

Meeting Date: June 18, 2013

Report Type: Discussion

**Law and Legislation
Committee Report**

915 I Street, 1st Floor

www.CityofSacramento.org

Title: Repeal of the Superstore Ordinance (LR13-003)

Location: Citywide

Issue: The proposed ordinance would eliminate the requirement for a proposed superstore to submit an economic impact analysis. The code amendment would not alter the requirement for “big box” stores to obtain a conditional use permit.

Recommendation: Review and forward the draft repeal of the superstore ordinance to the City Council for consideration.

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Department: Community Development

Division: Planning

Dept ID: 21001222

Attachments:

- 01 Description/Analysis
- 02 Background
- 03 Draft Resolution – CEQA Exemption
- 04 Draft Ordinance Repealing Superstore Provisions
- 05- Correspondence

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Attachment 01 – Description/Analysis

Issue: The recently adopted Planning & Development Code update was intended to streamline development regulations in order to create a more conducive business environment. The City's regulations should be relatively similar to surrounding jurisdictions to foster a level playing field in regional economy. The existing superstore regulations are ineffective because they place Sacramento at a competitive disadvantage with surrounding jurisdictions. Superstores continue to be approved in surrounding jurisdictions resulting in the City's loss of potential sales tax revenue.

Repeal of the superstore ordinance would:

1. Eliminate the requirement for an Economic Impact Analysis. This analysis provides information about wage and benefit differentials between the proposed superstore and existing retail businesses in the City.
2. Rely upon the retail store size thresholds which generally require a conditional use permit for any store greater than 40,000 or 60,000 gross square feet; however, in the C-3 zone (Central Business District) a retail store less than 125,000 gross square feet is allowed by right.
3. Rely upon the site plan and design review processes which are discretionary actions subject to CEQA. Staff could continue to require – where warranted – an additional economic impact analysis on a case by case basis.

Specifically, staff proposes deletion of the following from the Planning & Development Code:

- Definition of Superstore
- Superstore row from the conditional use charts in each of these zones--SC, C-1, C-2, C-3, C-4, M-1, M-1(S), M-2, and M-2(S)
- Superstore from the chart of uses, subject to regulation as stated, in the Sacramento Railyards Special Planning District
- Superstore from the special use regulations of Chapter 17.228

Policy Considerations: The Planning and Development Code changes described in this report are consistent with the City's goals and policies as established in the 2030 General Plan, and is a key implementation measure of the General Plan. These policies, which describe the importance of key land use and sustainability policies, include:

- **Goal ED1.1 Business Climate.** Maintain a supportive business climate and a healthy, sustainable economy that increases the City's ability to expand existing businesses and attract and retain new businesses.
- **ED1.1.3 Market Trends:** The City shall monitor industry and market trends and regularly provide current information to City policymakers and the business community.

Economic Impacts: Superstores (as defined by the City's Zoning Code) often provide lower wages and benefits than conventional (unionized) grocery stores. However, the unintended consequence of the ordinance has been to push superstores to neighboring jurisdictions – resulting in a leakage of sales tax revenue. Specifically, since the adoption of the City's superstore ordinance, no superstores have been approved in the City of Sacramento, while new large-format retail stores have opened just beyond the City's borders, including:

- June 2009 – Walmart @ Florin Town Center (6051 Florin Rd)
- May 2011 – Walmart West Sacramento (755 Riverpoint Ct.)
- March 2013 – Walmart @ 148,200 sqft @ Bruceville / Whitelock (10075 Bruceville Rd)

Environmental Considerations: The proposed action would alter the review procedures for certain large retail stores by eliminating (where not warranted for CEQA purposes) the requirement for an economic impact analysis. The action would not change existing general plan, zoning or other development requirements for parcels of land within the City, and would not authorize any specific development. Future projects that would be subject to CEQA review would remain subject to such review. Economic or social effects are not treated as significant effects on the environment (CEQA Guidelines section 15131(a)) but may be considered in individual projects under appropriate conditions, or at the discretion of the City. The action would not prevent any such consideration. Typically (in the context of environmental review), an economic impact analysis (urban decay analysis – absent a wage & benefit component) is conducted to determine whether existing retail space may become blighted as a result of a proposed new major retail facility.

It can be seen with certainty that the adoption of the ordinance would have no significant effect on the environment and is exempt pursuant to CEQA Guidelines section 15061(b)(3).

Sustainability Considerations: None.

Commission/Committee Action: On the date of May 23, 2013, the Planning & Design Commission voted 11-1-1 to recommend approval of the proposed ordinance.

Rationale for Recommendation: The superstore ordinance requires an economic impact analysis that includes a wage and benefit study. Staff believes that this is an onerous requirement that has resulted in no superstores being built within the City of Sacramento, while these superstores have instead located in neighboring jurisdictions (that do not have these same requirements for the wage and benefit study).

The ordinance repeal is appropriate because the current ordinance is ineffective due to the following factors:

1. Large-Format Retail would still require discretionary review: First, as indicated above, the new code will require discretionary site plan and design review for all new projects, and a conditional use permit will be required for retail stores over certain thresholds (40,000 or 60,000 square feet outside the CBD, and 125,000 square feet in the CBD), so a major retail store would be subject to case-by-case review, and a conditional use permit could be denied if the proposal was found to be inconsistent with the general plan, sound principles of land use, or public health and safety.
2. Large-Format Retail is Regional in Scale: The ordinance is ineffective in that it has failed to stop large retail stores from serving City residents – they simply do so from just outside City limits, in adjacent cities and the unincorporated county. So the jobs and tax revenues generated by City residents patronizing such stores are accruing to surrounding communities rather than to the City.
3. Sale of Groceries is an Evolving Marketplace:
 - a. First, the existing ordinance exempts membership stores (e.g., Costco, Sam's Club) – even though these stores provide the same types of goods as found in superstores.
 - b. Second, retailers can create adjacent stores that sell groceries separate from sale of general goods. Since 1998, Walmart has opened approximately 200 neighborhood markets nationally; these stores range between 31,000 to 55,000 square feet and sell groceries, hardware, pet products, paper goods, and health-related products. For example, in November 2012, (after its plans to add groceries to a new store the

company is building in Laguna Ridge were thwarted by community opposition) Walmart opened a 39,000-square-foot 'Neighborhood Market' at 8455 Elk Grove Blvd (in the former Gottschalks building) - in the same shopping center as Walmart's existing large-format Elk Grove store.

4. Wages and benefits are not land use issues: Regulating wages and benefits is not what land use regulation is intended to accomplish; planning staff recommend not using the zoning code to achieve such objectives.

Financial Considerations: The cost estimate for implementation of the proposed superstore ordinance repeal is negligible. The fiscal impact of individual large-format retail stores can be evaluated on a case-by-case basis.

Emerging Small Business Development (ESBD): No goods or services are being purchased as a result of this report.

Attachment 02 – Background

Pursuant to Zoning Code §17.208.010 – Zoning Title Text Amendments: “Amendments to the text of this title may be initiated by the planning director, planning and design commission, or city council.” This amendment to repeal the superstore ordinance has been initiated by the Planning Director.

Planning & Design Commission Hearing

On the date of May 23, 2013, after 2.5 hours of discussion and debate, the Planning & Design Commission voted 11-1-1 to recommend approval of the proposed ordinance. (Nay-LoFaso, Absent-Lele). The Commissioners noted:

- If the superstore provisions are repealed, the existing large-format retail store regulations would permit case-by-case review
- CEQA already requires blight analysis for very large retail development proposals
- An economic impact analysis is a valuable tool that could be required when warranted
 - The Commissioners noted that applicants should be informed early in the process when an economic impact analysis would be required
 - The Commission could request the analysis during review & comment shortly after project application submittal
 - The cost of an economic impact analysis (even with the wage & benefit analysis) is not financially onerous
- Land use policy is not the appropriate mechanism for controlling competition or promoting union benefits {the Commission was not unanimous on this point}
- Walmart is a predatory business model that is not supportive of local business, lack of union benefits entails taxpayer burden for health care

Public testimony in favor of the repeal testified that:

- The “grocery” overlay is of limited value
- The membership exemption creates a regulatory inconsistency
- Big box stores may – in some circumstances – provide groceries to neighborhoods currently characterized as “food deserts”
- The repeal would enhance choice, reduce stifling prohibitions and restrictions, and allow private sector to respond to shifts in retail consumer patterns
- Big box stores act as anchor tenants to attract small tenants
- The repeal would bring fiscal benefit to the City and reduce sales tax leakage
- The repeal would bring construction and low-skill retail jobs to Sacramento

Public testimony opposed to the repeal testified that:

- Large format retail stores are inappropriate for the midtown / downtown grid
- Grocery stores are in over-supply – we don’t need more retailers selling groceries
- Walmart tends to move from one location to another – leaving vacant big boxes in its wake – with attendant problems of graffiti, litter, and blight
- Superstores (Walmarts in particular) are multi-category-killers that limit consumer choice.

Legislative History – Big Box and Superstores - Sacramento

R96-072 Power Center and Big Box Retail Policy adopted *February 13, 1996*

The Goal of the policy is to provide a balanced approach to locating power centers and free-standing big box retail development, such as the proposed Price Costco building, so as to optimize the benefits and minimize the negative impacts of these retailers on the City, the existing and planned retail uses, and on residential uses.

Site design guidelines of the policy:

- 1) plan the center as a comprehensive unit;
- 2) design buildings at a human scale;
- 3) design the center to be as transit compatible as possible;
- 4) provide effective on-site pedestrian/ bicycle links to eliminate internal auto trips;
- 5) break up large expanses of parking with landscaping and walkways; and
- 6) provide a coordinated sign program.

Big box stores were defined as any retail store at least 40,000 square feet in size.

OR2005-013: (M04-081) On *February 15, 2005* the Sacramento City Council adopted an interim ordinance regulating large retail stores known as superstores. The direction of the Council was to prepare a final ordinance for review and approval. The ordinance defined a superstore as a retail store exceeding 90,000 square feet with more than 20% of the overall square footage devoted to non-taxable sales.

OR2006-027 (M04-025) adopted *April 18, 2006* which affirmed the requirement for a special permit for a retail store exceeding 90,000 square feet but changed the threshold to 10% non-taxable sales.

OR2007-101 (M07-067) adopted *December 11, 2007* specified that superstores require conformance with footnote 81 within the Railyards Special Planning District.

OR2013-0007 (LR11-006) adopted April 9, 2013 comprehensively updated the planning and development regulations, which includes recodified sections pertaining to big boxes.

Sacramento's Superstore Provisions – Zoning Code

On September 30, 2013, the comprehensive update of the City's zoning code will be effective. Under the terms of the new code, retail uses are allowed by right below a size threshold. Site plan and design review is required, even for the by right uses. A Planning & Design Commission conditional use permit for a retail store is required when the building size exceeds the square footage as per below:

Code Section	Zone	Conditional Use Required when Building Exceeds
§17.216.510	SC	60,000 sqft
§17.216.610	C-1	40,000 sqft
§17.216.710	C-2	40,000 sqft
§17.216.810	C-3	125,000 sqft
§17.216.910	C-4	40,000 sqft
§17.220.110	M-1	40,000 sqft
§17.220.210	M-1(S)	40,000 sqft
§17.310.110	M-2	40,000 sqft
§17.410.110	M-2(S)	40,000 sqft
§17.220.610	MRD	40,000 sqft

Under the new Planning & Development code (effective September 30, 2013), the existing provisions of the superstore ordinance were carried forward as follows:

17.228.119 Superstore.

- A. The requirement for a conditional use permit for a superstore applies to proposals to construct a new building or structure for a superstore, and it applies to proposals to utilize an existing building or structure for a superstore.
- B. Upon submittal and acceptance of an application for a conditional use permit for a superstore, and in addition to all other requirements of this title relating to applications for conditional use permits, an Economic Impact Analysis (“EIA”) shall be prepared for the project. The EIA shall be prepared by the city or by a qualified entity or consultant selected and retained by the city, the cost of which shall be an expense of the applicant. The EIA shall not be prepared by or under the direction of the applicant.
- C. The EIA shall analyze the potential economic impacts of the proposed superstore and shall include at least the following information:
 - 1. A survey of existing retail stores in the city reasonably likely to be impacted or materially affected by the proposed superstore. A survey of the number of persons employed by existing retail stores in the city, and estimate of the number of persons who will likely be employed by the proposed superstore, and an analysis of whether the proposed superstore will result in a net increase or decrease of jobs in the city;
 - 2. A survey of the wage and benefit differentials, if any, between the proposed superstore and existing retail stores in the city;
 - 3. An analysis of the effects of the proposed superstore on retail sales and whether there will be a net increase or decrease in net retail sales in the city; and
 - 4. An analysis of the sales tax revenues that are likely to be generated by the proposed superstore, and an analysis of the effect of the proposed superstore on sales tax revenues generated by existing retail stores in the city, including an analysis of the sales tax revenues that are likely to be lost by existing retail stores in the city, either due to loss of business or from closure.
- D. The EIA shall be considered by the planning and design commission at the time of consideration of the conditional use permit application.

17.108.200 definitions.

“Retail store” means an establishment engaged in selling goods or merchandise to the general public for personal or household consumption or use. Goods or merchandise may be new or used. A retail store promotes itself to the general public; may buy, receive, and sell merchandise; may process or manufacture some of the products in stock, such as jewelry or baked goods; and may process articles owned by the customer, such as cleaners or shoe repair. Membership-type stores, indoor markets, bazaars, antique malls, consignment shops, thrift stores, and secondhand stores are examples of retail stores. Regulation of this use varies, depending on size of building. “Retail store” does not include superstores.

“Superstore” means a retail store with more than 90,000 gross square feet of floor area and more than 10% gross floor area devoted to the sale of non-taxable merchandise. Notwithstanding the foregoing, the term “superstore” shall exclude wholesale clubs or other establishments selling primarily bulk merchandise and charging membership dues or otherwise restricting merchandise sales to customers paying a periodic assessment or fee.

Analysis – Repeal of the Superstore Ordinance

Repeal of the superstore ordinance would:

1. Eliminate the requirement (§17.228.119) for an Economic Impact Analysis. This analysis provides information about wage and benefit differentials between the proposed superstore and existing retail businesses in the City.
2. Rely upon the retail store size thresholds which generally require a conditional use permit for any store greater than 40,000 or 60,000 gross square feet; however, in the C-3 zone (Central Business District) a retail store less than 125,000 gross square feet is allowed by right.
3. Rely upon the site plan and design review and conditional use permit processes which are discretionary actions subject to CEQA. Staff could continue to require – where warranted – an economic impact analysis.

Large Format Retail Stores within 15 Mile Radius of City of Sacramento

Store Name	Store Location
Target	2505 Riverside Blvd
Target	2005 Town Center Plaza, West Sacramento
Target	6507 4th Ave
Target	3601 N Freeway Blvd
Target	1919 Fulton Av
Target	8101 Cosumnes River Blvd – Strawberry Creek Centre
Target	5001 Madison Av
Target	10881 Olson Dr
Target	4601 2nd Street, Davis
Target	7505 Laguna Blvd, Elk Grove
Target	5837 Sunrise Blvd, Citrus Heights

Store Name	Store Location
Walmart	755 Riverpoint Ct, West Sacramento
Walmart	3661 Truxel Rd, Sacramento
Walmart	2700 Marconi Av
Walmart	6051 Florin Rd
Walmart	5821 Antelope Rd
Walmart	7901 Watt Ave, Antelope [sells groceries]
Walmart	8961 Greenback Lane, Orangevale
Walmart	3460 El Camino Av
Walmart	8465 Elk Grove Blvd (10075 Bruceville Rd), Elk Grove
Walmart	1400 Lead Hill Blvd, Roseville
Walmart	850 Five Star Blvd, Roseville
Walmart	900 Pleasant Grove Blvd, Roseville
Walmart	Sierra College Blvd/ I-80 – Rocklin [sells groceries]
Walmart	255 Lincoln Blvd, Lincoln

Walmart stores in the Sacramento region typically range from 120,000 sq feet to 180,000 sq ft.

Neighborhood Markets:

- Elk Grove - 8455 Elk Grove Blvd. (November 2012)
- Granite Bay – 4080 Douglas Blvd.
- 2700 Marconi Ave @ Fulton (Taylor Center) – former Goore’s children’s store
- Lincoln @ Hwy 65 / 2nd Street (former Rainbow Market) – Fall 2012

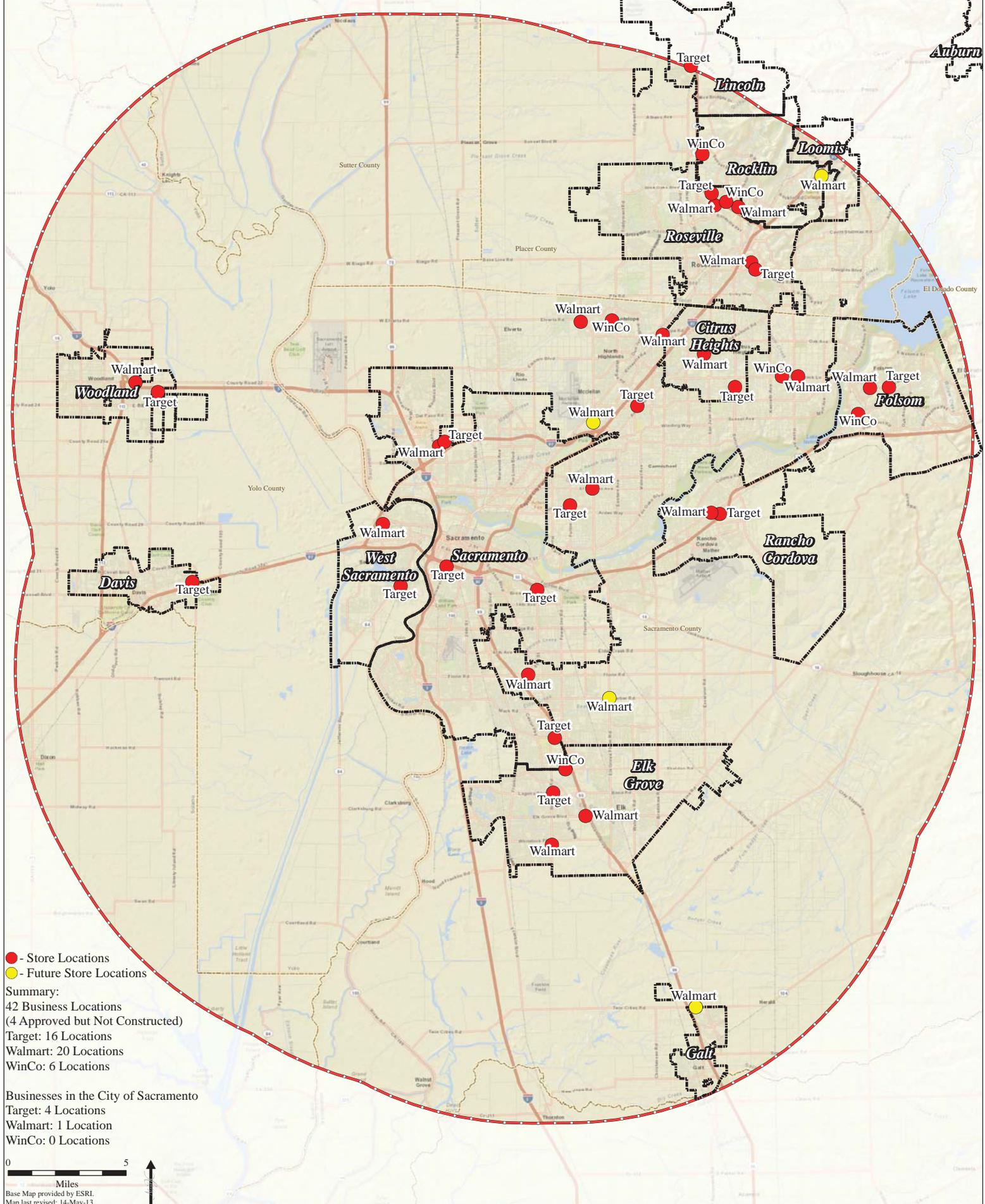
The space of the neighborhood market formats typically devoted to grocery/non-taxable sales ranges from 30,000 to 50,000 sq feet.

Store Name	Store Location
Winco	8142 Sheldon Rd, Elk Grove
Winco	4137 Elverta Rd, Antelope
Winco	8701 Greenback Ln, Orangevale
Winco	200 Blue Ravine Rd, Folsom
Winco	10151 Fairway Dr, Roseville
Winco	3835 Atherton Rd, Rocklin

The typical size of a Winco is 92,000 square feet – with the majority of the space devoted to the sale of non-taxable items; thus a typical Winco would meet the City’s definition of a superstore.

Large-Format Retail Stores

Within 15 miles of the City of Sacramento



Big Box and Superstore Legislation – Peer Jurisdictions

A. Summary – Sacramento Region

Jurisdiction	Circumstances	Regulations
Elk Grove	75-150 ksf & >10% non-taxable	Requires economic / fiscal impact analysis (does not include wage & benefit analysis)
Sacramento County	No specific superstore provisions	
Rancho Cordova	No specific superstore provisions	
Citrus Heights	No specific superstore provisions	
Folsom	No specific superstore provisions	
Roseville	No specific superstore provisions	
West Sacramento	No specific superstore provisions	
Davis	General merchandise w/ >20% non-taxable	Requires conditional use permit if in a PUD

The following paragraphs discuss the zoning ordinance provisions – if any – related to big box retail and/or superstores for jurisdictions within a 15-mile trade area surrounding the City of Sacramento.

1. Elk Grove

Section 23.26.015 defines a

“Retail, Superstore” as $\geq 75,000$ square feet (but $< 150,000$ square feet) with $\geq 10\%$ non-taxable goods

“Retail, Superstore, Large Format” as $\geq 150,000$ square feet with $\geq 10\%$ floor area dedicated to sale of non-taxable goods.

Chapter 23.32.030 identifies that the *large format* superstores are not permitted in any zone.

Footnote 14 requires that the superstore applicant (for a conditional use permit) shall fund special studies and analyses:

- a. A community impact analysis, which shall analyze the project design and compatibility of the proposed use with the surrounding neighborhood and the community as a whole;
- b. An economic/fiscal impact analysis, which shall analyze:
 - i. The potential economic and fiscal impacts of the proposed use, both in terms of sales tax and impact on existing businesses in the community;
 - ii. Whether the proposed *superstore* will result in a net increase or decrease of jobs in the City, segregated by types of jobs; and
 - iii. The effects of the proposed *superstore* on the retail sales in the City and whether there will be a net increase or decrease in net retail sales in the City;
- c. A crime analysis, which shall analyze the potential impact of the proposed use on existing police services in the City;
- d. An urban decay analysis as required for preparation of the environmental impact report (EIR) under the California Environmental Quality Act, which evaluates the extent to which the proposed use would have competitive impacts on existing retail facilities in the City and thus would generate urban decay and a physical deterioration of existing retail centers in the City.

In instances where an EIR is not required, the urban decay analysis shall be prepared as part of the review of the conditional use permit application.

- e. The special studies provided for herein may be included as part of the environmental document for the project or may be stand-alone documents.

2. Rancho Cordova

No specific superstore provisions.

3. Citrus Heights

No specific superstore provisions.

4. Folsom

No specific superstore provisions.

5. Roseville

No specific superstore provisions.

6. County of Sacramento

No specific superstore provisions.

7. City of West Sacramento

No specific superstore provisions.

8. Davis

Section 40.01.010 defines “Discount Superstore” as a general merchandise store with more than 20% of the gross floor area dedicated to non-taxable and/or grocery sales, and is subject to a conditional use permit. The Second Street Crossing Target project (137,000 square feet) applied for conditional use permit, design review, and PUD entitlements, and approvals in November 2006, and was subjected to Ballot Measure K (approved by 51.5%) which accepted Council actions. As part of the conditional use permit, the City prepared a fiscal impact report that was limited to the impact on City operating costs and revenues. The socio-economic section of the project EIR examined the economic impacts on existing businesses and commercial retail space in the City. The study concluded that the proposed Target would capture retail sales that were otherwise leaking to adjacent jurisdictions.

Other California Jurisdictions with Superstore Ordinances

B. Summary – Other Jurisdictions

Jurisdiction	Circumstances	
Los Angeles	75-150 ksf & >10% non-taxable	Requires an economic impact study if within “economic assistance area” (does not include wage & benefit analysis)
Inglewood	75-150 ksf & >10% non-taxable	Requires economic / fiscal impact analysis (does not include wage & benefit analysis)
San Diego	≥50 ksf (100 ksf in Central City)	<u>Development Permit Required - repealed</u>

South San Francisco	>80 ksf	Must provide surety bond to cover eventual cost of building demolition / maintenance of vacant building
Vallejo	>75 ksf w/ >10 ksf non-taxable	Requires economic / fiscal impact analysis (does not include wage & benefit analysis)
Dublin	>170 ksf & >10% non-taxable	Prohibited
Santa Clara	>150 ksf & >15% non-taxable	Prohibited
Turlock	>100 ksf & >5% non-taxable	Requires conditional use permit

C. Los Angeles

Ordinance # 176,166, effective October 4, 2004 requires a conditional use permit and defines superstores as retail establishments whose total Sales Floor Area exceeds 100,000 square feet and which devote more than 10% of sales floor area to the sale of Non-Taxable Merchandise. This definition excludes wholesale clubs or other establishments selling primarily bulk merchandise and charging membership dues or otherwise restricting merchandise sales to customers paying a periodic assessment fee. The Ordinance also established a requirement (§12.24.U.14(d)) that any superstore proposed to be located within an “economic assistance area” must submit an economic impact study to analyze:

- any adverse impact or economic benefit on grocery or retail shopping centers in the Impact Area;
- physical displacement of any businesses, and, if so, the nature of the displaced businesses or would create economic stimulation in the Impact Area;
- demolition of housing, or any other action or change that results in a decrease of extremely low, very low, low or moderate income housing on site;
- destruction or demolition of any park or other green space, playground, childcare facility, community center;
- provision of lower in cost and/or higher in quality goods and services to residents than currently available or that are currently unavailable from a cost benefit perspective
- jobs displaced or created (and whether the jobs are temporary or permanent, and in what employment sector)
- fiscal impact either positive or negative on City tax revenue;
- disclosure of lease provisions which, in the event the owner or operator of the Superstore vacates the premises, would require the premises to remain vacant for a significant amount of time;
- any materially adverse or positive economic impacts or blight on the Impact Area; and
- any measures available which will mitigate any materially adverse economic impacts, if any, identified by the applicant, if necessary.

D. Inglewood

Ordinance adopted in June 2006 established Section 12-95.5.I which was modeled on the superstore ordinance adopted by the City of Los Angeles.

E. Vallejo

Ordinance 1555 adopted in 2005 established Chapter 16.76 which provides special standards and development regulations for superstores in order to minimize the negative economic and environmental impacts associated with such superstores. Superstores are defined as >75,000 square feet gross floor area with >10,000 square feet of the gross floor area devoted to the sale of nontaxable merchandise, including but not limited to food and beverage retail sales. Superstores require a conditional use permit subject to a finding (after review of an economic impact study) that that the positive economic impacts created by the proposed superstore would outweigh the negative economic impacts or, that despite any negative impacts, other considerations warrant the granting of major conditional use permit for the superstore.

The contents of the economic impact study shall analyze the potential short- and long-term economic impacts of the proposed superstore and shall at a minimum include the following in the analysis:

1. A survey of the existing stores, that provide retail sales and food and beverage retail sales within the city and adjacent retail market areas that would be economically affected by the proposed superstore.
2. A survey of the existing, proposed, and/or pending superstores within the affected area.
3. A survey of the number of persons who are employed on either a full-time or a less than full-time basis by the existing retail stores and an estimate of the number of persons who would be employed on both a full-time or a less than full-time basis by the proposed superstore.
4. An analysis of the short- and long-term effect the proposed superstore could have on the retail stores (retail sales, food and beverage retail sales, store closures, jobs, and any food and beverage retail and/or retail stores that could potentially close). Such analysis shall also include a survey of established compensation and wages standards in comparable stores operated by the applicant compared to those established in the affected area.
5. An analysis of both the short- and the long-term potential effects of the proposed superstore on retail and food and beverage retail sales in the affected area, including a conclusion as to whether the proposed superstore would cause a net increase or decrease in retail and food and beverage retail sales in the affected area.
6. A fiscal impact analysis
7. An analysis of the proposed superstore's potential short- and long-term net effect on the ability of consumers in the affected area to obtain a variety of food and beverage and retail products
8. An analysis of the average savings a typical consumer might expect, if any, by the approval of the proposed superstore.

F. South San Francisco

Ordinance adopted in 2011 established Section 20.350.024 which required that any large format retail (any commercial center exceeding 80,000 square feet of floor area) must provide a surety bond to cover the cost of building demolition and maintenance of vacant building site if the primary building is ever vacated or abandoned.

G. Dublin

Ordinance 22-08 adopted in May 2008 established Chapter 8.42 which prohibits superstores in any zone, where a Superstore means a store that exceeds 170,000 square feet of Gross Floor Area and devotes at least 10% of the total sales floor area to the sale of non-taxable merchandise.

H. Santa Clara

Ord. 1843 §2 adopted May 5, 2009 established Chapter 18.72 which prohibits superstores in all zoning districts. A superstore is defined as 150,000 square feet that designates more than 15% of the total sales floor area to the sale of nontaxable merchandise.

I. Turlock

Zoning Code Section 9-3-302 (footnotes 21/22) requires a conditional use permit for >100,000 square feet of gross floor area that devotes at least 5% percent of the total sales floor area to the sale of nontaxable merchandise.

J. San Diego

An ordinance adopted in 2010 established Zoning Code Section 143.0302 required that any large retail establishment of >50,000 square feet gross floor area in all commercial and industrial zones, and in all planned districts, except the Centre City Planned District – required a Neighborhood Development Permit (regulating setback, building design, landscaping); development of a large retail establishment of 100,000 or more square feet gross floor area in all commercial and industrial zones, and in all planned districts required a Site Development Permit. However, City Council subsequently repealed the ordinance after Wal-Mart obtained enough signatures to place the repeal of the ordinance on the ballot. Council did not want to fund a special election and public opinion was clearly opposed to the ordinance.

RESOLUTION NO. 2013-

Adopted by the Sacramento City Council

On the date of _____

APPROVING EXEMPTION FROM CEQA REVIEW FOR THE REPEAL OF THE SUPERSTORE ORDINANCE

BACKGROUND:

- A. On May 9, 2013 the City Planning and Design Commission conducted a public hearing on, and forwarded to the City Council a recommendation to approve the Planning and Development Code.
- B. On July 16, 2013 the City Council Passed for Publication the Ordinance and on July 23, 2013 the City Council conducted a public hearing, for which notice was given pursuant Sacramento City Code Section 17.200.010(C)(2) by publication and posting, and received and considered evidence concerning the proposed ordinance amendments.
- C. The proposed action would alter the review procedures for certain large retail stores by eliminating the requirement for an economic impact analysis. The action would not change existing general plan, zoning or other development requirements for parcels of land within the City, and would not authorize any specific development. Future projects that would be subject to review under the California Environmental Quality Act (CEQA) would remain subject to such review.
- D. Economic or social effects are not treated as significant effects on the environment (CEQA Guidelines section 15131(a)) but may be considered in individual projects under appropriate conditions, or at the discretion of the City. The action would not prevent any such consideration.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. It can be seen with certainty that the adoption of the ordinance would have no significant effect on the environment and is exempt from review under the California Environmental Quality Act pursuant to CEQA Guidelines section 15061(b)(3).

Section 2. The City Council directs that, upon approval of the Project, the City Manager shall file a notice of exemption with the County Clerk of Sacramento County

Section 3. Pursuant to Guidelines section 15091(e), the documents and other materials that constitute the record of proceedings upon which the City Council has based its decision are located in and may be obtained from, the Office of the City Clerk at 915 I Street, Sacramento, California. The City Clerk is the custodian of records for all matters before the City Council.

ORDINANCE NO. 2013-

Adopted by the Sacramento City Council

[Date Adopted]

AN ORDINANCE AMENDING CHAPTERS 17.108, 17.216, 17.220, 17.228, AND 17.440 OF THE SACRAMENTO CITY CODE, RELATING TO SUPERSTORES

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

A. The definition of “Retail store” in section 17.108.190 of the Sacramento City Code is amended to read as follows:

“Retail store” means an establishment engaged in selling goods or merchandise to the general public for personal or household consumption or use. Goods or merchandise may be new or used. A retail store promotes itself to the general public; may buy, receive, and sell merchandise; may process or manufacture some of the products in stock, such as jewelry or baked goods; and may process articles owned by the customer, such as cleaners or shoe repair. Membership-type stores, indoor markets, bazaars, antique malls, consignment shops, thrift stores, and secondhand stores are examples of retail stores. Regulation of this use varies, depending on the size of the building. ~~“Retail store” does not include superstores.~~

B. Except as specifically amended by subsection A above, section 17.108.190 of the Sacramento City Code remains unchanged and in full force and effect.

SECTION 2. The definition of “Superstore” in section 17.108.200 of the Sacramento City Code is repealed.

~~“Superstore” means a retail store with more than 90,000 gross square feet of floor area and more than 10% gross floor area devoted to the sale of non-taxable merchandise. Notwithstanding the foregoing, the term “superstore” shall exclude wholesale clubs or other establishments selling primarily bulk merchandise and charging membership dues or otherwise restricting merchandise sales to customers paying a periodic assessment or fee.~~

SECTION 3.

A. The row for “Superstore” is deleted from each of the following Tables in chapters 17.216, 17.220, and 17.440 of the Sacramento City Code:

1. 17.216.510 B (SC zone)
2. 17.216.610 B (C-1 zone)
3. 17.216.710 B (C-2 zone)
4. 17.216.810 B (C-3 zone)
5. 17.216.910 B (C-4 zone)
6. 17.220.110 B (M-1 zone)
7. 17.220.210 B (M-1(S) zone)

8. 17.220.310 B (M-2 zone)
9. 17.220.410 B (M-2(S) zone)
10. 17.440.040 D (Railyards Special Planning District)

B. Except as specifically amended by subsection A above, the Tables in chapters 17.216, 17.220, and 17.440 of the Sacramento City Code remain unchanged and in full force and effect.

SECTION 4. Section 17.228.119 (Superstore) of the Sacramento City Code is repealed.

~~**17.228.119 Superstore.**~~

~~A. The requirement for a conditional use permit for a superstore applies to proposals to construct a new building or structure for a superstore, and it applies to proposals to utilize an existing building or structure for a superstore.~~

~~B. Upon submittal and acceptance of an application for a conditional use permit for a superstore, and in addition to all other requirements of this title relating to applications for conditional use permits, an Economic Impact Analysis ("EIA") shall be prepared for the project. The EIA shall be prepared by the city or by a qualified entity or consultant selected and retained by the city, the cost of which shall be an expense of the applicant. The EIA shall not be prepared by or under the direction of the applicant.~~

~~C. The EIA shall analyze the potential economic impacts of the proposed superstore and shall include at least the following information:~~

~~1. A survey of existing retail stores in the city reasonably likely to be impacted or materially affected by the proposed superstore. A survey of the number of persons employed by existing retail stores in the city, and estimate of the number of persons who will likely be employed by the proposed superstore, and an analysis of whether the proposed superstore will result in a net increase or decrease of jobs in the city;~~

~~2. A survey of the wage and benefit differentials, if any, between the proposed superstore and existing retail stores in the city;~~

~~3. An analysis of the effects of the proposed superstore on retail sales and whether there will be a net increase or decrease in net retail sales in the city; and~~

~~4. An analysis of the sales tax revenues that are likely to be generated by the proposed superstore, and an analysis of the effect of the proposed superstore on sales tax revenues generated by existing retail stores in the city, including an analysis of the sales tax revenues that are likely to be lost by existing retail stores in the city, either due to loss of business or from closure.~~

~~D. The EIA shall be considered by the planning and design commission at the time of consideration of the conditional use permit application.~~

SECTION 5. This Ordinance shall take effect on September 30, 2013, but only if Ordinance number 2013-0007 takes effect on September 30, 2013. If Ordinance number 2013-0007 takes effect on September 30, 2013, this Ordinance shall take effect immediately thereafter.

Attachment 05 – Correspondence

**MARSHALL SCHOOL/NEW ERA PARK
NEIGHBORHOOD ASSOCIATION**

P. O. Box 162271, Sacramento, CA 95819

916-919-6656

marshall.newera@gmail.com

May 17, 2013

Members of the Planning and Design Commission
Sacramento City Hall
915 I Street
Sacramento, CA 95814

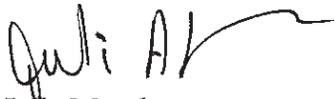
Re: Repeal of the Superstore Ordinance (LR13-003)

Dear Commissioners:

The Marshall School/New Era Park Neighborhood Association Board (MSNE) is not in favor of revisions to the City's "Superstore" Ordinance. It is important to consider the economic impacts that stores like Walmart cause to a community. In Midtown, we are blessed with a diverse number of local, independent businesses. Businesses like Walmart negatively impact these small, independent businesses. Those impacts should be studied and considered prior to bringing these businesses into our community. Businesses, like Walmart, pay their workers a low wage and train their employees as to how to take advantage of government services such as WIC, Medicare, and other government programs (U.C. Berkeley Labor Center).

MSNE applauds the vision of the City Council to enact the "Superstore" ordinance. The City of Sacramento needs to seek out a diversity of business opportunities and not chase after low paying jobs that will only lower the overall economic base for our community.

Very truly yours,



Julie Murphy
Co-Chair

Jam

cc: Scott Mende, Principle Planner

Enclosures


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WHY WALMART LOVES WELFARE

[In the News 2013](#)
California Progress Report, March 14, 2012
[2012](#)

By Bobbi Murray

[2011](#)

You may have already heard that uber-retailer Walmart plans to open a 33,000 square-foot store in L.A.'s Chinatown.

[2010](#)
[2009](#)

Last week opponents of Walmart's Chinatown store gathered at Sixth and Park View in MacArthur Park to listen to Walmart "associates"—the retailer's preferred term for its employees—talk about their need for public assistance to make ends meet.

[2008](#)
[2007](#)

If you know L.A., you know MacArthur Park is nowhere near Chinatown. But it is across the street from a California Department of Public Social Services (DPSS) building—a place you'd go to apply for social services such as welfare and health care—for support you might need if you were employed at a poverty-wage job.

[2006](#)
[2005](#)

Support you might need if you work at Walmart.

[2004](#)
[2003](#)

There have been scores of news stories over the years about Walmart and the low job standards that rendered much of its workforce eligible for Medicaid. The U.C. Berkeley Labor Center crunched the numbers in 2004 and found that Walmart workers' reliance on public assistance programs cost California taxpayers \$86 million annually. The families of Walmart workers used 38 percent more non-health benefits—food stamps, subsidized school lunches—than the families of employees of other large retailers.

[2002](#)

The Labor Center has not recalculated since then – but one can extrapolate the numbers to match California's current Walmart workforce.

Gregory Fletcher doesn't need to read studies. He spoke from his own experience to those gathered in MacArthur Park. Fletcher and his wife are both associates at the Walmart in Duarte. He describes his family as "barely keeping our head above water"—scraping to make rent on the one-bedroom apartment he and his wife share with their two sons, eyeball-deep in credit card debt and using Medi-Cal to cover health costs.

And those gathered got an eagle-eye view from Cesar Michel from the DPSS near Chinatown. "When my co-workers and I learned that Walmart was coming to Chinatown, we were terrified," he said. "We know that Walmart is famous for encouraging its employees to apply for welfare and medical at our offices."

Indeed, a January 2012 Walmart Associate Benefits book provides a directory so associates can locate their local Medicaid office.

But it's not just Walmart employees who are affected—the nation's largest employer has a major impact on working conditions within the retail industry as a whole.

Another U.C. Berkeley Labor Center study, *A Downward Push: The Impact of Wal-Mart Stores on Retail Wages and Benefits*, showed that Walmart replaced better-paying jobs with lower-wage ones and depressed wages in competing businesses.

As Michel of the Department of Public Social Services said, "Los Angeles cannot afford the cost of more Walmart jobs."

[Original Article](#)

Center for Labor Research and Education
2521 Channing Way # 5555
Berkeley, CA 94720-5555
TEL (510) 642-0323 FAX (510) 642-6432

A public service and outreach program of the [Institute for Research on Labor and Employment](#)

Walmart: The High Cost of Low Prices a documentary produced by Robert Greenwald

About the producer: Greenwald is a well known independent producer of documentaries on such varied topics as: Rupert Murdoch's War on Journalism, the 2000 Presidential Election, The Iraq War and the post 9/11 erosion of American civil liberties. He is from Carversville, PA.

Techniques used in the film: Interviews of current and former employees of Walmart, business owners and town officials of towns that Walmart has moved into, experts on topics such as environmental protection, charity involvement, crime, tax issues, employee benefits, workers in areas where Walmart has factories (China, Bangladesh). Walmart commercials are shown throughout the film that describe the company as a stellar employer in employee treatment, environmental protection, community involvement, human rights and charitable giving.

Walmart expansion strategy: Walmart is the biggest corporation in the world, the biggest seller of food products on a global level, and the biggest private employer in the U.S. and Mexico. It is a monopoly, no controls have been legislated to protect free enterprise. Its strategy (according to its officials) is to crush competition.

A sample two business owners in Middlefield, Ohio and Hearne, Texas: The first one had a very large hardware store. Just as Walmart had announced plans to build a store in his town, he got an appraisal on his multiple business buildings. Since his business had been there many years, he expected the buildings' value to have risen significantly. The appraiser devalued his and other business properties in the town because "Walmart will soon run all local business out, emptying the buildings."

Hearne, TX, had a thriving downtown, and businesses there welcomed Walmart. The downtown now is entirely deserted.

Walmart employee policies: Salary: Walmart keeps employees part time as much as it can, understaffs stores, then asks employees to consistently work late. People who work full time do not receive enough salary to raise their families. A typical employee who worked there three years received \$1.07 in wage increases. There is no overtime, but employees are always made to stay late. If you don't want to, you will lose your job (in some towns there are no other job opportunities). Employees are forced to work off the clock, and managers are taught how to change pay figures so that they do not reflect actual time worked. Walmart often uses undocumented workers to clean its stores at below minimum wages and violates child labor laws. Those workers are locked in for their overnight shift.

The average pay at Walmart is a little over \$13,000.
Federal poverty guideline for a family of four is \$17,650.

31 states have filed lawsuits against Walmart for unfair employee practices. Texas has sued Walmart for \$150 million in unpaid wages. Walmart has 1.2 million employees worldwide.

Walmart drives down retail wages by \$3 billion per year.

Walmart is the most aggressive anti-union company in the United States. At threat of union, the company fires by jet three managers to take over the store. The managers identify employees, fire them if suspected of supporting unionization, use surveillance and intimidation. They freeze wages and blame the action on the union threat. **There are between five and ten times as many Walmart stores in Arkansas, Oklahoma, Mississippi and Missouri as there are in New Jersey, California and New York, states with strong trade unions.**

Walmart discriminates against women and people of color.

Openly discriminatory remarks are the norm in managerial relations with women and persons of color. More than 70% of Walmart's U.S. workers are women, most of whom earn less than the federal poverty wage guidelines for a family of three.

A \$1.6 million class action lawsuit has been filed against Walmart for discrimination against women.

Your taxes subsidize Walmart:

Walmart encourages employees to go on welfare, food stamps, WIC, get Section 8 housing, and Medicaid (more than any other company). Film listed all the states and how many Walmart employees in each state were on public assistance. **The cost of welfare benefits to Walmart workers is an estimated \$3 billion a year -- \$2,000 a year per employee at the federal level and another \$1,000 at the state and local levels.**

Health insurance offered is woefully inadequate. Families pay high premiums for the insurance and have large deductibles, no drug benefits. Most have to get government medical supplement or do without. **Walmart is the #1 corporate beneficiary of state public health programs.**

In the U.S., Walmart and Target pay substantially lower wages and are less likely to give health benefits than their competitors.

Another way your taxes subsidize Walmart is in millions of dollars in tax abatements given Walmart to establish a new store in a specific location. Local business owners seeking the same abatements are turned down. In deciding to give tax abatements to Walmart, cities are often in a bind because if they don't provide subsidies, then Walmart will locate just outside of town and still be a drain on the cities resources. **Walmart nationwide has been given \$1.8 billion in tax abatements.**

The tax abatements given to Walmart comes from the city's budget for public services; thus the amount of money for schools, fire and police services is reduced. When the tax abatement expires and the cities begin to receive tax revenue from Walmart, the store often moves just outside of town, so it does not have to pay.

Walmart factories

Over 70% of the commodities sold in Walmart come from China. Every year, Walmart mandates a 5% drop in its suppliers' prices for standardized products, forcing suppliers to outsource production to low wage countries.

In China: Young woman worker said workers live in dorms provided by Walmart, and the rent is subtracted from their salary. She works from 7:30 a.m. to 10 p.m. There are no fans, so she drips with sweat round the clock. Workers are taught to lie to inspectors about the hours worked. She is paid less than \$3 per day. It costs less than 18 cents to make the toy she produces, and Walmart charges \$14.95 for the toy.

Bangladesh: 25,000 workers work for 17 cents per hour. They brush their teeth with ash because they can't afford toothpaste.

El Salvador: Women make 15 cents per pair of pants that sells for \$16.95 at Walmart.

Crime at Walmart:

Walmart operates extensive security surveillance and hires numerous security guards inside its stores to protect its merchandise. No security measures are taken outside the building, in the parking lots, for customers and employees. In towns having Walmarts, as high as 80% of the local crime occurs in Walmart parking lots. Roughly 30 cities were listed in which serious crimes of rape, murder and kidnapping had occurred in Walmart's parking lots during 2005.

Environmental protection:

EPA lawsuits have been initiated in many states. An EPA officer in Bentonville, Arkansas, described Walmart's storage of pesticides, herbicides and other poisons on its parking lot. When it rained, the water on the parking lot flowed into rivers and streams affecting the drinking water. She contacted Walmart to ask them to move those poisons, got no response after several tries to the store and the corporate headquarters, so she posted the violation on the web (no result), then in the local newspapers. Finally the store resolved moved the contaminants. She said Walmart is the most unresponsive corporation to EPA officials that she had ever experienced.

Walmart profits

Walmart earns \$240 billion in sales per year. Lee Scott, Walmart's CEO makes \$27 million per year. The average employee makes \$13,381 per year. The five Waltons that own Walmart are worth \$102 billion. If they took 10% and used it to pay for adequate health care, pension and wages for every employee, they would have over \$90 billion left over.

Walmart spends \$3.2 billion on political contributions.

A crisis need fund created for Walmart employees received:

\$6,000 from the Walton family
\$ 5 million from Walmart employees

Walmart gives 1% of its profit to charity; Microsoft gives 58% of its profits.



Coalition Supporting Repeal of Sacramento's Superstore Ordinance

The Sacramento Metro Chamber of Commerce
Sacramento Asian Pacific Chamber of Commerce
Sacramento Hispanic Chamber of Commerce
Sacramento Black Chamber of Commerce
100 Black Men of Sacramento
Greater Sacramento Urban League
Natomas Chamber of Commerce
California Retailers Association
Region Builders, Inc.
Sheet Metal and Air Conditioning Contractors Sacramento Chapter
Associated General Contractors of California – Delta-Sierra District
American Institute of Architects – Central Valley Chapter
Sacramento Regional Builders Exchange
Real Estate and Construction Networking
American Subcontractors Association – Capitol City Chapter
National Electrical Contractors Association – Greater Sacramento Chapter
Associated Plumbing and Mechanical Contractors Association of Sacramento
Associate Builders and Contractors – Northern California Chapter
Construction Financial Management Association – Sacramento Chapter
Associated Roofing Contractors of Northern California



May 20, 2013

City of Sacramento
Chair Harvey and Planning & Design Commissioners
915 I Street
Sacramento, CA 95814

SUB: Repeal of Superstore Ordinance

Chair Harvey and Planning & Design Commissioners,

We would like to congratulate the City of Sacramento for recent actions taken to streamline development rules, many of which had not been overhauled in some 50 years, and we believe even more can be done to increase responsible development and economic opportunity. Among other issues the City of Sacramento should strongly consider is the repeal of its large format retail store (big-box) ordinance.

While the ordinance may have been adopted with the best of intentions, prospective retailers have found it to be too onerous and costly. In fact, many interpret the ordinance as a big-box ban. Since its passage in 2006, not one retailer that would have to comply with the ordinance has applied to expand or build a new store in Sacramento.

Here's why:

- **Inconsistent Application:** While the ordinance's implied objective is to limit competition with small retailers, the ordinance applies only to large format store that sell groceries. For example, it applies to a WinCo Foods store, but does not apply to Walmart, Target or Kmart, as long as they do not have a full grocery department.
- **Loopholes:** It exempts large retail membership stores like Costco or Sam's Club, even though they sell the very same merchandise found at smaller stores that sell food, electronics, books, clothes and more.
- **Duplicative and Subjective Analysis:** The ordinance creates a regulatory regime that exposes a select group of retailers to highly subjective analysis, while independent economic analysis is already required under State law, the California Environmental Quality Act (CEQA).

In essence, the ordinance creates an inconsistent regulatory environment that applies to some retailers and not others, even though their competitors resemble them in size and product selection. In fact, one can make a strong case that by picking the winners and losers in the marketplace, the ordinance has harmed the very communities and businesses it sought to protect:

- **Limits Access to Affordable and Healthy Foods:** The United States Department of Agriculture has designated neighborhoods within six City Council Districts as "Food Deserts," for "not having sufficient access to fresh, healthy and affordable food." By limiting some stores from selling groceries, fast food restaurants and convenience stores become primary sources of food for many Sacramento families. Furthermore, prices go up and consumers lose when competition does not exist. This is why First Lady Michelle Obama believes eliminating food deserts is critical to reducing childhood obesity.



- **Encourages Small Business Exodus:** Small businesses follow larger retailers to neighboring cities and counties with less restrictive regulations. Small retailers, banks, restaurants and other businesses benefit from the foot traffic generated by large anchor stores.
- **Limits Infill Development:** Compared to neighboring communities, it is harder for Sacramento to attract large retail anchor tenants to fill vacant storefronts, contributing to blight and crime.
- **Lost Jobs:** Sacramento is losing job opportunities. Large retailers hire 150-300 permanent employees, and generate hundreds of construction related jobs – both union and nonunion shops.
- **Lost Tax Revenue:** Large format stores typically generate \$300,000 - \$700,000 a year for public services such as police and fire protection, roads and parks. Having greater revenue will take on added importance given the City's desire to finance a new downtown Entertainment and Sports Complex.

The ordinance's failure reaffirms that while government has the power to limit development, it cannot limit consumer demand and their willingness to travel greater distances for more selection and savings. This point is underscored by a U.C. Davis study that found that large format stores attract customers from throughout the region, and limiting big-box development does not limit consumer activity. Simply put, this ordinance has encouraged retail development on the City's perimeter to serve the Sacramento market.

Given that the ordinance has cost the City millions in potential new tax revenue and thousands of jobs, only the neighboring cities that have profited from Sacramento's retail ordinance can defend its continued existence.

We are pleased to join small business organizations, construction firms and their employees in supporting the repeal of Sacramento's Superstore ordinance. If you have any questions, please contact me at (916) 397-4776. Thank you for your time and consideration.

Sincerely,

Joshua Wood
Executive Director
Region Builders, Inc.

Authorized signers representing support from coalition association members listed below:

Kathleen Mitchell
Executive Vice President
Sheet Metal & Air Conditioning Contractors' National Association – Sacramento Chapter

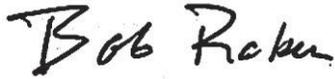
John Cooper
District Manager
Associated General Contractors of California – Delta-Sierra District

Robert Chase, AIA
Board President
American Institute of Architects – Central Valley Chapter

Mike Kimmel
Board President
Region Builders, Inc.



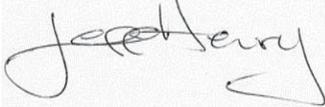
Peter Tateishi
Executive Vice President
Sacramento Regional Builders Exchange



Bob Raker
Chapter President
American Subcontractors Association – Capitol City Chapter



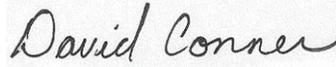
Claire Donnemwirth
Executive Vice President
Associated Plumbing & Mechanical Contractors of Sacramento, Inc.



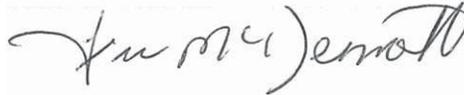
Jeff Henry
Director of Business Development
Placer County Contractors Association & Builders Exchange



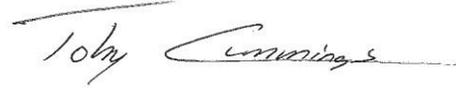
Marc Connerly
Executive Director
Associated Roofing Contractors of Northern California



David Conner
Executive Vice President
Real Estate and Construction Networking



Fran McDermott
Executive Director
National Electrical Contractors Association – Greater Sacramento Chapter



Toby Cummings, CAE
President/CSO
Associated Builders and Contractors – Northern California Chapter



Brock Littlejohn
Chapter President
Construction Financial Management Association – Sacramento Chapter



May 21, 2013

City of Sacramento
Planning and Design Commission
915 I Street, Council Chambers
Sacramento, CA 95814

Com. Philip Harvey
Com. Todd Kaufman
Com. Meeta V. Lele
Com. Alan LoFaso
Com. Carl Lubawy
Com. Kim Mack
Com. David Nybo
Com. John Parrinello
Com. Timothy Ray

Commission Members:

Com. Kiyomi Burchill
Com. Edmonds Chandler
Com. Douglas Covill
Com. Rommel Declines

Re: May 23, 2013 Agenda Item # 4 – Repeal of the Superstores Ordinance - Support

Dear Planning and Design Commission:

On behalf of the nearly 2,000 members of the Sacramento Metro Chamber, I'm writing today in support of the proposed repeal of the zoning ordinance relating to Superstores. The Superstores ordinance mandates large-format retailers that hit a certain threshold of size and space dedicated to non-taxable items are required to conduct an economic analysis, in addition to the economic analysis already required under CEQA. This mandate is overly burdensome, arbitrary and unfair. We ask that you support making Sacramento a city that is welcoming to business, investment and economic development by recommending the repeal of the Superstores ordinance to the city council.

The Metro Chamber, representing member businesses and business organizations throughout the six-county Sacramento region, serves as the region's leading proponent of regional cooperation and primary advocate on issues affecting business, economic development and quality of life. We believe that the Superstores ordinance has had a negative impact on all three of these areas in the City of Sacramento:

Impact on business

The Superstores ordinance is arbitrary in application and unfair and onerous to business. As written, certain retail stores that meet the stipulated thresholds are subject to additional, burdensome regulation yet other stores that meet the thresholds, and are of similar build and size and sell similar products, are not subject to the same excessive rules. Additionally, retail stores currently located within the city limits are stifled from expanding to grow their business and be competitive with stores in the outlying areas.

Impact on Economic Development

The existence of the Superstores ordinance has made it exceedingly difficult to fill vacant commercial space in areas typically occupied by large-format retailers. Since the passage of this ordinance, not one project that would meet the designated thresholds has submitted an application to the city. However, in the same time frame numerous projects have developed right outside the boundaries of the city. Projects should be considered on individual merits and consistency with the City's General Plan, without an overshadowing blanket ordinance that effectively prevents investors from even considering Sacramento as a place to do business.

Impact on Quality of Life

Over the past several years, the city has faced severe budget shortfalls which have resulted in staff reduction and reduced services. Ultimately, the city asked voters to approve a sales tax increase to help restore some of the staff and services.

During this same time, the Superstores ordinance was passed as a clear deterrent to investors and to keep out certain retail stores that generate significant sales tax revenues; revenue that could help replenish scaled-down services and lost staff. The loss of revenue is particularly important given that a large percentage of Sacramento City residents shop at these stores and are forced to travel outside the city borders to accommodate their shopping needs and preferences.

As the hub of the Capitol Region, the City of Sacramento is on the brink of becoming a destination for brand new investment and improving the economic health of the city and the region. With the introduction of the City's new Economic Development Strategy coupled with the Planning and Development Code update, repealing this ordinance is the next step in streamlining regulation to make it easier for business and importantly, cultivate an environment that is inviting for investors, which ultimately creates more jobs. Therefore, we respectfully ask that you vote in favor of the repeal.

Respectfully,

A handwritten signature in black ink, appearing to read "Johnnise Foster Downs". The signature is fluid and cursive, with a large initial "J" and "F".

Johnnise Foster Downs
Manager, Regional Policy & External Relations

cc: John Shirey, City Manager
Scot Mende, Principle Planner, Community Development Department



April 22, 2013

City of Sacramento
City Council and Planning Commission
915 I Street
Sacramento, CA 95814

RE: Sacramento Superstore Retail Ordinance

Dear Honorable Mayor Kevin Johnson, City Council and Planning Commissioners:

The California Retailers Association is the only statewide trade association representing all segments of the retail industry including general merchandise, department stores, mass merchandisers, fast food restaurants, convenience stores, supermarkets and grocery stores, chain drug, and specialty retail such as auto, vision, jewelry, hardware and home stores. CRA works on behalf of California's retail industry, which currently operates over 164,200 stores with sales in excess of \$571 billion annually and employing 2,776,000 people—nearly one fifth of California's total employment. The retail industry in California represents one in every four jobs in the State, a total of nearly 5 million jobs (2009), and accounts for 17.8% of the State's GDP.

While our membership is broad, many of these companies are also competitors who work together supporting policies that allow consumers greater choice and businesses greater opportunity to thrive and contribute positively to our local economy.

It's no secret that your city's superstore ordinance has discouraged retailers from locating within Sacramento's city limits. The ordinance is arbitrary, subjective and easily manipulated by special interests. It takes an irresponsible view of retail's impacts and does not apply uniformly to all competitors.

As such, many retailers are not inclined to risk their capital on a development process riddled with political and legal risks, especially when evaluating the economic impact of big-box development is already required under the California Environmental Quality Act (CEQA).

In fact, one could make a strong case that the ordinance has had the unintended consequence of putting your city at a competitive disadvantage. With transportation easily accessible, Sacramento families who can't find the selection and prices they demand merely shop outside of city limits, thus allowing other communities to benefit from the retail and construction jobs and millions of dollars in new tax revenue these stores provide.

As a representative of thousands of retail businesses in California, we believe that taking action to repeal your retail ordinance will send a strong signal that the City of Sacramento welcomes economic job growth and is receptive to customer needs and demands.

Thank you for considering the view of an industry that benefits when businesses compete and consumers have choices.

Sincerely,

A handwritten signature in black ink that reads "Bill Dombrowski". The signature is written in a cursive, flowing style.

Bill Dombrowski
President & CEO

cc: Mr. John Shirey, Sacramento City Manager



s a c r a m e n t o
ASIAN PACIFIC
chamber of commerce

sacasiancc.org

2012 H Street, Suite 202, Sacramento, CA 95814 - Phone: (916) 446-7883 - Fax: (916) 446-7098

April 15, 2013

City of Sacramento
Mayor Kevin Johnson and City Council
915 I Street
Sacramento, CA 95814

Dear Honorable Mayor Johnson and City Council,

The Sacramento Asian Pacific Chamber of Commerce is the largest and most influential ethnic chamber in Northern California, representing numerous small business owners and individuals within the City of Sacramento.

In recent months, the City has taken several steps to improve its business environment by overhauling its zoning codes to make the development of new housing and commercial property less costly and onerous. We applaud these decisions and encourage the City Council to consider take additional actions to improve the City's business reputation by repealing its Superstore ordinance.

While it is difficult to understand the original intent of the ordinance, we do believe that it has discouraged retail development within the City and denied consumers greater local choices. This is evident by the fact that since its passage in 2006, not one major retailer that would have to comply with the ordinance has applied to expand their store or build a new one. However, new retail development has flourished in neighboring cities and within the County of Sacramento where no such ordinances exist.

As a result, Sacramento consumers are traveling greater distances for the benefits these retailers provide, generating tax revenue and jobs in neighboring communities in the process.

This fact was underscored in a 2012 U.C. Davis Transportation study that found that when large-format retailers are lacking, consumers travel greater distances for the perceived benefit of large-format retailers. Such consumer behavior also benefits small businesses that share the same market and shopping centers. When consumers shop at large-format stores, families also spend money at neighboring restaurants, banks, gas stations, movie theaters and other retail outlets.

In conclusion, we believe the ordinance has created an exodus of consumers that would otherwise shop locally in Sacramento, costing the City potential jobs and tax revenue. Repealing this ordinance will be yet another constructive step towards rebuilding our local economy and ensuring that Sacramento is economically competitive in the region.

Thank you for your consideration.

Pat Fong Kushida, *President/CEO*



May 22, 2013

City of Sacramento
Mayor Kevin Johnson and City Council
915 I Street
Sacramento, CA 95814

RE: Repeal of Superstore Ordinance

Dear Mayor Johnson and City Council,

The Sacramento Black Chamber of Commerce was established in 1985 to bring African American business owners and professionals together to create a solid economic structure within Sacramento's business community. Today we are a network of dedicated, high-energy business professionals working to assure member businesses will benefit through services that sustain and increase their revenues. Additionally, the region will benefit through the growth of African American owned businesses.

It is with this mission in mind that we fully support the repeal of the City's "Superstore Ordinance."

The stores subjected to these onerous regulations are economic catalysts throughout the region, attracting many types of small businesses that benefit from the foot traffic they generate. By effectively disallowing these large, anchor stores in the City of Sacramento, the City is endorsing a policy that harms local small businesses.

Furthermore, this ordinance makes it difficult for property owners to rehabilitate vacant spaces or allow existing retailers to expand, especially in underserved neighborhoods.

The Florin Mall in the unincorporated part of the County is an example of the economic benefits large-format retailers bring to small businesses and neighboring residents. The addition of big box stores turned what was a dilapidated shopping center and an underserved neighborhood into an economic hub. Small businesses flourished and residents have the opportunity to buy fresh and healthy food without leaving their community.

Mayor Kevin Johnson and City Council

May 22, 2013

Page 2

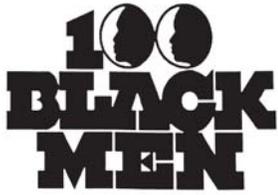
On behalf of our chamber's board and small business members, we urge the Council to repeal an ordinance that inhibits job growth within the City of Sacramento. Only by working together can Sacramento's business community and political leaders make Sacramento an even better place to live and do business.

Sincerely,

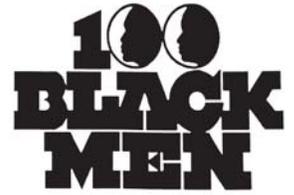
Azizza Davis Goines

President/CEO

CC: Sacramento Planning Commission



100 Black Men of Sacramento, Inc.
2251 Florin Road, Suite 140
Sacramento, CA 95822
(916) 428-8203
(916) 428-3967 fax
sac100blkmen@sbcglobal.net
www.100blackmensacramento.org



April 26, 2013

Officers and Board Members

Daniel Bryant
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Sergeant at Arms
Ed Collins

Parliamentarian
Dotson Wilson

Darryl Jenkins
Immediate Past President

City of Sacramento
Mayor Kevin Johnson and City Council
915 I Street
Sacramento, CA 95814

RE: Repeal of City's Superstore Ordinance

Dear Honorable Mayor Johnson and City Council,

As you are well aware, the 100 Black Men's programs are directed at young African American males. These programs offer structured mentoring, tutoring, and cultural enrichment and college scholarships. We take on these and other responsibilities because we recognize the crisis overtaking the black community.

It is for this reason that we encourage the Sacramento City Council help improve many Sacramento neighborhoods by repealing the city's big box ordinance.

By keeping a retail ordinance in place that discourages businesses from occupying longtime vacant storefronts, the city is not actively helping to restore jobs or improve the quality of life in neighborhoods faced with crime and riddled with blighted properties.

While the ordinance may have been adopted with the best of intentions, there is no evidence that suggests that our communities have benefited from its existence. It is time repeal it and allow communities to the opportunity to compete for retail projects that promise urban renewal.

Thank you,

Daniel Bryant

President
100 Black men of Sacramento, Inc.
(916) 428-8203



**Greater Sacramento
Urban League**

3725 Marysville Blvd.
Sacramento CA 95838

P 916.286.8600
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www.gsul.org
info@gsul.org

April 24, 2013

City of Sacramento
Mayor Kevin Johnson and City Council
915 I Street
Sacramento, CA 95814

*Empowering Communities.
Changing Lives.*

Dear Honorable Mayor Johnson and City Council:

The Greater Sacramento Urban League, formed in 1968, assists all people in achieving self-sufficiency and equality. We accomplish our mission through direct service, advocacy, education, and collaborative partnerships – focused on preparing people for work and fostering an environment that creates jobs and economic opportunity.

It is with this mission in mind that we support actions which create jobs and economic opportunity, including the repeal of the City of Sacramento's large-format ("big box") retail ordinance.

The Urban League is focused on jobs and economic opportunity, and lifting the ordinance will drive the creation of jobs and increased tax revenue which will support key city services (police, fire, infrastructure development) which – during the economic downturn – have been significantly reduced. These core city services are important to every Sacramentan, but more especially to those whom we serve – low and moderate income families, the unemployed and the underemployed. Lifting the ban will bring back tax revenue that has "leaked" to the surrounding communities, spur investment, create jobs and improve city services.

Additionally, repealing the ordinance may also contribute to healthier families. According to the United States Department of Agriculture, many neighborhoods within the City have been deemed *Food Deserts* for lacking sufficient access to grocery stores and healthy foods, and being overly-dependent on fast food restaurants. The current ordinance is regressive, because it forces consumers who are most price-sensitive to travel farther or pay higher local prices for goods and groceries (often times at lower quality).

Finally, policies that incentivize family wages, local hiring and contract preferences that help to grow and expand economic opportunity for local workers and businesses more directly impact the economic wellbeing of Sacramentans than any arbitrary limit on 'big box' stores. A more comprehensive policy that takes these factors into account, as well as one



...Be Empowered

Letter to Sacramento City Council Regarding Repeal of Big Box Ordinance, page 2

that matches the store size/concept with the specific community characteristics, is a smarter, wiser approach to driving growth and development in the city.

The Urban League is clear and firm in its support for working families, equity in economic development, and sustainability. Given current economic realities, we need jobs, lower prices and access to quality goods and groceries. The city's current large format retail ordinance does not provide sufficient incentives to locate stores in more troubled areas, nor does it do anything to increase investment in the city that will yield jobs, tax revenue or improved access to higher quality food. A more comprehensive policy that takes these issues into account is much preferred over the current policy.

Thank you for considering this point of view and the desire to improve the communities we serve. Please feel free to contact me directly if you have any questions regarding my position.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. B. DeLuz".

David B. DeLuz
PRESIDENT AND CEO



1491 River Park Dr. Suite 101, Sacramento, CA 95815

Phone: (916) 486-7700 Fax: (916) 486-7728 / www.sachcc.org

May 21, 2013

Hon. Mayor Kevin Johnson and City Council Members
City of Sacramento
915 I St, 5th Floor
Sacramento, CA 95814

Dear Honorable Mayor Johnson and City Council Members,

As a Chamber, we recently celebrated our 41st anniversary, and are the largest ethnic business organization in the region with more than 650 members.

I'm writing today in support of the proposed repeal of the zoning ordinance relating to Superstores. This mandate is overly burdensome, arbitrary and unfair.

We believe the ordinance has discouraged retail development within the City and denied consumers greater local choices. This is evident by the fact that since its passage in 2006, not one major retailer that would have to comply with the ordinance has applied to expand their store or build a new one. As a result, Sacramento consumers are traveling greater distances for the benefits retailers in neighboring communities provide, generating tax revenue and jobs in neighboring communities in the process.

The Superstores ordinance as written is not consistent. Certain retail stores that meet the stipulated thresholds are subject to additional, burdensome regulation yet other stores that meet the thresholds, and are of similar build and size and sell similar products, are not subject to the same excessive rules.

Given that the ordinance has cost the City millions in potential new tax revenue and thousands of jobs, only the neighboring cities that have profited from Sacramento's retail ordinance can defend its continued existence. We ask that you support making Sacramento a city that is welcoming to business, investment and economic development by recommending the repeal of the Superstores ordinance.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alice Perez', is written over a large, stylized flourish that extends to the right.

Alice Perez
President / CEO



May 14, 2013

City of Sacramento
Mayor Kevin Johnson and City Council
915 I Street
Sacramento, CA 95814

SUB: Repeal of Superstore Ordinance

Dear Honorable Mayor Johnson and City Council,

As a small business organization representing one of the City's largest retail areas, we applaud your efforts to review policies that can improve the City's business environment, and create opportunity for employers to grow and create jobs.

Among the policies the City should repeal is its Superstore ordinance. The strength and success of the retail sector in Natomas is based on providing customers greater choices, not limiting them. Therefore, we do not understand the ordinance's intent, and how it has advanced economic growth and job creation.

As you are well aware, the Natomas community is a major retail center that serves customers from throughout the seven county region. The large format and name brand stores commonly found in our community draw tens of thousands of shoppers into the City of Sacramento each year, and when they do, customers patronize smaller businesses that share their shopping centers.

Needless to say, retail supports thousands of jobs and generates millions of dollars in tax revenue each year for critical City services such as public safety, parks and roads. Repealing the ordinance will allow existing businesses to expand their services and it will attract new businesses that can fill vacant spaces.

We encourage you to take steps to encourage economic growth and ensure that our retail sector remains competitive with neighboring communities. Thank you for your consideration.

Board of Directors

4660 Natomas Blvd. #120-70
Sacramento CA 95835
(916) 877-5436

**MARSHALL SCHOOL/NEW ERA PARK
NEIGHBORHOOD ASSOCIATION**

P. O. Box 162271, Sacramento, CA 95819

916-919-6656

marshall.newera@gmail.com

June 11, 2013

Councilmember Jay Schenirer, Chair and
Members of the Law & Legislative Committee
Sacramento City Hall
915 I Street
Sacramento, CA 95814

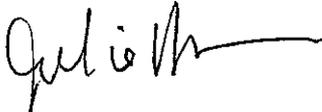
Re: Repeal of the Superstore Ordinance (LR13-003)

Dear Councilmember Schenirer, Cohn, Fong & Warren:

The Marshall School/New Era Park Neighborhood Association Board (MSNE) is not in favor of revisions to the City's "Superstore" Ordinance. It is important to consider the economic impacts that stores like Walmart cause to a community. In Midtown, we are blessed with a diverse number of local, independent businesses. Businesses like Walmart negatively impact these small, independent businesses. Those impacts should be studied and considered prior to bringing these businesses into our community. Businesses, like Walmart, pay their workers a low wage and train their employees as to how to take advantage of government services such as WIC, Medicare, and other government programs (U.C. Berkeley Labor Center).

MSNE applauds the vision of the City Council to enact the "Superstore" ordinance. While it is unlikely a Walmart will set up shop in the Central City, our organization fears that other neighborhoods will not be allowed to organically develop small businesses with a Walmart in the neighborhood. The City of Sacramento needs to seek out a diversity of business opportunities and not chase after low paying jobs that will only lower the overall economic base for our community.

Very truly yours,



Julie Murphy
Co-Chair

Jam

cc: Scott Mende, Principle Planner
Enclosures



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EDUCATION RESEARCH FIELD PROJECTS RESOURCES

Press Room

WHY WALMART LOVES WELFARE

In the News 2013

California Progress Report, March 14, 2012

[2012](#)

By Bobbi Murray

[2011](#)

You may have already heard that uber-retailer Walmart plans to open a 33,000 square-foot store in L.A.'s Chinatown.

[2010](#)

[2009](#)

Last week opponents of Walmart's Chinatown store gathered at Sixth and Park View in MacArthur Park to listen to Walmart "associates"—the retailer's preferred term for its employees—talk about their need for public assistance to make ends meet.

[2008](#)

[2007](#)

If you know L.A., you know MacArthur Park is nowhere near Chinatown. But it is across the street from a California Department of Public Social Services (DPSS) building—a place you'd go to apply for social services such as welfare and health care—for support you might need if you were employed at a poverty-wage job.

[2006](#)

[2005](#)

Support you might need if you work at Walmart.

[2004](#)

[2003](#)

There have been scores of news stories over the years about Walmart and the low job standards that rendered much of its workforce eligible for Medicaid. The U.C. Berkeley Labor Center crunched the numbers in 2004 and found that Walmart workers' reliance on public assistance programs cost California taxpayers \$86 million annually. The families of Walmart workers used 38 percent more non-health benefits—food stamps, subsidized school lunches—than the families of employees of other large retailers.

[2002](#)

The Labor Center has not recalculated since then – but one can extrapolate the numbers to match California's current Walmart workforce.

Gregory Fletcher doesn't need to read studies. He spoke from his own experience to those gathered in MacArthur Park. Fletcher and his wife are both associates at the Walmart in Duarte. He describes his family as "barely keeping our head above water"—scraping to make rent on the one-bedroom apartment he and his wife share with their two sons, eyeball-deep in credit card debt and using Medi-Cal to cover health costs.

And those gathered got an eagle-eye view from Cesar Michel from the DPSS near Chinatown. "When my co-workers and I learned that Walmart was coming to Chinatown, we were terrified," he said. "We know that Walmart is famous for encouraging its employees to apply for welfare and medical at our offices."

Indeed, a January 2012 Walmart Associate Benefits book provides a directory so associates can locate their local Medicaid office.

But it's not just Walmart employees who are affected—the nation's largest employer has a major impact on working conditions within the retail industry as a whole.

Another U.C. Berkeley Labor Center study, *A Downward Push: The Impact of Wal-Mart Stores on Retail Wages and Benefits*, showed that Walmart replaced better-paying jobs with lower-wage ones and depressed wages in competing businesses.

As Michel of the Department of Public Social Services said, "Los Angeles cannot afford the cost of more Walmart jobs."

Original Article

Center for Labor Research and Education
2521 Channing Way # 5555
Berkeley, CA 94720-5555
TEL (510) 642-0323 FAX (510) 642-6432

A public service and outreach program of the Institute for Research on Labor and Employment

Walmart: The High Cost of Low Prices a documentary produced by Robert Greenwald

About the producer: Greenwald is a well known independent producer of documentaries on such varied topics as: Rupert Murdoch's War on Journalism, the 2000 Presidential Election, The Iraq War and the post 9/11 erosion of American civil liberties. He is from Carversville, PA.

Techniques used in the film: Interviews of current and former employees of Walmart, business owners and town officials of towns that Walmart has moved into, experts on topics such as environmental protection, charity involvement, crime, tax issues, employee benefits, workers in areas where Walmart has factories (China, Bangladesh). Walmart commercials are shown throughout the film that describe the company as a stellar employer in employee treatment, environmental protection, community involvement, human rights and charitable giving.

Walmart expansion strategy: Walmart is the biggest corporation in the world, the biggest seller of food products on a global level, and the biggest private employer in the U.S. and Mexico. It is a monopoly, no controls have been legislated to protect free enterprise. Its strategy (according to its officials) is to crush competition.

A sample two business owners in Middlefield, Ohio and Hearne, Texas: The first one had a very large hardware store. Just as Walmart had announced plans to build a store in his town, he got an appraisal on his multiple business buildings. Since his business had been there many years, he expected the buildings' value to have risen significantly. The appraiser devalued his and other business properties in the town because "Walmart will soon run all local business out, emptying the buildings."

Hearne, TX, had a thriving downtown, and businesses there welcomed Walmart. The downtown now is entirely deserted.

Walmart employee policies: Salary: Walmart keeps employees part time as much as it can, understaffs stores, then asks employees to consistently work late. People who work full time do not receive enough salary to raise their families. A typical employee who worked there three years received \$1.07 in wage increases. There is no overtime, but employees are always made to stay late. If you don't want to, you will lose your job (in some towns there are no other job opportunities). Employees are forced to work off the clock, and managers are taught how to change pay figures so that they do not reflect actual time worked. Walmart often uses undocumented workers to clean its stores at below minimum wages and violates child labor laws. Those workers are locked in for their overnight shift.

The average pay at Walmart is a little over \$13,000.
Federal poverty guideline for a family of four is \$17,650.

31 states have filed lawsuits against Walmart for unfair employee practices. Texas has sued Walmart for \$150 million in unpaid wages. Walmart has 1.2 million employees worldwide.

Walmart drives down retail wages by \$3 billion per year.

Walmart is the most aggressive anti-union company in the United States. At threat of union, the company fires by jet three managers to take over the store. The managers identify employees, fire them if suspected of supporting unionization, use surveillance and intimidation. They freeze wages and blame the action on the union threat. **There are between five and ten times as many Walmart stores in Arkansas, Oklahoma, Mississippi and Missouri as there are in New Jersey, California and New York, states with strong trade unions.**

Walmart discriminates against women and people of color.

Openly discriminatory remarks are the norm in managerial relations with women and persons of color. More than 70% of Walmart's U.S. workers are women, most of whom earn less than the federal poverty wage guidelines for a family of three.

A \$1.6 million class action lawsuit has been filed against Walmart for discrimination against women.

Your taxes subsidize Walmart:

Walmart encourages employees to go on welfare, food stamps, WIC, get Section 8 housing, and Medicaid (more than any other company). Film listed all the states and how many Walmart employees in each state were on public assistance. **The cost of welfare benefits to Walmart workers is an estimated \$3 billion a year -- \$2,000 a year per employee at the federal level and another \$1,000 at the state and local levels.**

Health insurance offered is woefully inadequate. Families pay high premiums for the insurance and have large deductibles, no drug benefits. Most have to get government medical supplement or do without. **Walmart is the #1 corporate beneficiary of state public health programs.**

In the U.S., Walmart and Target pay substantially lower wages and are less likely to give health benefits than their competitors.

Another way your taxes subsidize Walmart is in millions of dollars in tax abatements given Walmart to establish a new store in a specific location. Local business owners seeking the same abatements are turned down. In deciding to give tax abatements to Walmart, cities are often in a bind because if they don't provide subsidies, then Walmart will locate just outside of town and still be a drain on the cities resources. **Walmart nationwide has been given \$1.8 billion in tax abatements.**

The tax abatements given to Walmart comes from the city's budget for public services; thus the amount of money for schools, fire and police services is reduced. When the tax abatement expires and the cities begin to receive tax revenue from Walmart, the store often moves just outside of town, so it does not have to pay.

Walmart factories

Over 70% of the commodities sold in Walmart come from China. Every year, Walmart mandates a 5% drop in its suppliers' prices for standardized products, forcing suppliers to outsource production to low wage countries.

In China: Young woman worker said workers live in dorms provided by Walmart, and the rent is subtracted from their salary. She works from 7:30 a.m. to 10 p.m. There are no fans, so she drips with sweat round the clock. Workers are taught to lie to inspectors about the hours worked. She is paid less than \$3 per day. It costs less than 18 cents to make the toy she produces, and Walmart charges \$14.95 for the toy.

Bangladesh: 25,000 workers work for 17 cents per hour. They brush their teeth with ash because they can't afford toothpaste.

El Salvador: Women make 15 cents per pair of pants that sells for \$16.95 at Walmart.

Crime at Walmart:

Walmart operates extensive security surveillance and hires numerous security guards inside its stores to protect its merchandise. No security measures are taken outside the building, in the parking lots, for customers and employees. In towns having Walmarts, as high as 80% of the local crime occurs in Walmart parking lots. Roughly 30 cities were listed in which serious crimes of rape, murder and kidnapping had occurred in Walmart's parking lots during 2005.

Environmental protection:

EPA lawsuits have been initiated in many states. An EPA officer in Bentonville, Arkansas, described Walmart's storage of pesticides, herbicides and other poisons on its parking lot. When it rained, the water on the parking lot flowed into rivers and streams affecting the drinking water. She contacted Walmart to ask them to move those poisons, got no response after several tries to the store and the corporate headquarters, so she posted the violation on the web (no result), then in the local newspapers. Finally the store resolved moved the contaminants. She said Walmart is the most unresponsive corporation to EPA officials that she had ever experienced.

Walmart profits

Walmart earns \$240 billion in sales per year. Lee Scott, Walmart's CEO makes \$27 million per year. The average employee makes \$13,381 per year. The five Waltons that own Walmart are worth \$102 billion. If they took 10% and used it to pay for adequate health care, pension and wages for every employee, they would have over \$90 billion left over.

Walmart spends \$3.2 billion on political contributions.

A crisis need fund created for Walmart employees received:

\$6,000 from the Walton family

\$ 5 million from Walmart employees

Walmart gives 1% of its profit to charity; Microsoft gives 58% of its profits.



June 12, 2013

Councilmember Jay Schenirer,
Chair and Members of the Law & Legislative Committee
Sacramento City Hall
915 I Street
Sacramento, CA 95814

Re: Repeal of the Superstore Ordinance (LR13-003)

East Sacramento Preservation Neighborhood Association is against the revisions to the City's "Superstore" Ordinance. Large box stores and their ilk would bring no benefit to the city core of Sacramento. In fact, adding these stores would be detrimental. Local businesses like Krazy Mary's, Katia's Collections and Archival Gallery would suffer. Small business would be dealt a blow.

We have great stores in Sacramento – **super stores** that give the neighborhoods charm and unique value. They are smaller, locally owned businesses with deals and friendly proprietors. Midtown and East Sacramento's boutique and restaurant scene is thriving. East Sacramento's H and J streets corridors are organically developing into neighborhood shopping centers. This is great progress that would be stifled by the addition of a business like Walmart.

While a box store most likely won't be built in the center city, our organization fears any weakening of the ordinance will threaten the diverse and growing appeal of small business in the area.

Sincerely,

Ellen Cochrane
President
East Sacramento Preservation

Cc: Councilmember Steve Cohn
East Sac Chamber of Commerce
Scott Mende, Principal Planner

East Sacramento Preservation, Inc.
PO Box 191763
www.eastsacpreservation.org
contact@eastsacpreservation.org
(916) 457-2725

Sacramento, CA 95819