

CITY OF PASADENA

SALES TAX UPDATE

2Q 2021 (APRIL - JUNE)



PASADENA

TOTAL: \$ 9,639,117

46.4%
2Q2021



40.9%
COUNTY

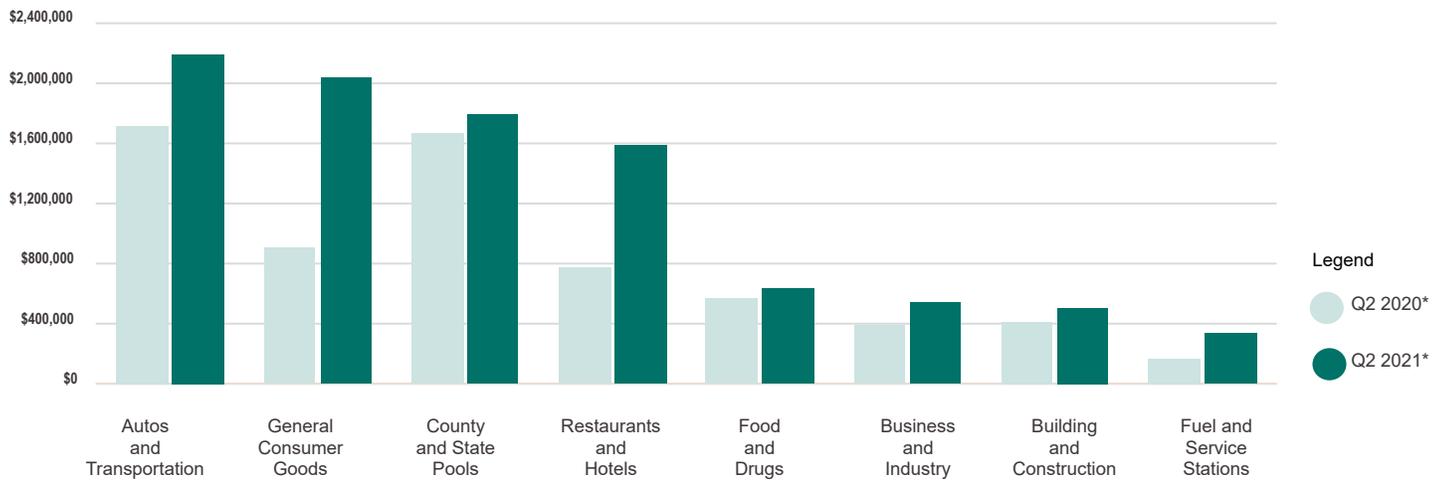


37.3%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure I

TOTAL: \$7,020,169

↑ 52.3%



CITY OF PASADENA HIGHLIGHTS

Pasadena's receipts from April through June were 34.7% above the second sales period in 2020. Excluding reporting aberrations, actual sales were up 46.4% compared to the pandemic bottom last year. Overall, this tax revenue is now \$311,000, or 3.3%, higher than where it was two years ago, in the second quarter of 2019, before the Covid-19 crisis began.

The largest factor in this improvement was a \$517,000, or 40%, surge in allocations from the Los Angeles use-tax pool after the Wayfair/AB147 legislative change in 2019.

New car sales have also spiked since

2Q19, with proceeds increasing \$305,000, or 24%, as consumers with money to spend appear eager to buy even with record high pricing.

Conversely, receipts from the restaurant-hotel sector are still \$274,000, or 15%, lower than 2Q19 as the industry continues to face headwinds from the pandemic.

Net of aberrations, taxable sales for all of Los Angeles County grew 40.9% over last year and 9.6% higher than 2Q19; the Southern California region was up 40.3% versus last year and 15.6% higher than 2Q19.



TOP 25 PRODUCERS

Apple
Audi & Bentley Leasing
Best Buy
Enterprise Rent A Car
Ganahl Lumber
Honda of Pasadena
Huntington Memorial Hospital
JP Morgan Chase Bank
Macys
Marshalls
Nordstrom Rack
Pasadena Volkswagon
Porsche Leasing
Ralphs
Ralphs Fresh Fare

Ross
Rusnak Luxury Autos
Symes Cadillac/Land Rover
Target
Tesla Motors
Thorson GMC Buick
Total Wine & More
Toyota of Pasadena
United Oil
Vons



STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring April through June, was 37% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The 2nd quarter of 2020 was the most adversely impacted sales tax period related to the Covid-19 pandemic and Shelter-In-Place directive issued by Governor Newsom. The 2Q21 comparison quarter of 2Q20 was the lowest since 2Q14 due to indoor dining restrictions at most restaurants; non-essential brick and mortar store closures; and employee remote/work from home options which significantly reduced commuting traffic and fuel sales. Therefore, similar to the 1st quarter 2020 comparison, dramatic percentage gains for 2Q21 were anticipated and materialized.

Up to this point through California's recovery, we've seen some regions experience stronger gains than others. However, with the latest data and the depths of declines in the comparison period, statewide most regions saw very similar growth.

Within the results, prolonged gains by the auto-transportation and building-construction industries generated higher receipts. Although the explosion of sales by new and used car dealers has come as welcome relief, the latest news of inventories being stretched thin due to the micro processing chip issues earlier in the year may result in a headwind into 2022. Conversely for the building-construction group, as housing prices in many markets increased over the last year, sustained available homeowner and investor equity is in place for the foreseeable future. Receipts from general consumer goods marked a steady and expected come back, led by family apparel, jewelry and home furnishing stores. When combined with solid greater economic trends, this is a welcome

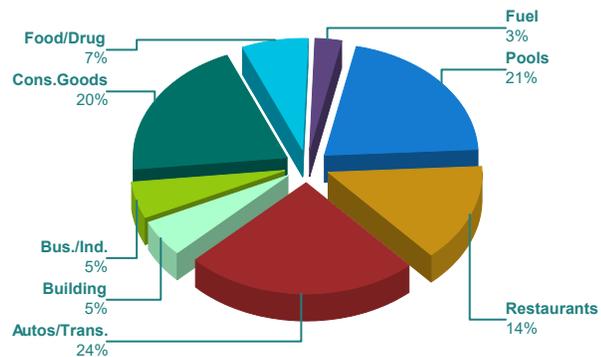
sign for many companies as a lead up to the normal holiday shopping period later this calendar year.

As consumers flock back into retail locations and with AB 147 fully implemented, growth from the county use tax pools - largely enhanced by out-of-state online sales activity - returned to more traditional gains of 9%. These results also included the reallocation of tax dollars previously distributed through the countywide pools to specific local jurisdictions that operate in-state fulfillment centers. Thus, the business and industry category, where fulfillment centers, medical-biotech vendors and garden-agricultural supplies are shown, jumped 26%.

In June, many restaurants reopened indoor dining. Given consumer desires to eat out and beautiful spring weather, all categories experienced a strong, much-needed rebound. However, labor shortages and a rise in menu prices continue to be a concern.

Looking ahead, sustained sales tax growth is still anticipated through the end of the 2021 calendar year. Inflationary effects are showing up in the cost of many taxable products. Pent up demand for travel and experiences, the return of commuters with more costly fuel, and labor shortages having upward pressure on prices may begin to consume more disposable income and tighten growth by the start of 2022.

REVENUE BY BUSINESS GROUP
Pasadena This Fiscal Year*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

| Pasadena Business Type | Q2 '21* | Change | County Change | HdL State Change |
|------------------------------|---------|----------|---------------|------------------|
| New Motor Vehicle Dealers | 1,584.8 | 35.6% ↑ | 66.9% ↑ | 55.9% ↑ |
| Casual Dining | 784.2 | 146.9% ↑ | 145.6% ↑ | 130.3% ↑ |
| Electronics/Appliance Stores | 349.7 | 259.2% ↑ | 102.3% ↑ | 52.7% ↑ |
| Quick-Service Restaurants | 349.6 | 28.1% ↑ | 31.8% ↑ | 28.8% ↑ |
| Grocery Stores | 349.2 | 2.8% ↑ | -0.9% ↓ | -0.9% ↓ |
| Service Stations | 342.1 | 103.6% ↑ | 85.5% ↑ | 73.9% ↑ |
| Auto Lease | 282.0 | 4.9% ↑ | 1.5% ↑ | 3.3% ↑ |
| Family Apparel | 276.1 | 297.3% ↑ | 247.3% ↑ | 230.5% ↑ |
| Building Materials | 239.7 | 12.1% ↑ | 19.0% ↑ | 21.7% ↑ |
| Home Furnishings | 229.5 | 130.0% ↑ | 88.4% ↑ | 88.5% ↑ |

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*In thousands of dollars