

CITY OF HEALDSBURG

SALES TAX UPDATE

2Q 2025 (APRIL - JUNE)



HEALDSBURG

TOTAL: \$ 1,673,854

0.2%
2Q2025



-2.2%
COUNTY

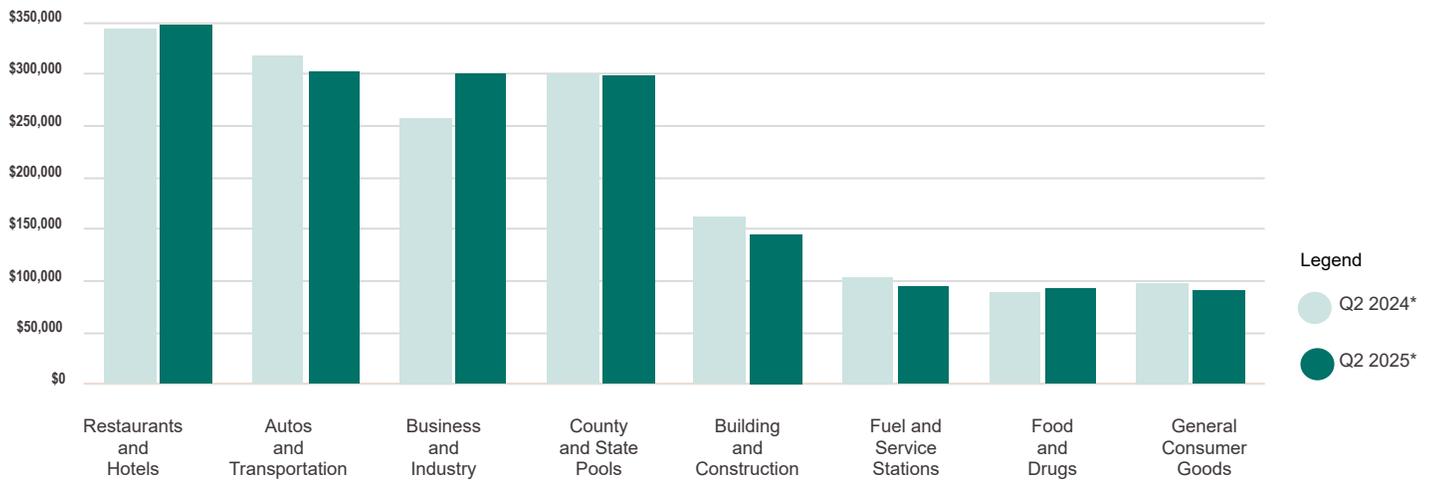


0.5%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure V

TOTAL: \$754,461

0.9%



CITY OF HEALDSBURG HIGHLIGHTS

Healdsburg's receipts from April through June were 2.8% below the second sales period in 2024. Excluding reporting aberrations, actual sales were up 0.2%.

The business-industry group had excellent revenues from wineries resulting from an asset purchase made on acquired equipment. Furthermore, the food-drug category enjoyed modest proceeds at grocery stores as they enticed shoppers by providing more high quality on-the-go food products in the store.

During this period, the auto-transportation category saw adverse earnings from auto supply stores as car owners choose to delay servicing their

vehicles. Likewise, building-construction profits were bleak, as building materials and contractors saw less demand for their services from commercial investors. Service stations felt shrinking revenues as fuel prices declined for the sixth consecutive quarter and drivers continue to limit their non-essential road trips.

The City's voter-approved Measure V had positive results of 0.9%, primarily due to strong returns in the business industry sector.

Net of aberrations, taxable sales for all of Sonoma County declined 2.2% over the comparable time period; the Bay Area was up 1.3%.



TOP 25 PRODUCERS

- Big Johns Market
- Bravas
- California Vineyard And Farm Supply
- E & M Electric & Machinery
- Fast Lane Gas & Food
- Garrett Hardware & Plumbing
- Healdsburg Chevrolet
- Healdsburg Chevron & Carwash
- Healdsburg Gas Mart
- Healdsburg Lumber
- Hotel Healdsburg
- Jerrys Valero
- Matheson
- Max Process Equipment Global
- Montage Healdsburg
- Opperman & Son
- Rotten Robbie
- Safeway
- Sanderson Ford
- Silveira GMC
- Singlethread Farm Restaurant Inn
- Twg Healdsburg
- Valette
- Wilbur Ellis
- Willi's Seafood & Raw Bar



STATEWIDE RESULTS

California’s one-cent local sales and use tax receipts rose 0.6% in Q2 compared to the same period last year, after adjusting for accounting anomalies. While only modest growth, it is the second consecutive quarter experiencing positive results following an extended timeline of declines. This period is traditionally met with improved weather with the beginning of summer activity.

Steady gains in both business-industry and countywide use tax pools were driven by strong online sales, reflecting shopper’s willingness and ability to spend. Whether pulled from inventory within California or shipped from outside the state, demand for goods by value-conscious shoppers prevailed. Other notable upticks came from purchases of office and electrical equipment.

Increased tax receipts from restaurants also demonstrated diners continued desire to eat out. Even amongst higher menu prices and tip fatigue, casual dining establishments generated the largest lift. While this is a good sign for the coming summer season, underlying data shows that disposal personal income – a key driver of restaurant sales – is growing at a slower pace than prior years, possibly signaling softer tax growth on the horizon.

The two sectors primed to take advantage of upcoming interest rate changes, autos-transportation and building-construction, only experienced lackluster returns this period. New auto sales declined, offsetting gains in used vehicles and leasing, while building material sales remained unchanged from a year ago. However, aging vehicles and deferred home improvements remain a potential catalyst driving demand in the near term.

Balancing the positive results, revenue

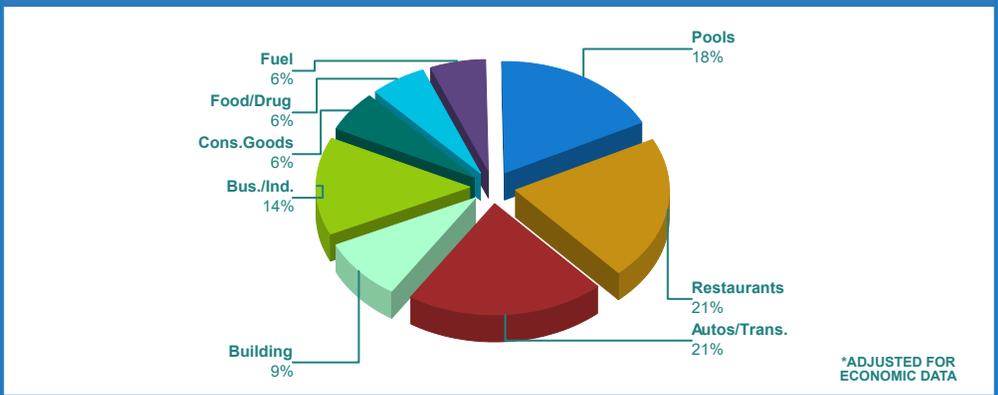
from fuel and service stations declined for the ninth time in ten quarters, primarily due to West Texas Intermediate (WTI) low crude oil prices. As the global economy and development remains tempered, so has the demand for oil, leaving prices relatively low. While this dampens sales taxes, lower fuel costs during peak travel months may boost spending in other segments.

Traditional retailers saw a 1% decline, with specialty, sporting goods, and department stores under performing compared to year ago totals. Inflation and tariffs continue to pressure consumer spending and retailer margins, prompting reevaluation of physical store investments by regional and national

companies alike.

The September reduction in the federal funds rate, noting the possibility of more in early 2026, leaves optimism regarding future financing and accessing equity opportunities for some consumers. However, national tariff/trade talks remain a vital piece of the inflation/higher prices story with the potential of diminishing spending power. So sluggish calendar year 2025 continues with only modest expansion expected braced against the ever-changing larger economic trends.

REVENUE BY BUSINESS GROUP
Healdsburg This Fiscal Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Healdsburg Business Type	Q2 '25*	Change	County Change	HdL State Change
Building Materials	123.9	-5.2% ↓	-7.1% ↓	-0.9% ↓
Wineries	121.1	88.2% ↑	-3.4% ↓	36.4% ↑
Casual Dining	117.4	-6.4% ↓	-0.5% ↓	1.4% ↑
Hotels/Motels	111.8	22.0% ↑	8.0% ↑	5.3% ↑
Service Stations	93.7	-9.7% ↓	-6.8% ↓	-9.4% ↓
Fine Dining	88.3	-2.4% ↓	-0.1% ↓	-5.1% ↓
Grocery Stores	61.6	4.0% ↑	-0.3% ↓	-0.1% ↓
Quick-Service Restaurants	19.3	-3.8% ↓	-4.1% ↓	-0.7% ↓
Food Service Equip./Supplies	17.9	-28.0% ↓	14.7% ↑	2.3% ↑
Automotive Supply Stores	17.1	-6.3% ↓	-4.2% ↓	-3.5% ↓

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