

To: Aspen City Council
From: Pete Strecker, Finance Director
Date: February 15, 2022
Re: December 2021 Consumption Tax Report

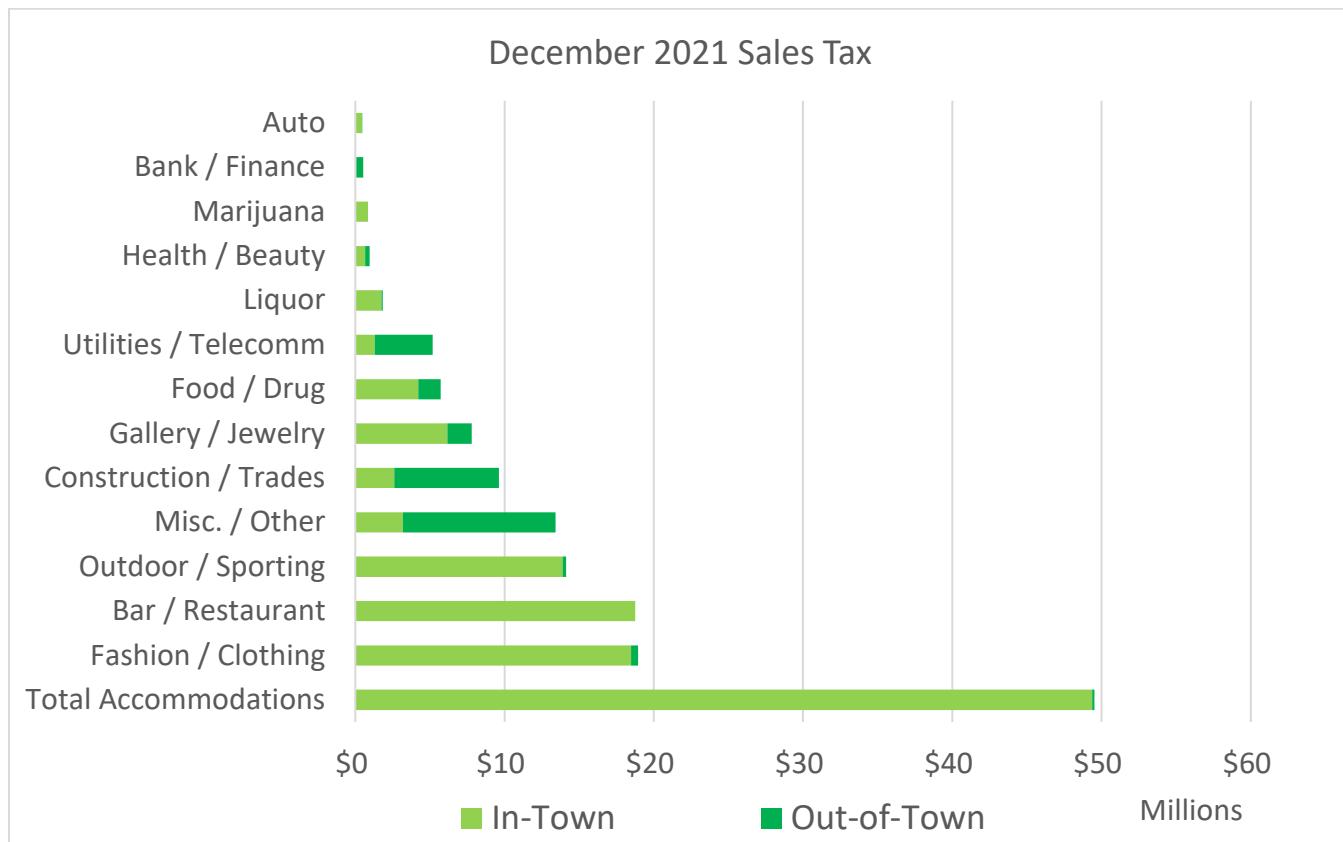


Aggregate Taxable Sales & Industry Highlights:

Taxable sales for the month of December were up 56% relative to 2020 and 22% relative to 2019. This final month rounds out aggregate collections for the year, and results in 2021 consumers outspending past cohorts by more than 33% and 24% in 2020 and 2019, respectively.

December collections, but more precisely the last couple weeks in the month, have always been an anchor to the start of the winter season. The collective month typically equates to roughly 14.5% of the total annual retail sales and this year's activity was perfectly in line with that trend. While aggregate figures are robust, there continues to be a few industries (marijuana and automobiles) that experience uphill challenges, either around reduced customer base or in supply chain limitations. However, despite this monthly suppression, all industries aside from marijuana, experienced positive growth and by a substantial margin. While this is indeed positive, the demand for service has also begun to elevate the challenges local businesses are experiencing around a reduced labor market that is being experienced nationally.

Lastly, 82% of December sales were generated within the City's brick and mortar establishments vs. 19% from online/external businesses. A higher percentage of monthly sales occurring locally is as expected given the influx of tourism during the holiday season and the heavy weighting of accommodations, restaurants, and fashion industries as a percentage of overall economic activity in Aspen's economy.



Sales and Lodging Tax:

Actual tax collections for the month of December were up 54% relative to 2020 and 25% relative to 2019. This monthly total represents a significant rebound in tourism activity, even when comparing to a “normal” pre-COVID year such as 2019. It also closes the book on a calendar year that looked a bit like a rollercoaster, as red-level restrictions were in place early but once lifted, allowed pent up economic activity to release and lift local businesses out of a challenging position and into one of success. For the year, 2021 ended up 34% and 25% relative to 2020 and 2019 collections, respectively, putting this general statement into quantifiable terms.

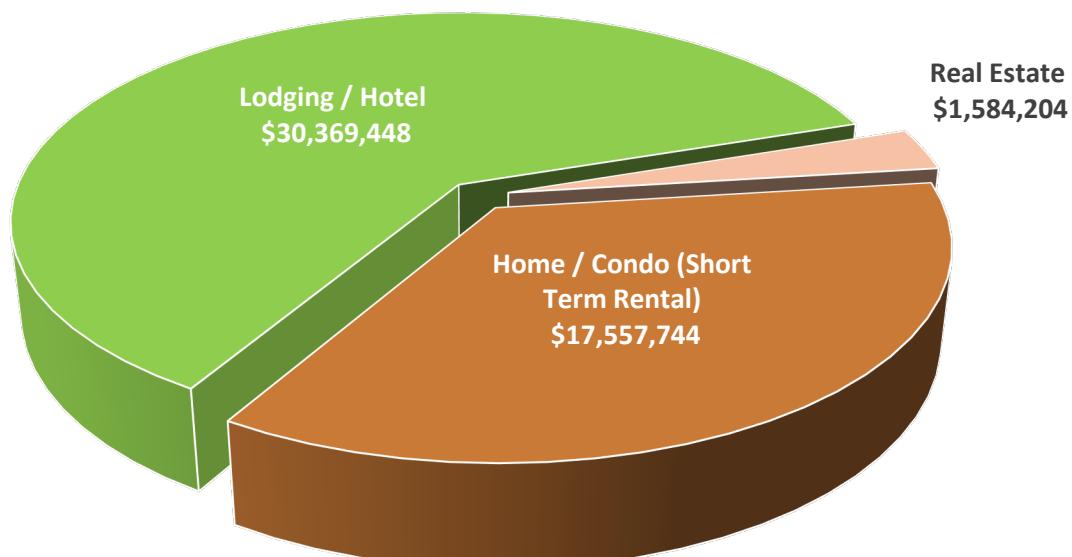
Similar to sales tax, the City’s dedicated 2.0% lodging tax collections mirror a hearty month of visitation. December collections were up 149% and 48% relative to 2020 and 2019 remittances – the December 2020 figure was of course significantly muted last year due to COVID restrictions. For the aggregate year, collections ended up 38% relative to 2020 and 7% relative to 2019.

Short-Term Rentals

Keeping the current environment qualifier ever front of mind, as stated in prior reports, the short-term rental (STR) market in Aspen will not see expansion beyond the current number of license and permit holders allowed to operate, following the City Council’s adoption of Ordinance #27 on December 8th. This action included a moratorium on land use applications for new STRs in the community, effective immediately. With this pause, the Council and the Community plan to take the next number of months to discuss the impact these businesses have on the neighborhoods where they are located; the transit, utility and other infrastructure needs to accommodate these operations and guests; and the environmental impacts they bring around waste, noise, etc.

This aside, taxable sales from short-term rentals for December made up 35% of the overall lodging industry total. This slice of the accommodations industry remains very robust, seemly moving in perfect lockstep with the rest of the traditional lodging industry as it transitions into a high skier/tourist visitation period.

Accommodations Taxable Sales Breakdown
December 2021



City Share of County Sales Tax:

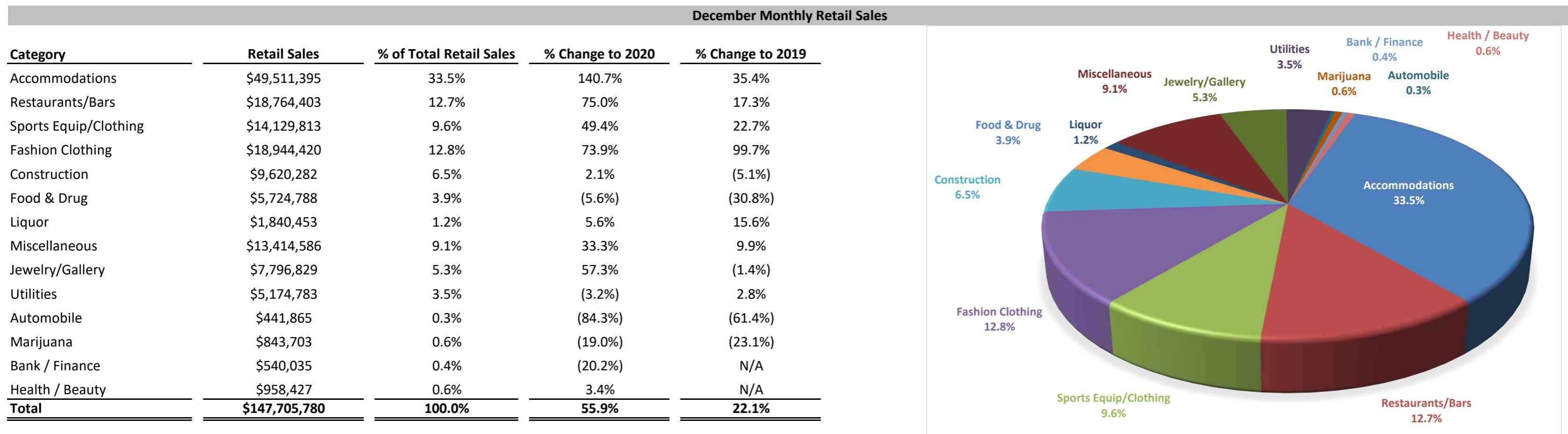
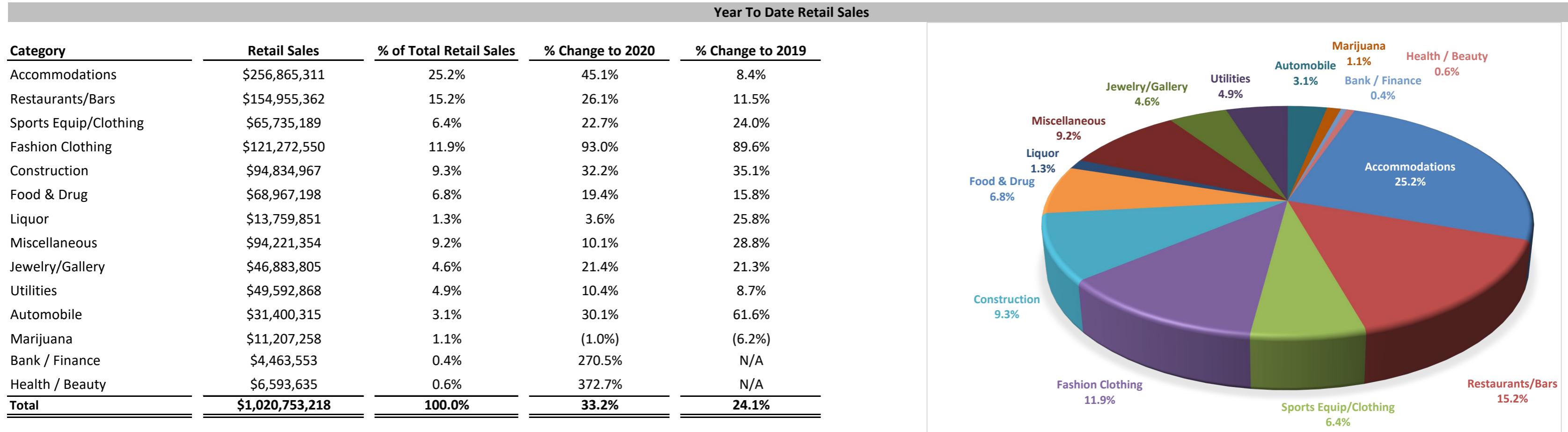
The City of Aspen is allocated a portion of Pitkin County's 2.0% sales tax, with its share established based on a formulaic allocation for all municipalities generating economic activity within the County boundaries. Because the County tax collection process is performed at the State level, the County's collections lag by an additional month relative to the City's own collection process.

Pitkin County's year-to-date collections have continued to pace roughly 25% ahead of both 2020 and 2019 levels, consistent with the previous monthly update. While the industry mix within the larger County tax base varies from that of the highly tourism dependent economy that centers within the City of Aspen, the growth in collections is largely in sync with that of the City's experience.

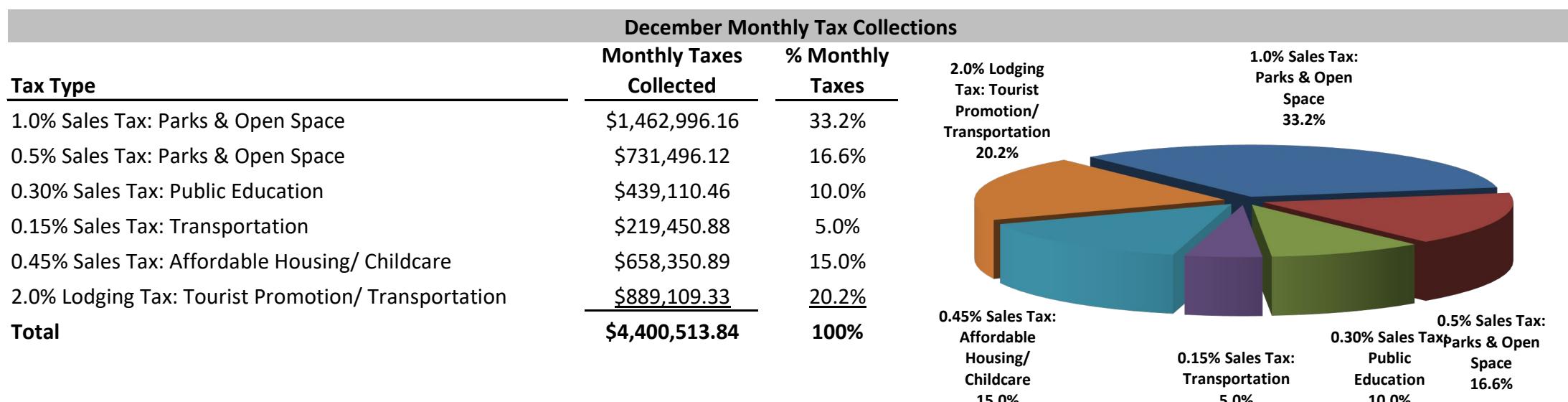
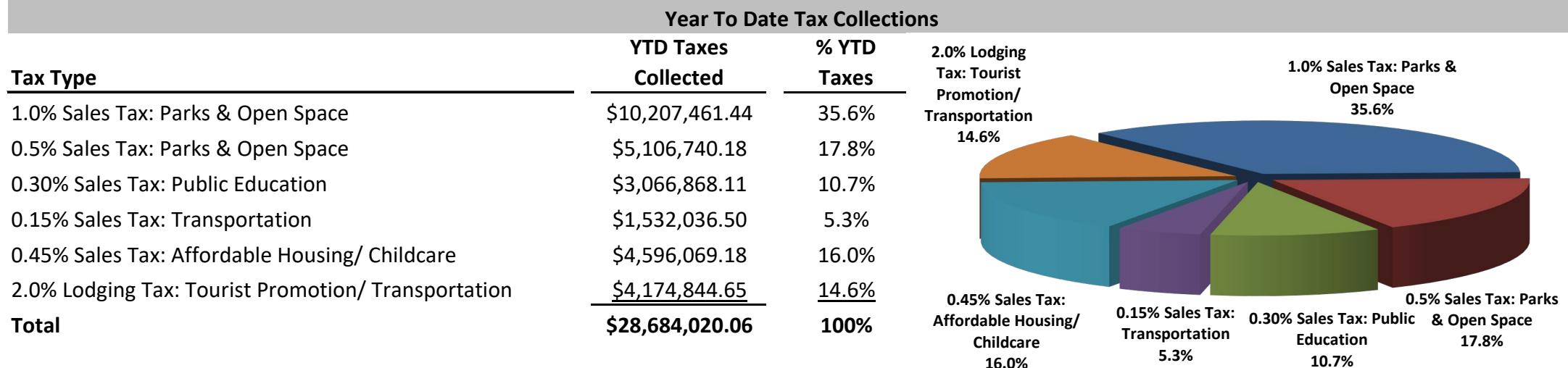
Real Estate Transfer Taxes:

Real Estate Transfer Taxes (RETT) collections, generally speaking, have remained robust into the new calendar year, deviating from the expected shift to a slower pace of in real estate activity that should eventually accompany the impacts from reduced inventory levels and record setting per square foot pricing. While down roughly 6% to 8% relative to January 2021 collections (depending on which tax considered), both arts and affordable housing real estate transfer tax collections in January 2022 far exceeded budgeted estimates.

City of Aspen Retail Sales by Industry
December 2021



City of Aspen Sales and Lodging Tax
December 2021



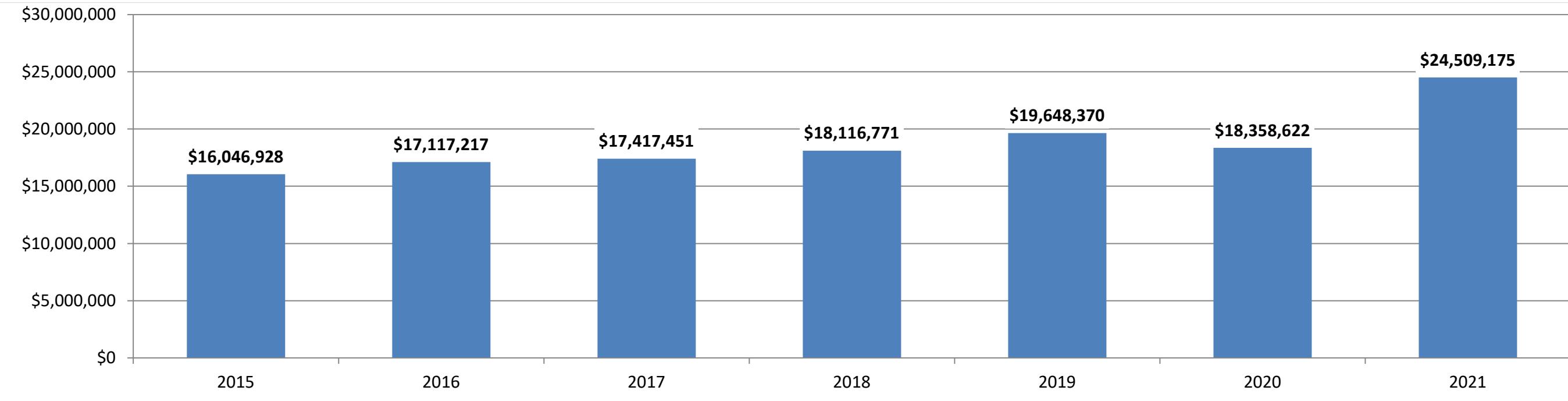
City of Aspen Sales Tax 2.4%

December 2021

Current Month Revenues are 53.5% above last year's Monthly Revenues.
Year To Date Revenues are 44.3% above Year To Date Budgeted Revenues.
Year To Date Revenues are 33.5% above last year's Actual Year To Date Revenues.

| 2021 Monthly Budget vs. 2021 Actual | | | | 2021 YTD Budget vs. 2021 Actual | | | 2021 vs. 2020 | | | |
|--|---------------|---------------|-----------------|--|---------------|-----------------|----------------------|-----------------|-----------------|-----------------|
| Month | Budget | Actual | Variance | Budget | Actual | Variance | 2020 Monthly | Variance | 2020 YTD | Variance |
| Jan | \$1,595,006 | \$1,594,720 | (0.0%) | \$1,595,006 | \$1,594,720 | (0.0%) | \$2,276,217 | (29.9%) | \$2,276,217 | (29.9%) |
| Feb | \$1,486,326 | \$1,673,483 | 12.6% | \$3,081,332 | \$3,268,203 | 6.1% | \$2,122,818 | (21.2%) | \$4,399,035 | (25.7%) |
| Mar | \$1,888,591 | \$2,645,788 | 40.1% | \$4,969,923 | \$5,913,991 | 19.0% | \$1,243,377 | 112.8% | \$5,642,412 | 4.8% |
| Apr | \$777,333 | \$1,117,415 | 43.7% | \$5,747,255 | \$7,031,407 | 22.3% | \$524,409 | 113.1% | \$6,166,820 | 14.0% |
| May | \$609,455 | \$964,724 | 58.3% | \$6,356,711 | \$7,996,131 | 25.8% | \$567,114 | 70.1% | \$6,733,934 | 18.7% |
| June | \$1,451,356 | \$2,213,718 | 52.5% | \$7,808,067 | \$10,209,848 | 30.8% | \$1,315,505 | 68.3% | \$8,049,440 | 26.8% |
| July | \$1,922,418 | \$3,058,702 | 59.1% | \$9,730,485 | \$13,268,550 | 36.4% | \$1,984,791 | 54.1% | \$10,034,230 | 32.2% |
| Aug | \$1,631,118 | \$2,493,158 | 52.8% | \$11,361,603 | \$15,761,708 | 38.7% | \$1,783,192 | 39.8% | \$11,817,422 | 33.4% |
| Sept | \$1,413,986 | \$2,536,858 | 79.4% | \$12,775,590 | \$18,298,565 | 43.2% | \$2,214,205 | 14.6% | \$14,031,628 | 30.4% |
| Oct | \$855,843 | \$1,549,662 | 81.1% | \$13,631,433 | \$19,848,228 | 45.6% | \$1,067,153 | 45.2% | \$15,098,781 | 31.5% |
| Nov | \$719,393 | \$1,149,543 | 59.8% | \$14,350,825 | \$20,997,771 | 46.3% | \$972,967 | 18.1% | \$16,071,748 | 30.7% |
| Dec | \$2,635,754 | \$3,511,405 | 33.2% | \$16,986,579 | \$24,509,175 | 44.3% | \$2,286,874 | 53.5% | \$18,358,622 | 33.5% |

Actual Collections Year To Date Through December



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

December 2021

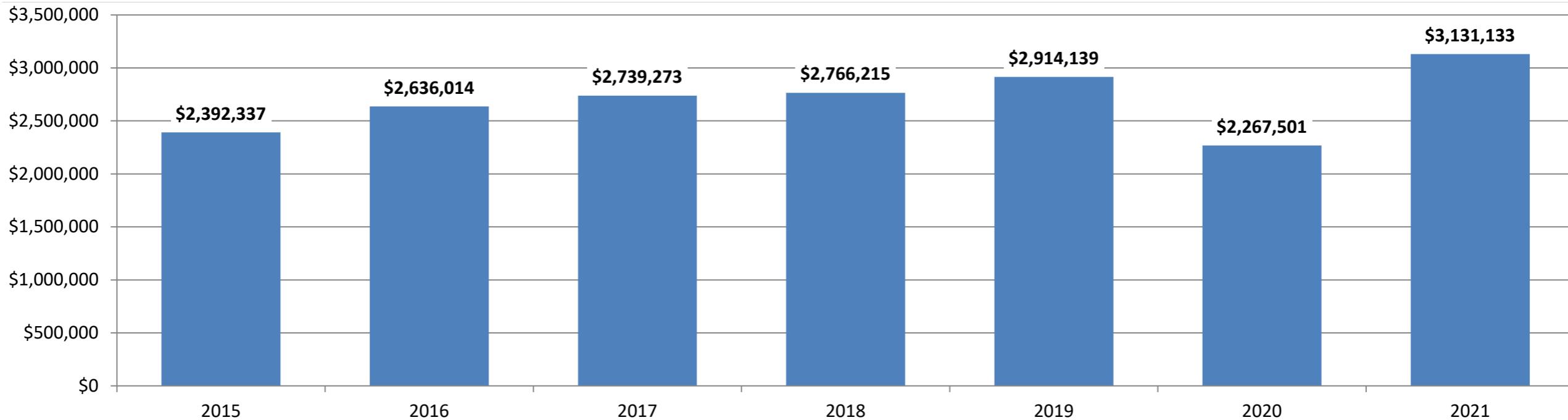
Current Month Revenues are 148.7% above last year's Monthly Revenues.

Year To Date Revenues are 29.8% above Year To Date Budgeted Revenues.

Year To Date Revenues are 38.1% above last year's Actual Year To Date Revenues.

| 2021 Monthly Budget vs. 2021 Actual | | | 2021 YTD Budget vs. 2021 Actual | | | 2021 vs. 2020 | | | | |
|-------------------------------------|-----------|-----------|---------------------------------|-------------|-------------|---------------|--------------|----------|-------------|----------|
| Month | Budget | Actual | Variance | Budget | Actual | Variance | 2020 Monthly | Variance | 2020 YTD | Variance |
| Jan | \$304,500 | \$168,712 | (44.6%) | \$304,500 | \$168,712 | (44.6%) | \$423,412 | (60.2%) | \$423,412 | (60.2%) |
| Feb | \$270,000 | \$208,731 | (22.7%) | \$574,500 | \$377,443 | (34.3%) | \$417,502 | (50.0%) | \$840,914 | (55.1%) |
| Mar | \$353,250 | \$369,554 | 4.6% | \$927,750 | \$746,997 | (19.5%) | \$197,251 | 87.4% | \$1,038,165 | (28.0%) |
| Apr | \$64,500 | \$88,271 | 36.9% | \$992,250 | \$835,268 | (15.8%) | \$5,581 | 1,481.7% | \$1,043,746 | (20.0%) |
| May | \$49,500 | \$50,893 | 2.8% | \$1,041,750 | \$886,160 | (14.9%) | \$8,770 | 480.3% | \$1,052,516 | (15.8%) |
| June | \$186,750 | \$231,840 | 24.1% | \$1,228,500 | \$1,118,001 | (9.0%) | \$99,543 | 132.9% | \$1,152,059 | (3.0%) |
| July | \$280,500 | \$429,454 | 53.1% | \$1,509,000 | \$1,547,455 | 2.5% | \$263,959 | 62.7% | \$1,416,018 | 9.3% |
| Aug | \$213,000 | \$328,132 | 54.1% | \$1,722,000 | \$1,875,586 | 8.9% | \$227,695 | 44.1% | \$1,643,713 | 14.1% |
| Sept | \$151,500 | \$324,107 | 113.9% | \$1,873,500 | \$2,199,693 | 17.4% | \$206,067 | 57.3% | \$1,849,780 | 18.9% |
| Oct | \$78,750 | \$166,860 | 111.9% | \$1,952,250 | \$2,366,553 | 21.2% | \$71,598 | 133.0% | \$1,921,378 | 23.2% |
| Nov | \$54,000 | \$97,749 | 81.0% | \$2,006,250 | \$2,464,302 | 22.8% | \$78,030 | 25.3% | \$1,999,408 | 23.3% |
| Dec | \$406,500 | \$666,832 | 64.0% | \$2,412,750 | \$3,131,133 | 29.8% | \$268,092 | 148.7% | \$2,267,501 | 38.1% |

Actual Collections Year To Date Through December



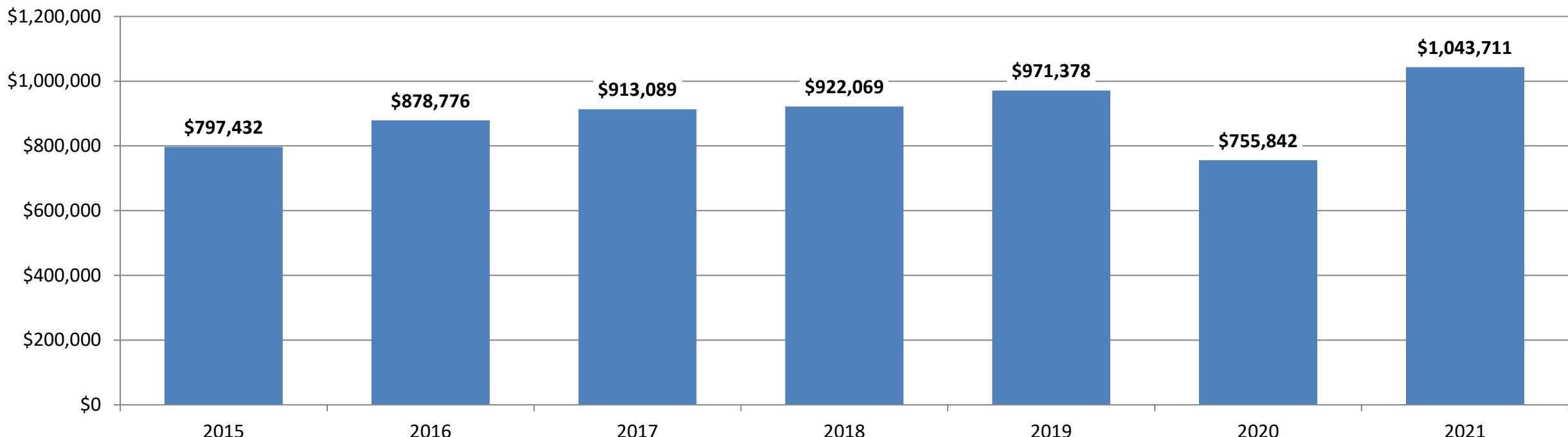
City of Aspen Transportation 0.5% Lodging Tax

December 2021

Current Month Revenues are 148.7% above last year's Monthly Revenues.
Year To Date Revenues are 29.8% above Year To Date Budgeted Revenues.
Year To Date Revenues are 38.1% above last year's Actual Year To Date Revenues.

| Month | 2021 Monthly Budget vs. 2021 Actual | | | 2021 YTD Budget vs. 2021 Actual | | | 2021 vs. 2020 | | | |
|--------------|--|---------------|-----------------|--|---------------|-----------------|----------------------|-----------------|-----------------|-----------------|
| | Budget | Actual | Variance | Budget | Actual | Variance | 2020 Monthly | Variance | 2020 YTD | Variance |
| Jan | \$101,500 | \$56,237 | (44.6%) | \$101,500 | \$56,237 | (44.6%) | \$141,137 | (60.2%) | \$141,137 | (60.2%) |
| Feb | \$90,000 | \$69,577 | (22.7%) | \$191,500 | \$125,813 | (34.3%) | \$139,167 | (50.0%) | \$280,304 | (55.1%) |
| Mar | \$117,750 | \$123,184 | 4.6% | \$309,250 | \$248,998 | (19.5%) | \$65,750 | 87.4% | \$346,054 | (28.0%) |
| Apr | \$21,500 | \$29,424 | 36.9% | \$330,750 | \$278,421 | (15.8%) | \$1,860 | 1,481.7% | \$347,915 | (20.0%) |
| May | \$16,500 | \$16,964 | 2.8% | \$347,250 | \$295,386 | (14.9%) | \$2,923 | 480.3% | \$350,838 | (15.8%) |
| June | \$62,250 | \$77,280 | 24.1% | \$409,500 | \$372,666 | (9.0%) | \$33,181 | 132.9% | \$384,019 | (3.0%) |
| July | \$93,500 | \$143,151 | 53.1% | \$503,000 | \$515,817 | 2.5% | \$87,986 | 62.7% | \$472,005 | 9.3% |
| Aug | \$71,000 | \$109,377 | 54.1% | \$574,000 | \$625,195 | 8.9% | \$75,898 | 44.1% | \$547,903 | 14.1% |
| Sept | \$50,500 | \$108,036 | 113.9% | \$624,500 | \$733,231 | 17.4% | \$68,700 | 57.3% | \$616,603 | 18.9% |
| Oct | \$26,250 | \$55,620 | 111.9% | \$650,750 | \$788,851 | 21.2% | \$23,866 | 133.1% | \$640,469 | 23.2% |
| Nov | \$18,000 | \$32,583 | 81.0% | \$668,750 | \$821,434 | 22.8% | \$26,010 | 25.3% | \$666,479 | 23.2% |
| Dec | \$135,500 | \$222,278 | 64.0% | \$804,250 | \$1,043,711 | 29.8% | \$89,364 | 148.7% | \$755,842 | 38.1% |

Actual Collections Year To Date Through December

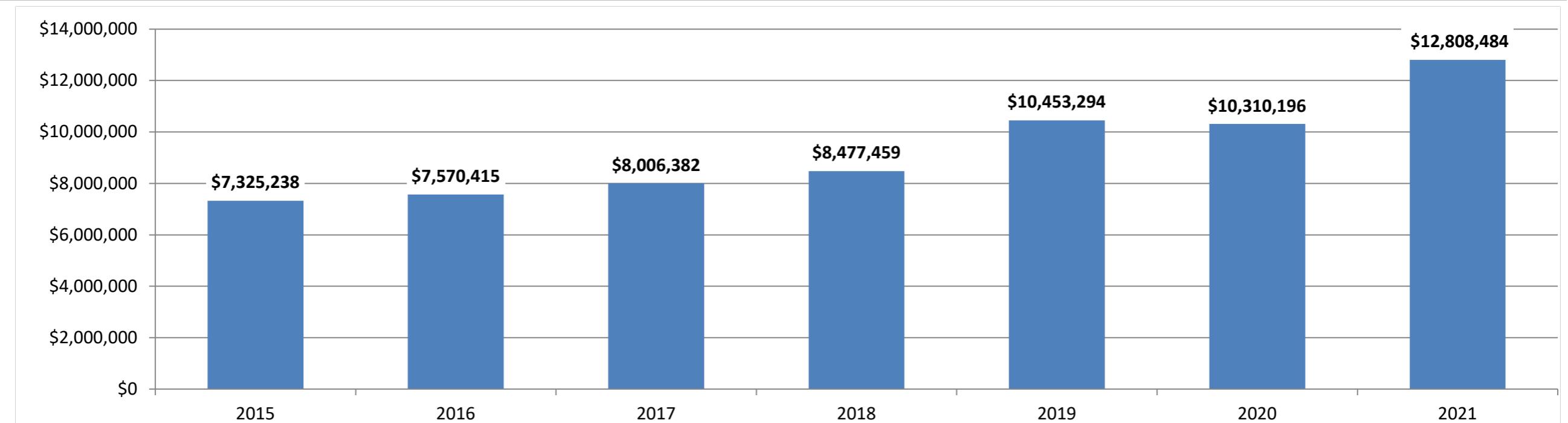


City of Aspen Portion of Pitkin County 3.6% Sales Tax
November 2021

Current Month Revenues are 25.9% above last year's Monthly Revenues.
Year To Date Revenues are 35.9% above Year To Date Budgeted Revenues.
Year To Date Revenues are 24.2% above last year's Actual Year To Date Revenues.

| 2021 Monthly Budget vs. 2021 Actual | | | 2021 YTD Budget vs. 2021 Actual | | | 2021 vs. 2020 | | | | |
|-------------------------------------|-------------|-------------|---------------------------------|--------------|--------------|---------------|--------------|----------|---------------|----------|
| Month | Budget | Actual | Variance | Budget | Actual | Variance | 2020 Monthly | Variance | 2020 YTD | Variance |
| Jan | \$1,357,000 | \$1,092,020 | (19.5%) | \$1,357,000 | \$1,092,020 | (19.5%) | \$1,512,709 | (27.8%) | \$ 1,512,709 | (27.8%) |
| Feb | \$1,277,000 | \$1,183,150 | (7.3%) | \$2,634,000 | \$2,275,171 | (13.6%) | \$1,449,548 | (18.4%) | \$ 2,962,257 | (23.2%) |
| Mar | \$1,293,000 | \$1,515,832 | 17.2% | \$3,927,000 | \$3,791,002 | (3.5%) | \$708,210 | 114.0% | \$ 3,670,467 | 3.3% |
| Apr | \$484,000 | \$817,669 | 68.9% | \$4,411,000 | \$4,608,671 | 4.5% | \$498,211 | 64.1% | \$ 4,168,678 | 10.6% |
| May | \$398,000 | \$665,386 | 67.2% | \$4,809,000 | \$5,274,058 | 9.7% | \$430,729 | 54.5% | \$ 4,599,408 | 14.7% |
| June | \$822,000 | \$1,218,669 | 48.3% | \$5,631,000 | \$6,492,727 | 15.3% | \$713,217 | 70.9% | \$ 5,312,624 | 22.2% |
| July | \$1,097,000 | \$1,694,768 | 54.5% | \$6,728,000 | \$8,187,494 | 21.7% | \$1,164,095 | 45.6% | \$ 6,476,719 | 26.4% |
| Aug | \$917,000 | \$1,427,495 | 55.7% | \$7,645,000 | \$9,614,989 | 25.8% | \$1,117,891 | 27.7% | \$ 7,594,610 | 26.6% |
| Sept | \$801,000 | \$1,321,660 | 65.0% | \$8,446,000 | \$10,936,649 | 29.5% | \$1,181,742 | 11.8% | \$ 8,776,352 | 24.6% |
| Oct | \$498,000 | \$1,004,489 | 101.7% | \$8,944,000 | \$11,941,138 | 33.5% | \$845,122 | 18.9% | \$ 9,621,474 | 24.1% |
| Nov | \$484,000 | \$867,346 | 79.2% | \$9,428,000 | \$12,808,484 | 35.9% | \$688,722 | 25.9% | \$ 10,310,196 | 24.2% |
| Dec | \$1,461,000 | | | \$10,889,000 | | | \$1,533,844 | | \$ 11,844,040 | |

Actual Collections Year To Date Through November

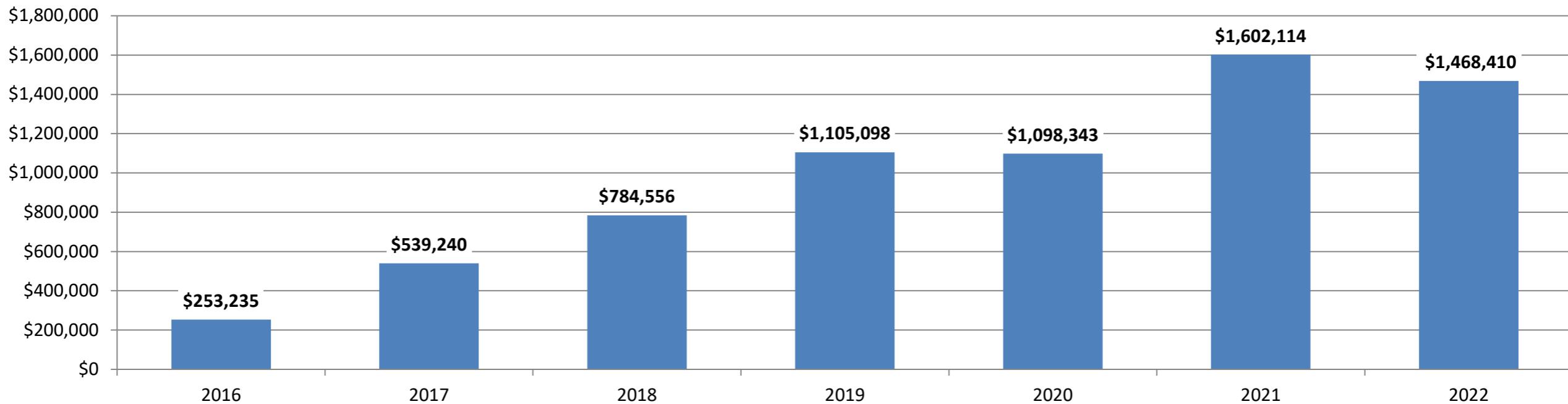


Housing Real Estate Transfer Tax
January 2022

Current Month Revenues are (8.3%) **below last year's Monthly Revenues.**
Year To Date Revenues are 159.4% **above Year To Date Budgeted Revenues.**
Year To Date Revenues are (8.3%) **below last year's Actual Year To Date Revenues.**

| 2022 Monthly Budget vs. 2022 Actual | | | | 2022 YTD Budget vs. 2022 Actual | | | 2022 vs. 2021 | | | |
|-------------------------------------|-----------|-------------|----------|---------------------------------|-------------|----------|---------------|----------|--------------|----------|
| Month | 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 | | | \$1,096,000 | | | \$711,920 | | \$2,314,034 | |
| Mar | \$556,000 | | | \$1,652,000 | | | \$1,294,339 | | \$3,608,373 | |
| 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 January



Wheeler Opera House Real Estate Transfer Tax
January 2022

Current Month Revenues are **(5.9%)** **below last year's Monthly Revenues.**
Year To Date Revenues are **173.7%** **above Year To Date Budgeted Revenues.**
Year To Date Revenues are **(5.9%)** **below last year's Actual Year To Date Revenues.**

| 2022 Monthly Budget vs. 2022 Actual | | | 2022 YTD Budget vs. 2022 Actual | | | 2022 vs. 2021 | | | | |
|-------------------------------------|-----------|-----------|---------------------------------|-------------|-----------|---------------|--------------|----------|--------------|----------|
| Month | 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 | | | \$558,000 | | | \$370,913 | | \$1,199,795 | |
| Mar | \$280,000 | | | \$838,000 | | | \$672,890 | | \$1,872,685 | |
| 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 January

