

CITY OF MONROVIA

SALES TAX UPDATE

1Q 2021 (JANUARY - MARCH)



MONROVIA

TOTAL: \$ 2,651,068

14.3%
1Q2021



2.6%
COUNTY

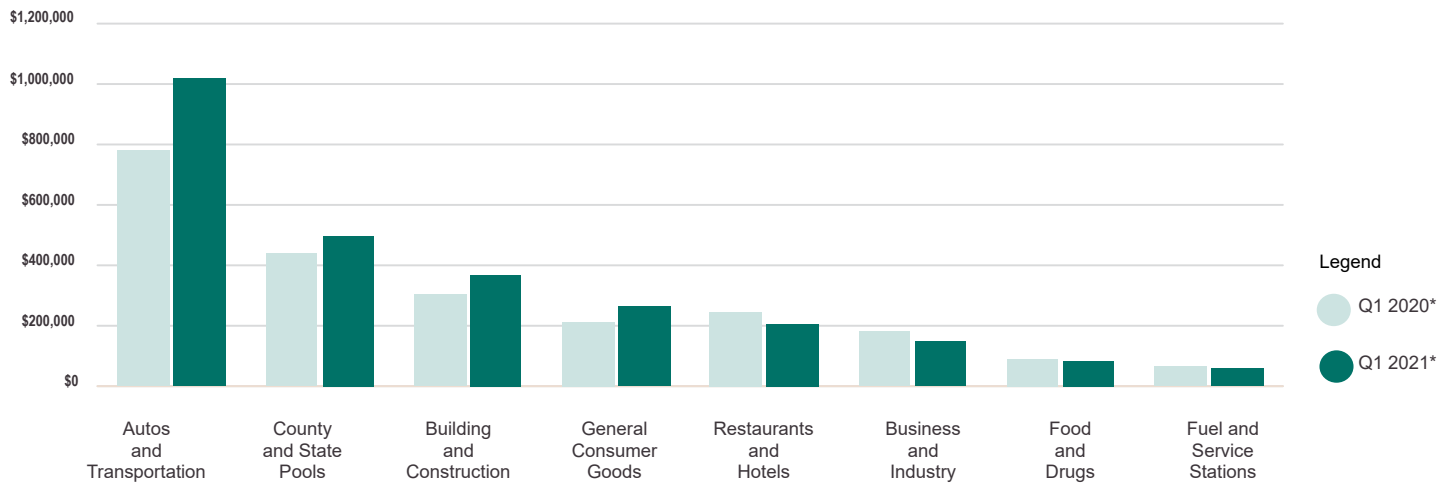


9.5%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



Measure K

TOTAL: \$1,343,395



CITY OF MONROVIA HIGHLIGHTS

Monrovia's receipts from January through March were 26.5% above the first sales period in 2020. Excluding reporting aberrations, actual sales were up 14.3%.

The variance between cash receipts and actual sales was mainly due to businesses taking advantage of the tax deferral programs put in place in the first quarter of 2020 at the onset of the pandemic.

Locally, point of sale actual receipts rose 14.5%. New auto sales rebounded from eight quarters of sluggish results, gaining 44.7%. Family apparel also rebounded, gaining 47.7%, and combined with a new

sporting goods outlet to boost general retail sales 22.5%.

The restaurant group continued to slide, dropping 14.4% consistent with statewide trends. Business and industry was down 16.5%, while food and drugs lost 10.4%. Fuel sales dipped 3.1%.

The City's allocation from the countywide use tax pool increased 22.6% as pool receipts continued to surge.

Taxable sales for all of Los Angeles County grew 2.6% over the comparable time period; the Southern California region was up 9.0%.



TOP 25 PRODUCERS

- | | |
|----------------------------------|------------------------------|
| ABC Supply | Monrovia Chrysler |
| BMW & Mini of Monrovia | Dodge Jeep Ram |
| Chevron | Myrtle Chevron |
| Financial Services Vehicle Trust | Nissan Infiniti |
| HGreg Infiniti Monrovia | Petsmart |
| Home Depot | Pick A Part Auto Dismantling |
| Honda Lease Trust | Ross |
| Interior Services | Sierra Honda Chevrolet |
| JP Morgan Chase Bank | Superior Pool Products |
| Kohls | TJ Maxx |
| Living Spaces Furniture | Trader Joes |
| Lowe's | Vons |
| Marshalls | |
| McDonalds | |



STATEWIDE RESULTS

The local one cent sales and use tax from sales occurring January through March, was 9.5% higher than the same quarter one year ago after factoring for accounting anomalies and back payments from previous quarters.

The Shelter-In-Place directive began one year ago which had the impact of immediate store and restaurant closures combined with remote/work from home options for employees which significantly reduced commuting traffic and fuel sales. When comparing to current period data, percentage gains are more dramatic. Furthermore, this pandemic dynamic combined with the Governor’s first Executive Order of last spring allowing for deferral of sales tax remittances explained why non-adjusted cash results were actually up 33%.

These initial recovery gains were not the same everywhere. Inland regions like Sacramento, San Joaquin Valley, Sierras, Far North and the Inland Empire area of Southern California performed much stronger than the Bay Area, Central Coast and metro areas of Southern California.

Within the results, solid performance by the auto-transportation and building-construction industries really helped push receipts higher. Weak inventories and scarcity for products increased the taxable price of vehicles (new & used), RV’s, boats and lumber which appeared to be a major driving force for these improved returns. Even though e-commerce sales activity continued to rise, brick and mortar general consumer retailers also showed solid improvement of 11% statewide.

An expected change occurred this quarter as a portion of use tax dollars previously distributed through the countywide pools was redirected to specific local jurisdictions.

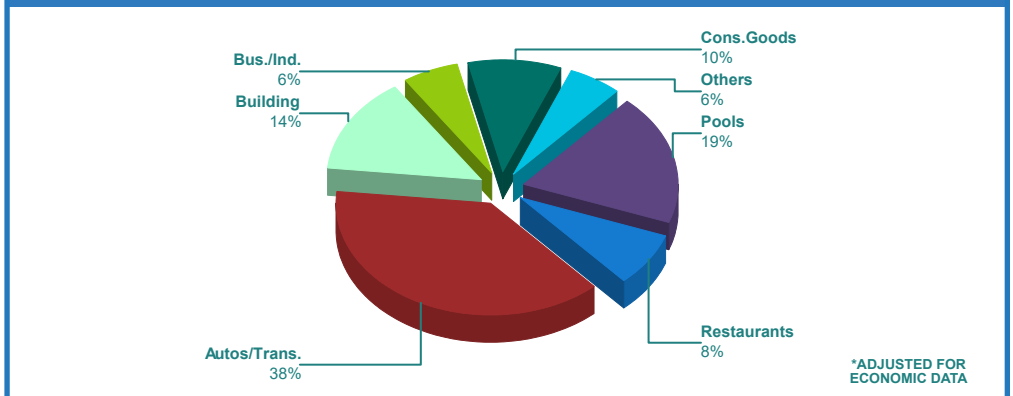
Changes in business structure required a taxpayer to determine where merchandise was inventoried at the time orders were made. Therefore, rather than apportion sales to the county pool representing where the merchandise was shipped, goods held in California facilities required allocations be made to the agency where the warehouse resides. With this modification, the business and industry category jumped 18% inclusive of steady gains by fulfillment centers, medical-biotech and garden-agricultural suppliers. Even after the change noted, county pools surged 18% which demonstrated consumers continued desire to make purchases online.

Although indoor dining was available in

many counties, the recovery for restaurants and hotels still lagged other major categories. Similarly, while commuters and travelers slowly began returning to the road, the rebound for gas stations and jet fuel is trailing as well. Both sectors are expected to see revenues climb in the coming quarters as commuters and summer tourism heats up.

Looking ahead, sustained growth is anticipated through the end of the 2021 calendar year. As a mild head wind, pent up demand for travel and experiences may begin shifting consumer dollars away from taxable goods; this behavior modification could have a positive outcome for tourist areas within the state.

REVENUE BY BUSINESS GROUP Monrovia This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Monrovia Business Type	Q1 '21*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	765.6	44.7% ↑	31.0% ↑	33.2% ↑
Auto Lease	195.5	0.8% ↑	-4.6% ↓	-1.1% ↓
Family Apparel	92.8	47.7% ↑	15.9% ↑	20.5% ↑
Quick-Service Restaurants	89.8	-3.7% ↓	-2.8% ↓	1.1% ↑
Casual Dining	86.1	-22.5% ↓	-25.7% ↓	-18.9% ↓
Service Stations	62.1	-3.1% ↓	-10.0% ↓	-4.0% ↓
Grocery Stores	53.3	-14.5% ↓	-7.3% ↓	-6.2% ↓
Business Services	40.0	21.8% ↑	-20.7% ↓	-18.0% ↓
Specialty Stores	34.6	-1.6% ↓	5.8% ↑	9.0% ↑
Fast-Casual Restaurants	31.4	8.8% ↑	-2.3% ↓	1.2% ↑

*Allocation aberrations have been adjusted to reflect sales activity *In thousands of dollars