November 12, 2013

Mr. Anthony J. Hood, Chairman
District of Columbia Zoning Commission
One Judiciary Square
441 Fourth Street, N.W.
Second Floor
Washington D.C. 20001

Comments of the Informed Growth Coalition by Bobbi Krengel to the District of Columbia Zoning Commission regarding ZC Case No. 08-06A Subtitle G Big Box Development Special Exception Proposal for Draft New Zoning Code

Dear Chairman Hood and Members of the Zoning Commission:

I write to you to day as Chair of the Informed Growth Coalition, in support of a proposal advanced by the Law Office of G. Macy Nelson, LLC, to require approval by special exception for big box stores as detailed its letter to you, ZC 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 the impacts on existing conditions that they have demonstrated, 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 rather than being recirculated through the local community, 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. Its sales are offset by sales lost at existing local retail stores, resulting in a net loss of jobs, partly 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 jobs at the big box stores 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 employee's food and health care costs.

Additionally, as Walmart displaces nearby businesses, it reduces and homogenizes retail options, impairing a region's ability to attract visitors and capture tourist dollars.

And Walmart does not invest in the community. Unlike independent local small businesses which hire other local businesses for goods and services and buy from local

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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 where it could nurture other businesses, jobs, and community organizations, effectively eliminating any economic benefits to the community.

Finally, as Walmart is known to abandon locations quickly if profitability dips, and adaptive reuse of its buildings is limited, its often long-vacant buildings cause commercial property values to drop.

These millions of dollars in sales, associated tax revenues and employment dynamics do not exist in a vacuum, but rather enter into an existing economic ecosystem. The workforce and patronage of these mega-retailers are not the only constituent group of stakeholders affected by their entry, but also our local small and/or independent businesses, their patrons, and District taxpayers.

Due to these kinds of impacts, it is clear that big box retailers differ significantly from smaller, independent retailers, not just in degree but in kind, and are unique in the scale of their impacts upon effects on traffic, environment, spending patterns, employment, tax revenue, and public costs, enough to warrant special consideration.

Just as it is recognized that fast food restaurants differ substantially from other restaurants, for reasons having nothing to do with speed, but rather in they way they impact other indicators, and are consequently now treated differently by regulations, so should such substantive differences in retailing be recognized in the regulation of big box stores.

A growing number of states and municipalities around the country have understood this, and are incorporating regulations into their zoning codes, creating an opportunity to evaluate and potentially mitigate any undue adverse impact.

The District is the only jurisdiction in the metropolitan area that lacks such a review process for these stores. Any controversy over their impacts argues in favor of a review that includes scientific evaluation of the anticipated impacts-- a thorough cost/benefit analysis that looks beyond the immediate and obvious assumptions of some new jobs to the wider effects of net gains or losses, of jobs, retail, revenue, and wages, including the choice and cost of goods and services for consumers, retention of revenue in the local economy, opportunities for local suppliers, wages and benefits, District revenues, public service and maintenance costs, and government services for the business and employees.
We urge you to adopt this proposal.
Thank you very much for your attention to our concerns.

Sincerely,
Bobbi Krengel
Bobbi Krengel
Chair, Informed Growth Coalition