

CITY OF HEALDSBURG

SALES TAX UPDATE

1Q 2024 (JANUARY - MARCH)



HEALDSBURG

TOTAL: \$ 1,245,664

0.4%
1Q2024



-1.9%
COUNTY

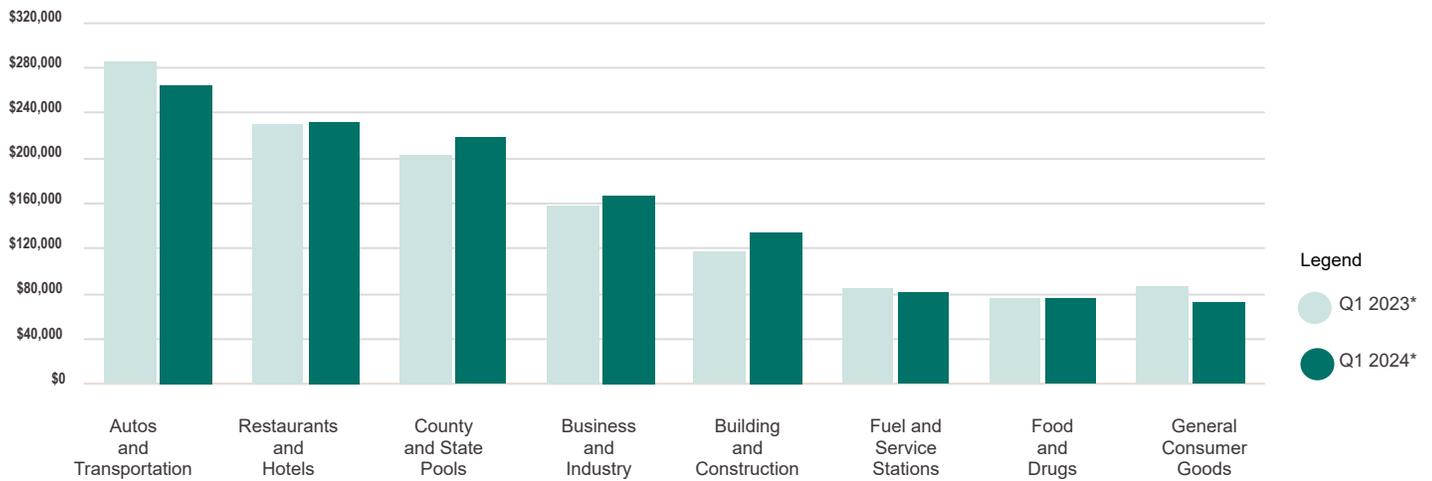


-0.2%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure V

TOTAL: \$596,072

↓ -5.4%



CITY OF HEALDSBURG HIGHLIGHTS

Healdsburg's receipts from January through March were 4.4% above the first sales period in 2023. Excluding reporting aberrations, actual sales were up 0.4%, inclusive of missing payments in the autos-transportation group; expect remittance of these late taxes in the coming quarter.

Tourism stayed strong, boosted hotel revenues; this allowed restaurants-hotels to eke out 1% growth. However, patrons sensitive to persistent menu price escalations spent less at fine dining establishments. Casual dining was up slightly thanks to newer venues.

Steady ecommerce spending, cash receipts outpacing other agencies in the county weighed favorably on pool

allocations, up 8%.

One-time allocations tied to development projects caused building-construction and business-industry to increase above expectations.

Service stations sold fuel at lower pump rates; revenues fell 4%. General consumer good's decline of \$15,000 was mostly due to event-related sales that occurred once in the prior year filing period.

Weaker resident's auto sales, slumps in business-industry's product demand lessened collections of Measure V taxes.

Net of aberrations, taxable sales for all of the Bay Area declined 2.2%.



TOP 25 PRODUCERS

Big Johns Market
Carlsen & Associates
CBC Steel Buildings
E & M Electric & Machinery
Fast Lane Gas & Food
Furniture Solutions Group
Garrett Hardware & Plumbing
H2 Hotel Spoon Bar
Healdsburg Chevron & Carwash
Healdsburg Gas Mart
Healdsburg Lumber
Jerrys Valero
Matheson

Montage Healdsburg
Opperman & Son
Rotten Robbie
Safeway
Sanderson Ford
Silveira Buick/GMC
Singlethread Farm
Restaurant Inn
Valette
Westtec Tank & Equipment Company
Wilbur Ellis
Williamson Wines
Willi's Seafood & Raw Bar



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts during the months of January through March were 0.2% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year first quarter is traditionally the lowest sales tax generating period; however, returns were more on par with the comparison period.

One of the only sectors continuing to display declines was auto-transportation. High interest rates created more expensive long-term financing costs. Combined with a dramatic cost of insurance coverage rate spike, this group declined 7.5%.

Fuel and service stations was the other sector with a drop over last year. As California drivers embark on summer travel, they’ll do so with slightly elevated gas prices versus 2023, probably yielding the final period of negative results for the category heading into 2025.

During this post-holiday shopping period, general consumer goods experienced a soft rebound with very modest 0.5% growth. Although retailers selling gas were hurt by fuel prices, it did not stop family apparel and department stores from lifting revenues.

Restaurant activity contributed constant growth of 2.1%. Only fine dining establishments remain hindered as more affordable menus are preferred. Also, it appears some eateries made operational changes while implementing AB 1228; however, there isn’t enough data

yet to understand if this new bill impacted revenue.

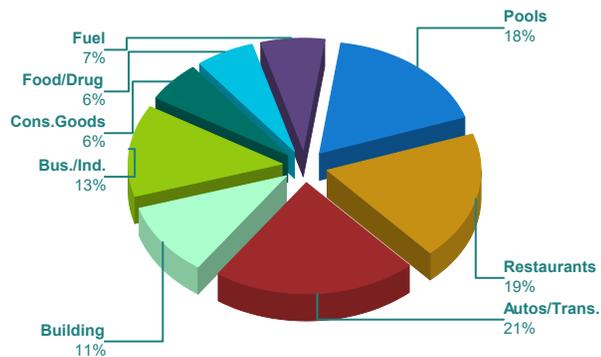
Seemingly dramatic one-time events helped boost business-industry, as investments in office supplies-furniture and energy projects were a significant reason for 3.6% gains this quarter. Additionally, strong fulfillment center direct payments demonstrated sustained logistical expansion. When coupled with improved returns via the countywide use tax pools, customers demonstrated e-commerce preferences for obtaining various goods. Overall

pool allocations improved 1.6%.

Statewide, 2024 begins in a more positive fashion compared to the recent trends of 2023. Buoyed 1st quarter results may signify ‘the floor’ helping ease tax revenue concerns while awaiting the next growth cycle. The Federal Reserve and their position with the Fed Funds Rate remains the most probable component between economic stagnation or spring-boarding consumer spending. Tourism and local travel in the coming summer period could further inspire confidence.

REVENUE BY BUSINESS GROUP

Healdsburg This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Healdsburg Business Type	Q1 '24*	Change	County Change	HdL State Change
Building Materials	101.9	-4.3% ↓	-5.0% ↓	-1.0% ↓
Casual Dining	95.0	0.8% ↑	2.2% ↑	2.4% ↑
Service Stations	81.4	-3.9% ↓	-0.6% ↓	-0.9% ↓
Fine Dining	64.2	-10.3% ↓	-8.2% ↓	-5.2% ↓
Wineries	53.2	-19.9% ↓	-6.0% ↓	-4.0% ↓
Grocery Stores	50.9	2.3% ↑	2.2% ↑	2.7% ↑
Hotels/Motels	48.1	19.9% ↑	-3.0% ↓	2.6% ↑
Contractors	27.6	289.5% ↑	2.9% ↑	4.5% ↑
Food Service Equip./Supplies	23.8	-7.5% ↓	-12.7% ↓	2.6% ↑
Heavy Industrial	20.0	86.9% ↑	-23.6% ↓	-4.1% ↓

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars