



NAPA VALLEY TRANSPORTATION AUTHORITY-TAX AGENCY Independent Taxpayer Oversight Committee Agenda Memo

TO: Independent Taxpayer Oversight Committee
FROM: Danielle Schmitz, Executive Director
REPORT BY: Joanne Au, Senior Accountant
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SUBJECT: October-December Quarter 4 Calendar Year 2025,
Measure U Quarter 2 Fiscal Year 2026 Analysis and Financial Update

RECOMMENDATION

That the ITOC receive the most recent Measure U analysis and financial update.

EXECUTIVE SUMMARY

This memo presents the tax analysis from HdL Companies, NVTA's sales tax consultant, with the most recent quarterly sales tax update newsletter (Attachment 1) for the period of October-December 2025.

BACKGROUND

Tax Analysis

NVTA's Measure U sales tax receipts for October through December 2025 were 0.4% higher than the same quarter in 2024, or 0.5% after adjusting for reporting anomalies, though overall economic activity in Napa County remained soft with taxable sales declining 1.3%, underperforming the Bay Area's 2.5% growth.

Key sectors showed mixed performance, with general consumer goods retailers experiencing uneven results despite continued growth in e-commerce, and restaurants posting modest gains supported by hotel and resort dining. In contrast, auto sales declined sharply by nearly 16%, gas station revenues fell again due to lower fuel prices, and construction activity slowed as major projects were completed and new development remained limited.

Statewide, sales tax receipts increased 1.2%, reflecting modest economic stabilization driven by resilient holiday spending and strong online sales, though growth remained uneven. Restaurants and energy-related revenues saw gains, while autos and construction lagged due to high interest rates and reduced demand. Looking ahead, rising fuel prices, persistent inflation, and delayed interest rate cuts are expected to constrain consumer spending and limit broader sales tax growth in the near term.

Sales Tax Receipts in the Current Year

Table 1 below provides the monthly receipts for FY 2025-26 for October through January. Table 2 illustrates the forecast for Measure U revenues. Table 3 provides a snapshot of the top two sales tax generators within the County: Amazon and Costco and the top five generators, which include Walmart, Target, and Home Depot. Table 4 shows the NVTA personnel cost and administrative items.

Table 1: Measure U Sales Tax Revenues and Forecast



MONTH SALES TAX	Forecast	Actual FY26	Difference \$ More/(Less)	Difference %	Actual FY25 Last Year	Difference Increase/(Decrease)
July	\$ 2,000,000	\$ 2,054,928	\$ 54,928	2.7%	\$ 1,958,540	\$ 96,388
August	2,100,000	2,151,729	51,729	2.5%	1,840,618	311,111
September	2,600,000	1,955,196	(644,804)	-24.8%	2,510,442	(55,246)
Quarter to Date	\$ 6,700,000	\$ 6,161,852	\$ (538,148)	-8.7%	\$ 6,309,600	\$ (147,748)
October	\$ 2,000,000	1,955,196	(44,804)	-2.2%	1,960,134	(4,938)
November	2,100,000	1,903,645	(196,355)	-9.4%	1,792,785	110,860
December	2,400,000	2,666,877	266,877	11.1%	2,751,425	(84,548)
	6,500,000	6,525,718	25,718	0.4%	6,504,344	21,374
Year To Date	\$ 13,200,000	\$ 12,687,570	\$ (512,430)	-3.9%	\$12,813,944	\$ (126,374)
January	1,800,000	1,747,252	(52,748)	-2.9%	1,675,346	71,906
February	1,900,000	0	(1,900,000)	-100.0%	1,565,046	-1,565,046
March	2,000,000	0	(2,000,000)	-100.0%	2,352,142	-2,352,142
	5,700,000	1,747,252	(3,952,748)	-69.3%	5,592,534	(3,845,282)
Year To Date	\$ 18,900,000	\$ 14,434,822	\$ (4,465,178)	-23.6%	\$18,406,478	\$ (3,971,656)
April	2,000,000	0	(2,000,000)	-100.0%	2,001,437	-2,001,437
May	2,100,000	0	(2,100,000)	-100.0%	2,282,522	-2,282,522
June	2,300,000	0	(2,300,000)	-100.0%	2,243,725	-2,243,725
	6,400,000	-	(6,400,000)	-100.0%	6,527,685	(6,527,685)
Year To Date	\$ 25,300,000	\$ 14,434,822	\$ (10,865,178)	-42.9%	\$24,934,163	\$ (10,499,341)
	\$ -	\$ -	\$ -	-	\$ 110,000	
	\$ 25,300,000	\$ 14,434,822	\$ (10,865,178)	-42.9%	\$ 25,044,163	-42.4%

Table 2: Measure U Forecast by Jurisdiction- FY26 to FY30

Actuals/Forecast	Measure U -->				
	FY2026	FY2027	FY2028	FY2029	FY2030
City of Napa	9,509,200	9,627,600	9,830,100	10,036,200	10,246,900
County of Napa	9,086,000	9,199,300	9,392,500	9,589,500	9,790,700
American Canyon	1,920,600	1,944,500	1,985,300	2,027,000	2,069,500
St. Helena	1,545,400	1,564,700	1,597,500	1,631,000	1,665,300
Calistoga	707,000	715,800	730,800	746,100	761,800
Yountville	825,800	836,100	853,600	871,500	889,800
NVTA Admin	506,000	512,000	522,200	532,700	543,300
NVTA RTEP	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
ITOC	-	-	-	-	-
	\$ 25,300,000	\$ 25,600,000	\$ 26,112,000	\$ 26,634,000	\$ 27,167,300

FY26 Forecast	FY26 Forecast	FY25 Actuals
American Can	\$ 1,920,600	\$ 1,921,347
Calistoga	\$ 707,000	\$ 674,103
City of Napa	\$ 9,509,200	\$ 10,079,315
Napa County	\$ 9,086,000	\$ 9,887,412
St. Helena	\$ 1,545,400	\$ 1,472,201
Yountville	\$ 825,800	\$ 674,103
Subtotal- Jurisdiction	\$ 23,594,000	\$ 24,708,480
RTEP	\$ 1,200,000	\$ -
NVTA	\$ 506,000	\$ 335,682
Total	\$ 25,300,000	\$ 25,044,163

Table 3: Top Two and Top Five Sales Tax Generators

Top Two Sales Tax Generators: Amazon, Costco				
	FY26 Q2 Oct-Dec 2025	FY26 Q1 July-Sept 2025	FY25 Q4 April-June 2025	FY25 Q3 Jan-March 2025
Total	\$ 560,970	\$ 445,669	\$ 441,909	\$ 384,375
Total Businesses	\$ 6,412,618	\$ 6,535,957	\$ 6,512,628	\$ 5,492,177
Percentage	9%	7%	7%	7%
Top Five Sales Tax Generators: Amazon, Costco, Walmart, Target, Home Depot				
	FY26 Q2 July-Sept 2025	FY26 Q1 July-Sept 2025	FY25 Q4 April-June 2025	FY25 Q3 Jan-March 2025
Total	\$ 862,497	\$ 732,289	\$ 719,336	\$ 638,948
Total Businesses	\$ 6,412,618	\$ 6,535,957	\$ 6,512,628	\$ 5,492,177
Percentage	13%	11%	11%	12%

Table 4: Measure U Administrative Costs

Measure U NVTA Administrative Cost		
	FY26 Q2 Oct-Dec 2025	FY26 Q1 July-Sept 2025
Personnel cost	\$ 9,055	\$ 9,746
Administrative items	63,939	17,680
Total	\$ 72,994	\$ 27,426

ATTACHMENTS

- (1) NVTA Sales Tax Update – Newsletter
- (2) NVTA Q226 (October – December 2025) Final Reports



BAY AREA

ACTUAL/ADJUSTED COMPARISON - BY COUNTY AND MAJOR INDUSTRY GROUP

	ACTUAL RECEIPTS			ADJUSTED FOR ECONOMIC DATA		
	4Q 2025	4Q 2024	% Change	4Q 2025	4Q 2024	% Change
Alameda County						
Autos And Transportation	19,958,834	18,075,857	10.4%	16,987,133	18,095,733	-6.1%
Building And Construction	9,094,111	8,612,528	5.6%	9,152,825	9,064,786	1.0%
Business And Industry	19,754,650	20,466,425	-3.5%	19,710,293	20,037,137	-1.6%
Food And Drugs	4,258,488	4,525,996	-5.9%	4,195,946	4,211,091	-0.4%
Fuel And Service Stations	4,740,086	5,325,950	-11.0%	4,762,924	5,094,150	-6.5%
General Consumer Goods	16,315,189	16,319,104	0.0%	16,214,879	16,105,034	0.7%
Restaurants And Hotels	11,918,921	11,687,339	2.0%	11,774,447	11,484,349	2.5%
Transfers & Unidentified	408,942	213,872	91.2%	341,748	265,905	28.5%
County & State Pool	23,011,706	20,529,730	12.1%	23,066,268	21,225,034	8.7%
	109,460,926	105,756,800	3.5%	106,206,464	105,583,218	0.6%
Contra Costa County						
Autos And Transportation	7,522,886	7,777,658	-3.3%	7,784,720	7,815,627	-0.4%
Building And Construction	4,574,360	4,911,130	-6.9%	4,498,723	4,921,398	-8.6%
Business And Industry	5,991,972	6,131,404	-2.3%	6,082,355	5,968,991	1.9%
Food And Drugs	3,211,471	3,559,624	-9.8%	3,175,292	3,263,803	-2.7%
Fuel And Service Stations	4,588,360	4,869,123	-5.8%	4,625,605	4,747,365	-2.6%
General Consumer Goods	11,886,344	11,749,719	1.2%	11,799,379	11,430,368	3.2%
Restaurants And Hotels	7,138,235	7,088,890	0.7%	7,051,439	6,968,855	1.2%
Transfers & Unidentified	194,051	121,307	60.0%	158,321	124,958	26.7%
County & State Pool	13,994,180	13,391,432	4.5%	13,657,825	13,116,630	4.1%
	59,101,859	59,600,286	-0.8%	58,833,659	58,357,996	0.8%
*Marin County						
Autos And Transportation	3,875,974	3,178,834	21.9%	3,589,033	3,558,449	0.9%
Building And Construction	1,531,476	1,478,357	3.6%	1,509,151	1,553,014	-2.8%
Business And Industry	846,667	979,988	-13.6%	849,654	970,088	-12.4%
Food And Drugs	1,086,637	1,188,059	-8.5%	1,076,367	1,092,985	-1.5%
Fuel And Service Stations	857,857	941,847	-8.9%	884,446	909,938	-2.8%
General Consumer Goods	3,424,773	3,413,719	0.3%	3,473,876	3,401,521	2.1%
Restaurants And Hotels	2,266,384	2,230,345	1.6%	2,191,355	2,209,936	-0.8%
Transfers & Unidentified	103,968	43,431	139.4%	69,782	56,268	24.0%
County & State Pool	4,291,500	3,794,762	13.1%	4,180,366	3,784,218	10.5%
	18,285,237	17,249,340	6.0%	17,824,031	17,536,417	1.6%
Napa County						
Autos And Transportation	658,606	727,619	-9.5%	669,212	707,658	-5.4%
Building And Construction	776,142	800,457	-3.0%	788,285	805,943	-2.2%
Business And Industry	3,231,741	3,504,023	-7.8%	3,182,808	3,491,051	-8.8%
Food And Drugs	539,071	569,758	-5.4%	529,409	534,206	-0.9%
Fuel And Service Stations	577,571	628,584	-8.1%	585,949	634,944	-7.7%
General Consumer Goods	1,741,761	1,637,427	6.4%	1,671,684	1,560,815	7.1%
Restaurants And Hotels	2,213,449	2,225,206	-0.5%	2,252,754	2,173,411	3.7%
Transfers & Unidentified	33,281	33,415	-0.4%	23,686	31,569	-25.0%
County & State Pool	2,221,303	2,163,447	2.7%	2,163,378	2,087,347	3.6%
	11,992,924	12,289,937	-2.4%	11,867,164	12,026,945	-1.3%
San Francisco County						
Autos And Transportation	2,084,429	2,329,159	-10.5%	2,217,704	2,253,014	-1.6%
Building And Construction	2,415,762	2,247,088	7.5%	2,445,997	2,332,641	4.9%
Business And Industry	6,719,221	1,848,494	263.5%	6,098,293	4,710,872	29.5%
Food And Drugs	2,789,476	3,013,387	-7.4%	2,673,374	2,735,558	-2.3%
Fuel And Service Stations	2,311,403	2,250,261	2.7%	2,242,512	2,255,518	-0.6%
General Consumer Goods	10,615,337	10,077,363	5.3%	10,923,111	9,834,664	11.1%
Restaurants And Hotels	15,208,220	13,053,198	16.5%	14,734,199	13,114,547	12.4%
Transfers & Unidentified	215,210	162,705	32.3%	243,262	353,309	-31.1%
County & State Pool	14,068,148	12,760,292	10.2%	13,888,581	12,421,169	11.8%
	56,427,206	47,741,947	18.2%	55,467,033	50,011,292	10.9%
San Mateo County						
Autos And Transportation	10,749,376	10,260,575	4.8%	9,421,247	10,070,910	-6.5%
Building And Construction	4,233,595	3,810,707	11.1%	4,220,675	3,933,962	7.3%
Business And Industry	15,227,744	10,831,474	40.6%	12,452,806	10,861,538	14.7%
Food And Drugs	2,521,130	2,827,444	-10.8%	2,471,746	2,472,685	0.0%
Fuel And Service Stations	3,253,010	3,399,629	-4.3%	3,351,535	3,416,997	-1.9%
General Consumer Goods	9,385,678	9,297,507	0.9%	9,286,160	9,155,169	1.4%
Restaurants And Hotels	8,551,501	8,070,613	6.0%	8,537,793	8,058,297	6.0%
Transfers & Unidentified	174,702	76,960	127.0%	142,894	186,514	-23.4%
County & State Pool	14,369,721	12,707,729	13.1%	14,167,024	12,613,962	12.3%
	68,466,458	61,282,638	11.7%	64,051,880	60,770,034	5.4%

* Based on partial data

ACTUAL/ADJUSTED COMPARISON - BY COUNTY AND MAJOR INDUSTRY GROUP

	ACTUAL RECEIPTS			ADJUSTED FOR ECONOMIC DATA		
	4Q 2025	4Q 2024	% Change	4Q 2025	4Q 2024	% Change
Santa Clara County						
Autos And Transportation	18,052,094	17,553,110	2.8%	15,929,542	17,447,378	-8.7%
Building And Construction	9,282,556	8,926,194	4.0%	9,429,770	9,166,730	2.9%
Business And Industry	42,423,874	47,651,103	-11.0%	40,783,185	43,188,048	-5.6%
Food And Drugs	4,611,921	5,148,615	-10.4%	4,485,476	4,460,818	0.6%
Fuel And Service Stations	6,140,758	6,525,274	-5.9%	6,113,996	6,282,503	-2.7%
General Consumer Goods	25,238,568	23,846,192	5.8%	24,970,283	23,920,200	4.4%
Restaurants And Hotels	19,116,215	18,473,437	3.5%	19,005,091	18,313,130	3.8%
Transfers & Unidentified	392,249	236,784	65.7%	351,843	313,420	11.5%
County & State Pool	38,633,027	31,371,239	23.1%	38,875,299	31,073,583	25.1%
	163,891,263	159,731,947	2.6%	159,944,485	154,167,810	3.7%
Solano County						
Autos And Transportation	4,365,528	4,807,900	-9.2%	4,022,879	4,456,298	-9.7%
Building And Construction	1,603,011	1,665,952	-3.8%	1,611,018	1,618,946	-0.5%
Business And Industry	5,730,335	5,668,358	1.1%	5,949,137	8,791,385	-32.3%
Food And Drugs	1,100,082	1,173,681	-6.3%	1,078,544	1,111,389	-3.0%
Fuel And Service Stations	1,834,070	1,848,203	-0.8%	1,803,399	1,813,511	-0.6%
General Consumer Goods	5,017,529	5,162,059	-2.8%	4,975,196	4,998,381	-0.5%
Restaurants And Hotels	2,784,614	2,698,399	3.2%	2,742,385	2,664,709	2.9%
Transfers & Unidentified	228,207	36,180	530.8%	233,817	33,257	603.1%
County & State Pool	5,205,400	5,087,698	2.3%	5,101,959	4,932,127	3.4%
	27,868,776	28,148,430	-1.0%	27,518,334	30,420,003	-9.5%
Sonoma County						
Autos And Transportation	4,158,709	4,219,877	-1.4%	4,058,509	4,159,280	-2.4%
Building And Construction	3,370,779	3,381,048	-0.3%	3,283,156	3,400,836	-3.5%
Business And Industry	3,903,844	3,859,355	1.2%	3,963,807	3,798,568	4.4%
Food And Drugs	2,063,141	2,154,067	-4.2%	2,031,659	2,026,469	0.3%
Fuel And Service Stations	1,990,402	2,175,525	-8.5%	1,933,190	2,201,868	-12.2%
General Consumer Goods	5,431,544	5,442,809	-0.2%	5,316,898	5,357,474	-0.8%
Restaurants And Hotels	3,938,677	3,887,733	1.3%	3,865,430	3,824,091	1.1%
Transfers & Unidentified	90,256	102,691	-12.1%	98,021	102,357	-4.2%
County & State Pool	6,222,545	5,646,869	10.2%	6,037,717	5,609,481	7.6%
	31,169,898	30,869,975	1.0%	30,588,387	30,480,424	0.4%
*Bay Area Totals						
Autos And Transportation	71,426,435	68,930,588	3.6%	64,679,980	68,564,347	-5.7%
Building And Construction	36,881,791	35,833,460	2.9%	36,939,599	36,798,255	0.4%
Business And Industry	103,830,049	100,940,624	2.9%	99,072,339	101,817,679	-2.7%
Food And Drugs	22,181,418	24,160,631	-8.2%	21,717,813	21,909,005	-0.9%
Fuel And Service Stations	26,293,516	27,964,395	-6.0%	26,303,555	27,356,795	-3.9%
General Consumer Goods	89,056,722	86,945,899	2.4%	88,631,466	85,763,626	3.3%
Restaurants And Hotels	73,136,216	69,415,158	5.4%	72,154,892	68,811,325	4.9%
Transfers & Unidentified	1,840,868	1,027,345	79.2%	1,663,375	1,469,557	13.2%
County & State Pools	122,017,530	107,453,199	13.6%	121,138,418	106,863,550	13.4%
	546,664,546	522,671,300	4.6%	532,301,436	519,354,140	2.5%
*HdL State Totals						
Autos And Transportation	337,466,890	333,631,598	1.1%	324,592,236	335,565,484	-3.3%
Building And Construction	178,308,797	175,209,902	1.8%	178,845,320	182,989,593	-2.3%
Business And Industry	437,325,552	419,380,546	4.3%	427,162,850	426,140,889	0.2%
Food And Drugs	106,471,445	114,117,278	-6.7%	104,743,154	105,932,980	-1.1%
Fuel And Service Stations	167,467,119	177,095,536	-5.4%	168,185,439	171,798,659	-2.1%
General Consumer Goods	448,434,197	447,194,984	0.3%	443,439,396	439,768,262	0.8%
Restaurants And Hotels	316,157,506	303,053,267	4.3%	312,536,895	308,120,684	1.4%
Transfers & Unidentified	9,382,966	4,981,099	88.4%	7,141,331	7,001,179	2.0%
County & State Pools	498,054,301	465,571,929	7.0%	494,902,709	455,773,474	8.6%
	2,499,068,772	2,440,236,141	2.4%	2,461,549,330	2,433,091,203	1.2%

* Based on partial data



NAPA COUNTY ALL AGENCIES

SALES TAX TRENDS FOR ALL AGENCIES - 4Q 2025 SALES

ADJUSTED FOR ECONOMIC DATA*

Agency allocations reflect "point of sale" receipts

Agency Name	Count	Current Year 4Q 2025	Prior Year 4Q 2024	Share of County Pool	Actual Receipts % Change	Adjusted % Change
Yountville	162	385,473	365,288	3.6%	- 15.1%	+ 5.5%
St. Helena	583	704,023	683,016	7.8%	+ 10.0%	+ 3.1%
Calistoga	403	289,765	285,058	2.9%	+ 2.5%	+ 1.7%
Napa	3,339	4,610,109	4,604,807	47.2%	- 2.7%	+ 0.1%
Napa Co. Uninc	2,686	3,040,906	3,104,617	31.8%	- 1.6%	- 2.1%
American Canyon	563	673,510	896,811	6.8%	- 22.2%	- 24.9%
Totals	7,736	9,703,786	9,939,597	100.0%	- 3.5%	- 2.4%
Napa Pool	12,168	2,156,676	2,083,036		+ 2.6%	+ 3.5%



NAPA COUNTY ALL AGENCIES

SALES TAX TRENDS FOR ALL AGENCIES - 4Q 2025 SALES

Agency allocations reflect "point of sale" receipts

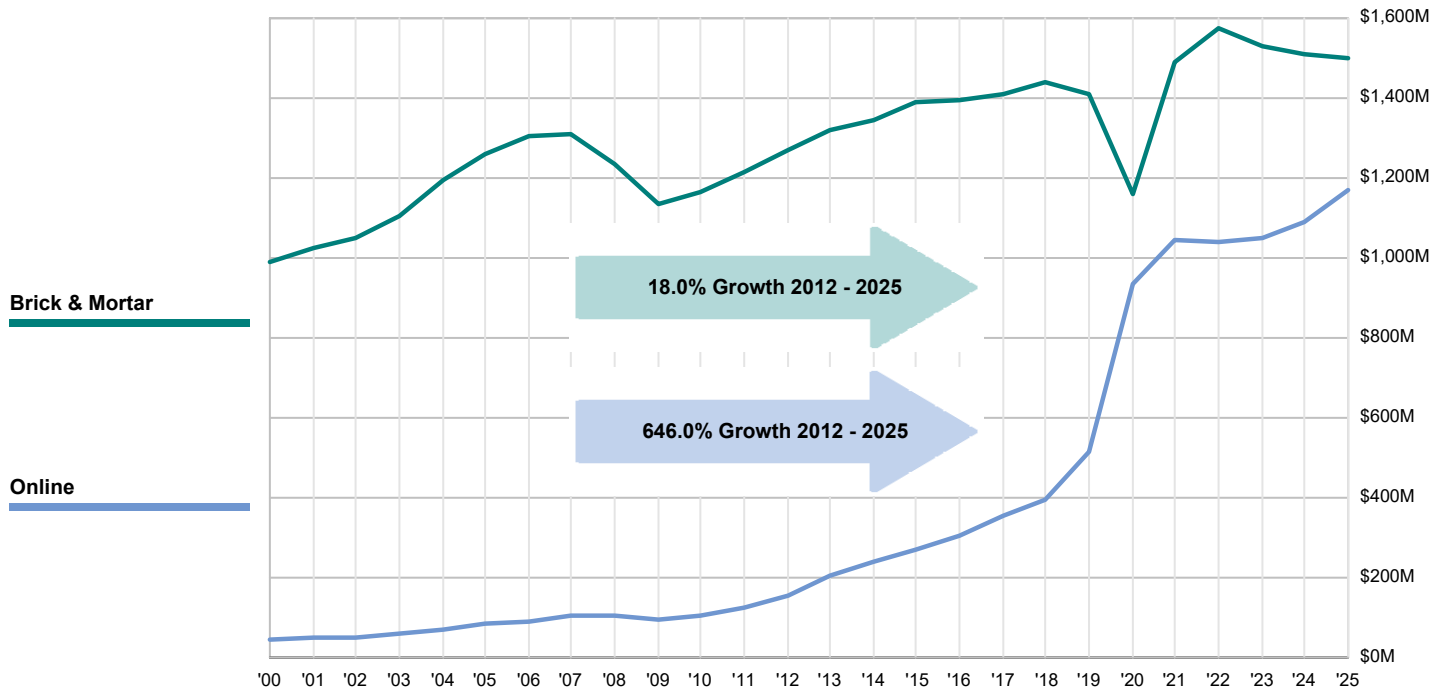
Agency Name	Count	Current Year 4Q 2025	Prior Year 4Q 2024	Share of County Pool	Actual Receipts % Change	Adjusted % Change
Yountville	162	348,967	410,935	3.6%	- 15.1%	+ 5.5%
St. Helena	583	761,484	692,047	7.8%	+ 10.0%	+ 3.1%
Calistoga	403	279,655	272,740	2.9%	+ 2.5%	+ 1.7%
Napa	3,339	4,611,461	4,740,411	47.2%	- 2.7%	+ 0.1%
Napa Co. Uninc	2,686	3,105,277	3,155,626	31.8%	- 1.6%	- 2.1%
American Canyon	563	664,776	854,729	6.8%	- 22.2%	- 24.9%
Totals	7,736	9,771,620	10,126,488	100.0%	- 3.5%	- 2.4%
Napa Pool	12,168	2,214,547	2,158,964		+ 2.6%	+ 3.5%



STATE OF CALIFORNIA

Brick & Mortar vs. Online Sales of General Consumer Goods

Local 1% Sales Tax by Calendar Year



Legend:

Brick & Mortar - Statewide General Consumer Goods from Place-of-Sale locations

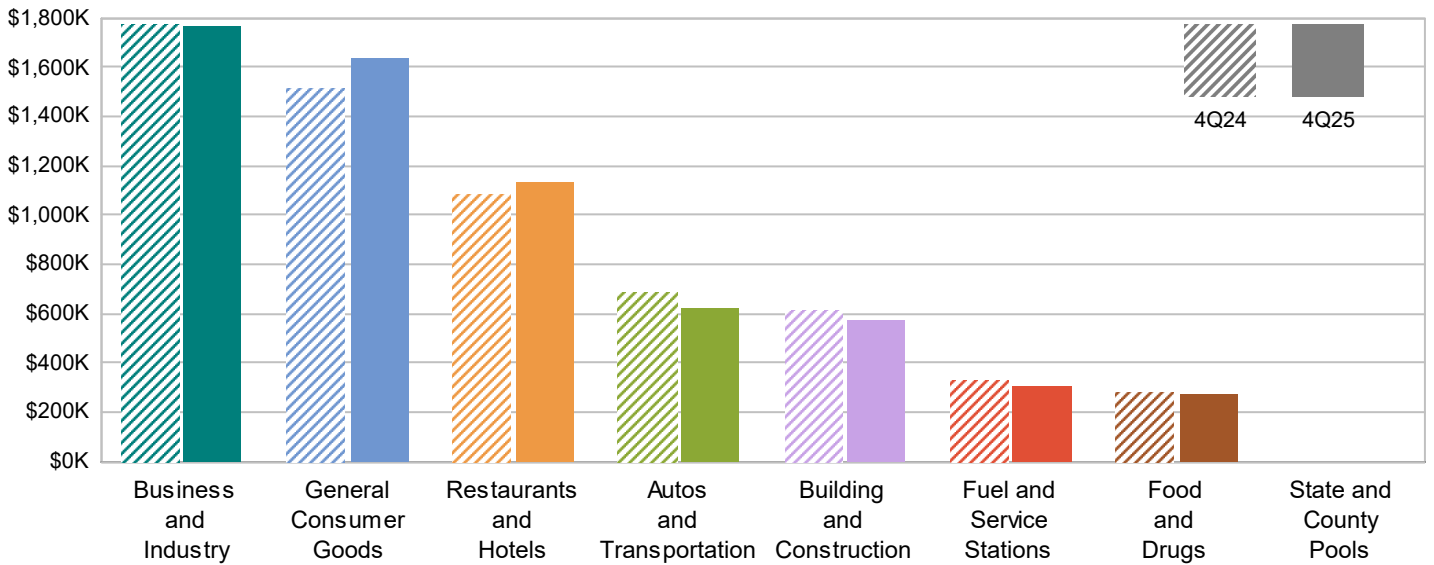
Online - Statewide General Consumer Goods from Fulfillment Centers and County Use-Tax Pool Allocations

Relevant Points of Interest:

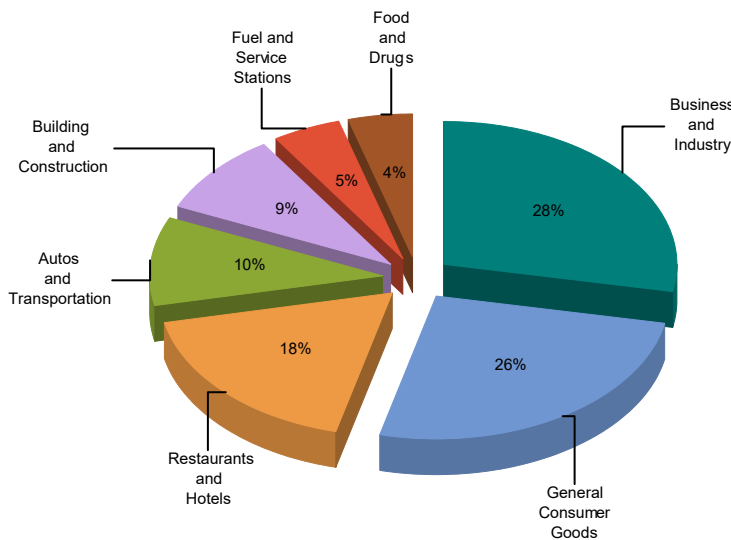
- AB 155 requiring out-of-state retailers to collect and remit local tax, effective September 2012
- AB 147 requiring out-of-state online retailers to collect and remit local tax, effective April 2019
- AB 147 specifically requiring marketplace facilitators to collect and remit local tax, effective October 2019
- Covid-19 pandemic related 'shelter-in-place' directive issued March 2020, significantly impacting brick and mortar businesses and pushed consumers to buy online

Major Industry Group	Count	4Q25	4Q24	\$ Change	% Change
Business and Industry	9,653	1,768,275	1,773,649	(5,373)	-0.3%
General Consumer Goods	4,492	1,633,715	1,518,545	115,170	7.6%
Restaurants and Hotels	677	1,132,011	1,083,413	48,597	4.5%
Autos and Transportation	1,524	625,969	693,520	(67,551)	-9.7%
Building and Construction	1,259	581,486	616,045	(34,558)	-5.6%
Fuel and Service Stations	110	307,939	335,553	(27,614)	-8.2%
Food and Drugs	300	274,848	283,071	(8,223)	-2.9%
Transfers & Unidentified	5,208	88,375	78,589	9,786	12.5%
State and County Pools	-	0	0	0	-N/A-
Total	23,223	6,412,618	6,382,385	30,233	0.5%

4Q24 Compared To 4Q25

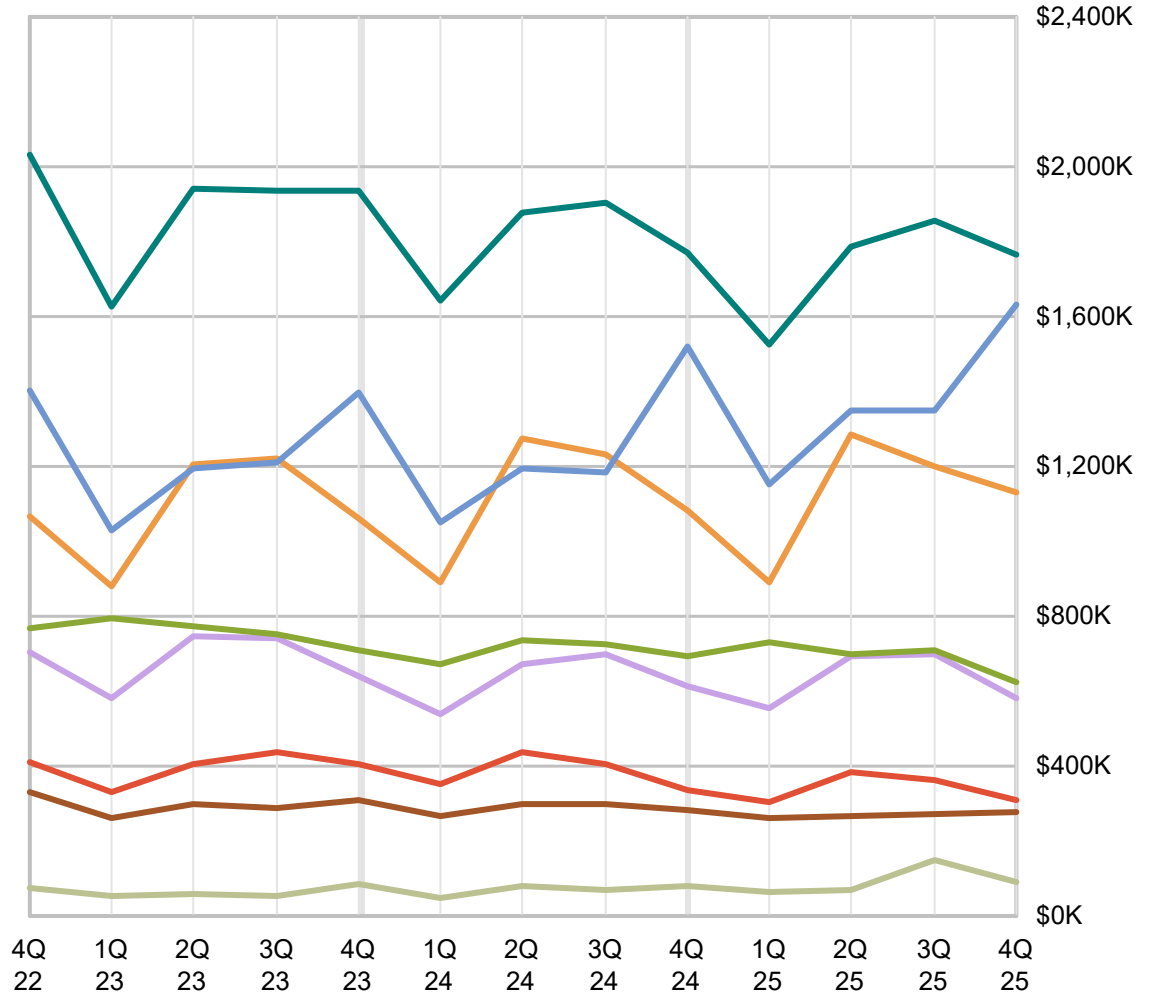


4Q25 Percent of Total



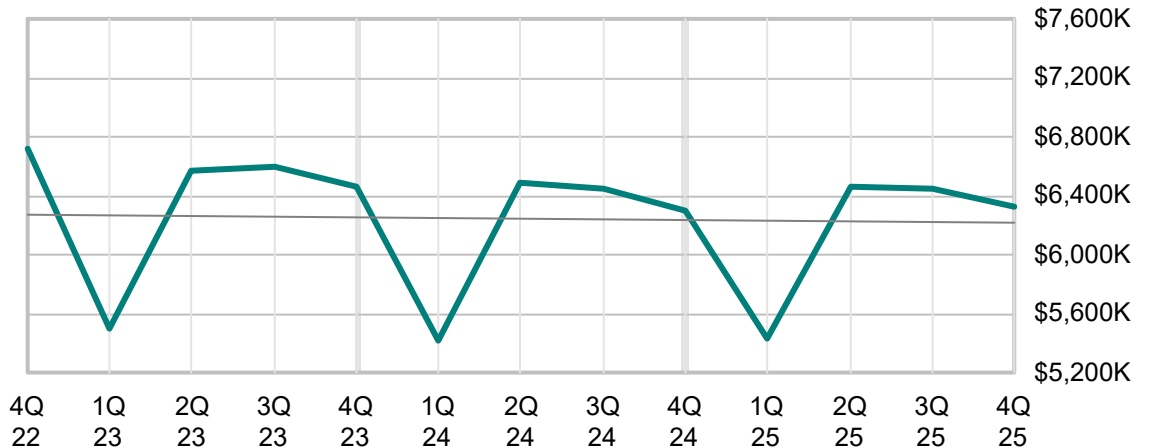
Sales Tax by Major Industry Group

- Business And Industry**
Count: 9,653
- General Consumer Goods**
Count: 4,492
- Restaurants And Hotels**
Count: 677
- Autos And Transportation**
Count: 1,524
- Building And Construction**
Count: 1,259
- Fuel And Service Stations**
Count: 110
- Food And Drugs**
Count: 300
- Transfers & Unidentified**
Count: 5,208



Agency Trend

- Napa Valley Transportation Aut**
- 13 Quarter Trend: -0.9%



Periods shown reflect the period in which the sales occurred - Point of Sale

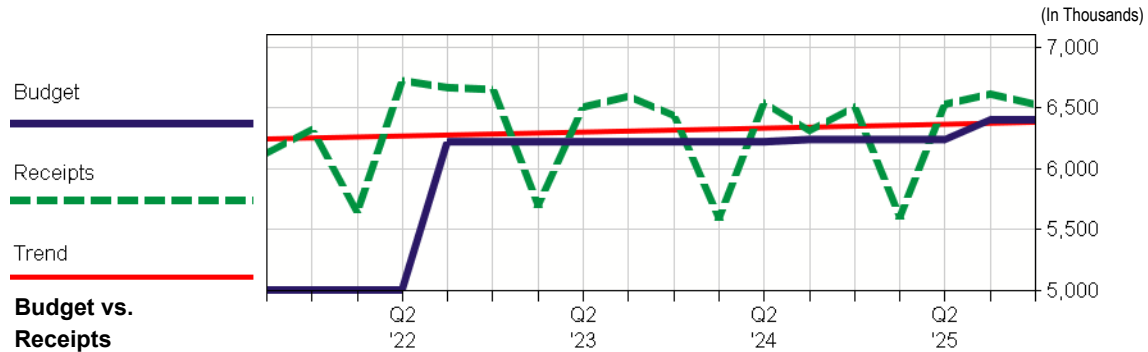


NAPA VALLEY MEASURE U

TRANSACTIONS & USE TAX ALLOCATION SUMMARY

Seven Major Industry Groups	Fiscal Yr 2023-24	FY 2024-25 Sales Quarters				Fiscal Yr 2024-25	Dollar Change	Percent Change	FY 2025-26 Sales Quarters				Fiscal Yr 2025-26	YTD % Change
	Totals	3Q	4Q	1Q	2Q	Totals	Prior Yr	Prior Yr	3Q	4Q	1Q	2Q	YTD Totals	Prior Yr
District Tax														
Autos And Transportation	2,870,363	727,406	702,909	731,740	694,888	2,856,942	(13,421)	0%	673,850	667,762			1,341,612	-6%
Building And Construction	2,608,854	694,507	607,961	563,546	704,441	2,570,455	(38,399)	-1%	704,126	582,381			1,286,506	-1%
Business And Industry	7,428,793	1,836,370	1,839,354	1,611,795	1,786,006	7,073,525	(355,268)	-5%	1,919,134	1,837,316			3,756,450	2%
Food And Drugs	1,167,112	275,414	301,273	264,060	272,972	1,113,720	(53,393)	-5%	274,031	281,515			555,546	-4%
Fuel And Service Stations	1,637,606	401,123	331,974	310,169	360,743	1,404,009	(233,597)	-14%	376,517	322,445			698,962	-5%
General Consumer Goods	4,881,317	1,141,930	1,565,250	1,140,608	1,375,827	5,223,615	342,298	7%	1,323,879	1,672,106			2,995,985	11%
Restaurants And Hotels	4,489,759	1,205,731	1,122,761	919,760	1,305,841	4,554,093	64,334	1%	1,234,075	1,117,922			2,351,997	1%
Transfers & Unidentified	262,352	72,219	77,961	85,136	79,828	315,144	52,792	20%	158,281	97,130			255,411	70%
Total District Tax	25,346,156	6,354,700	6,549,444	5,626,813	6,580,545	25,111,502	(234,654)	-1%	6,663,892	6,578,578			13,242,470	3%
Less: Cost of Administration	(199,180)	(45,100)	(45,100)	(34,280)	(52,860)	(177,340)	21,840	11%	(52,860)	(52,860)			(105,720)	-17%
Grand Total	25,146,976	6,309,600	6,504,344	5,592,533	6,527,685	24,934,162	(212,814)	-1%	6,611,032	6,525,718			13,136,750	3%
Budget	24,876,040					24,950,000							25,600,000	

**Due to the monthly allocation changes by CDTFA, as of 1st Quarter 2018 all fiscal year totals will be reported on an accrual basis (July to June sales).



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HdL NAPA VALLEY MEASURE U

3 YEAR TRANSACTIONS AND USE TAX BUDGET ESTIMATE

Industry Group	FY 2024-25	FY 2025-26		FY 2026-27		FY 2027-28	
	Actuals	Projection	%	Projection	%	Projection	%
Autos & Transportation	2,856,942	2,789,510	-2.4%	2,836,815	1.7%	2,950,288	4.0%
Building & Construction	2,570,455	2,494,405	-3.0%	2,496,141	0.1%	2,561,041	2.6%
Business & Industry	7,039,710	7,049,256	0.1%	6,892,452	-2.2%	7,030,301	2.0%
Food & Drugs	1,147,509	1,114,153	-2.9%	1,090,115	-2.2%	1,101,016	1.0%
Fuel & Service Stations	1,404,009	1,435,470	2.2%	1,460,301	1.7%	1,489,507	2.0%
General Consumer Goods	5,223,641	5,547,562	6.2%	5,602,635	1.0%	5,675,469	1.3%
Restaurants & Hotels	4,554,093	4,624,849	1.6%	4,656,179	0.7%	4,803,783	3.2%
Transfers & Unidentified	315,144	393,333	24.8%	375,762	-4.5%	375,762	0.0%
Total	25,111,502	25,448,538	1.3%	25,410,400	-0.1%	25,987,166	2.3%
Administration Cost	(177,340)	(205,810)		(208,365)		(213,095)	
Total	24,934,162	25,242,728	1.2%	25,202,034	-0.2%	25,774,072	2.3%

*Estimate is on an accrual basis (allocations for sales through June)

Note: The forecast uses HdL's March 2026 consensus forecast economic change assumptions and local business trends. Macro influences include variable inflation, rising gas prices, fluctuating federal policies, and the present state of the wine industry. Business openings and closures identified in Napa, American Canyon, Calistoga, and Napa County unincorporated area are reflected in the forecast.

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NAPA VALLEY MEASURE U

FY 2025-26 (ending June)

Mid-Year Transactions and Use Tax Revenues Projection

Agency Adopted Budget Estimate for FY 2025-26		25,600,000
Total Allocation From CDTFA		
Current Quarter	4Q 2025	6,578,578
Previous Quarter	3Q 2025	6,663,892
2nd Previous Quarter	2Q 2025	6,580,545
3rd Previous Quarter	1Q 2025	5,626,813
Total Allocation		25,449,828
Adjustments		
<i>Economic Adjustments</i>		
Fuel & Service Stations (6.0%)		41,491
General Consumer Goods (1.5%)		37,115
Restaurants & Hotels (1.7%)		36,262
Building & Construction (-2.1%)		(25,914)
Food & Drugs (-1.7%)		(9,139)
Autos & Transportation (0.2%)		3,483
Other Adjustments (see attached)		(84,588)
Total Adjustments		(1,290)
Subtotal (1.3% increase from FY 2024-25 actual)		25,448,538
Administration Cost (0.82%)		(205,810)
Estimated FY 2025-26 Sales Tax Revenues		25,242,728
Rounded to Nearest Thousand (1.2% increase from FY 2024-25 actual)		25,243,000

Note: The forecast uses HdL's March 2026 consensus forecast economic change assumptions and local business trends. Macro influences include variable inflation, rising gas prices, fluctuating federal policies, and the present state of the wine industry. Business openings and closures identified in Napa, American Canyon, Calistoga, and Napa County unincorporated area are reflected in the forecast.

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NAPA VALLEY MEASURE U

FY 2026-27 (ending June)

Preliminary Transactions and Use Tax Revenues Projection

Agency Adopted Budget Estimate for FY 2026-27		
Total Allocation From CDTFA		
Current Quarter	4Q 2025	6,578,578
Previous Quarter	3Q 2025	6,663,892
2nd Previous Quarter	2Q 2025	6,580,545
3rd Previous Quarter	1Q 2025	5,626,813
Total Allocation		25,449,828
Estimated FY 2025-26 Sales Tax (Before Admin Cost)		25,448,538
Adjustments		
<i>Economic Adjustments</i>		
Restaurants & Hotels (2.1%)		93,608
Business & Industry (1.1%)		75,373
Autos & Transportation (2.5%)		68,952
General Consumer Goods (1.2%)		65,501
Fuel & Service Stations (3.8%)		53,851
Building & Construction (1.3%)		31,875
Food & Drugs (0.3%)		3,775
Other Adjustments (see attached)		<u>(431,074)</u>
Total Adjustments		<u>(38,138)</u>
Subtotal (0.1% decrease from FY 2025-26 estimate)		25,410,400
Administration Cost (0.82%)		<u>(208,365)</u>
Estimated FY 2026-27 Sales Tax Revenues		25,202,034
Rounded to Nearest Thousand (0.2% decrease from FY 2025-26 estimate)		25,202,000

Note: The forecast uses HdL's March 2026 consensus forecast economic change assumptions and local business trends. Macro influences include variable inflation, rising gas prices, fluctuating federal policies, and the present state of the wine industry. Business openings and closures identified in Napa, American Canyon, Calistoga, and Napa County

unincorporated area are reflected in the forecast.

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	Payment Month	ACTUAL		FORECAST *	
		Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2025-26	Fiscal Year 2026-27
1st Advance	June	\$ 1,920,455	\$ 2,001,437	\$ 2,001,437	\$ 1,779,700
2nd Advance	July	2,151,976	2,282,522	2,282,522	1,779,700
Clean Up	August	2,464,790	2,243,725	2,243,725	2,977,850
2nd Quarter Allocation		6,537,221	6,527,685	6,527,685	6,537,250
1st Advance	September	1,958,540	2,054,928	2,054,928	1,790,300
2nd Advance	October	1,840,618	2,151,729	2,151,729	1,790,300
Clean Up	November	2,510,442	2,404,376	2,404,376	2,995,659
3rd Quarter Allocation		6,309,600	6,611,032	6,611,032	6,576,259
1st Advance	December	1,960,134	1,955,196	1,955,196	1,738,600
2nd Advance	January	1,792,785	1,903,645	1,903,645	1,738,600
Clean Up	February	2,751,425	2,666,877	2,666,877	2,909,166
4th Quarter Allocation		6,504,344	6,525,718	6,525,718	6,386,366
1st Advance	March	1,675,346	1,747,252	1,747,252	1,519,000
2nd Advance	April	1,565,046	-	1,747,252	1,519,000
Clean Up	May	2,352,142	-	2,074,224	2,541,907
1st Quarter Allocation		5,592,533	1,747,252	5,568,728	5,579,907
1st Advance	June	2,001,437	-	1,779,700	1,812,900
2nd Advance	July	2,282,522	-	1,779,700	1,812,900
Clean Up	August	2,243,725	-	2,977,850	3,033,702
2nd Quarter Allocation		6,527,685	-	6,537,250	6,659,502
Fiscal Year Reconciliation					
Accrual		\$ 24,934,162	\$ 14,884,002	\$ 25,242,728	\$ 25,202,034

* Based on budget prepared 04/13/26 by Wyn



NAPA VALLEY TRANSPORTATION AUTHORITY TAX REVENUE

TRANSPORTATION AUTHORITY REVENUES APPORTIONED BY TRANSACTION TAX PERCENTAGE

	1st Qtr 2024			2nd Qtr 2024			3rd Qtr 2024			4th Qtr 2024			Calendar Year 2024		
	Sales Tax Totals	Percent of Total	Measure U Allocation	Sales Tax Totals	Percent of Total	Measure U Allocation	Sales Tax Totals	Percent of Total	Measure U Allocation	Sales Tax Totals	Percent of Total	Measure U Allocation	Sales Tax Totals	Percent of Total	Measure U Allocation
City of Napa	4,100,086	46.53%	2,620,026	4,676,665	47.14%	3,103,070	4,328,917	46.16%	2,933,337	4,740,411	46.81%	3,065,925	17,846,080	46.67%	11,722,359
City of American Canyon	887,240	10.07%	566,962	876,221	8.83%	581,392	849,363	9.06%	575,541	854,729	8.44%	552,807	3,467,554	9.07%	2,276,702
City of Calistoga	275,315	3.12%	175,931	327,257	3.30%	217,142	366,018	3.90%	248,019	272,740	2.69%	176,398	1,241,330	3.25%	817,491
City of St. Helena	730,188	8.29%	466,603	802,632	8.09%	532,564	652,180	6.95%	441,927	692,047	6.83%	447,591	2,877,047	7.52%	1,888,684
Town of Yountville	281,766	3.20%	180,053	396,742	4.00%	263,247	385,462	4.11%	261,194	410,936	4.06%	265,778	1,474,905	3.86%	970,273
County Unincorporated	2,536,372	28.79%	1,620,786	2,840,759	28.64%	1,884,906	2,796,105	29.82%	1,894,681	3,155,627	31.16%	2,040,944	11,328,863	29.63%	7,441,318
Total	8,810,967	100.00%	5,630,361	9,920,276	100.00%	6,582,321	9,378,045	100.00%	6,354,700	10,126,490	100.00%	6,549,444	38,235,778	100.00%	25,116,827

	1st Qtr 2025			2nd Qtr 2025			3rd Qtr 2025			4th Qtr 2025			Calendar Year 2025		
	Sales Tax Totals	Percent of Total	Measure U Allocation	Sales Tax Totals	Percent of Total	Measure U Allocation	Sales Tax Totals	Percent of Total	Measure U Allocation	Sales Tax Totals	Percent of Total	Measure U Allocation	Sales Tax Totals	Percent of Total	Measure U Allocation
City of Napa	4,024,822	46.38%	2,609,583	4,821,783	49.44%	3,253,460	4,549,754	46.18%	3,077,286	4,611,462	47.19%	3,104,588	18,007,821	47.32%	12,044,918
City of American Canyon	847,791	9.77%	549,684	718,187	7.36%	484,591	801,914	8.14%	542,385	664,776	6.80%	447,549	3,032,668	7.97%	2,024,209
City of Calistoga	377,518	4.35%	244,772	337,681	3.46%	227,848	355,441	3.61%	240,407	279,655	2.86%	188,273	1,350,295	3.55%	901,300
City of St. Helena	674,936	7.78%	437,610	755,477	7.75%	509,752	787,626	7.99%	532,721	761,484	7.79%	512,656	2,979,523	7.83%	1,992,740
Town of Yountville	276,766	3.19%	179,447	399,566	4.10%	269,604	427,496	4.34%	289,143	348,967	3.57%	234,936	1,452,795	3.82%	973,130
County Unincorporated	2,476,534	28.54%	1,605,716	2,719,988	27.89%	1,835,290	2,930,303	29.74%	1,981,949	3,105,277	31.78%	2,090,575	11,232,102	29.52%	7,513,531
Total	8,678,368	100.00%	5,626,813	9,752,681	100.00%	6,580,545	9,852,534	100.00%	6,663,892	9,771,621	100.00%	6,578,578	38,055,205	100.00%	25,449,828

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NVTA

SALES TAX UPDATE

4Q 2025 (OCTOBER - DECEMBER)



NVTA

TOTAL: \$ 6,412,618

0.5%
4Q2025

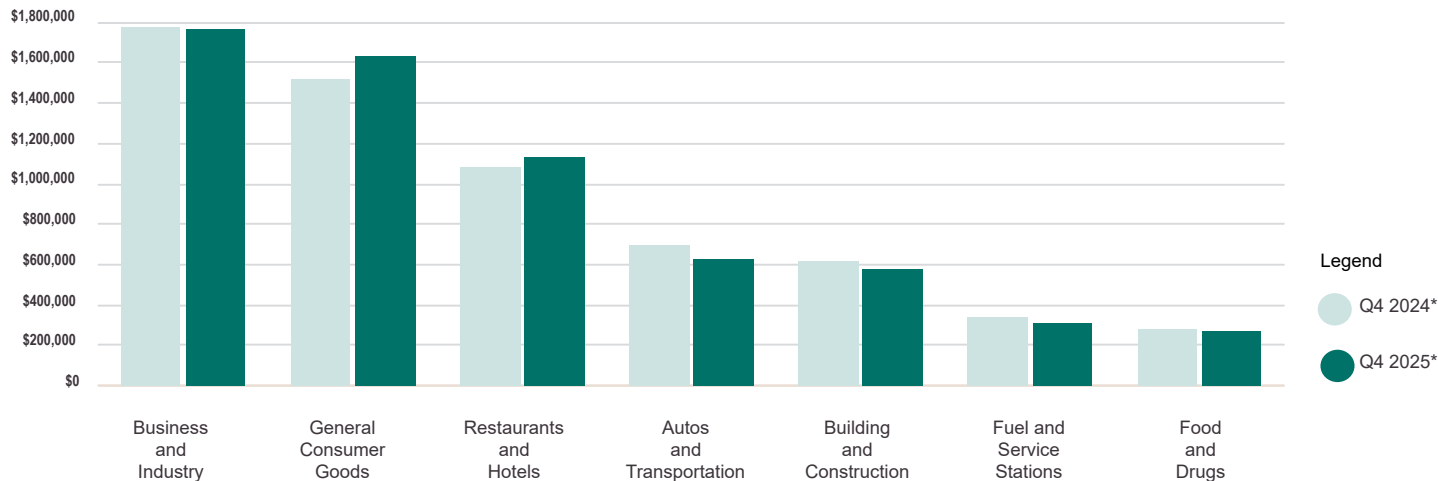


1.2%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



NAPA VALLEY TRANSPORTATION AUTHORITY (NVTA) HIGHLIGHTS

The Napa Valley Transportation Authority's Measure U receipts from October through December were 0.4% above the fourth sales period in 2024. Excluding reporting aberrations, receipts for the period were up 0.5%.

Brick and mortar retailers of general consumer goods reported mixed sales

results (some higher, some lower), with outlets selling at a lower price point seeing more positive results. However, even adding in the nearly 8% growth in purchases made online, the overall results trended negative. The group eked out a gain because this period contained extra weeks of activity for at least one retailer compared to last year. The restaurant group also posted a gain as

standalone fine dining and fast food outlets were joined by eating venues co-located at hotels and resorts which did well this period.

New car sales' volume fell nearly 16% or \$66,000 after dipping 6% in the prior quarter. Meanwhile, the low gas prices carried over from the prior period cut receipts from gas stations once again.

Construction activity continues to wind down. Most of the reported decline came from job-specific purchases delivered by out-of-area suppliers last year for projects which have been completed. Like most areas of the state, new development is on the sidelines until contractors' profit margins improve.

Net of aberrations, taxable sales for all of Napa County dipped 1.3% below those from the same period in the prior year while those of the Bay Area region rose 2.5%

TOP NON-CONFIDENTIAL BUSINESS TYPES

Napa Valley Transportation Authority (NVTA)			HdL State	
Business Type	Q4 '25*	Change	Change	
Wineries	802.9	-1.9% ↓	-6.0% ↓	
Discount Dept Stores	450.1	18.7% ↑	-0.2% ↓	
Retail ECommerce	389.9	7.7% ↑	5.0% ↑	
Casual Dining	379.7	-2.4% ↓	2.4% ↑	
New Motor Vehicle Dealers	358.7	-15.5% ↓	-5.3% ↓	
Service Stations	288.6	-9.1% ↓	-2.2% ↓	
Building Materials	278.9	-6.7% ↓	-4.1% ↓	
Fine Dining	242.4	4.3% ↑	-2.1% ↓	
Hotels/Motels	224.8	13.6% ↑	5.0% ↑	
Contractors	189.5	-7.0% ↓	-0.8% ↓	

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

**In thousands of dollars*



STATEWIDE RESULTS

California's local one cent sales and use tax receipts posted moderate growth during the fourth quarter, reflecting resilient consumer behavior despite persistent economic headwinds. For the months of October through December, revenues increased 1.2% from the year ago quarter after adjusting for accounting anomalies. This performance capped an overall improvement for calendar year 2025 of 1.2%, marking a welcomed annual increase after two consecutive years of decline.

Consumer spending patterns during the holiday season played a central role in the fourth-quarter results. Fulfillment centers and countywide use tax pools generated strong returns, driven by sustained demand for online shopping as cost-conscious consumers prioritized convenience and price comparison. This e-commerce momentum persisted throughout the 2025 year. Traditional brick-and-mortar retailers, particularly apparel and jewelry stores, also realized modest seasonal gains, benefiting from holiday purchasing activity.

Restaurant sales taxes rose again, although operators reported continual pressure from rising costs that influenced customer

behavior. Diners reduced visit frequency and alcohol purchases, reflecting heightened price sensitivity. While upcoming national and global sporting events in California could support localized growth, broader restaurant sector expansion is expected to remain constrained and concentrated primarily in tourism-heavy and event-focused regions.

Energy-related initiatives produced solid returns; however, revenue allocation mechanisms shifted, with proceeds previously reported directly to local agencies now distributed through county pools during the current period.

In contrast, the autos-transportation and building-construction sectors remained subdued. Elevated interest rates, seasonal purchasing patterns, and winter weather limited activity, particularly in high-value purchases such as vehicles and home improvement projects. Contractors in roofing and concrete experienced reduced productivity, reinforcing expectations of continued stagnation in these industries. With minimal interest rate relief projected for 2026, significant near-term recovery remains unlikely.

Looking ahead, emerging global risks present growing uncertainty. While not reflected in current results, escalating tensions in the Middle East have driven West Texas Intermediate crude oil prices above \$100 per barrel, translating into sharply higher gasoline prices exceeding \$6 per gallon locally. Refinery closures across Northern and Southern California further amplify supply pressures. Prolonged energy price volatility could force consumers to redirect spending toward fuel costs, reducing discretionary expenditures in other sectors.

Prior to these developments, short-term economic expectations were cautiously optimistic. However, renewed inflationary pressure has led the Federal Reserve to delay anticipated interest rate reductions, limiting consumer flexibility. Stubbornly high fuel prices may also dampen travel and tourism through summer, leaving little room for broad-based sales tax growth in the year.

MAJOR BUSINESS GROUP TRENDS BY COUNTY

Percent Change from 4th Quarter 2024 *

	Autos/Tran.	Bldg/Const	Bus/ind.	Food/Drug	Fuel	Cons. Goods	Restaurants
Alameda Co.	-6.1%	1.0%	-1.6%	-0.4%	-6.5%	0.7%	2.5%
Contra Costa Co.	-0.4%	-8.6%	1.9%	-2.7%	-2.6%	3.2%	1.2%
Marin Co.	0.9%	-2.8%	-12.4%	-1.5%	-2.8%	2.1%	-0.8%
Napa Co.	-5.4%	-2.2%	-8.8%	-0.9%	-7.7%	7.1%	3.7%
San Francisco Co.	-1.6%	4.9%	29.5%	-2.3%	-0.6%	11.1%	12.4%
San Mateo Co.	-6.5%	7.3%	14.7%	0.0%	-1.9%	1.4%	6.0%
Santa Clara Co.	-8.7%	2.9%	-5.6%	0.6%	-2.7%	4.4%	3.8%
Solano Co.	-9.7%	-0.5%	-32.3%	-3.0%	-0.6%	-0.5%	2.9%
Sonoma Co.	-2.4%	-3.5%	4.4%	0.3%	-12.2%	-0.8%	1.1%

*Allocation aberrations have been adjusted to reflect sales activity