

CITY OF PASADENA

SALES TAX UPDATE

4Q 2020 (OCTOBER - DECEMBER)



PASADENA

TOTAL: \$ 9,394,086

-7.3%

4Q2020



-7.7%

COUNTY



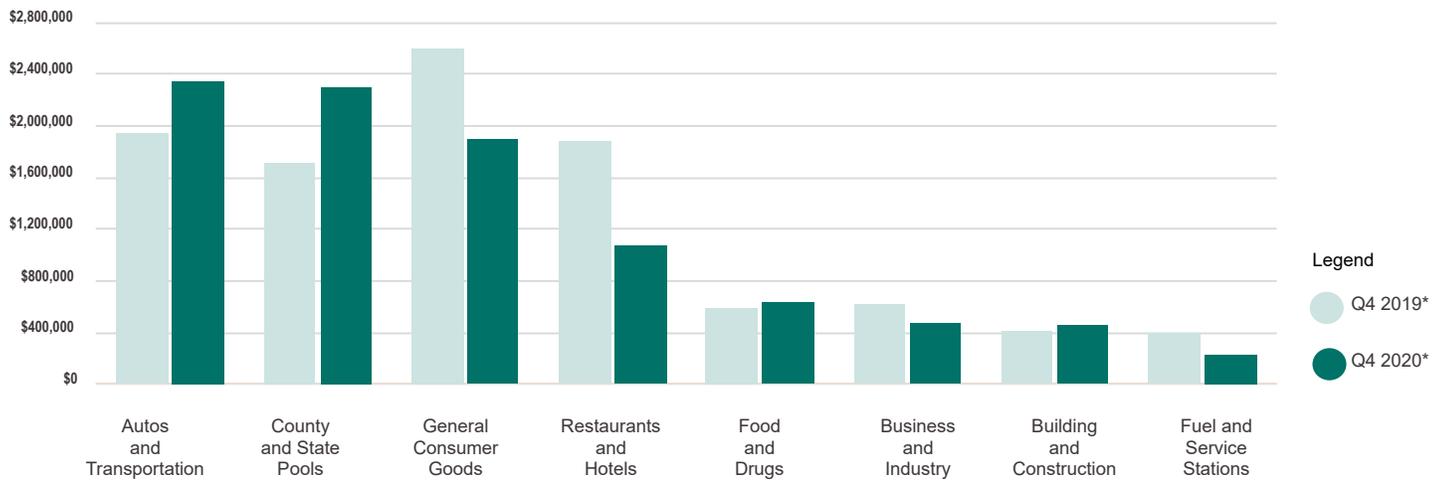
-2.0%

STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure I

TOTAL: \$6,315,436

↓ -13.9%



CITY OF PASADENA HIGHLIGHTS

Pasadena's receipts from October through December were 8.7% below the fourth sales period in 2019. Excluding reporting aberrations, actual sales were down 7.3%.

This was the third quarter impacted by the pandemic but also the normal holiday shopping period. Due to persistent in-store capacity limitation for both general consumer retailers, including family apparel, and indoor casual dining restaurants, these categories were expectantly hindered the most.

Continued reduced commuter frequency and lower gas prices compared to the prior year held service stations lower,

while one-time use tax in the prior year combined with the closeout of a merchant was largely responsible for the business-industry decline.

Gains from the countywide use tax pool continues to be a bright spot and partially offset the declines. With more online purchases being made and a greater number of out-of-state retailers collecting and remitting local sales tax, the City's share grew 34% from a year ago.

Furthermore, similar to the state and county trend, new auto sales were strong as consumers take advantage of low finance conditions.



TOP 25 PRODUCERS

Apple
Audi & Bentley Leasing
Best Buy
Enterprise Rent A Car
Evolution Design Lab
Ganahl Lumber
Honda of Pasadena
JP Morgan Chase Bank
Macys
Marshalls
Mission Liquor & Tobacco
Nordstrom Rack
Pasadena Volkswagon
Porsche Leasing
Ross

Rusnak Luxury Autos
Symes Cadillac/Land Rover
Target
Tesla Motors
Thorson GMC Buick
Total Wine & More
Toyota of Pasadena
Vons
Vroman's Bookstore
Whole Foods Market



STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring October through December, the holiday shopping season, was 1.9% lower than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous periods. Lower receipts were primarily concentrated in the Bay Area and coastal southern regions while much of inland California, including the San Joaquin Valley, Inland Empire, and northern regions, exhibited solid gains.

As expected, the larger place of sale categories which have been negatively impacted throughout the pandemic continue to be brick and mortar general consumer goods retailers like family apparel, department, and electronics/appliance stores. With limited to zero allowed indoor dining (depending on a County's Covid-19 tier assignment), restaurants and hotels suffered the largest losses especially in communities that strongly rely on tourism. Although the workforce has slowly begun to return to physical office environments, fuel and service stations revenues lagged the prior year performance.

It does not appear that Governor Newsom's second 'shelter at home' directive, initiated by the increase in Covid-19 cases had an impact on overall results. While some merchants chose to utilize the Governor's executive order allowing for a 90-day deferral of sales tax remittance, it was substantially less than the similar opportunity companies utilized during the 1st and 2nd quarters of 2020. The outstanding payments for most California cities will be remitted before the end of the 2020-21 fiscal year.

On the bright side, as consumer confidence stabilized post the national

presidential election, customers were motivated to comfortably spend on high-end luxury automobiles, boats-motorcycles, RVs, and sporting goods/equipment.

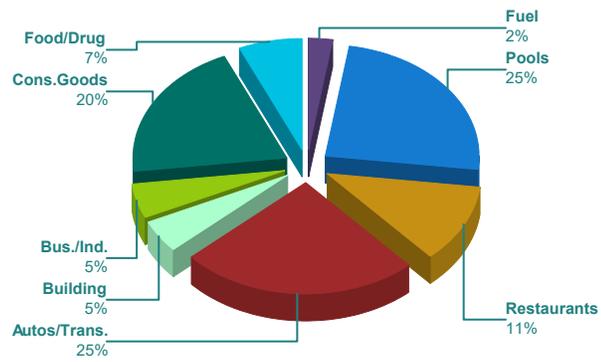
The building-construction sector, with 1) increased price of goods - like lumber, 2) continued home improvement projects, and 3) advantageous fall/winter weather conditions saw strong gains that remained consistent throughout the calendar year.

Exponential growth from countywide use tax pools further helped offset the declines. Greater online shopping signifying a permanent shift of consumer

habits to this more convenient experience was inevitable.

On the horizon, mass deployment of the Covid-19 vaccine will help a greater number of businesses, restaurants and theme parks to reach reopen status. Recent approval of the American Rescue Plan Act of 2021 will further support greater consumer spending, albeit in targeted segments. Pent up demand for summer outdoor experiences and travel is likely and thereby household spending is temporarily reverted away from taxable goods when compared to recent activity.

REVENUE BY BUSINESS GROUP
Pasadena This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Pasadena Business Type	Q4 '20*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	1,782.9	35.5% ↑	4.7% ↑	7.2% ↑
Casual Dining	450.7	-44.9% ↓	-45.3% ↓	-39.4% ↓
Grocery Stores	337.5	-2.3% ↓	4.1% ↑	5.2% ↑
Quick-Service Restaurants	313.0	-16.6% ↓	-12.2% ↓	-8.7% ↓
Electronics/Appliance Stores	290.2	-44.9% ↓	-23.4% ↓	-25.0% ↓
Auto Lease	269.9	-5.3% ↓	0.5% ↑	2.2% ↑
Family Apparel	243.4	-32.6% ↓	-19.2% ↓	-16.1% ↓
Home Furnishings	240.3	-10.7% ↓	0.0% ↓	0.9% ↑
Service Stations	228.2	-42.8% ↓	-38.2% ↓	-31.3% ↓
Building Materials	224.7	10.1% ↑	15.0% ↑	17.4% ↑

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars