

# CITY OF MONROVIA

## SALES TAX UPDATE

### 3Q 2021 (JULY - SEPTEMBER)



**MONROVIA**

TOTAL: \$ 2,995,827

12.7%  
3Q2021



20.0%  
COUNTY

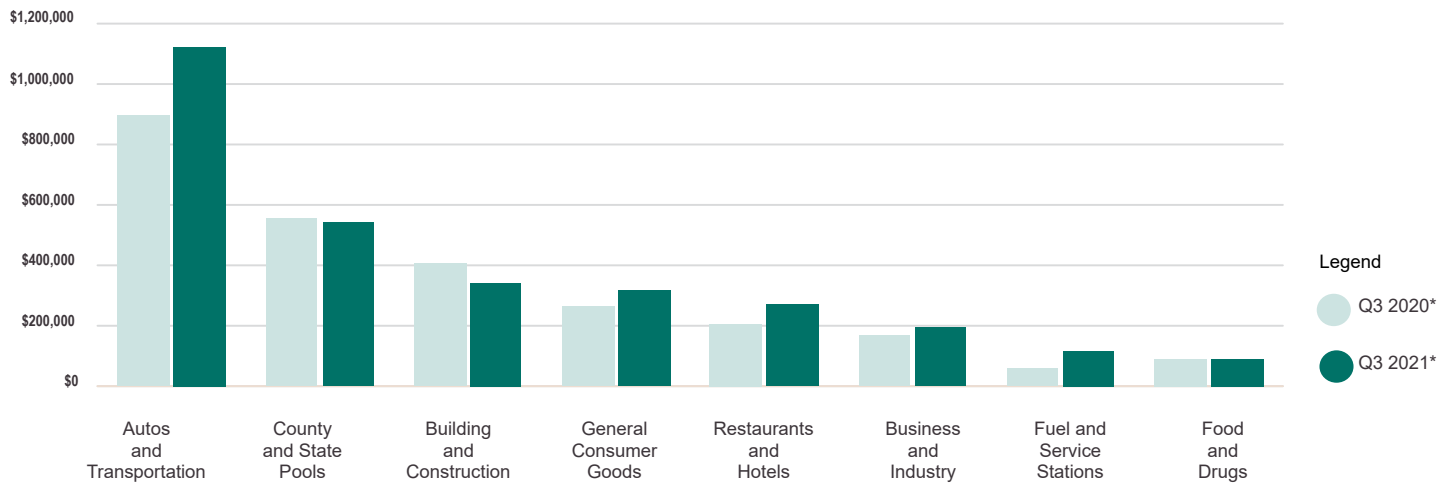


18.2%  
STATE



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

### SALES TAX BY MAJOR BUSINESS GROUP



### Measure K

TOTAL: \$1,751,519

↑ 14.2%



### CITY OF MONROVIA HIGHLIGHTS

Monrovia's receipts from July through September were 10.0% above the third sales period in 2020. Excluding reporting aberrations, actual sales were up 12.7%.

The City's largest rebound came from the top industry autos and transportation resulting in a boost in new motor vehicle sales and auto repair shops. The City realized solid returns from casual and fast casual dining and quick service restaurants and an increase in demand and consumption of fuel and the associated sales tax from fuel and service stations.

Receipts from family apparel, specialty stores, medical/biotech, and light

industrial/printers were also up.

Combined returns from building materials, state and county pools, business services, and grocery stores decreased to partially offset the overall gain.

The City's Transaction and Use Tax Measure K generated 58.5% of the Bradley Burns amount led by a solid performance from the business-industry group.

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 19.8%.



### TOP 25 PRODUCERS

- |                                  |                        |
|----------------------------------|------------------------|
| 76                               | Monrovia Shell         |
| ABC Supply Co                    | Myrtle Chevron         |
| BMW & Mini of Monrovia           | Nissan Infiniti        |
| Bodyworks Equipment              | Petsmart               |
| Chevron                          | Ross                   |
| Financial Services Vehicle Trust | Sierra Chrysler Dodge  |
| HGreg Infiniti Monrovia          | Jeep Ram Of Monrovia   |
| Home Depot                       | Sierra Honda Chevrolet |
| Honda Lease Trust                | Superior Pool Products |
| Interior Services                | TJ Maxx                |
| Jays Shell                       | Unitek Miyachi         |
| Kohls                            | Vons                   |
| Living Spaces Furniture          |                        |
| Marshalls                        |                        |



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

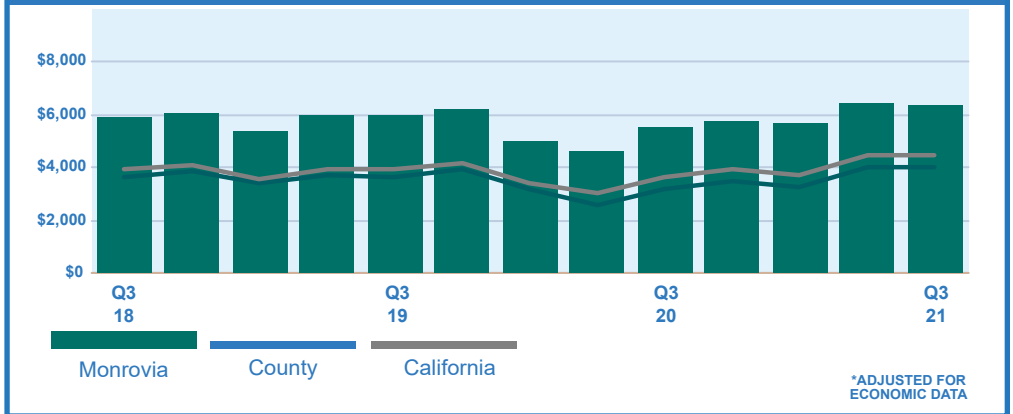
merchants. Gains from the countywide use tax pools however, slowed to 2% compared to the high-water mark last year, which had been boosted by new tax collecting requirements imposed under AB 147 for online retailers. All things considered, when combined with positive economic trends, these are a welcome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

Monrovia Business Type	Q3 '21*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	859.8	33.6% ↑	23.9% ↑	18.9% ↑
Building Materials	302.6	-18.6% ↓	4.8% ↑	5.3% ↑
Auto Lease	194.8	-1.4% ↓	-5.6% ↓	-1.9% ↓
Casual Dining	132.0	60.8% ↑	75.6% ↑	68.4% ↑
Service Stations	116.7	92.2% ↑	65.3% ↑	53.4% ↑
Family Apparel	102.7	14.7% ↑	43.5% ↑	39.0% ↑
Quick-Service Restaurants	102.3	4.9% ↑	15.3% ↑	13.5% ↑
Grocery Stores	55.4	-9.6% ↓	-0.6% ↓	-0.2% ↓
Specialty Stores	47.5	33.8% ↑	25.7% ↑	21.4% ↑
Auto Repair Shops	35.3	32.5% ↑	18.2% ↑	15.2% ↑

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