
\$450,000 to \$499,999	2	3.1%	-	-	2
\$500,000 to \$549,999	1	1.5%	-	-	1
\$550,000 to \$599,999	-	0.0%	-	-	-
\$600,000 to \$649,999	-	0.0%	-	-	-
\$650 or more	-	0.0%	-	-	-
Total	65	100.0%	8	46	11
Median Sale Price	\$352,000		\$310,000	\$351,750	\$420,000
Average Sale Price	\$350,869		\$301,000	\$344,685	\$413,000
Avg. Square Feet	1,012		733	999	1,268
Avg. Price per SF	\$351		\$411	\$346	\$327
2005					
	<u>ALL UNITS</u>	<u>ALL UNITS</u>	<u>ONE BEDROOM</u>	<u>TWO BEDROOM</u>	<u>THREE BEDROOM</u>
	<u>Number of Units</u>	<u>% of Total</u>	<u>Number of Units</u>	<u>Number of Units</u>	<u>Number of Units</u>
\$200,000 to \$249,999	-	0.0%	-	-	-
\$250,000 to \$299,999	1	1.9%	1	-	-
\$300,000 to \$349,999	6	11.1%	4	2	-
\$350,000 to \$399,999	18	33.3%	4	14	-
\$400,000 to \$449,999	10	18.5%	-	10	-
\$450,000 to \$499,999	13	24.1%	-	12	1
\$500,000 to \$549,999	5	9.3%	-	1	4
\$550,000 to \$599,999	1	1.9%	-	-	1
\$600,000 to \$649,999	-	0.0%	-	-	-
\$650 or more	-	0.0%	-	-	-
Total	54	100.0%	9	39	6
Median Sale Price	\$400,500		\$345,000	\$405,000	\$532,500
Average Sale Price	\$417,325		\$345,338	\$417,397	\$524,833
Avg. Square Feet	933		684	935	1,293
Avg. Price per SF	\$455		\$511	\$449	\$409

Notes: (a) Represents all full and verified condominium sales in Pleasanton from January to July, 2004 and 2005, current as of June 23, 2005.

Sources: First American Real Estate Solutions, 2005; Bay Area Economics, 2005.

Table B-6: Overview of the Pleasanton Rental Housing Market, 3Q2005

CURRENT MARKET DATA (a):

<u>Unit Type</u>	<u>Number</u>	<u>Percent of Mix</u>	<u>Avg. Sq. Ft.</u>	<u>Avg. Rent</u>	<u>Avg. Rent/Sq. Ft.</u>
Studio	40	1.1%	525	\$999	\$1.90
1 BR/1 BA	1,494	39.6%	703	\$1,119	\$1.59
2 BR/1 BA	401	10.6%	843	\$1,269	\$1.51
2 BR/1.5 BA	32	0.8%	940	\$1,330	\$1.41
2 BR/2 BA	1,112	29.5%	1,021	\$1,452	\$1.42
2 BR Townhouse	417	11.1%	1,145	\$1,482	\$1.29
3 BR/1.5 BA	34	0.9%	1,071	\$1,550	\$1.45
3 BR/2 BA	121	3.2%	1,247	\$1,893	\$1.52
3 BR/3 BA	120	3.2%	1,312	\$2,075	\$1.58
Totals	3,771	100.0%	901	\$1,333	\$1.48

AVERAGE RENT HISTORY:

<u>Unit Type</u>	<u>2000</u>	<u>2004</u>	<u>2005 (b)</u>	<u>2000-2005 Change</u>	<u>2004-2005 Change</u>
Studio	n/a	\$1,024	\$999	n/a	-2.4%
Junior 1 BR	\$1,231	n/a	n/a	n/a	n/a
1 BR/1 BA	\$1,285	\$1,137	\$1,109	-13.7%	-2.5%
2 BR/1 BA	\$1,447	\$1,225	\$1,254	-13.3%	2.4%
2 BR/2 BA	\$1,680	\$1,468	\$1,442	-14.2%	-1.8%
2 BR Townhouse	\$1,364	\$1,188	\$1,435	5.2%	20.8%
3 BR/2 BA	\$1,196	\$1,767	\$1,900	58.9%	7.5%
Average, All Units	\$1,458	\$1,311	\$1,320	-9.5%	0.7%

OCCUPANCY RATE:

<u>Year</u>	<u>Average Occupancy</u>	
2000	97.5%	2.5%
2001	95.5%	4.5%
2002	93.4%	6.6%
2003	93.6%	6.4%
2004	93.9%	6.1%
2005	94.1%	5.9%

NET ABSORPTION:

<u>Year</u>	<u>Units Built</u>	<u>Total Units</u>	<u>Occupied Units</u>	<u>Units Absorbed</u>
2000	-	3,671	3,579	55
2001	-	3,671	3,505	(74)
2002	-	3,671	3,428	(77)
2003	100	3,771	3,529	101
2004	-	3,771	3,540	11

AGE OF HOUSING INVENTORY:

<u>Year</u>	<u>Percent of Inventory</u>
1960s	11%
1970s	26%
1980s	47%
1990s	11%
2000s	5%

Notes: (a) Third quarter of 2005.

(b) Year to date 2005.

Sources: Real Facts, Inc., 2005; Bay Area Economics, 2005.

Table B-7: Pleasanton and Tri-Valley Office and Industrial Trends, Fourth Quarters 1999 to 2004, 3Q**OFFICE MARKET TRENDS**

Period	Pleasanton			Tri-Valley		
	Average Rent (c)	Vacancy Rates	Net Absorption (a)	Average Rent (c)	Vacancy Rates	Net Absorption (a)
4Q 1999	\$2.31	6.00%	365,048	\$2.26	6.00%	544,591
4Q 2000	\$3.44	0.90%	940,426	\$3.24	1.30%	2,628,134
4Q 2001	\$2.89	0.50%	15,567	\$2.65	13.30%	-214,130
4Q 2002	\$2.07	19.20%	-171,530	\$2.02	17.70%	-100,403
4Q 2003 (b)	\$1.60	17.10%	102,258	\$1.80	16.50%	101,418
4Q 2004 (b)	\$1.75	13.90%	-7,906	\$1.72	13.60%	150,369

INDUSTRIAL MARKET TRENDS

Period	Pleasanton			Tri-Valley		
	Average Rent (d)	Vacancy Rates	Net Absorption (a)	Average Rent (d)	Vacancy Rates	Net Absorption (a)
4Q 1999	\$0.93	3.40%	66,906	\$0.75	8.80%	1,735,353
4Q 2000	\$1.16	1.00%	74,254	\$0.87	4.80%	1,569,549
4Q 2001	\$1.15	0.50%	15,567	\$0.79	13.30%	-177,191
4Q 2002	\$0.96	4.50%	-63,964	\$0.65	13.60%	414,866
4Q 2003 (b)	\$0.91	5.80%	-38,047	\$0.60	13.70%	-1,784
4Q 2004 (b)	\$1.01	5.10%	27,798	\$0.61	11.00%	421,040

Notes: (a) Year to Date

(b) Rents are for Class A and B office only.

(c) Represents full service asking rent per square foot per month.

(d) Represents weighted NNN asking rent per square foot per month.

Sources: Colliers International, 2005; Bay Area Economics, 2005

Table B-8: Pleasanton Office Market, Third Quarter 2005 (a)

Market	Total Inventory		Available Square Feet			Overall Vacancy			Asking Rent (b)			YTD Net Absorption (c)	3Q05 Net Absorption (c)
	Square Feet	Percent of Total	4Q 2004	3Q 2005	Percent Change	4Q 2004	3Q 2005	Percent Change	4Q 2004	3Q 2005	Percent Change		
Class A Office:													
Dublin	1,456,978	10%	116,282	171,473	47.5%	8.0%	11.8%	47.7%	\$1.70	\$2.20	29.4%	(63,558)	(36,843)
Pleasanton	6,154,900	40%	782,738	647,771	-17.2%	11.7%	10.5%	-10.1%	\$1.85	\$2.05	10.8%	137,708	1,428
San Ramon	7,640,686	50%	945,132	932,904	-1.3%	12.4%	12.2%	-1.3%	\$1.85	\$2.18	17.8%	44,961	(19,912)
Tri-Valley Subtotal	15,252,564	100%	1,844,152	1,752,148	-5.0%	11.7%	11.5%	-1.7%	\$1.84	\$2.13	15.8%	119,111	(55,327)
Class B Office:													
Dublin	406,228	8%	61,190	102,384	67.3%	14.1%	25.2%	79.1%	\$1.65	\$1.70	3.0%	(28,004)	6,207
Livermore	939,321	20%	311,158	230,333	-26.0%	34.2%	24.5%	-28.3%	\$1.65	\$1.70	3.0%	19,068	-
Pleasanton	2,519,551	52%	-	266,881		16.4%	10.6%	-35.4%	\$1.75	\$1.85	5.7%	15,641	(6,116)
San Ramon	942,283	20%	85,053	87,136	2.4%	8.3%	9.2%	11.4%	\$1.75	\$1.85	5.7%	(11,246)	3,935
Tri-Valley Subtotal	4,807,383	100%	457,401	686,734	50.1%	18.1%	14.3%	-21.1%	\$1.72	\$1.81	5.2%	(4,541)	4,026
Office/Flex													
Dublin	804,959	15%	94,141	70,753	-24.8%	12.9%	8.8%	-32.0%	\$1.35	\$1.55	14.8%	20,710	33,441
Livermore	684,816	12%	157,767	209,884	33.0%	23.0%	30.6%	33.3%	\$1.35	\$1.60	18.5%	(20,147)	(15,381)
Pleasanton	3,361,098	61%	538,736	506,543	-6.0%	17.0%	15.1%	-11.3%	\$1.50	\$1.70	13.3%	94,432	140,302
San Ramon	699,945	13%	33,937	6,735	-80.2%	4.8%	1.0%	-80.0%	\$1.55	\$1.75	12.9%	19,366	1,526
Tri-Valley Subtotal	5,550,818	100%	824,581	793,915	-3.7%	15.6%	14.3%	-8.3%	\$1.47	\$1.67	13.6%	114,361	159,888
Totals													
Dublin	2,668,165	10%	271,613	344,610	26.9%	10.3%	12.9%	25.4%				(70,852)	2,805
Livermore	1,624,137	6%	468,925	440,217	-6.1%	29.4%	27.1%	-7.8%				(1,079)	(15,381)
Pleasanton	12,035,549	47%	1,622,109	1,421,195	-12.4%	13.9%	11.8%	-15.0%				247,781	135,614
San Ramon	9,282,914	36%	1,064,122	1,026,775	-3.5%	11.4%	11.1%	-3.0%				53,081	(14,451)
Tri-Valley Total	25,610,765	100%	3,426,769	3,232,797	-5.7%	13.6%	12.6%	-7.2%				228,931	108,587

Notes: (a) All data comes from Colliers International as of December 2005 and represents third quarter, 2005.

(b) Represents NNN (industrial gross for Office/Flex space) asking rent per square foot per month.

(c) Data represents known inventory and may not reflect the entire market.

Sources: Colliers International, 2005; Bay Area Economics, 2005

Table B-9: Pleasanton Industrial Market, Third Quarter 2005 (a)

Market	Total Inventory		Available Square Feet			Overall Vacancy			Asking Rent (b)			YTD Net Absorption (c)	3Q05 Net Absorption (c)
	Square Feet	Percent of Total	4Q 2004	3Q 2005	Percent Change	4Q 2004	3Q 2005	Percent Change	4Q 2004	3Q 2005	Percent Change		
Industrial:													
Dublin	1,238,791	12%	58,312	133,395	128.8%	4.7%	10.8%	129.1%	\$0.80	\$0.80	0.0%	(75,083)	(33,728)
Livermore	6,436,642	63%	871,689	577,317	-33.8%	13.7%	9.0%	-34.5%	\$0.55	\$0.57	3.6%	294,372	71,607
Pleasanton	2,507,072	25%	150,079	167,165	11.4%	5.9%	6.7%	13.0%	\$0.90	\$0.90	0.0%	(17,086)	405
Tri-Valley Subtotal	10,182,505	100%	1,080,080	877,877	-18.7%	10.7%	8.6%	-19.4%	\$0.67	\$0.68	1.5%	202,203	38,284
Warehouse:													
Dublin	357,312	5%	126,264	118,560	-6.1%	35.3%	33.2%	-6.0%	\$0.60	\$0.65	8.3%	7,704	-
Livermore	6,091,048	89%	481,668	497,993	3.4%	8.3%	8.2%	-1.5%	\$0.40	\$0.41	2.5%	(16,325)	(19,192)
Pleasanton	410,060	6%	-	-	0.0%	0.0%	0.0%	0.0%	\$0.67	n/a	n/a	-	-
Tri-Valley Subtotal	6,858,420	100%	607,932	616,553	1.4%	9.2%	9.0%	-2.3%	\$0.43	\$0.40	-7.0%	(8,621)	(19,192)
R&D/Flex: (c)													
Dublin	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Livermore	874,780	100%	248,555	269,388	100%	26.9%	30.8%	14.5%	\$0.85	\$0.85	0.0%	(20,833)	(32,846)
Pleasanton	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tri-Valley Subtotal	874,780	100%	248,555	269,388	100%	26.9%	30.8%	14.5%	\$0.85	\$0.85	0.0%	(20,833)	(32,846)
Totals													
Dublin	1,596,103	9%	184,576	251,955	36.5%	11.6%	15.8%	36.1%	\$0.76	\$0.77	1.3%	(67,379)	(33,728)
Livermore	13,402,470	75%	1,601,912	1,344,698	-16.1%	12.2%	10.0%	-17.8%	\$0.50	\$0.52	4.0%	257,214	19,569
Pleasanton	2,917,132	16%	150,079	167,165	11.4%	5.1%	5.7%	12.4%	\$0.87	\$0.77	-11.5%	(17,086)	405
Tri-Valley Total	17,915,705	100%	1,936,567	1,763,818	-8.9%	11.0%	9.8%	-10.5%	\$0.59	\$0.58	-1.7%	172,749	(13,754)

Notes: (a) All data comes from Colliers International as of December, 2005 and represents third quarter, 2005.

(b) Represents full service (industrial gross for R&D/Flex space) asking rent per square foot per month.

(c) Data represents known inventory and may not represent the entire market.

Sources: Colliers International, 2005; Bay Area Economics, 2005

Table B-10: Taxable Sales, 1999 to 2003

Pleasanton Taxable Retail Sales (a)	1999	2000	2001	2002	2003	Percent Change (1999-2003)
Women's Apparel	32,619	39,681	41,596	40,679	44,147	35.3%
Men's Apparel	16,448	9,928	9,007	8,026	6,116	-62.8%
Family Apparel	23,689	33,373	33,203	41,074	43,938	85.5%
Shoes	13,305	15,184	14,520	13,210	13,650	2.6%
Apparel Stores Group	86,061	98,165	98,327	102,990	107,851	25.3%
General Merchandise	326,707	339,181	320,555	301,188	299,038	-8.5%
Drug stores	14,883	15,240	15,031	15,404	14,878	0.0%
General Merchandise Group	341,590	354,421	335,586	316,593	313,916	-8.1%
Gifts, art goods, and novelties	12,192	22,818	14,632	8,716	8,534	-30.0%
Sporting goods	14,308	13,553	13,100	7,690	6,020	-57.9%
Florists	4,194	4,453	3,629	3,392	2,663	-36.5%
Photographic equipment and supplies	- (b)	- (b)	- (b)	- (b)	- (b)	
Musical instruments	4,213	4,297	3,009	- (b)	- (b)	
Stationary and books	20,410	17,436	17,774	14,224	11,932	-41.5%
Jewelry	14,816	18,145	15,756	15,571	17,683	19.4%
Office, store, and school supplies	106,952	145,957	79,702	67,488	61,615	-42.4%
Other specialties	57,549	67,972	64,954	68,764	84,149	46.2%
Specialty Stores Group	234,635	294,630	212,557	185,846	192,596	-17.9%
Food stores selling all types of liquor	40,718	39,319	37,886	35,049	34,959	-14.1%
All other food stores	8,679	9,538	8,345	7,951	7,785	-10.3%
Food Stores Group	49,397	48,857	46,231	43,000	42,744	-13.5%
Eating Places: no alcoholic beverages	37,852	41,357	39,486	37,034	40,012	5.7%
Eating Places: beer and wine	41,872	48,740	48,355	45,355	42,027	0.4%
Eating and Drinking: all types of liquor	46,645	42,906	38,475	36,791	36,274	-22.2%
Eating and Drinking Group	126,369	133,004	126,316	119,181	118,313	-6.4%
Household and home furnishings	69,535	74,617	63,981	53,528	54,983	-20.9%
Household appliance dealers	3,094	3,347	3,005	2,854	2,560	-17.3%
Household Group	72,629	77,964	66,986	56,382	57,543	-20.8%
Lumber and building materials	78,078	61,432	58,369	73,851	74,632	-4.4%
Hardware stores	4,208	4,380	3,923	3,561	3,784	-10.1%
Plumbing and electrical supplies	21,931	20,834	20,117	- (b)	- (b)	
Paint, glass, and wallpaper	394	359	419	- (b)	911	
Building Material Group	104,611	87,004	82,827	77,411	79,327	-24.2%
New motor vehicle dealers	215,905	241,747	215,649	220,611	249,805	15.7%
Used motor vehicle dealers	8,942	13,022	10,037	12,443	11,549	29.2%
Automotive supplies and parts	4,522	5,560	6,451	6,518	6,375	41.0%
Service stations	42,541	47,541	52,668	45,767	48,375	13.7%
Automotive Group	271,910	307,871	284,805	285,340	316,104	16.3%
Packaged liquor stores	11,234	10,468	10,627	10,650	10,192	-9.3%
Second-hand merchandise	676	787	634	502	554	-18.2%
Farm implement dealers	- (b)	- (b)	- (b)	-	- (b)	
Farm and garden supply stores	- (b)	1,690	1,416	- (b)	- (b)	
Fuel and ice dealers	-	-	-	-	- (b)	
Mobile homes, trailers, and campers	- (b)	- (b)	- (b)	- (b)	- (b)	
Boat, motorcycle, and plane dealers	6,723	8,282	9,938	- (b)	- (b)	
All Other Retail Stores Group	18,634	21,227	22,615	11,151	10,746	-42.3%
Retail Stores Total	1,305,837	1,423,144	1,276,250	1,197,894	1,239,139	-5.1%

Notes: (a) Taxable transactions in thousands of dollars, adjusted for inflation to 2004 dollars based on San Francisco-San Jose-Oakland Consumer Price Index for all Urban Consumers.

(b) Sales omitted because their publication would result in the disclosure of confidential information. These are included with "Other retail stores."

Sources: California State Board of Equalization, 2005; California Department of Finance, 2005; Bay Area Economics, 2005.

Table B-11: Per Capita Taxable Sales, 1999 to 2003

Pleasanton Taxable Retail Sales, Per Capita (a)	1999	2000	2001	2002	2003	Percent Change (1999-2003)
Women's Apparel	529	623	639	617	661	25.0%
Men's Apparel	267	156	138	122	92	-65.6%
Family Apparel	384	524	510	623	658	71.4%
Shoes	216	239	223	200	204	-5.2%
Apparel Stores Group	1,395	1,542	1,509	1,562	1,615	15.8%
General Merchandise	5,295	5,329	4,921	4,567	4,478	-15.4%
Drug stores	241	239	231	234	223	-7.6%
General Merchandise Group	5,536	5,568	5,151	4,800	4,700	-15.1%
Gifts, art goods, and novelties	198	358	225	132	128	-35.3%
Sporting goods	232	213	201	117	90	-61.1%
Florists	68	70	56	51	40	-41.3%
Photographic equipment and supplies	(b)	(b)	(b)	(b)	(b)	
Musical instruments	68	68	46	(b)	(b)	
Stationary and books	331	274	273	216	179	-46.0%
Jewelry	240	285	242	236	265	10.3%
Office, store, and school supplies	1,733	2,293	1,223	1,023	923	-46.8%
Other specialties	933	1,068	997	1,043	1,260	35.1%
Specialty Stores Group	3,803	4,629	3,263	2,818	2,884	-24.2%
Food stores selling all types of liquor	660	618	582	531	523	-20.7%
All other food stores	141	150	128	121	117	-17.1%
Food Stores Group	801	768	710	652	640	-20.1%
Eating Places: no alcoholic beverages	613	650	606	562	599	-2.3%
Eating Places: beer and wine	679	766	742	688	629	-7.3%
Eating and Drinking: all types of liquor	756	674	591	558	543	-28.2%
Eating and Drinking Group	2,048	2,089	1,939	1,807	1,772	-13.5%
Household and home furnishings	1,127	1,172	982	812	823	-26.9%
Household appliance dealers	50	53	46	43	38	-23.6%
Household Group	1,177	1,225	1,028	855	862	-26.8%
Lumber and building materials	1,265	965	896	1,120	1,117	-11.7%
Hardware stores	68	69	60	54	57	-16.9%
Plumbing and electrical supplies	355	327	309	(b)	(b)	
Paint, glass, and wallpaper	6	6	6	(b)	14	
Building Material Group	1,695	1,367	1,271	1,174	1,188	-29.9%
New motor vehicle dealers	3,499	3,798	3,310	3,345	3,740	6.9%
Used motor vehicle dealers	145	205	154	189	173	19.3%
Automotive supplies and parts	73	87	99	99	95	30.2%
Service stations	689	747	808	694	724	5.1%
Automotive Group	4,407	4,837	4,372	4,326	4,733	7.4%
Packaged liquor stores	182	164	163	161	153	-16.2%
Second-hand merchandise	11	12	10	8	8	-24.4%
Farm implement dealers	(b)	(b)	(b)	-	(b)	
Farm and garden supply stores	(b)	27	22	(b)	(b)	
Fuel and ice dealers	-	-	-	-	(b)	
Mobile homes, trailers, and campers	(b)	(b)	(b)	(b)	(b)	
Boat, motorcycle, and plane dealers	109	130	153	(b)	(b)	
All Other Retail Stores Group	302	333	347	169	161	-46.7%
Retail Stores Total	21,164	22,358	19,591	18,162	18,554	-12.3%

Notes: (a) All figures are inflated to 2004 dollars using the San Francisco-Oakland-San Jose CPI for all Urban Consumers.

(b) Sales omitted because their publication would result in the disclosure of confidential information. These are included with "Other retail stores."

(c) Population figures:

City of Pleasanton:	61,700	63,654	65,146	65,955	66,785
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Sources: California State Board of Equalization, 2005; California Department of Finance, 2005; Bay Area Economics, 2005.

Table B-12: Taxable Retail Sales Performance in Comparable Cities and California, 2003

Retail Category	Pleasanton		Livermore		Dublin		San Ramon	
	Total (a)	Per capita (b)	Total	Per capita	Total	Per capita	Total	Per capita
Apparel Stores Group	\$106,549	\$1,595	\$1,791	\$23	\$39,536	\$1,091	\$9,656	\$205
General Merchandise Group	\$310,126	\$4,644	\$190,331	\$2,448	\$68,167	\$1,882	\$67,532	\$1,433
Food Stores Group	\$42,228	\$632	\$57,690	\$742	\$22,954	\$634	\$38,445	\$816
Eating and Drinking Group	\$116,885	\$1,750	\$76,084	\$979	\$87,375	\$2,412	\$71,989	\$1,528
Home Furnishings and Appliances Group	\$56,848	\$851	\$18,558	\$239	\$80,882	\$2,232	\$22,450	\$476
Building Material and Farm Implements Group	\$78,369	\$1,173	\$183,582	\$2,361	\$80,480	\$2,221	\$80,271	\$1,704
Auto Dealers and Auto Supplies Group	\$264,497	\$3,960	\$133,018	\$1,711	\$390,758	\$10,785	\$16,964	\$360
Service Stations	\$47,791	\$716	\$86,023	\$1,106	\$50,060	\$1,382	\$38,973	\$827
All Other Retail Stores Group	\$200,887	\$3,008	\$182,966	\$2,353	\$178,859	\$4,937	\$108,407	\$2,301
Retail Stores Total	\$1,224,180	\$18,330	\$930,043	\$11,962	\$999,071	\$27,576	\$454,687	\$9,650
All Other Outlets	\$430,698	\$6,449	\$589,319	\$7,580	\$200,985	\$5,547	\$197,620	\$4,194
Total All Outlets	\$1,654,878	\$24,779	\$1,519,362	\$19,541	\$1,200,056	\$33,123	\$652,307	\$13,844

Retail Category	Walnut Creek		Danville		Tri-Valley (c)		California	
	Total	Per capita	Total	Per capita	Total	Per capita	Total	Per capita
Apparel Stores Group	\$77,879	\$1,179	\$17,981	\$416	\$175,513	\$647	\$15,179,710	\$425
General Merchandise Group	\$285,272	\$4,317	n/a	n/a	\$736,156	\$2,715	\$50,550,818	\$1,416
Food Stores Group	\$51,852	\$785	\$31,122	\$719	\$192,439	\$710	\$19,407,823	\$544
Eating and Drinking Group	\$147,950	\$2,239	\$44,387	\$1,026	\$396,720	\$1,463	\$40,049,699	\$1,122
Home Furnishings and Appliances Group	\$74,896	\$1,133	\$12,941	\$299	\$191,679	\$707	\$15,104,217	\$423
Building Material and Farm Implements Group	\$63,391	\$959	\$7,400	\$171	\$430,102	\$1,586	\$30,693,755	\$860
Auto Dealers and Auto Supplies Group	\$478,461	\$7,241	\$4,060	\$94	\$809,297	\$2,985	\$67,052,141	\$1,879
Service Stations	\$63,685	\$964	\$26,885	\$621	\$249,732	\$921	\$27,714,635	\$777
All Other Retail Stores Group	\$206,149	\$3,120	\$165,089	\$3,815	\$736,208	\$2,715	\$54,464,256	\$1,526
Retail Stores Total	\$1,449,535	\$21,936	\$309,865	\$7,161	\$3,917,846	\$14,449	\$320,217,054	\$8,972
All Other Outlets	\$221,356	\$3,350	\$41,623	\$962	\$1,460,245	\$5,385	\$139,879,414	\$3,919
Total All Outlets	\$1,670,891	\$25,286	\$351,488	\$8,123	\$5,378,091	\$19,834	\$460,096,468	\$12,891

Notes: (a) Annual taxable sales in thousands of dollars. Some categories not available due to disclosure issues, these are included with "All Other Retail Stores."

(b) 2003 Population:

Pleasanton	66,785
Livermore	77,751
Dublin	36,230
San Ramon	47,120
Walnut Creek	66,080
Danville	43,269
Tri-Valley	271,155
California	35,691,442

(c) Tri-Valley defined as the Cities of Pleasanton, Livermore, Danville, Dublin, and San Ramon.

Sources: California State Board of Equalization; California Department of Finance; Bay Area Economics, 2005.

Table B-13: Retail Leakage Analysis, 2003

Retail Category	Pleasanton		Tri-Valley (c)		Injection / (Leakage)	Injection / (Leakage) (\$1,000s)
	Total (a)	Per Capita (b)	Total	Per Capita (b)		
Apparel Stores Group	\$106,549	\$1,595	\$175,513	\$647	146%	\$63,320
General Merchandise Group	\$310,126	\$4,644	\$736,156	\$2,715	71%	\$128,812
Food Stores Group	\$42,228	\$632	\$192,439	\$710	-11%	(\$5,169)
Eating and Drinking Group	\$116,885	\$1,750	\$396,720	\$1,463	20%	\$19,174
Home Furnishings and Appliances Group	\$56,848	\$851	\$191,679	\$707	20%	\$9,638
Building Material and Farm Implements Group	\$78,369	\$1,173	\$430,102	\$1,586	-26%	(\$27,564)
Auto Dealers and Auto Supplies Group	\$264,497	\$3,960	\$809,297	\$2,985	33%	\$65,169
Service Stations	\$47,791	\$716	\$249,732	\$921	-22%	(\$13,718)
All Other Retail Stores Group	\$200,887	\$3,008	\$736,208	\$2,715	11%	\$19,560
Retail Stores Total	\$1,224,180	\$18,330	\$3,917,846	\$14,449	27%	\$259,221
All Other Outlets	\$430,698	\$6,449	\$1,460,245	\$5,385	20%	\$71,042
Total All Outlets	\$1,654,878	\$24,779	\$5,378,091	\$19,834	25%	\$330,264

Notes: (a) Annual taxable sales in thousands of dollars. Some categories not available due to disclosure issues, these are included with "All Other Retail Stores" when possible.

(b) 2003 Population:

2003 Population:

Pleasanton	66,785
Tri-Valley	271,155

(c) Tri-Valley defined as the Cities of Pleasanton, Livermore, Danville, Dublin, and San Ramon.

(d) General merchandise store taxable sales for Danville were not disclosed in 2003 due to state confidentiality rules. General merchandise store taxable sales combined with other retail stores by State Board of Equalization. Based on typical sales for a Costco (the large general merchandise store in Danville BAE has estimated general merchandise store taxable sales in Danville to be \$100,000 and subtracted this amount from the Tri-Valley other retail stores total.

Sources: California State Board of Equalization; California Department of Finance; Bay Area Economics, 2005.

Table B-14: Pleasanton Shopping Centers

Center Name and Location	Year Opened	Total GLA	Center Type	Available SF Lease Rate Lease Type	Occupancy Rate	Anchor/sf	Parking Ratio	Comments
Best Plaza 5548 Springdale Ave Pleasanton, CA 94566	1978	164,283	Community	10,000 \$1.40 Base Rent	94%	Cost Plus World Market OfficeMax JC Penney	18,000 24,000 n/a	4.3 10,000 sf is leased pending condition use permit for sports bar.
Metro 580 Shopping Center 4500 Rosewood Drive Pleasanton, CA 94588	1996	286,979	Community Power Center	n/a	n/a	Kohl's Sport Chalet Wal-Mart	88,248 42,710 108,248	3.6 n/a
Oak Hills Shopping Center 5420 Sunol Boulevard Pleasanton, CA 94566	1988	120,000	Community	1,300 \$2.00 NNN	98%	Raley's Supermarket	n/a	5.3 Also have 1,000 sf with no visibility (office use?) for \$1.75 gross.
Pleasanton Square 5700-6070 Johnson Dr Pleasanton, CA 94568	1991	205,000	Community	8,028 \$2.66 NNN	95%	Home Depot CompUSA	102,242 24,979	3.6 Last expanded 1997 last renovated 1992
Rose Pavilion 4225 Rosewood Drive Pleasanton, CA 94588	1987	292,902	Community	n/a	90%	Levitz Furniture Macy's Home Store	51,008 48,000	4.9 Last expanded 1991
Stoneridge Mall One Stoneridge Mall Pleasanton, CA 94588	1980	1,285,000	Super Regional	1,000 \$5.00 NNN	98%	JCPenney Macy's Nordstrom Dept. Store	147,000 191,759 180,000	5.3 Multiple small end spaces available. Plans for expansion are in the conceptual stage. Center is very successful and nearly always leased up.
Other Pleasanton Shopping Centers (a)		11,000 to 90,000		\$1.75 Gross to \$2.00 NNN	88% to %97			Total of 618,580 sf. Average of 51,548 sf.

Notes: (a) Other Pleasanton Shopping Centers represents an aggregation of known inventory, however information was not available for all centers. As such, totals represent only those centers for which GLA, available space, lease rate, and occupancy rates were available.

Sources: NRB Shopping Center Directory, 2005; Loopnet, 2005; Bay Area Economics, 2005