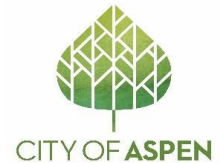


To: Aspen City Council
From: Pete Strecker, Finance Director
Date: April 14, 2023
Re: February 2023 Consumption Tax Report



Aggregate Taxable Sales & Industry Highlights:

Aggregate taxable sales were up 5% relative to February 2022 continuing the robust spending for the first month of the new calendar and fiscal year. February 2023 continues the winter season trend of economic activity, with 89% of spend taking place within local brick and mortar sales versus just 11% from online/external businesses, underlining strong performance for the local economy. As a reference point, February is typically 10% of annual taxable sales, putting it in the top third of months for economic activity.

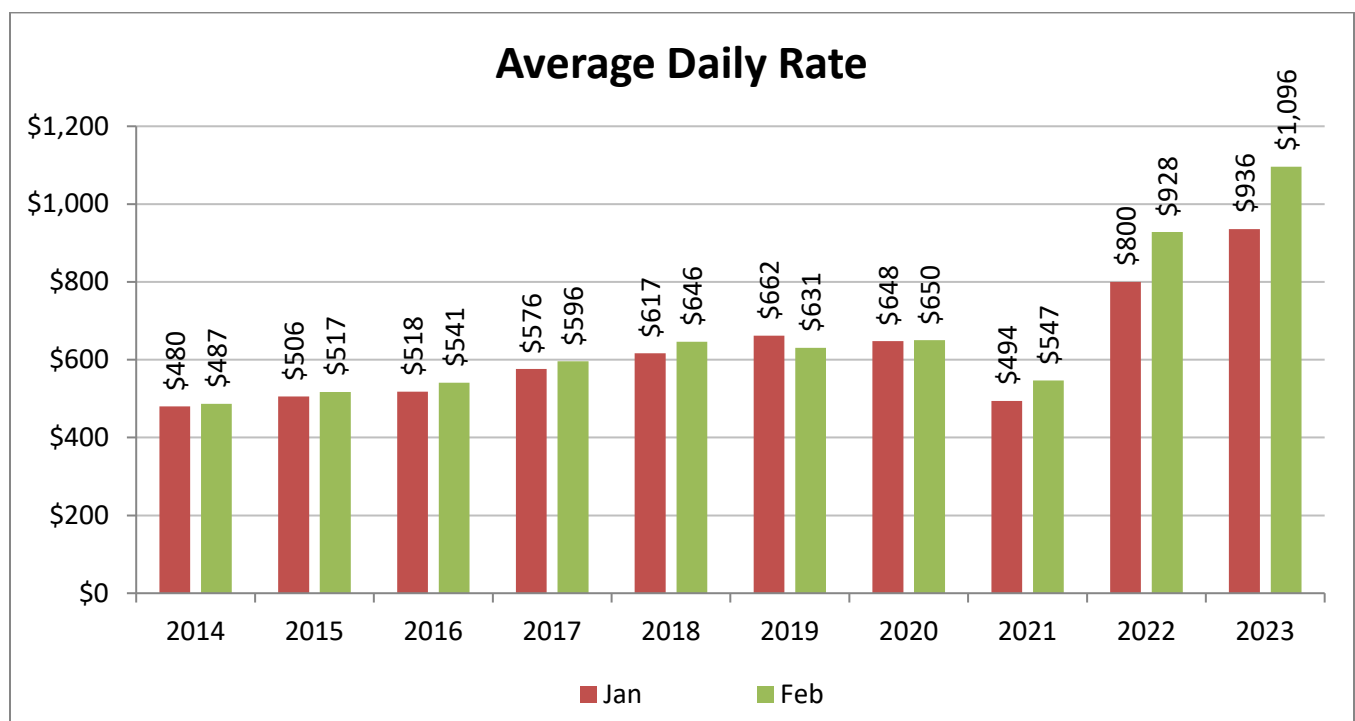
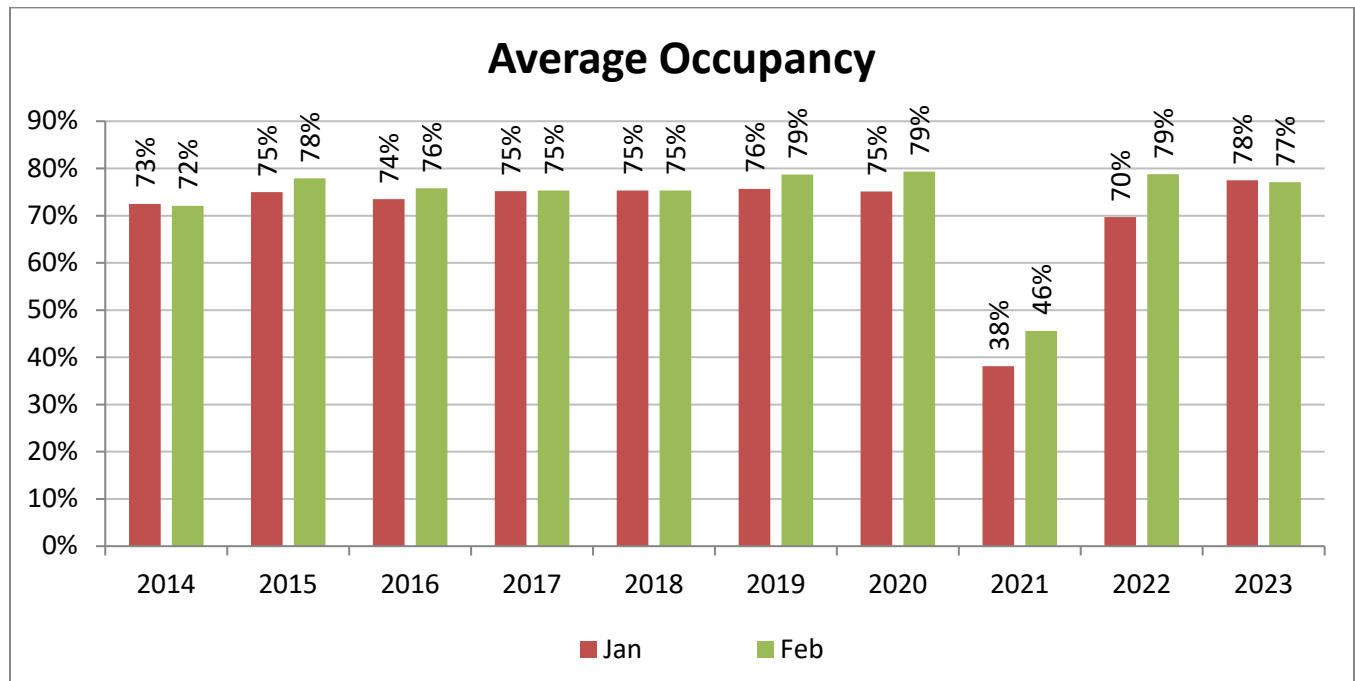
Diving into the industry level data slightly, the high dollar sectors for accommodations and restaurants/bars had elevated activity, posting 5% and 10% growth percentages over previous year's performance, respectively. Lesser overall dollar valued sectors seeing increases were utilities and jewelry/gallery, up 11% and 108%, respectively. Finally, health/beauty was also up significantly but that was mainly due to late payments being collected.

The remainder of the industries experienced small declines in taxable sales relative to February 2022. This can possibly be attributed to the comparison to February 2022 being such an incredibly high year in taxable sales, approximately 50% higher than any previous year. Even with these small declines across many sectors, February 2023 still exceeded February 2022's record setting mark in aggregate taxable sales.



Sales and Lodging Tax:

February sales and lodging tax collections paced 4.4% and 10.3% ahead of February 2022, respectively. These healthy growth figures reflect the strength of the local economy, as stated previously, but also somewhat due to price appreciation that is driven by consumer demand, wage pressures and supply limitations. Focusing in on the lodging sector as an example, while occupancy remains relatively constant with pre-pandemic norms, nightly room rates are 225 percent greater than they were nearly a decade ago.



February's breakdown of the local lodging base reflects roughly two-thirds of taxable sales generated by traditional lodge offerings and one-third from short-term rentals (condo-hotels, investment properties and owner-occupied but rented units). These percentages and overall taxable sales are closely aligned with January's experience.

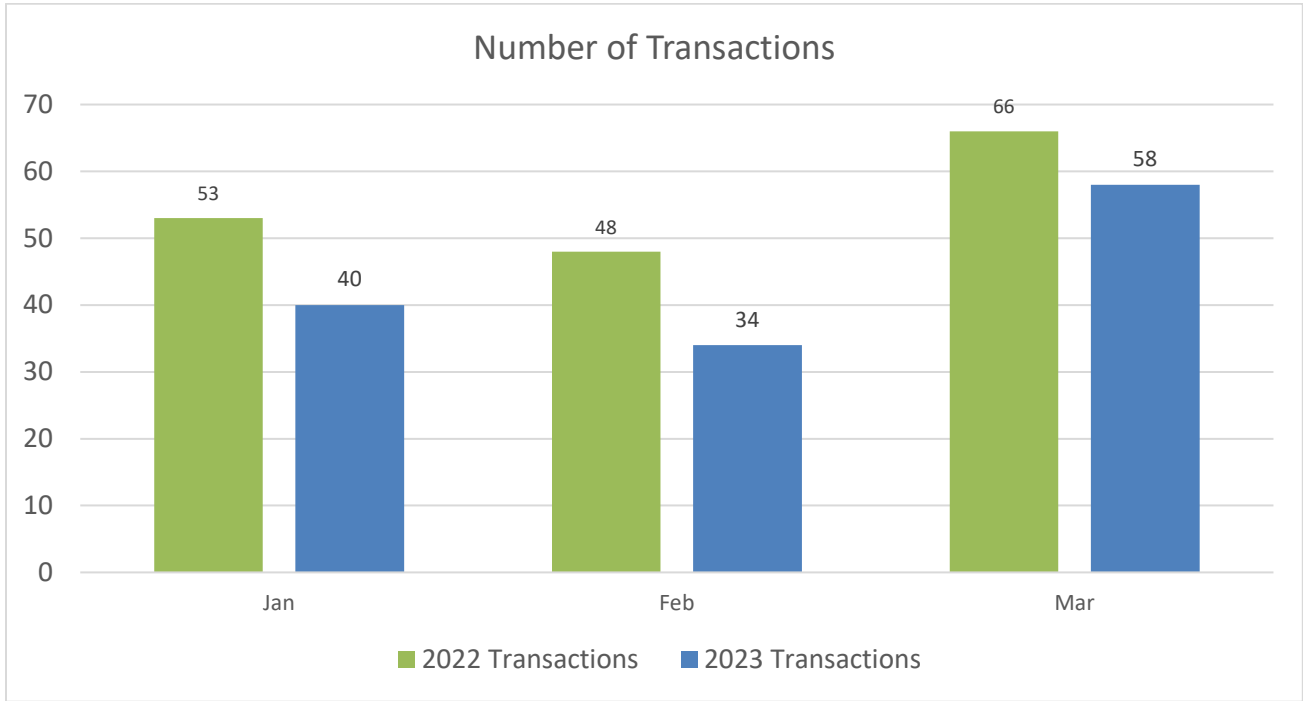
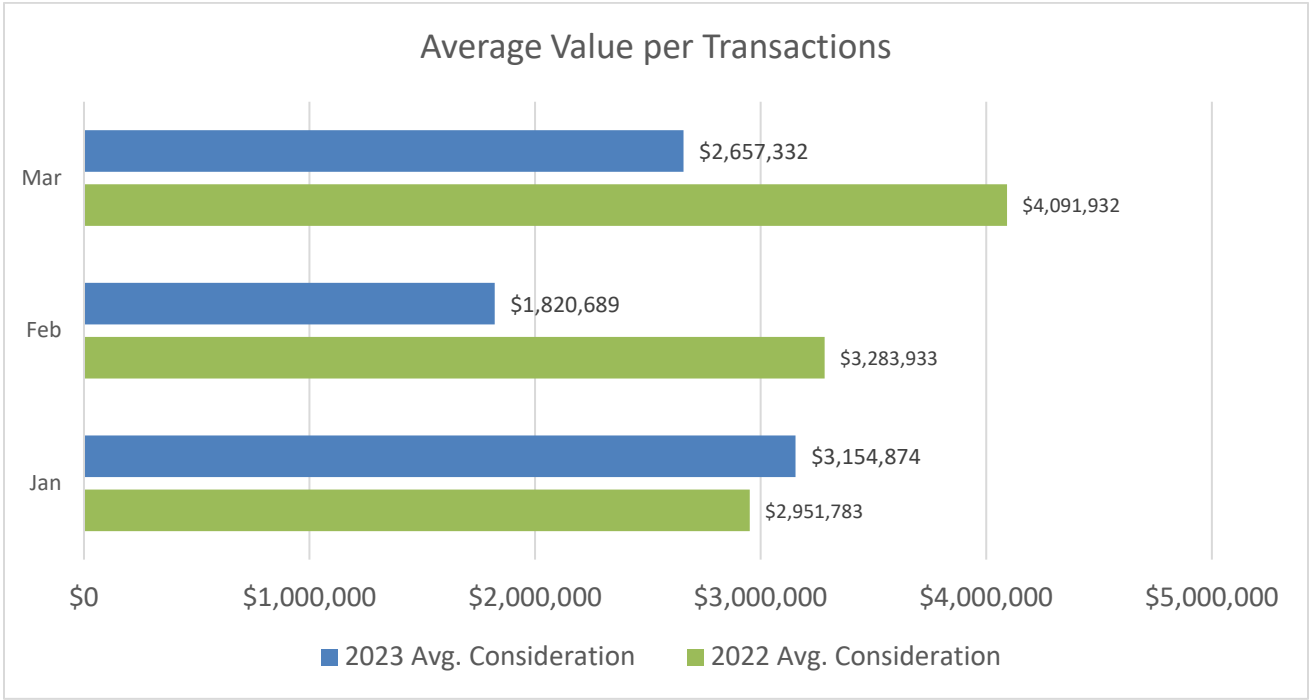


City Share of County Sales Tax:

The City of Aspen's allocated portion of Pitkin County's 2.0% sales tax started the calendar year up roughly 24%, somewhat higher than the City's own sales tax collection growth for January 2023 of 19%. Variances in these percentages can often be attributable to the mix of industries within the narrower City economy vs. that of the larger County economy (which also has more online retailer influence). These funds remain one of the only sources of discretionary receipts for the Council to apply and are deposited within the City's General Fund.

Real Estate Transfer Taxes:

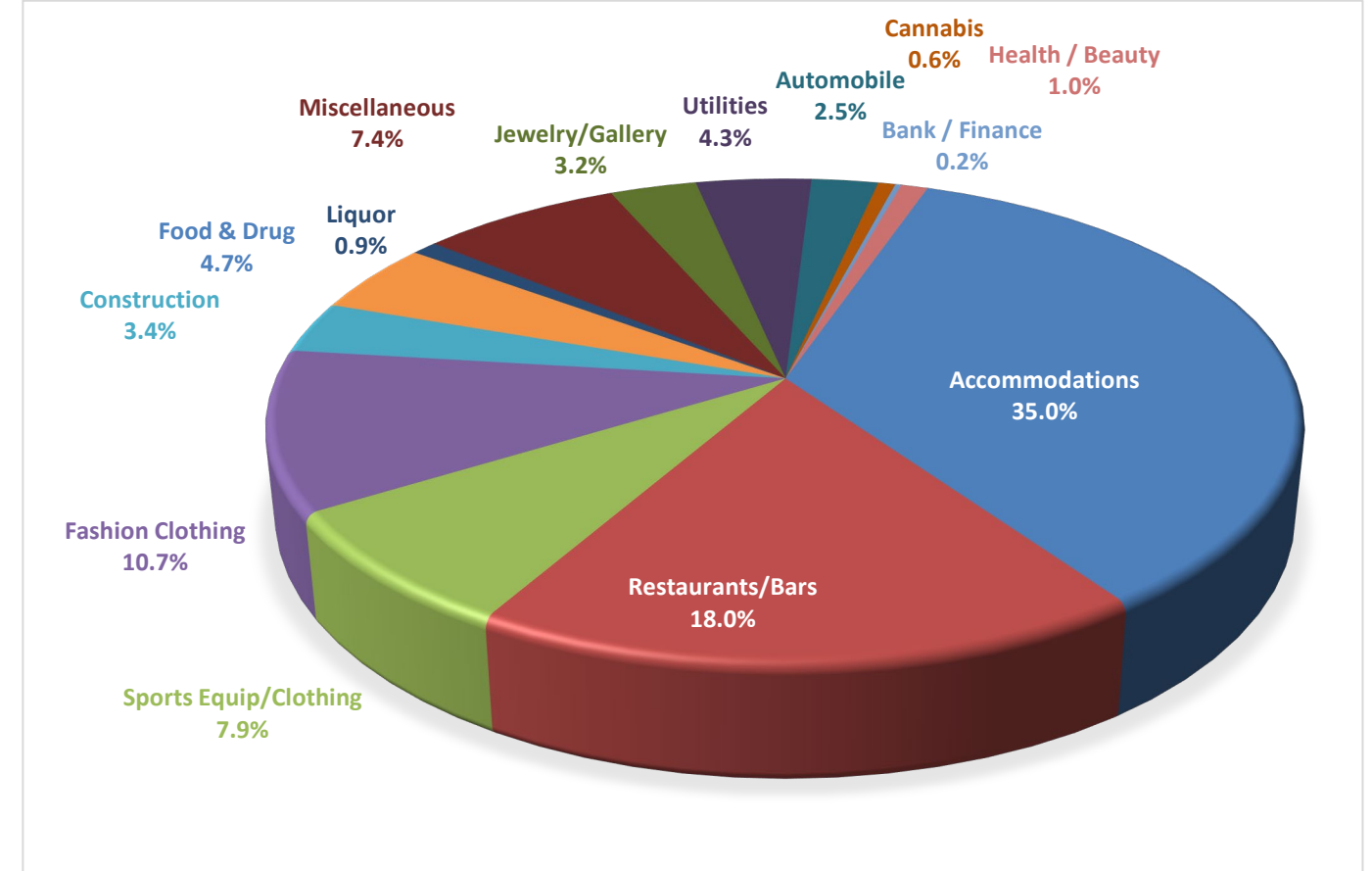
After three months, aggregate volume in real estate activity is lagging last year's experience by 21%. With this drop in transactions, it is not surprising that overall tax receipts are pacing roughly 41% - 42% below last year's collections. However, that said, this also eludes to the value in cost per square foot retreating from recent highs, further highlighting the changing real estate market.



City of Aspen Retail Sales by Industry
February 2023

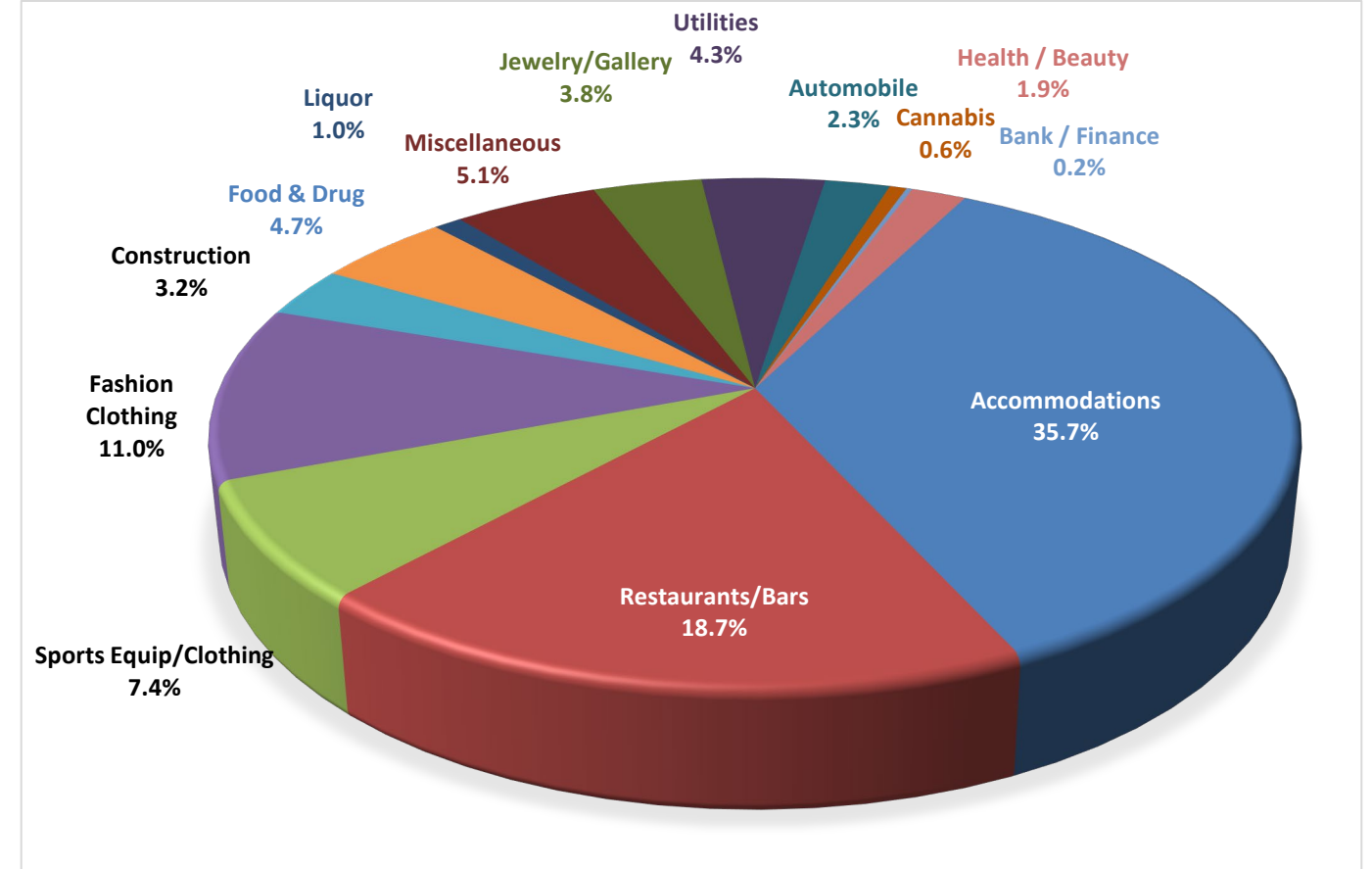
Year To Date Retail Sales

Category	Retail Sales	% of Total Retail Sales	% Change to 2022
Accommodations	\$96,388,601	35.0%	11.9%
Restaurants/Bars	\$49,591,988	18.0%	12.7%
Sports Equip/Clothing	\$21,781,296	7.9%	3.9%
Fashion Clothing	\$29,443,693	10.7%	6.6%
Construction	\$9,444,499	3.4%	(4.1%)
Food & Drug	\$13,011,172	4.7%	3.3%
Liquor	\$2,610,054	0.9%	(3.3%)
Miscellaneous	\$20,446,140	7.4%	55.7%
Jewelry/Gallery	\$8,817,464	3.2%	29.9%
Utilities	\$11,767,374	4.3%	9.3%
Automobile	\$6,802,888	2.5%	3.0%
Cannabis	\$1,752,613	0.6%	(19.4%)
Bank / Finance	\$623,734	0.2%	1.8%
Health / Beauty	\$2,717,442	1.0%	258.6%
Total	\$275,198,958	100.0%	12.5%



February Monthly Retail Sales

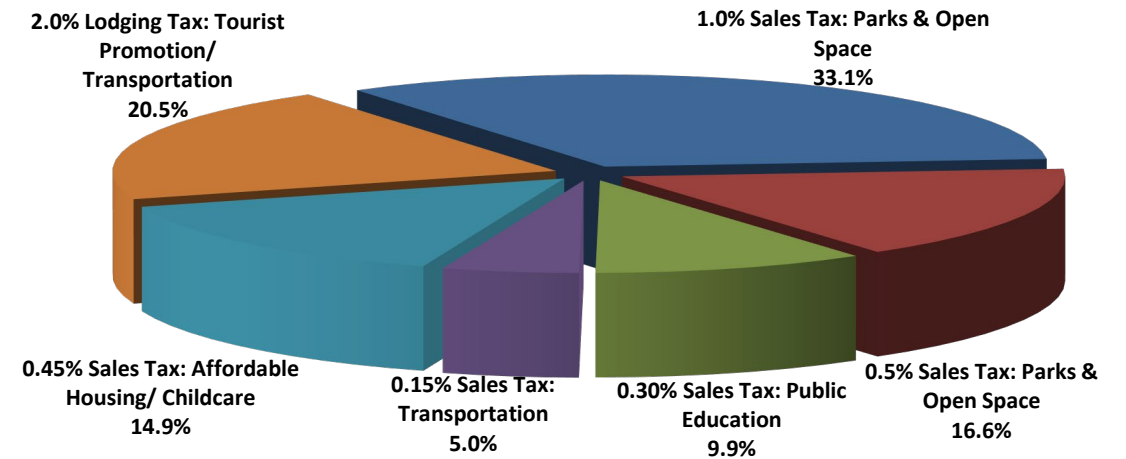
Category	Retail Sales	% of Total Retail Sales	% Change to 2022
Accommodations	\$47,481,898	35.7%	5.0%
Restaurants/Bars	\$24,840,066	18.7%	10.0%
Sports Equip/Clothing	\$9,912,344	7.4%	(3.9%)
Fashion Clothing	\$14,659,210	11.0%	(2.8%)
Construction	\$4,233,120	3.2%	(8.7%)
Food & Drug	\$6,310,422	4.7%	(7.4%)
Liquor	\$1,325,243	1.0%	(8.9%)
Miscellaneous	\$6,774,223	5.1%	(11.8%)
Jewelry/Gallery	\$5,107,829	3.8%	107.5%
Utilities	\$5,786,925	4.3%	11.5%
Automobile	\$3,054,920	2.3%	(10.6%)
Cannabis	\$803,328	0.6%	(30.5%)
Bank / Finance	\$269,603	0.2%	(12.2%)
Health / Beauty	\$2,575,769	1.9%	328.9%
Total	\$133,134,900	100.0%	4.9%



**City of Aspen Sales and Lodging Tax
February 2023**

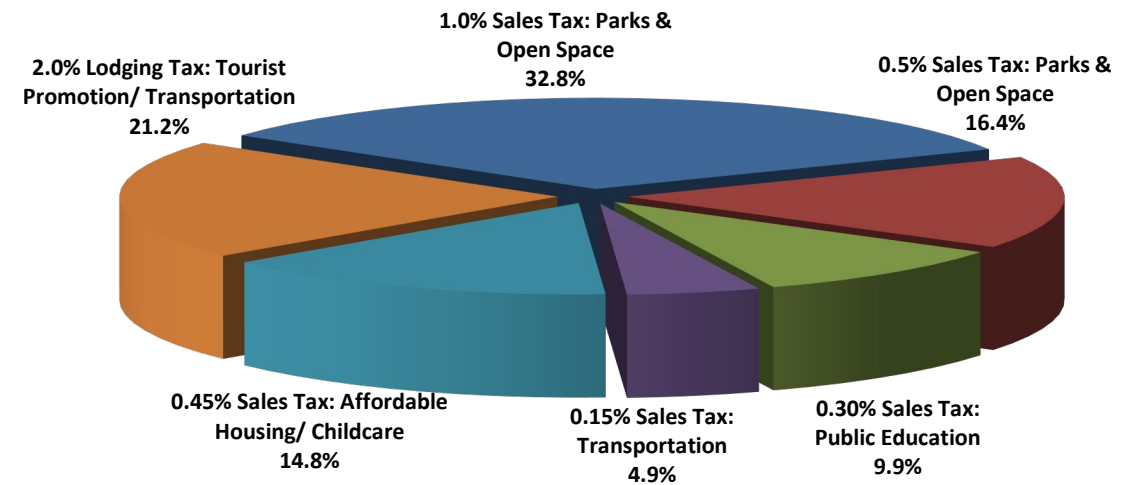
Year To Date Tax Collections

Tax Type	YTD Taxes Collected	% YTD Taxes
1.0% Sales Tax: Parks & Open Space	\$2,722,731	33.1%
0.5% Sales Tax: Parks & Open Space	\$1,361,356	16.6%
0.30% Sales Tax: Public Education	\$817,278	9.9%
0.15% Sales Tax: Transportation	\$408,410	5.0%
0.45% Sales Tax: Affordable Housing/ Childcare	\$1,225,219	14.9%
2.0% Lodging Tax: Tourist Promotion/ Transportation	<u>\$1,687,524</u>	<u>20.5%</u>
Total	\$8,222,518	100%



February Monthly Tax Collections

Tax Type	Monthly Taxes Collected	% Monthly Taxes
1.0% Sales Tax: Parks & Open Space	\$1,316,151	32.8%
0.5% Sales Tax: Parks & Open Space	\$658,074	16.4%
0.30% Sales Tax: Public Education	\$395,058	9.9%
0.15% Sales Tax: Transportation	\$197,424	4.9%
0.45% Sales Tax: Affordable Housing/ Childcare	\$592,266	14.8%
2.0% Lodging Tax: Tourist Promotion/ Transportation	<u>\$850,209</u>	<u>21.2%</u>
Total	\$4,009,182	100%

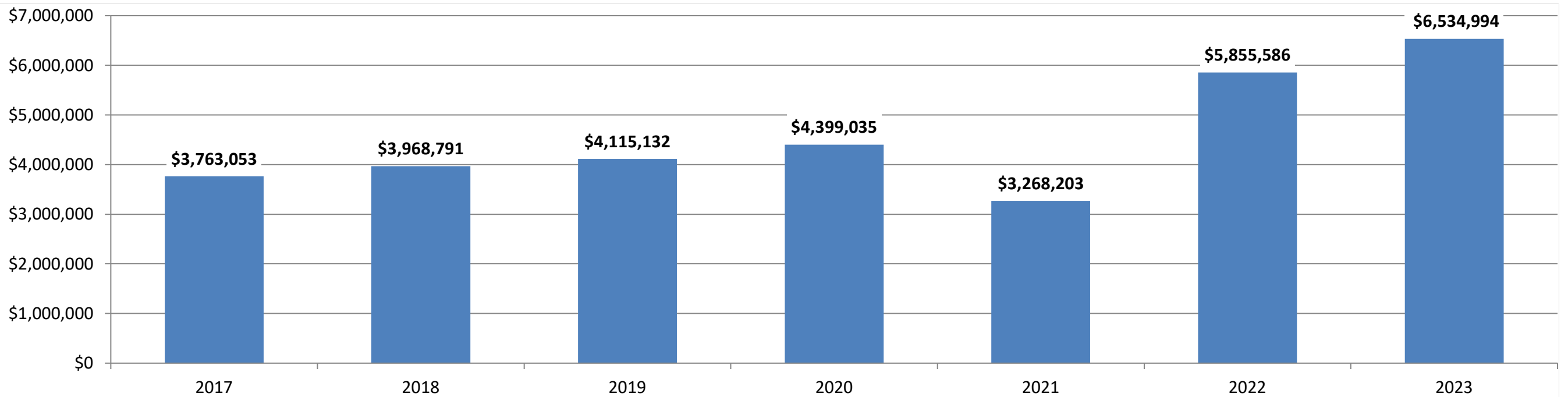


City of Aspen Sales Tax 2.4%
February 2023

Current Month Revenues are 4.4% above last year's Monthly Revenues.
Year To Date Revenues are 7.4% above Year To Date Budgeted Revenues.
Year To Date Revenues are 11.6% above last year's Actual Year To Date Revenues.

2023 Monthly Budget vs. 2023 Actual				2023 YTD Budget vs. 2023 Actual			2023 vs. 2022			
<u>Month</u>	<u>Budget*</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget*</u>	<u>Actual</u>	<u>Variance</u>	<u>2022 Monthly</u>	<u>Variance</u>	<u>2022 YTD</u>	<u>Variance</u>
Jan	\$3,182,200	\$3,376,022	6.1%	\$3,182,200	\$3,376,022	6.1%	\$2,829,557	19.3%	\$2,829,557	19.3%
Feb	\$2,904,600	\$3,158,972	8.8%	\$6,086,800	\$6,534,994	7.4%	\$3,026,029	4.4%	\$5,855,586	11.6%
Mar	\$3,308,200			\$9,395,000			\$3,555,334		\$9,410,920	
Apr	\$1,157,500			\$10,552,500			\$1,362,748		\$10,773,668	
May	\$954,400			\$11,506,900			\$982,151		\$11,755,819	
June	\$2,424,500			\$13,931,400			\$2,501,486		\$14,257,305	
July	\$3,175,300			\$17,106,700			\$3,002,254		\$17,259,559	
Aug	\$2,667,100			\$19,773,800			\$2,746,873		\$20,006,432	
Sept	\$2,269,800			\$22,043,600			\$2,465,287		\$22,471,719	
Oct	\$1,302,400			\$23,346,000			\$1,506,923		\$23,978,642	
Nov	\$1,109,200			\$24,455,200			\$1,078,493		\$25,057,134	
Dec	\$4,326,000			\$28,781,200			\$4,067,070		\$29,124,204	

Actual Collections Year To Date Through February



City of Aspen Tourist Promotion 1.5% Lodging Tax (0.5% Rate for 2010 and Prior)
February 2023

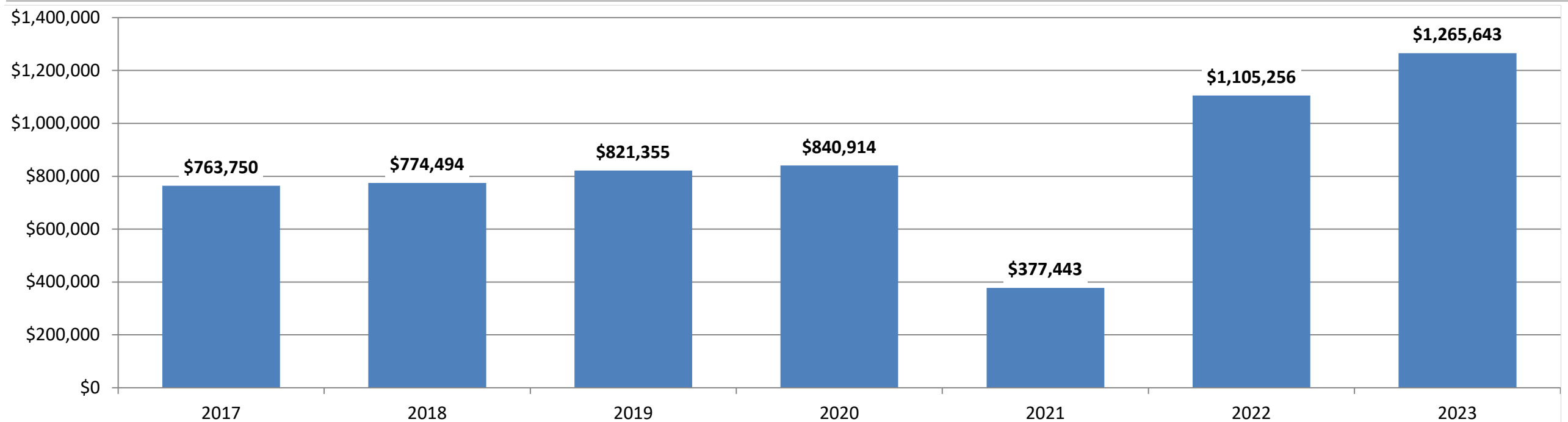
Current Month Revenues are 10.3% above last year's Monthly Revenues.

Year To Date Revenues are 14.0% above Year To Date Budgeted Revenues.

Year To Date Revenues are 14.5% above last year's Actual Year To Date Revenues.

2023 Monthly Budget vs. 2023 Actual				2023 YTD Budget vs. 2023 Actual			2023 vs. 2022			
<u>Month</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022 Monthly</u>	<u>Variance</u>	<u>2022 YTD</u>	<u>Variance</u>
Jan	\$578,000	\$627,986	8.6%	\$578,000	\$627,986	8.6%	\$526,967	19.2%	\$526,967	19.2%
Feb	\$532,000	\$637,657	19.9%	\$1,110,000	\$1,265,643	14.0%	\$578,288	10.3%	\$1,105,256	14.5%
Mar	\$573,000			\$1,683,000			\$678,895		\$1,784,150	
Apr	\$86,000			\$1,769,000			\$124,826		\$1,908,977	
May	\$67,000			\$1,836,000			\$65,610		\$1,974,586	
June	\$293,000			\$2,129,000			\$334,739		\$2,309,326	
July	\$425,000			\$2,554,000			\$443,471		\$2,752,797	
Aug	\$344,000			\$2,898,000			\$381,176		\$3,133,973	
Sept	\$229,000			\$3,127,000			\$317,090		\$3,451,062	
Oct	\$113,000			\$3,240,000			\$158,018		\$3,609,081	
Nov	\$89,000			\$3,329,000			\$77,679		\$3,686,759	
Dec	\$666,250			\$3,995,250			\$683,005		\$4,369,764	

Actual Collections Year To Date Through February

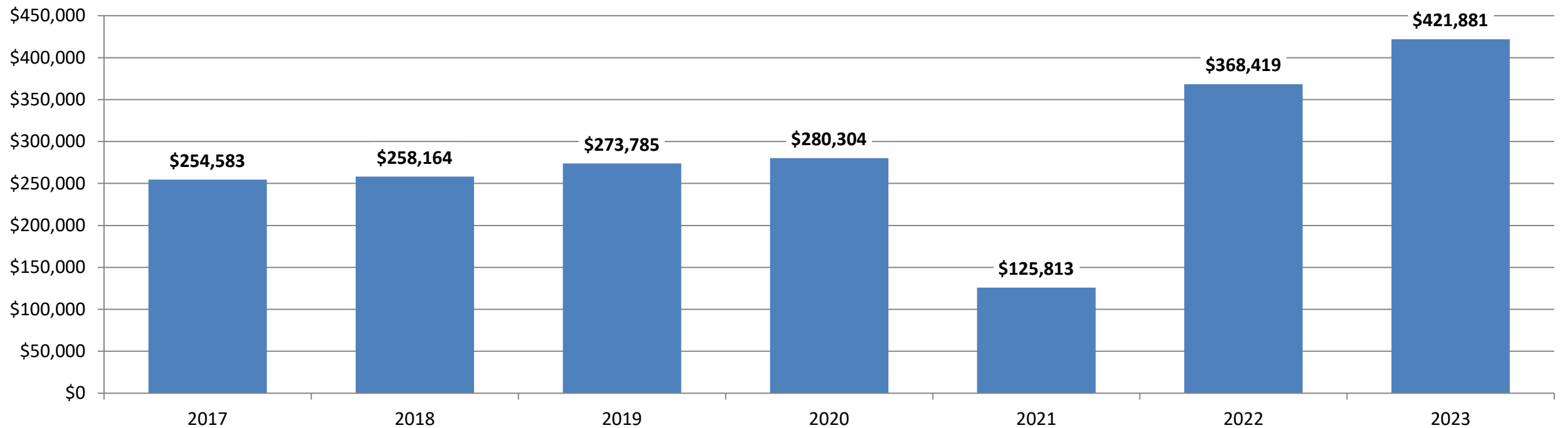


**City of Aspen Transportation 0.5% Lodging Tax
February 2023**

Current Month Revenues are **10.3%** above last year's Monthly Revenues.
Year To Date Revenues are **14.0%** above Year To Date Budgeted Revenues.
Year To Date Revenues are **14.5%** above last year's Actual Year To Date Revenues.

2023 Monthly Budget vs. 2023 Actual				2023 YTD Budget vs. 2023 Actual			2023 vs. 2022			
<u>Month</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022 Monthly</u>	<u>Variance</u>	<u>2022 YTD</u>	<u>Variance</u>
Jan	\$193,000	\$209,329	8.5%	\$193,000	\$209,329	8.5%	\$175,656	19.2%	\$175,656	19.2%
Feb	\$177,000	\$212,552	20.1%	\$370,000	\$421,881	14.0%	\$192,763	10.3%	\$368,419	14.5%
Mar	\$191,000			\$561,000			\$226,298		\$594,717	
Apr	\$29,000			\$590,000			\$41,609		\$636,326	
May	\$22,000			\$612,000			\$21,870		\$658,196	
June	\$98,000			\$710,000			\$111,580		\$769,776	
July	\$142,000			\$852,000			\$147,824		\$917,600	
Aug	\$115,000			\$967,000			\$127,059		\$1,044,659	
Sept	\$76,000			\$1,043,000			\$105,697		\$1,150,355	
Oct	\$38,000			\$1,081,000			\$52,673		\$1,203,028	
Nov	\$30,000			\$1,111,000			\$25,893		\$1,228,921	
Dec	\$220,750			\$1,331,750			\$227,669		\$1,456,590	

Actual Collections Year To Date Through February

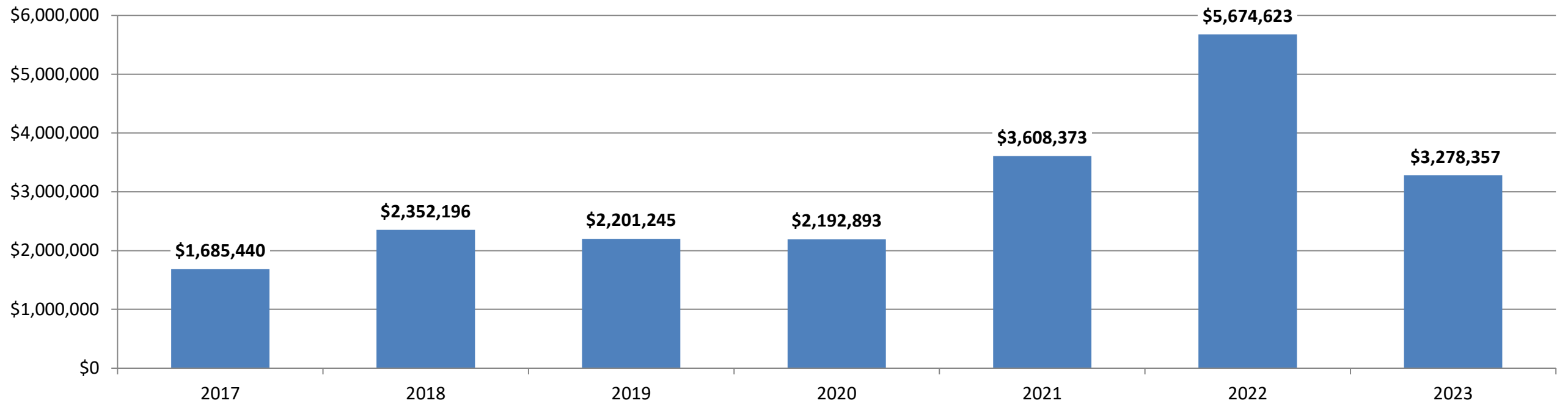


**Housing Real Estate Transfer Tax
March 2023**

Current Month Revenues are (44.0%) below last year's Monthly Revenues.
Year To Date Revenues are 98.4% above Year To Date Budgeted Revenues.
Year To Date Revenues are (42.2%) below last year's Actual Year To Date Revenues.

2023 Monthly Budget vs. 2023 Actual				2023 YTD Budget vs. 2023 Actual			2023 vs. 2022			
<u>Month</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022 Monthly</u>	<u>Variance</u>	<u>2022 YTD</u>	<u>Variance</u>
Jan	\$566,000	\$1,224,320	116.3%	\$566,000	\$1,224,320	116.3%	\$1,471,810	(16.8%)	\$1,471,810	(16.8%)
Feb	\$530,000	\$566,434	6.9%	\$1,096,000	\$1,790,754	63.4%	\$1,546,799	(63.4%)	\$3,018,609	(40.7%)
Mar	\$556,000	\$1,487,603	167.6%	\$1,652,000	\$3,278,357	98.4%	\$2,656,014	(44.0%)	\$5,674,623	(42.2%)
Apr	\$720,000			\$2,372,000			\$1,237,195		\$6,911,818	
May	\$728,000			\$3,100,000			\$2,610,330		\$9,522,148	
June	\$691,000			\$3,791,000			\$1,467,414		\$10,989,562	
July	\$494,000			\$4,285,000			\$651,850		\$11,641,412	
Aug	\$675,000			\$4,960,000			\$1,359,294		\$13,000,706	
Sept	\$960,000			\$5,920,000			\$1,503,485		\$14,504,191	
Oct	\$829,000			\$6,749,000			\$1,234,207		\$15,738,397	
Nov	\$565,000			\$7,314,000			\$654,910		\$16,393,308	
Dec	\$686,000			\$8,000,000			\$716,505		\$17,109,813	

Actual Collections Year To Date Through March

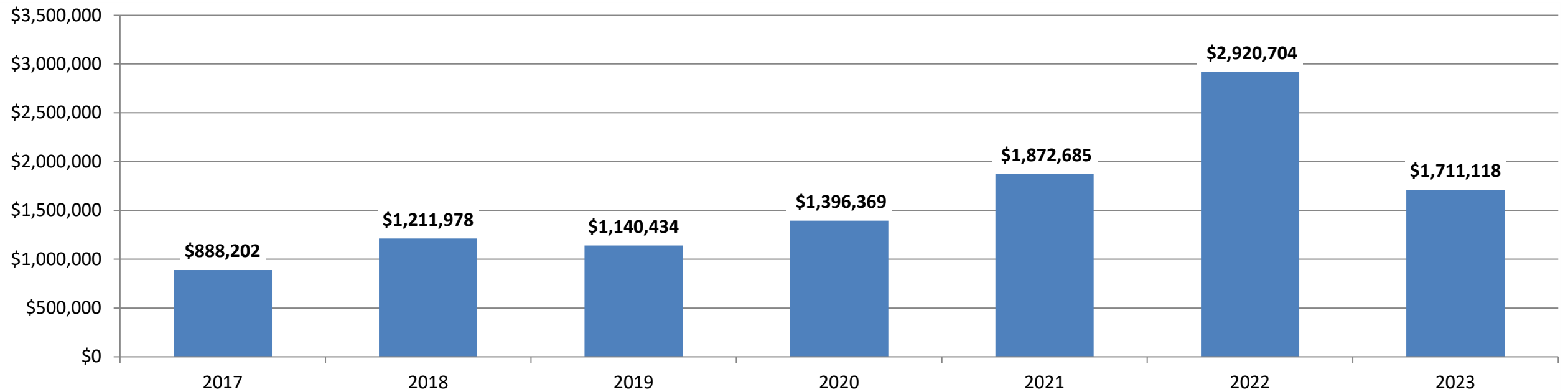


**Wheeler Opera House Real Estate Transfer Tax
March 2023**

Current Month Revenues are **(42.9%)** below last year's Monthly Revenues.
 Year To Date Revenues are **104.2%** above Year To Date Budgeted Revenues.
 Year To Date Revenues are **(41.4%)** below last year's Actual Year To Date Revenues.

2023 Monthly Budget vs. 2023 Actual				2023 YTD Budget vs. 2023 Actual			2023 vs. 2022			
Month	Budget	Actual	Variance	Budget	Actual	Variance	2022 Monthly	Variance	2022 YTD	Variance
Jan	\$285,000	\$630,975	121.4%	\$285,000	\$630,975	121.4%	\$782,223	(19.3%)	\$782,223	(19.3%)
Feb	\$273,000	\$309,517	13.4%	\$558,000	\$940,492	68.5%	\$788,144	(60.7%)	\$1,570,367	(40.1%)
Mar	\$280,000	\$770,626	175.2%	\$838,000	\$1,711,118	104.2%	\$1,350,338	(42.9%)	\$2,920,704	(41.4%)
Apr	\$358,000			\$1,196,000			\$641,488		\$3,562,192	
May	\$373,000			\$1,569,000			\$1,347,355		\$4,909,547	
June	\$343,000			\$1,912,000			\$751,367		\$5,660,914	
July	\$245,000			\$2,157,000			\$334,708		\$5,995,622	
Aug	\$338,000			\$2,495,000			\$704,878		\$6,700,499	
Sept	\$477,000			\$2,972,000			\$768,111		\$7,468,610	
Oct	\$409,000			\$3,381,000			\$631,571		\$8,100,181	
Nov	\$288,000			\$3,669,000			\$338,325		\$8,438,506	
Dec	\$331,000			\$4,000,000			\$369,022		\$8,807,528	

Actual Collections Year To Date Through March



**City of Aspen Portion of Pitkin County 3.6% Sales Tax
January 2023**

Current Month Revenues are **23.7%** above last year's Monthly Revenues.
Year To Date Revenues are **6.3%** above Year To Date Budgeted Revenues.
Year To Date Revenues are **23.7%** above last year's Actual Year To Date Revenues.

2023 Monthly Budget vs. 2023 Actual				2023 YTD Budget vs. 2023 Actual			2023 vs. 2022			
<u>Month</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2022 Monthly</u>	<u>Variance</u>	<u>2022 YTD</u>	<u>Variance</u>
Jan	\$2,171,000	\$2,307,400	6.3%	\$2,171,000	\$2,307,400	6.3%	\$1,865,160	23.7%	\$ 1,865,160	23.7%
Feb	\$2,010,000			\$4,181,000			\$1,913,738		\$ 3,778,898	
Mar	\$2,082,000			\$6,263,000			\$2,125,220		\$ 5,904,118	
Apr	\$813,000			\$7,076,000			\$969,500		\$ 6,873,618	
May	\$594,000			\$7,670,000			\$782,204		\$ 7,655,822	
June	\$1,275,000			\$8,945,000			\$1,345,550		\$ 9,001,372	
July	\$1,718,000			\$10,663,000			\$1,692,577		\$ 10,693,949	
Aug	\$1,533,000			\$12,196,000			\$1,545,937		\$ 12,239,887	
Sept	\$1,262,000			\$13,458,000			\$1,379,994		\$ 13,619,880	
Oct	\$809,000			\$14,267,000			\$992,304		\$ 14,612,184	
Nov	\$845,000			\$15,112,000			\$799,746		\$ 15,411,930	
Dec	\$2,346,000			\$17,458,000			\$2,051,774		\$ 17,463,705	

Actual Collections Year To Date Through January

