

Testimony of Bobbi Krengel, chair of the Informed Growth Coalition, regarding ZC
Case No. 08-06A Subtitle G Big Box Development Special Exception Proposal for
Draft New Zoning Code

Good evening Chairman Hood and Commissioners:

My name is Bobbi Krengel, I live in Ward 6, and I am here tonight representing the Informed Growth Coalition, in support of a proposal to require big box stores to be approved by means of a special exception, as detailed in Exhibit #129.

While there is universal agreement that increasing both employment and retail opportunities is highly desirable, studies of the comprehensive net effects of mega-retailers or big box stores show that, due to their impacts on existing conditions, they in fact result in the opposite, causing devastating losses not only in employment, both in number and quality of jobs; and retail options; but also in a weakening of the local economy as retail dollars are siphoned out of the region; and in the tax base, affecting poverty and government subsidy rates.

Walmart, for example, has been shown to be a retail- and job-killer, causing a net loss of retail jobs, depressing wages and benefits for retail employees, and impoverishing communities.

According to Stacy Mitchell of the Institute for Local Self-Reliance and detailed in her "Key Studies": <http://www.ilsr.org/key-studies-walmart-and-bigbox-retail/>, when Walmart opens, nearby local businesses downsize or close. Walmart's sales are offset by sales lost at existing local retail stores, resulting in a net loss of jobs, in part because Walmart sells more goods with fewer employees than its smaller competitors, eliminating 1.4 retail jobs for every job it creates.

Furthermore, the new Walmart jobs are inferior in terms of pay, benefits packages, longevity and opportunities for advancement. The benefits packages for which Walmart employees may be *eligible* are unaffordable to their pay scale, and

consequently estimates show that each Walmart store requires approximately \$1 Million in public assistance to supplement employees' food and health care costs.

The workforce and patronage of these big box stores are not the only stakeholder groups affected, but also our local small and/or independent businesses, their patrons, and District taxpayers, because Walmart does not invest in the community. Unlike independent local small businesses which engage other local businesses for services and buy from local suppliers, Walmart purchases no local goods or services. Money spent at Walmart is permanently extracted from the community, instead of re-circulating in the local economy, through other businesses, jobs, and community organizations, effectively eliminating any economic benefits to the community.

As Walmart displaces other businesses, it reduces and homogenizes retail options, impairing the ability to attract visitors and capture tourist dollars.

Finally, as Walmart is known to abandon locations quickly if profitability dips, vacating buildings of limited adaptive reuses, it often lowers commercial property values.

Due to these kinds of effects, it is clear that big box retailers differ significantly from smaller, independent retailers, not just in degree but in kind, and are unique in their ability to impact entire economic ecosystems in terms of the environment, traffic, spending patterns, employment, retail diversity, tax revenue, and public costs, warranting special consideration.

Just as it is recognized that fast food restaurants differ intrinsically from other restaurants, for reasons having nothing to do with speed, but rather in the way they impact other indicators, and are consequently now treated differently by the zoning code, so should such inherent differences in retailing be recognized.

A growing number of states and municipalities around the country have understood this, and are incorporating regulations that afford an opportunity to evaluate and potentially mitigate any undue adverse impacts.

The District is the only jurisdiction in the metropolitan area that lacks such a process. Any controversy over these potential impacts argues in favor of a review that objectively evaluates them and plans for solutions in advance.

We urge you to adopt this proposal.

Thank you very much for your attention to our concerns.