

CITY OF PASADENA

SALES TAX UPDATE

3Q 2021 (JULY - SEPTEMBER)



PASADENA

TOTAL: \$ 10,012,147

24.2%
3Q2021



20.0%
COUNTY

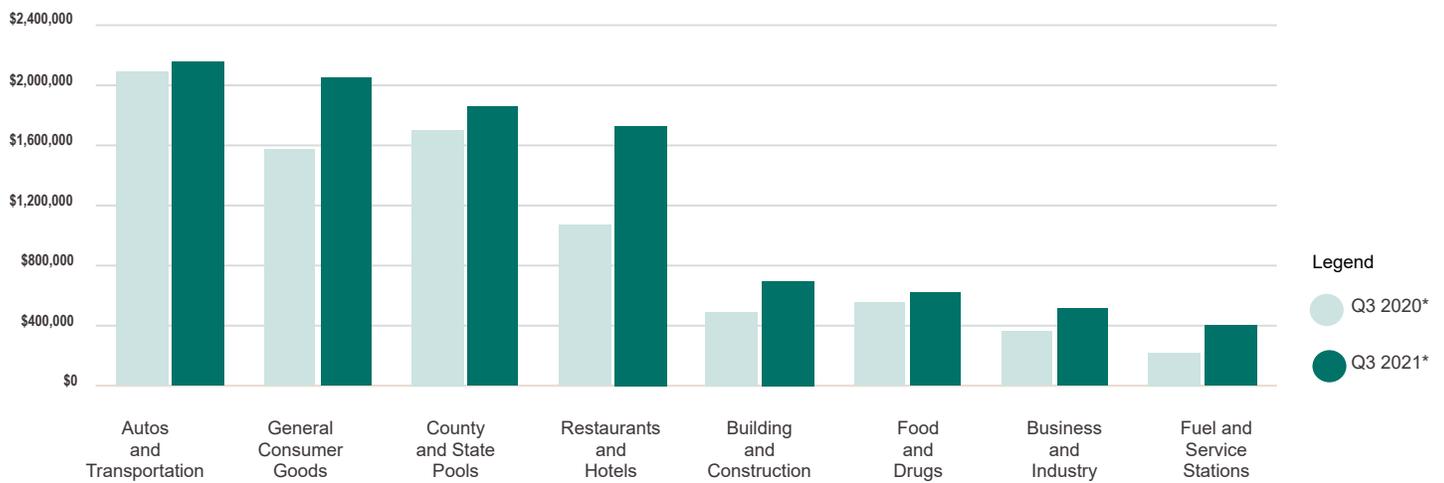


18.3%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure I

TOTAL: \$7,302,715

25.3%



CITY OF PASADENA HIGHLIGHTS

Pasadena's receipts from July through September were 23.4% above the third sales period in 2020. Excluding reporting aberrations, actual sales were up 24.2%.

This strong percentage gain signifies the continued rebound from the pandemic impacts of a year ago.

With minimal mask requirements and continued pent up demand to eat out, receipts from casual and fine dining restaurants were pushed closer to pre-pandemic levels. Sensational returns from multiple retailers including family apparel, home furnishings, electronic-appliance and specialty stores were largely responsible for the general consumer growth.

Revenue from building-construction suppliers rose during this summer period with the recent addition of a new merchant, a solid housing market, still rather low interest rate environment and increased cost of lumber all having an positive impact.

The City's three-quarter cent transaction tax, experienced similar positive results with increased vehicles purchased-registered, solid online sales activity by residents and local restaurants contributing the most.

Net of aberrations, taxable sales for all of Los Angeles County grew 20.0% over the comparable time period; the Southern California region was up 19.9%.



TOP 25 PRODUCERS

Apple
Audi & Bentley Leasing
Best Buy
California Institute of Technology
Enterprise Rent A Car
Ganahl Lumber
Home Depot
Honda of Pasadena
JP Morgan Chase Bank
Lifesource Water System
Macys
Nordstrom Rack
Pasadena Volkswagen
Porsche Leasing
Ralphs

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

Local one cent sales and use tax receipts for sales occurring July through September were 18% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These aberrations had been much greater than normal in the last two years as the Governor’s Executive Orders allowed businesses to defer some sales tax payments as a supportive measure during the pandemic. This program has now expired, and merchant remittances are more consistent, making cash receipts more reflective of underlying economic activity.

The prior year comparison quarter was the start of the pandemic recovery, and the strong growth enjoyed since continued with the recent results.

Surprisingly, one of the stronger sectors has been restaurants and hotels. Originally forecasted to take an extended amount of time to recover, statewide sales tax generated during the summer months exceeded amounts from pre-pandemic 2019. Even with the availability of indoor and outdoor dining, pent up demand resulted in long wait times to enjoy local culinary experiences. When combined with increasing restaurant tabs as the cost of food and staff wages surge, sales tax remittances are expected to continue growing. Additionally, while the industry awaits the return of foreign tourism in metropolitan areas, strong domestic travel has helped varied regions around the state especially Southern California and the Central Coast.

Receipts from general consumer goods marked a steady recovery, led by apparel retailers, jewelry, electronic/appliance and specialty outlets. Discount department stores, especially those selling gas, helped exemplify the strength of brick-and-mortar

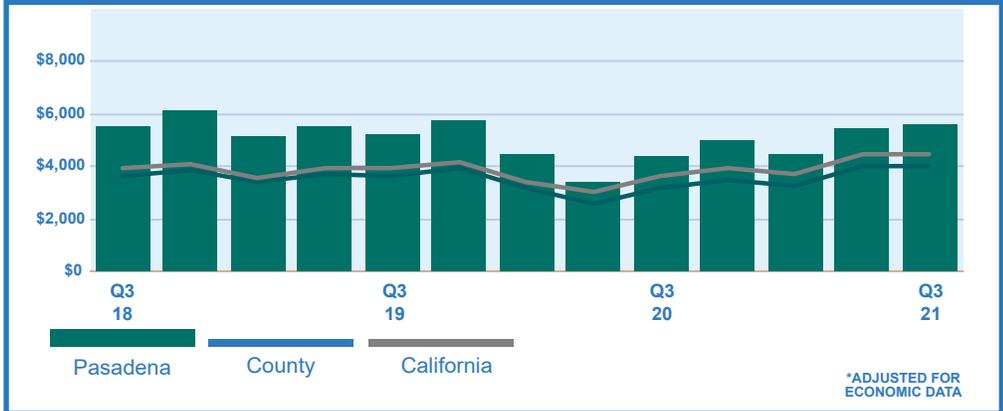
merchants. Gains from the countywide use tax pools however, slowed to 2% compared to the high-water mark last year, which had been boosted by new tax collecting requirements imposed under AB 147 for online retailers. All things considered, when combined with positive economic trends, these are a welcome sign leading up to the holiday shopping period.

Although car dealers had expressed concerns about inventory shortages due to supply chain disruptions and computer chip shortages earlier in the year, the sale of new and used vehicles posted solid gains regardless. Higher property values and good weather contributed to strong building

materials and contractor returns. As commuting workers and travelers returned to the road with increased gas prices, fuel and service stations also experienced a dramatic recovery.

Overall growth is expected to continue through the end of the 2021 calendar year. Possible headwinds into 2022 include: pent up demand for travel and experiences shifting spending away from taxable goods; higher prices for fuel, merchandise and services displacing more of consumer’s disposable income; and expected interest rate hikes resulting in more costly financing for automobiles, homes, and consumer loans.

SALES PER CAPITA*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Pasadena Business Type	Q3 '21*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	1,541.9	4.7% ↑	23.9% ↑	18.9% ↑
Casual Dining	834.4	79.1% ↑	75.6% ↑	68.4% ↑
Building Materials	424.9	80.3% ↑	4.8% ↑	5.4% ↑
Service Stations	401.8	78.9% ↑	65.3% ↑	53.6% ↑
Quick-Service Restaurants	355.7	10.2% ↑	15.3% ↑	13.5% ↑
Electronics/Appliance Stores	354.3	60.6% ↑	21.4% ↑	19.7% ↑
Grocery Stores	335.2	6.5% ↑	-0.6% ↓	-0.2% ↓
Auto Lease	279.4	-2.0% ↓	-5.6% ↓	-1.9% ↓
Family Apparel	254.8	28.3% ↑	43.5% ↑	38.9% ↑
Home Furnishings	243.4	21.4% ↑	13.6% ↑	11.0% ↑

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars