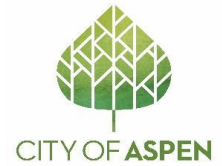


To: Aspen City Council
From: Pete Strecker, Finance Director
Date: April 14, 2022
Re: February 2022 Consumption Tax Report

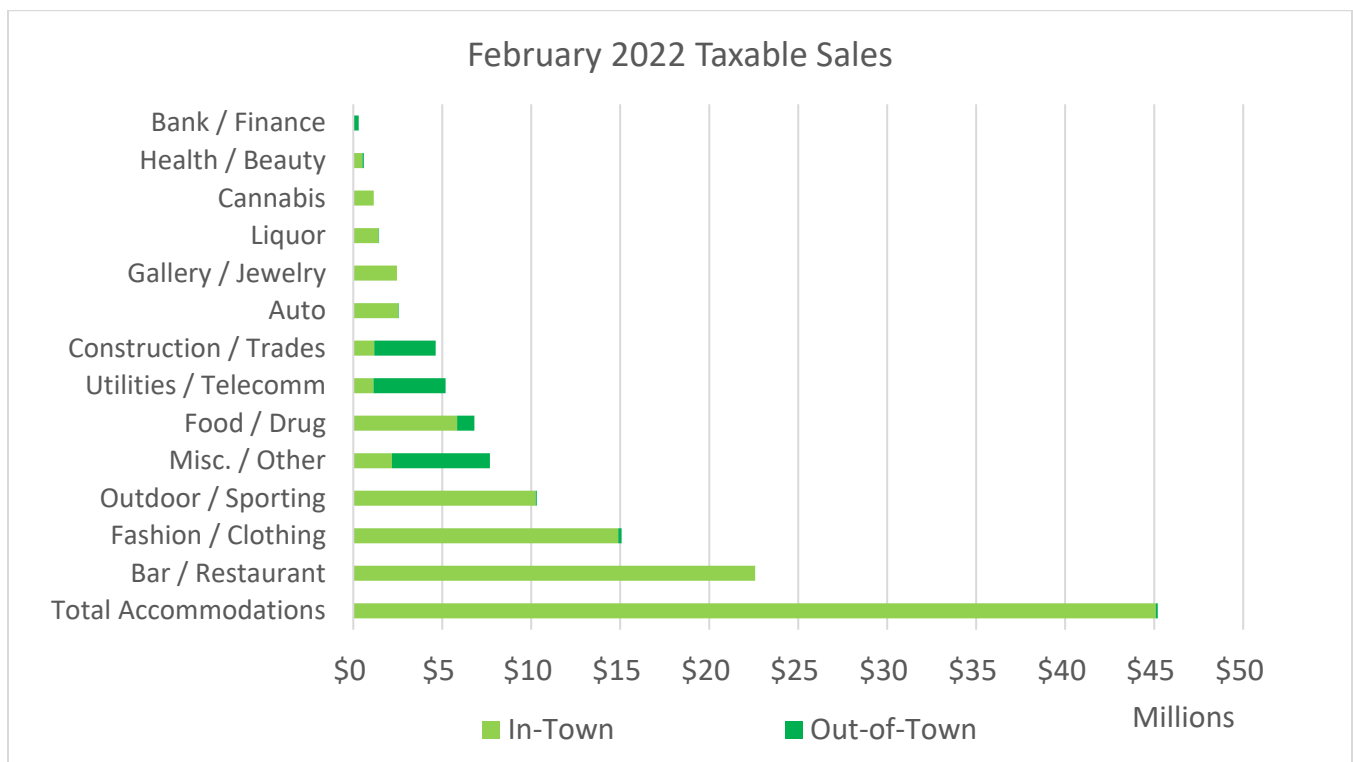


Aggregate Taxable Sales & Industry Highlights:

Taxable sales for February again reflect a robust month of economic activity, with aggregate sales increasing 78% relative to the same period a year ago. Similar to last month, this figure compares to a period when Aspen was emerging from red level health restrictions in 2021, so in isolation, it exaggerates just how robust the economy was churning. That said, comparing to February 2020 (just prior to the impacts of COVID) and a more “normal or healthy” economy, February 2022 is still reflecting growth of 38% over that timeframe two years prior.

In an average year, February taxable sales equate to roughly 10% of annual retail spend. February 2022 data remains anchored by strong sales in accommodations (both in short-term rental offerings and in traditional lodges) and a correspondingly strong month for restaurants and bars. Additionally, the fashion sector of the local economy had a robust month as the more affluent tourist traffic during this period found what it was in search of. There were two sectors of the economy that did show some muted sales relative to the same period a year ago, those being construction and automobile; however, it is notable that construction had a historically high month in 2021 and therefore skews this comparison, and automobile sales continue to be hampered by supply chain challenges.

With the largest sectors of the economy (lodging and restaurant/bars) experiencing strong monthly sales figures, it is not surprising that February sales maintained a ratio of 88% brick and mortar sales vs. 12% from online/external businesses.



Sales and Lodging Tax:

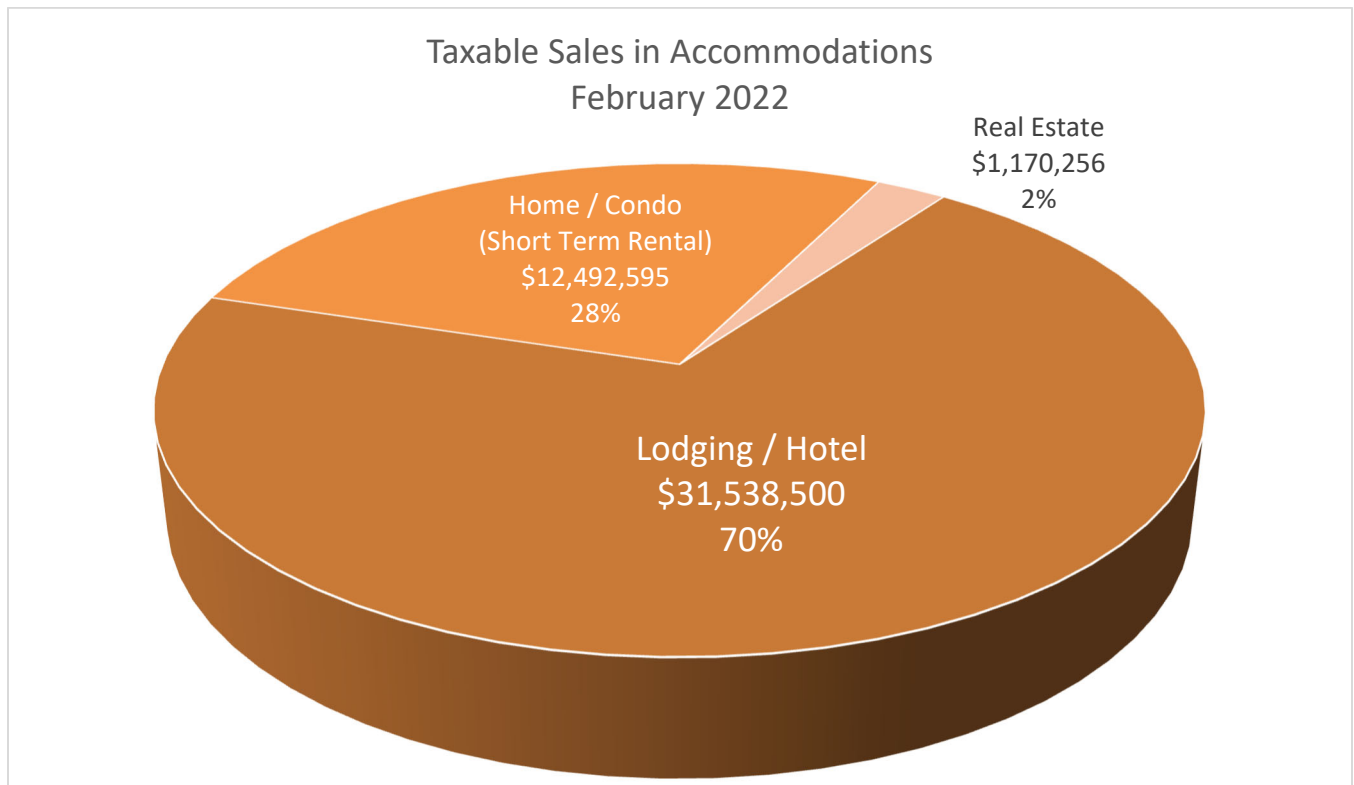
Actual tax collections for January were up 81% relative to 2021 and 43% relative to 2020. Noted in recent local publications, February occupancy figures reflected a new record high in visitation and largely drove the ultimate economic success shown in the month tax collections. But as noted in last month’s report, these figures also reflect the impacts of price escalation as inflationary pressures have advanced higher.

The City’s dedicated 2.0% lodging tax collections experienced even greater growth over the same period one year ago, increasing 177% over February 2021. Even against two years prior, the same monthly computation reflects a 39% increase in tax. While higher occupancy pushed these percentages up, the predominate driver for these figures can be attribute to the average daily room rate, which was \$913 and roughly 40% over the previous high for this month.

Short-Term Rentals

While the December 8th moratorium that includes a prohibition on any new vacation rental permits remains in place, City staff continue to meet with industry stakeholders around short-term rentals and the various areas of concern expressed by the Council for lodging segment. The stakeholder feedback has been highly valuable to date and will help shape an ordinance for Council consideration in the next month and will add clarity to the future of this industry for the City of Aspen.

That update aside, the current approved short-term rentals within the Community have experienced another strong month, with February taxable sales from these businesses equating to 28% of the total lodging sector. These sales generate both sales and lodging tax revenue for the community, which is dedicated to various programs including: parks and open space, affordable housing, childcare, transit, education and tourism promotion.



City Share of County Sales Tax:

The City of Aspen's allocated portion of Pitkin County's 2.0% sales tax for the month of January 2022 was up nearly 71% relative to the same month in 2020, and up 16% relative to the same period two years ago. These figures closely mirror the strong activity occurring in Aspen's own economy, though as noted in previous communications, Pitkin County's economic make-up is perhaps more diverse (not as heavily weighted with accommodations or restaurants and has greater influences due to online retail).

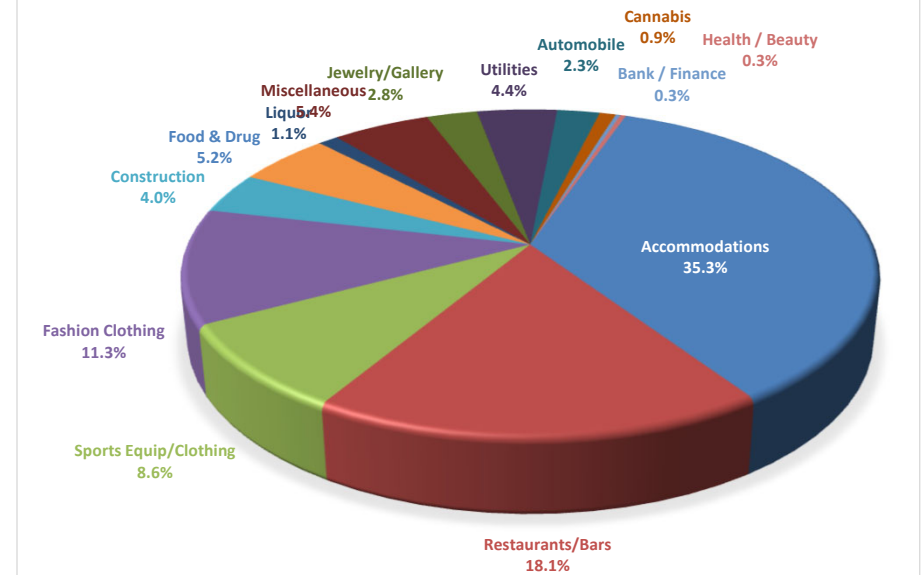
Real Estate Transfer Taxes:

With two well publicized transactions – 550 Aspen Alps Rd and the Gorsuch Haus lodge plot – included in March 2022 real estate sales, this month's robust collections are not a surprise and have pushed receipts roughly 57% over 2021 collections on a year-to-date basis. That said, while the overall dollar value of real estate transactions has jumped significantly, a similar statement cannot be said for the volume of transactions occurring, which are down roughly 18% for the first quarter.

**City of Aspen Retail Sales by Industry
February 2022**

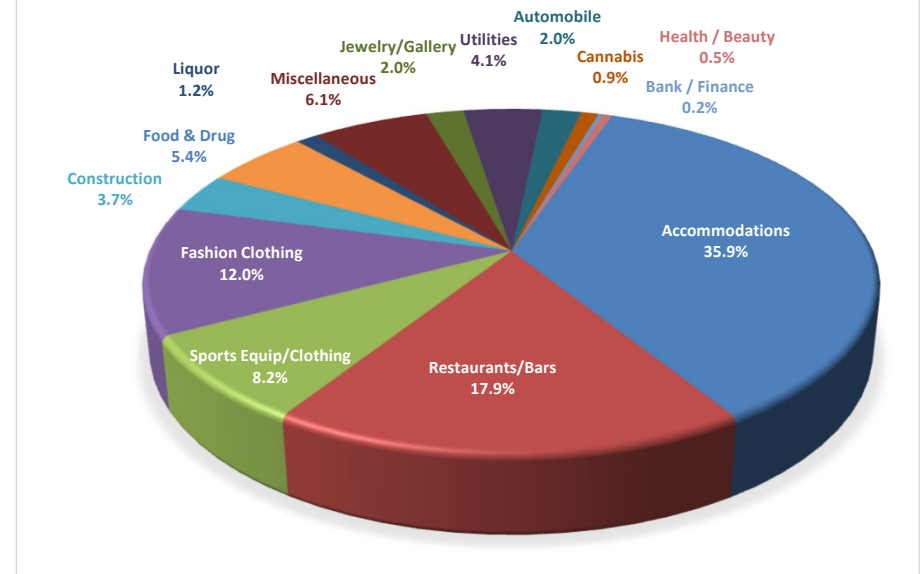
Year To Date Retail Sales

Category	Retail Sales	% of Total Retail Sales	% Change to 2021
Accommodations	\$86,105,555	35.3%	178.1%
Restaurants/Bars	\$44,003,208	18.1%	110.5%
Sports Equip/Clothing	\$20,972,618	8.6%	80.2%
Fashion Clothing	\$27,618,398	11.3%	90.0%
Construction	\$9,850,941	4.0%	2.6%
Food & Drug	\$12,590,535	5.2%	24.3%
Liquor	\$2,699,432	1.1%	10.7%
Miscellaneous	\$13,130,052	5.4%	21.1%
Jewelry/Gallery	\$6,787,108	2.8%	44.9%
Utilities	\$10,768,280	4.4%	13.1%
Automobile	\$5,709,816	2.3%	23.1%
Cannabis	\$2,173,831	0.9%	5.6%
Bank / Finance	\$612,797	0.3%	23.9%
Health / Beauty	\$757,821	0.3%	6.6%
Total	\$243,780,391	100.0%	83.1%



February Monthly Retail Sales

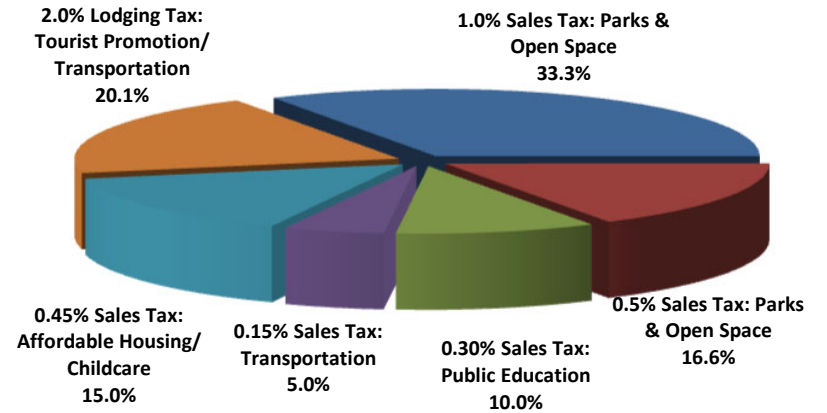
Category	Retail Sales	% of Total Retail Sales	% Change to 2021
Accommodations	\$45,201,350	35.9%	163.0%
Restaurants/Bars	\$22,580,622	17.9%	89.6%
Sports Equip/Clothing	\$10,316,476	8.2%	51.2%
Fashion Clothing	\$15,080,573	12.0%	107.9%
Construction	\$4,634,629	3.7%	(9.6%)
Food & Drug	\$6,811,853	5.4%	35.2%
Liquor	\$1,454,484	1.2%	21.4%
Miscellaneous	\$7,678,162	6.1%	35.2%
Jewelry/Gallery	\$2,461,654	2.0%	27.6%
Utilities	\$5,189,961	4.1%	20.2%
Automobile	\$2,565,815	2.0%	(2.1%)
Cannabis	\$1,155,135	0.9%	16.1%
Bank / Finance	\$307,034	0.2%	14.9%
Health / Beauty	\$600,502	0.5%	22.5%
Total	\$126,038,250	100.0%	77.9%



**City of Aspen Sales and Lodging Tax
February 2022**

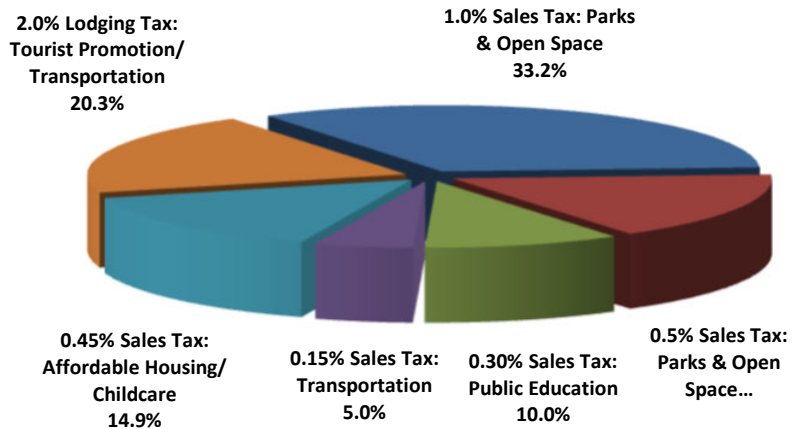
Year To Date Tax Collections

Tax Type	YTD Taxes Collected	% YTD Taxes
1.0% Sales Tax: Parks & Open Space	\$2,440,138.52	33.3%
0.5% Sales Tax: Parks & Open Space	\$1,220,067.01	16.6%
0.30% Sales Tax: Public Education	\$732,437.09	10.0%
0.15% Sales Tax: Transportation	\$366,023.30	5.0%
0.45% Sales Tax: Affordable Housing/ Childcare	\$1,098,058.78	15.0%
2.0% Lodging Tax: Tourist Promotion/ Transportation	<u>\$1,473,674.45</u>	<u>20.1%</u>
Total	\$7,330,399.15	100%



February Monthly Tax Collections

Tax Type	Monthly Taxes Collected	% Monthly Taxes
1.0% Sales Tax: Parks & Open Space	\$1,261,237.11	33.2%
0.5% Sales Tax: Parks & Open Space	\$630,617.37	16.6%
0.30% Sales Tax: Public Education	\$378,571.51	10.0%
0.15% Sales Tax: Transportation	\$189,186.84	5.0%
0.45% Sales Tax: Affordable Housing/ Childcare	\$567,554.92	14.9%
2.0% Lodging Tax: Tourist Promotion/ Transportation	<u>\$771,051.14</u>	<u>20.3%</u>
Total	\$3,798,218.89	100%

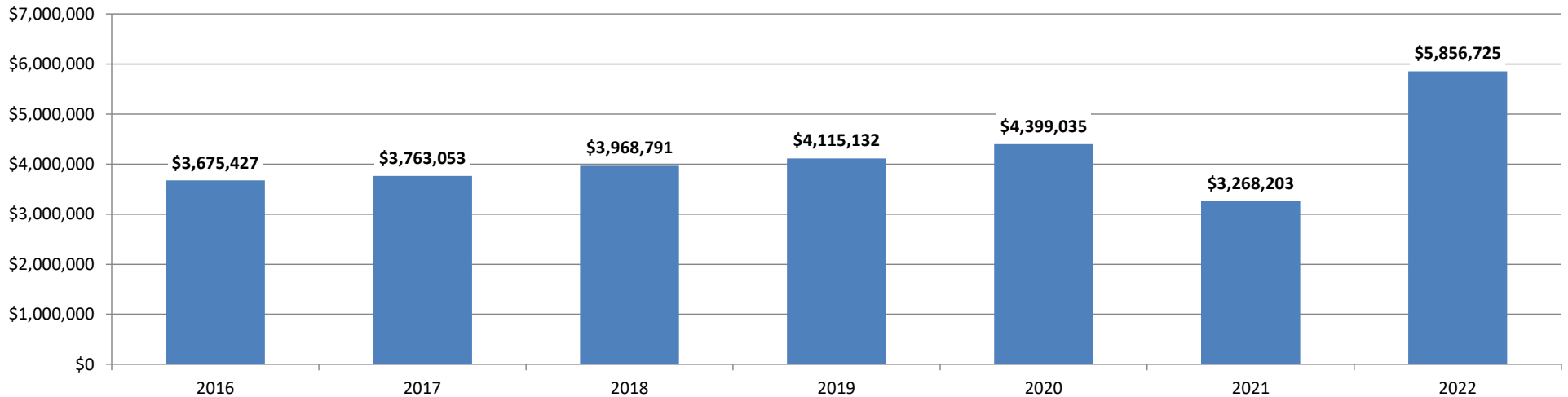


**City of Aspen Sales Tax 2.4%
February 2022**

Current Month Revenues are 80.9% above last year's Monthly Revenues.
Year To Date Revenues are 39.1% above Year To Date Budgeted Revenues.
Year To Date Revenues are 79.2% above last year's Actual Year To Date Revenues.

<u>Month</u>	<u>2022 Monthly Budget vs. 2022 Actual</u>			<u>2022 YTD Budget vs. 2022 Actual</u>			<u>2022 vs. 2021</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021 Monthly</u>	<u>Variance</u>	<u>2021 YTD</u>	<u>Variance</u>
Jan	\$2,201,800	\$2,829,557	28.5%	\$2,201,800	\$2,829,557	28.5%	\$1,594,720	77.4%	\$1,594,720	77.4%
Feb	\$2,008,000	\$3,027,168	50.8%	\$4,209,800	\$5,856,725	39.1%	\$1,673,483	80.9%	\$3,268,203	79.2%
Mar	\$2,295,400			\$6,505,200			\$2,645,788		\$5,913,991	
Apr	\$836,900			\$7,342,100			\$1,117,415		\$7,031,407	
May	\$701,600			\$8,043,700			\$964,724		\$7,996,131	
June	\$1,698,200			\$9,741,900			\$2,213,718		\$10,209,848	
July	\$2,176,500			\$11,918,400			\$3,058,702		\$13,268,550	
Aug	\$1,843,600			\$13,762,000			\$2,493,158		\$15,761,708	
Sept	\$1,590,300			\$15,352,300			\$2,536,858		\$18,298,565	
Oct	\$941,300			\$16,293,600			\$1,549,662		\$19,848,228	
Nov	\$809,700			\$17,103,300			\$1,149,543		\$20,997,771	
Dec	\$2,960,000			\$20,063,300			\$3,511,405		\$24,509,175	

Actual Collections Year To Date Through February

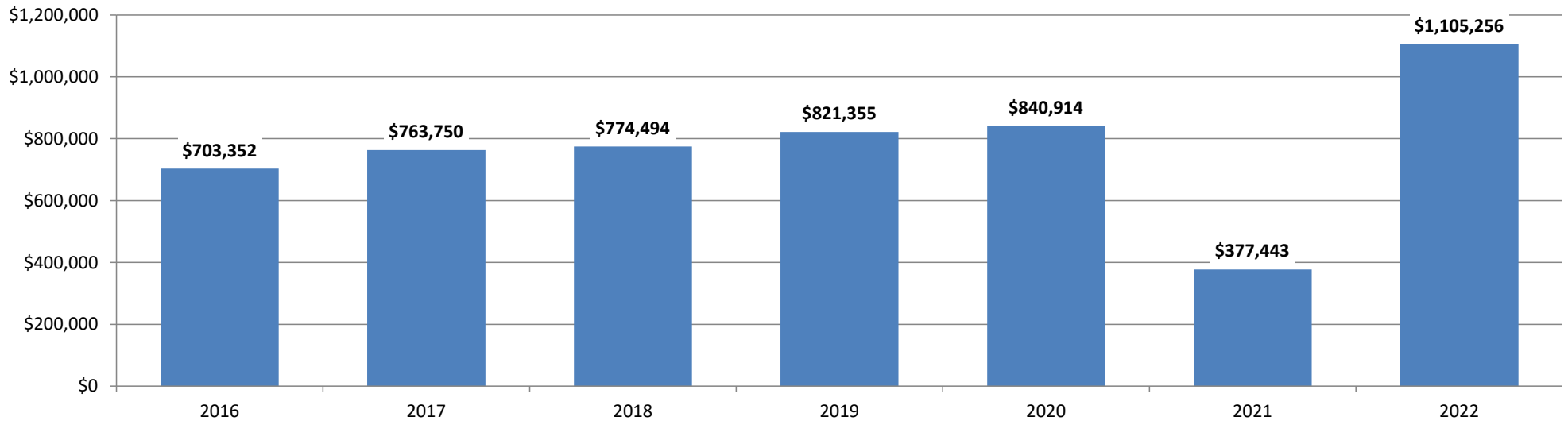


**City of Aspen Tourist Promotion 1.5% Lodging Tax (0.5% Rate for 2010 and Prior)
February 2022**

Current Month Revenues are **177.0%** above last year's Monthly Revenues.
 Year To Date Revenues are **29.0%** above Year To Date Budgeted Revenues.
 Year To Date Revenues are **192.8%** above last year's Actual Year To Date Revenues.

Month	2022 Monthly Budget vs. 2022 Actual			2022 YTD Budget vs. 2022 Actual			2022 vs. 2021			
	Budget	Actual	Variance	Budget	Actual	Variance	2021 Monthly	Variance	2021 YTD	Variance
Jan	\$446,300	\$526,967	18.1%	\$446,300	\$526,967	18.1%	\$168,712	212.3%	\$168,712	212.3%
Feb	\$410,500	\$578,288	40.9%	\$856,800	\$1,105,256	29.0%	\$208,731	177.0%	\$377,443	192.8%
Mar	\$442,000			\$1,298,800			\$369,554		\$746,997	
Apr	\$66,200			\$1,365,000			\$88,271		\$835,268	
May	\$51,800			\$1,416,800			\$50,893		\$886,160	
June	\$225,700			\$1,642,500			\$231,840		\$1,118,001	
July	\$327,800			\$1,970,300			\$429,454		\$1,547,455	
Aug	\$265,500			\$2,235,800			\$328,132		\$1,875,586	
Sept	\$176,800			\$2,412,600			\$324,107		\$2,199,693	
Oct	\$87,200			\$2,499,800			\$166,860		\$2,366,553	
Nov	\$68,700			\$2,568,500			\$97,749		\$2,464,302	
Dec	\$514,000			\$3,082,500			\$666,832		\$3,131,133	

Actual Collections Year To Date Through February

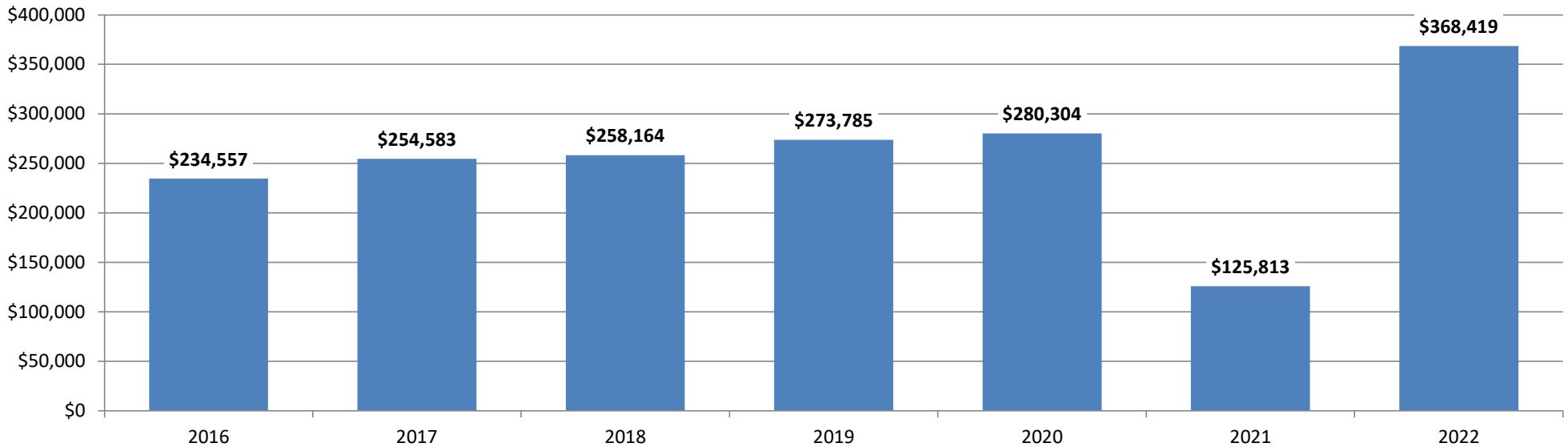


**City of Aspen Transportation 0.5% Lodging Tax
February 2022**

Current Month Revenues are 177.1% above last year's Monthly Revenues.
Year To Date Revenues are 29.0% above Year To Date Budgeted Revenues.
Year To Date Revenues are 192.8% above last year's Actual Year To Date Revenues.

<u>Month</u>	<u>2022 Monthly Budget vs. 2022 Actual</u>			<u>2022 YTD Budget vs. 2022 Actual</u>			<u>2022 vs. 2021</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2021 Monthly</u>	<u>Variance</u>	<u>2021 YTD</u>	<u>Variance</u>
Jan	\$148,800	\$175,656	18.0%	\$148,800	\$175,656	18.0%	\$56,237	212.3%	\$56,237	212.3%
Feb	\$136,800	\$192,763	40.9%	\$285,600	\$368,419	29.0%	\$69,577	177.1%	\$125,813	192.8%
Mar	\$147,300			\$432,900			\$123,184		\$248,998	
Apr	\$22,100			\$455,000			\$29,424		\$278,421	
May	\$17,300			\$472,300			\$16,964		\$295,386	
June	\$75,200			\$547,500			\$77,280		\$372,666	
July	\$109,300			\$656,800			\$143,151		\$515,817	
Aug	\$88,500			\$745,300			\$109,377		\$625,195	
Sept	\$58,900			\$804,200			\$108,036		\$733,231	
Oct	\$29,100			\$833,300			\$55,620		\$788,851	
Nov	\$22,900			\$856,200			\$32,583		\$821,434	
Dec	\$171,300			\$1,027,500			\$222,278		\$1,043,711	

Actual Collections Year To Date Through February

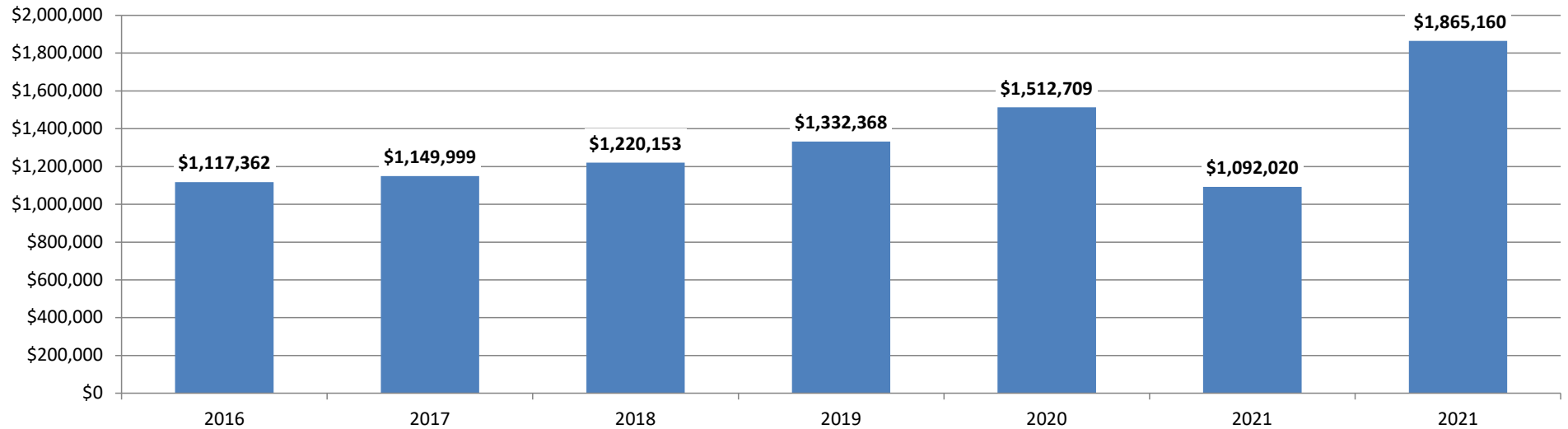


**City of Aspen Portion of Pitkin County 3.6% Sales Tax
January 2022**

Current Month Revenues are **70.8%** above last year's Monthly Revenues.
 Year To Date Revenues are **5.9%** above Year To Date Budgeted Revenues.
 Year To Date Revenues are **70.8%** above last year's Actual Year To Date Revenues.

Month	2022 Monthly Budget vs. 2022 Actual			2022 YTD Budget vs. 2022 Actual			2022 vs. 2021			
	Budget	Actual	Variance	Budget	Actual	Variance	2021 Monthly	Variance	2021 YTD	Variance
Jan	\$1,761,000	\$1,865,160	5.9%	\$1,761,000	\$1,865,160	5.9%	\$1,092,020	70.8%	\$ 1,092,020	70.8%
Feb	\$1,631,000			\$3,392,000			\$1,183,150		\$ 2,275,171	
Mar	\$1,689,000			\$5,081,000			\$1,515,832		\$ 3,791,002	
Apr	\$660,000			\$5,741,000			\$817,669		\$ 4,608,671	
May	\$482,000			\$6,223,000			\$665,386		\$ 5,274,058	
June	\$1,035,000			\$7,258,000			\$1,218,669		\$ 6,492,727	
July	\$1,394,000			\$8,652,000			\$1,694,768		\$ 8,187,494	
Aug	\$1,244,000			\$9,896,000			\$1,427,495		\$ 9,614,989	
Sept	\$1,024,000			\$10,920,000			\$1,321,660		\$ 10,936,649	
Oct	\$657,000			\$11,577,000			\$1,004,489		\$ 11,941,138	
Nov	\$686,000			\$12,263,000			\$867,346		\$ 12,808,484	
Dec	\$1,903,000			\$14,166,000			\$2,051,774		\$ 14,860,258	

Actual Collections Year To Date Through January

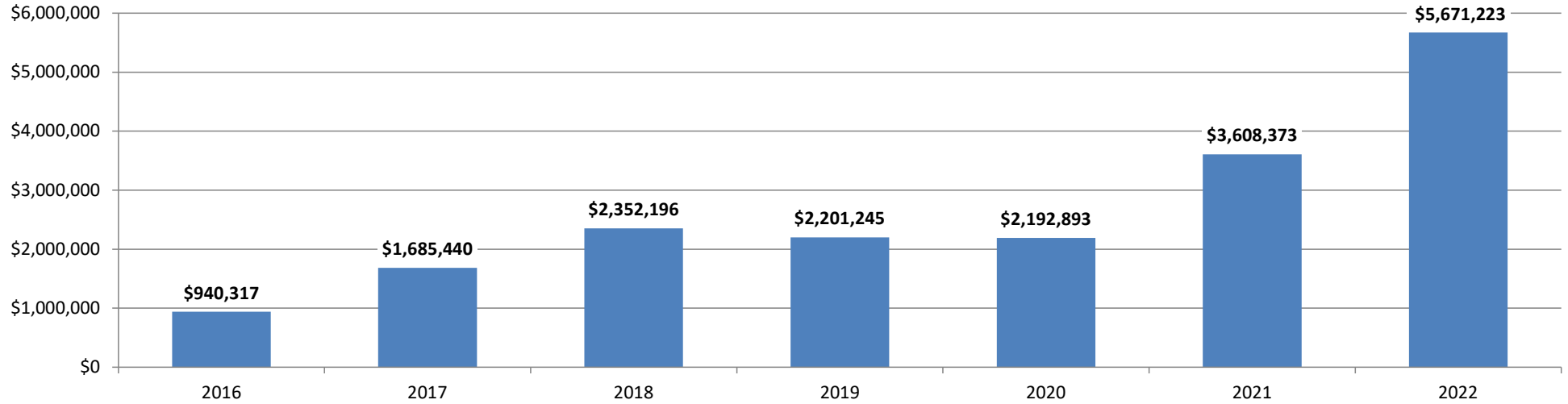


**Housing Real Estate Transfer Tax
March 2022**

Current Month Revenues are 105.2% above last year's Monthly Revenues.
Year To Date Revenues are 243.3% above Year To Date Budgeted Revenues.
Year To Date Revenues are 57.2% above last year's Actual Year To Date Revenues.

Month	2022 Monthly Budget vs. 2022 Actual			2022 YTD Budget vs. 2022 Actual			2022 vs. 2021			
	Budget	Actual	Variance	Budget	Actual	Variance	2021 Monthly	Variance	2021 YTD	Variance
Jan	\$566,000	\$1,468,410	159.4%	\$566,000	\$1,468,410	159.4%	\$1,602,114	(8.3%)	\$1,602,114	(8.3%)
Feb	\$530,000	\$1,546,799	191.8%	\$1,096,000	\$3,015,209	175.1%	\$711,920	117.3%	\$2,314,034	30.3%
Mar	\$556,000	\$2,656,014	377.7%	\$1,652,000	\$5,671,223	243.3%	\$1,294,339	105.2%	\$3,608,373	57.2%
Apr	\$720,000			\$2,372,000			\$2,251,850		\$5,860,223	
May	\$728,000			\$3,100,000			\$1,070,000		\$6,930,223	
June	\$691,000			\$3,791,000			\$1,377,685		\$8,307,908	
July	\$494,000			\$4,285,000			\$919,840		\$9,227,748	
Aug	\$675,000			\$4,960,000			\$1,904,684		\$11,132,432	
Sept	\$960,000			\$5,920,000			\$1,891,643		\$13,024,074	
Oct	\$829,000			\$6,749,000			\$2,571,511		\$15,595,585	
Nov	\$565,000			\$7,314,000			\$2,041,431		\$17,637,016	
Dec	\$686,000			\$8,000,000			\$3,454,185		\$21,091,202	

Actual Collections Year To Date Through March



**Wheeler Opera House Real Estate Transfer Tax
March 2022**

Current Month Revenues are **100.7%** above last year's Monthly Revenues.
 Year To Date Revenues are **248.3%** above Year To Date Budgeted Revenues.
 Year To Date Revenues are **55.8%** above last year's Actual Year To Date Revenues.

Month	2022 Monthly Budget vs. 2022 Actual			2022 YTD Budget vs. 2022 Actual			2022 vs. 2021			
	Budget	Actual	Variance	Budget	Actual	Variance	2021 Monthly	Variance	2021 YTD	Variance
Jan	\$285,000	\$780,023	173.7%	\$285,000	\$780,023	173.7%	\$828,882	(5.9%)	\$828,882	(5.9%)
Feb	\$273,000	\$788,144	188.7%	\$558,000	\$1,568,167	181.0%	\$370,913	112.5%	\$1,199,795	30.7%
Mar	\$280,000	\$1,350,338	382.3%	\$838,000	\$2,918,504	248.3%	\$672,890	100.7%	\$1,872,685	55.8%
Apr	\$358,000			\$1,196,000			\$1,152,214		\$3,024,899	
May	\$373,000			\$1,569,000			\$559,092		\$3,583,990	
June	\$343,000			\$1,912,000			\$707,695		\$4,291,686	
July	\$245,000			\$2,157,000			\$480,929		\$4,772,615	
Aug	\$338,000			\$2,495,000			\$982,807		\$5,755,422	
Sept	\$477,000			\$2,972,000			\$970,454		\$6,725,875	
Oct	\$409,000			\$3,381,000			\$1,321,834		\$8,047,709	
Nov	\$288,000			\$3,669,000			\$1,050,147		\$9,097,856	
Dec	\$331,000			\$4,000,000			\$1,751,029		\$10,848,886	

Actual Collections Year To Date Through March

