

June 6, 2006

City of Tumwater
Development Services Department
555 Israel Road SW
Tumwater, WA 98501

RE: Comment on Wal-Mart Draft SEIS

I am writing to comment on four specific elements of the DEIS.

1) No mitigation for northbound Tyee Drive at Trosper Road

This segment shows in the Transportation Analysis as seriously failing with the project. At Table 2 of the Transportation Analysis, it shows the backups on Tyee exceeding storage capacity by 205 feet.

No mitigation is planned for this failing element of this intersection. Mitigation should include construction of multiple turn lanes, or an overpass type access to I-5 at this location.

2) Poor mitigation for westbound Trosper at Capitol Boulevard

Traffic currently has a signal at Capitol and Trosper, allowing traffic from the area east of Capitol to access this intersection. The proposed "mitigation" of congestion at this intersection would eliminate this access. This would be a significant economic loss for the businesses in this area, which include two restaurants, a motel, and an office building. A U-turn route at or near M street would not compensate these businesses for this economic loss.

A real estate analysis of the value of these properties with the current access and with the proposed access is the only way to ascertain the cost of the proposed "mitigation" on these businesses. This type of taking of value should be recognized in the economic analysis, as well as in the traffic analysis.

3) Applicant should be required to construct a full interchange with I-5 at Kingswood

The transportation analysis clearly shows failure of I-5 access points at both Trosper Road and Tumwater Boulevard if the proposed project goes forward.

The obvious way to address these impacts is to require the Applicant to fully fund construction on an additional I-5 interchange at or near Kingswood Drive. This would reduce pressure on Trosper Road, Tyee Drive, Littlerock Road, and Tumwater

Boulevard. It is an obvious improvement that can and should be required of the Applicant.

Failure to do so condemns all Tumwater residents and shoppers to congestion at the two existing interchanges with I-5. As a frequent Tumwater shopper living in Olympia, without these improvements, I will face this congestion, and be more likely to shop elsewhere if the proposed project is constructed without this requirement.

4) Economic Impacts: Failure to net out lost sales at existing establishments.

The DEIS states:

Wal-Mart's location will place it in direct competition with these established retailers and not in direct competition with an established downtown retail core, which unlike other communities Tumwater does not have. [Economic Analysis, P. 14]

This is accurate. Unless people in the Tumwater shopping area eat more, buy more toilet paper, or purchase additional clothing, all of the sales that Wal-Mart experiences will be offset by reduced sales at other establishments in the same shopping area. To the extent that the reductions occur in Olympia, there might be a net increase in Tumwater (and an offsetting decrease in Olympia).

To the extent that Wal-Mart has "always the low prices" of course, the amount of reduced retail sales at other establishments will exceed the amount of increased retail sales at Wal-Mart. To be fair, if this effect occurs, the consumers making these lower-price purchases will have that income available, and to some extent, we would expect that income to be spent on retail purchases (but some of it will be saved, some will be spent outside the Tumwater shopping area, and some will be used to buy additional items at Wal-Mart).

The point is, that in a single year (holding population and other factors stable), a new store does not generate new sales; it merely detours existing sales from existing stores.

The estimated retail sales, at page 17, however, appear to reflect the total sales of the proposed Wal-Mart. This figure, upon which all other imputed and multiplier effects are computed, does not appear to net out the lost sales to other vendors. This is a major shortcoming in the economic impact analysis.

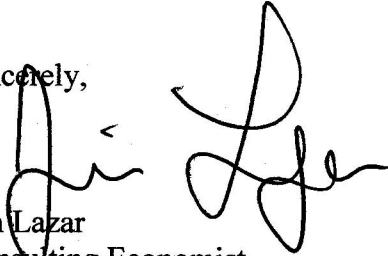
Much of the lost sales will likely come from the immediately adjacent large retailers: Costco, Fred Meyer, Albertson's, and Mega Foods. This will mean a roughly dollar-for-dollar loss in sales and associated taxes and spinoff benefits in Tumwater.

The assumption that Wal-Mart will add \$92 million in retail sales in Tumwater, and the

associated taxes, imputed jobs, multiplier effects, and associated other economic benefits is fundamentally flawed.

Thank you for the opportunity to comment on the DEIS.

Sincerely,



Jim Lazar
Consulting Economist
1063 Capitol Way #202
Olympia, WA 98501

