

Letter 17

From: <jgjenson@comcast.net>
To: <ccarlson@ci.tumwater.wa.us>
Date: 6/13/2006 6:39 pm
Subject: Meeting comments-June 12th

Hi Chris,

I sent in my written comments to the Tumwater City Hall regarding the Wal-mart project in Tumwater. However, as I included several internet links, I thought it would be easier to email the comments to you so you could access the links more easily. Please see attachment - thanks!

Sincerely,

Jamie Jenson

We love Tumwater. We've lived here for 33 years. Although our address says that we live in Thurston County, all we have to do is cross the dotted line and we are in the Tumwater City limits. While this gives us a vested interest in it's growth, we retain no voting power whatsoever when it comes to city issues. With the prospect of a Wal-Mart Super Store going in down the street on Littlerock Road, we read with great interest the Knight Ridder editorial on Sunday, June 4th. They encouraged the Tumwater City Council to focus on facts, not emotions, and to let those facts guide them on their vote. I challenge those facts with the following information, taken from various cited articles. The information can be viewed in full by going to:

<http://www.newrules.org/retail/econimpact.html#4>

- **The store would create up to 400 jobs** - I agree that it would be nice to have 400 jobs in Tumwater - would these jobs go to Tumwater residents to support this community? At what expense will 400 new jobs do to those currently employed at Fred Meyer, Albertsons, Mega Foods and Safeway? Often cited and typically misrepresented by Wal-Mart supporters, this study, *Labor Market effects of Wal-mart expansion*, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=371102 , examines the impact of the arrival of a Wal-Mart store on retail and wholesale employment. It looks at 1,749 counties that added a Wal-Mart between 1977 and 1998. It finds that Wal-Mart's arrival boosts retail employment by 100 jobs in the first year—far less than the 200-400 jobs the company says its stores create, because its arrival causes existing retailers to downsize and lay-off employees. Over the next four years, there is a loss of 40-60 additional retail jobs as more competing retailers downsize and close. The study also finds that Wal-Mart's arrival leads to a decline of approximately 20 local wholesale jobs in the first five years, and an additional 10 wholesale jobs over the long run (six or more years after Wal-Mart's arrival). (Wal-Mart handles its own distribution and does not rely on wholesalers). This works out to a net gain of just 10-30 retail and wholesale jobs. The study also found that, within five years of Wal-Mart's arrival, the counties had lost an average of four small retail businesses, one mid-sized store, and one large store. It does not estimate declines in revenue to retailers that survive. 1
- **The store is *expected* to generate \$718,000 in tax revenue** - These figures are not guaranteed revenue. While the proposed taxes raised would seem to be enough to provide service for the 350 or so police calls they would get each year, would this justify having that many police calls in the vicinity of a middle school and the major Tumwater school bus route? How would those police cars be able to respond with the three round-abouts scheduled for development on Littlerock Road? In the following article, *Understanding the Fiscal Impacts of Land Use in Ohio*, <http://www.regionalconnections.org/documents/pdf/fiscalimpacts.pdf> , this report reviews and summarizes the findings of fiscal impact studies conducted in central Ohio communities between 1997 and 2003. The study concluded that retail development created a drain on municipal budgets (i.e., it required more in public services, such as road maintenance and police, than it generated in tax revenue). On average, retail buildings produced a net annual loss of \$0.44 per square foot. "*The concept that growth is always good for a community does not seem to correlate with the findings from various fiscal analyses conducted throughout central Ohio,*" the report concludes. **It cautions cities not to be taken in by the promise of high tax revenue from a new development** without also considering the additional costs of providing services. 2 3 4 5
- **The stores average wage is expected to be \$10.10 per hour, 7 percent lower than the average retail wage in Thurston County.** The following article, *The Hidden Cost of Wal-mart Jobs*, describes unseen costs to State government - <http://laborcenter.berkeley.edu/lowwage/walmart.pdf> . California taxpayers are spending \$86 6

million a year providing healthcare and other public assistance to the state's 44,000 Wal-Mart employees, according to this study. The average Wal-Mart worker requires \$730 in taxpayer-funded healthcare and \$1,222 in other forms of assistance, such as food stamps and subsidized housing. Even compared to other retailers, Wal-Mart imposes an especially large burden on taxpayers.

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cont.

- **The store would generate 9,716 new trips each day** - It is inevitable that traffic will increase with the addition of this Wal-mart. I challenge anyone to navigate the stoplights at Littlerock and Trosper Road on any Saturday (or from 5:00 PM on weekdays) and see how horrendous traffic currently can be. While the Tumwater City plan has always called for an arterial road along I-5 to alleviate traffic, so far that has only been developed as far as Home Depot, with no plans for future development until other businesses go in and take on the burden of building it. Wal-Mart is designed to fit between Costco and Home Depot - an arterial road that has already been developed.

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According to this article, <http://www.newrules.org/retail/midcoaststudy.pdf> , three times as much money stays in the local economy when you buy goods and services from locally owned businesses instead of large chain stores. According to this analysis, which tracked the revenue and expenditures of locally owned businesses in Midcoast Maine, the survey found that the businesses, with had combined sales of \$5.7 million in 2002, spent 44.6 percent of their revenue within the surrounding two counties. Another 8.7 percent was spent elsewhere in the state of Maine. The four largest components of this local spending were: wages and benefits paid to local employees; goods and services purchased from other local businesses; profits that accrued to local owners; and taxes paid to local and state government. **Using a variety of sources, the analysis estimates that a national big box retailer operating in Midcoast Maine returns just 14.1 percent of its revenue to the local economy, mostly in the form of payroll. The rest leaves the state, flowing to out-of-state suppliers or back to corporate headquarters. The survey also found that the *local businesses contributed more to charity than national chains.***

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We have been involved in the Littlerock Rd. sub-area planning since it's inception, many years ago. The city of Tumwater has been courteous and generous in their inclusion for citizen input in the shaping of Tumwater. We ask that the Council look at the prospects, along with the facts - things that we've already seen happen with the development of current large retail stores and their impact on the city of Tumwater. We don't believe the primarily retail environment and current traffic congestion is what the council had envisioned. Please retain Tumwater's charm and continue to balance the economic growth with a viable and livable city core.

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Sincerely,