

CITY OF MONROVIA

SALES TAX UPDATE

4Q 2020 (OCTOBER - DECEMBER)



MONROVIA

TOTAL: \$ 2,858,964

2.6%
4Q2020



-7.7%
COUNTY

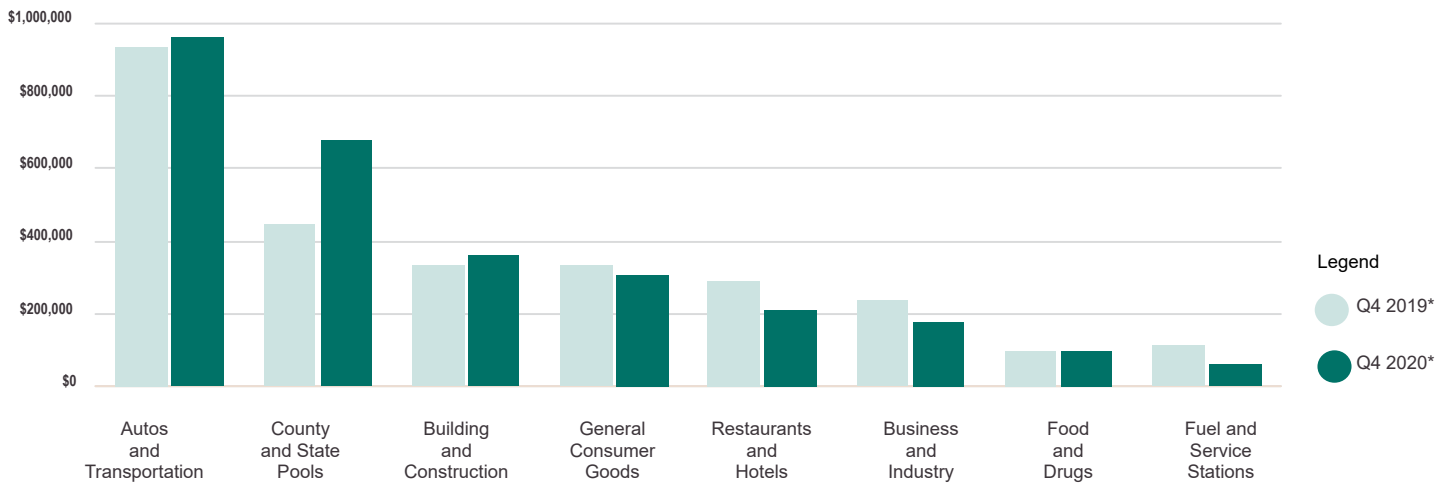


-2.0%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure K

TOTAL: \$1,523,562



CITY OF MONROVIA HIGHLIGHTS

Monrovia's receipts from October through December were 2.6% above the fourth sales period in 2019.

The City experienced overall growth mainly attributable to stellar performance in the countywide use tax pool for the fourth consecutive quarter and a boost in new motor vehicle and auto lease sales. Receipts from office equipment, business services, and grocery stores were also higher.

The restaurants and hotel industry continued to take big losses during the pandemic, and casual and quick service dining activity was slow. A reduction in consumption and demand for fuel

pushed service station returns down, and losses from auto repair shops, home furnishings, and convenience stores/liquor combined to offset the overall gain.

The City's Transaction and Use Tax Measure K generated 53.3% of the Bradley Burns amount.

Net of aberrations, taxable sales for all of Los Angeles County declined 7.7% over the comparable time period; the Southern California region was down 2.7%.



TOP 25 PRODUCERS

- | | |
|----------------------------------|------------------------------|
| ABC Supply Co | Myrtle Chevron |
| BMW & Mini of Monrovia | Nissan Infiniti |
| Chevron | Petsmart |
| Financial Services Vehicle Trust | Pick A Part Auto Dismantling |
| Home Depot | Ross |
| Honda Lease Trust | Sierra Honda Chevrolet |
| Interior Services | Superior Pool Products |
| Kohls | TJ Maxx |
| Living Spaces Furniture | Trader Joes |
| Lowes | Unitek Miyachi |
| Marshalls | Vons |
| Metro Infiniti | |
| Michaels Arts & Crafts | |
| Monrovia Chrysler | |
| Dodge Jeep Ram | |



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.

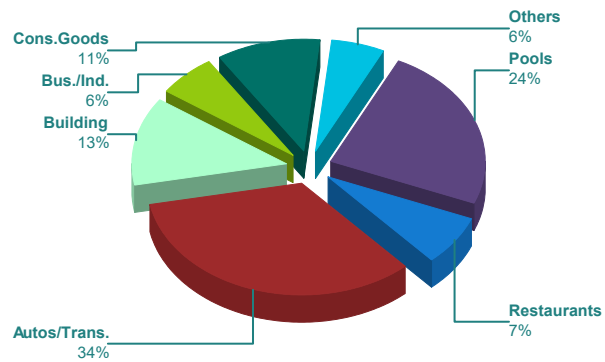
The building-construction sector, with 1) increased price of goods - like lumber, 2) continued home improvement projects, and 3) advantageous fall/winter weather conditions saw strong gains that remained consistent throughout the calendar year.

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
Monrovia This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

| Monrovia Business Type | Q4 '20* | Change | County Change | HdL State Change |
|---------------------------|---------|----------|---------------|------------------|
| New Motor Vehicle Dealers | 708.7 | 4.4% ↑ | 4.7% ↑ | 7.2% ↑ |
| Building Materials | 326.0 | 10.3% ↑ | 16.0% ↑ | 17.7% ↑ |
| Auto Lease | 197.0 | 1.2% ↑ | 0.5% ↑ | 2.2% ↑ |
| Family Apparel | 108.0 | -1.7% ↓ | -19.3% ↓ | -16.2% ↓ |
| Quick-Service Restaurants | 94.1 | -6.3% ↓ | -12.2% ↓ | -8.7% ↓ |
| Casual Dining | 83.3 | -40.3% ↓ | -45.3% ↓ | -39.4% ↓ |
| Home Furnishings | 69.0 | -15.2% ↓ | 0.7% ↑ | 1.1% ↑ |
| Grocery Stores | 68.6 | 9.2% ↑ | 4.1% ↑ | 5.2% ↑ |
| Service Stations | 60.8 | -45.5% ↓ | -38.2% ↓ | -31.2% ↓ |
| Business Services | 40.3 | 39.8% ↑ | -24.7% ↓ | -16.6% ↓ |

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*In thousands of dollars