

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

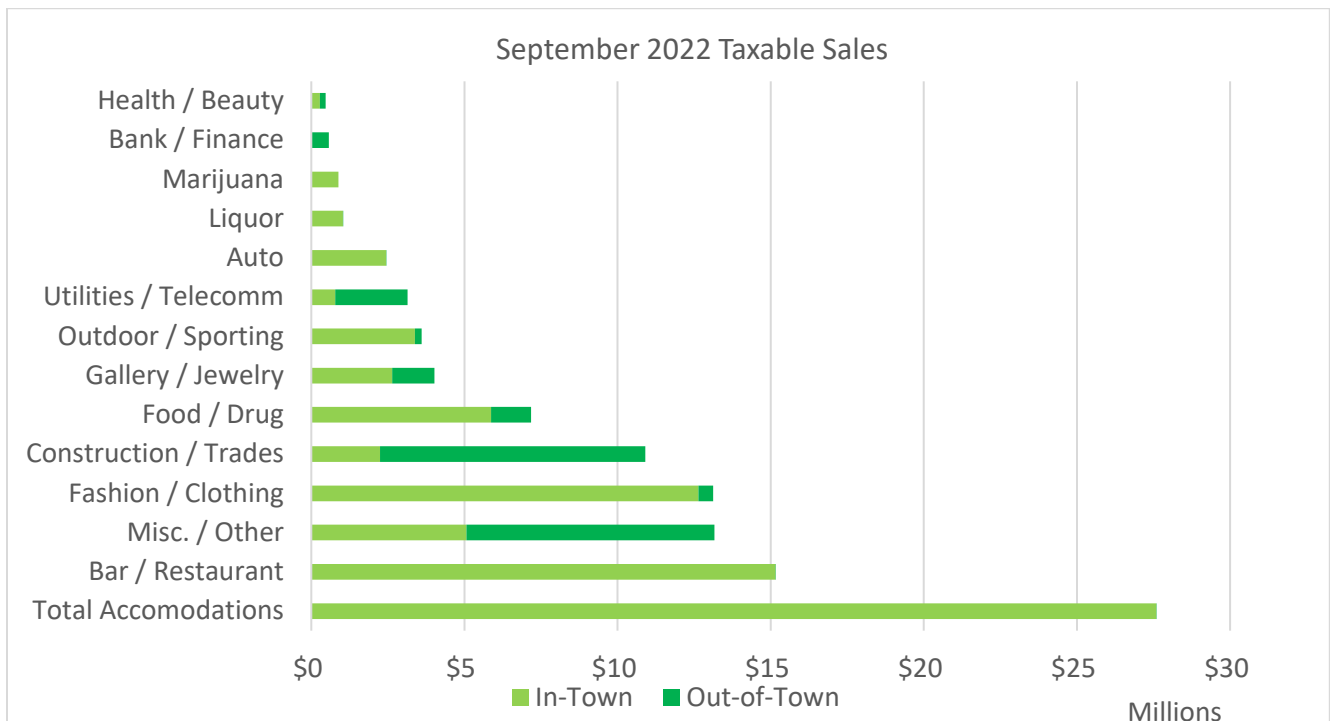


Aggregate Taxable Sales & Industry Highlights:

September taxable sales typically equates to roughly 8% of the annual sales, with local tourism activity being boosted by a dedicated stream of leaf peepers. Given the monthly 1/12th share of annual sales being skewed in the last two years due to the influence of the pandemic during those periods, adjusting our monthly comparison back to pre-pandemic figures from 2019, it is shocking to see that 2022 taxable sales increased 62% this month when compared to the same period three years ago. Even when backing out the rough impact of inflation (~16%) over this timeframe, this is a significant level of growth, and is largely a reflection of the elevated consumption by the post-pandemic consumer that is likely to wane as pandemic savings levels have receded and as general consumer sentiment has eroded.

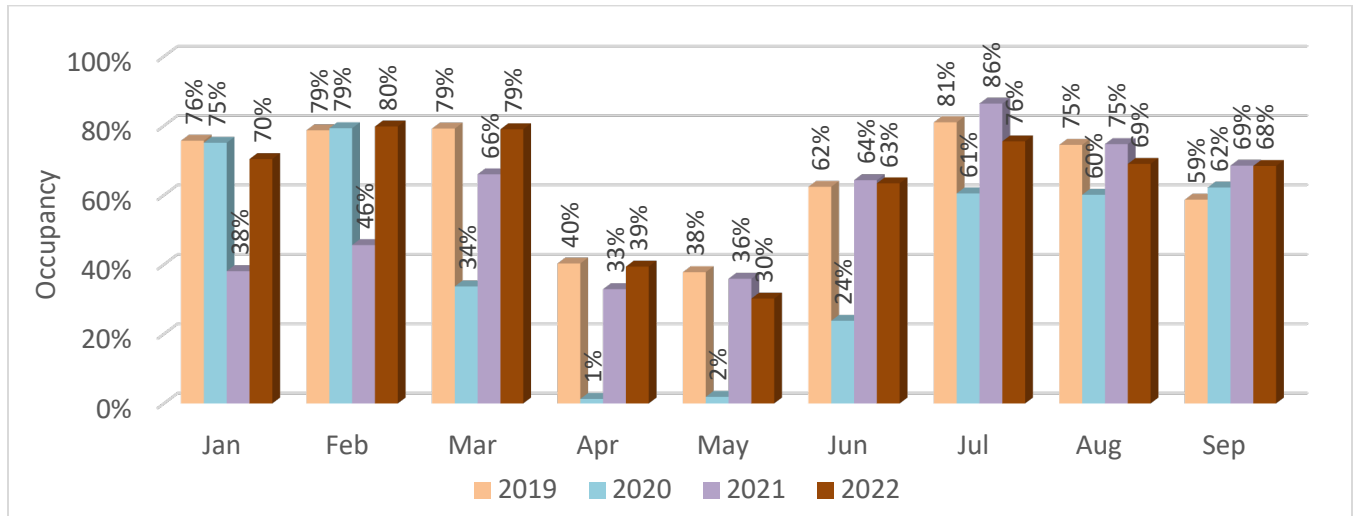
While the local economy has experienced a 24% growth in taxable sales through the first nine months of the year, the most recent month retreated roughly 3% when compared to the same period last year. When looking at some specific industries – restaurants/bars and jewelry/gallery sectors retreated roughly 11% and 38%, respectively – it is visible that the restoration in timing for the Food and Wine Classic from September (in 2021) to June (in 2022) played a role in how monthly collections came in. These soft figures were accompanied by a mere 2% increase in accommodations sales that otherwise helps anchor the local economy given its overall dollar value, and could not offset the retreating sales noted above but also in multiple other sectors as well.

September’s economic activity of 77% local brick and mortar sales vs. 23% from online/external businesses reflects the softening local sales that is routinely present when high season ends and we transition into shoulder seasons.



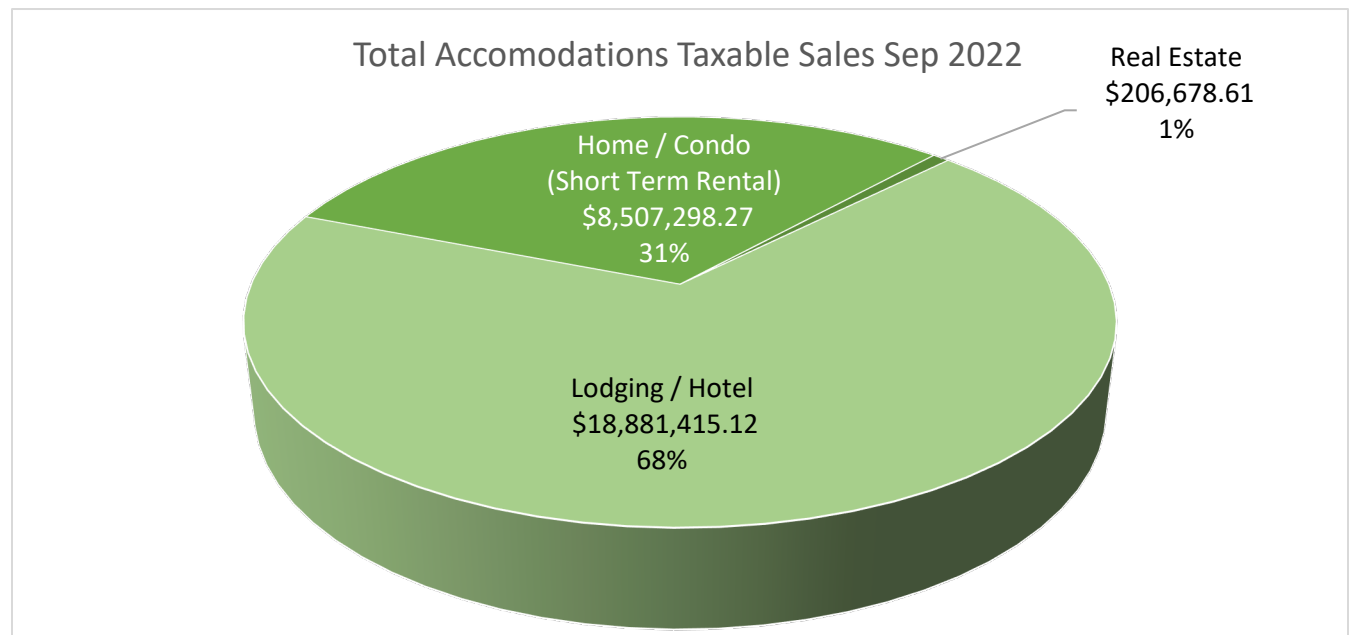
Sales and Lodging Tax:

Monthly lodging tax collections were down for the first time this year, with September receipts roughly 2% below the same month one year prior. On a year-to-date basis, collections remain nearly 57% above 2021 collections through the first nine months; however, there remains a softening trend in the monthly figures. Occupancy for the month was stable at roughly 68% and consistent with last year’s strong visitation levels - this was positive news for the industry given the four months of declining occupancy figures preceding the month.



Short-Term Rentals

On November 8, Aspen voters gave their support for a new excise tax on nightly short-term rental stays. This new tax – which will go into effect on room nights after April 30 – will equate to 5% on the cost of nightly stays at lodge-exempt and owner-occupied units, and 10% on nightly stays associated with 2nd homeowner and investment property units. Pursuant to the ballot language, the uses of this new visitor-paid tax will be prioritized such that at least 70% of tax collections will be utilized for affordable housing, and the remainder will go towards environmental initiatives and infrastructure maintenance and repair.

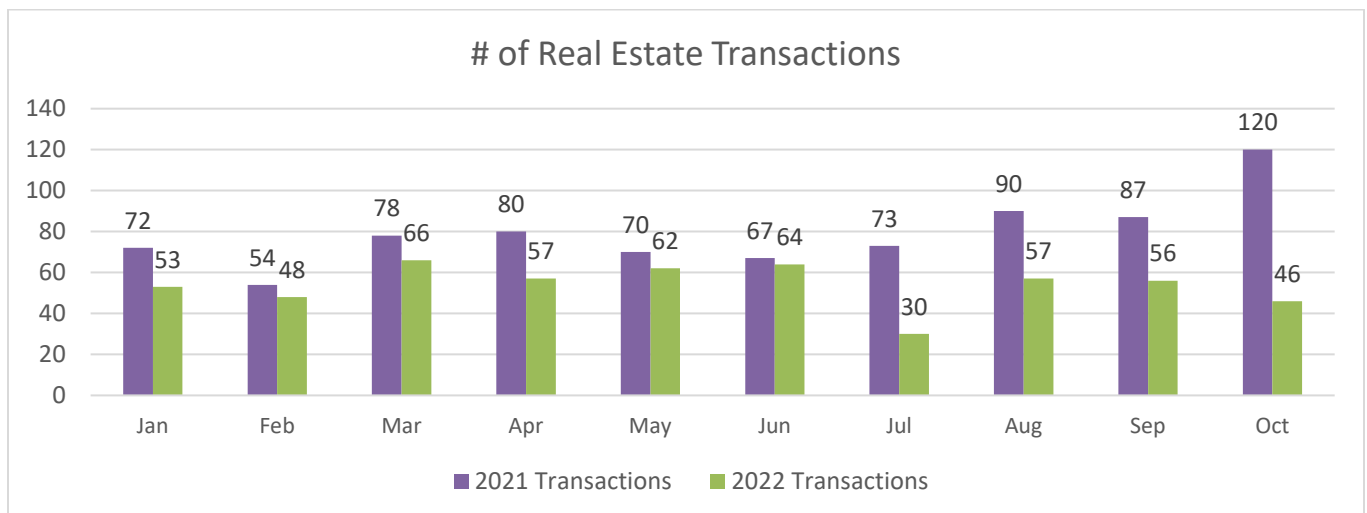
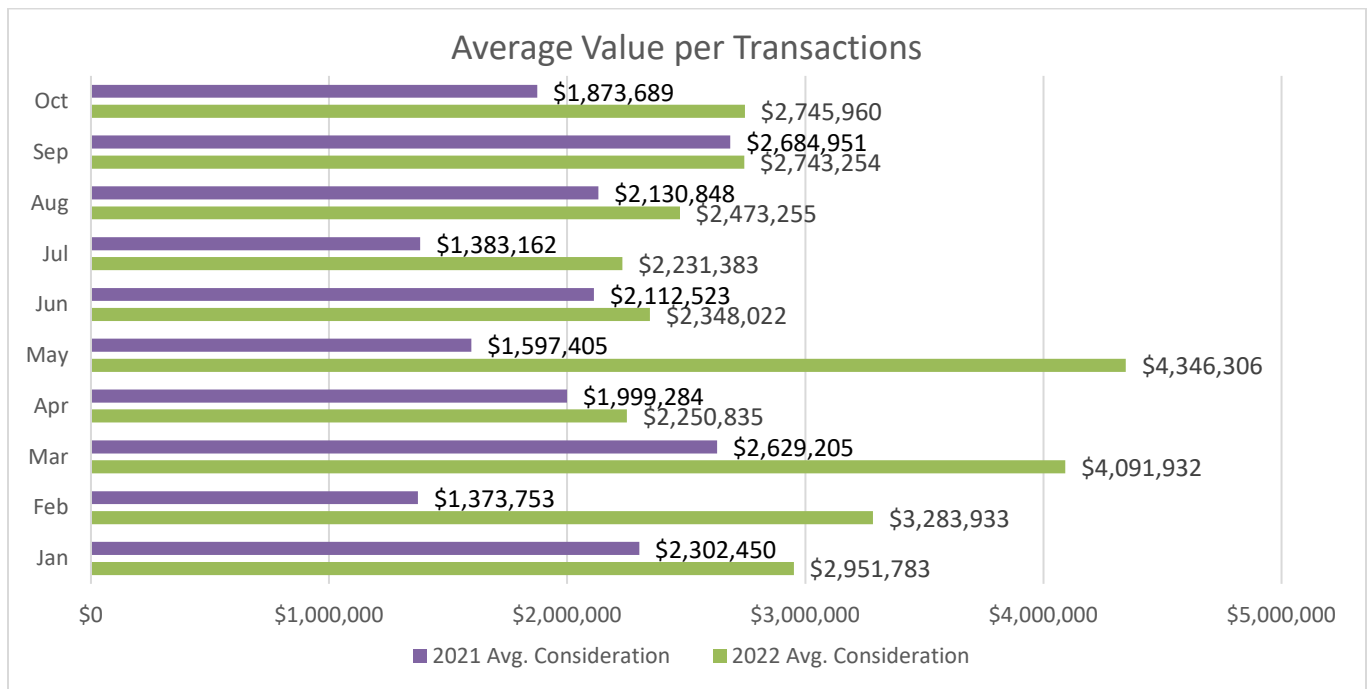


City Share of County Sales Tax:

The City of Aspen’s allocated portion of Pitkin County’s 2.0% sales tax for the month of August increased roughly 8% over the same period a year ago, with year-to-date collections pacing 27% ahead of last year after eight months.

Real Estate Transfer Taxes:

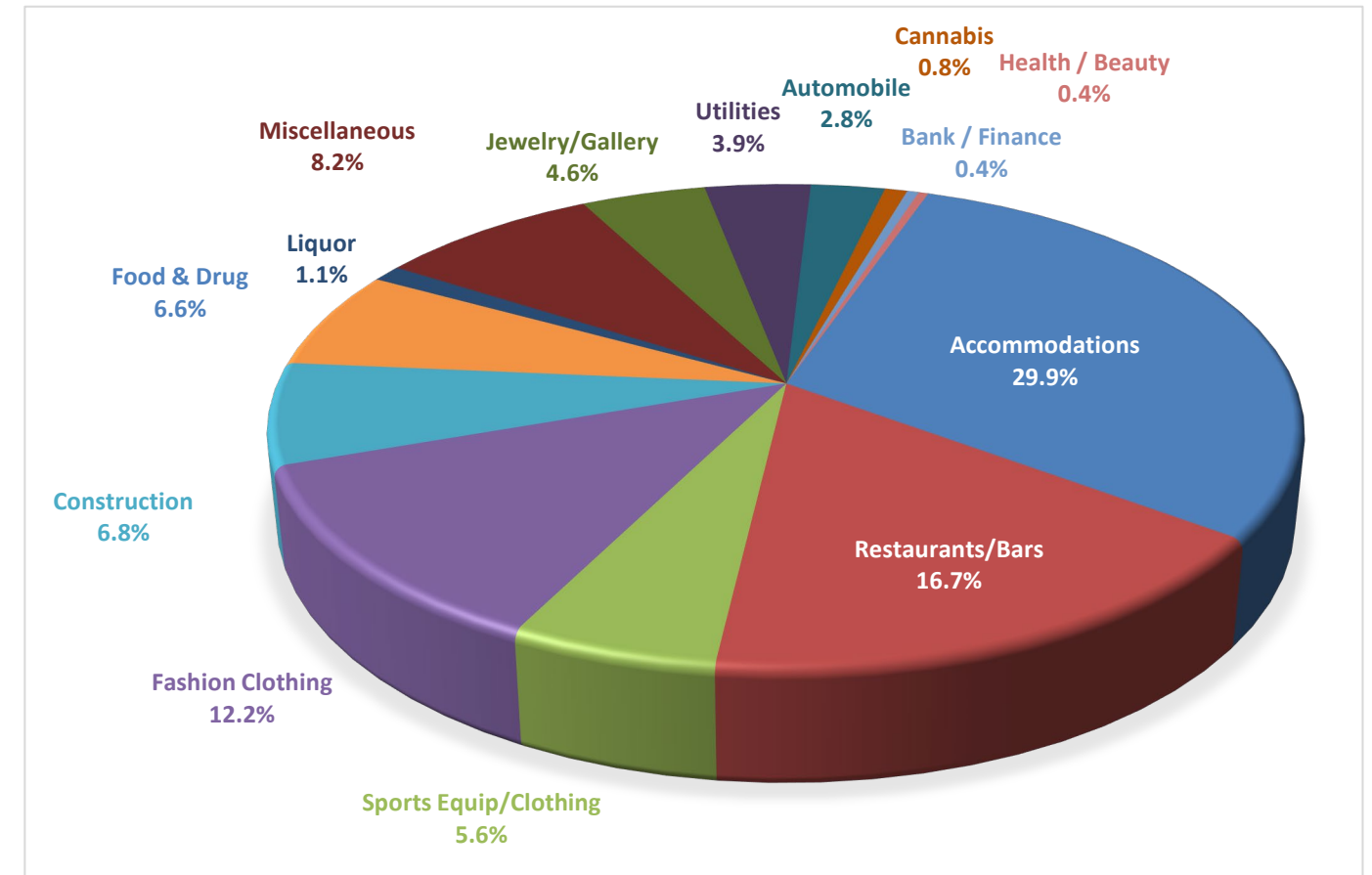
The volume of transactions in 2022 now stands at 539 through ten months, reflective of a 32% reduction to the 791 transactions through October 2021 one year prior. Despite this reduction in volume, aggregate tax collections for these periods are mostly equal, with 2022 year-to-date figures just 0.9% above 2021 collections, and is driven by the average consideration price (\$3,005,633) increasing 48% over last year’s experience (\$2,034,788).



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

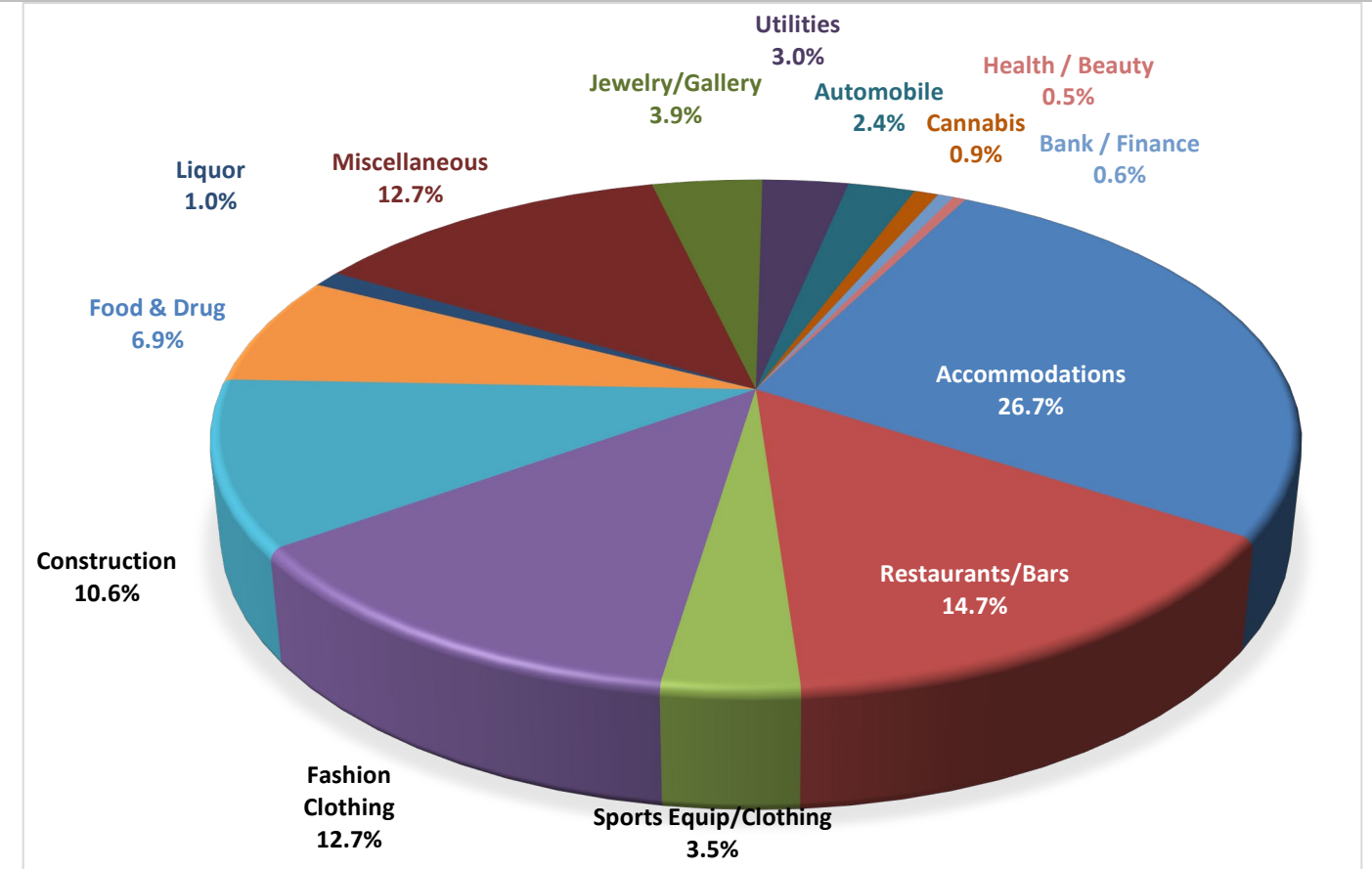
Year To Date Retail Sales

Category	Retail Sales	% of Total Retail Sales	% Change to 2021
Accommodations	\$280,817,981	29.9%	53.0%
Restaurants/Bars	\$156,719,617	16.7%	29.3%
Sports Equip/Clothing	\$52,403,653	5.6%	15.4%
Fashion Clothing	\$114,407,363	12.2%	26.4%
Construction	\$63,927,872	6.8%	(9.1%)
Food & Drug	\$61,964,648	6.6%	13.4%
Liquor	\$10,312,332	1.1%	(1.6%)
Miscellaneous	\$77,380,099	8.2%	20.2%
Jewelry/Gallery	\$43,380,026	4.6%	28.8%
Utilities	\$36,922,446	3.9%	(2.7%)
Automobile	\$25,832,880	2.8%	(5.1%)
Cannabis	\$7,812,688	0.8%	(12.6%)
Bank / Finance	\$4,059,449	0.4%	17.9%
Health / Beauty	\$3,402,924	0.4%	(34.0%)
Total	\$939,343,979	100.0%	24.1%



September Monthly Retail Sales

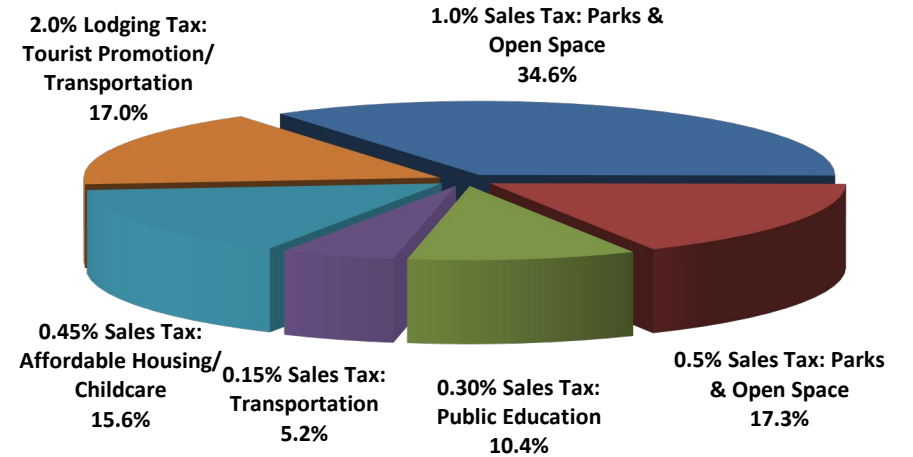
Category	Retail Sales	% of Total Retail Sales	% Change to 2021
Accommodations	\$27,595,392	26.7%	1.8%
Restaurants/Bars	\$15,161,431	14.7%	(11.5%)
Sports Equip/Clothing	\$3,605,771	3.5%	(4.4%)
Fashion Clothing	\$13,125,366	12.7%	(1.5%)
Construction	\$10,907,268	10.6%	(1.4%)
Food & Drug	\$7,177,673	6.9%	18.7%
Liquor	\$1,043,604	1.0%	(7.6%)
Miscellaneous	\$13,159,335	12.7%	39.9%
Jewelry/Gallery	\$4,018,904	3.9%	(38.3%)
Utilities	\$3,140,314	3.0%	(6.5%)
Automobile	\$2,449,444	2.4%	(52.7%)
Cannabis	\$881,146	0.9%	2.6%
Bank / Finance	\$574,320	0.6%	(5.1%)
Health / Beauty	\$468,935	0.5%	(48.9%)
Total	\$103,308,902	100.0%	(2.9%)



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

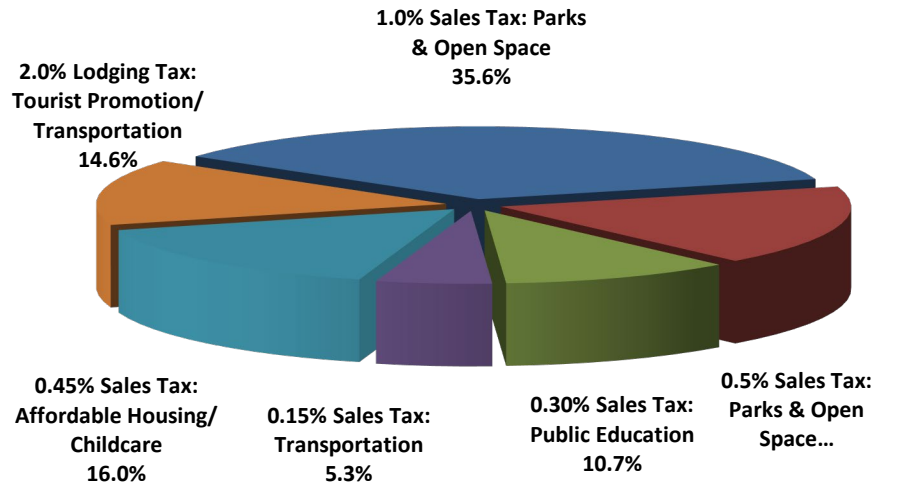
Year To Date Tax Collections

Tax Type	YTD Taxes Collected	% YTD Taxes
1.0% Sales Tax: Parks & Open Space	\$9,361,819.44	34.6%
0.5% Sales Tax: Parks & Open Space	\$4,680,898.59	17.3%
0.30% Sales Tax: Public Education	\$2,811,689.12	10.4%
0.15% Sales Tax: Transportation	\$1,404,284.13	5.2%
0.45% Sales Tax: Affordable Housing/ Childcare	\$4,212,803.95	15.6%
2.0% Lodging Tax: Tourist Promotion/ Transportation	<u>\$4,601,417.65</u>	<u>17.0%</u>
Total	\$27,072,912.88	100%



September Monthly Tax Collections

Tax Type	Monthly Taxes Collected	% Monthly Taxes
1.0% Sales Tax: Parks & Open Space	\$1,027,095.04	35.6%
0.5% Sales Tax: Parks & Open Space	\$513,545.83	17.8%
0.30% Sales Tax: Public Education	\$308,389.66	10.7%
0.15% Sales Tax: Transportation	\$154,065.70	5.3%
0.45% Sales Tax: Affordable Housing/ Childcare	\$462,190.67	16.0%
2.0% Lodging Tax: Tourist Promotion/ Transportation	<u>\$422,786.31</u>	<u>14.6%</u>
Total	\$2,888,073.21	100%



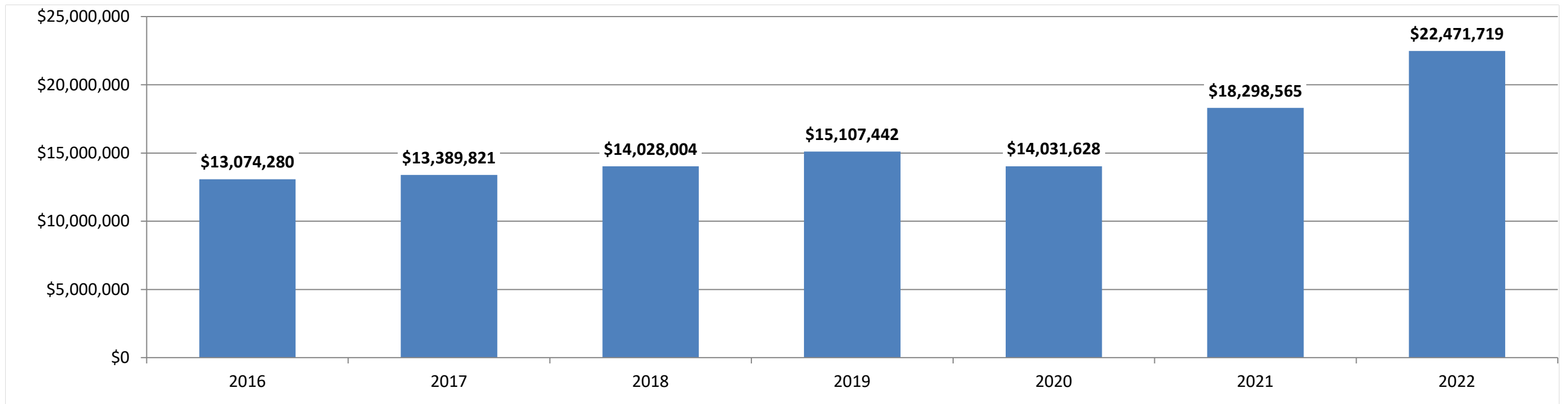
**City of Aspen Sales Tax 2.4%
September 2022**

Current Month Revenues are (2.8%) below last year's Monthly Revenues.
Year To Date Revenues are 28.1% above Year To Date Budgeted Revenues.
Year To Date Revenues are 22.8% 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	\$2,516,000	\$2,829,557	12.5%	\$2,516,000	\$2,829,557	12.5%	\$1,594,720	77.4%	\$1,594,720	77.4%
Feb	\$2,295,000	\$3,026,029	31.9%	\$4,811,000	\$5,855,586	21.7%	\$1,673,483	80.8%	\$3,268,203	79.2%
Mar	\$2,623,000	\$3,555,334	35.5%	\$7,434,000	\$9,410,920	26.6%	\$2,645,788	34.4%	\$5,913,991	59.1%
Apr	\$956,000	\$1,362,748	42.5%	\$8,390,000	\$10,773,668	28.4%	\$1,117,415	22.0%	\$7,031,407	53.2%
May	\$802,000	\$982,151	22.5%	\$9,192,000	\$11,755,819	27.9%	\$964,724	1.8%	\$7,996,131	47.0%
June	\$1,941,000	\$2,501,486	28.9%	\$11,133,000	\$14,257,305	28.1%	\$2,213,718	13.0%	\$10,209,848	39.6%
July	\$2,487,000	\$3,002,254	20.7%	\$13,620,000	\$17,259,559	26.7%	\$3,058,702	(1.8%)	\$13,268,550	30.1%
Aug	\$2,107,000	\$2,746,873	30.4%	\$15,727,000	\$20,006,432	27.2%	\$2,493,158	10.2%	\$15,761,708	26.9%
Sept	\$1,817,000	\$2,465,287	35.7%	\$17,544,000	\$22,471,719	28.1%	\$2,536,858	(2.8%)	\$18,298,565	22.8%
Oct	\$1,076,000			\$18,620,000			\$1,549,662		\$19,848,228	
Nov	\$925,000			\$19,545,000			\$1,149,543		\$20,997,771	
Dec	\$3,421,000			\$22,966,000			\$3,511,405		\$24,509,175	

* Budget amounts restated to capture additional 0.3% sales tax dedicated to public education previously excluded.

Actual Collections Year To Date Through September



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

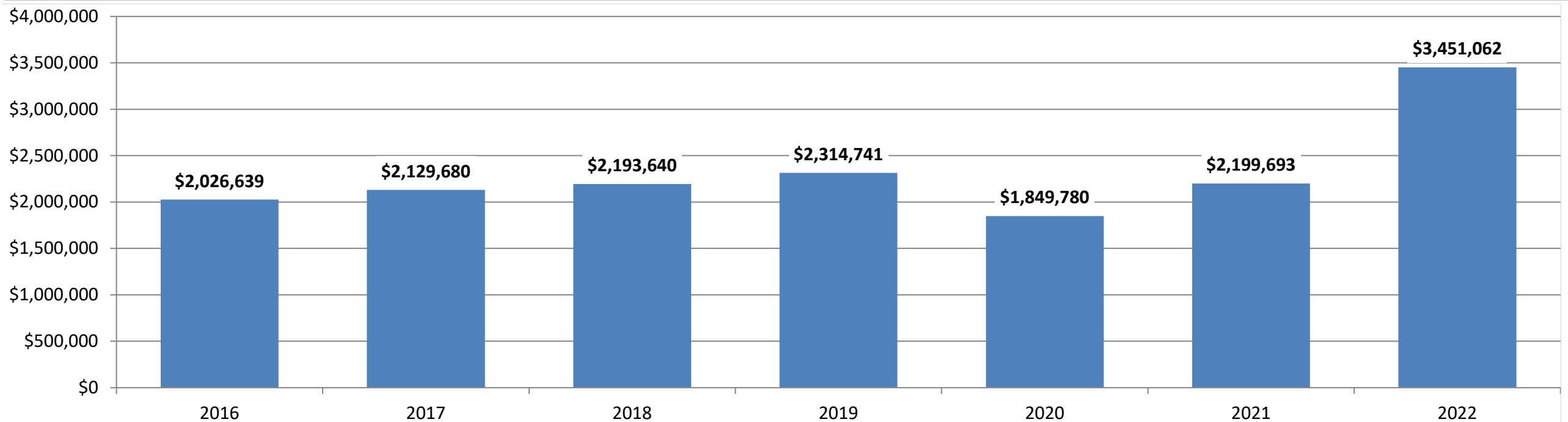
Current Month Revenues are (2.2%) below last year's Monthly Revenues adjusted for rate increase.

Year To Date Revenues are 43.0% above Year To Date Budgeted Revenues.

Year To Date Revenues are 56.9% 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	\$678,895	53.6%	\$1,298,800	\$1,784,150	37.4%	\$369,554	83.7%	\$746,997	138.8%
Apr	\$66,200	\$124,826	88.6%	\$1,365,000	\$1,908,977	39.9%	\$88,271	41.4%	\$835,268	128.5%
May	\$51,800	\$65,610	26.7%	\$1,416,800	\$1,974,586	39.4%	\$50,893	28.9%	\$886,160	122.8%
June	\$225,700	\$334,739	48.3%	\$1,642,500	\$2,309,326	40.6%	\$231,840	44.4%	\$1,118,001	106.6%
July	\$327,800	\$443,471	35.3%	\$1,970,300	\$2,752,797	39.7%	\$429,454	3.3%	\$1,547,455	77.9%
Aug	\$265,500	\$381,176	43.6%	\$2,235,800	\$3,133,973	40.2%	\$328,132	16.2%	\$1,875,586	67.1%
Sept	\$176,800	\$317,090	79.3%	\$2,412,600	\$3,451,062	43.0%	\$324,107	(2.2%)	\$2,199,693	56.9%
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 September

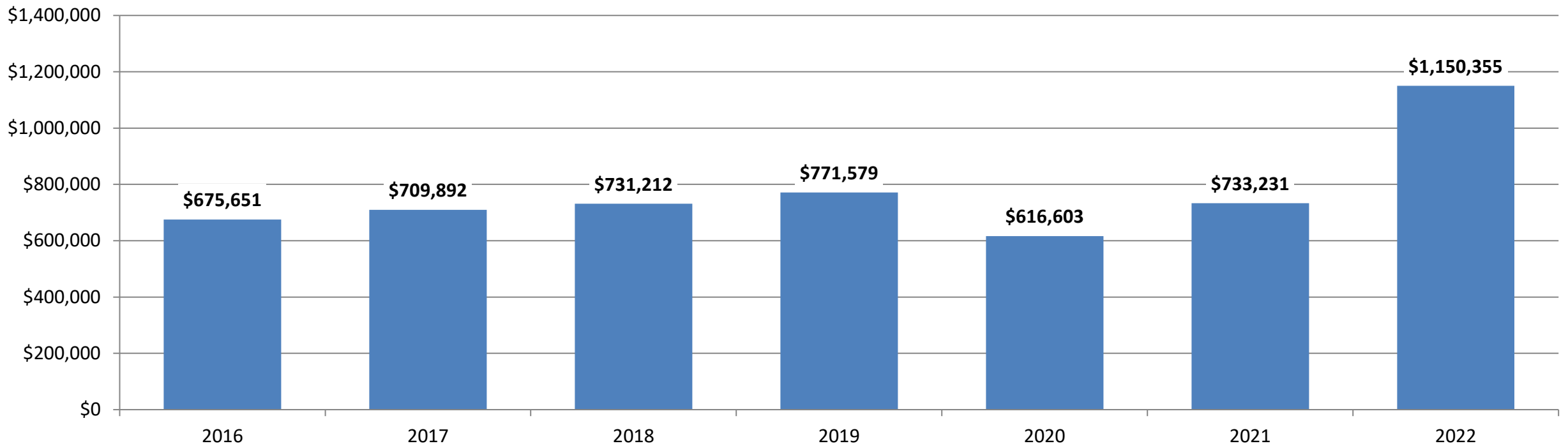


**City of Aspen Transportation 0.5% Lodging Tax
September 2022**

Current Month Revenues are (2.2%) below last year's Monthly Revenues
Year To Date Revenues are 43.0% above Year To Date Budgeted Revenues.
Year To Date Revenues are 56.9% above last year's Actual Year To Date Revenues.

<u>Month</u>	2022 Monthly Budget vs. 2022 Actual			2022 YTD Budget vs. 2022 Actual			2022 vs. 2021			
	<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	\$226,298	53.6%	\$432,900	\$594,717	37.4%	\$123,184	83.7%	\$248,998	138.8%
Apr	\$22,100	\$41,609	88.3%	\$455,000	\$636,326	39.9%	\$29,424	41.4%	\$278,421	128.5%
May	\$17,300	\$21,870	26.4%	\$472,300	\$658,196	39.4%	\$16,964	28.9%	\$295,386	122.8%
June	\$75,200	\$111,580	48.4%	\$547,500	\$769,776	40.6%	\$77,280	44.4%	\$372,666	106.6%
July	\$109,300	\$147,824	35.2%	\$656,800	\$917,600	39.7%	\$143,151	3.3%	\$515,817	77.9%
Aug	\$88,500	\$127,059	43.6%	\$745,300	\$1,044,659	40.2%	\$109,377	16.2%	\$625,195	67.1%
Sept	\$58,900	\$105,697	79.5%	\$804,200	\$1,150,355	43.0%	\$108,036	(2.2%)	\$733,231	56.9%
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 September

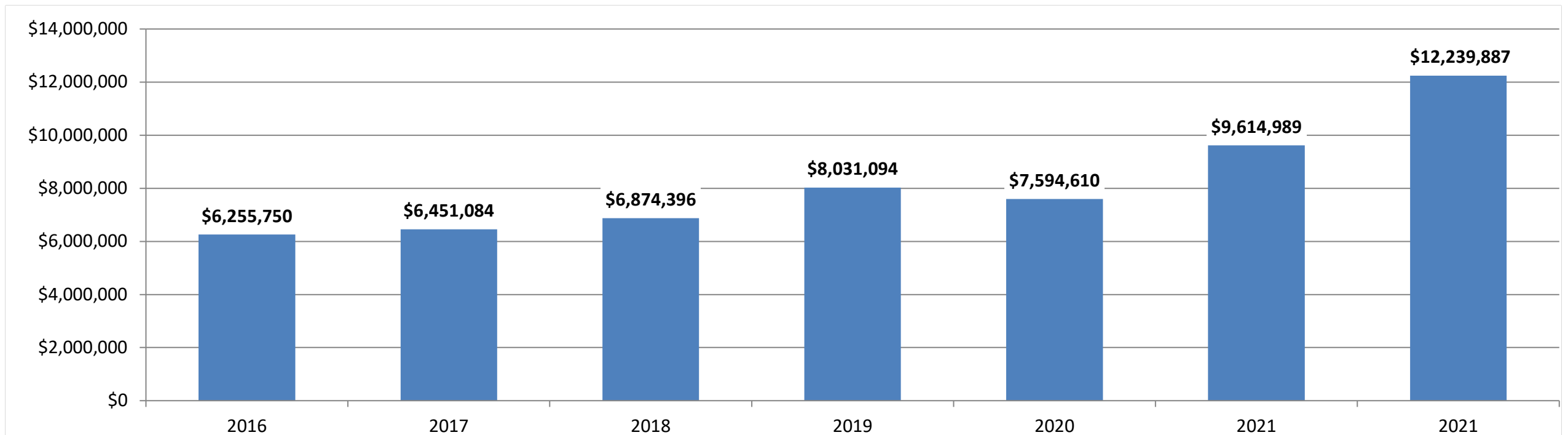


**City of Aspen Portion of Pitkin County 3.6% Sales Tax
August 2022**

Current Month Revenues are 8.3% above last year's Monthly Revenues.
Year To Date Revenues are 23.7% above Year To Date Budgeted Revenues.
Year To Date Revenues are 27.3% 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	\$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	\$1,913,738	17.3%	\$3,392,000	\$3,778,898	11.4%	\$1,183,150	61.7%	\$ 2,275,171	66.1%
Mar	\$1,689,000	\$2,125,220	25.8%	\$5,081,000	\$5,904,118	16.2%	\$1,515,832	40.2%	\$ 3,791,002	55.7%
Apr	\$660,000	\$969,500	46.9%	\$5,741,000	\$6,873,618	19.7%	\$817,669	18.6%	\$ 4,608,671	49.1%
May	\$482,000	\$782,204	62.3%	\$6,223,000	\$7,655,822	23.0%	\$665,386	17.6%	\$ 5,274,058	45.2%
June	\$1,035,000	\$1,345,550	30.0%	\$7,258,000	\$9,001,372	24.0%	\$1,218,669	10.4%	\$ 6,492,727	38.6%
July	\$1,394,000	\$1,692,577	21.4%	\$8,652,000	\$10,693,949	23.6%	\$1,694,768	(0.1%)	\$ 8,187,494	30.6%
Aug	\$1,244,000	\$1,545,937	24.3%	\$9,896,000	\$12,239,887	23.7%	\$1,427,495	8.3%	\$ 9,614,989	27.3%
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 August

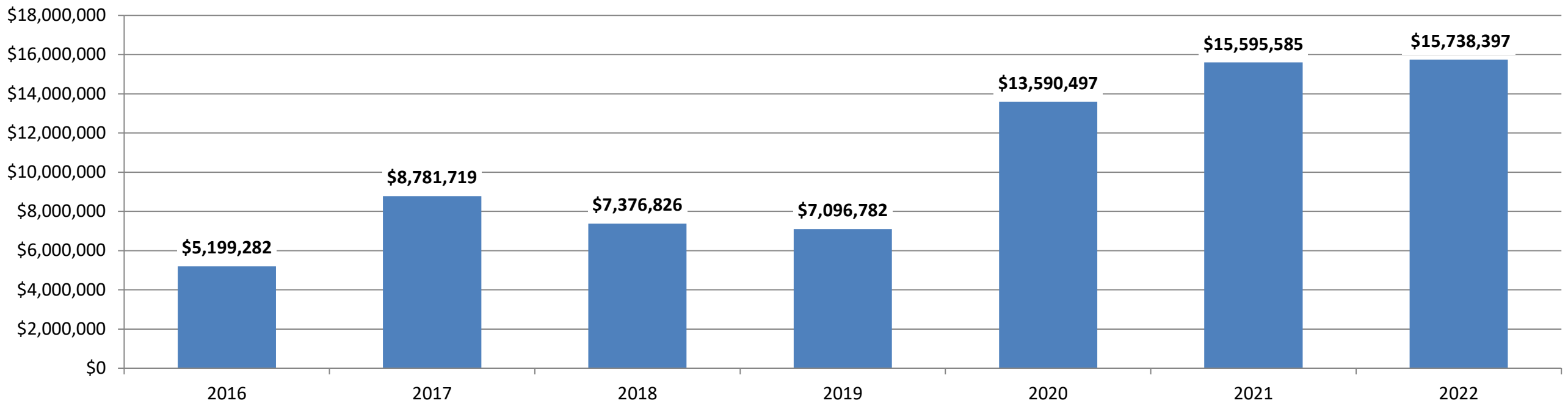


**Housing Real Estate Transfer Tax
October 2022**

Current Month Revenues are **(52.0%)** below last year's Monthly Revenues.
 Year To Date Revenues are **133.2%** above Year To Date Budgeted Revenues.
 Year To Date Revenues are **0.9%** above last year's Actual Year To Date Revenues.

2022 Monthly Budget vs. 2022 Actual				2022 YTD Budget vs. 2022 Actual			2022 vs. 2021			
<u>Month</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	\$566,000	\$1,471,810	160.0%	\$566,000	\$1,471,810	160.0%	\$1,602,114	(8.1%)	\$1,602,114	(8.1%)
Feb	\$530,000	\$1,546,799	191.8%	\$1,096,000	\$3,018,609	175.4%	\$711,920	117.3%	\$2,314,034	30.4%
Mar	\$556,000	\$2,656,014	377.7%	\$1,652,000	\$5,674,623	243.5%	\$1,294,339	105.2%	\$3,608,373	57.3%
Apr	\$720,000	\$1,237,195	71.8%	\$2,372,000	\$6,911,818	191.4%	\$2,251,850	(45.1%)	\$5,860,223	17.9%
May	\$728,000	\$2,610,330	258.6%	\$3,100,000	\$9,522,148	207.2%	\$1,070,000	144.0%	\$6,930,223	37.4%
June	\$691,000	\$1,467,414	112.4%	\$3,791,000	\$10,989,562	189.9%	\$1,377,685	6.5%	\$8,307,908	32.3%
July	\$494,000	\$651,850	32.0%	\$4,285,000	\$11,641,412	171.7%	\$919,840	(29.1%)	\$9,227,748	26.2%
Aug	\$675,000	\$1,359,294	101.4%	\$4,960,000	\$13,000,706	162.1%	\$1,904,684	(28.6%)	\$11,132,432	16.8%
Sept	\$960,000	\$1,503,485	56.6%	\$5,920,000	\$14,504,191	145.0%	\$1,891,643	(20.5%)	\$13,024,074	11.4%
Oct	\$829,000	\$1,234,207	48.9%	\$6,749,000	\$15,738,397	133.2%	\$2,571,511	(52.0%)	\$15,595,585	0.9%
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 October



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

Current Month Revenues are (52.2%) below last year's Monthly Revenues.
Year To Date Revenues are 139.6% above Year To Date Budgeted Revenues.
Year To Date Revenues are 0.7% 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	\$782,223	174.5%	\$285,000	\$782,223	174.5%	\$828,882	(5.6%)	\$828,882	(5.6%)
Feb	\$273,000	\$788,144	188.7%	\$558,000	\$1,570,367	181.4%	\$370,913	112.5%	\$1,199,795	30.9%
Mar	\$280,000	\$1,350,338	382.3%	\$838,000	\$2,920,704	248.5%	\$672,890	100.7%	\$1,872,685	56.0%
Apr	\$358,000	\$641,488	79.2%	\$1,196,000	\$3,562,192	197.8%	\$1,152,214	(44.3%)	\$3,024,899	17.8%
May	\$373,000	\$1,347,355	261.2%	\$1,569,000	\$4,909,547	212.9%	\$559,092	141.0%	\$3,583,990	37.0%
June	\$343,000	\$751,367	119.1%	\$1,912,000	\$5,660,914	196.1%	\$707,695	6.2%	\$4,291,686	31.9%
July	\$245,000	\$334,708	36.6%	\$2,157,000	\$5,995,622	178.0%	\$480,929	(30.4%)	\$4,772,615	25.6%
Aug	\$338,000	\$704,878	108.5%	\$2,495,000	\$6,700,499	168.6%	\$982,807	(28.3%)	\$5,755,422	16.4%
Sept	\$477,000	\$768,111	61.0%	\$2,972,000	\$7,468,610	151.3%	\$970,454	(20.9%)	\$6,725,875	11.0%
Oct	\$409,000	\$631,571	54.4%	\$3,381,000	\$8,100,181	139.6%	\$1,321,834	(52.2%)	\$8,047,709	0.7%
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 October

