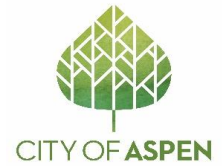


**To:** Aspen City Council  
**From:** Pete Strecker, Finance Director  
**Date:** October 15, 2020  
**Re:** August 2021 Consumption Tax Report



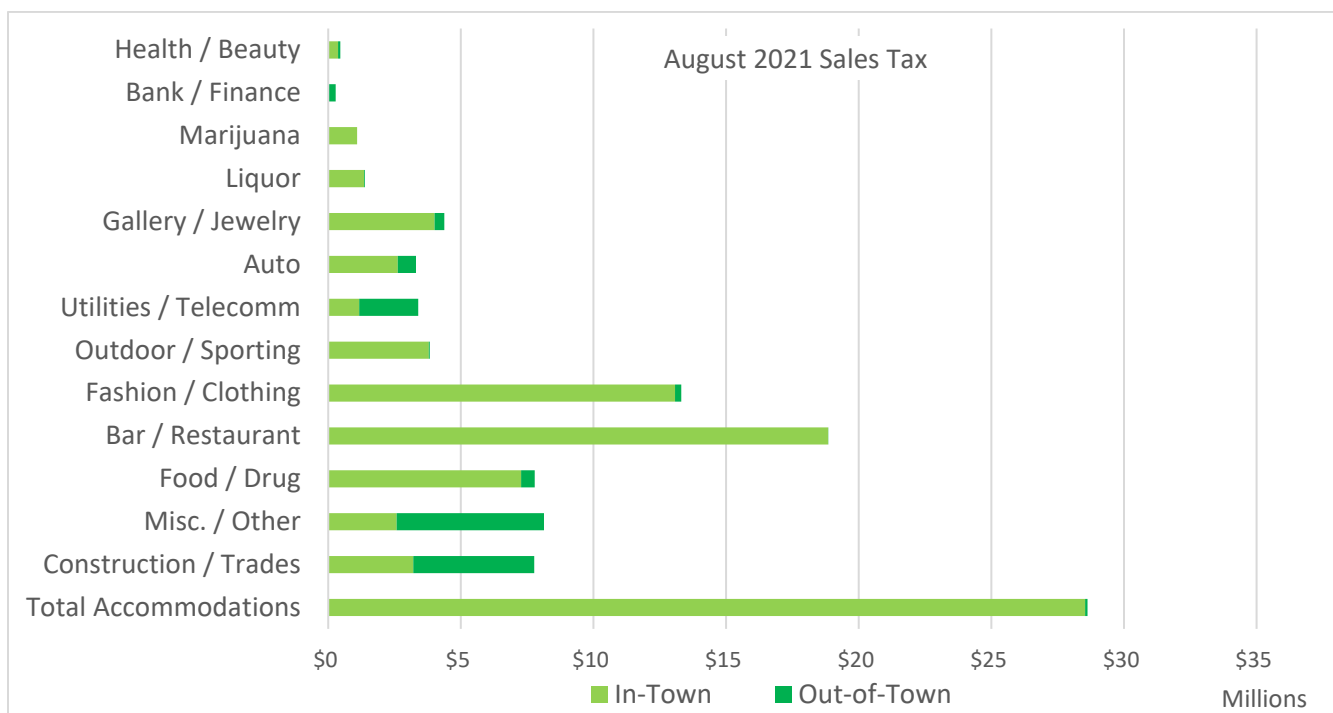
**Aggregate Taxable Sales & Industry Highlights:**

Taxable sales for the month of August are up 33% relative to 2020 and 37% relative to 2019. Taxable sales for the first eight months of the year are 32% above 2020 collections and 15% above 2019. These double-digit growth percentages, regardless of comparison to 2020 or 2019, reflect that economic activity has been robust, especially given the slower start to the year when under red-level restrictions.

The accommodations industry has seen significant progress since the initial low occupancy experiences in key months like January and February this year. This has been driven by improved visitation by domestic tourists and a significant increase in average daily rate, especially during recent summer months. That said, the accommodations sector of the economy is one of only two industries still lagging behind 2019 collections levels through the first eight months of the year.

The other sector with lagging taxable sales relative to 2019 remains the local marijuana industry, with year-to-date sales having surpassed 2020 levels by 6%, but remain about 8% short of 2019. While there has not been a detailed assessment of this industry to date, some theoretical reasoning for this includes that the lack of international tourism has contributed to this delta; this plus the general reduction in tourism during the heavy winter months at the early part of the year.

Aside from the two noted industries above, taxable sales have been reflective of significant improvement in economic activity within the local economy, with 86% of all taxable sales being generated within City brick and mortar businesses. This is perhaps not overly surprising as the pillar industries of accommodations and restaurants/bars alone make up nearly 50% of the total economy and are locally based.



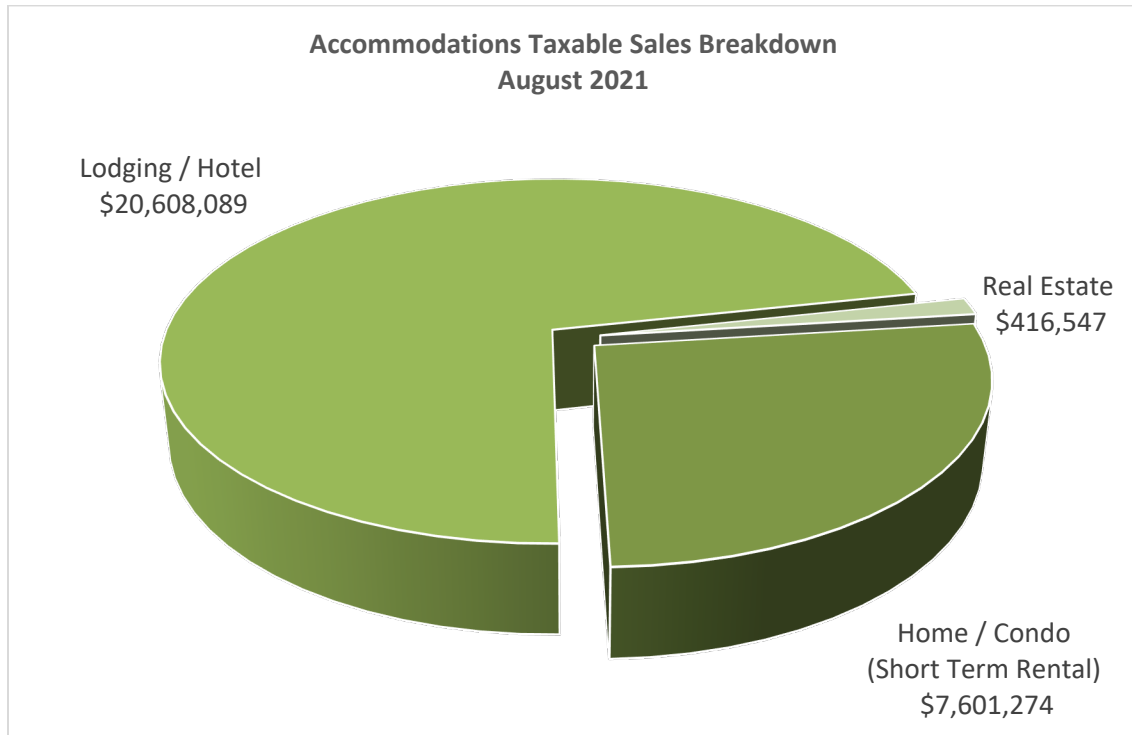
**Sales and Lodging Tax:**

Sales tax collections for the month of August were up 40% relative to 2020 and 39% relative to 2019. These figures demonstrate that the robust summer this year was a mirror image of last year’s busy season once COVID restrictions eased and as pent-up demand pushed into the streets (literally in Aspen’s case with new restaurant and bar space in the City’s right-of-ways). Looking beyond the monthly activity and to the year-to-date collections, 2021 is pacing 33% above 2020 and 16% above 2019; with this later growth rate again capturing the soft opening to the year.

Lodging tax collections for the month of August were up 44% relative to 2020 and 39% relative to 2019 remittances. Again, these are strong statements about the robust tourism seen in the summer for both this year and last. What is not explicitly noted is that average daily rate is a key driver in this growth, as occupancy could not generate these sizable increases. On a year-to-date basis, collections are pacing 14% over 2020, but remain 13% below 2019’s pre-pandemic collection levels.

*Short-Term Rentals*

The City is now roughly one year into its increased outreach and regulatory efforts with the short-term rental community. This subsection of the lodging industry has been difficult to quantify in the past, prior to the Council adoption of municipal code changes which now specify the need for a business license for each individual unit, consistent with that of any business operating within City limits. While there is still work needed to better assess this industry, to quantify its value within the broader lodging sector and also to assess what impacts it brings to the immediate neighbors, the general neighborhoods and aggregate City as a whole – initial data is providing some details that were previously absent. For instance, total businesses registered under the short-term rental category now exceeds 1,200 businesses. Additionally, we can now see how much of our accommodations industry is generated by these product offerings - for August, slightly more than one-fourth of all taxable sales.



**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.

The County has experienced a similar return to economic health as the City of Aspen has. This is demonstrated in year-to-date revenue collections pacing 28% ahead of 2020 remittances, or 19% ahead of 2019 levels. While linked, the variance that remains in growth rates between City and County largely reflects the greater diversity of the economy in the County as a whole (the City of Aspen has a much greater reliance on the lodging sector which has had challenges the past couple of years as noted previously).

**Real Estate Transfer Taxes:**

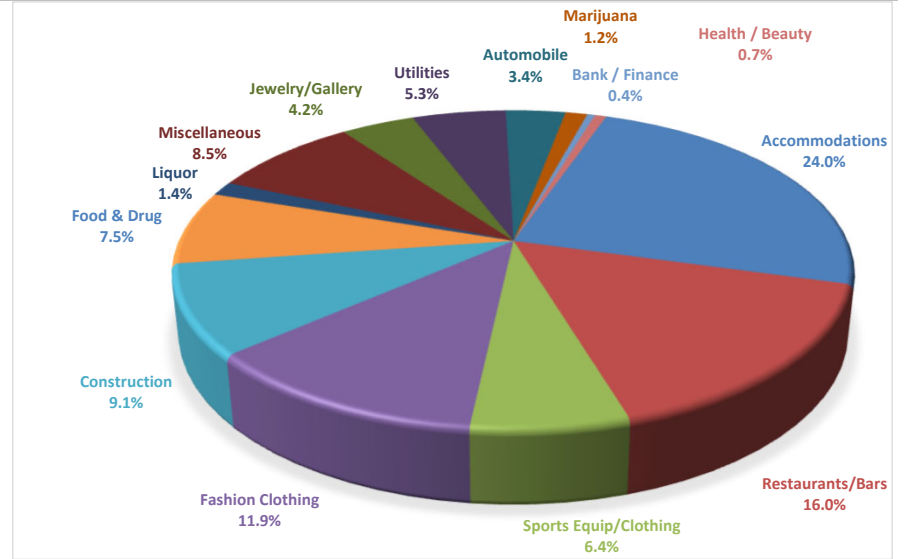
Finally, the City of Aspen has two dedicated real estate transfer taxes to support both the arts and affordable housing development. Without question, mountain communities have experienced a buying frenzy that has resulted in record level transfer tax collections of late. And while collections on a monthly basis are "slowing" relative to 2020 activity at this same time last year, annual collections still remain well above historic norms.

For August, Housing and Wheeler Real Estate Transfer Taxes were down 52% and 52%, respectively. Through the first nine months of the year, aggregate collections however remain well over last year's totals through September, pacing up 22% and 13%, respectively. As inventory remains substantially slow following the buying spree of late, it is anticipated that the number of new sales will retreat and tax collections will not persist at elevated levels into the future.

**City of Aspen Retail Sales by Industry  
August 2021**

**Year To Date Retail Sales**

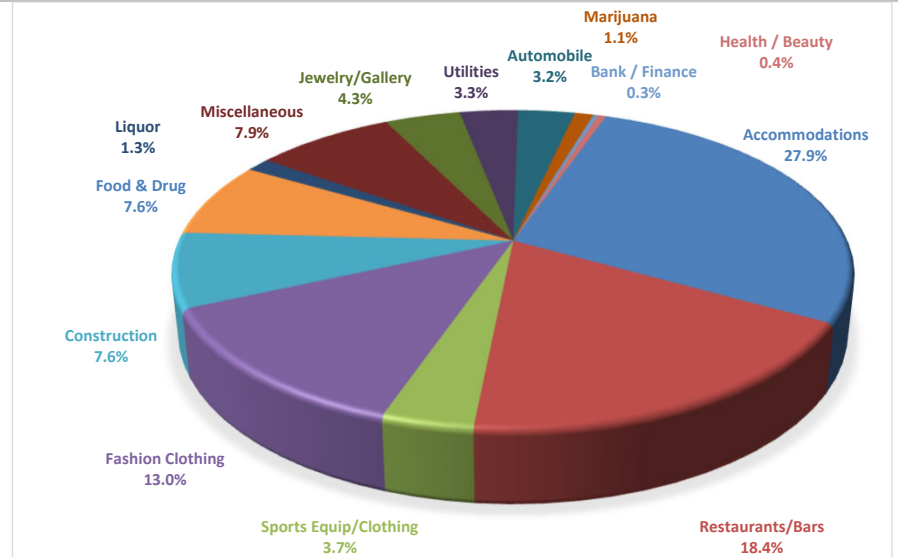
Category	YTD Retail Sales	% YTD Retail Sales	% Change to 2020	% Change to 2019
Accommodations	\$156,410,129	24.0%	23.2%	(9.6%)
Restaurants/Bars	\$104,100,155	16.0%	21.8%	1.8%
Sports Equip/Clothing	\$41,628,640	6.4%	18.8%	16.3%
Fashion Clothing	\$77,153,104	11.9%	116.0%	71.6%
Construction	\$59,279,866	9.1%	49.4%	40.5%
Food & Drug	\$48,591,606	7.5%	22.4%	21.0%
Liquor	\$9,348,808	1.4%	7.7%	25.5%
Miscellaneous	\$54,980,695	8.5%	21.8%	27.8%
Jewelry/Gallery	\$27,161,776	4.2%	2.2%	11.7%
Utilities	\$34,580,488	5.3%	11.2%	11.4%
Automobile	\$22,032,339	3.4%	71.6%	59.2%
Marijuana	\$8,081,801	1.2%	6.2%	(8.3%)
Bank / Finance	\$2,839,120	0.4%	#DIV/0!	#DIV/0!
Health / Beauty	\$4,238,187	0.7%	#DIV/0!	#DIV/0!
<b>Total</b>	<b>\$650,426,714</b>	<b>100.0%</b>	<b>31.5%</b>	<b>14.7%</b>



Beginning October 2020, industries were assessed and revised. This includes Luxury Goods which no longer reflects high end clothing which now is captured within Clothing. Additionally, two new categories (Bank / Finance and Health / Beauty) were added to reflect items previous reported within Miscellaneous. These adjustments will ultimately skew the annual percentage change in these industries and is therefore important to note - industry contraction or expansion cannot be gauged by these percentages until a full year's worth of data has been compiled with the new categorizations.

**August Monthly Retail Sales**

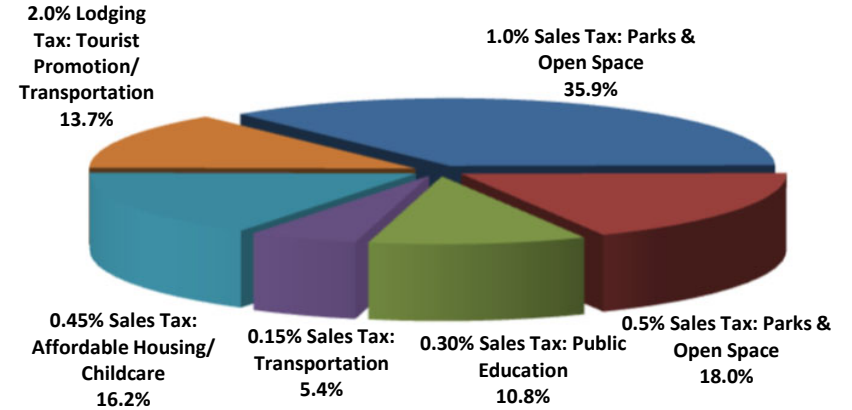
Category	Monthly Retail Sales	% Monthly Retail Sales	% Change to 2020	% Change to 2019
Accommodations	\$28,625,910	27.9%	57.5%	40.0%
Restaurants/Bars	\$18,851,681	18.4%	22.7%	17.7%
Sports Equip/Clothing	\$3,826,817	3.7%	(15.4%)	8.7%
Fashion Clothing	\$13,311,158	13.0%	86.9%	78.7%
Construction	\$7,769,175	7.6%	61.4%	53.4%
Food & Drug	\$7,784,781	7.6%	18.5%	25.9%
Liquor	\$1,381,277	1.3%	(8.7%)	21.1%
Miscellaneous	\$8,135,286	7.9%	17.4%	33.1%
Jewelry/Gallery	\$4,379,171	4.3%	(6.8%)	39.1%
Utilities	\$3,390,896	3.3%	5.4%	16.4%
Automobile	\$3,307,433	3.2%	22.1%	83.7%
Marijuana	\$1,091,499	1.1%	(19.7%)	(15.3%)
Bank / Finance	\$280,010	0.3%	#DIV/0!	#DIV/0!
Health / Beauty	\$456,788	0.4%	#DIV/0!	#DIV/0!
<b>Total</b>	<b>\$102,591,883</b>	<b>100.0%</b>	<b>33.2%</b>	<b>36.6%</b>



**City of Aspen Sales and Lodging Tax  
August 2021**

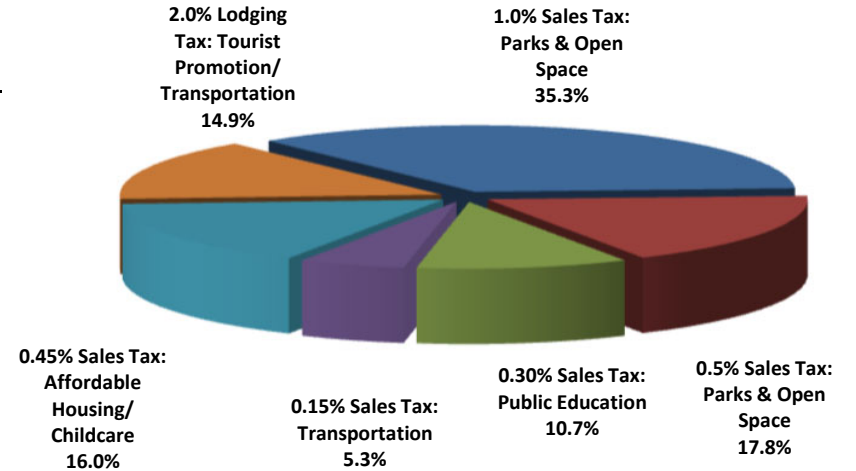
**Year To Date Tax Collections**

<b>Tax Type</b>	<b>YTD Taxes Collected</b>	<b>% YTD Taxes</b>
1.0% Sales Tax: Parks & Open Space	\$6,562,148.74	35.9%
0.5% Sales Tax: Parks & Open Space	\$3,284,862.88	18.0%
0.30% Sales Tax: Public Education	\$1,972,852.79	10.8%
0.15% Sales Tax: Transportation	\$985,466.74	5.4%
0.45% Sales Tax: Affordable Housing/ Childcare	\$2,956,376.45	16.2%
2.0% Lodging Tax: Tourist Promotion/ Transportation	<u>\$2,500,781.12</u>	<u>13.7%</u>
<b>Total</b>	<b>\$18,262,488.72</b>	<b>100%</b>



**August Monthly Tax Collections**

<b>Tax Type</b>	<b>Monthly Taxes Collected</b>	<b>% Monthly Taxes</b>
1.0% Sales Tax: Parks & Open Space	\$1,033,627.65	35.3%
0.5% Sales Tax: Parks & Open Space	\$521,159.73	17.8%
0.30% Sales Tax: Public Education	\$312,976.78	10.7%
0.15% Sales Tax: Transportation	\$156,350.03	5.3%
0.45% Sales Tax: Affordable Housing/ Childcare	\$469,043.37	16.0%
2.0% Lodging Tax: Tourist Promotion/ Transportation	<u>\$437,509.11</u>	<u>14.9%</u>
<b>Total</b>	<b>\$2,930,666.67</b>	<b>100%</b>

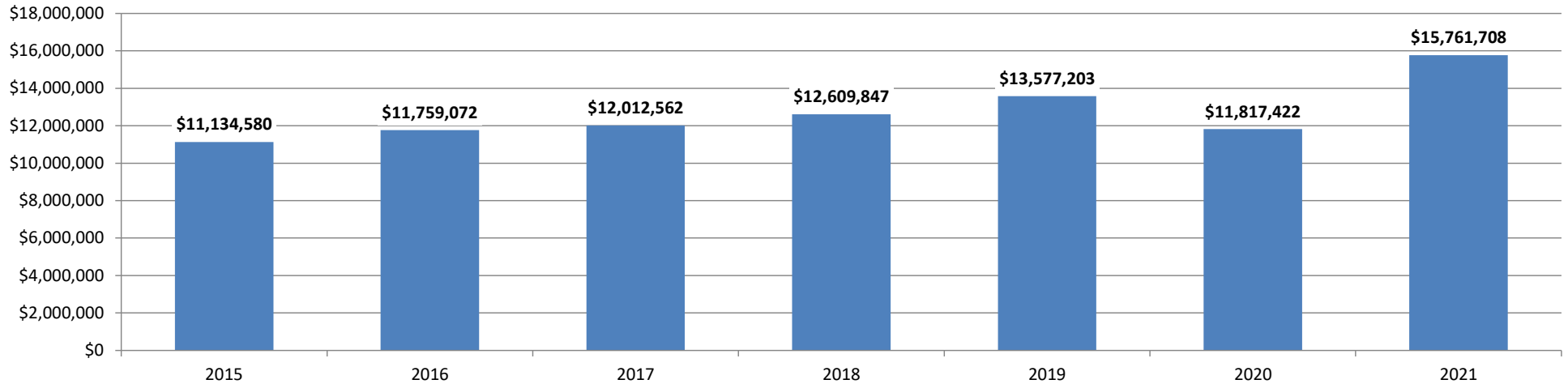


**City of Aspen Sales Tax 2.4%  
August 2021**

**Current Month Revenues are 39.8% above last year's Monthly Revenues.**  
**Year To Date Revenues are 38.7% above Year To Date Budgeted Revenues.**  
**Year To Date Revenues are 33.4% 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	\$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			\$12,775,590			\$2,214,205		\$14,031,628	
Oct	\$855,843			\$13,631,433			\$1,067,153		\$15,098,781	
Nov	\$719,393			\$14,350,825			\$972,967		\$16,071,748	
Dec	\$2,635,754			\$16,986,579			\$2,286,874		\$18,358,622	

**Actual Collections Year To Date Through August**

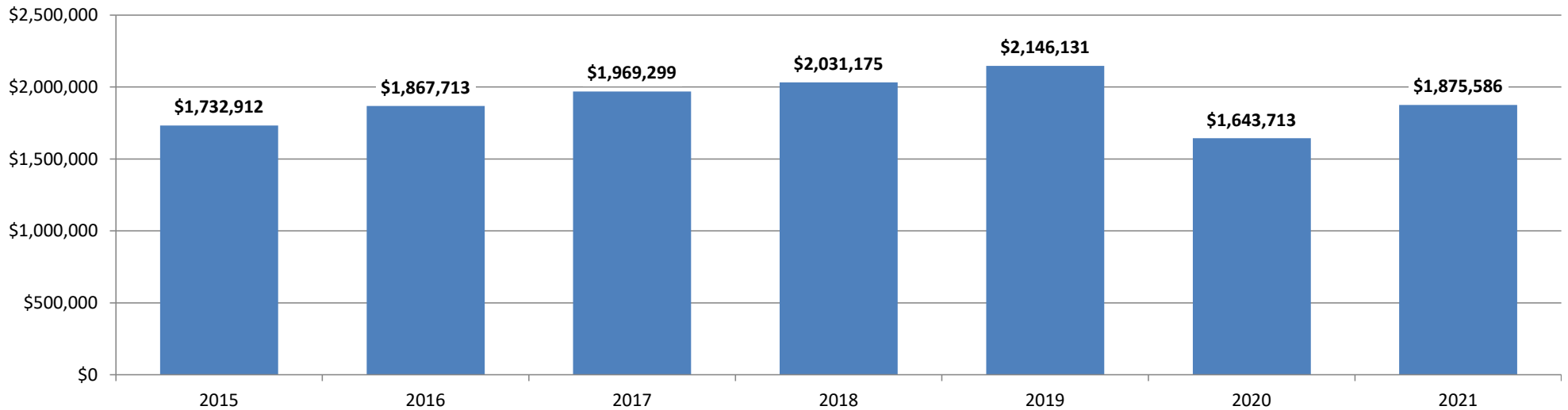


**City of Aspen Tourist Promotion 1.5% Lodging Tax (0.5% Rate for 2010 and Prior)  
August 2021**

**Current Month Revenues are 44.1% above last year's Monthly Revenues.**  
**Year To Date Revenues are 8.9% above Year To Date Budgeted Revenues.**  
**Year To Date Revenues are 14.1% above last year's Actual Year To Date Revenues.**

<u>Month</u>	<u>2021 Monthly Budget vs. 2021 Actual</u>			<u>2021 YTD Budget vs. 2021 Actual</u>			<u>2021 vs. 2020</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2020 Monthly</u>	<u>Variance</u>	<u>2020 YTD</u>	<u>Variance</u>
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			\$1,873,500			\$206,067		\$1,849,780	
Oct	\$78,750			\$1,952,250			\$71,598		\$1,921,378	
Nov	\$54,000			\$2,006,250			\$78,030		\$1,999,408	
Dec	\$406,500			\$2,412,750			\$268,092		\$2,267,501	

**Actual Collections Year To Date Through August**

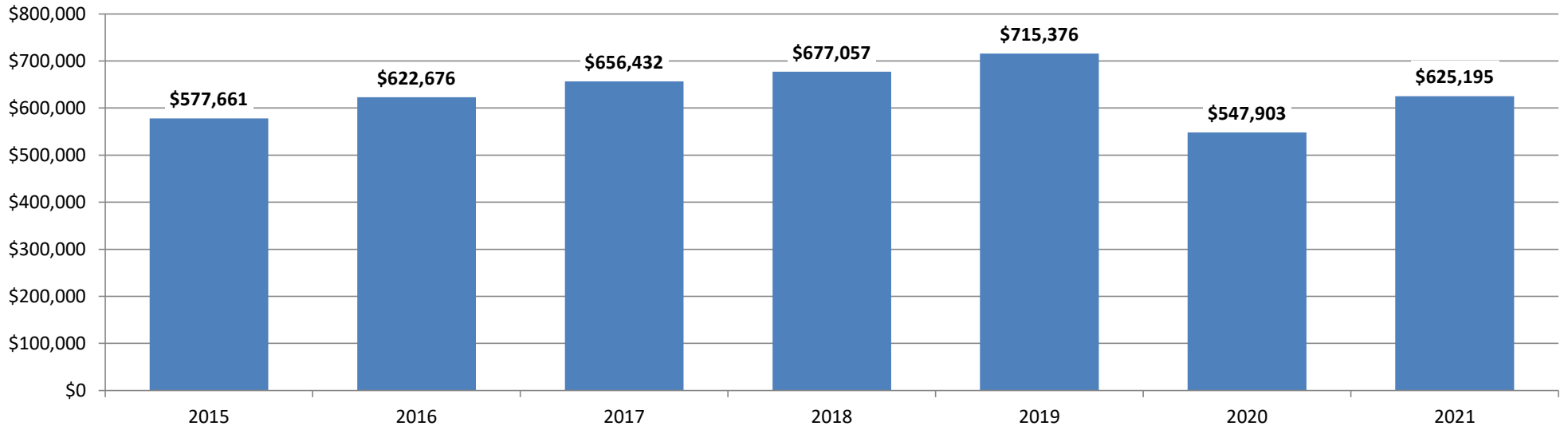


**City of Aspen Transportation 0.5% Lodging Tax  
August 2021**

**Current Month Revenues are 44.1% above last year's Monthly Revenues.**  
**Year To Date Revenues are 8.9% above Year To Date Budgeted Revenues.**  
**Year To Date Revenues are 14.1% above last year's Actual Year To Date Revenues.**

<u>Month</u>	<u>2021 Monthly Budget vs. 2021 Actual</u>			<u>2021 YTD Budget vs. 2021 Actual</u>			<u>2021 vs. 2020</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2020 Monthly</u>	<u>Variance</u>	<u>2020 YTD</u>	<u>Variance</u>
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			\$624,500			\$68,700		\$616,603	
Oct	\$26,250			\$650,750			\$23,866		\$640,469	
Nov	\$18,000			\$668,750			\$26,010		\$666,479	
Dec	\$135,500			\$804,250			\$89,364		\$755,842	

**Actual Collections Year To Date Through August**



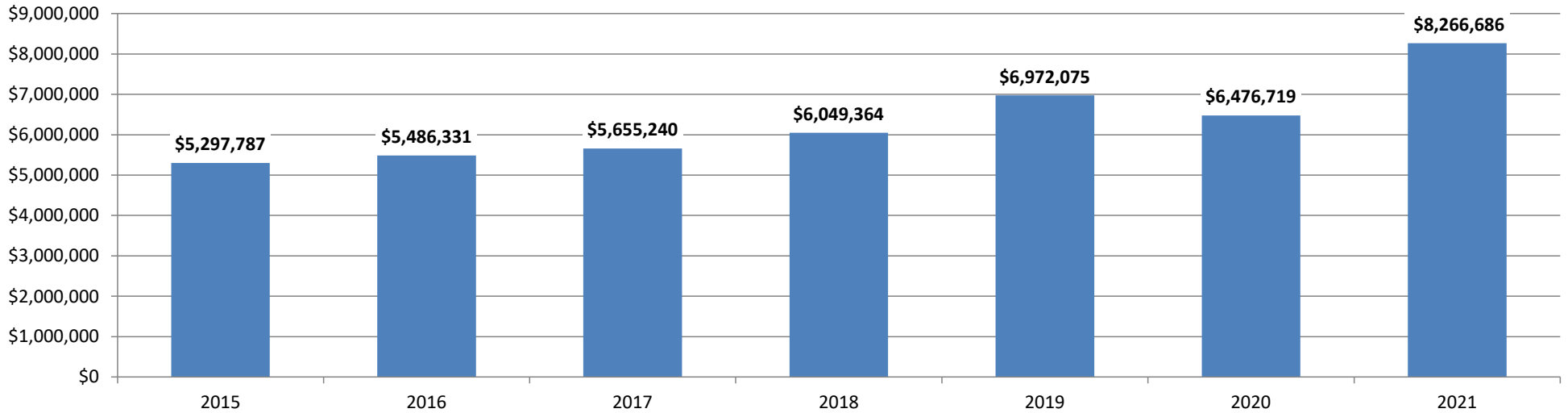


**City of Aspen Portion of Pitkin County 3.6% Sales Tax  
July 2021**

Current Month Revenues are **45.6%** above last year's Monthly Revenues.  
 Year To Date Revenues are **22.9%** above Year To Date Budgeted Revenues.  
 Year To Date Revenues are **27.6%** 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	\$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	\$744,578	87.1%	\$4,809,000	\$5,353,249	11.3%	\$430,729	72.9%	\$ 4,599,408	16.4%
June	\$822,000	\$1,218,669	48.3%	\$5,631,000	\$6,571,918	16.7%	\$713,217	70.9%	\$ 5,312,624	23.7%
July	\$1,097,000	\$1,694,768	54.5%	\$6,728,000	\$8,266,686	22.9%	\$1,164,095	45.6%	\$ 6,476,719	27.6%
Aug	\$917,000			\$7,645,000			\$1,117,891		\$ 7,594,610	
Sept	\$801,000			\$8,446,000			\$1,181,742		\$ 8,776,352	
Oct	\$498,000			\$8,944,000			\$845,122		\$ 9,621,474	
Nov	\$484,000			\$9,428,000			\$688,722		\$ 10,310,196	
Dec	\$1,461,000			\$10,889,000			\$1,533,844		\$ 11,844,040	

**Actual Collections Year To Date Through July**

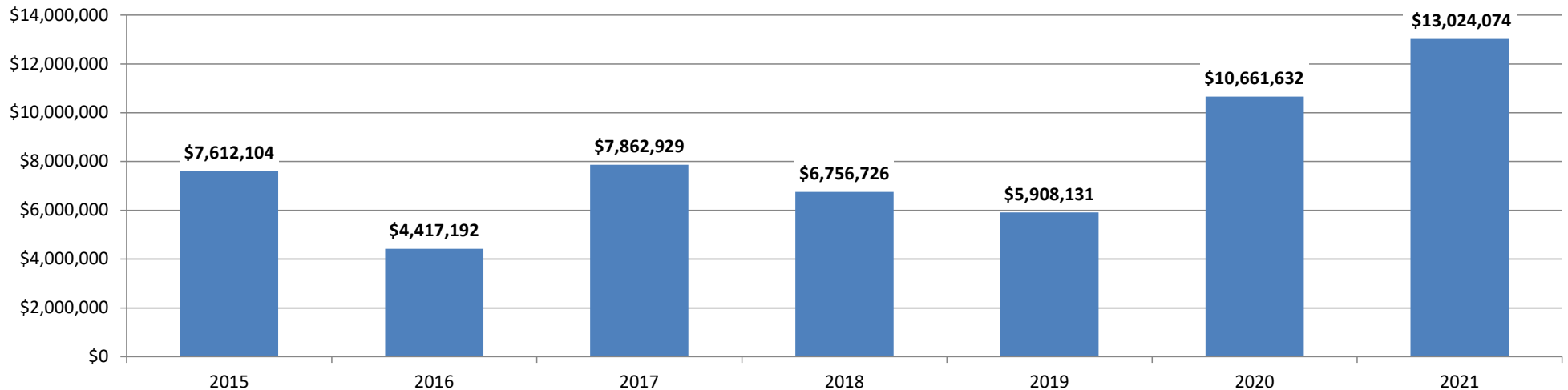


**Housing Real Estate Transfer Tax  
September 2021**

Current Month Revenues are **(52.1%)** below last year's Monthly Revenues.  
 Year To Date Revenues are **182.8%** above Year To Date Budgeted Revenues.  
 Year To Date Revenues are **22.2%** 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	\$440,400	\$1,602,114	263.8%	\$440,400	\$1,602,114	263.8%	\$1,098,343	45.9%	\$1,098,343	45.9%
Feb	\$412,600	\$711,920	72.5%	\$853,000	\$2,314,034	171.3%	\$496,350	43.4%	\$1,594,693	45.1%
Mar	\$432,900	\$1,294,339	199.0%	\$1,285,900	\$3,608,373	180.6%	\$598,199	116.4%	\$2,192,893	64.5%
Apr	\$560,000	\$2,251,850	302.1%	\$1,845,900	\$5,860,223	217.5%	\$505,915	345.1%	\$2,698,808	117.1%
May	\$566,200	\$1,070,000	89.0%	\$2,412,100	\$6,930,223	187.3%	\$110,180	871.1%	\$2,808,988	146.7%
June	\$537,300	\$1,377,685	156.4%	\$2,949,400	\$8,307,908	181.7%	\$477,350	188.6%	\$3,286,338	152.8%
July	\$384,200	\$919,840	139.4%	\$3,333,600	\$9,227,748	176.8%	\$885,546	3.9%	\$4,171,884	121.2%
Aug	\$524,800	\$1,904,684	262.9%	\$3,858,400	\$11,132,432	188.5%	\$2,542,417	(25.1%)	\$6,714,301	65.8%
Sept	\$746,400	\$1,891,643	153.4%	\$4,604,800	\$13,024,074	182.8%	\$3,947,332	(52.1%)	\$10,661,632	22.2%
Oct	\$644,600			\$5,249,400			\$2,928,865		\$13,590,497	
Nov	\$439,200			\$5,688,600			\$1,717,838		\$15,308,335	
Dec	\$511,400			\$6,200,000			\$2,281,317		\$17,589,652	

**Actual Collections Year To Date Through September**



**Wheeler Opera House Real Estate Transfer Tax  
September 2021**

**Current Month Revenues are (52.1%) below last year's Monthly Revenues.**  
**Year To Date Revenues are 185.2% above Year To Date Budgeted Revenues.**  
**Year To Date Revenues are 13.2% 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	\$235,400	\$828,882	252.1%	\$235,400	\$828,882	252.1%	\$565,600	46.5%	\$565,600	46.5%
Feb	\$213,800	\$370,913	73.5%	\$449,200	\$1,199,795	167.1%	\$262,833	41.1%	\$828,432	44.8%
Mar	\$221,500	\$672,890	203.8%	\$670,700	\$1,872,685	179.2%	\$567,936	18.5%	\$1,396,369	34.1%
Apr	\$291,700	\$1,152,214	295.0%	\$962,400	\$3,024,899	214.3%	\$448,184	157.1%	\$1,844,552	64.0%
May	\$298,400	\$559,092	87.4%	\$1,260,800	\$3,583,990	184.3%	\$58,875	849.6%	\$1,903,427	88.3%
June	\$228,300	\$707,695	210.0%	\$1,489,100	\$4,291,686	188.2%	\$248,150	185.2%	\$2,151,577	99.5%
July	\$185,600	\$480,929	159.1%	\$1,674,700	\$4,772,615	185.0%	\$464,915	3.4%	\$2,616,492	82.4%
Aug	\$272,200	\$982,807	261.1%	\$1,946,900	\$5,755,422	195.6%	\$1,298,686	(24.3%)	\$3,915,178	47.0%
Sept	\$411,300	\$970,454	135.9%	\$2,358,200	\$6,725,875	185.2%	\$2,027,283	(52.1%)	\$5,942,461	13.2%
Oct	\$355,100			\$2,713,300			\$1,495,710		\$7,438,171	
Nov	\$230,300			\$2,943,600			\$882,569		\$8,320,741	
Dec	\$289,400			\$3,233,000			\$1,161,524		\$9,482,264	

**Actual Collections Year To Date Through September**

