

# City of Imperial Beach

News Updates & Information



WEEK OF AUGUST 1, 2011

This publication is meant to give you the latest and greatest news and information from around the City.

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### SECTION 1 PROMOTING HEALTHY COMMUNITIES

Thursday, August 11, 2011 8:30 a.m. to 12:30 p.m. Click [HERE](#) to view the flyer for more information about this event.

### SECTION 2 MTS BUS RE-ROUTE DURING SURF & TURF CAR SHOW

Please see the attached information for the alternate bus routes during the Surf and Turf Classic Car Show on Saturday, August 6.

### SECTION 3 SALES TAX UPDATE

First quarter sales taxes are up compared to the same quarter last year and Imperial Beach continues to be greatly dependent on service station businesses and gasoline prices. For the fiscal year, sales taxes are up 5.6% with Imperial Beach being in the middle of agencies ranging from Coronado with an increase of 11% to Oceanside at 1.1% increase. For the quarterly comparison, Imperial Beach increased 4.5% while Coronado increased 17.7% and San Marcos increased 1.7%.

HDL cautions about the next two quarters because of factors such as the fiscal debt, the world economy, the recovery's weakness, the earthquake in Japan, continued home value reductions and the weak growth in jobs- companies have adapted to fewer employees. Please see the HDL attachment for more details.

### CONTACT US

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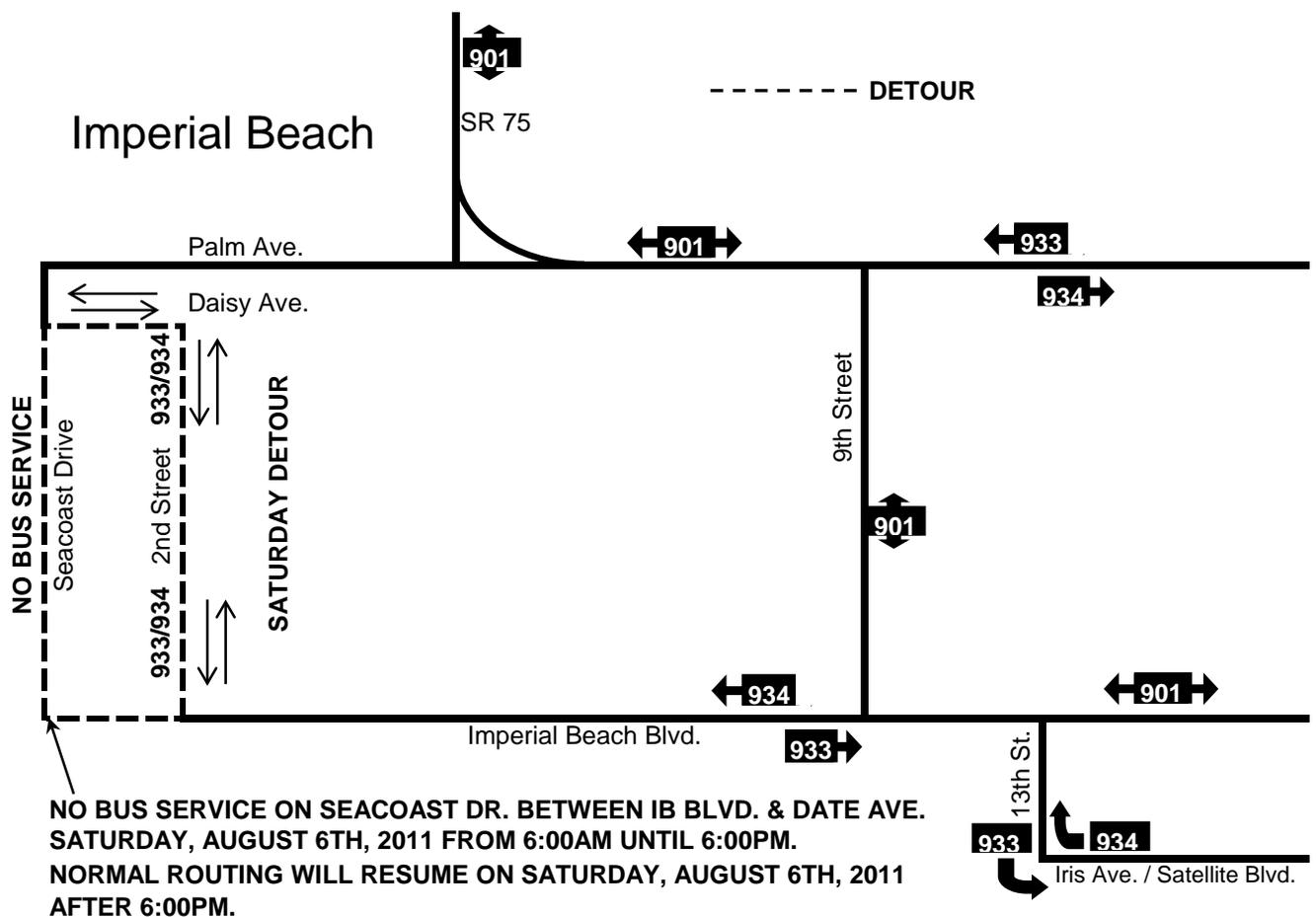


# NEWSLETTER

## SURF & TURF CLASSIC CAR SHOW BUS DETOUR 2011

Saturday, August 6th, 2011

The annual Surf & Turf Classic Car Show will be held in Imperial Beach on Saturday, August 6th, 2011. Routes 933 and 934 will be detoured on Saturday, August 6th, 2011 from 6:00AM until 6:00PM. Route 901 will operate a regular weekend schedule and will not be detoured. Normal routing will resume on Saturday August 6th, 2011 after 6:00PM. Please see the map below for details.



For more information, call:

- Regional Transit Information: 511
- Customer Service (619) 557-4555
- TTY/TDD for persons with hearing impairments (619) 234-5005
- Info Express (24-hour info via touch-tone phone) (619) 685-4900



# Q1 2011



# Imperial Beach Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (Jan-Mar 2011)

## Imperial Beach In Brief

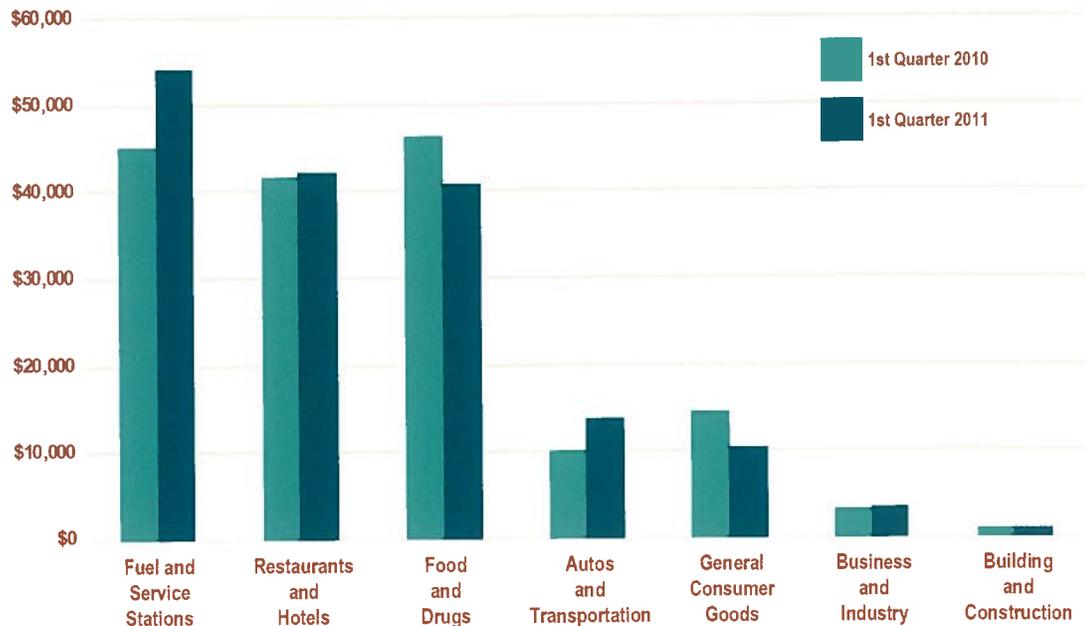
Receipts for Imperial Beach's January through March sales were 1.6% higher than the same quarter one year ago. Actual sales activity was up 3.3% when reporting aberrations were factored out.

Higher prices at the pump helped boost service station receipts. In addition, strong sales from used autos produced positive results for the autos & transportation group, but the overall gain was inflated by a year ago late payment from auto repair shops. Similarly, payment aberrations from both quarters temporarily inflated the results from restaurants & hotels.

Losses from the food & drugs sector were primarily due to double payments from package liquor stores that inflated the comparison quarter. A previous business closure from specialty stores was a factor in the decline from general consumer goods.

Adjusted for aberrations, taxable sales for all of San Diego County increased 9.1% over the comparable time period, while the Southern California region as a whole was up 8.7%.

## SALES TAX BY MAJOR BUSINESS GROUP



### TOP 25 PRODUCERS

In Alphabetical Order

13th Street Market	IB Forum
7 Eleven	Jack in the Box
7 Eleven	KFC
7 Eleven	L & M Tire
Anchor Motors	La Posta Market 2
Beach Side Station	McDonalds
Burger King	Scoreboard
Carls Jr	Ultra Mar
Crossroad Petroleum	Wallys Marketplace
CVS Pharmacy	Wienerschnitzel
Dominos Pizza	Ye Olde Plank Inn
Fine Auto Store	
G & M Oil	
HS Cars	

### REVENUE COMPARISON

Four Quarters – Fiscal Year To Date

	2009-10	2010-11
Point-of-Sale	\$662,742	\$704,300
County Pool	76,515	84,107
State Pool	584	321
<b>Gross Receipts</b>	<b>\$739,840</b>	<b>\$788,728</b>
<b>Less Triple Flip*</b>	<b>\$(184,960)</b>	<b>\$(197,182)</b>

\*Reimbursed from county compensation fund

### Statewide Sales on the Rise

Adjusted for accounting aberrations, California's local sales and use tax revenues from transactions during the first quarter of 2011 were 9.2% higher than the previous year's comparable quarter. This represents the fifth consecutive quarter of recovery and the largest percentage gain since the second quarter of 2005. Total annual revenues however, are still 14.8 % below 2006-2007.

Most regions of the state shared in the increase with the largest contributor coming from a dramatic surge in fuel prices. Allocations from new car sales also were a factor with a statewide gain of 19.8% over the first quarter of 2010. Revenues from full service restaurants and consumer electronics exhibited increases of 10% or more.

### California Outlook

The good news is that California's economy is recovering and sales tax growth will follow. However, gains in the next two quarters will be held back by temporary supply chain disruptions caused by the earthquake and tsunami in Japan and by reduced consumer spending as rising gas prices cut into disposable incomes. New uncertainties from further declines in home values and additional government layoffs may also soften consumer spending and business investment for the first half of the fiscal year.

Sales tax growth is expected to pick up in the second half although sluggish improvement in employment and lackluster construction spending will continue to affect the economies of the state's inland regions.

### Internet Taxation

Under federal case law, states cannot require businesses without a physical presence in their state to collect sales tax. Companies such as Amazon have built their business plans around avoiding collecting the tax thereby put-

ting local brick and mortar stores at a competitive disadvantage.

This year, California has attempted to partially correct the inequity through the passage of ABX1 28 which combines the differing strategies of three previous bills with each designed to be severable in the event of a successful court challenge.

The first follows the lead of New York State by declaring that internet sales through a host of in-state affiliates constitutes "substantial nexus" and therefore makes sales through those affiliates subject to sales tax. ABX1 28 also prevents companies with in-state brick and mortar stores from treating those stores as separate legal entities to avoid collecting tax on internet sales. The third strategy permits the state to use a revised definition of "engaged in business in this state" if future court decisions expand the definition of nexus so that internet sellers must collect sales tax in their customers' jurisdictions.

ABX1 28 is expected to increase

statewide tax collections by \$317 million annually, with local governments splitting about \$39 million or roughly \$1.00 per capita. Revenues from these out of state sales would be distributed primarily though the countywide use tax allocation pools.

### Staying Alive (shrinking retailers)

Agencies in smaller market areas may have fresh opportunities for new retail with big box stores now planning on smaller facilities. Reducing floor area is seen as another method of cost containment as consumer thriftiness keeps pressure on corporate profit margins. JC Penney, Petsmart, TJ Maxx and Staples have announced plans to build stores up to 40% smaller than their existing locations while Best Buy is planning to sublease part of the space in their existing stores and retail giant Wal-Mart is experimenting with stores as small as 14,000 square feet to recapture lost market share from dollar stores.

## IMPERIAL BEACH TOP 15 BUSINESS TYPES

Business Type	Imperial Beach		County	HdL State
	Q1 '11	Change	Change	Change
Auto Repair Shops	2,366	39.2%	6.6%	4.8%
Automotive Supply Stores	2,399	-8.2%	7.3%	5.9%
Drug Stores	— CONFIDENTIAL —		5.3%	3.3%
Grocery Stores Beer/Wine	18,185	6.2%	4.1%	2.8%
Grocery Stores Liquor	3,775	10.8%	-19.1%	-12.5%
Grocery-No Alcohol	1,533	-9.2%	26.7%	19.4%
Home Furnishings	1,709	41.0%	5.5%	5.0%
Package Liquor Stores	6,188	-47.5%	4.1%	5.6%
Restaurants Beer And Wine	7,164	-12.0%	-7.3%	-3.7%
Restaurants Liquor	7,527	20.5%	9.5%	8.5%
Restaurants No Alcohol	27,144	1.3%	11.6%	8.6%
Service Stations	54,062	19.6%	22.6%	19.8%
Specialty Stores	2,189	-46.6%	4.9%	3.2%
Sporting Goods/Bike Stores	1,763	-9.9%	4.0%	3.6%
Used Automotive Dealers	8,804	50.3%	16.8%	16.5%
<b>Total All Accounts</b>	<b>\$165,634</b>	<b>2.6%</b>	<b>8.7%</b>	<b>7.5%</b>
<b>County &amp; State Pool Allocation</b>	<b>19,252</b>	<b>-6.3%</b>		
<b>Gross Receipts</b>	<b>\$184,886</b>	<b>1.6%</b>		



# SAN DIEGO COUNTY ALL AGENCIES

SALES TAX TRENDS FOR ALL AGENCIES - FISCAL YEAR 2010/2011

Agency allocations reflect "point of sale" receipts

Agency Name	Count	Prior Year FY 2009/2010	Current Year FY 2010/2011	Share of County Pool	Standard % Change	Adjusted* % Change
Coronado	633	1,928,649	2,143,395	0.6%	+ 11.1%	+ 11.0%
National City	2,147	10,437,239	11,461,616	3.0%	+ 9.8%	+ 9.8%
Del Mar	1,423	1,198,867	1,336,680	0.3%	+ 11.5%	+ 9.4%
Carlsbad	4,493	20,612,455	22,753,098	5.9%	+ 10.4%	+ 8.8%
El Cajon	2,752	15,668,615	17,106,397	4.5%	+ 9.2%	+ 8.4%
Vista	2,735	10,514,340	11,176,204	2.9%	+ 6.3%	+ 6.3%
Escondido	4,396	20,532,319	21,792,121	5.7%	+ 6.1%	+ 5.9%
San Diego	41,648	173,477,633	185,017,375	48.2%	+ 6.7%	+ 5.9%
Imperial Beach	402	662,742	704,300	0.2%	+ 6.3%	+ 5.6%
Chula Vista	4,762	22,308,823	23,531,308	6.1%	+ 5.5%	+ 5.3%
La Mesa	1,863	8,841,399	9,263,535	2.4%	+ 4.8%	+ 4.8%
Santee	1,419	6,705,755	6,887,612	1.8%	+ 2.7%	+ 4.5%
San Diego Co. Uninc	13,534	19,080,359	20,165,211	5.3%	+ 5.7%	+ 4.3%
Encinitas	3,137	8,665,536	9,045,175	2.4%	+ 4.4%	+ 4.3%
Solana Beach	943	2,344,322	2,447,917	0.6%	+ 4.4%	+ 4.0%
Lemon Grove	597	3,036,229	3,169,739	0.8%	+ 4.4%	+ 3.8%
Poway	1,722	8,934,693	9,170,941	2.4%	+ 2.6%	+ 2.4%
San Marcos	2,476	11,555,016	11,685,950	3.0%	+ 1.1%	+ 1.5%
Oceanside	4,764	14,466,308	14,709,394	3.8%	+ 1.7%	+ 1.1%
Totals	95,846	360,971,300	383,567,966	100.0%	+ 6.3%	+ 5.7%
San Diego Pool	55,778	41,662,141	45,804,490		+ 9.9%	+ 9.6%

\*Adjusted by moving retroactive payments with an absolute value of \$5,000 or more into the quarter the sale was generated



# SAN DIEGO COUNTY ALL AGENCIES

## SALES TAX TRENDS FOR ALL AGENCIES - FIRST QUARTER 2011 SALES

Agency allocations reflect "point of sale" receipts

Agency Name	Count	Prior Year 1st Qtr 2010	Current Year 1st Qtr 2011	Share of County Pool	Standard % Change	Adjusted* % Change
Coronado	633	435,834	505,314	0.5%	+ 15.9%	+ 17.7%
Del Mar	1,423	201,601	216,264	0.2%	+ 7.3%	+ 14.0%
Vista	2,735	2,485,131	2,827,441	3.0%	+ 13.8%	+ 13.3%
National City	2,147	2,552,913	2,887,398	3.1%	+ 13.1%	+ 13.0%
Escondido	4,396	4,869,722	5,413,813	5.8%	+ 11.2%	+ 11.8%
San Diego	41,648	41,224,520	45,283,938	48.4%	+ 9.8%	+ 10.5%
Carlsbad	4,493	4,870,627	5,443,132	5.8%	+ 11.8%	+ 10.5%
El Cajon	2,752	3,904,870	4,180,294	4.5%	+ 7.1%	+ 9.4%
Poway	1,722	2,044,943	2,194,893	2.3%	+ 7.3%	+ 8.8%
San Diego Co. Uninc	13,534	4,955,195	5,443,890	5.8%	+ 9.9%	+ 8.1%
Lemon Grove	597	716,253	761,351	0.8%	+ 6.3%	+ 7.2%
Encinitas	3,137	2,039,889	2,137,311	2.3%	+ 4.8%	+ 6.3%
Chula Vista	4,762	5,268,011	5,560,000	5.9%	+ 5.5%	+ 6.2%
Santee	1,419	1,530,842	1,617,901	1.7%	+ 5.7%	+ 5.0%
Imperial Beach	402	161,496	165,634	0.2%	+ 2.6%	+ 4.5%
La Mesa	1,863	2,145,711	2,195,919	2.3%	+ 2.3%	+ 4.3%
Oceanside	4,764	3,387,383	3,476,182	3.7%	+ 2.6%	+ 4.2%
Solana Beach	943	563,978	584,607	0.6%	+ 3.7%	+ 3.6%
San Marcos	2,476	2,757,096	2,705,127	2.9%	- 1.9%	+ 1.7%
Totals	95,846	86,116,017	93,600,410	100.0%	+ 8.7%	+ 9.3%
San Diego Pool	55,778	10,902,939	10,855,830		- 0.4%	+ 7.3%

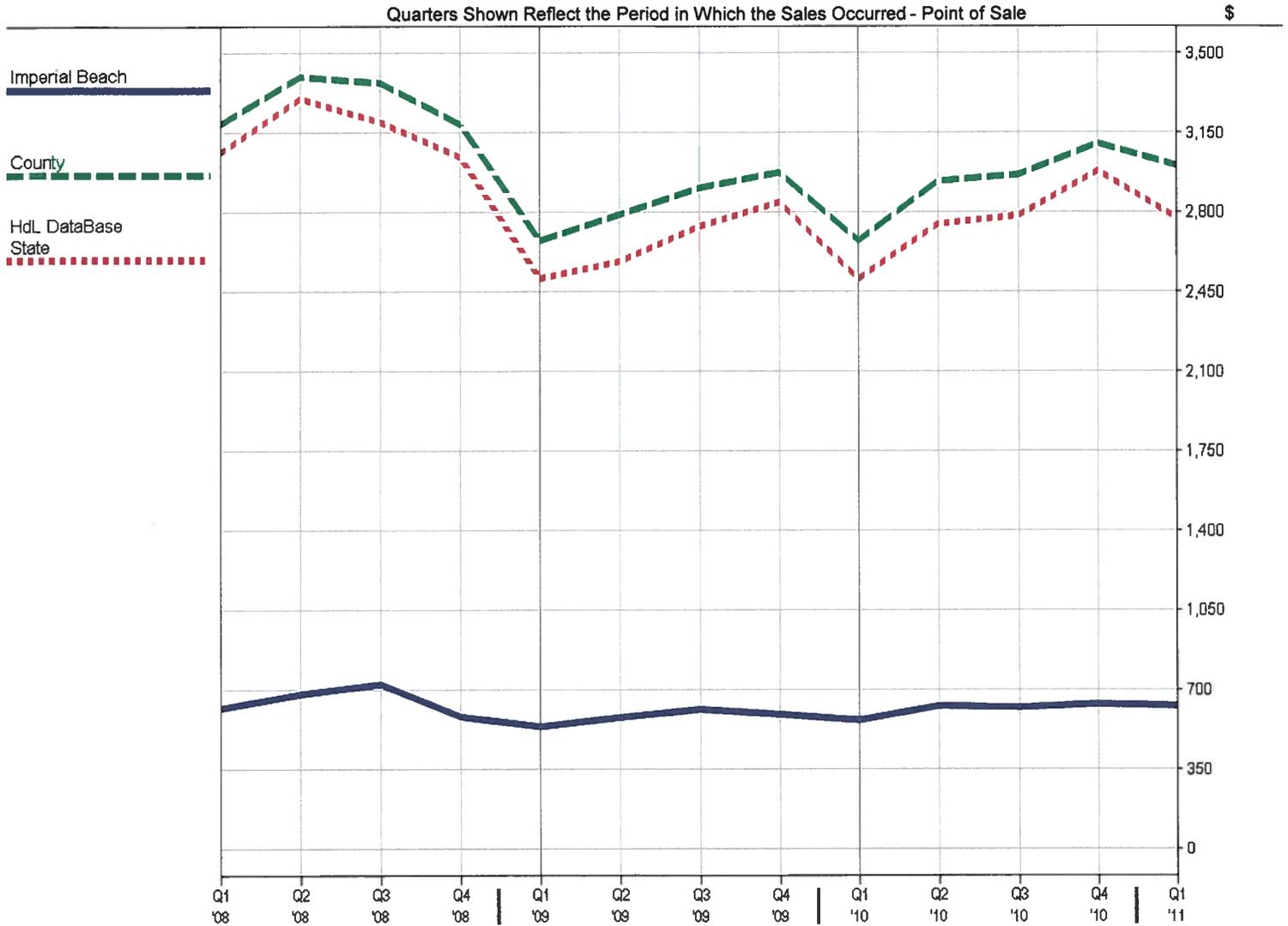
\*Adjusted by moving retroactive payments with an absolute value of \$5,000 or more into the quarter the sale was generated



# CITY OF IMPERIAL BEACH SALES PER CAPITA - 13 QUARTER HISTORY

Chart Description: This chart compares *per capita* sales. The prior 12 quarters are shown graphically for historical reference purposes.

Quarters Shown Reflect the Period in Which the Sales Occurred - Point of Sale





# CITY OF IMPERIAL BEACH ALL BUSINESS TYPES - 13 QUARTER HISTORY

Adjusted by moving retroactive payments with an absolute value of \$5,000 or more into the quarter the sale was generated

Chart Description: This chart compares *per capita* sales to that of other jurisdictions. The prior 12 quarters are shown graphically for historical reference purposes. **Allocations have been adjusted to reflect economic data.**

