

CITY OF HEALDSBURG

SALES TAX UPDATE

1Q 2021 (JANUARY - MARCH)



HEALDSBURG

TOTAL: \$ 1,171,759

14.8%
1Q2021



5.5%
COUNTY

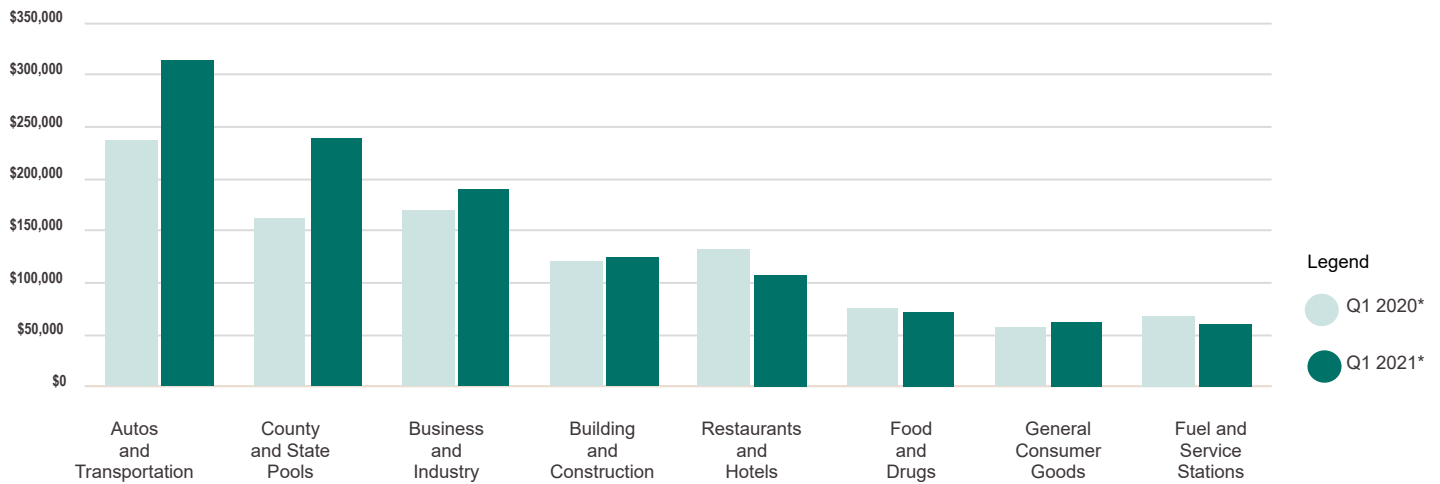


9.5%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure V

TOTAL: \$490,084

↑ 4.3%



CITY OF HEALDSBURG HIGHLIGHTS

Healdsburg's receipts from January through March were 53.3% above the first sales period in 2020. Adjusting for reporting aberrations, which included \$152,000 of tax payment delays at the beginning of the pandemic last year, actual sales increased 14.8%.

Roughly half of the gain came from autos-transportation; buyers kept local merchant's lots and stores very busy. Paced by a 30% gain from wineries and a one-time taxpayer filing in the food service equipment sector, business-industry comparisons rose 17%.

Other positive returns included building-construction and quick service

restaurants. Hearty local tax revenues boosted the pool's use tax distribution which was also aided by consumer's spirited spending at numerous online sites.

Covid-19 effects extended into the new year; service stations were hampered by modest prices and less fuel sold; casual dining suffered as limited access to eating in generated fewer customers.

Measure V numbers captured more general retail transactions and auto acquisitions which made up for losses in other categories. Net of aberrations, taxable sales for the Bay Area inched up 0.8%.



TOP 25 PRODUCERS

Big Johns Market
Campo Fina
Carlsen & Associates
Central Valley Builders Supply
CVS Pharmacy
E & M Electric & Machinery
Garrett Hardware & Plumbing
Healdsburg Chevron & Carwash
Healdsburg Gas Mart
Healdsburg Lumber
Jerrys Valero
KHS

McConnel Chevrolet
Chrysler Dodge Jeep
Opperman & Son
Penrose Hill
Pine Ridge Winery
Rotten Robbie
Safeway
Sanderson Ford
Silveira Buick/GMC
Silver Oak Cellars
Singlethread Farm
Restaurant Inn
Syar Industries
Wilbur Ellis
Williamson Wines



STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring January through March, was 9.5% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The Shelter-In-Place directive began one year ago which had the impact of immediate store and restaurant closures combined with remote/work from home options for employees which significantly reduced commuting traffic and fuel sales. When comparing to current period data, percentage gains are more dramatic. Furthermore, this pandemic dynamic combined with the Governor’s first Executive Order of last spring allowing for deferral of sales tax remittances explained why non-adjusted cash results were actually up 33%.

These initial recovery gains were not the same everywhere. Inland regions like Sacramento, San Joaquin Valley, Sierras, Far North and the Inland Empire area of Southern California performed much stronger than the Bay Area, Central Coast and metro areas of Southern California.

Within the results, solid performance by the auto-transportation and building-construction industries really helped push receipts higher. Weak inventories and scarcity for products increased the taxable price of vehicles (new & used), RV’s, boats and lumber which appeared to be a major driving force for these improved returns. Even though e-commerce sales activity continued to rise, brick and mortar general consumer retailers also showed solid improvement of 11% statewide.

An expected change occurred this quarter as a portion of use tax dollars previously distributed through the countywide pools was redirected to specific local jurisdictions.

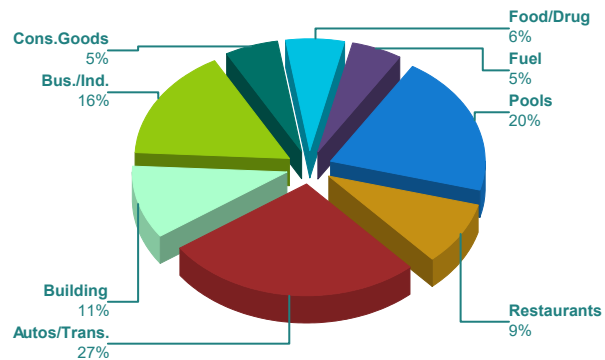
Changes in business structure required a taxpayer to determine where merchandise was inventoried at the time orders were made. Therefore, rather than apportion sales to the county pool representing where the merchandise was shipped, goods held in California facilities required allocations be made to the agency where the warehouse resides. With this modification, the business and industry category jumped 18% inclusive of steady gains by fulfillment centers, medical-biotech and garden-agricultural suppliers. Even after the change noted, county pools surged 18% which demonstrated consumers continued desire to make purchases online.

Although indoor dining was available in

many counties, the recovery for restaurants and hotels still lagged other major categories. Similarly, while commuters and travelers slowly began returning to the road, the rebound for gas stations and jet fuel is trailing as well. Both sectors are expected to see revenues climb in the coming quarters as commuters and summer tourism heats up.

Looking ahead, sustained growth is anticipated through the end of the 2021 calendar year. As a mild head wind, pent up demand for travel and experiences may begin shifting consumer dollars away from taxable goods; this behavior modification could have a positive outcome for tourist areas within the state.

REVENUE BY BUSINESS GROUP
Healdsburg This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Healdsburg Business Type	Q1 '21	Change	County Change	HdL State Change
Building Materials	105,293	3.2% ↑	8.9% ↑	19.0% ↑
Wineries	102,973	26.9% ↑	-0.5% ↓	0.8% ↑
Service Stations	60,619	-11.8% ↓	-5.1% ↓	-4.0% ↓
Casual Dining	49,591	-22.9% ↓	-16.8% ↓	-18.9% ↓
Grocery Stores	42,685	-7.9% ↓	-7.3% ↓	-6.2% ↓
Fine Dining	26,708	-9.1% ↓	-17.8% ↓	-33.2% ↓
Food Service Equip./Supplies	26,050	73.7% ↑	13.9% ↑	-13.4% ↓
Contractors	15,895	-3.4% ↓	-15.3% ↓	3.6% ↑
Home Furnishings	15,444	51.8% ↑	11.0% ↑	19.3% ↑
Automotive Supply Stores	14,166	3.5% ↑	16.1% ↑	13.7% ↑

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