

CITY OF MONROVIA

SALES TAX UPDATE

3Q 2020 (JULY - SEPTEMBER)



MONROVIA

TOTAL: \$ 2,660,150

1.4%
3Q2020



-6.0%
COUNTY

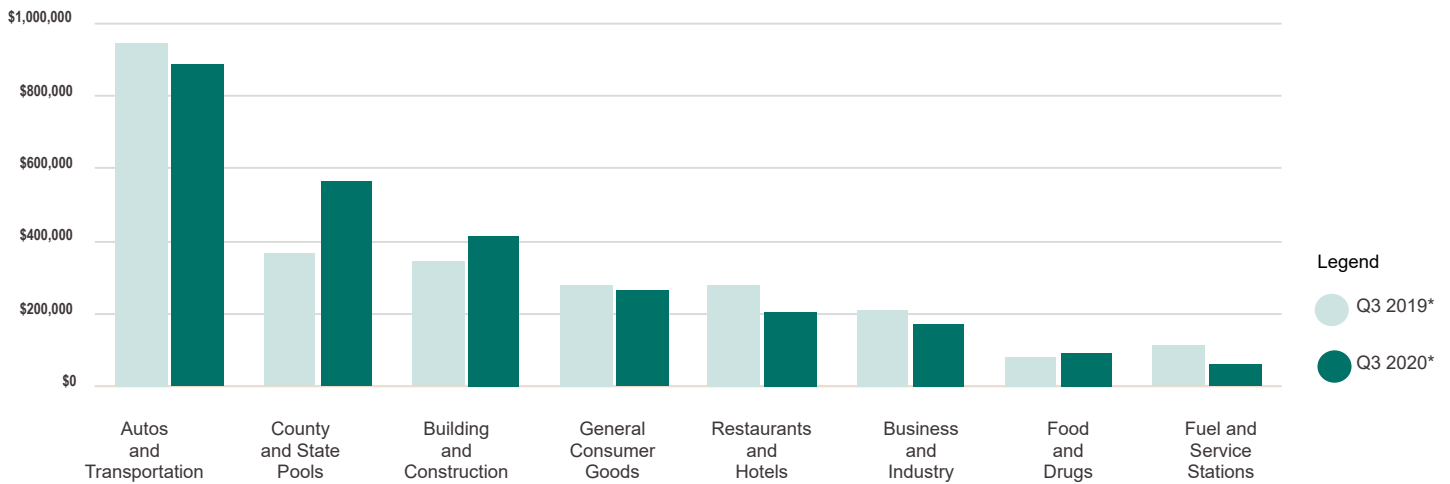


-0.9%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure K

TOTAL: \$1,506,004



CITY OF MONROVIA HIGHLIGHTS

Receipts from Monrovia's July through September sales were 1.3% higher than the same quarter last year.

A newer building materials store opening and strong contractor/homeowner sales buoyed building-construction up 20.1%. With people eating more at home due to limited dining out accessibility and venue options, strong revenue growth from convenience/liquor and grocery stores boosted the food-drugs group up 12.5%.

The largest dollar increase though was from continued robust returns from AB 147 (Wayfair)- plus a surge in online sales with people sheltered in place -

which buoyed the City's countywide use tax pool allocation 50.5%. This quarter has now completed the initial four quarters of full implementation.

The gains were partially offset by a business closure and one-time year ago receipts dropping business-industry returns. Overall restaurants revenues were down 26.4% with the bulk of the loss in casual dining; quick-service eateries were up. New motor vehicle dealer sales were down, underperforming county and state results.

Net of aberrations, taxable sales for the Southern California region was down 1.5% over the comparable time period.



TOP 25 PRODUCERS

ABC Supply Co
Air Tro Heating & Air Conditioning
BMW & Mini of Monrovia
Chevron
Financial Services Vehicle Trust
Home Depot
Honda Lease Trust
Interior Services
KME Fire Apparatus
Kohls
Living Spaces Furniture
Lowe's
Marshalls
Metro Infniti

Monrovia Chrysler Dodge Jeep Ram
Myrtle Chevron
Nissan Infniti
Petsmart
Pick A Part Auto Dismantling
Ross
Sierra Honda Chevrolet
Superior Pool Products
TJ Maxx
Trader Joes
Vons



STATEWIDE RESULTS

The local one-cent sales and use tax from sales occurring July through September was 0.9% lower than the same quarter one year ago after factoring for accounting anomalies. The losses were primarily concentrated in coastal regions and communities popular with tourists while much of inland California including the San Joaquin Valley, Sacramento region and Inland Empire exhibited gains.

Generally, declining receipts from fuel sales, brick and mortar retail and restaurants were the primary factors leading to this quarter's overall decrease. The losses were largely offset by a continuing acceleration in online shopping that produced huge gains in the county use tax pools where tax revenues from purchases shipped from out-of-state are allocated and in revenues allocated to jurisdictions with in-state fulfillment centers and order desks.

Additional gains came from a generally solid quarter for autos, RV's, food-drugs, sporting goods, discount warehouses, building material suppliers and home improvement purchases. Some categories of agricultural and medical supplies/equipment also did well.

Although the slight decline in comparable third quarter receipts reflected a significant recovery from the immediate previous period's deep decline, new coronavirus surges and reinstated restrictions from 2020's Thanksgiving and Christmas gatherings compounded by smaller federal stimulus programs suggest more significant drops in forthcoming revenues from December through March sales.

Additionally, the past few quarter's gains in county pool receipts that were generated by the shift to online shopping plus last

year's implementation of the Wayfair v. South Dakota Supreme Court decision will level out after the first quarter of 2021.

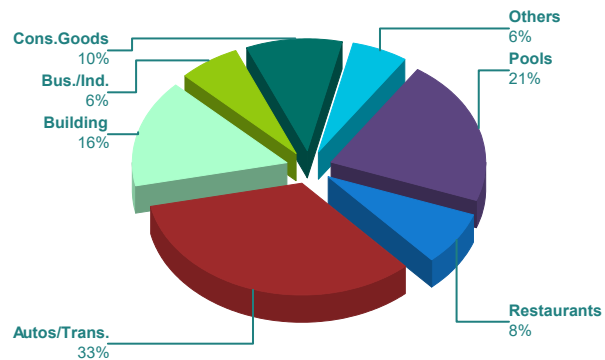
Much of the initial demand for computers and equipment to accommodate home schooling and remote workplaces has been satisfied. Manufacturers are also reporting that absenteeism, sanitation protocols, inventory and imported parts shortages have reduced production capacity that will not be regained until mass vaccines have been completed, probably by the fall of 2021.

Significant recovery is not anticipated until 2021-22 with full recovery dependent on the specific character and make up

of each jurisdiction's tax base. Part of the recovery will be a shift back to non-taxable services and activities. Limited to access because of pandemic restrictions, consumers spent 72% less on services during the third quarter and used the savings to buy taxable goods.

Full recovery may also look different than before the pandemic. Recent surveys find that 3 out of 4 consumers have discovered new online alternatives and half expect to continue these habits which suggests that the part of the recent shift of revenues allocated through countywide use tax pools and industrial distribution centers rather than stores will become permanent.

REVENUE BY BUSINESS GROUP
Monrovia This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Monrovia Business Type	Q3 '20*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	643.7	-6.2% ↓	7.3% ↑	5.8% ↑
Building Materials	371.8	17.9% ↑	12.1% ↑	16.4% ↑
Auto Lease	190.8	-3.0% ↓	-6.0% ↓	-5.4% ↓
Quick-Service Restaurants	95.9	-2.2% ↓	-13.7% ↓	-10.3% ↓
Family Apparel	89.5	6.9% ↑	-25.1% ↓	-24.4% ↓
Casual Dining	79.9	-37.9% ↓	-41.9% ↓	-37.9% ↓
Home Furnishings	64.2	-17.1% ↓	-8.6% ↓	-3.5% ↓
Grocery Stores	61.3	15.0% ↑	5.1% ↑	7.1% ↑
Service Stations	60.7	-46.2% ↓	-34.8% ↓	-29.0% ↓
Business Services	36.9	17.4% ↑	-24.2% ↓	-18.2% ↓

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars