

October 4, 2012

Carmen Marrone
City of Albuquerque
Planning Department
600 2nd St. NW
Albuquerque, NM 87102

Re: Project 1003859
Computer modeling and renderings

Dear Ms. Marrone:

Enclosed please find twelve color copies of the following:

1. Computer modeling of the proposed Main Structure. These visuals were prepared by Walmart's architect. They show the design features proposed in this building, including variations in style, articulation, massing, and roofline, as required by the Big Box Ordinance. They also show some of the pedestrian amenities, such as walkways and landscaping.
2. Renderings of Villa del Bosque. These renderings were prepared by Silver Leaf Ventures' architect to show plans for the shopping center. These renderings also feature some of the public spaces within Villa del Bosque, most notably the plaza areas in the northwest corner of the site. You will notice how the Main Structure has been architecturally coordinated with the shopping center. You will also notice the intimacy and walkability within the shopping center. The scale surprises people but keep in mind that the length of the site is comparable only approximately 1/5 mile or about 4 blocks long.

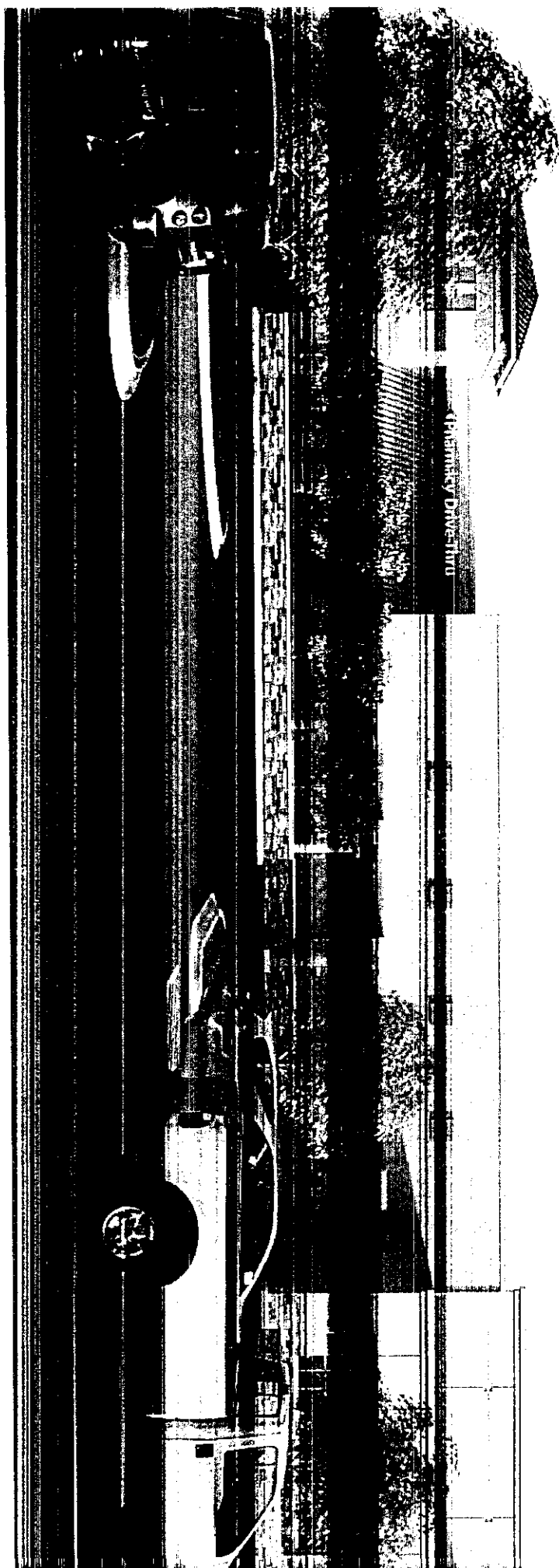
Yours sincerely,

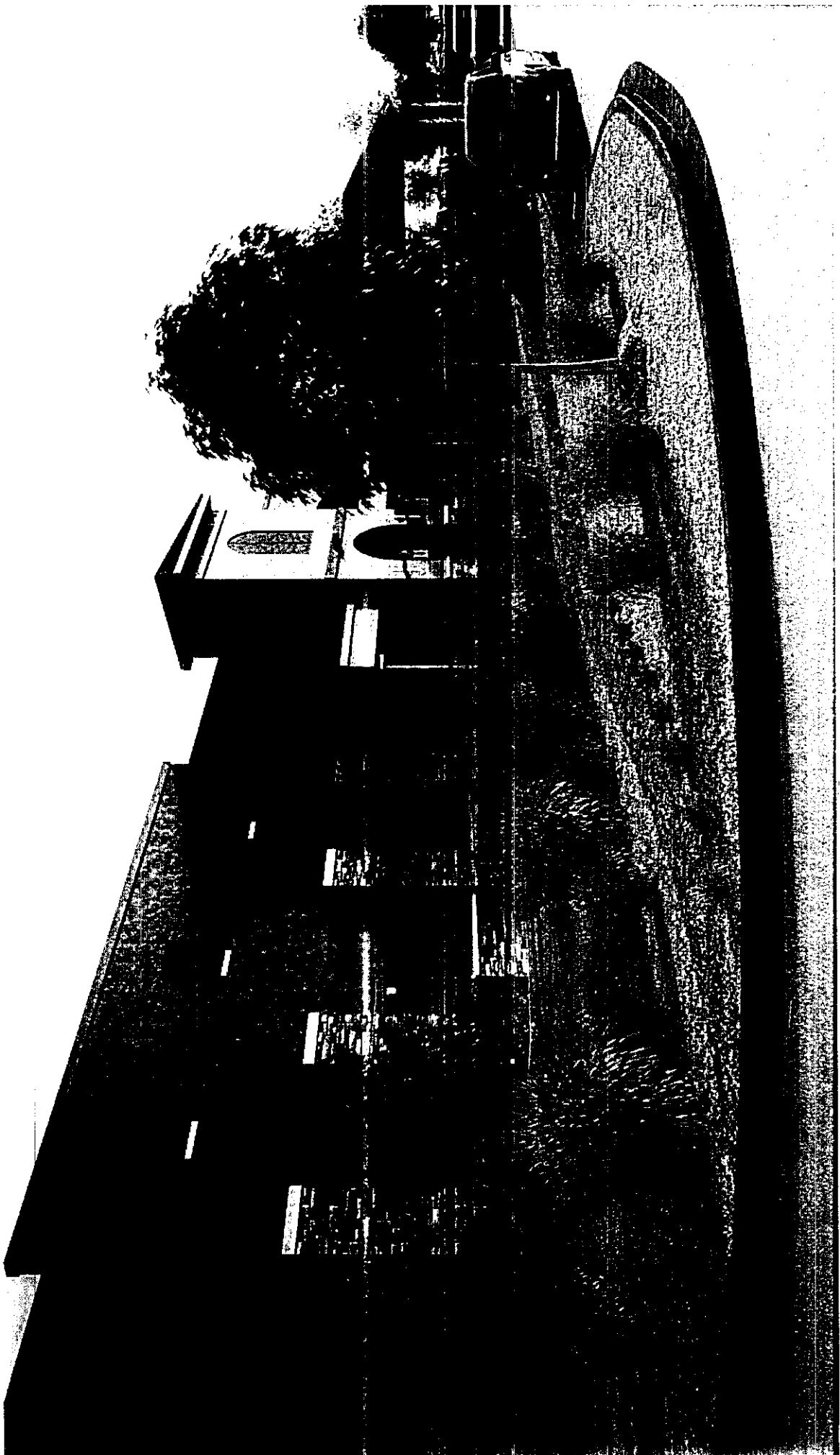


Michelle Henrie

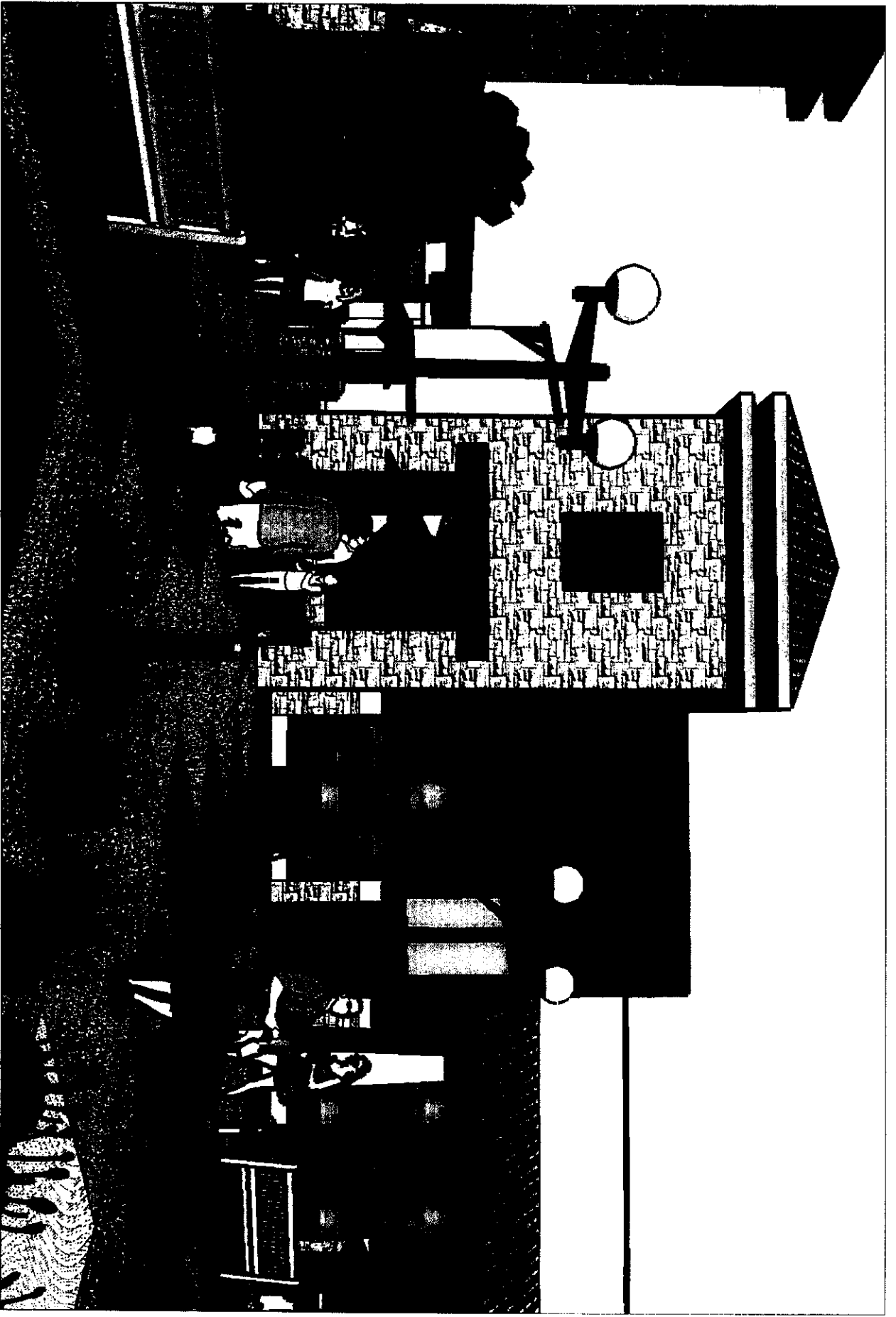












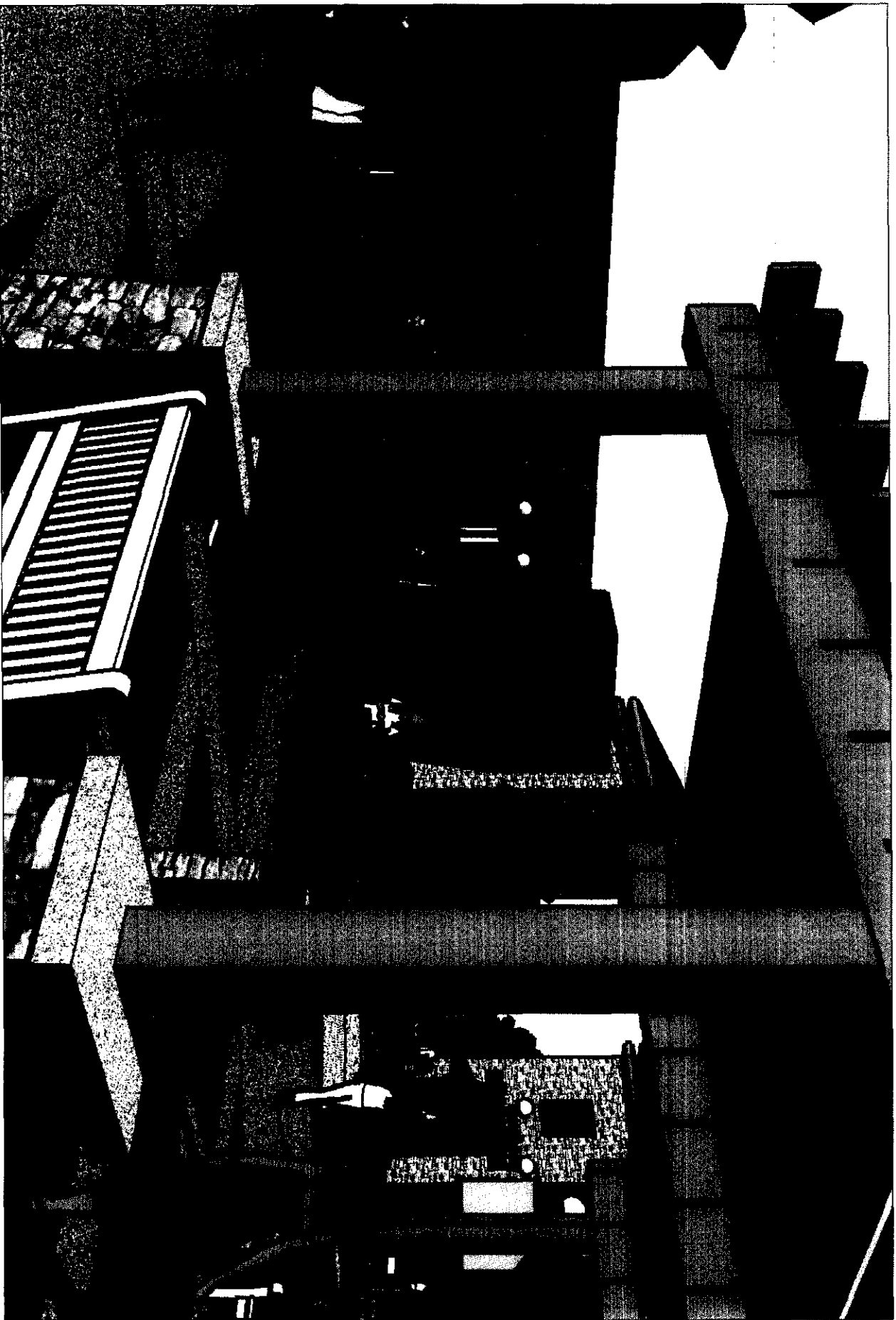
Villa del Bosque - Shopping Center - Typical Site Details

H + W Architecture

tabbier

EXHIBIT

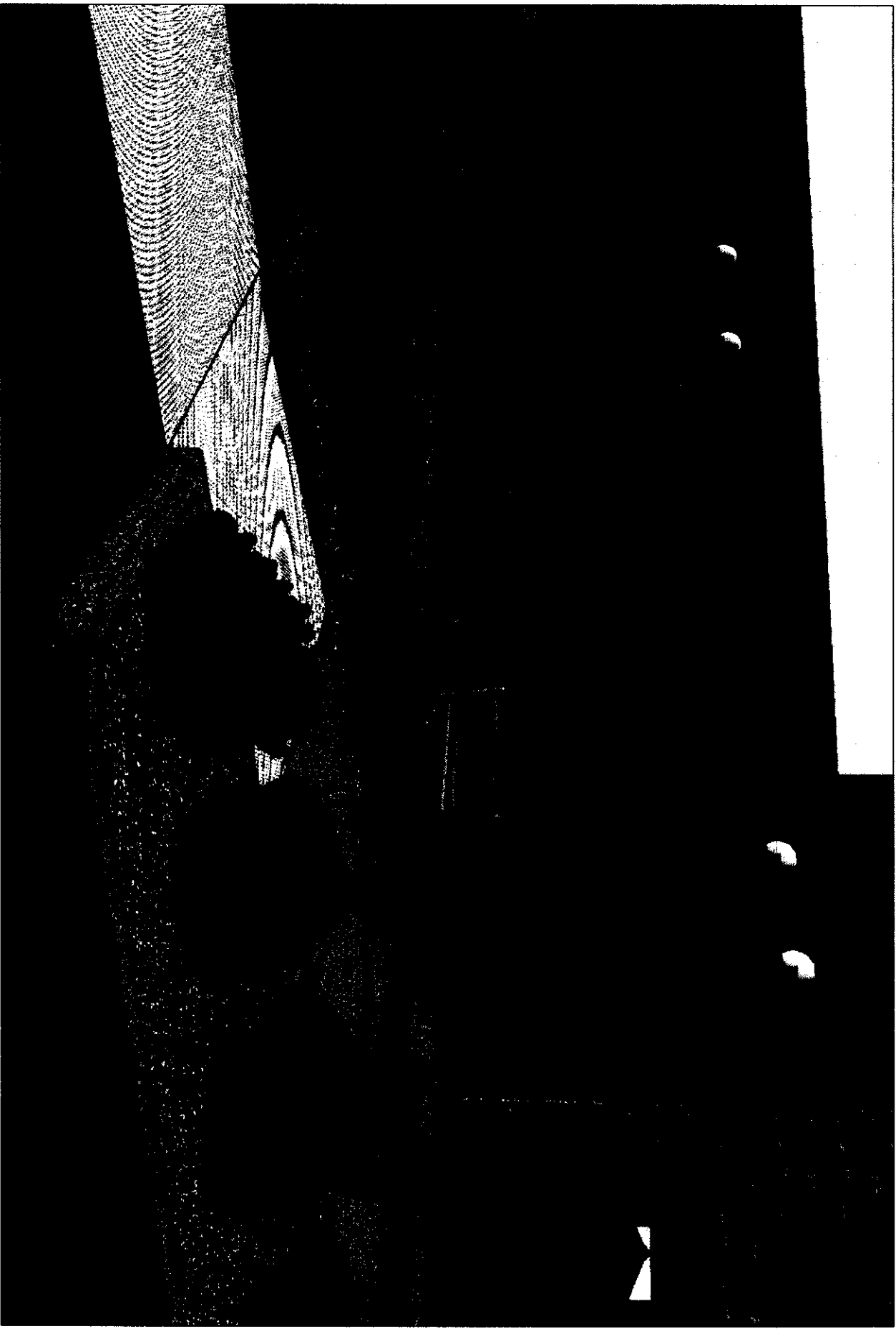
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Villa del Bosque - Shopping Center - Typical Site Details



Villa del Bosque - Shopping Center - Typical Site Details

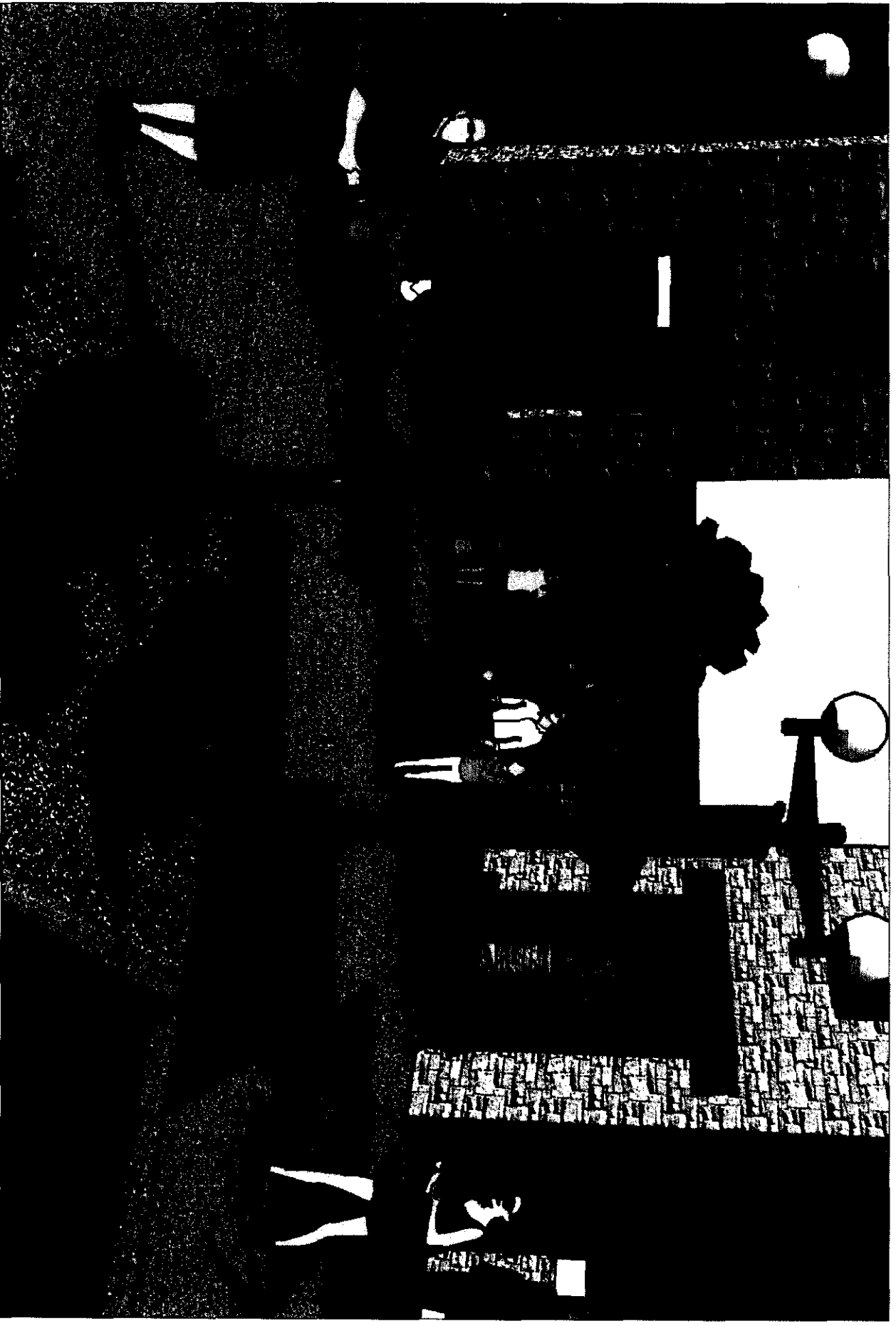


Villa del Bosque - Shopping Center - Typical Site Details

IL + W' Architecture

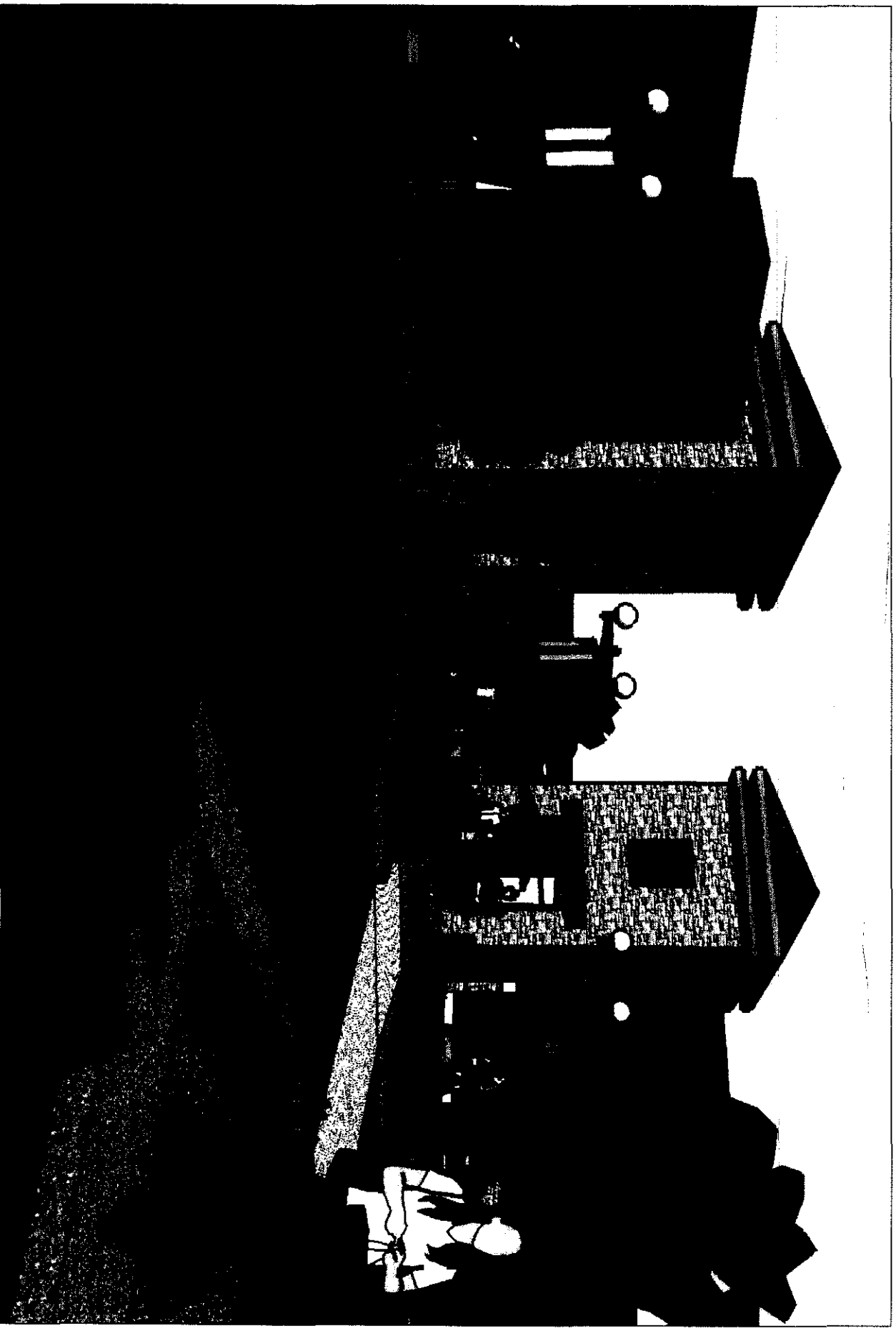


Villa del Bosque - Shopping Center - Typical Site Details

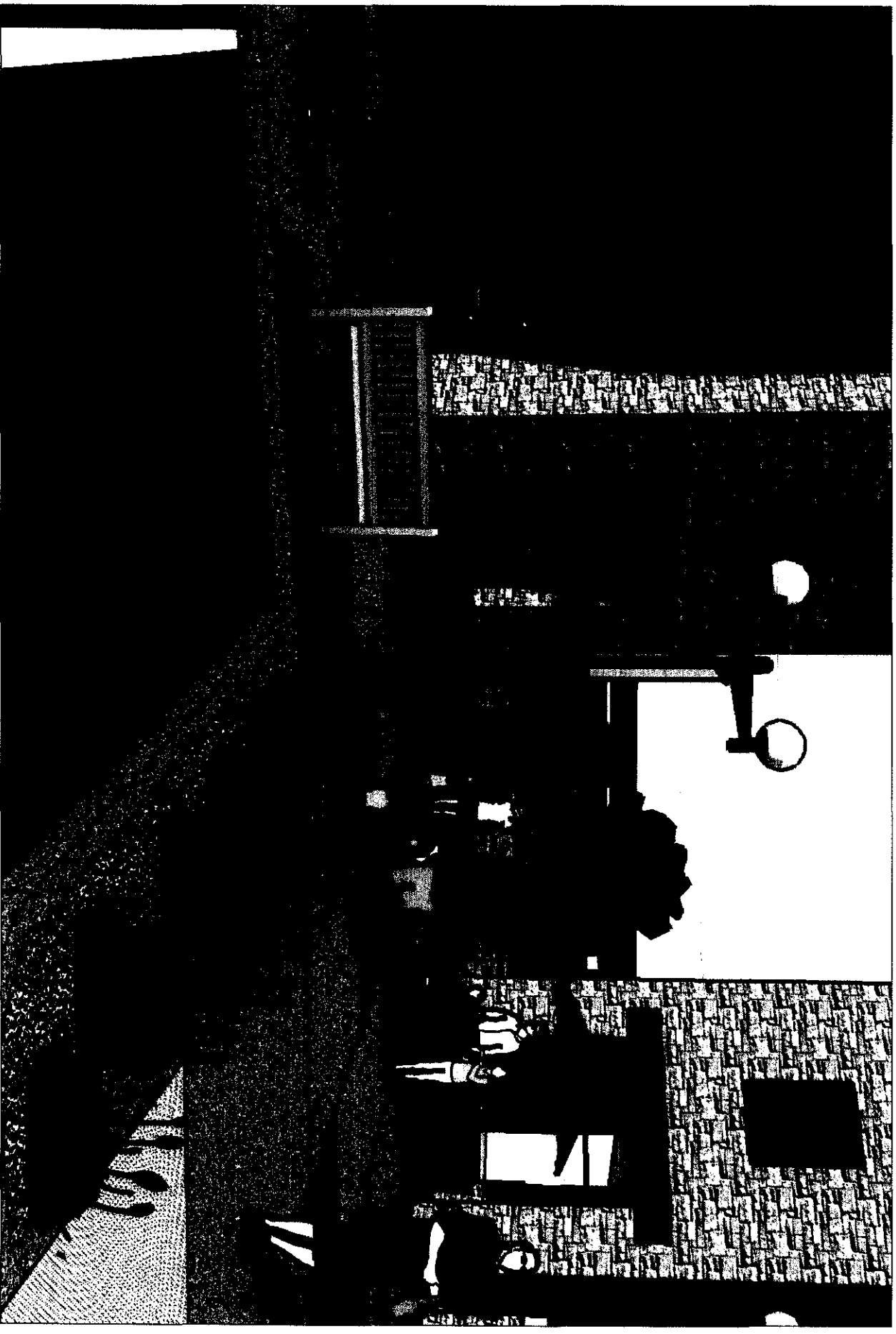


Villa del Bosque - Shopping Center - Typical Site Details

H + W Architecture



Villa del Bosque - Shopping Center - Typical Site Details



Villa del Bosque - Shopping Center - Typical Site Details



Villa del Bosque - Typical Building Elevation

H + W Architecture

October 4, 2012

Carmen Marrone
City of Albuquerque
Planning Department
600 2nd St. NW
Albuquerque, NM 87102

Re: Project 1003859 / Supporters for this project

Dear Ms. Marrone:

I wanted to share information with you about support for this project.

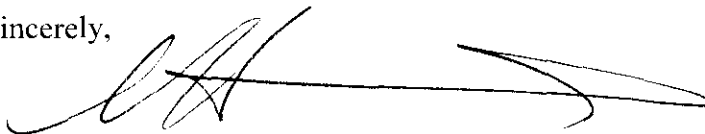
As you recall, on January 13, 2012, we submitted into the Record petitions in support of building a new Walmart store at Coors and Montano. These signatures were gathered at existing Walmart stores—all on the West side. In January, we brought you 6,210 signatures. The majority of people who signed (nearly one-quarter) lived in Council District 1, Councilor Sanchez's District. Residents of Council District 5, Councilor Lewis' District, were the second-highest majority.

In April, we invited eighteen West side supporters to meet and discuss the project with us. We filmed their statements and include summary slides with this letter as Exhibit 1. Their written statements of support have already been submitted into the Record (May 30, 2012).

In July we learned that the opposition set up a petition drive on Change.org. This caused me some concern because anyone can sign a petition on Change.org—they don't even need to live in Albuquerque. So we reopened our petition drive and spent another three weeks in the West side Walmart stores. In those three weeks, we collected an additional 9,545 signatures. Again, the majority of people who signed (nearly 1/3) lived in Council District 1, Councilor Sanchez's District. The second-highest majority live in Council District 5, Councilor Lewis' District.

This means that the total number of signatures in support of this project is 15,755. Stated differently, for every one person signing the Change.org petition opposing the project (3,218 total as of today), there are five people here in Albuquerque who support the project.

Yours sincerely,



Michelle Henrie

Over 5,000 people like me signed a petition to support the new Walmart at Coors and Montano.



**And there are many, many more
who would sign it.**



**We think the new Walmart is a
really great idea.**



**I've owned this property since 1994.
Having Walmart as a neighbor is a
great idea.**



**It will reduce my traffic time when
it's right here and I won't have to
drive so far.**



**I really like the convenience. It'll be
easy to get to and from.**



I like the low prices.



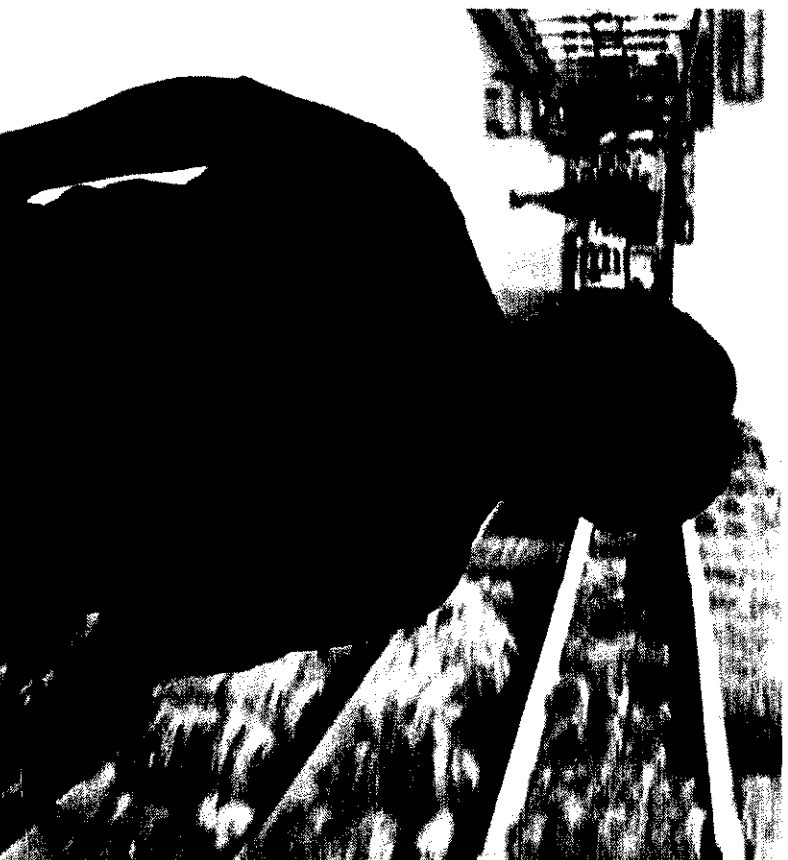
It will be a very unique size. Half of it will be groceries and half of it will be entirely other merchandise.



I like the convenience. It's the one
stop shop. I get everything I need in
this one spot.



**As you can see from the shelves,
Walmart purchases a lot of stuff
from local vendors. Over \$80
million alone last year!**



**The new Walmart will create 300
new jobs.**



**Once this Walmart is built here, I
won't have to drive to any other
Walmart in town. This is very
convenient.**



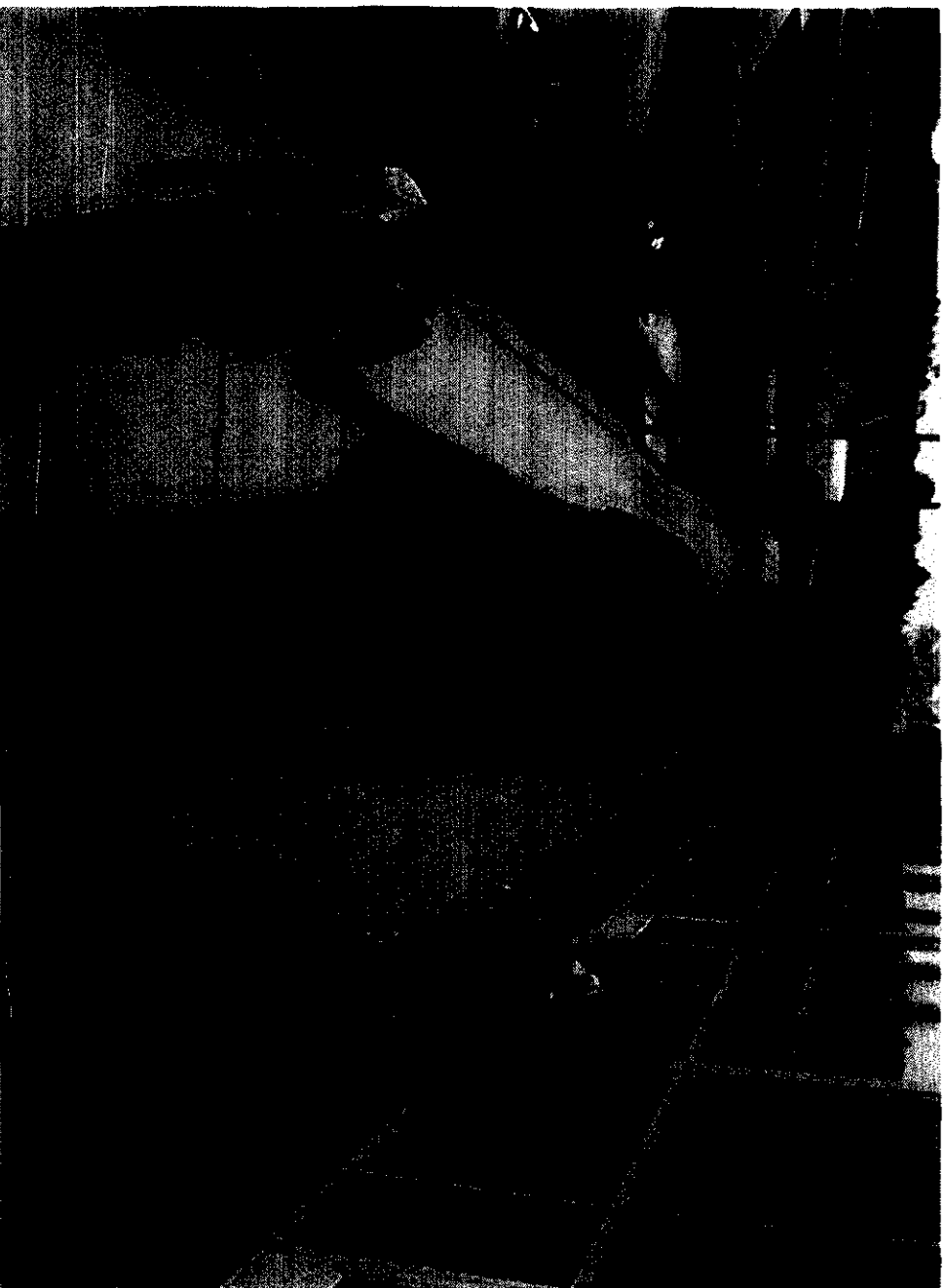
I know one of the biggest concerns is that the store is going to be too close to the Bosque. But if you look the Bosque is so far away.



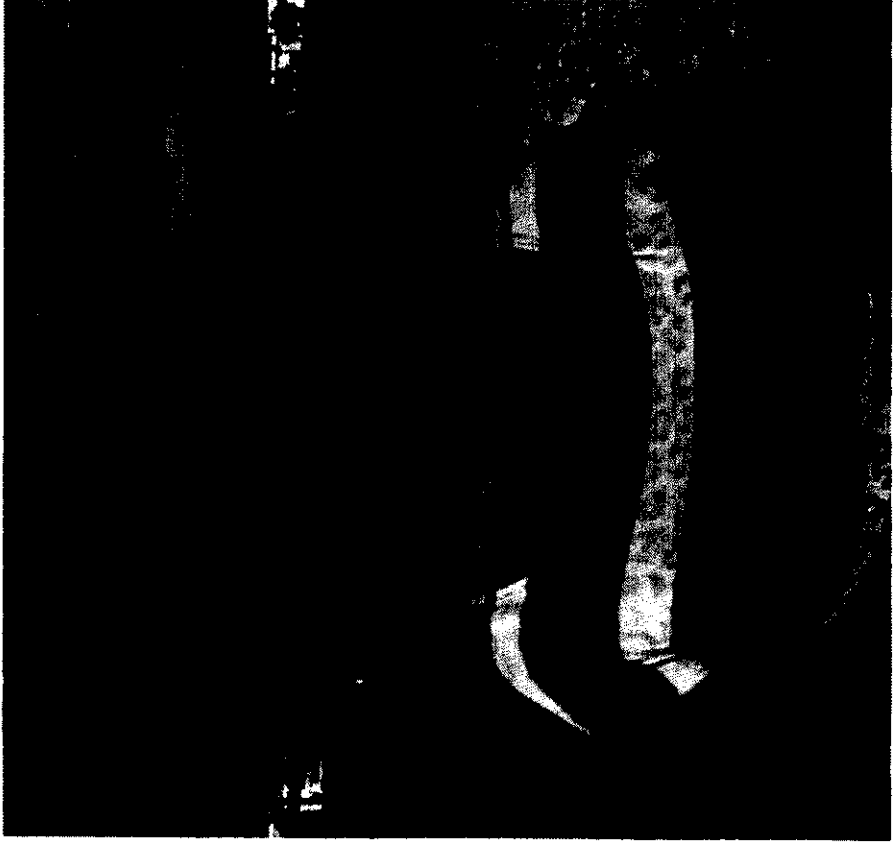
The city wouldn't have zoned this property commercial if it was in the Bosque. It is not in the Bosque.



**There's going to be lots of shops
around. It's going to be like a village.**



Walmart will only occupy 11 acres
out of the 285 acres at the site.



**It'll be a nice new community with
apartments and other shops.**



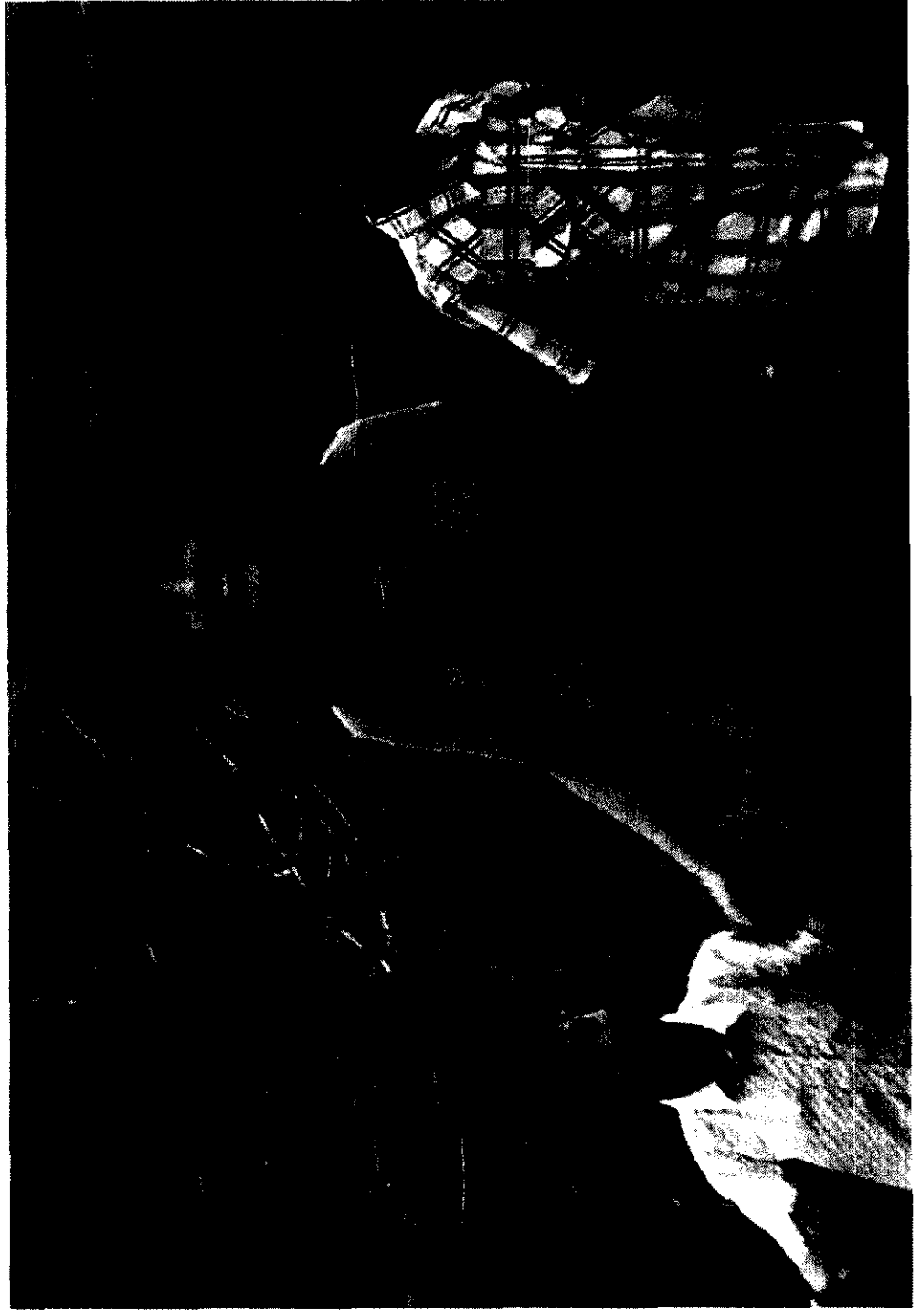
**Traffic won't get much worse.
People are driving by anyway.**



There will be bike paths and walking paths.



...And environmentally-sensitive
landscaping.



**The new Walmart will not block the
view of the Bosque or the
mountains.**



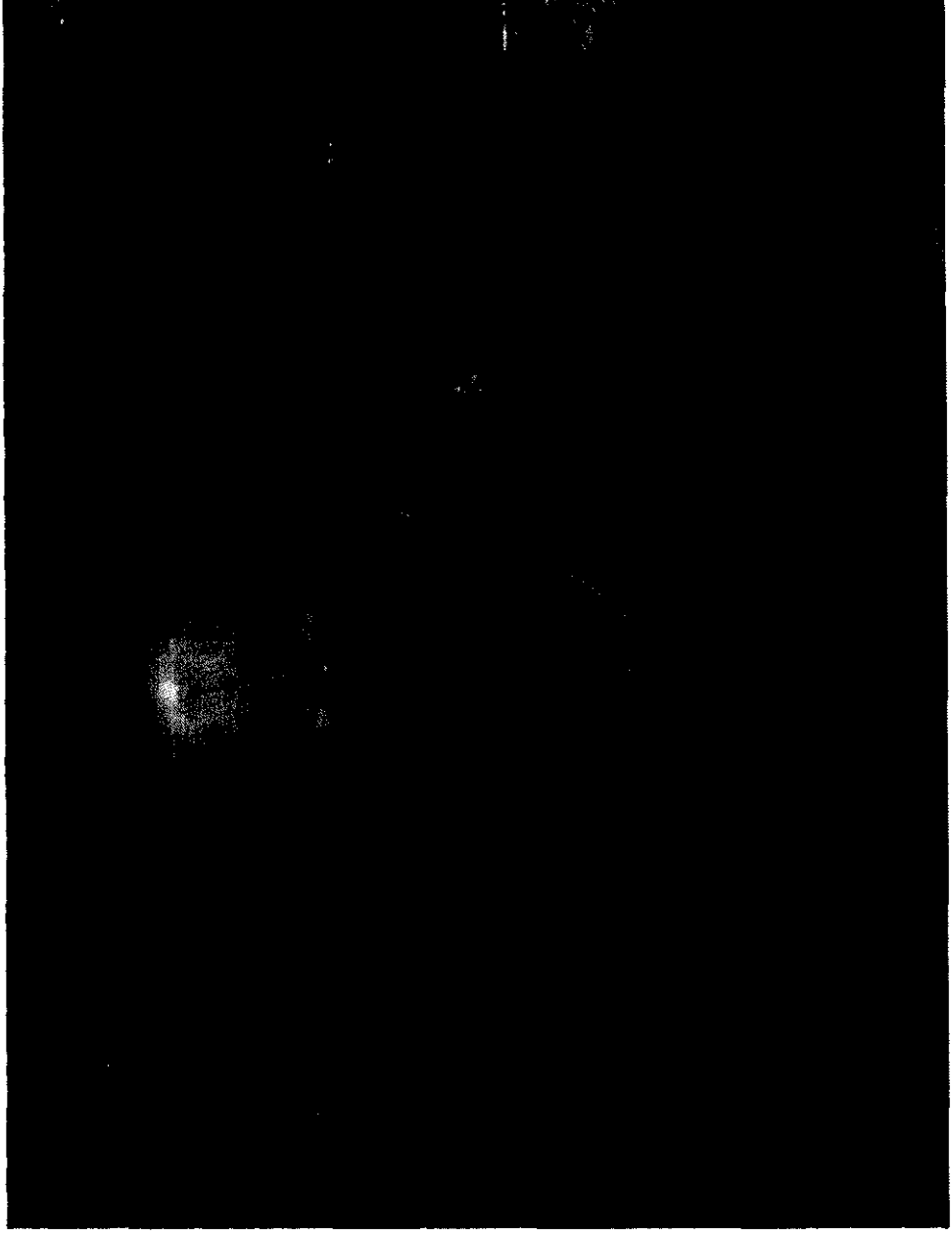
Bosque School will have what looks like a big park right in front of the school.



**If the wind is blowing like it is today,
the wall will prevent anything from
blowing over.**



**This land is zoned commercial. I
think Walmart should be able to put
a store here.**



Big trucks won't be coming in near as often as you think...on average less than one per day. Even if one per day were to come, that wouldn't be very much traffic.



This is the drainage area for the entire development area. So, none of the runoff will be going into the river.



There are a lot of bus stops on this route.



**We do need to save a lot of money.
Walmart is a good place to do that.**



**I think it's a great idea and it will
help the other Walmarts not be so
crowded.**



October 3, 2012

Carmen Marrone
City of Albuquerque
Planning Department
600 2nd St. NW
Albuquerque, NM 87102

Re: Project 1003859, shopping center and "large retail facility" at Coors and Montano

Dear Ms. Marrone:

This firm represents the applicant for Project 1003859.

Enclosed please find several articles and reports rebutting testimony offered at the EPC hearing on January 19, 2012, suggesting that the presence of a Walmart negatively affects small business. Similarly slanted information was included in the appendix to the Staff Report dated January 19, 2012 starting at page 417.

I trust that the Commission will base its decision on land use criteria, as was indicated by Chair Floyd at the hearing on July 19, 2012. However, in the event that the Commission allows non-land-use criteria to be included in the Record and/or to allows this information to influence its decision-making in any way, I offer the enclosed articles and reports in rebuttal and ask that they be considered as well.

Yours sincerely,



Michelle Henrie

Enclosures:

"Has Wal-Mart Buried Mom and Pop?" by Andrea M. Dean and Russell S. Sobel, West Virginia University.

"The absurd Wal of fear" by Andrea Peyser, New York Post.

“When Wal-Mart Moves In, Neighborhood Businesses Suffer. Right?” by Ylan Q. Mui, Washington Post.

“Anti-Wal-Mart study just doesn’t add up,” Editorial, The Chicago Sun-Times.

“Professional Opinion of a Recent Study by the Center for Urban Research and Learning of Loyola University Chicago Concerning the Impact of Chicago’s West Side Wal-Mart” by Mari Gallagher Research & Consulting Group.

“Professional Opinion of a Recent & Second Study by the Center for Urban Research and Learning of Loyola University Chicago Concerning the Impact of Chicago’s West Side Wal-Mart” by Mari Gallagher Research & Consulting Group.

“Response to Professor David Merriman’s January 23, 2011 Email Concerning Walmart” by Mari Gallagher Research & Consulting Group.

Does small business decline when Wal-Mart enters the market?

Has Wal-Mart Buried Mom and Pop?

By ANDREA M. DEAN AND RUSSELL S. SOBEL
West Virginia University



Many believe the mega discount store Wal-Mart is a plague set upon small "mom-and-pop" businesses. The instant Wal-Mart moves into town, all small businesses are destroyed in its path, leaving downtowns barren and empty.

This popular misconception has garnered significant media publicity and widespread public acceptance. President Clinton's former secretary of labor, Robert B. Reich, wrote in a 2005 *New York Times* op-ed that Wal-Mart turns "main streets into ghost towns by sucking business away from small retailers." One of the largest anti-Wal-Mart organizations, Wal-Mart Watch, released a report in 2005 claiming that a Wal-Mart expansion in Iowa was solely responsible for the extensive closings of mom-and-pop stores, including 555 grocery stores, 298 hardware stores, 293 building suppliers, 161 variety shops, 158 women's stores, and 116 pharmacies.

Are those claims true? In this article, we use rigorous econometric estimation techniques to examine the rate of self-employment and the number of small-employer establishments in communities where Wal-Mart has entered the market. We find that Wal-Mart has no statistically significant impact on the over-

all size of the small business sector in the United States. When all is said and done, there are just as many small businesses that are just as profitable despite the presence of Wal-Mart.

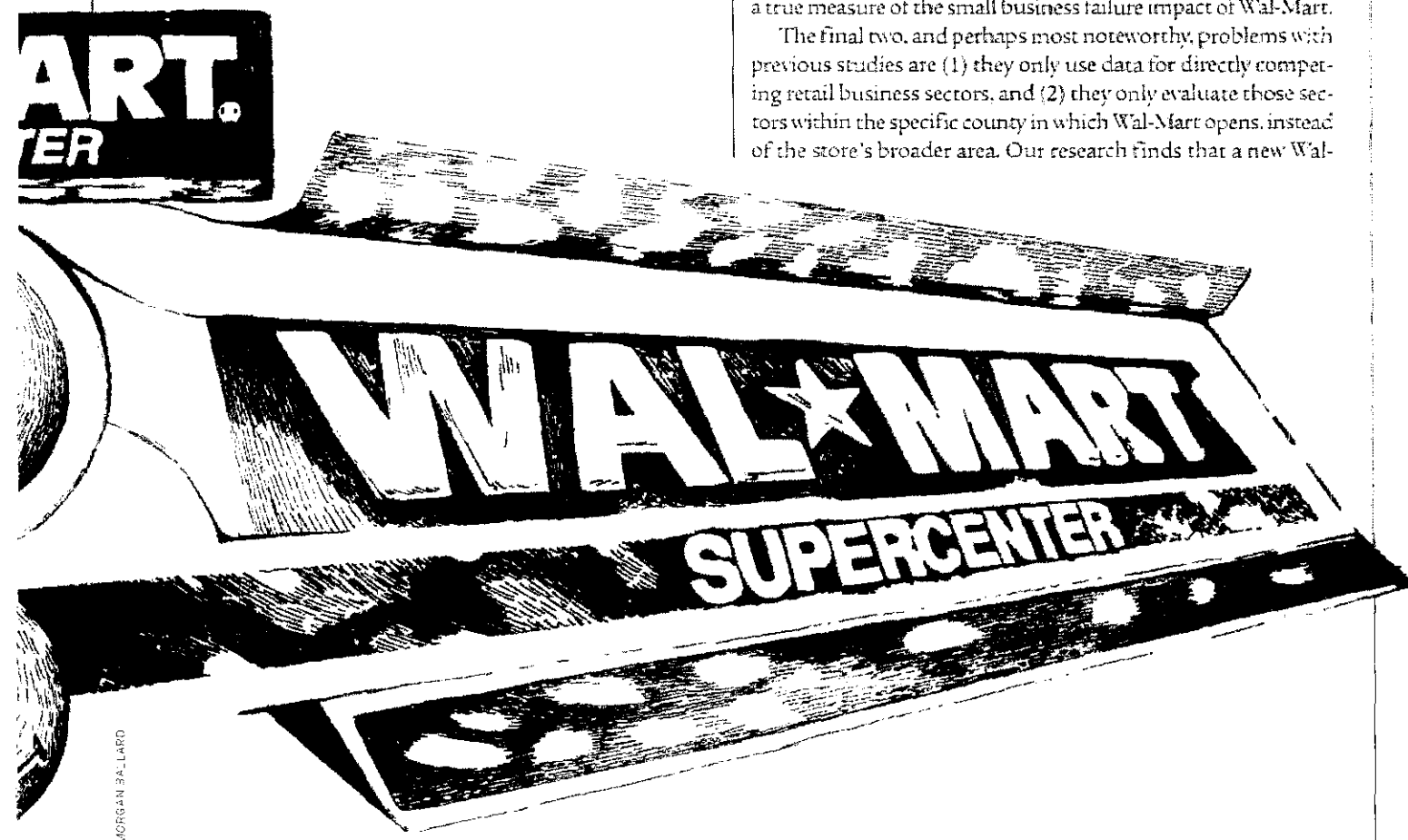
PREVIOUS ESTIMATION PROBLEMS

The oft-cited estimates of Wal-Mart's alleged negative impact on small businesses, such as the Iowa example, are misleading for several reasons. First, many of those estimates, found in a series of applied policy studies, lack formal econometric estimating procedures. The studies simply compare averages for counties with Wal-Mart stores to those without Wal-Mart stores. Although the studies have attracted considerable media publicity, they are problematic and misleading because of the deficiency of econometric analysis, which makes it impossible to know whether the differences are statistically significant. Furthermore, without the use of control variables found in standard econometric analysis, the studies ignore the effects of other economic and demographic factors that differ between counties with and without Wal-Mart stores.

The second problem with previous studies is that, as part of the data for "small business," they often lump in numbers from competing mega-retailers such as Kmart, Target, and Home Depot. Those retailers all suffer negative impacts as a result of Wal-Mart's entrance into the market. Given that flaw, it is uncertain to what extent the previous negative estimates can be used to approximate the effect Wal-Mart has on true mom-and-pop businesses, as a Kmart's store closing should not be counted in a true measure of the small business failure impact of Wal-Mart.

The final two, and perhaps most noteworthy, problems with previous studies are (1) they only use data for directly competing retail business sectors, and (2) they only evaluate those sectors within the specific county in which Wal-Mart opens, instead of the store's broader area. Our research finds that a new Wal-

Andrea M. Dean is a Kendrick Fellow at West Virginia University.
Russell S. Sobel is the James Clark Coffman Distinguished Chair in Entrepreneurial Studies at West Virginia University.



Mart store results in both the immediate failure of some small businesses and the emergence of other small businesses – both in other sectors and in other counties. For example, if a new Wal-Mart store opens, causing a directly competing hardware store to close and subsequently a new antique boutique opens in its place, the previous studies would only observe the failure of the hardware store. Yet Wal-Mart saves consumers a significant amount of money that they can then spend on other goods and services, and we would expect this to result in more new business opportunities. For example, if the money saved by consumers creates a greater demand for recreational activity and, as a result, a whitewater rafting company opens in a neighboring county, this new business would not be accounted for in previous studies. We now consider this process in more detail.

CREATIVE DESTRUCTION

The previous research on Wal-Mart's effects did not correctly model the welfare-enhancing process of "creative destruction." Creative destruction occurs when the introduction of a new idea or product results in the obsolescence of other products. New inventions, for instance, often result in the business failures of products supplanted by now-outdated technologies. That is unfortunate for the old businesses, but it benefits consumers and it frees money and resources that can then give rise to new businesses and further advancements.

For instance, the locale of our university, Morgantown, W.Va., is just one of many cities that have witnessed, first-hand, the process of creative destruction unleashed by Wal-Mart. Shortly after a new Wal-Mart store opened, Morgantown's popular downtown area was wrought with empty storefronts. However, after only a brief period of time, the once-empty storefronts filled with new small businesses. A former women's clothing shop transformed into a high-end restaurant. A former electronics store converted into an ice cream parlor. One by one, each of the vacant stores filled with new businesses, such as cof-

Figure 1

Wal-Mart Stores and Self Employment

U.S. totals, 1969-2001

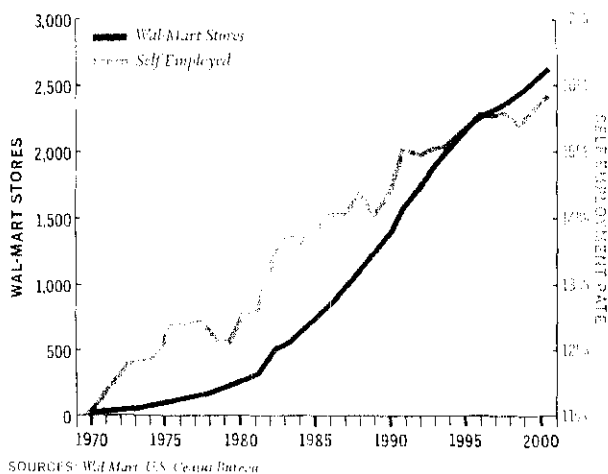


Figure 2a

Wal-Mart Stores and Small Retailers

Establishments with 1-4 employees, 1985-2002

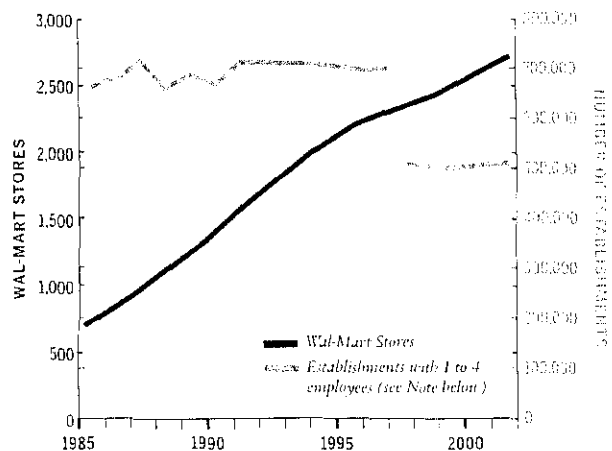
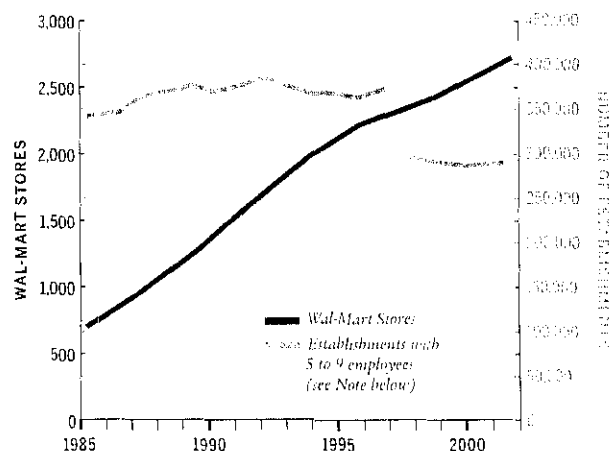


Figure 2b

Establishments with 5-9 employees, 1985-2002



NOTE: In 1998, the U.S. Census Bureau redefined the way it measures the establish data series, causing a discontinuity in the data. The drop in the level of this series that year is due to the redefinition, so we present data as two separate lines in these figures.

fee shops, art galleries, and law firms.

This process of creative destruction is able to increase economic efficiency by the reallocation of resources. Downtown retail space, which prior to a Wal-Mart store opening would be extremely competitive and allocated mainly to general merchandise stores, becomes an economically viable location for more elaborate types of small businesses once a Wal-Mart enters the area. Entrepreneurs who once could not afford the high rents of the limited downtown retail space are now granted an affordable opportunity to open their own businesses.

It is also important to consider the money consumers save by purchasing goods at Wal-Mart's lower prices. That money, which was previously spent on the same goods at more expensive mom-and-pop stores, can be reallocated to purchase spe-

cialty items in the boutique shops. Emek Basker of the University of Missouri-Columbia has found that the opening of a new Wal-Mart store results in city-wide price reductions of nearly two or three percent in the short run and approximately 10 percent in the long run. Consumers will spend at least some of that savings at other small businesses.

NATIONAL TRENDS

Because of its size, Wal-Mart's impact is easily observed in U.S. aggregate-level data. As mentioned in the introduction, the Wal-Mart expansion in Iowa has been blamed for the closing of 1,581 total business firms. The data would imply a failure of 11.3 percent of all businesses in the state of Iowa. If computed as a percentage of only small businesses, Wal-Mart would be responsible for the failure of almost 30 percent of all Iowa small businesses. Have these immense declines in small business activity really occurred? If the answer to this question is yes, it will without a doubt be visible in aggregate data on U.S. small business activity.

To begin an examination of the raw data, let us first view a comparison on the expansion of Wal-Mart stores and the rate of self-employment in the United States. The measurement of Wal-Mart stores includes both the chain's traditional "discount stores" and its "supercenters," while the rate of self-employment is calculated by taking nonfarm proprietor employment as a percentage of total nonfarm employment. Figure 1 provides this comparison for the 48 continental U.S. states.

As can be seen in Figure 1, over the time period in which the number of Wal-Mart stores dramatically increased from just a few to over 2,500, there was also a continual increase in the rate of self-employment. This overall upward trend in self-employment is just as strong in the 1980s when Wal-Mart was rapidly expanding as it was in the 1970s. If the negative impact predicted by previous studies is correct, we should see a dramatic drop in self-employment. However, rather than a dramatic drop, the raw data suggest a nearly 50 percent increase in self-employment during the time frame.

A simple time-series regression confirms the relationship between Wal-Mart stores and self-employment seen in Figure 1. After controlling for basic factors such as per capita personal income and the unemployment rate, the regression results in a positive coefficient on Wal-Mart, contrary to the predictions of previous literature. To view those and other regression results not found in this article, please refer to our forthcoming publication in *Economic Inquiry*.

A second and third comparison of Wal-Mart stores to the number of establishments with one to four employees and the number of establishments with five to nine employees may also be enlightening. This measurement of mom-and-pop businesses is defined by the number of

ees, or five to nine employees, per 100,000 of state population from the U.S. Census Bureau. However, the data are a bit more complicated to use because the U.S. Census Bureau redefined the variable in 1998, causing a discontinuity. Unfortunately, the data also are not available for as many years as the self-employment data. Nonetheless, Figures 2a and 2b both demonstrate the same pattern. Although self-employment has been steadily increasing in the United States, the number of small establishments remains practically unchanged since 1985.

Just by looking at the raw data, no evidence can be found to validate the arguments of previous Wal-Mart literature. Wal-Mart's alleged negative effect on the small business sector simply cannot be found in the data. However, many factors can change over a 30-year time period. For example, mom-and-pop businesses may have developed Internet-based services that would make it easier to survive in the marketplace, thereby hiding the alleged negative effect of Wal-Mart. Because of such changes, a more rigorous cross-sectional analysis at a single year in time is necessary to draw a more firm, concise conclusion on Wal-Mart's true effect on the U.S. small business sector.

CROSS-SECTIONAL ANALYSIS

For the purpose of maximizing the number of control variables from the U.S. Census, our cross-sectional analysis uses data for the year 2000. For this analysis, both the level and growth of small business activity are examined.

RAW DATA To begin the cross-sectional analysis, it is also use-

Table 1

Wal-Mart and Small Business

States with the highest and lowest number of Wal-Mart stores per capita, 2000

	Wal-Mart stores per 100,000 population	Self employment rate (percent of total employment)	Number of establishments with 1 to 4 employees per 100,000 population	Number of establishments with 5 to 9 employees per 100,000 population
Top 5 States				
Arkansas	3.067	16.175	220.805	123.999
Nevada	2.602	15.292	140.222	89.828
Mississippi	2.109	14.217	210.922	125.041
Missouri	2.020	14.900	190.556	114.687
Alabama	1.844	14.500	207.843	122.934
Average	2.328	15.017	194.070	115.298
Bottom 5 States				
Connecticut	0.470	15.936	192.626	102.626
Washington	0.424	16.513	171.154	97.640
California	0.340	19.464	145.629	78.372
New Jersey	0.261	13.635	215.988	86.899
New York	0.084	14.107	220.299	83.319
Average	0.316	15.931	189.139	89.771

SOURCES: Wal-Mart; U.S. Census Bureau

ful to view the raw 2000 data to see if any obvious relationships can be seen, before controlling for other factors. Table 1 presents data on all small business measures for the five states with the highest and lowest number of Wal-Mart stores per capita (per 100,000 population). Arkansas, the home state of Wal-Mart and the state with the greatest population of Wal-Mart stores, has slightly more than three stores per 100,000 people. The other four states with the most Wal-Mart stores per capita are Nevada, Mississippi, Missouri, and Alabama. The states with the fewest Wal-Mart stores per capita are New York, New Jersey, California, Washington, and Connecticut. The top five states, when averaged together, have approximately 2.3 Wal-Mart stores per 100,000 people while the five states with the least Wal-Mart stores per capita have only 0.3 stores per 100,000 people. On average, the top five states have seven times the number of Wal-Mart stores per capita as the bottom five states.

With such a discernable difference, if Wal-Mart has a negative effect on the small business sector, the effect should easily be seen in the states with the most Wal-Mart store per capita. As can be seen in the data in Table 1, although the states with a larger number of Wal-Mart stores do have somewhat lower rates of self-employment, they actually have more small establishments per capita.

Do these patterns hold up across all 48 continental U.S. states? Figures 3 and 4 show data for all states on the number of Wal-Mart stores per capita and measures of small business activity. The regression line has a positive slope for both Figures 3 and 4a; however, the slope is not significantly different than zero. Both of these figures are inconsistent with the hypothesis that Wal-Mart stores reduce the number of small retail establishments. Interestingly, the slope of the regression line in Figure 4b is actually positive and significantly different from zero, which suggests that states with more

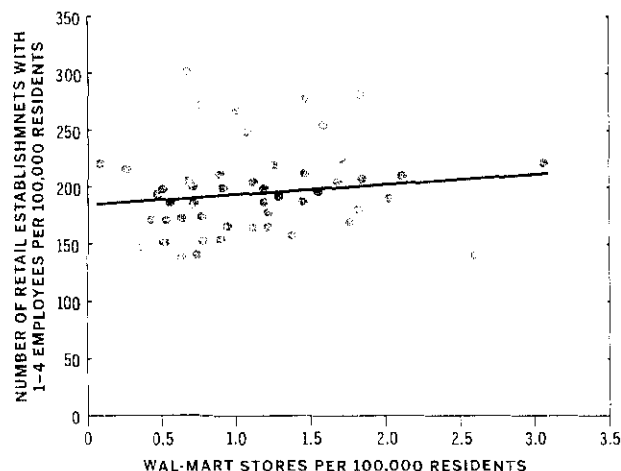
Wal-Mart stores actually have significantly higher levels of five-to-nine-employee establishments.

REGRESSION ANALYSIS Econometric regression analysis will allow us to control for other factors that may affect the size of the small business sector to better isolate the effect of Wal-Mart. Other than the number of Wal-Mart stores per 100,000 people, control variables such as median age, percent metropolitan population, percent of population in poverty, median family income (in thousands), percent of population nonwhite, percent of population with a college degree, percent

Figure 4a

Density of Wal-Mart and Small Businesses

Establishments with 1-4 employees, 2000

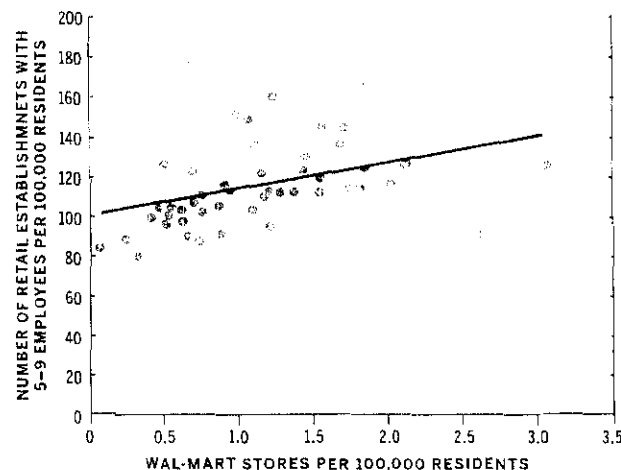


SOURCES: Wal-Mart, U.S. Census Bureau

NOTE: Data represent the 48 continental states. Slope of the regression line shown is 3.805 and the *t*-statistic is 1.052 (which is not statistically significant).

Figure 4b

Establishments with 5-9 employees, 2000



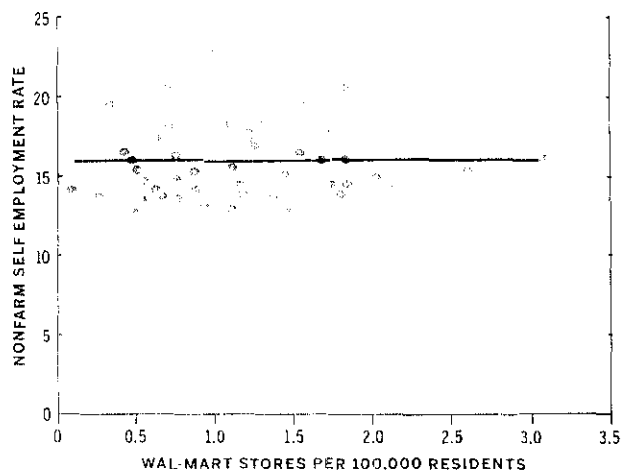
SOURCES: Wal-Mart, U.S. Census Bureau

NOTE: Data represent the 48 continental states. Slope of the regression line shown is 13.027 and the *t*-statistic is 2.710 (which is statistically significant at the 1% level).

Figure 3

Wal-Mart Stores vs. Self Employment Rates

2000



SOURCES: Wal-Mart, U.S. Census Bureau

NOTE: Data represent the 48 continental states. Slope of the regression line shown is 0.035 and the *t*-statistic is 0.063 (which is not statistically significant).

Table 2

Does Wal-Mart Reduce Small Business?

Wal-Mart stores per capita as explanatory variable, 2000

INDEPENDENT VARIABLE	DEPENDENT VARIABLE								
	Self Employment Rate			Establishments with 1-4 Employees (per 100,000 population)			Establishments with 5-9 Employees (per 100,000 population)		
	OLS	SAR	SAC	OLS	SAR	SAC	OLS	SAR	SAC
Intercept	-66.933** (2.233)	-51.274* (1.751)	-49.688* (1.756)	90.075 (0.191)	-182.669 (0.440)	-236.980 (0.547)	180.046 (0.901)	76.651 (0.373)	104.764 (0.528)
Wal-Mart stores (per 100,000 population)	-0.109 (0.229)	-0.001 (0.002)	-0.152 (0.385)	2.203 (0.297)	0.954 (0.167)	-1.955 (0.291)	3.933 (1.247)	1.712 (0.583)	3.539 (1.113)
Percent metropolitan population	-0.036* (1.750)	-0.032* (1.959)	-0.031* (1.898)	-1.273*** (3.974)	-0.899*** (3.676)	-0.983*** (4.507)	-0.849*** (6.243)	-0.683*** (5.575)	-0.658*** (5.358)
Median age (years)	0.222 (1.650)	0.221* (1.868)	0.225* (1.942)	6.925*** (3.284)	6.926*** (3.962)	6.730*** (4.143)	1.768* (1.974)	1.952** (2.231)	1.819** (2.127)
Percent poverty	0.207 (1.094)	0.139 (0.825)	0.142 (0.887)	0.541 (.182)	-0.510 (0.207)	-0.500 (0.208)	-2.564** (2.031)	-3.047** (2.459)	-3.008** (2.470)
Median family income (thousands \$)	-0.115 (1.054)	-0.122 (1.333)	-0.111 (1.287)	-0.862 (0.504)	-1.502 (1.112)	-1.113 (0.823)	-1.419* (1.954)	-1.883*** (2.782)	-1.931*** (2.914)
Percent non-white	-0.037 (1.189)	-0.027 (0.964)	-0.021 (0.744)	0.193 (0.397)	0.419 (1.018)	0.060 (0.141)	0.171 (0.829)	0.255 (1.227)	0.216 (1.015)
Land area (1,000 square miles)	0.013 (1.644)	0.012* (1.784)	0.010 (1.598)	-0.036 (0.303)	-0.086 (0.893)	-0.003 (0.032)	-0.045 (0.973)	-0.091* (1.815)	-0.084* (1.659)
Percent with college education	0.408*** (4.018)	0.378*** (4.372)	0.345*** (3.600)	4.401*** (2.762)	3.126*** (2.579)	2.347 (1.496)	1.832** (2.708)	1.591*** (2.626)	1.811*** (2.635)
Percent male	1.448** (2.692)	1.095** (2.050)	1.029* (1.898)	-2.619 (0.310)	2.181 (0.302)	5.137 (0.621)	-0.378 (0.106)	1.707 (0.478)	1.095 (0.313)
City	—	0.188 (1.260)	0.301 (1.364)	—	0.442*** (3.435)	0.076 (0.318)	—	0.182 (1.450)	0.181 (1.106)
County	—	—	-0.220 (0.660)	—	—	0.660*** (3.829)	—	—	0.043 (0.163)
Intercept	—	0.530	—	—	30.121†	—	—	1.144	—
Observations	48	48	48	48	48	48	48	48	48
R-squared	0.652	0.730	0.744	0.615	0.678	0.773	0.814	0.820	0.827
Log Likelihood	-109.448	-61.444	-33.607	-239.156	-191.891	-162.983	-215.524	-157.502	-129.555

SOURCES: Wal-Mart U.S. Census Bureau. Notes: t-statistics in parentheses, asterisks indicate significance at follows: ***-1%, **-5%, *-10%; †=no spatial dependence in the errors.

of population male, and state land area (in thousands of square miles) are also included. Those variables are traditionally used in any study of self-employment.

The model is first estimated by means of an ordinary least squares (OLS) regression. However, the OLS estimator can be biased and inconsistent when spatial dependence exists in the data. Spatial dependence can occur when there are unobservable geographic correlations within the dependent variable, which in this case is the measurement of small business activity. Because this dependent variable likely carries spatial dependence, a simple OLS regression is not sufficient; spatial econometric methods must be used to control for these geographic patterns in the data. One may think of spatial models as analogous to an autoregressive moving-average time-

series model, but with lags occurring over geographic distances rather than time. We use two specialized econometric models, spatial autoregression and spatial autocorrelation, to control for a spatially correlated error structure.

Table 2 presents the results from both the OLS and spatial estimation techniques. Highlighted at the top of the table are the Wal-Mart coefficient estimates (the amount by which one additional Wal-Mart store per 100,000 population would affect small business activity), none of which are statistically significant.

The lack of statistical significance indicates that the number of Wal-Mart stores has no significant effect on small business activity in a state, measured by either self-employment or small establishments. The estimates are consistent throughout each of the three different models.

Table 3 displays similar results to those in Table 2, except that the dependent variable, the levels of small business activity, is replaced with annual growth rates. The number of Wal-Mart stores is also replaced with the annual growth rate of Wal-Mart stores. Even with this redefinition of variables, the estimation results remain robust. Except for one case, the Wal-Mart store variable continues to be statistically insignificant. The case in which the relationship between Wal-Mart stores and establishments with one to four employees is significant is actually in the opposite direction as what previous literature would claim -- it shows a positive impact. This result occurs only once, however, therefore it is not robust enough to be persuasive.

Taken as a whole, the estimates found in Tables 2 and 3 strongly reject the conjecture that Wal-Mart has a signifi-

cantly negative impact on the overall size and growth of the small business sector in the United States.

CONTROLLING FOR ENDOGENEITY Wal-Mart store locations may be endogenous. For example, Wal-Mart stores may only be expanding in areas where unobservable variables are also causing a more rapid growth in small business activity, thus skewing our results. So it is worthwhile to re-estimate the models accounting for this possibility. The issue of endogeneity is addressed in two ways: a redefinition of the Wal-Mart variable, and inclusion of a Wal-Mart store instrumental variable in the regression.

First, the Wal-Mart store variable is replaced with a five-year lagged value of the Wal-Mart variable, meaning that what was once a value for the number of Wal-Mart stores in the year 2000

Table 3

Does Wal-Mart Reduce Small Business Growth?

Wal-Mart store growth as explanatory variable

INDEPENDENT VARIABLE	DEPENDENT VARIABLE								
	Self Employment Rate			Establishments with 1-4 Employees (per 100,000 population)			Establishments with 5-9 Employees (per 100,000 population)		
	OLS	SAR	SAC	OLS	SAR	SAC	OLS	SAR	SAC
Intercept	22.063 (2.031)	10.808 (1.199)	11.045 (1.155)	-31.983* (1.814)	-26.825* (1.705)	-34.979** (2.029)	-27.824 (1.543)	-42.076** (2.550)	-35.501* (1.806)
Wal-Mart stores (per 100,000 population)	-0.020 (0.846)	-0.013 (1.494)	-0.023 (1.286)	0.279 (0.741)	0.051*** (3.293)	0.030 (0.879)	-0.019 (0.486)	-0.001 (0.069)	0.007 (0.235)
Percent metropolitan population	0.005 (0.785)	0.005 (0.830)	0.004 (0.707)	0.015 (1.399)	0.018** (1.987)	0.019* (1.816)	0.013 (1.186)	0.015 (1.580)	0.013 (1.224)
Median age (years)	-0.092* (1.972)	-0.097*** (2.615)	-0.103*** (2.829)	-0.248*** (3.274)	-0.270*** (4.340)	-0.257** (3.889)	-0.091 (1.171)	-0.099 (1.481)	-0.097 (1.420)
Percent African-American	0.013 (0.200)	0.064 (1.170)	0.045 (0.871)	-0.085 (0.779)	-0.183** (1.997)	-0.088 (0.902)	0.094 (0.838)	0.119 (1.220)	0.111 (1.226)
Median family income (thousands \$)	0.042 (1.059)	0.060* (1.889)	0.048 (1.578)	-0.003 (0.050)	-0.071 (1.294)	-0.018 (0.304)	-0.030 (0.456)	-0.032 (0.565)	-0.024 (0.423)
Percent nonwhite	-0.001 (0.019)	-0.011 (1.297)	-0.006 (0.760)	0.028 (1.645)	0.050*** (3.342)	0.028* (1.814)	-0.012 (0.683)	-0.009 (0.556)	-0.009 (0.613)
Median household income (thousands \$)	-0.003 (1.232)	-0.002 (0.739)	-0.002 (1.077)	-0.005 (1.042)	-0.006 (1.630)	-0.005 (1.185)	-0.001 (0.123)	-0.001 (0.256)	-0.002 (0.500)
Percent with college education	-0.045 (1.408)	-0.030 (1.209)	-0.029 (1.189)	-0.026 (0.509)	-0.024 (0.590)	-0.022 (0.461)	0.019 (0.368)	0.027 (0.608)	0.019 (0.472)
Percent female	-0.381* (1.978)	-0.193 (1.210)	-0.181 (1.064)	0.835** (2.671)	0.813*** (2.865)	0.911*** (2.808)	0.603* (1.886)	0.888*** (3.014)	0.757** (2.014)
Time	—	0.449*** (3.251)	0.571** (2.478)	—	-0.189 (1.259)	-0.134 (0.547)	—	-0.377** (1.981)	-0.046 (0.098)
State fixed effects	—	—	-0.269 (0.674)	—	—	0.149 (0.507)	—	—	-0.467 (0.916)
LM-test	—	128.011†	—	—	0.163	—	—	27.782†	—
Observations	48	48	48	48	48	48	48	48	48
R-squared	0.393	0.533	0.637	0.574	0.706	0.662	0.208	0.341	0.456
Log-likelihood	-45.304	-6.676	20.097	-77.065	-30.422	-7.197	-63.290	-34.333	-5.999

SOURCES: Wal-Mart U.S. Census Bureau. NOTES: t-statistics in parentheses; asterisks indicate significance as follows: ***-1%, **-5%, *-10%; †-no spatial dependence in the errors.

is now a value for the number of Wal-Mart stores in the year 1995. Not only will this variable redefinition uncover endogeneity issues, it will also address concerns that the entrance of a new Wal-Mart store has a time lag effect of small business activity.

Second, instrumental variable methodology is used to predict the number of Wal-Mart stores in each stage, and in a second stage, we use this predicted value in the regressions. The results from these regressions are practically identical to the results from the previous regressions. No model displays any significant relation between the number of Wal-Mart stores per capita and the level of business activity.

BANKRUPTCY RATES We also examine whether there is a relationship between Wal-Mart stores and bankruptcy rates in the small business sector. Data on state-level business bankruptcy rates from the U.S. Small Business Administration are collected and employed in the three regression techniques discussed above. The regressions control for demographic and socio-economic factors as well as spatial dependence. The bankruptcy variable is measured as both a rate of all businesses as well as bankruptcies per 1,000 state population.

The regression results for this alternative small business measure mirror earlier results: Wal-Mart causes no significant harmful effect. In fact, all coefficients are negative, which implies that bankruptcy rates are actually lower in states with more Wal-Marts.

QUALITY OF NEW BUSINESS Thus far, the data have consistently demonstrated that the overall size of the small business sector is unaffected by the opening of a Wal-Mart store. Without a doubt, some directly competing small businesses will fail when Wal-Mart opens. Subsequently, the failure of those businesses will free up valuable resources, making it possible for other new businesses to open. However, some worry that the new businesses are in some ways inferior to the old businesses they replace.

For example, what was once a long-standing profitable hardware store may be replaced with a marginal diner with low revenue or profitability. If this is indeed the case, the average sales or net income of small businesses should visibly decrease as Wal-Mart has expanded.

Figures 5a and 5b illustrate the relationship between the number of Wal-Mart stores and the average real net income and revenue of sole proprietors. Both figures clearly indicate a uniform positive growth for the "quality" of small businesses. In fact, small businesses today both have higher revenue, and are more profitable, than in the past (in real terms).

CONCLUSION

Our research suggests that the popular belief that Wal-Mart has a significant negative effect on the size of the mom-and-pop business sector of the United States economy is statistically unfounded. After examining a plethora of different measures of small business activity and growth, examining both time series and cross-section data, and employing different geographic levels of data and different econometric techniques, it can be firmly concluded that Wal-Mart has had no significant impact on the overall size and growth of U.S. small business activity.

Figure 5a

Wal-Mart Stores and Small Business Receipts

Average sole proprietor, real net income

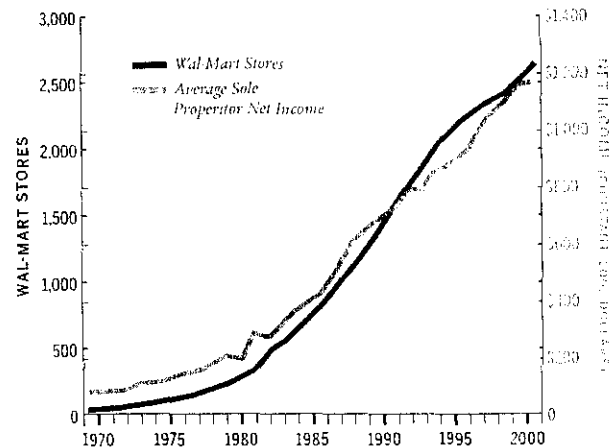
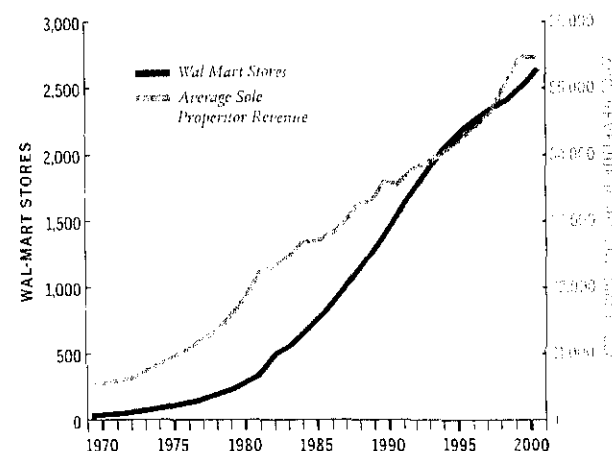


Figure 5b

Average sole proprietor, real revenue



SOURCES: Wal-Mart, U.S. Census Bureau

NOTE: Net income and receipts are converted to real dollars using the CPI

There is no question that Wal-Mart does cause some mom-and-pop businesses to fail. However, those failures are entirely compensated for by the entry of other new small business elsewhere in the economy through the process of creative destruction. R

Readings

- "Has Wal-Mart Buried Mom and Pop? The Impact of Wal-Mart on Self Employment and Small Establishments in the United States," by Andrea M. Dean and Russell S. Sobel. *Economic Inquiry*, forthcoming.
- "Job Creation or Destruction? Labor-Market Effects of Wal-

Mart Expansion," by Emek Basker. *Review of Economics and Statistics*, Vol. 87 (2005).

- "Selling a Cheaper Mousetrap: Wal-Mart's Effect on Retail Prices," by Emek Basker. *Journal of Urban Economics*, Vol. 58 (2005).



The absurd Wal of fear

By ANDREA PEYSER

Last Updated: 6:45 AM, January 17, 2011

Posted: 3:13 AM, January 17, 2011

It's a rumble in Brooklyn.

Word spread rapidly through the borough last week, like rats scampering through a subway car. The place was to be invaded. Were interlopers spreading violence? Or had slumming celebrities trained their sights on our shores? Not quite. This incurs was by forces far more sinister.

Walmart.

On Monday, The Brooklyn Papers reported that the giant purveyor of discount orange juice and underwear six-packs was to open a massive store in a new development on the fringes of Flatbush Avenue near Kings Plaza, spreading jobs, bargains -- if you believe carping critics -- pain. By Tuesday, word spread like a cancer to blogs and the mainstream media.

Tuesday night, an emergency meeting was scheduled so local officials might run Walmart out of town.

"I don't know what the idea is," said Dorothy Turano, district manager of Community Board 18. "We could wake up one morning and find a Walmart there."

The hearing was pushed back, due to snow. The next day, a spokesman for Forest City Ratner denied his company met with Walmart about opening a store in its planned Four Sparrows Retail Center.

Is Walmart coming? From the hysterical reaction, you'd think the Evil Empire was about to swallow the city whole. Yet the city has not announced a single project within the five boroughs. And still, official opposition to the retailer, already in the danger zone, has risen to lunatic levels.

It will come to a head on Feb. 3 as the City Council, led by bargain-hating Council Speaker Christine Quinn, hosts Hate Walmart Day.

But to the people of New York -- those who live on Flatbush Avenue and in East New York -- Walmart is not just wanted. It's desperately needed.

"We really want it," said Rosa, a clerk at Kings Plaza. "When I was in Kentucky, they had groceries and gave jobs to senior citizens. The prices are good!"

In a park in East New York, a long Town Car drive from Manhattan, I met a dad who watched his kids. Last year, he was out of work 12 months. Now it's going on 24. To him, Walmart is not just a store. It's the chance for a new life.

"We need jobs," said Malik Johnson, a laid-off laborer. "I'd work at Walmart in a heartbeat."

Why the hostility? Public Advocate Bill de Blasio last week released studies that he said showed -- aha! -- that for every two jobs Walmart brings into a community, three are lost. But if you look at the numbers, you'll see the conclusion is a crock.

One much-cited 2007 report by professors, led by David Neumark of the University of California, Irvine, is "full of a ton of caveats," said a source sympathetic to Walmart.

The study states -- bear with me here -- that the study's own findings "do not imply that the growth of Walmart has resulted in lower absolute levels of retail employment . . . We suspect that there are not aggregate employment effects, at least in the longer run, as labor shifts to other uses."

Phew! Translate that mouthful into English, and the same study that "proves" Walmart's a job killer suggests the opposite may be true. You see, when a Walmart opens, it draws new stores into the area. The result is that people get jobs. Perhaps in other industries, such as construction and hospitality. But don't ask me. Ask the dang study.

Or ask Chicago Alderman Emma Mitts. "If I could have another store today, I'd get me another store today," she said on a video posted online. "Because people need jobs."

"You have a big-box retail, and other, smaller stores are gonna come around and give you an economic engine," Mitts said. Stop the insanity. And learn to love Walmart.

'Take my kids, please:' Black

Newly minted Schools Chancellor Cathie Black transformed into a Borscht Belt comedienne, joking that the final "solution" to crowded schools is "birth control." Then, taking the Nazi metaphor to uncharted depths, Black said that school budget cuts have presented her with a "Sophie's Choice" -- a reference to the book and movie in which a mom, imprisoned in Auschwitz, has to decide which one of her children gets to live, and which one dies.

YOU CAT BE SERIOUS

Human companions of Sal Esposito, who happens to be a cat, want him removed from a Boston jury pool because he can't speak proper English and requires a full-time litter box. Two-legged officials denied the request.

Which begs the question: Can bipeds do better than Sal? Last week, a naked, vacuum-wielding Thomas Corde was acquitted of manslaughter after a guy he met on a boy-meets-boy Web site was stabbed to death. Cordero said he confessed to the crime only because he feared being sodomized by cops with a broomstick, like Abner Louima. A Bronx jury bought it.

I'll take my chances with Sal. Meow once for guilty. Scratch your nose twice for not.

From rags to riches to (best of all) celeb rehab

Faster than a speeding bullet, Ted Williams went from being a homeless drug addict to a celebrity recovering addict to a cat hassled by cops to the envy of famous people everywhere -- a resident of celebrity rehab.

Since the silken-voiced Williams became an Internet sensation, he's been deluged with job offers. Then he was questioned by cops after a fight with his daughter. Now, he's received a prime offer he can't possibly refuse from celeb uber-Dr. Phil McGraw -- doing a stint in a private rehab facility to kick a drinking problem.

He's a lucky guy.

Sack master 1, justice system 0

I give up. Former Giants star linebacker Lawrence Taylor paid \$300 to have sex with a 16-year-old runaway. He says he thought the girl was 19, which makes no difference in the eyes of the law.

But in the eyes of celebrity justice, Taylor wins. Like a sleazy politician, Taylor insists he did not have sexual intercourse with that underage woman. And now, he's likely to dodge even a minute in jail after pleading down from a felony to a sweet pair of misdemeanors.

There is no equal justice. Not when a guy used to know how to play football.

Subway a 'wild' ride

Despised transit brass should take a creative approach to the debacle of the subway rat caught on video climbing up a sleeping man's leg and staring him in the face. Ewww.

Top officials, many of them unfamiliar with the look and smell of subway vermin, should market a ride on the No. 4 train as a great way to commune with nature. That should remove the sting when fares go up. Again.

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washingtonpost.com > Business > Local Business

When Wal-Mart Moves In, Neighborhood Businesses Suffer. Right?

By Yan Q. Mui
Washington Post Staff Writer
Monday, June 23, 2008

Anthony Ramdass used to worry about Wal-Mart.

For more than a decade, he has watched from behind the counter of his pharmacy in a converted pool hall as businesses slowly blossomed along Annapolis Road in Prince George's County. Then the biggest retailer in the world arrived, offering \$4 prescriptions and always low prices. Ramdass braced himself for legions of defections.

But the pharmacist said not much has changed in the year since the behemoth from Bentonville, Ark., threw open its doors. His loyal clients have not strayed. They like the fact that he delivers for free and remembers most of his customers' names.

Wal-Mart opened its store in Landover Hills -- the first inside the Beltway -- in a storm of controversy last year bred in part by its reputation for running small businesses like Ramdass's out of the rural towns and suburbs that for decades were the retailer's breeding ground. There was concern that the so-called Wal-Mart effect would be replicated, if not magnified, once it moved into more urban areas, such as Landover Hills.

No comprehensive study has been done on Wal-Mart's impact on this stretch of Annapolis Road, the heart of this redeveloping neighborhood. But local proprietors and community leaders say the fears have not panned out. Some say the dour economy is a bigger threat than



(Gerald Martineau - The Washington Post)

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Wal-Mart. Other store owners credit Wal-Mart for boosting their sales, through both its proximity and community outreach programs.

"Wal-Mart was just the big gorilla coming into the community," Ramdass said on a recent afternoon, standing behind the counter of his store. "I think it's perception more than reality."

Ongoing research at Loyola University Chicago suggests one reason why the small businesses have been preserved. In examining Chicago's blighted West Side neighborhood in the year after Wal-Mart entered, researchers found some correlation between how far a business is from Wal-Mart and its likelihood of surviving. That relationship seems to be weaker in urban Chicago than in smaller towns, said Julie L. Davis, the university's community research coordinator and who is leading the study. Davis said more study is needed and expects to complete the research over the next year.

"There's so many other things happening in an urban environment," she said. "It'd be so tough to nail down what's up with Wal-Mart."

The retailer designated Chicago and Landover Hills as two of 10 "jobs and opportunity zones" designed to spur economic development around its urban stores and help small businesses. When it launched the program two years ago, Wal-Mart said it would offer free advertising to local stores and seminars on how to do business -- and even compete -- with Wal-Mart. It also promised grants to local chambers of commerce. The program is designed to last two years in each community.

The company has carried out parts of the program in each zone. It is working with businesses in all locations on advertising but has yet to hold a seminar in Landover Hills. Wal-Mart spokeswoman Rhoda Washington said she hopes to hold one soon. Adam Arroyos, who oversees the program nationally for Wal-Mart, said the most well-attended workshop was held in Decatur, Ga. It has since evolved into business networking sessions and expanded to Miami, Tampa and Raleigh, N.C., he said.

"There's not a one-size-fits-all," Arroyos said. "We leave the design in which that's going to happen to the community."

In Prince George's, Wal-Mart has donated several thousand dollars to help four independent businesses near the store advertise in local newspapers. It also produced radio spots to air over the store's sound system. Wal-Mart selected the stores with help from local officials.

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Anti-Wal-Mart study just doesn't add up

The Chicago Sun-Times

The folks who don't want any more Wal-Marts in Chicago like to paint the superstore as the root of all evil.

Recently, they've latched on to a new study of Chicago's first Wal-Mart, in Austin, as further evidence of the unique kind of pain Wal-Mart inflicts on Americans.

There's just one problem.

The study's anti-Wal-Mart conclusions don't add up.

On Thursday, the City Council Zoning Committee, short on votes, once again deferred a vote on a massive development on the Far South Side that would include Chicago's second Wal-Mart, giving Chicagoans more time to analyze this study, as well as all things Wal-Mart.

First, let's take a careful look -- and quickly dismiss -- this flawed study by researchers at Loyola University Chicago

and the University of Illinois at Chicago.

Though pegged as the first urban analysis of Wal-Mart's impact on local businesses and jobs, the study turns out to be little more than a cheap shot at Wal-Mart.

The underlying data are weak, even if the researchers' forceful conclusions are not.

In other words, their conclusions are no conclusions at all.

The researchers found that the Austin Wal-Mart basically has been a "wash" in terms of job creation. The jobs created by Wal-Mart, they concluded, were erased by the loss of an equal number of jobs at nearby businesses that closed after Wal-Mart opened in September 2006.

Too bad the researchers didn't count the jobs at the new businesses that opened after Wal-Mart's arrival on the West Side. There are roughly 22, according to the local alderman, Emma Mitts, including Menards, Food 4 Less, Aldi, two bank branches, CVS and Burlington Coat Factory. That information wasn't available, the researchers say.

Too bad they also didn't factor in other reasons, unrelated to Wal-Mart, nearby businesses closed. Nor did they compare West Side business closure rates with rates in other similar communities. Again, that information wasn't available.

Without this key data, this research is only a starting point -- and nothing close to a definite statement about Wal-Mart's economic impact.

We don't doubt that when a Wal-Mart opens other stores nearby are forced out of business. That has been documented elsewhere in the U.S. and the Chicago researchers found the businesses closest to the Austin Wal-Mart were at the greatest risk of closure.

It's worth noting, though, that those lost jobs paid low wages, an average of \$9.02 an hour in 2008, according to the UIC/Loyola study. That compares with Wal-Mart's reported full-time average wage of \$11.77 in Austin in 2010.

The verdict is still out on Wal-Mart's impact on job creation in Chicago, with this study offering little insight. But it does help clarify one point:

Wal-Mart alone cannot transform a community, despite what Wal-Mart boosters like to say. Rather, it can be a catalyst

for further economic development, the single best reason we strongly support more Wal-Marts in Chicago, particularly in underserved neighborhoods.

The two South Side sites -- in Pullman and Chatham -- under consideration for a Wal-Mart cannot attract other retailers without an anchor such as Wal-Mart. In fact, no other anchor store has even expressed interest.

And Wal-Mart stores at both locations would bring groceries, merchandise and decent-paying -- not great, but decent -- jobs to neighborhoods that need and want them. This is especially true at Pullman Park, the development the City Council put off on Thursday. That project would transform a barren former industrial site with retail, 800 new homes, a hotel and a recreation center.

There is little risk of displacing existing businesses because there are almost none there -- almost no retail, no restaurants, no grocers.

Wal-Mart is neither evil nor the Messiah. But there's little doubt that struggling Chicago neighborhoods would be better off with one than without one.

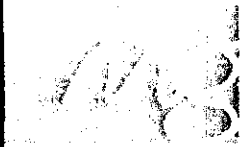
June 7, 2010

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Professional Opinion of a Recent Study by the
Center for Urban Research and Learning of
Loyola University Chicago
Concerning the Impact of Chicago's West Side Wal-Mart

June 10, 2008

Prepared for
Wal-Mart Stores Inc.

Overview

Mari Gallagher Research & Consulting Group was retained by Wal-Mart Stores Inc. to develop a Professional Opinion (the Opinion) on a report entitled *The Impact of an Urban Wal-Mart Store on Area Businesses: An interim-evaluation of one Chicago neighborhood's experience* by authors Julie L. Davis, David F. Merriman, Lucia Samayoa, Brian Flanagan, Ron Baiman, and Joe Persky of the Center for Urban Research and Learning of Loyola University Chicago¹ (the Loyola report). The version available for review was marked "last revised April 15, 2008."

We emphasize that we are neither "pro" nor "anti" Wal-Mart but, rather, a neutral third-party research firm. We do not conduct advocacy or any type of political work. More information is available at marigallagher.com.

The Opinion is organized into two key subsequent sections: 1) a review of the Loyola report and 2) a preliminary assessment of alternative data, methods, and analysis that, moving forward, might inform the important question of Wal-Mart's potential impacts – whether positive, negative, or neutral – on the local business, economic development, and community development climate in Chicago and particularly in the Austin neighborhood.

We express appreciation and respect for the authors and funders on whose paper we provide feedback, and hope that our commentary and analysis contribute positively to their continued work, and other research concerning the entrance of Wal-Mart into urban settings.

Report Review

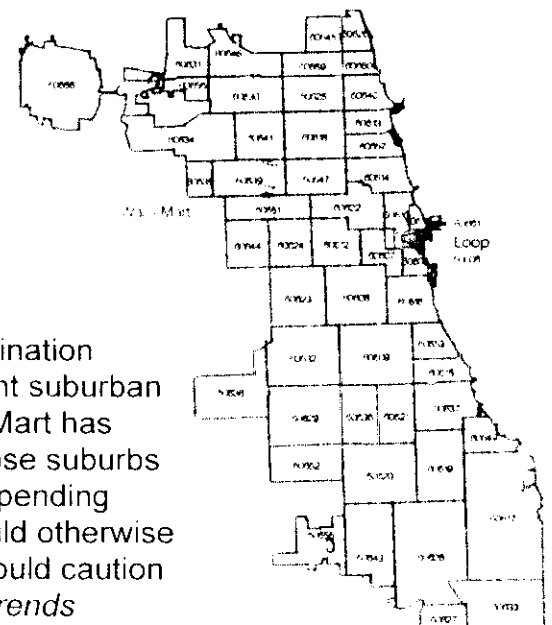
The Loyola report utilizes three key sources of data: 1) a survey of businesses within a 3-mile radius of Wal-Mart conducted in 2006 and 2007; 2) Illinois Department of Revenue sales tax data by Zip Code for 2000-2007; and 3) Dun & Bradstreet data on store location and sales for 2005 and 2007. The methodology constitutes examining changes from the period before Wal-Mart's arrival to the period after Wal-Mart's arrival, with these changes further broken down by distance from Wal-Mart and by whether or not a business was a Wal-Mart competitor.

No methodology is perfect. Limited time, resources, and data, in addition to many other factors, can challenge any research project. However, we identified several difficulties with the Loyola methodology that are worth addressing:

1. The before-and-after approach, even when it looks at changes close to and distant from Wal-Mart, cannot account for the possibility that the retail climate in the neighborhood into which Wal-Mart moved was already in decline to a greater extent than in other neighborhoods. If this is the case, then a greater decline in the number of retail establishments after Wal-Mart's arrival may be less the result of Wal-Mart's impact

than of pre-existing trends in the vicinity of the location chosen by Wal-Mart. The authors admit that the neighborhood into which Wal-Mart moved was indeed unique in how seriously the retail environment had declined, even before Wal-Mart's arrival: "... no other area of the city could serve as an appropriate control, because no other area had experienced such a large recent decline in retail and overall employment in recent years" (Footnote 6, p. 8). The implication here is that the retail market had "bottomed-out." Our methodological criticism also applies to the analysis of sales tax data by Zip Code. Here, although the authors have enough data to analyze the *trend* in sales by Zip Code both before and after Wal-Mart's arrival, they do not do so — the regressions in Table 8 contain a "Wal-Mart effect" that is the amount by which the *level* [of the natural log] of retail sales differs after Wal-Mart's arrival, but to capture the effect of Wal-Mart's entry on the *trend* in sales, a three-way interaction between year, Zip Code, and whether an observation occurred after Wal-Mart's arrival would be required (i.e. the regressions in Table 8 allow the *intercept* to change with Wal-Mart's arrival, but not the *slope* of the regression line). Furthermore, even if this were accounted for, we have concerns about using Zip Code level data for this type of analysis. Urban Zip Codes are large geographies that can contain many substantial retail nodes, with many businesses moving in and out (some being very big and constituting the addition or subtraction of a high volume of sales), yet, due to the nature of how the data are made available, the authors must rely on one total sales tax figure by category across an entire Zip Code. This can be very misleading when trying to pinpoint the effect of one particular business on all other competitors. Furthermore, the Wal-Mart, which opened in September of

2006, resides officially in one Zip Code but on the border of another, as the Loyola report notes. The Wal-Mart is located just east of Cicero on North Avenue in the Austin community as illustrated in Maps 1 & 2. The potential impacts of Wal-Mart would thus ripple out from that center point to 60639 and 60651, as well as to other possible Zip Codes, and even potentially the adjoining suburbs just to the West, small parts of which are included within a 2 mile ring, a relatively small distance from a destination center. While the Loyola report does include three adjacent suburban Zip Codes of the total 10 analyzed, it states that the Wal-Mart has "limited ability" to attract suburban customers because those suburbs have their own retail options and that "much of the retail spending going to a Wal-Mart store must replace spending that would otherwise have gone to stores in the city" (p. 8, paragraph 2). We would caution not to ignore the before-and-after flow of sales tax dollar *trends* across municipal borders. Consumer retail dollars flowing from urban to nearby suburban areas has been noted as a serious concern by government leaders and others, not only in Chicago, but across the country over the last few decades, especially with the "mallings of America" taking place historically in the suburbs, driving sales tax dollars away from urban centers. Since the West Side of Chicago, particularly Austin, had a "bottomed out" market with few retail options, as the Loyola report suggests, it is highly likely that



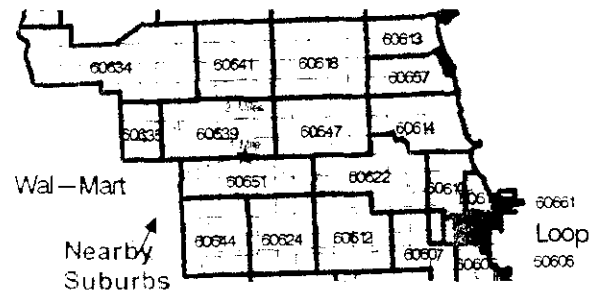
**Map 1: Wal-Mart
by Chicago Zip
Codes and
Distance Rings**

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a good portion of consumer dollars from the West Side of Chicago flowed or "leaked" over the years to nearby suburbs as well as to other areas of the city and that some of those dollars originating from Chicago but previously being spent in the suburbs now are being spent at Wal-Mart and/or possibly other Chicago stores that compete with Wal-Mart (as a shopping alternative) or

complement Wal-Mart (additional shopping that takes place near a destination center such as Wal-Mart due to factors of agglomeration, increased traffic and shopper convenience). For consumers who live in adjoining suburbs, the Austin Wal-Mart might be the closest Wal-Mart to them, and as Wal-Mart is a destination center for certain types of consumers, suburban residents might, in fact, cross the Chicago border to shop at the Austin Wal-Mart. The net gain, loss or "evening out" between Chicago and adjoining suburbs should be explored and quantified, as locally captured sales tax dollars are generally important to municipalities and to their ability to make local investments that impact the local business climate and quality of life amenities for residents.

Map 2: Wal-Mart by Nearby Zip Codes and Suburbs and Distance Rings



2. The possibility that Wal-Mart's arrival generated the entrance of additional retail establishments is overlooked except in noting that the Dun and Bradstreet data contain some firms that were present in 2007 but not in 2005 (p. 14, paragraph 3: one of the three groups into which the data were divided was "[firms] that appeared in the 2007 data but not in the 2005 data"). It is not until the Appendix tables that it is possible to ascertain that there were nearly 700 such businesses (new entrants) that arrived after Wal-Mart (Table A2.1) and that more than 400 of these were in SIC codes that competed with Wal-Mart. In fact, these new entrants into the market were actually just as likely ($406/697=58.2\%$) to be Wal-Mart competitors as the firms that exited the market ($770/1308=58.8\%$) [calculated from Table A2.3]. Based on the information available in the Loyola report, it appears that no attempt was made to contact these businesses, and no analysis of their proximity to Wal-Mart was conducted. It is thus possible that the slightly higher rate of business failures that the authors suggest is a consequence of Wal-Mart's arrival (p. 15, paragraph 2) is actually instead a symptom of greater "churning" (entry as well as exit – market movement) in the vicinity of Wal-Mart. There are many reasons why stores go in and out of business. Industries emerge, grow, change, and die, and some are reborn and reconstituted. This is the natural cycle of the market. In the retail industry, certain stores and shopping environments become more competitive, while other stores and shopping environments become less competitive. Stores go in and out of business based on a myriad of inter-related and highly dynamic factors, and when markets begin to revitalize or at least to improve somewhat after having "bottomed-out" over time, there is churning and upward pressure on and tightening of the local commercial and residential real estate market. The net effect of businesses moving in and out, before and after Wal-Mart, must be calculated.

Furthermore, a reasonable time period must elapse for the "churning dust to have settled" after the arrival of Wal-Mart to capture these potential impacts.

3. Increased sales growth for firms in SIC codes that compete with Wal-Mart is a "counter-intuitive" finding only if the potential for Wal-Mart's entrance to generate additional retail traffic² through the neighborhood is ignored. When findings are inconsistent with a negative impact from Wal-Mart's arrival, the authors describe these results as "counter-intuitive" (e.g. p. 13, paragraph 1: "Three Zip Codes all relatively distant from Wal-Mart have counter-intuitive positive and significant coefficients" [indicating that retail sales in these Zip Codes were higher after Wal-Mart's arrival than before it]; p. 20, paragraph 4: "We find some counter-intuitive evidence that establishments in SIC codes that compete with Wal-Mart had more growth in sales than those that did not compete with Wal-Mart.")³.

4. The finding that in the raw data (as opposed to the regression results) there was "little evidence that the Wal-Mart store either hastened business failure or slowed business formation in competitive SIC codes" (p. 19, paragraph 4) appears in Appendix 2, despite the fact that it is arguably one of the most important findings the authors offer (in light of their review of previous studies of Wal-Mart's impact which emphasizes the need to examine the impact on firms that directly compete with Wal-Mart). In the regressions using the Dun and Bradstreet data to evaluate the impact of Wal-Mart's arrival on the probability that a firm would go out of business between 2005 and 2007 (Table A2.5A), the finding that businesses closer to Wal-Mart and in SIC categories that directly compete with Wal-Mart were more likely to exit than more distant firms that were not direct competitors is sensitive to the inclusion of controls for the size of firm (employment and sales) and for the firm's age. Once these variables are included (column 5), the effects of proximity to Wal-Mart (either in physical distance or in the extent to which they were in the same line of business) become statistically insignificant. One interpretation of the difference between column 5 and columns 2 through 4 is that going out of business is the result not of Wal-Mart's appearance but of the poorer performance of smaller firms ("small" being measured by number of employees and sales), and firms that have been in business a short time. The authors choose to focus on the results that do not include these controls when they claim (p. 15, paragraph 2) that "proximity to Wal-Mart increased the probability that a business closed during the first year of Wal-Mart's operation." So the authors dismiss the result of examining the raw data, dismiss the results of examining the data in a regression with a reasonable set of control variables, and choose instead to emphasize the one set of results that is least favorable to Wal-Mart.

5. The Dun and Bradstreet data, as the authors point out after describing their efforts to verify it, are quite incomplete (for example, of 20 businesses that Dun and Bradstreet report as having disappeared between 2005 and 2007, the authors were able to verify that a quarter were in fact still in business in 2007 [p. 14, paragraph 3]). There is considerable research literature and complaint about Dunn and Bradstreet data reliability issues, documented as far back as 1980. The company has made efforts to

improve their data, and the data do have value in many research circumstances, especially when "n" is large enough to mask gross errors and additional data and field checks are used for supplementation and crosschecks. The data used for the Loyola report, however, have a relatively small universe, making data reliability and the need to supplement and clean data of extreme importance. However, as we understand it, the Dunn and Bradstreet data was the sole business data used. Furthermore, we find in our work that Dunn and Bradstreet data is weakest in markets such as Chicago's Austin community, where there are a number of small and minority-owned businesses that might not be on Dunn & Bradstreet's radar to begin with, let alone show up in their database with a correct or up-to-date name, sales figure, etc. Minority markets and markets that have experienced decline are often themselves biased against in terms of regular and accurate data collection on the part of private data vendors. There is likely not as much interest or perceived financial incentive, for example, for private sector data firms such as Dunn and Bradstreet to develop and check data in the Chicago Austin neighborhood as there is in neighborhoods East of Austin and especially closer to downtown Chicago.

Although the authors admit the Dunn and Bradstreet data imperfections, they nonetheless describe the results they obtain from them as "stronger than the results from our own survey." They assert that, though the Dun and Bradstreet data "measure economic activity with error," they believe the data are unbiased. In Appendix 2, they state "this data appear to suffer from (sometimes severe) measurement error but we know of no reason that it should bias our results" (p.19, paragraph 1).

There are in fact two potential sources of systematic bias that the authors do not consider or reveal in their report: (1) the Dun and Bradstreet methodology is likely more prone to identify businesses that *disappear* rather than businesses that *appear* (since for the former, they already have a phone number and address on file that they can utilize to contact existing businesses, so their disappearance can be easily verified); firms that enter the marketplace, on the other hand, are unlikely to be immediately identified by Dun and Bradstreet because it relies on information from vendors and various other data sources to add firms to their rosters, and many of these sources become utilized by Dunn and Bradstreet only with an often substantial lag by the nature of the time period needed to collect data and release it; and (2) to the extent that Dun and Bradstreet does not continuously monitor activity in each neighborhood but instead "looks in" only at discrete intervals (monthly, semi-annually, annually), neighborhoods characterized by high turnover or churning will have their turnover understated. Given the likelihood that exiting firms are identified more quickly than entering firms, such high-turnover neighborhoods will likely show up as losing more businesses than more stable neighborhoods despite the fact that the actual number of firms in business at any date in each grouping may not differ substantially. When the authors limit their sample to those firms that actually reported any change in sales from 2005 to 2007 (firms for which they are more confident the Dun and Bradstreet data are accurate), they "find few significant variables and little evidence that Wal-Mart's presence had any effect on

employment growth or decline among establishments that continued in business" (p. 20, paragraph 5).

6. The results on sales tax revenue by Zip Code are highly sensitive to the time periods included: the exclusion of observations for 2000-02 (to avoid the impact of the 2001-02 recession) results in a surprising number of changes in the signs and statistical significance of the variables measuring Wal-Mart's impact in each Zip Code. In addition, it is not clear why observations from 2000 must be dropped to avoid the impact of a recession which the authors assert (p. 13, paragraph 2) did not begin until early 2001.

Summary of Review

In general, we find the results in the Loyola report to be weak (as the authors admit) for their own survey data and often "counter-intuitive" or sensitive to the time periods examined for the sales tax data. The results are described as "strong" only for the Dun and Bradstreet data that the authors concede "measure economic activity with error." The label "strong" does not seem warranted by these results. But even using these data, the impact of Wal-Mart on business failures is absent in both the raw data and in the regression results with a reasonable set of controls. Together, the potential bias favoring greater counting of business exits, the lack of analysis of business entrants, and the failure to distinguish pre-existing trends from the impact of Wal-Mart's entry render the study's conclusions less than convincing at this point. The study's claim in its concluding paragraph (p. 16, paragraph 2) that "...our work demonstrates that, even in its first year of operation, Wal-Mart is indeed changing the landscape of Chicago's West Side business community," and, by implication, *negatively* changing the landscape, is far too strong and conclusive a statement for the weak evidence provided by the authors thus far.

Cursory Alternative Data and Analysis Exploration

Overview

In the following pages we outline our cursory data analysis work to offer suggestions for moving forward in the study of the potential impacts of Wal-Mart on the local business, economic development, and community development climate in Chicago and the Austin community. **This is not a comprehensive or conclusive study, but a beginning exploration extremely limited by time and resource constraints, shaped by several areas of inquiry in response to the Loyola report.**

Upon reviewing the Loyola report we became curious about four key questions: 1) what activity has there been in the local real estate market before and after the arrival of Wal-Mart, 2) was the local retail market churning, 3) what alternative or supplemental data sources could be used for business entrance, exit, and churning to improve Loyola's Dunn and Bradstreet data analysis and 4) what appropriate "control" communities could be identified for comparison purposes? To begin to explore these questions we 1)



analyzed ten years of individual address-level Multiple Listing Service real estate transactions for the Zip Code in which the Wal-Mart resides and aggregated data for comparison Zip Codes 2) analyzed before-and-after Wal-Mart City of Chicago individual address-level business license data for the entire City of Chicago at five dates separated by intervals of 6 to 12 months (October 2005, October 2006, April 2007, October 2007, and April 2008), and 3) developed a cluster analysis to identify a control or comparison group, and then compared results to that group. **We emphasize that exploring these three questions was the goal of this limited data exercise as supplemental information to accompany our Opinion of the Loyola report.**

Our theory of change concerning overall business and economic development impact is that the first potential impact would be felt in the local real estate market as plans for the Wal-Mart store (or any large development) are announced and pursued. For example, if the Wal-Mart is perceived by the local real estate market as positive, land values should increase within the most immediate distance rings around the store, with the greatest increases closest to the store. If the perception is negative, land values should decrease. If there is no impact, land values should remain flat or move along with other external influences. Pre- and post-Wal-Mart figures must be compared to changes over time and compared to other areas.

The second potential impact would be seen in business activity, although this cannot be measured overnight as the impact takes longer to be realized. Furthermore, methods must incorporate the realities of any churning that might be taking place. As businesses move in and out, there can be an in-between period that appears as "high vacancies," "inactivity," or "decline." For example, the Austin Cub Foods, just over 1/4 mile from the Wal-Mart, had recently closed⁴ but was later reopened as a Food-4-Less. The acquisition of the Cub Foods site and remodeling of it into a Food-4-Less presumably took time to complete, after which a permit could be sought and the store could open for business, which happened last month. Grocery stores are not direct competitors to a regular Wal-Mart, but they do sell crossover items⁵.

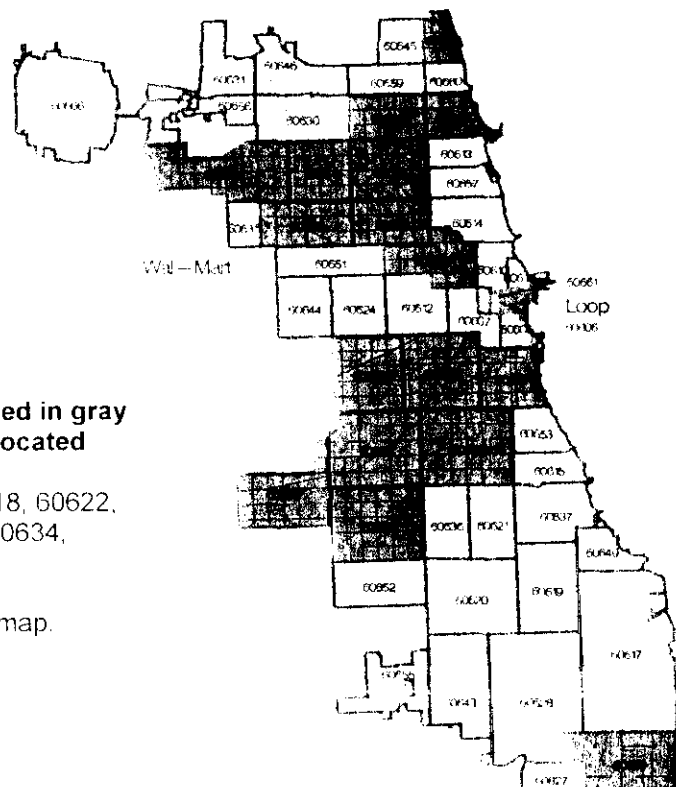
Potential impacts could also be measured through lending, permit, and business license data (investment activity), sales tax data projections (with methods to overcome the problem of one total category figure for an entire Zip Code⁶), real estate and tax assessment records, change in jobs, wages of those jobs, the recycling of retail dollars locally (which tends to happen more with independent, small businesses than with chains) and other measures. Aside from being constrained by time and resources for this cursory analysis, we are limited by the short amount of time that the Wal-Mart has been open. Retailers do not immediately open or close when another retailer enters the market; longer-term trend analysis, as well as very detailed, accurate, timely, and geographically appropriate data down to the block and exact business location level, with an appropriately-sized universe, are required to isolate the many factors that can affect local markets. Future studies of the potential impact of Wal-Mart should also measure any agglomeration⁸ effect that might take place; we recommend that it not be limited to direct competitors only. The "Snowball Effect" (Gallagher 2007) can also help

put into perspective where the neighborhood market is headed relative to other local neighborhood markets.⁹

Approach

Before the change over time in the number of real estate transactions or business licenses could be examined, it was necessary to identify areas to which the vicinity of the Wal-Mart could be compared. This was an attempt to isolate any effect of Wal-Mart's arrival from the effect of more general changes over time in the city's business climate. For example, if the analysis revealed an increase or decrease in business licenses in a one-mile radius around Wal-Mart from October 2006 to October 2007, it would not be possible to associate this change with Wal-Mart's presence, as it may reflect a trend that was occurring in other parts of the city as well.

To identify useful neighborhoods to which the area around Wal-Mart could be compared, demographic and economic data from the 2000 U.S. Population Census was examined for a set of Zip Code Tabulation Areas (ZCTAs). Three characteristics were considered: the percentage of an area that was African American, the percentage that had at least a high school degree, and median household income. A "cluster analysis" was performed to identify a group of ZCTAs that was similar to the ZCTA containing the Wal-Mart (60639). This procedure is illustrated for the case of two variables in Figure 1. One drawback of the procedure is that the Census data are 8 years old. A second drawback is that the data are aggregated across Zip Codes, very large geographies. However, the cluster analysis provides an alternative to simply comparing changes in the Wal-Mart Zip Code to surrounding Zip Codes which could indeed be very different. Attempting this modest level of control or comparison is likely better than no control or comparison.

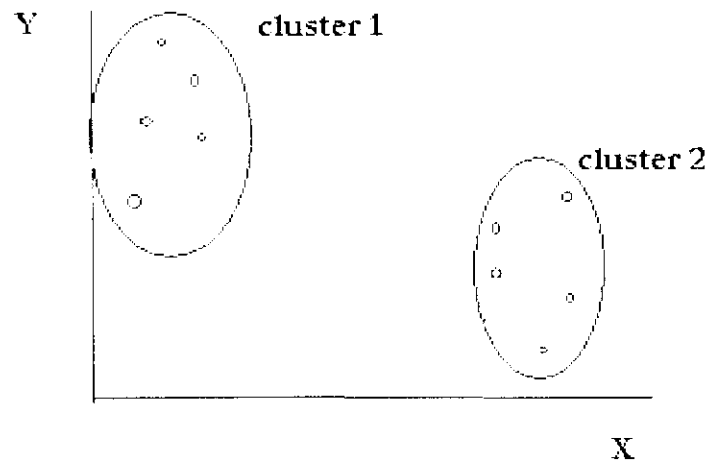


Map 3: Zip Codes for Cluster Analysis shaded in gray and 60639, where the Wal-Mart is officially located

Cluster Zip Codes: 60608, 60609, 60616, 60618, 60622, 60623, 60625, 60626, 60629, 60632, 60633, 60634, 60638, 60640, 60641 and 60647

Please use your "zoom in" function to enlarge map.

Figure 1: Cluster Analysis



The scatterplot shows the values of two variables (X and Y) for each of 10 different areas of our example. The cluster analysis groups the 5 observations with high Y values and low X values together in one group, and places the other five values with low Y values and high X values in another group. The procedure selects observations into each group to minimize the distances among the observations within a group.

Once the group of ZCTAs similar to the ZCTA containing Wal-Mart was identified (refer to Map 3), the trends over time in the distribution of business licenses could be analyzed by comparing the trends across similar ZCTAs. This makes it easier to isolate the trend in business licenses near Wal-Mart from the city-wide trend in neighborhoods with a similar demographic and economic make-up, again noting the limitations of the data as discussed.

Multiple Listing Service Data

Individual Multiple Listing Service records of all real estate transactions at the address level, from 1998 through 2007, were collected, geocoded¹⁰ and analyzed for the 60639 Zip Code, in which the Wal-Mart resides (there were 7,226 total records). These records include commercial properties, although the vast majority are residential. Because retail agglomeration (the attraction of additional retail to a large anchor¹¹ development such as Wal-Mart) tends to trigger commercial development speculation, the tying up of commercial land, and the eventual transfer of commercial land through brokers, developers, etc., developing appropriate commercial data as an impact indicator would require other methods. Furthermore, we suspect that not enough time has passed to see the full impact on commercial parcels. Residential parcels, by contrast, can show an impact much more quickly. Therefore, the MLS dataset was chosen.

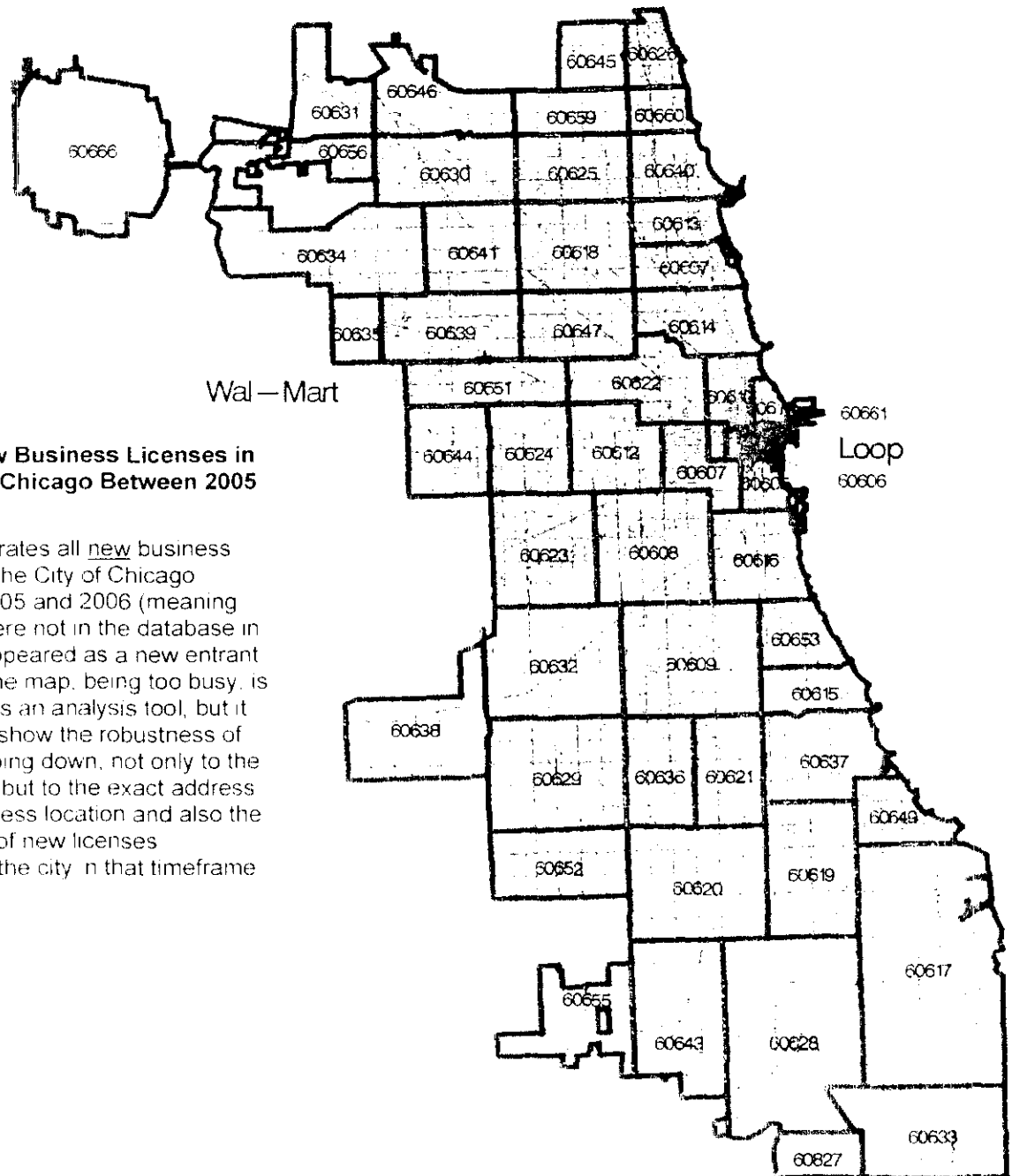
The distance to the Wal-Mart location was calculated for each of the 7,226 transactions. A ring analysis surrounding the Wal-Mart was conducted for transactions within 1/4 mile, 1/2 mile, and 3/4 mile in distance¹². Averages across comparison Zip Codes were also collected and analyzed for 2005 through 2007; time and resources did not allow a ten-year scan. The analysis would have been improved if data from 60651, the Zip Code to which Wal-Mart borders, could also have been collected and analyzed at the address level (indeed – if *all* transactions in the City could have been analyzed at the address level over a ten year period), which, again, time and resources did not allow. Furthermore, for the 1/4 mile distance ring, the numbers of observations are very low. The transactions in the 1/4 mile ring were 2 or 3 for most years (the highest number was 5). The 2002 data for the 1/4 mile ring consists of 2 parcels that appear to have been sold as vacant land, both for \$37,000, which is why that year's figure is so low. We do not know the size of either parcel. Perhaps one or both are now part of the Wal-Mart site. All other transactions in the 1/4 mile ring for the ten-year period are residential transactions. The 2007 1/4 mile ring only consists of one transaction. We expect "n" to be extremely low (and thus, limited) in the 1/4 mile ring because, the closer to the store, the smaller the universe of total transactions to analyze due to the smaller area and thus the smaller number of total properties. We also expect "n" to be low because of the likelihood that those properties are not constantly turning over and thus not showing up repeatedly in the database over the ten-year period. Additionally, the 1/4 mile distance ring around Wal-Mart will be comprised partly of Wal-Mart land as the ring is drawn from where the address is pinpointed. It is nonetheless worthwhile to take a look at property transactions within the 1/4 mile ring since they are the absolute closest to the store – practically on Wal-Mart's doorstep. This is where we expect impact to be greatest. For the 1/2 mile distance ring, the vast majority are residential, and the average number of observations per year over the ten-year period is 20. For the 3/4 mile distance ring, the vast majority are also residential, and the average number of observations per year over the ten-year period is 95. We note that some residential transactions and many commercial transactions were likely completed outside of MLS (such as independently by owner or through other methods).

City of Chicago Business License Data

To determine if churning might be taking place around the Wal-Mart, and to identify a possible data supplement to the Dunn and Bradstreet data used in the Loyola report to assist in identifying new business entrants as well as a more complete database overall, a total of 255,659 City of Chicago address-level business licenses were drawn from the city's licensing database at five dates (October 2005, October 2006, April 2007, October 2007, and April 2008). Unfortunately, we were not able to choose our data segments; this is all that was available to us.

The distance to the Wal-Mart location was calculated for each of the 255,659 licenses. At each date, roughly 51,000 licenses were extracted and geocoded (see MLS geocoding endnote for details). Each license location was then compared to the geographic center of each of the ZCTAs selected for analysis, and the distance from the

license location to the center of the ZCTA was calculated. Then the number of licenses at different distances (e.g. less than 1/4 mile, 1/4 to 1/2 mile, etc. up to three miles) from each ZCTA in question was calculated. This made it possible to assess how many licenses were located in the vicinity of each ZCTA center at 5 different dates. We also conducted a distance ring analysis around the Wal-Mart.



Map 4: New Business Licenses in the City of Chicago Between 2005 and 2006

Map 4 illustrates all new business licenses in the City of Chicago between 2005 and 2006 (meaning that they were not in the database in 2005 but appeared as a new entrant in 2006). The map, being too busy, is not useful as an analysis tool, but it is useful to show the robustness of the data, going down, not only to the block level, but to the exact address of the business location and also the magnitude of new licenses throughout the city in that timeframe

While we have at least captured data before and after Wal-Mart's entrance, the business license data also have limitations. Regarding business licenses, it is possible that a store might go out of business but that the license, until it expires, is considered current. However, it is at least possible to call that store to identify if the business has persisted or not. Furthermore, the licenses provide a good method to capture brand new businesses which, for the most part, require licenses to sell product, hang signs, etc. or risk being fined. It is important to note that not all business licenses are equal, and some stores, big or small, might need multiple licenses. For example, additional businesses might be attracted to a market because the market is improving. Areas with smaller, traditional storefronts might be redeveloped into fewer but larger stores with more square footage and employees, but fewer collective licenses. We would have preferred to draw business licenses farther back in time to have a more robust trend analysis but this was not possible given time and resource constraints and what was made available to us. The Zip Code that the Wal-Mart borders (60651) was not identified in the cluster analysis and, as such, was not analyzed. If given more time and resources, we would, at the minimum, go back and run an additional analysis from the center of 60651. However, the ring analysis around the Wal-Mart itself includes those areas that are in 60639, 60651, and any other Chicago Zip Code that the ring includes.

All data must be placed in context, seen through the lens of both advantages and disadvantages, and used with caution.

Summary of Cursory Analysis (Please see the Appendix for supporting charts and graphs.)

The ten-year period of Multiple Listing Service data for Zip Code 60639 shows that, upon the announcement of Wal-Mart's location plans, average real estate sales prices shot up dramatically among those transactions within 1/4 mile to the store, compared to the preceding trend. The vast majority of these are residential transactions. We compare the recent Wal-Mart distance rings with average sales data from the set of "cluster" Zip Codes, namely: 60608, 60609, 60616, 60618, 60622, 60623, 60625, 60626, 60629, 60632, 60633, 60634, 60638, 60640, 60641 and 60647 (see Map 3) for the years of 2005, 2006, and 2007. The averages of the comparisons also increase sharply and are higher, with the exception of the 1/4 mile-to-Wal-Mart distance ring (again, "n" in that category is low). However, the sales trends of the rings around the Wal-Mart are most striking. If the residential market (in addition to the commercial market, as the Loyola authors suggest) had bottomed-out around the Wal-Mart and in Austin generally, then the area around Wal-Mart, in terms of residential real estate sales, appears to have started down the path of recovery. It appears that the announcement and opening of the Wal-Mart increased nearby (primarily residential) MLS real estate values in the 1/4 mile ring closest to the store. The two other distance rings also show improvement. Conducting a ten-year analysis of cluster Zip Codes for the same ten-year period would help us draw more conclusive findings as to how these increases compare to other parts of the city. Conducting an analysis for every real estate transaction in the entire city, or at least for the additional Zip Code of nearby



60651, beginning at the address level as we did in 60639, would also shed light on the question of impact.

We reconciled, cleaned, and analyzed individual address-level business license data for over 255,000 records, also using our “cluster” Zip Code set (see listing above or Map 3) for comparison purposes. Additionally, we developed a distance ring analysis around the Wal-Mart itself. In the case of business licenses, we developed distance scores for every business license location for each of the City’s 255,000-plus data points to the North Avenue Wal-Mart across five time segments: October 2005, October 2006, April 2007, October 2007, and April 2008.

What we found is that the number of business licenses fluctuates between increases and decreases throughout the Zip Code cluster evaluation series, with more increases and an upward trend line closer to the Wal-Mart, and more decreases and a downward trend line farther from the Wal-Mart. With the ring analysis around the Wal-Mart itself, there is an increase within 1/4 mile of the Wal-Mart, and then there is a dip immediately afterwards in the 1/2 mile and 3/4 mile rings. What we can conclude based on the data, our knowledge of commercial markets, and our inspection of the Wal-Mart site and surrounding business community is that there is new business activity immediately around the Wal-Mart and churning (business entry as well as exit – market movement) rippling out in the next 1/2 mile and 3/4 mile ring from the Wal-Mart as well as farther out, which we would expect if the commercial market had bottomed-out and was rebounding. Earlier, we cited the example of the Austin Cub Foods, just over a 1/4 mile from the Wal-Mart, which had closed but was recently reopened as a Food-4-Less. The acquisition of the Cub Foods site and the remodeling of it into a Food-4-Less presumably took time to complete, after which a permit could be sought and acquired and the store could open for business. (Grocery stores are not direct competitors to a regular Wal-Mart, but they do sell crossover items. Food-4-Less is also relevant in terms of overall business activity and agglomeration. See endnotes for more details.) The Food-4-Less business license was acquired last month, after which the store opened. Given that not all business licenses are equal, and that some retailers will have multiple licenses, as discussed previously, the next analysis step would be to match and de-duplicate all business license data to one particular business location, and then project the number of jobs, square footage, and sales, record-by-record for each business. That data could then be cross-checked with Dunn and Bradstreet data and/or other private vendor data as well as field checks (field checks are extremely important). Given what we found so far in this cursory analysis, we believe that not enough time has passed to make the record-by-record matching and projections of each business worthwhile at this point in time. We recommend first the passage of a few more time segments for the “churning dust” to begin to settle to maximize the data effort.

We emphasize that our analysis is very cursory – a small first step – and that more time, data, and analysis are needed to continue to track and monitor potential Wal-Mart impacts – whether positive, negative, or neutral – on the local business, economic

development, and community development climate in Chicago and particularly in the Austin neighborhood.

In addition to surveys, private vendor business data, business license data, employment data, and so on, potential impacts could be measured through lending and investment activity (such as bank loan and permit data), sales tax data projections (with methods to overcome the problem of one total category figure for an entire Zip Code as well as the net sales tax effect between Chicago and nearby suburbs), percentage change in jobs, projected wages and benefits of those jobs, the recycling of retail dollars locally, and other measures. Future studies should also measure any agglomeration effect that might or might not take place around the Wal-Mart; we recommend that future studies not be limited to direct competitors only, as there is a great degree of cross-selling of many consumer goods by retailers who are not thought of or coded as direct competitors.

The core tenant of agglomeration is that retail attracts more nearby retail. This is one of the many reasons why – if there are impacts from the Wal-Mart – we will likely first see those impacts closest to the store, then rippling outward¹³ in rings away from the store. Retailers have a “herd” mentality. They typically choose to move together and to avoid isolated investments. The closer the stores are in location, and the more they provide similar (the same type of product line) but distinct consumer options (different brands, customer service, price points, ambiance, etc.), the greater the agglomeration effect and the greater the potential for the Snowball effect (see endnotes) to accelerate in an outward direction. Retailers agglomerate because they perceive that any negative effects from increased competition are outweighed by lower investment risk, lower development costs, increased number of shoppers and a better bottom line. Consumers support agglomeration through spending patterns because of increased selection, quality, price, and convenience of consumer goods. If the Chicago Austin market had bottomed-out and had few retail options, consumer dollars from Austin might flow to other Chicago neighborhoods or to the suburbs. As more local shopping options become available in Austin, more local dollars might be captured locally.

Measuring the net effect of all these factors with the best and most robust data and methods possible – under an appropriate timeframe – will hopefully help draw meaningful and accurate conclusions about the impact of the Chicago Wal-Mart.

Impacts are not realized overnight; longer term trend analysis, as well as very detailed, accurate, timely, and geographically appropriate data down to the block and exact business location level, with an appropriately-sized universe, are required to isolate the many factors that can affect local markets.

Appendix**Table 1**

Multiple Listing Service Data Average Sales Price in Dollars for all MLS Property Transactions by Distance Rings Around the Current Location of the West Side Wal-Mart

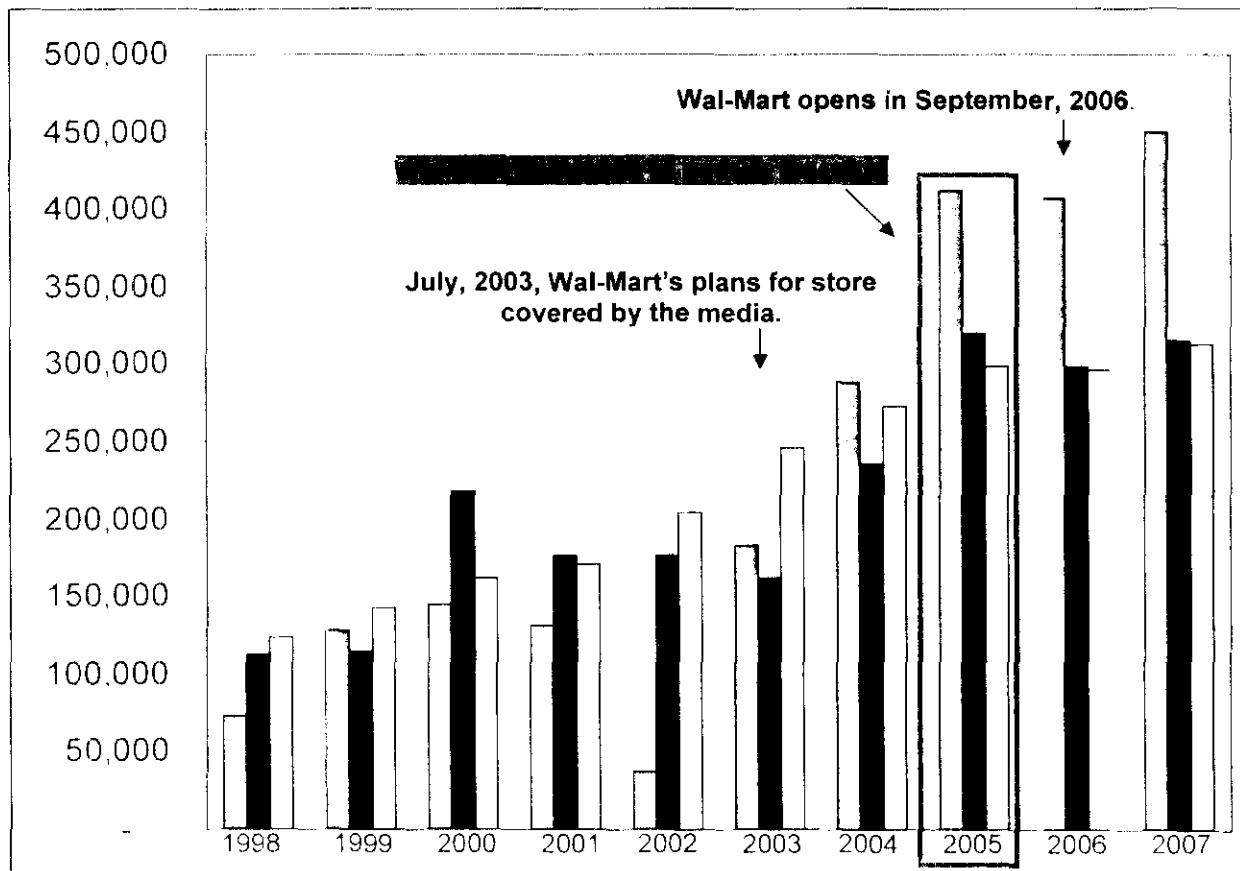
Distance	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
.25 miles and less	72,400	127,933	144,725	131,129	37,000	182,967	287,780	410,950	406,950	450,000
.26 miles through .5 miles	112,608	114,802	217,991	175,627	176,550	161,412	235,926	319,026	297,936	314,845
.51 miles through .75 miles	123,141	142,668	160,877	170,787	203,978	245,459	271,917	298,673	296,154	313,090

(Scroll down.)

Chart 1

Multiple Listing Service Data Average Sales Price in Dollars
for all Property Transactions by Distance Rings
Around the Current Location of the West Side Wal-Mart
of Properties Located in 60639

- 25 miles and less
- .26 miles through .5 miles
- ▨ .51 miles through .75 miles



The 2002 data for the 1/4 mile ring consists of 2 parcels that appear to have been sold as vacant land, both for \$37,000. We do not know the size of the land. Perhaps it is now part of the Wal-Mart site. All other transactions in the 1/4 mile ring over the ten-year period are residential transactions.

Chart 2

Multiple Listing Service Data Average Sales Price in Dollars
for all Property Transactions
For the Average of all 17 "Cluster" Zip Codes for 2005, 2006 and 2007

2005	2006	2007
309,752	366,870	431,947

"Cluster" Zip Codes: 60608,
60609, 60616, 60618, 60622,
60623, 60625, 60626, 60629,
60632, 60633, 60634, 60638,
60639, 60640, 60641 and
60647.

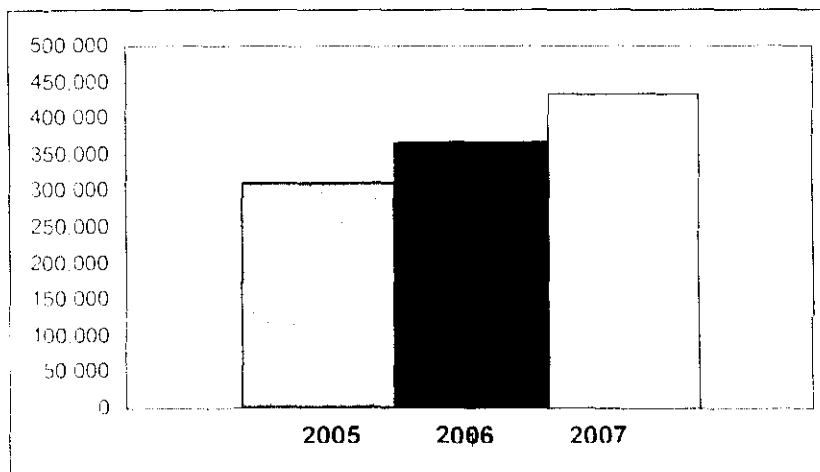


Table 1-B

Area Analyzed	2005	2006	2007
25 miles and less from the Wal-Mart	410,950	406,950	450,000
26 miles through 5 miles from the Wal-Mart	319,026	297,936	314,845
51 miles through 75 miles from the Wal-Mart	298,673	296,154	313,090
Cluster / comparison Zip Codes	309,752	366,870	431,947

Table 2

Number of Business Licenses Within 0.25 Mile Ring from Zip Code Center Series 1					
Zip Code	Oct 2005	Oct 2006	Apr 2007	Oct 2007	Apr 2008
	1	2	3	4	5
60608	35	35	33	36	36
60609	9	14	13	15	14
60616	47	48	53	46	52
60618	40	41	38	41	43
60622	135	142	129	139	126
60623	104	102	127	121	125
60625	74	74	70	75	69
60626	105	100	98	109	101
60629	46	49	43	48	47
60632	41	46	48	44	44
60633	7	8	7	8	5
60634	46	47	42	44	42
60638	4	2	1	2	0
60639	57	54	49	54	57
60640	54	50	54	48	48
60641	74	69	75	76	80
60647	51	60	58	61	64

Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Chart 3

**Number of Business Licenses Within 0.25 Mile Ring
from Zip Code Center**
Series 1



Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Table 3

Number of Business Licenses Between .25 Mile and .5 Mile Ring From Zip Code Center Series 2					
Zip	Oct 2005	Oct 2006	Apr 2007	Oct 2007	Apr 2008
60608	174	178	164	181	184
60609	76	79	79	96	91
60616	127	134	154	149	159
60618	187	207	175	192	194
60622	329	350	319	352	321
60623	273	265	292	265	296
60625	273	254	230	239	237
60626	356	345	298	312	292
60629	153	143	131	138	124
60632	112	110	123	107	115
60633	16	16	11	12	12
60634	164	162	152	151	144
60638	68	61	61	64	60
60639	171	178	169	188	199
60640	382	383	411	377	398
60641	146	145	170	161	170
60647	225	217	198	207	200

Pre Wal-Mart to time Wal-Mart Opens

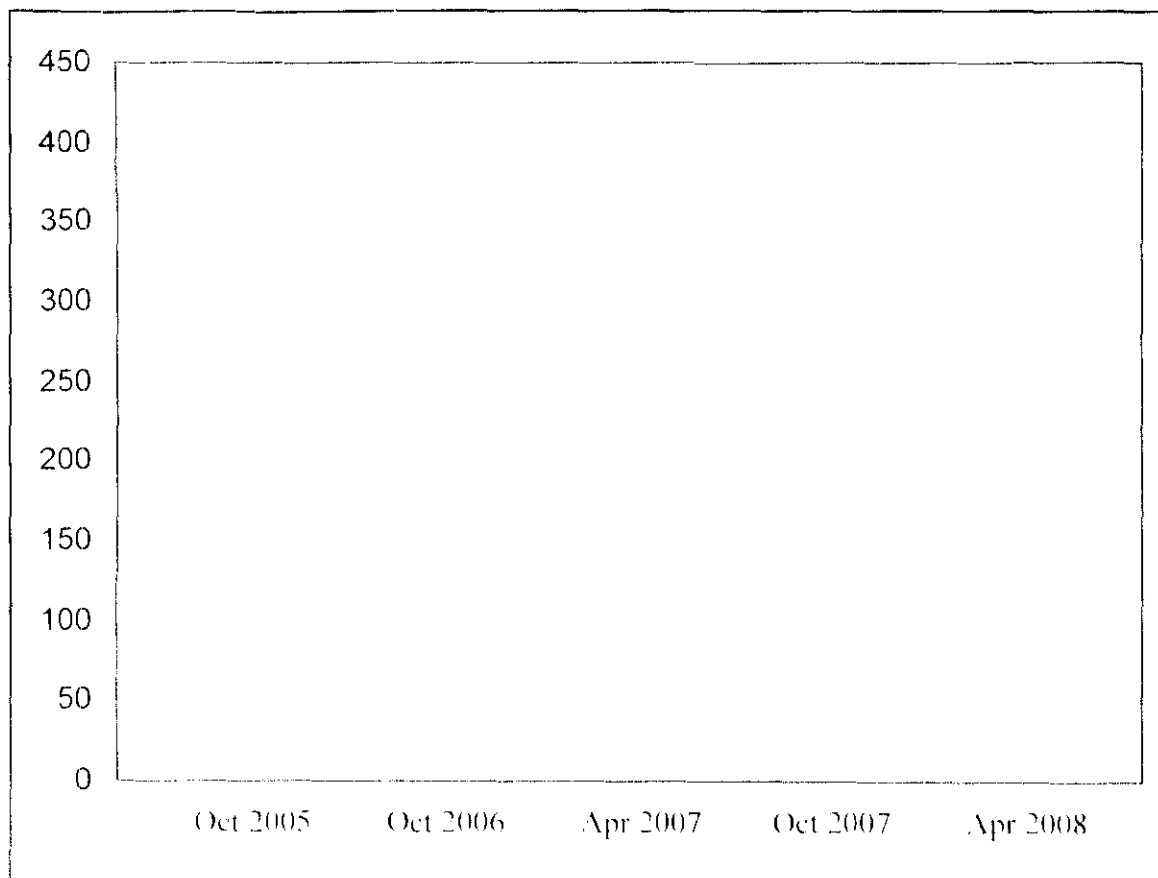
Wal-Mart's first seven months in business

Wal-Mart continues operations



Chart 4

Number of Business Licenses
Between .25 Mile and .5 Mile Ring
From Zip Code Center
Series 2



Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Table 4

Number of Business Licenses Between .51 Mile and .75 Mile Ring From Zip Code Center Series 3					
Zip	Oct 2005	Oct 2006	Apr 2007	Oct 2007	Apr 2008
60608	591	570	447	473	419
60609	482	724	638	708	539
60616	303	310	342	313	341
60618	244	258	234	264	280
60622	492	520	484	527	494
60623	415	407	461	415	464
60625	445	422	382	396	404
60626	230	243	212	219	213
60629	238	237	223	227	209
60632	195	189	226	206	228
60633	53	57	50	51	52
60634	129	129	123	115	119
60638	99	97	85	100	98
60639	404	409	366	397	417
60640	581	557	601	541	563
60641	301	291	301	281	302
60647	451	376	454	478	388

Pre Wal-Mart to time Wal-Mart Opens

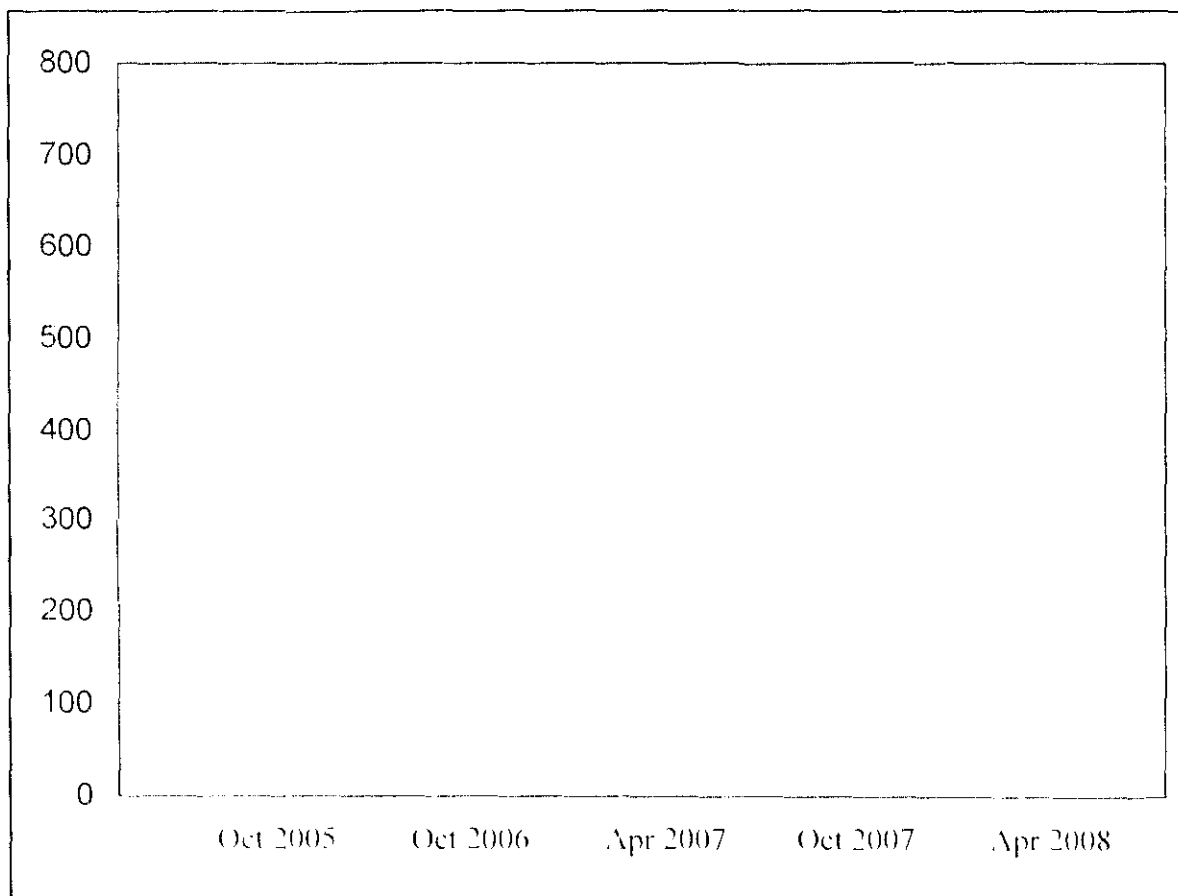
Wal-Mart's first seven months in business

Wal-Mart continues operations



Chart 5

**Number of Business Licenses
Between .51 Mile and .75 Mile Ring
From Zip Code Center**
Series 3



Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Table 5

Number of Business Licenses Between .76 Mile and 1 Mile Ring From Zip Code Center Series 4					
Zip	Oct 2005	Oct 2006	Apr 2007	Oct 2007	Apr 2008
60608	303	296	264	294	273
60609	247	242	200	227	213
60616	179	198	223	205	230
60618	545	544	485	535	550
60622	754	783	765	785	739
60623	287	310	343	292	310
60625	516	507	433	480	468
60626	240	221	217	222	236
60629	216	217	200	217	195
60632	307	311	358	328	347
60633	15	15	14	15	14
60634	82	80	80	80	76
60638	119	117	110	120	107
60639	391	392	352	378	381
60640	449	439	461	435	457
60641	436	428	454	418	443
60647	434	432	400	427	404

Pre Wal-Mart to time Wal-Mart Opens

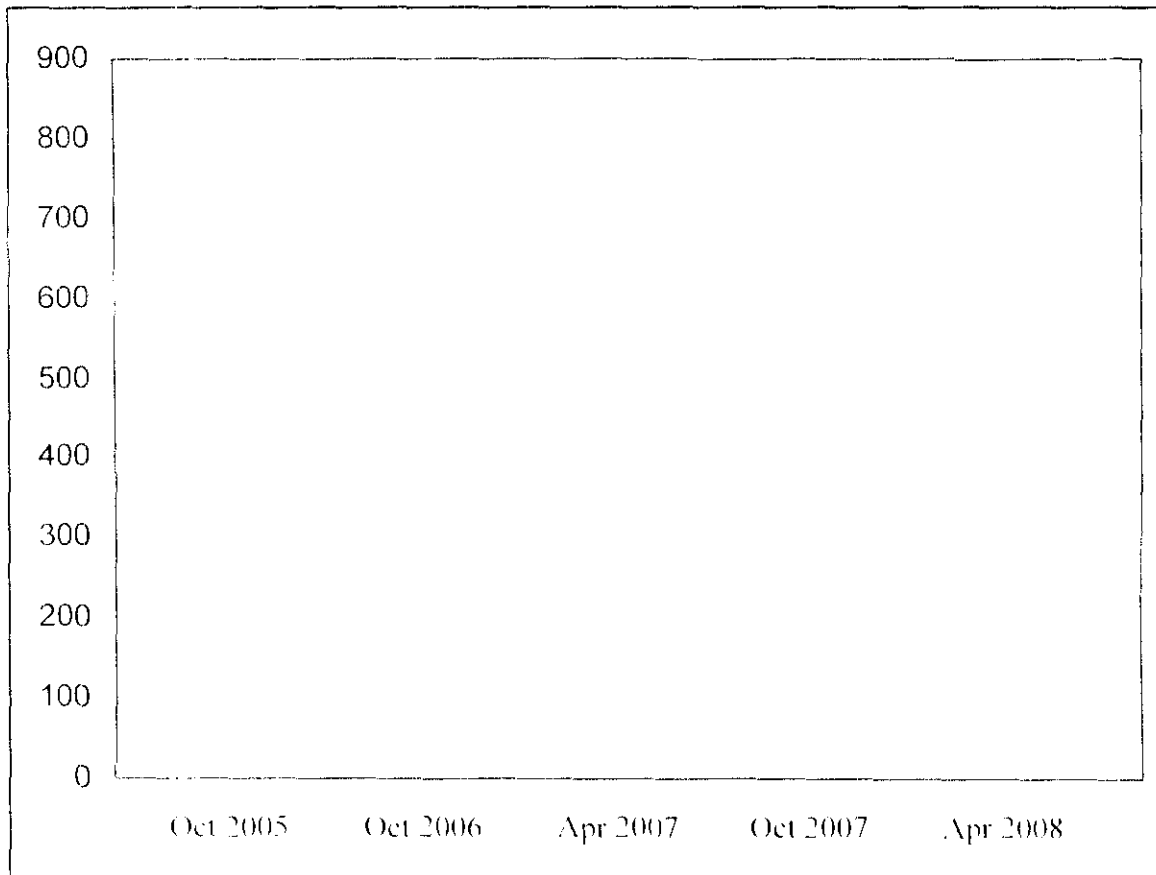
Wal-Mart's first seven months in business

Wal-Mart continues operations



Chart 6

**Number of Business Licenses
Between .75 Mile and 1 Mile Ring
From Zip Code Center**
Series 4



Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Table 6

Number of Business Licenses Between 1.01 Mile and 1.25 Mile Ring From Zip Code Center Series 5					
Zip	Oct 2005	Oct 2006	Apr 2007	Oct 2007	Apr 2008
60608	311	370	356	373	360
60609	282	309	282	311	255
60616	287	293	297	311	302
60618	782	695	743	771	758
60622	809	813	794	852	813
60623	196	190	198	188	202
60625	497	488	440	479	482
60626	413	398	381	376	387
60629	270	281	259	274	253
60632	306	296	344	318	320
60633	15	16	15	16	16
60634	135	141	125	134	119
60638	167	164	151	164	148
60639	540	533	483	525	536
60640	525	520	511	516	522
60641	579	578	572	548	559
60647	714	722	672	749	702

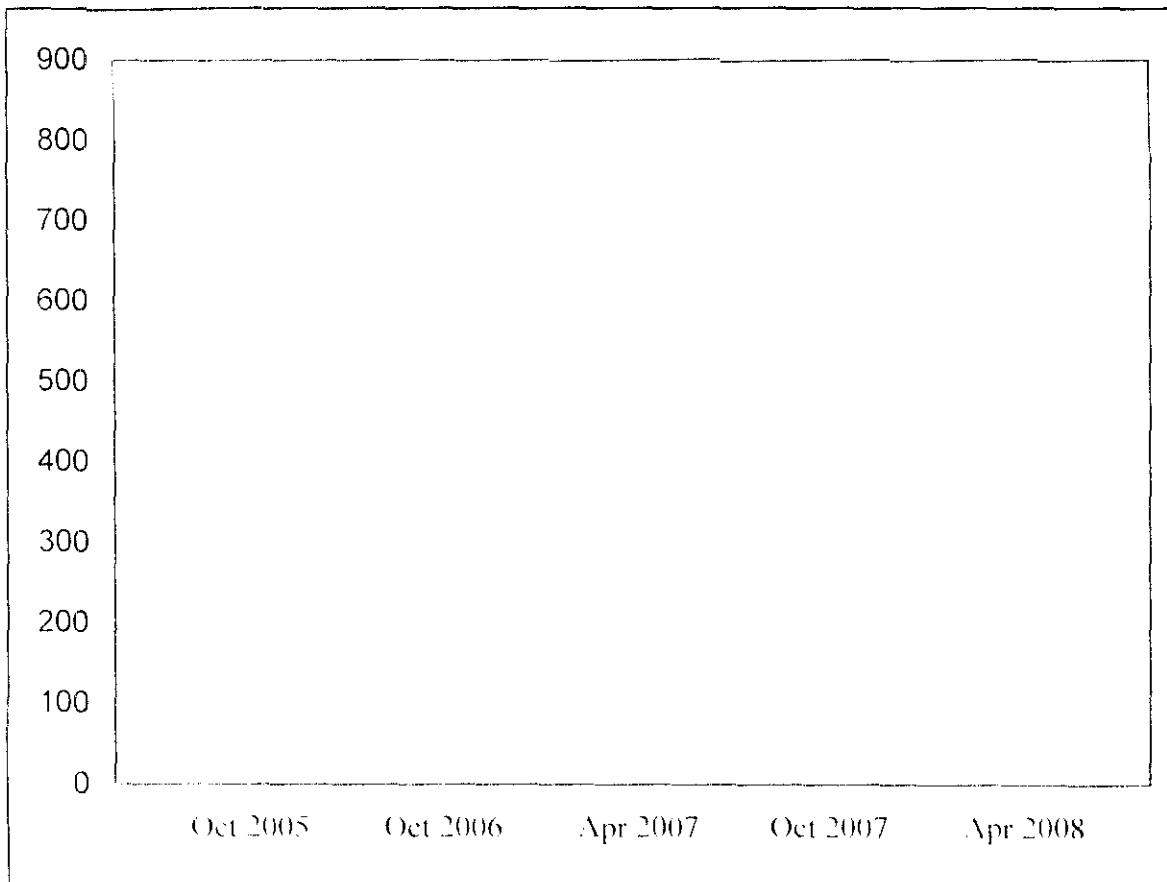
Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Chart 7

**Number of Business Licenses
Between 1.01 Mile and 1.25 Mile Ring
From Zip Code Center**
Series 5



Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Table 7

Number of Business Licenses Between 1.26 Mile and 1.50 Mile Ring From Zip Code Center Series 6					
Zip	Oct 2005	Oct 2006	Apr 2007	Oct 2007	Apr 2008
60608	517	514	492	509	495
60609	240	240	217	227	215
60616	377	348	340	362	321
60618	900	861	831	841	859
60622	889	931	974	975	959
60623	203	265	273	268	262
60625	745	737	714	747	764
60626	327	322	312	311	314
60629	308	309	318	314	321
60632	297	300	319	298	303
60633	4	6	6	6	6
60634	188	177	163	163	153
60638	98	97	82	88	80
60639	800	810	756	772	755
60640	613	595	630	613	640
60641	760	771	729	759	742
60647	857	918	845	899	881

Pre Wal-Mart to time Wal-Mart Opens

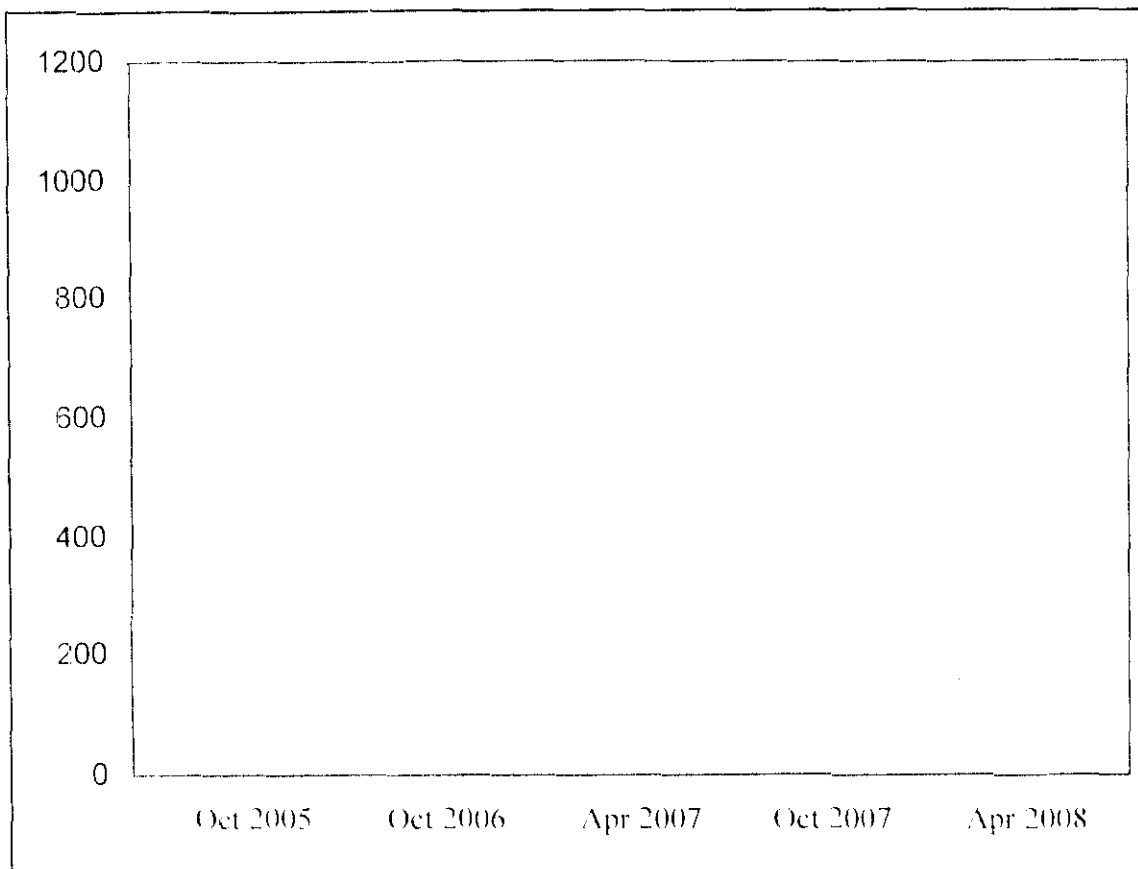
Wal-Mart's first seven months in business

Wal-Mart continues operations



Chart 8

**Number of Business Licenses
Between 1.26 Mile and 1.50 Mile Ring
From Zip Code Center**
Series 6



Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Table 8

Number of Business Licenses Between 1.51 Mile and 1.75 Mile Ring From Zip Code Center Series 7					
Zip	Oct 2005	Oct 2006	Apr 2007	Oct 2007	Apr 2008
60608	501	560	567	565	545
60609	425	423	400	415	403
60616	388	409	371	400	388
60618	1032	1029	975	1021	1023
60622	1117	1165	1271	1187	1153
60623	239	235	240	241	262
60625	736	741	722	730	752
60626	511	512	485	484	512
60629	381	384	404	399	412
60632	351	361	348	361	361
60633	11	16	13	13	17
60634	188	193	173	181	176
60638	77	75	73	82	76
60639	652	681	639	669	633
60640	547	537	568	548	597
60641	889	899	824	892	879
60647	1031	1115	1025	1077	1051

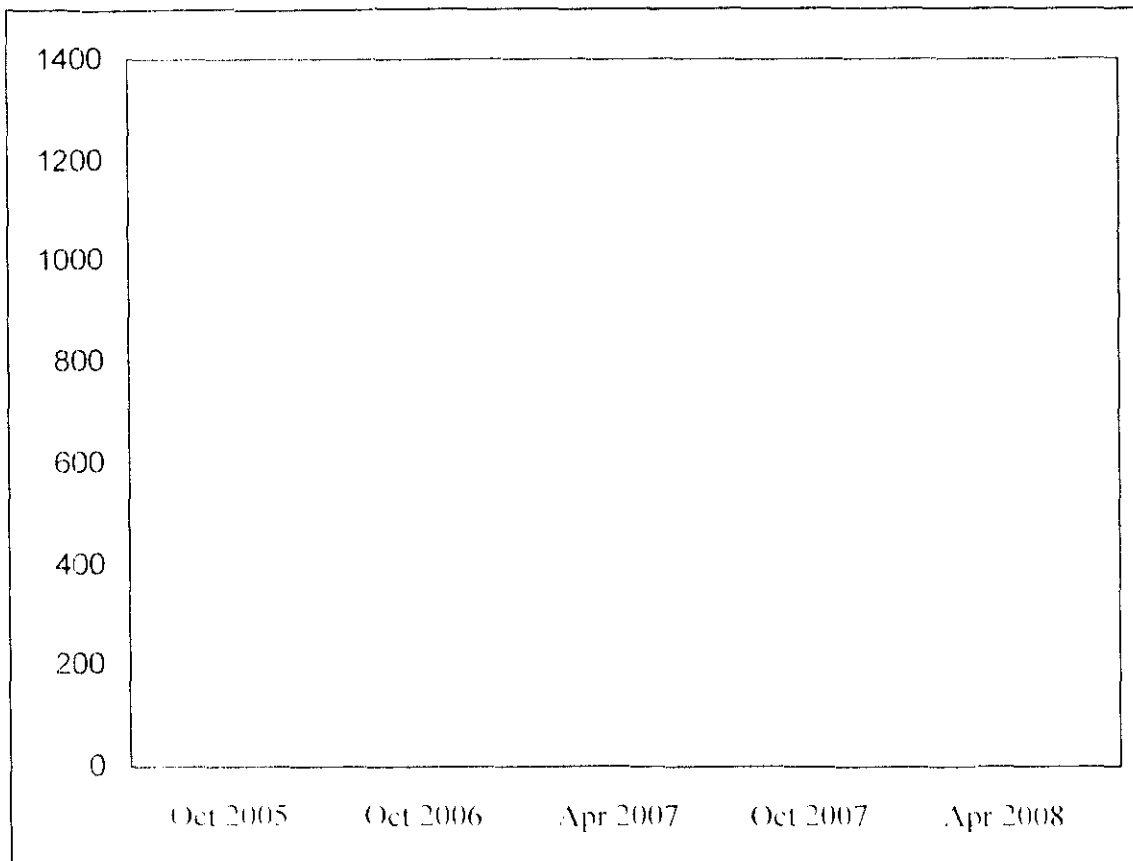
Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Chart 9

**Number of Business Licenses
Between 1.26 Mile and 1.50 Mile Ring
From Zip Code Center**
Series 7



Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Table 9

Number of Business Licenses Between 1.76 Mile and 2.0 Mile Ring From Zip Code Center Series 8					
Zip	Oct 2005	Oct 2006	Apr 2007	Oct 2007	Apr 2008
60608	826	851	917	878	909
60609	572	568	563	573	553
60616	445	469	437	470	436
60618	1273	1277	1253	1298	1290
60622	1819	2077	2214	2099	2268
60623	295	293	306	319	327
60625	732	744	748	712	757
60626	385	360	355	346	359
60629	361	366	393	373	391
60632	356	334	336	359	333
60633	9	10	10	10	10
60634	197	213	191	211	193
60638	97	103	92	103	102
60639	612	622	614	627	609
60640	616	622	602	618	647
60641	957	950	852	947	932
60647	1043	1063	1042	1073	1070

Pre Wal-Mart to time Wal-Mart Opens

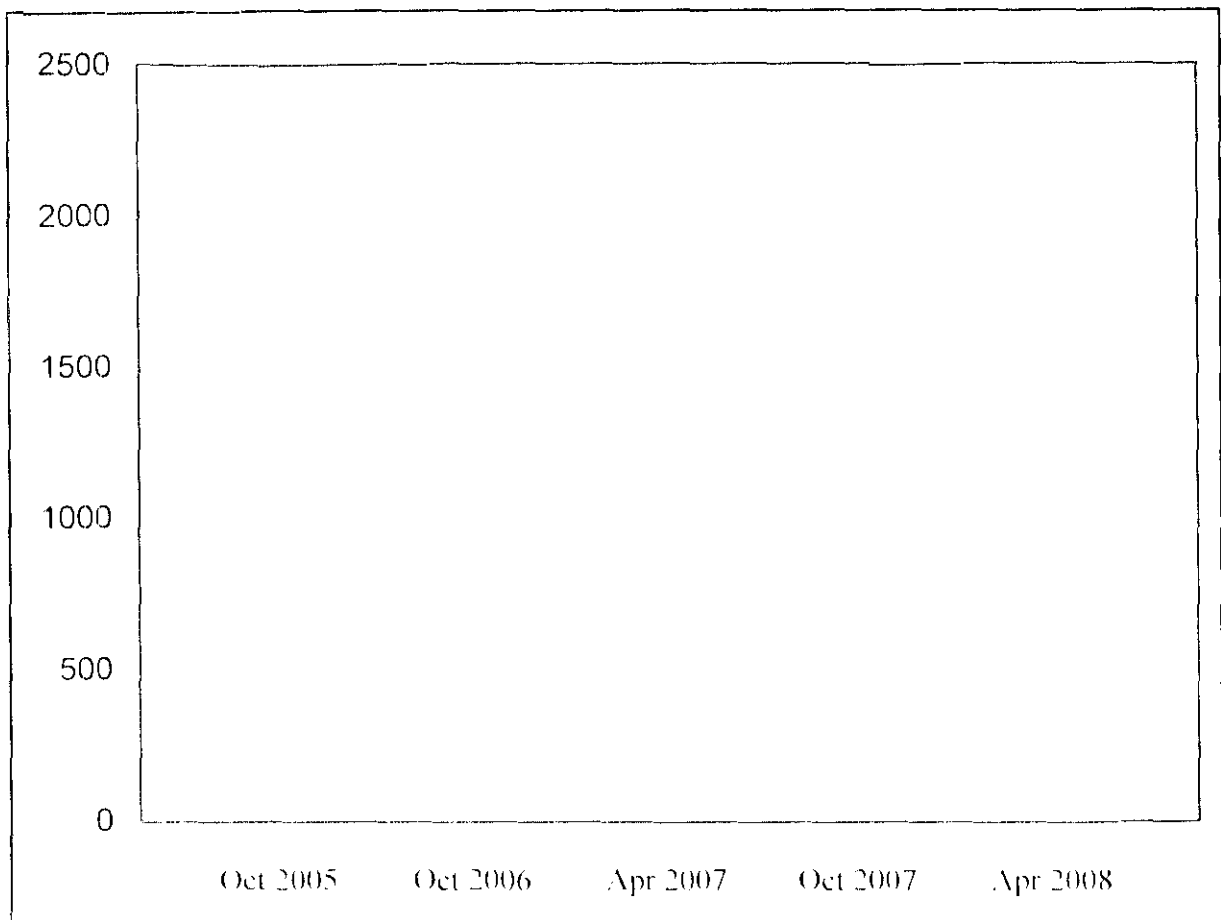
Wal-Mart's first seven months in business

Wal-Mart continues operations



Chart 10

**Number of Business Licenses
Between 1.76 Mile and 2.0 Mile Ring
From Zip Code Center**
Series 8



Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Table 10

Number of Business Licenses Between 2.1 Mile and 2.5 Mile Ring From Zip Code Center Series 9					
Zip	Oct 2005	Oct 2006	Apr 2007	Oct 2007	Apr 2008
60608	2011	2265	2296	2317	2285
60609	1052	1056	1075	1025	1067
60616	2517	2529	2456	2507	2970
60618	2586	2580	2543	2548	2541
60622	6099	6183	6630	6126	6988
60623	1096	1107	1038	1044	1050
60625	2457	2454	2442	2432	2541
60626	684	668	653	669	677
60629	1085	1064	1081	1053	1052
60632	1673	1905	1780	1842	1637
60633	25	30	32	28	30
60634	744	772	703	725	701
60638	223	218	208	216	208
60639	1551	1510	1472	1528	1517
60640	2316	2264	2048	2190	2246
60641	2124	2077	1940	2037	1995
60647	2714	2687	2780	2691	2714

Pre Wal-Mart to time Wal-Mart Opens

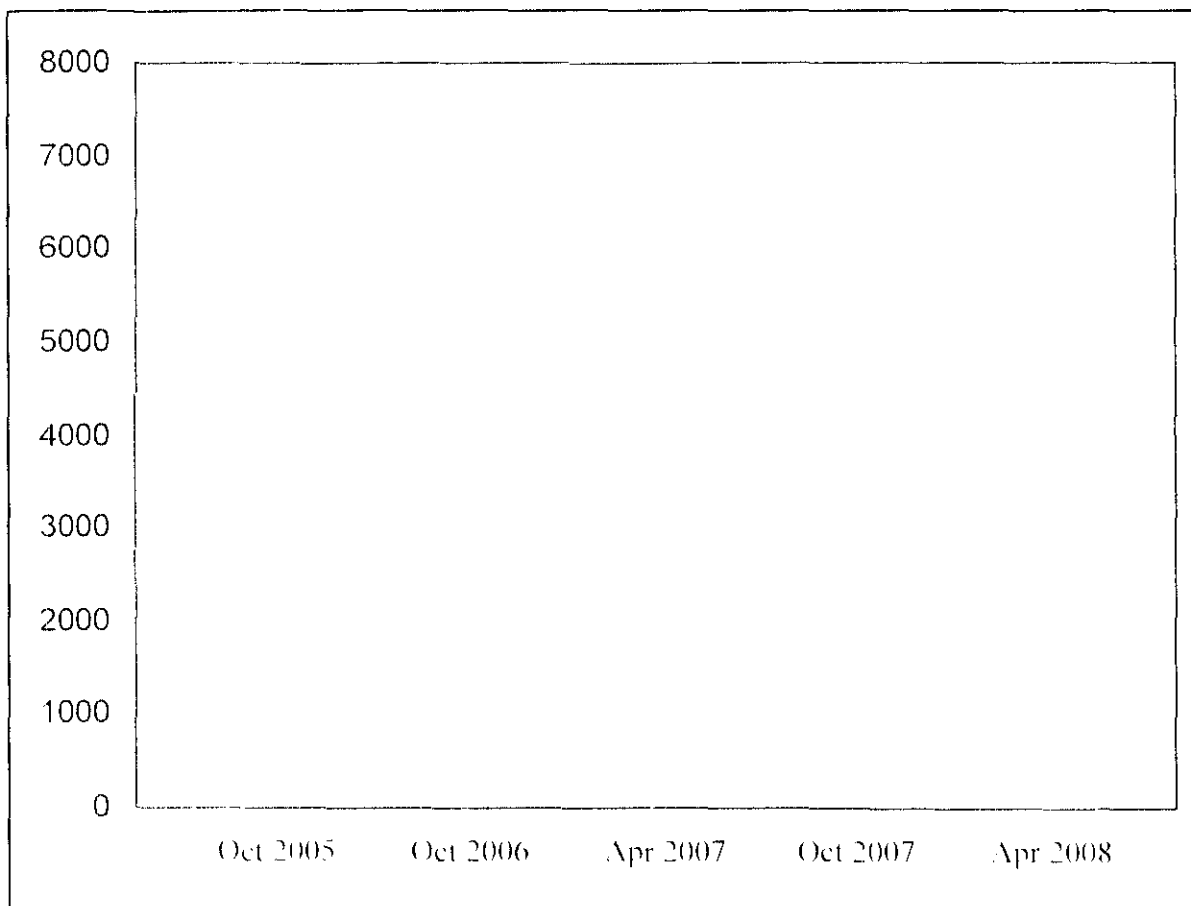
Wal-Mart's first seven months in business

Wal-Mart continues operations



Chart 11

**Number of Business Licenses
Between 2.1 Mile and 2.5 Mile Ring
From Zip Code Center**
Series 9



Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Table 11

Number of Business Licenses Between 2.51 Mile and 3.0 Mile Ring From Zip Code Center Series 10					
Zip	Oct 2005	Oct 2006	Apr 2007	Oct 2007	Apr 2008
60608	4608	4709	4752	4794	5429
60609	1504	1505	1536	1521	1568
60616	3999	4627	4482	4591	4958
60618	3316	3227	3399	3251	3274
60622	3955	3887	4018	3965	4151
60623	1258	1263	1282	1265	1253
60625	2631	2516	2597	2615	2624
60626	1034	1011	1008	991	1007
60629	994	1005	1000	1008	1000
60632	1221	1233	1237	1227	1256
60633	28	25	31	25	30
60634	898	890	844	872	900
60638	761	756	753	769	771
60639	1583	1500	1559	1551	1535
60640	1966	1939	1741	1846	1898
60641	2031	2004	1838	1989	1879
60647	3226	3192	3461	3180	3245

Pre Wal-Mart to time Wal-Mart Opens

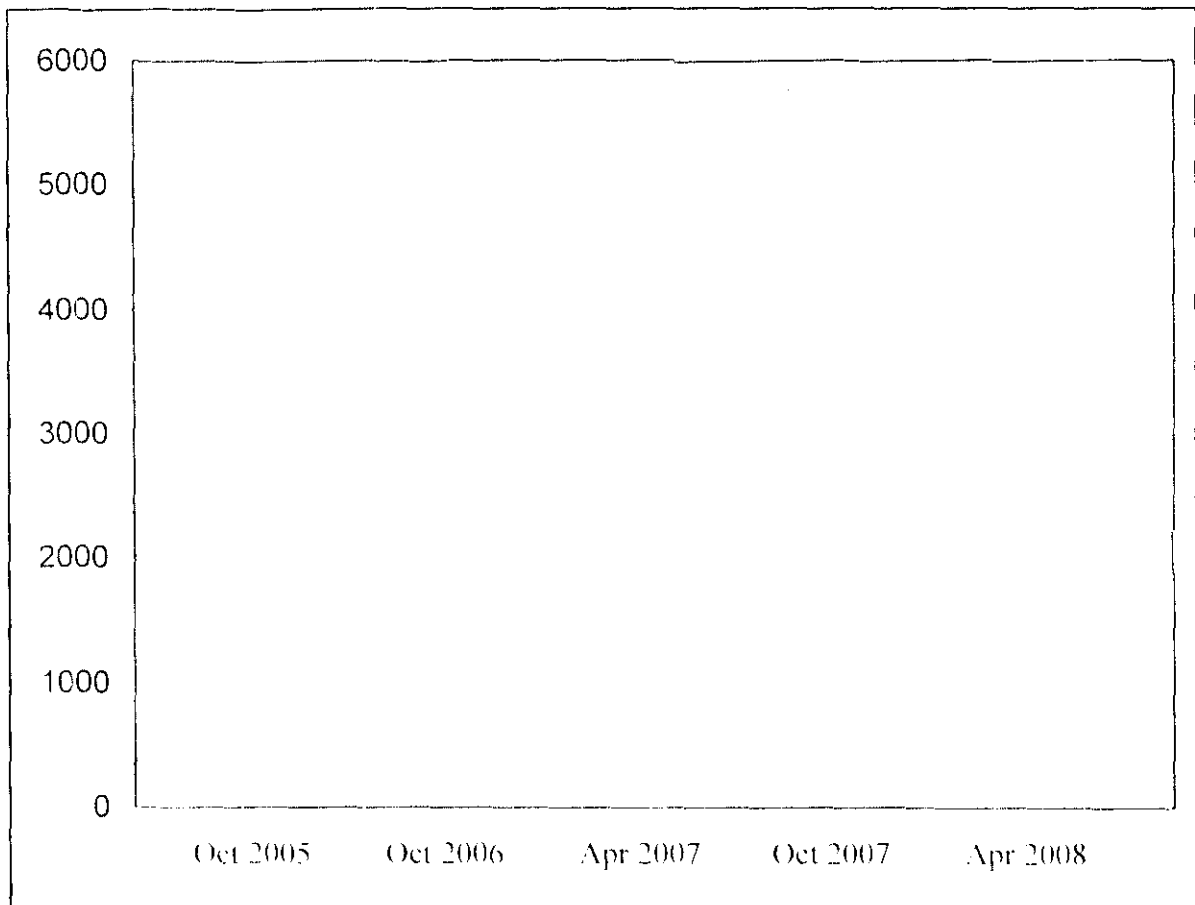
Wal-Mart's first seven months in business

Wal-Mart continues operations



Chart 12

**Number of Business Licenses
Between 2.51 Mile and 3.0 Mile Ring
From Zip Code Center**
Series 10



Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Table 12

**Number of Business Licenses
By Rings Around the
Center of the Wal-Mart Store**

Year	Distance	COUNT	PERCENT
Series 11			
1 Oct 2005	under 0.25	76	10.7042
2 Oct 2006	under 0.25	77	11.2573
3 Apr 2007	under 0.25	71	11.4332
4 Oct 2007	under 0.25	78	11.4875
5 Apr 2008	under 0.25	78	12.1118
Series 12			
1 Oct 2005	0.25-0.50	156	21.9718
2 Oct 2006	0.25-0.50	131	19.1520
3 Apr 2007	0.25-0.50	115	18.5185
4 Oct 2007	0.25-0.50	124	18.2622
5 Apr 2008	0.25-0.50	114	17.7019
Series 13			
1 Oct 2005	0.51-0.75	478	67.3239
2 Oct 2006	0.51-0.75	476	69.5906
3 Apr 2007	0.51-0.75	435	70.0483
4 Oct 2007	0.51-0.75	477	70.2504
5 Apr 2008	0.51-0.75	452	70.1863

Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

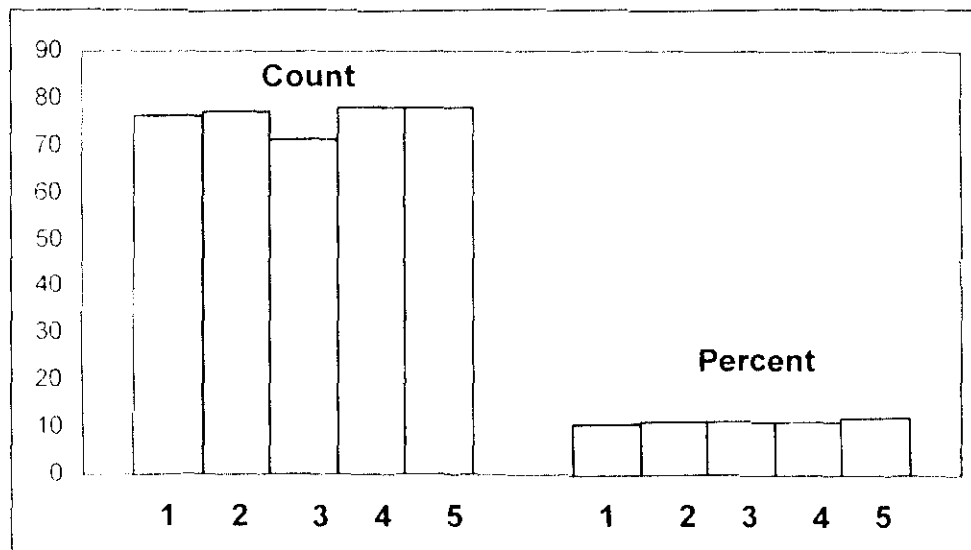
Wal-Mart continues operations



Chart 13

**Number of Business Licenses
By Rings Around the
Center of the Wal-Mart Store**

Series 11
Under 0.25



Year key:

1. Oct 2005 2. Oct 2006 3. Apr 2007 4. Oct 2007 5. Apr 2008

Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

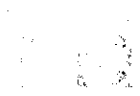
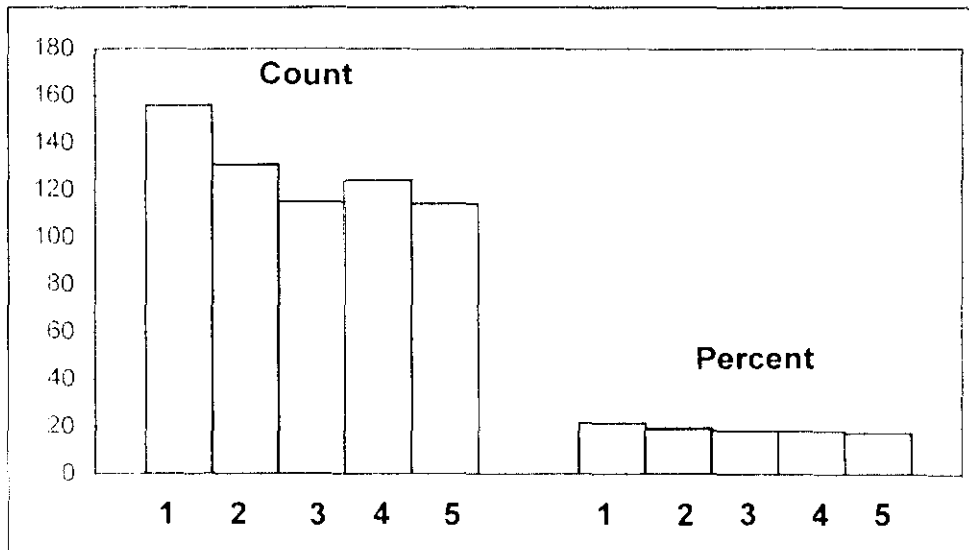


Chart 14

**Number of Business Licenses
By Rings Around the
Center of the Wal-Mart Store**

Series 12
0.25-0.50



Year key:

1. Oct 2005 2. Oct 2006 3. Apr 2007 4. Oct 2007 5. Apr 2008

Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

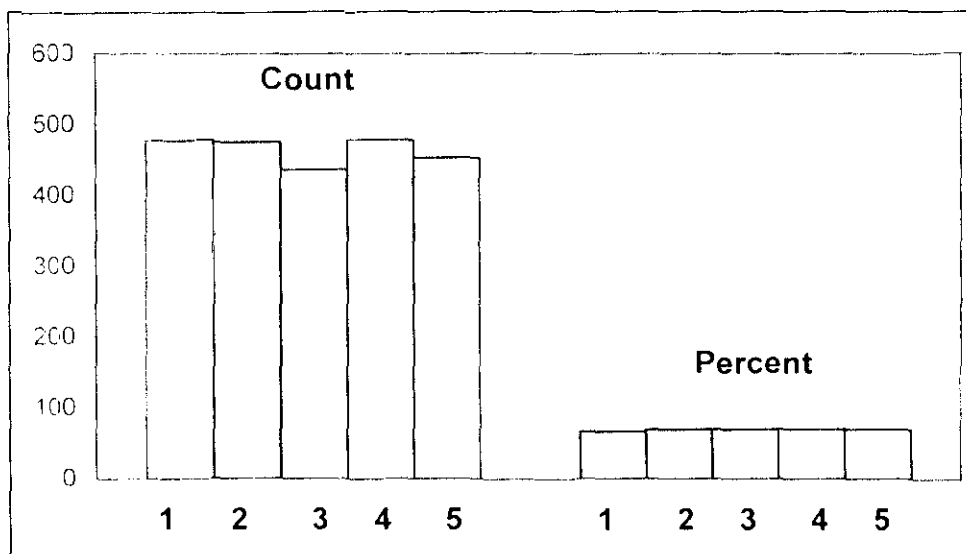
Wal-Mart continues operations



Chart 15

**Number of Business Licenses
By Rings Around the
Center of the Wal-Mart Store**

Series 13
0.51-0.75



Year key:

1. Oct 2005 2. Oct 2006 3. Apr 2007 4. Oct 2007 5. Apr 2008

Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Notes:

¹ The study was funded by the Woods Fund of Chicago and Loyola University Chicago.

² The Chicago Tribune, October 7, 2007: "Residents of Austin, the neighborhood where the store is located, say they are glad Wal-Mart came to town. Traffic in and out of its

parking lot is so heavy that the city, after relying initially on traffic cops, installed a permanent signal.”

³ As the Chicago Tribune article that summarized the Loyola study notes, “...Norman Delrahim, owner of B&S Hardware nearby, said that after an initial drop-off in sales, he thinks business is a ‘little better’ as shoppers come to the neighborhood to visit Wal-Mart and notice his store” [May 13, 2008].

⁴ The Austin Cub Foods closed because of internal factors inside the parent company (it is now owned by Supervalu which also owns Jewel-Osco) and because of the performance of Cub Foods generally in the Chicago market (Cub Foods has performed comparatively better in other markets, particularly Minneapolis/St. Paul) and the likelihood that Cub Foods would, to some degree, compete against Jewel-Osco. The Cub Foods did not close because of churning, although the Food-4-Less might or might not have been attracted to the former Cub Foods Austin site because of agglomeration (retail attracts retail, meaning the Food-4-less could have been attracted to the Wal-Mart) and churning overall (as retail attracts retail in a previously bottomed out market, there is some turnover of stores, as well as a period of transition). In studies such as these, it is important to be mindful of commercial development plans on parcels that might otherwise look vacant, inactive, or in decline. As developers see agglomeration take place, they assemble and sometimes hold nearby commercial land in anticipation of the next project of highest return (again, retail attracts retail, and developers speculate on this phenomenon), but this would not be captured in a traditional dataset.

⁵ The Austin Wal-Mart is not a Supercenter and does not have a full-line grocery store, but it sells a considerable amount of packaged foods as do other general merchandise stores. It also sells paper products, cleaning supplies, and many other items also found in full-line grocery stores. Grocery stores and general merchandise stores agglomerate, as do other types of businesses. Future studies of the potential impact of Wal-Mart should measure any agglomeration effect that might or might not take place; we recommend that it not be limited to direct competitors only. See additional endnotes on agglomeration.

Our point about grocery stores and general merchandise stores competing is referenced in The Chicago Tribune, October 7, 2007: “...For example, the store [the West Side Wal-Mart] often runs out of milk. Without a major grocery store nearby, shoppers pile up cereal and bread and eggs. Even though this Wal-Mart isn't a supermarket, it carries aisles of basic pantry items.” Presumably, the new Food-4-Less will now gain some food sales which were captured by the Wal-Mart.

⁶ To compensate for the issues with sales tax data totaled across a Zip Code, we would explore matching and de-duplicating all business license data to one particular business location, and then attribute the number of jobs, square footage, and an estimate of sales, record-by-record for each business, and then cross-check that data with Dunn



and Bradstreet and other data, as well as field checks. We would employ other sources of data and field checks to address suburban sales tax patterns.

⁷ Even businesses owners who identify themselves as being hit the hardest by a competitor do not necessarily go out of business (either immediately or ultimately) or find a new business location, as noted in various articles on the West Side Wal-Mart. LDL Furniture is often cited as an example. We are not sure if the business persisted because it was stuck in a lease (suggested in the 2007 article) or because the business owner owned the building (suggested in the 2008 article). We made no attempt to contact the owner.

The Chicago Tribune, October 7, 2007: "It's just a front to say Wal-Mart is trying to help small business," said Lawrence LeBlanc, owner of LDL Furniture and Appliance, a second-hand store down the street from Wal-Mart, who hadn't heard of the zones program until a reporter told him about it. 'How is it going to help me when Wal-Mart is selling things for cheaper and cheaper?'"

"Business has been slow ever since Wal-Mart opened, LeBlanc said. A \$20 microwave at his store has been sitting on a shelf for a year. A glass dining table with chairs is reduced from \$400 to \$250. Even on a 96-degree day, a \$50 air conditioner perched on the sidewalk failed to attract buyers. Before Wal-Mart arrived, it would have sold within two hours, LeBlanc said. Now residents go to Wal-Mart where they find brand-new microwaves for as little as \$46.42, a dining room set for \$169.88 and air conditioners for \$96.

"People aren't buying the way they used to,' LeBlanc said. 'If I could find someone to take the lease, I'd close it up.'"

The Chicago Tribune, May 13, 2008: "Lawrence LeBlanc, owner of LDL Furniture and Appliance, said sales at his secondhand-goods store just down the street from Wal-Mart have fallen dramatically since the discount chain came to town. The little shop had been generating about \$130,000 to \$140,000 in sales a year before Wal-Mart. Last year it rang up \$35,000. The only reason LeBlanc has kept the store open, he said, is that he owns the building."

⁸ The term agglomeration has several meanings. For example, in the study of human settlements, an agglomeration is the built-up area where population and density congregate. In the early stages of human history, agglomeration could refer to small fishing or trade villages. Today, agglomeration usually refers to a municipality, suburb, or town. It means the act or process of gathering a certain type of thing or similar things (such as population) into a mass or a cluster and toward a specific and shared function or purpose.

In retail, agglomeration means the attraction of stores to other stores. It is common for retailers to choose to locate together in the same small town, mall, block or intersection, even when their products directly compete, overlap, or are complementary. Retailers have a “herd” mentality. They typically choose to move together and to avoid isolated investments. The closer the stores are in location, and the more they provide similar (the same type of product line) but distinct consumer options (different brands, customer service, price points, ambiance, etc.), the greater the agglomeration effect. Retailers agglomerate because they perceive that any negative effects from increased competition are outweighed by lower investment risk, lower development costs, increased number of shoppers and a better bottom line. Consumers support agglomeration through spending patterns because of increased selection, quality, price, and convenience of consumer goods.

⁹ Understanding agglomeration is useful, but it falls short of explaining the intricacies of how neighborhood markets actually work, and how to “fix” markets that are “broken.” To address this, we have developed new concepts and methods which line up with the theory of agglomeration but take it a step farther.

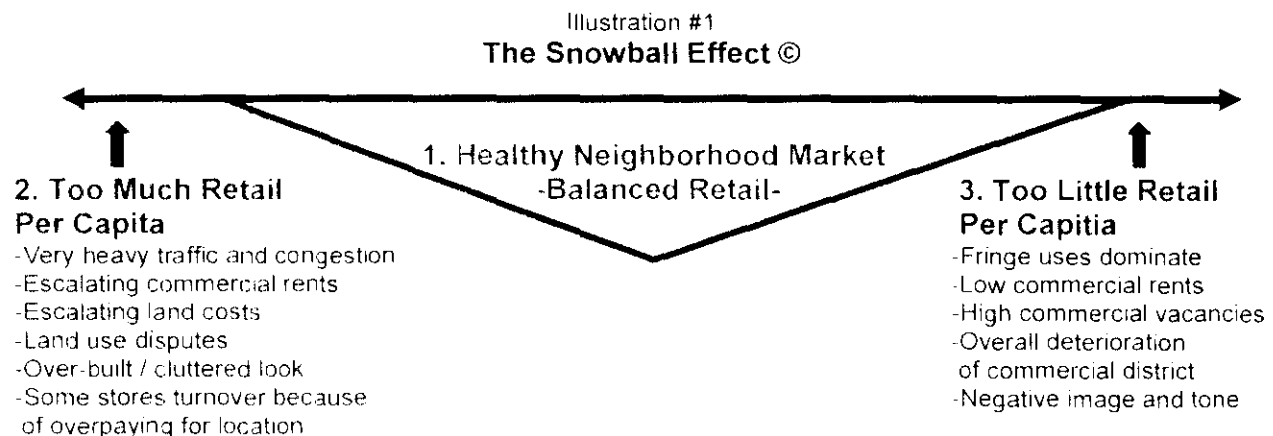
Mari Gallagher Research & Consulting Group describes the clustering of retail outlets as the “Snowball Effect” (Gallagher 2007). Retail attracts more retail, and like attracts like, in either a positive or negative direction. A successful shopping corridor attracts additional retailers at that same level of quality to locate (or to at least desire locating) in that same corridor, or as close to it as possible. Conversely, where there is no existing retail, or no quality retail, it is sometimes hard for communities to attract that *first* quality retailer, even when there is an obvious nearby consumer base. There is still a Snowball Effect of land use. Commercial-designated parcels still, of course, exist, with or without retail, but their current uses or expressions might or might not be commercial in nature. Those districts tend to take on more negative, marginal, or haphazard tones and functions: they “snowball” in the “wrong” direction.

Neighborhood markets outside of the “Balanced Retail Zone” shown in Illustration #1 (next page) can suffer from either one extreme or the other: an all-or-nothing state of retail. When retail markets “bottom out” they can fall into the “Too Little Retail Zone.” This means that there is still too little retail for what can be supported economically by local consumers. Some of those consumer dollars might then flow to more agglomerated markets where there is more product choice, convenience, etc. As sales drop in a bottoming-out market, prices on consumer goods must rise to cover fixed expenses. Perhaps the selection of expected product offerings declines in response to less cash flow and, thus, a diminished ability to stock up on inventory. Higher prices and a declining selection of product offerings reinforce declining sales; and the two factors together can have a major compounding effect. Because profit margins continue to decrease as part of this process, but operational costs remain fixed, the unit cost of goods will have to rise again to cover the store’s expenses. This means the selection and perhaps quality of goods will continue to go down while prices continue to go up.



This repeating downward Snowball cycle repels both consumers and "higher toned" retailers. The corridor might have a scattering of vacant storefronts, which creates downward pressure on commercial rents. As rents are lowered, landlords have less cash flow for building maintenance and improvements. In addition to vacant storefronts, the business district might consist of non-traditional uses such as a storefront church or daycare center, a "second hand" goods store or thrift shop, and/or a few fringe services, such as a currency exchange, tax preparation service, nail salon, dollar store, and fast food restaurant.

None of these uses are inherently bad; some are in fact desirable additions to consumer choice and convenience. Healthy markets do indeed have and need some level of these types of fringe services. However, if "second hand" stores, currency exchanges and so on are the *only* expressions of the local marketplace (i.e. if they *dominate*), they set the commercial tone in the district at that low fringe level. The key defining factor of agglomeration is that "retail attracts retail" whereas the key defining factor of the Snowball Effect is "like attracts like and sets the retail tone, either positive or negative." A bottomed-out market has a negative retail tone, and for the bottomed-out market to improve, this downward Snowball cycle must be broken.



The black arrow in Illustration #1 represents the continuum of per capita retail by neighborhood market (of day and nighttime population) from the highest per capita retail on the left to the lowest per capita retail on the right. This is a conceptual illustration, but the MG methodology includes the quantification and scoring of neighborhoods on a block-by-block basis. We call this quantified measure the Snowball Index (Gallagher, 2007). The first layer is normalized by density. The second layer is normalized by density and buying power. Other layers focus on specialized areas of retail and other variables, including impacts from the built environment on public health. In the illustration, market #2 would improve by moving to the right and market #3 would improve by moving to the left. But as either of these two markets move, there will be

churning (businesses moving in and out), and it could take some time for the market to resettle or reposition itself.

As bottomed out markets improve, there are “winners” and “losers” in the reshuffling of the marketplace; the net impact must be measured. Some businesses will move out and resettle in another market, while others will go out of business entirely. This in part has to do with the combination of rising costs of doing business, increased competition, and consumer preferences.

For example, a “second hand” store in a bottomed-out or marginal market might be able to sell enough used air conditioners, microwaves, and other goods to cover rent, expenses, salaries, and so on. However, if the bottomed-out market improves and attracts a store that offers *new* air conditioners, microwaves, etc. that are *competitive* in price and/or quality, the “second hand” store faces two distinct challenges.

First, if the market in which the “second hand” store is operating is generally improving, the cost of doing business in that market (rent, real estate taxes, etc.) will likely rise with or without competition from the new store selling similar products. This means that the volume of goods sold by the “second hand” store also must rise at the same level as the rising costs of doing business in that market. If the cost of doing business was not in part determined by location, “second hand” stores would locate as frequently on Michigan Avenue in downtown Chicago as they would in Chicago neighborhoods such as Austin.

Second, instead of giving the “second hand” store *more* business to enable it to keep up with the rising location-based costs as described above, consumers might choose to *divert* their dollars to the new competition (giving the “second hand” store *less* business, or declining sales) because consumers perceive greater value in the purchase of those new goods (buying a new air conditioner or microwave instead of a used one at a certain price point). Under these circumstances, sales at the “second hand” store might fall instead of rise, creating a gap between what the “second hand” store generates in terms of sales and what it must generate to remain viable. Even so, the “second hand” store might not immediately go out of business, but if it does eventually go out of business, the three defining factors would likely be 1) poor or marginal performance in an improving and more costly business environment, 2) new competition, and 3) consumer choices and preferences. For this reason – and unfair, unethical, or illegal business practices aside – we find that it is not *competition itself* that creates pressure on pre-existing businesses, but consumers *choosing* the competition over those businesses. To stay competitive, stores must offer the “right” combination of product selection, quality, price, convenience, attractiveness, customer service, etc. that local consumer dollars demand. Market forces, shopping patterns, consumer preferences, costs of goods, profit margins, management ability, personal circumstances, etc. all affect a store’s ability to stay in business.



¹⁰ The position in latitude and longitude on the city's map was determined by locating their street addresses in the U.S. Census Bureau's TIGER map database, which contains the co-ordinates of all street addresses in the U.S.

¹¹ Generally, an anchor is what ties something down; it brings stability or permanence. In retail, the term anchor denotes a major retailer around which other retails cluster. The following quotes are relevant to anchors and agglomeration.

The Chicago Tribune, October 7, 2007: "Menards is building a 240,000-square-foot home improvement store across the street [from the West Side Wal-Mart]. Conway Stores, a small family-owned discount chain with stores in New York, opened its first Chicago-area store down the street in August, banking that Wal-Mart "might help us because they're attracting traffic," store manager Scott Bauer said."

"Even an independent shoe boutique called Shu Diva opened in June just blocks away from Wal-Mart."

"'I don't sell a lot of things that Wal-Mart sells,' said Leandra Peters, a social worker who opened the shoe store partly to inspire young African-American women in the community to go into business for themselves. 'I'm more fashionable, so I don't see Wal-Mart as a threat.'"

"At least one business owner, Francisco Soto, said he 'panicked' when he heard Wal-Mart was moving into Austin. Soto, who owns Midwest Audio, a car stereo and accessories store, said he opened a second store in Cicero, thinking he needed another location in case his Austin location faltered. He overextended himself financially and now is closing the Cicero outpost to concentrate on the Austin store where business is better. He competes with Wal-Mart by selling higher-end products and offering installation."

"Today he embraces Wal-Mart's entry into the neighborhood. 'Wal-Mart's got good pull,' Soto said. 'I've been in this neighborhood all of my life. I started working here when I was in high school. This neighborhood was terrible. Now that Wal-Mart's here, there are planters, sidewalks, new trees. It's wonderful. Why did it take Wal-Mart to make it happen?'"

We note that business articles such as these will likely miss opportunities to quote business owners that indeed closed their business or moved away because of increased competitive factors, because those business owners would be harder to locate.

¹² As discussed earlier, our theory of change concerning overall business and economic development impact is that the first potential impact would be felt in the local real estate market as plans for the Wal-Mart store (or any large development) are announced and

pursued. For example, if the Wal-Mart is perceived by the local real estate market as positive, land values should increase within the most immediate distance rings around the store, with the greatest increases closest to the store. If the perception is negative, land values should decrease. If there is no impact, land values should remain flat or move along with other external influences. Impacts on residential transactions would likely take place within close distance rings whereas impacts on commercial transactions might push out farther, but begin near the store. Because MLS is mostly residential transactions, the ring analysis surrounding the Wal-Mart was conducted for transactions within 1/4 mile, 1/2 mile, and 3/4 mile in distance but not greater distances. When we analyze the permit data, distance rings are expanded to intervals up to 3 miles.

¹³ The yellow arrow shows the potential ripple effect along a single dimension for each block in Chicago (there are over 18,000 blocks – Illustration #2A). In the real world of the market, the Retail Continuum is not a single straight line but instead radiates outward in multiple directions from the center (Illustration #2B). This is why at our firm we analyze concentric rings moving outward from the Austin Wal-Mart and not a line or another shape (concentric rings do not themselves make up the geographic areas or dynamics of neighborhood markets – each market must be custom drawn – although impacts of new stores opening and closing can stretch across many neighborhood markets in a ring-like fashion). This is how we track the impact of different types of stores opening and closing block-by-block. To do so for Chicago markets, we must recalculate the per capita retail distance scores for each of Chicago's 18,000-plus blocks (as well as for each block in a buffer zone immediately surrounding the city, as Chicago residents can cross borders to shop) each time we update our analysis as all retailers exist and operate on the Retail Continuum in relative to each other.

Illustration #2A
The Potential Ripple Effect along the Retail Continuum
for Chicago Block-by-Block ©

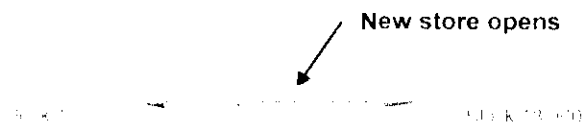
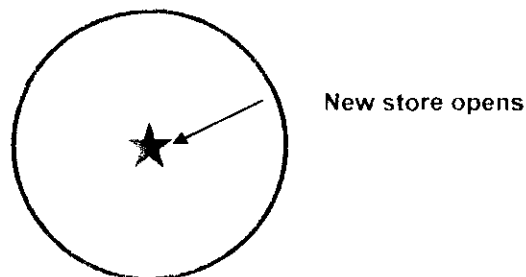


Illustration #2-B ©





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Professional Opinion of a Recent & **Second Study** by the
Center for Urban Research and Learning of
Loyola University Chicago
Concerning the Impact of Chicago's West Side Wal-Mart

OPINION UPDATE

(Please see our website for the original forty-four page MG opinion released in 2008.)

January 12, 2010

Prepared for
Wal-Mart Stores Inc.



Overview

Mari Gallagher Research & Consulting Group was retained by Wal-Mart Stores Inc. to develop a Professional Opinion (the Opinion) on a report entitled *The Impact of an Urban Wal-Mart Store on Area Businesses: An interim-evaluation of one Chicago neighborhood's experience* by authors Julie L. Davis, David F. Merriman, Lucia Samayoa, Brian Flanagan, Ron Baiman, and Joe Persky of the Center for Urban Research and Learning of Loyola University Chicago¹ (the Loyola report). The version available for this review was marked "last revised April 15, 2008."

The original forty-four page MG opinion of the 2008 Loyola report is available at www.marigallagher.com.

Loyola recently provided an update to their 2008 report with a similar title and the date of December 2009. **MG was retained again by Wal-Mart to provide a brief summarized update of our Opinion of this second 2009 Loyola report (this document).**

We emphasize that we are neither "pro" nor "anti" Wal-Mart but, rather, a neutral third-party research firm. We do not conduct advocacy or any type of political work.

Summary Opinion of the December 2009 Loyola Report

Most of our original criticisms of the Loyola report continue to be serious issues in this second version; key methodological flaws were not addressed. In this Opinion Update, we focus on only two key concerns for the sake of brevity.

First, the most important finding advanced by the Loyola report is that there is essentially no change in community jobs as a result of Wal-Mart opening and operating a store on Chicago's West Side. We believe that this is an inaccurate finding based on the evidence provided.

In the body of the Loyola report, the research team estimates job losses resulting from Wal-Mart's entry by looking only at firms that exited. They acknowledge that firms have entered since Wal-Mart's arrival, but this is buried in the Appendix, and not included in their job calculation. To put it in very simple terms, understanding if and how Wal-Mart impacted community jobs requires the following calculation at minimum:

Businesses that entered and those jobs gained	MINUS	Businesses that closed and those jobs lost	EQUALS	Net job loss or gain
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But, instead, the foundation of Loyola's calculation is:

Just the new regular Wal-Mart jobs	MINUS	Businesses that closed and those jobs lost	EQUALS	Net job loss or gain
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In short, the Loyola report concludes:

The roughly 320
regular Wal-Mart
jobs that were
created

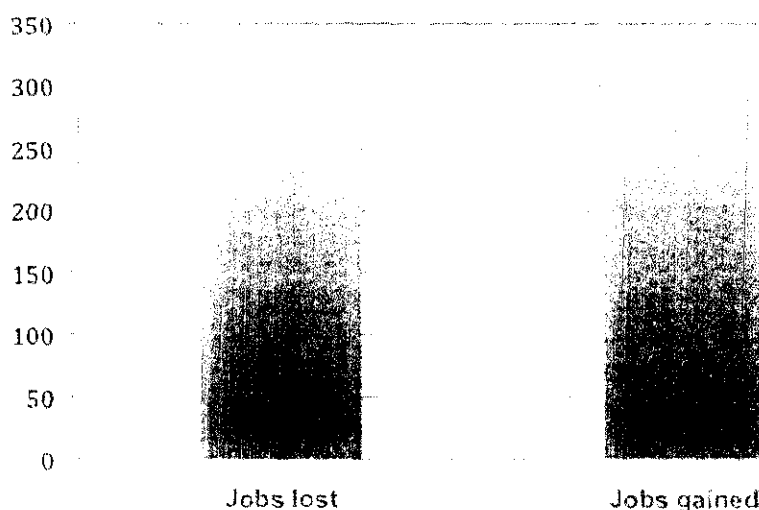
MINUS

The 298 jobs that
were lost

EQUALS

22 jobs gained which
Loyola calls "a wash"

If we were to create a chart for this Loyola finding, it would look like this:



However, based on Loyola's own figures in the Appendix where they use D & B data – which often do not capture small “mom and pop” business and also were not updated from Loyola's 2008 report version – the Loyola team themselves estimated 406 new business entrants or firms that compete with Wal-Mart. Again, the jobs that these firms provide are not included in the above Loyola calculation. To see why the Loyola conclusion is misleading, let's assume that the 406 new competing firms each offer one new job. It is likely that many of these firms indeed offer *more* than one job. Mernard's, for example, is one of the new entrants, competes with Wal-Mart on some product lines, and offers more than one job. Nonetheless, let's suppose that there is one new job per entrant, which equals 406 new jobs in the study after Wal-Mart moved in. **If we were to add these jobs to the Loyola calculation, we would find:**

The roughly 320 regular
Wal-Mart jobs that were
created plus 406 jobs
created by other
competing entrants
totals 726 jobs

MINUS

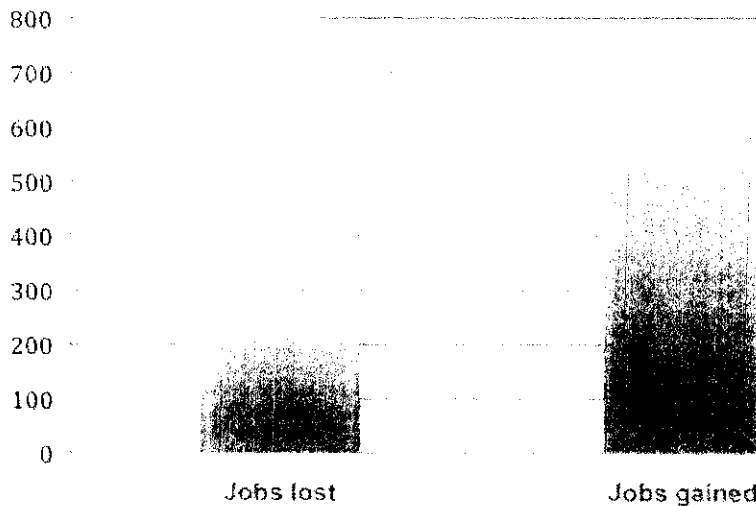
The 298 jobs
that were lost

EQUALS

428 jobs gained



If we were to create a chart for this revised example, it would look like this:



We emphasize that we are not stating that this *is the* job gain, but, rather, that the Loyola report excluded a key component (*competing firm entrants*) and that, if included, it is reasonable to assume that, using the Loyola approach, the job gain would be at least this much. If studying the success of heart transplants, we would need to look at patients that lived as well as died. If studying the personal effects of gambling, we would need to look at winners as well as losers. And when studying the impact of a retailer on competing community jobs, we must look at competing jobs gained as well as competing jobs lost. It's that simple.

Furthermore, one could easily argue that *all new business entrants and related new jobs* in the study area should be accounted for, at least to some degree, in the calculation. In addition to Menard's, new entrants include Aldi's, Chase Bank, Bank of America, CVS, Conway's, American Kid, O & W Auto Parts, and J-Bees.

There are many reasons why stores go in and out of business. Markets are in constant movement, and when markets revitalize, they churn. Where there is churning, impact needs to be measured carefully. The Loyola authors themselves state that there is "considerable uncertainty" attached to their finding, yet they nonetheless put forth few or no qualifications elsewhere in the report or at media venues where the report is featured.

Second, the Loyola report evaluates the impact of Wal-Mart's arrival using a linear regression. This is a bit more complicated to explain to a general audience. In short, we developed Figure #1 (scroll down to end of document) to show synthetic data (indicated



by the asterisks) and a regression line (the solid black line) that represents the best fit to the data if no account is taken of a break in the pattern in late 2006.

There are three ways to account for a break in a linear regression, which we outline here:

OPTION #1

Allow the *level* of sales to change but not the *rate of growth* as shown by the dashed blue line in Figure #1; or

OPTION #2

Allow the *rate of growth* of sales to change but not the *level* as shown by the dashed red line in Figure #1; or

OPTION #3

Allow both the *level* of sales and the *rate of growth of sales* to change as shown by the dashed black line in Figure #1.

The current version of the Loyola report (December 2009) used Option #2.

The previous version of the Loyola report (April 2008) used Option #1.

We do not know why different options were used at different times. In any event, neither Loyola report (2008 or 2009) uses Option #3, which, in this case, provides the best fit to the data in our hypothetical example. In this example, sales could actually be higher shortly after Wal-Mart's entry even if the estimated "Wal-Mart effect" in regressions like those in Table 8 in this report (using Option #2) or Table 7 in the original report (using Option #1) is negative.

Although the data in our Figure #1 is contrived to provide an example, as we do not have access to Loyola's raw data, the regression results based on our synthetic data are the same as those in Loyola's Table 8: sales growth is positive when no account is taken of Wal-Mart's arrival, and if Option #2 is used – allowing the rate of growth of sales to change after Wal-Mart's entry but not the level of sales – it appears as though Wal-Mart's arrival leads to a sharp reduction in the growth of sales (after the break, the red dashed regression line is flatter than it was before the break).

The regression results based on our synthetic data (Figure #1) are also the same as those in Loyola's Table 7 in the original (April 2008) version of the study where Option #1 above allows the level of sales to change after Wal-Mart's entry but not the rate of growth of sales. In this case, it appears as though Wal-Mart's arrival leads to a sharp reduction in the level of sales (after the break, the blue dashed regression line is always below where it was before the break).

In general, Option #3 is the preferred way to analyze the data: if it can be shown that only the level or only the rate of growth is affected by Wal-Mart's entry, then it is



sensible to move to Option #1 or Option #2. But the Loyola Study has proceeded in this version without demonstrating that Option #3 is not the correct way to analyze the data.

We recognize that this is a difficult and seemingly arcane point, but it is important because, to restate, Option #3 is the best fit to the data. We provided feedback on this methodological shortfall in our original Opinion, which is perhaps why the Loyola authors switched from Option #2 to Option #1, but that did not solve the problem. If the authors have reasons to believe that Option #3 is inappropriate, they should present evidence before proceeding to Option #2 or Option #1.

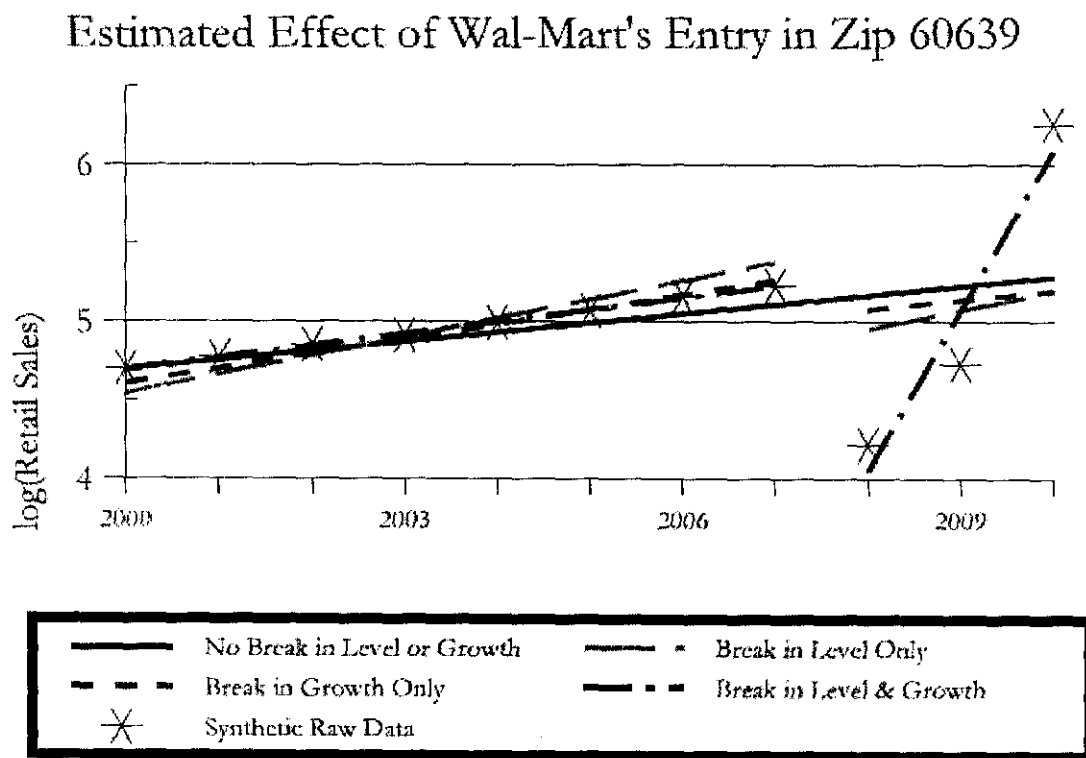


Figure 1

¹ The study was funded by the Woods Fund of Chicago and Loyola University Chicago.



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RESPONSE TO
PROFESSOR DAVID MERRIMAN'S JANUARY 23, 2011 EMAIL
CONCERNING WALMART

To: Professor David Merriman
From: Mari Gallagher
Date: February 2, 2011
CC: All those also copied on the Merriman email: Alderwoman Mitts, Professor Joseph Persky, and Professor Phillip Nyden

Thank you for your email (ATTACHMENT A) and corresponding statement (ATTACHMENT B) on your study relative to a recent letter written by Alderwoman Mitts concerning Walmart. It is always nice to hear from you, but I have to say that the content of your email is a bit baffling.

First, we will address your issues concerning peer review.

You stated in ATTACHMENT A "In the future, I believe that we would have a more productive dialogue if you communicated privately regarding our study's strengths and limitations prior to making public statements that might sometimes be incorrect or misleading."

You also stated in ATTACHMENT B, "Mari Gallagher & Associates' Walmart-funded-critique of our study was written (and disseminated) without the consultation that would be typical in a professional peer-review framework."

I don't know if you are exclusively addressing the Alderwoman with these criticisms, or both of us, but as you'll recall, you and I have been in direct and friendly contact about our detailed review of your study as far back as January 2, 2009 when we exchanged emails. I sent you the link to our review and you responded that it would be beneficial to your work.

You stated in ATTACHMENT B, "In general, we validate research findings in the appropriate scientific manner—by submission to the rigorous scrutiny of our peers through the journal review process. Typically, and in this case, this is a prolonged process and our work

(somewhat revised but reaching essentially the same conclusions as the report Alderwoman Mitts discusses) is currently undergoing such scrutiny."

We are glad that you are undergoing a journal-style peer review. Unfortunately, prior to this review being complete, and despite the study's shortcomings, you and your colleagues in effect submitted your work, even its early draft version, to the "Journal of Public Opinion" by forcefully and publicly advancing findings without sufficient evidence to back those findings up. And by so doing, your study is open to public debate and scrutiny and is no longer a matter of "private discussions."

You state in your email that we have been retained by Walmart to review your work. This is true. We are a neutral third party firm hired by many different types of entities, big and small. Others have and will review your study as well, particularly as a result of its constant replay in the media. In fact, in what appears to be a highly unusual step, the *Sun Times* editorial board reviewed your study and deemed it "flawed" and a "cheap shot" at Walmart.

In your recent email to me you stated, "We have been reluctant to get into a public debate." This is another strange statement, again, belied by your efforts to widely circulate your study and your frequent local and national appearances touting the study's findings as a means to argue against Walmart.

Second, we will address the technical points raised Attachment B.

Your study purports to measure the net effect of Walmart's arrival on employment within a four-mile radius of its Chicago West Side location. Your study concludes (p. 11): "Rough comparisons of employment losses associated with WalMart's opening and WalMart's own labor force suggest that WalMart had little or *no net effect* on total employment in the area." [italics added].

There are problems with your calculation.

Your study measures the net effect on employment, but in only one narrow sense: you calculate total job losses that would likely have occurred in Walmart's absence and subtract this from the total job losses that actually occurred to generate what you call the "Walmart effect." The "WalMart effect" is thus net of job losses that would have taken place if Walmart had not entered the market.

To demonstrate how this was done, we created Figure 1 from the data in the tables of your report.

Your regression analysis (Table 5, Column 1 of your most recent version of your report) shows that failures in the immediate vicinity of Walmart ("Distance to Walmart"=0) are 25%, and as distance from Walmart increases, failures decrease by 4.12 percentage points for every mile.

A four-mile boundary from Walmart is the limit of distance in your sample. By your estimate, about 8% of firms four miles from Walmart are predicted to fail each year. You call this the "normal" rate of failures that would occur if Walmart did not enter the market. The difference between total failures (the downward-sloping line) and the "normal" or "baseline" rate of failures (the horizontal line) is your measure of the "Walmart effect at each distance from

Walmart. To convert this into job losses, you calculate the number of firms in your sample located at each distance from Walmart, and multiply the "Walmart effect" on business failures by the average number of employees in each failed business (about 6).

One problem with this analysis is that the local market which Walmart entered had bottomed out; the entire radius you draw is not homogenous. We created Figure 2 which shows what happens if we assume that the "normal" (i.e. if Walmart hadn't entered) rate of business failure was higher within a mile of the location that Walmart actually chose (because the market at their chosen location had already bottomed out, as admitted to in your report).

For Figure 2, the "Walmart effect" (business failures attributable to Walmart's arrival – i.e. failures over and above what would have occurred if Walmart hadn't arrived) is the same at distances above 1 mile, but for distances < 1 mile, it's smaller than in Figure 1 (the "Walmart effect" at each distance from Walmart is the difference between the two lines).

FIGURE 1

Probability of Going
Out of Business

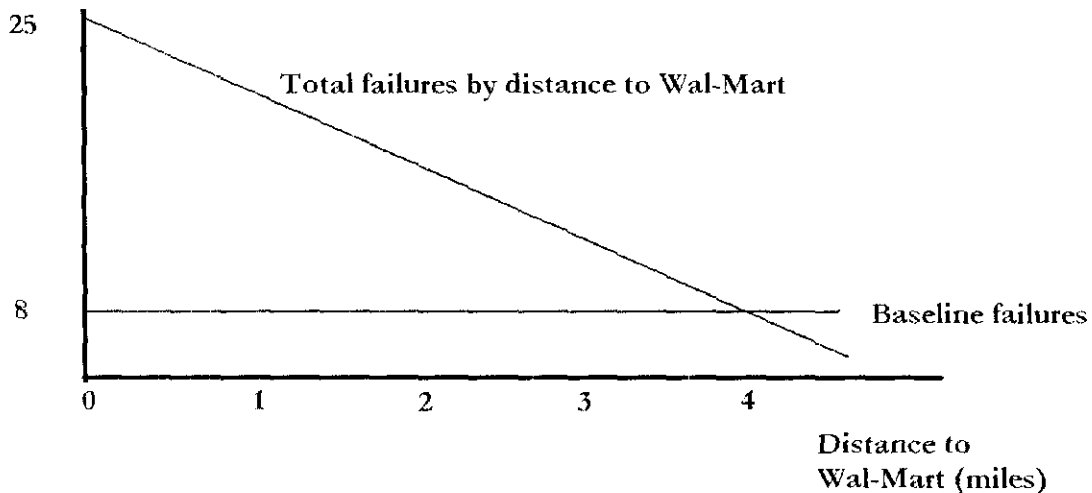
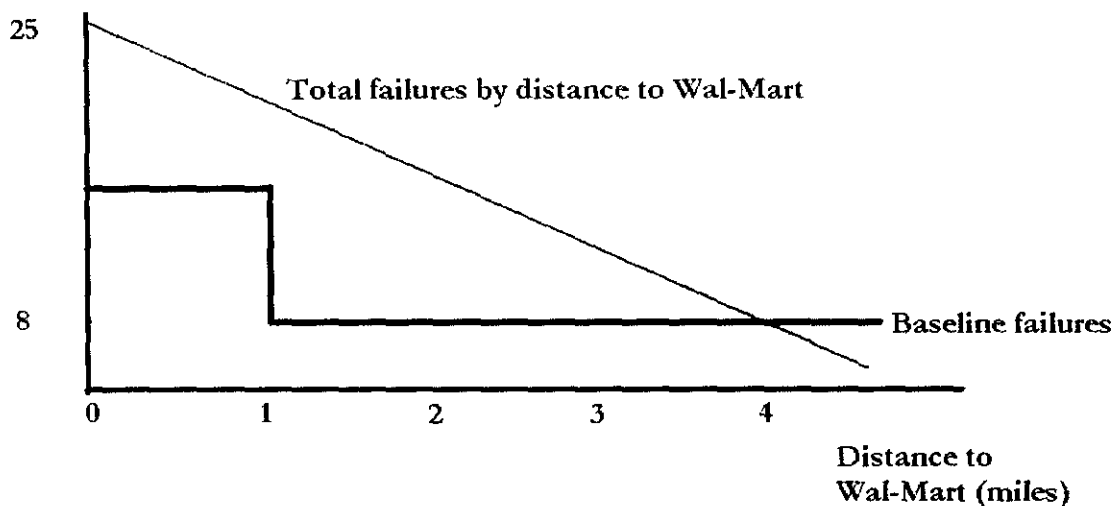


FIGURE 2

**Probability of Going
Out of Business**



An even more important problem with the analysis, though, is the absence of a necessary but vital step in calculating net employment change: the difference between jobs added and jobs lost. Ideally, both of these components of net change would be net of gains or losses that would have occurred if Walmart had not entered the market. With data on jobs gained over the 2006-08 period within a four-mile radius of Walmart, it would be possible using a regression analysis like that in your Table 5 to estimate the total jobs gained over the period at each distance from Walmart and the jobs that would have been gained at a distance of four miles from Walmart. If we take the jobs gained at four miles as “normal job gains,” we could estimate the “Walmart effect” on jobs gained by subtracting total “normal” gains from total gains.

We could then calculate the net employment change attributable to Walmart's arrival as:

$$E_{\text{net}} = J_{\text{gained}} - J_{\text{lost}}$$

J_{gained} is job gains attributable to Walmart and J_{lost} is job losses attributable to Walmart.

You state that there is no database of new businesses that opened in the Walmart vicinity and that the procedure outlined in our Figure 1 is your attempt to overcome the inevitable problem of the selectivity of any such count of new businesses. You stated: “As we have previously explained there is no database that measures new business openings in Walmart's neighborhood and any count of new businesses is sure to be selective. To avoid the problems of a selective count of new businesses our methodology attributes job losses to

Walmart only if they are greater than losses projected by our statistical model in Walmart's absence." (Your response to Alderwoman Mitts' critique, ATTACHMENT B, paragraph 4).

Key points concerning your statement:

First, the lack of an existing and easy database of business closings does not mean you cannot create one. We are constantly creating databases of small businesses that either enter or exit the market. This involves driving and videotaping commercial districts, walking the districts, using smart phones for documentation and linking pictures of stores with geocoordinates, searching online sources, calling the stores in question, calling nearby stores and other entities for verification of the store's operation, visiting the stores, and so on. We are working on such a database now. Over this last week alone, I personally made 200 such phone inquiries. It is tedious and unglamorous work but it is often the price we must pay if we wish to state findings with conviction. You could have created a database of new business openings but for some reason chose not to do so. Though such a database might well be "selective," the relevant question is not its selectivity in isolation but whether it is more or less selective than the database of business closings that you did choose to create.

Second, you state that your methodology "avoid[s] the problem of a selective count of new business." We would argue instead that it simply ignores these new businesses. Your methodology provides nothing more than an estimate of job losses net of the effect of normal job losses and therefore attributable to Walmart's arrival. It says nothing about jobs gained through the entry of new businesses. This would be fine if your study simply owned up to its shortcomings in these respects by saying, "We measure only gross job losses and make no serious attempt to measure net employment change except in the narrow sense that our gross job loss measure adjusts for job losses attributable to normal business failures in Walmart's absence." Unfortunately your presentation of findings are not quite so modest: after deriving your measure of job losses attributable to Walmart's arrival, you proceed to estimate net employment change by comparing an estimate of gross job losses driven by Walmart's arrival to gross job gains from Walmart's arrival (p. 10). In doing so, you implicitly acknowledge that there are two sides to the ledger that must be examined here. However you do not examine both sides. Instead, you vastly underestimate job gains by including only Walmart's own new employees, entirely ignoring jobs gained through the entry of new businesses.

Another problem is your exclusive focus on competing businesses.

You reject our claim that "the Loyola calculation includes all competing jobs lost but excludes all competing jobs gained." Again, this rejection is baffling. The calculation of job losses you undertake does indeed begin with all competing businesses and examines only firms that remained in business or closed, so our statement is correct as it stands. You perhaps construe our statement to mean that your bottom line number on job losses included all competing businesses; clearly it does not, as you have factored out the normal losses from business closings unrelated to Walmart, but the starting point for the calculation nonetheless includes all competing business job losses and excludes all competing business job gains. Perhaps you have misinterpreted our comment.

You cannot deny that your job loss calculation (p. 10 of your study) applies only to "competing jobs" (i.e. job in businesses that compete with Walmart) as your study itself

describes the sample used for this calculation as containing only “businesses in the major retail categories that compete with WalMart” (p. 6 of your study).

You also cannot deny that your calculation excludes competing jobs gained.

You admit (in your response to Alderwoman Mitts' critique, ATTACHMENT B, paragraph 4) that there is no existing database of new firms and state that, as such, your study does not have the capacity to measure gross job gains (though, again, we would disagree with the second half of that statement). You state that your methodology takes care of this shortfall, but it clearly does not; see above. You can only quibble with the use of the word “all.” What you actually measure is *competing jobs lost* over and above those that would have been lost even if Walmart had not entered. If the phrase “all competing jobs lost” in the statement is amended to “all competing jobs lost over and above those that would have been lost in Walmart's absence” and the phrase “all competing jobs gained” is amended to “all competing jobs gained over and above those that would have been lost in Walmart's absence” then our statement is again correct and emphasizes the imbalance in your study, which claims to measure net employment change but fails to account for any new jobs gained except those in Walmart itself.

Your comment on this point raises another issue. In your job loss calculations, you focus only on firms that compete with Walmart. But firms in lines of business that do not compete with Walmart can experience an impact from Walmart's arrival as well. Suppose a bank or currency exchange is located next door to a toy store. Some of the traffic enjoyed by the bank or currency exchange will be driven by customers going to the toy store.

The toy store's exit from the market at Walmart's arrival might result in reduced traffic for the bank or currency exchange, and, in the extreme, its exit from the market, too. Of course, this process can also work in the opposite way: the arrival of Walmart generates additional retail traffic in the area, some of which will generate business for firms that do not compete with Walmart, so businesses will enter the market to take advantage of Walmart's ability to draw customers to this area. The arrival of a Chase bank branch is an example of this spillover effect working to increase employment and activity in Walmart's vicinity.

These considerations suggest that a comprehensive estimate of Walmart's impact on employment should include not just jobs gained (caused by Walmart's arrival) from competing businesses entering the market and jobs lost (caused by Walmart's arrival) from competing firms exiting the market, but also the net effect of Walmart on the employment of firms throughout the retail market in the vicinity of Walmart. The “net job change” equation identified above should therefore be amended to:

$$E_{\text{net}} = (J_{\text{gained}}^c - J_{\text{lost}}^c) + (J_{\text{gained}}^n - J_{\text{lost}}^n)$$

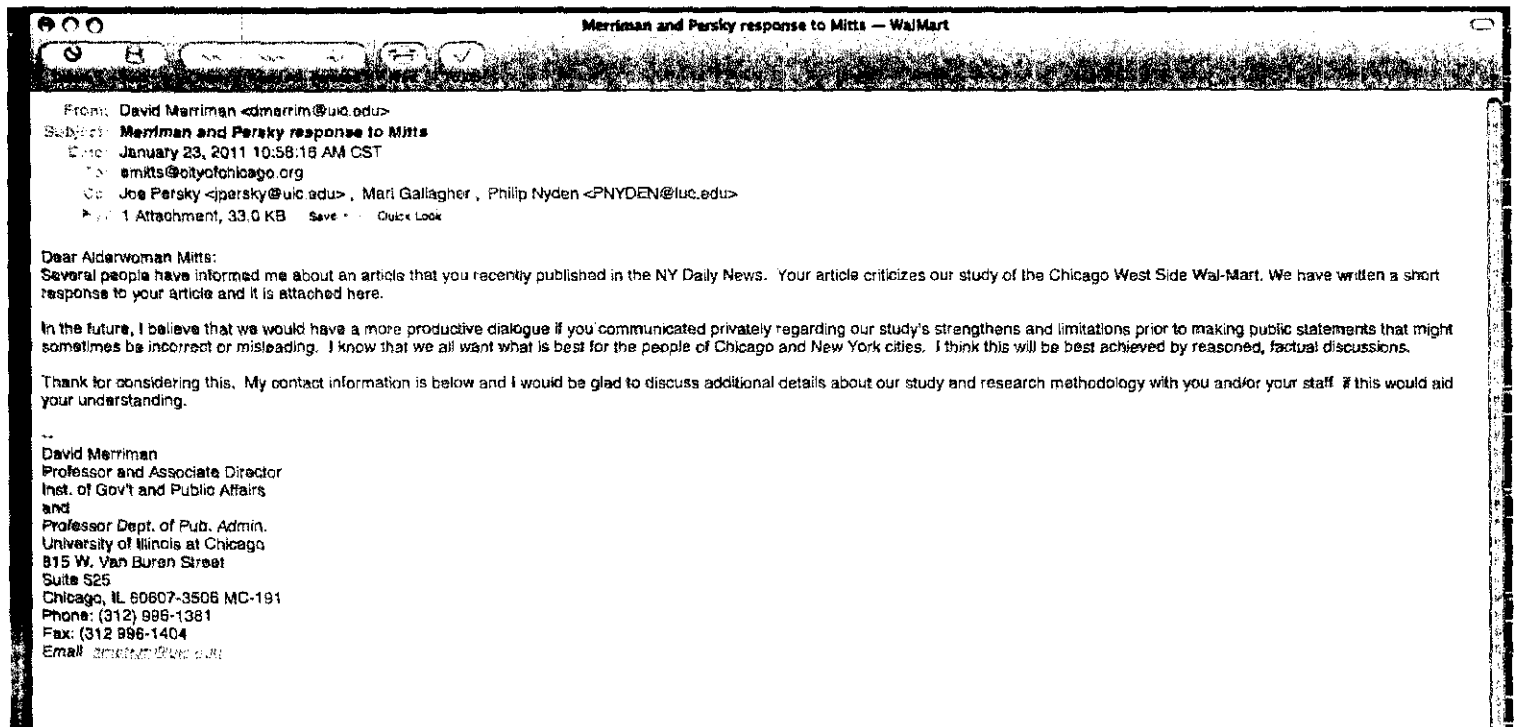
The superscripts “c” and “n” refer to “competing” and “non-competing” businesses. There are four items in this corrected equation. Unfortunately, your study attempts to measure only one: J_{lost}^c .

The study's conclusions regarding net employment change therefore remain unreliable for many reasons.

There are other issues with your study that we pointed out in our previous reviews. In light of your correspondence to which we are now responding, perhaps the most troubling is that -- when findings are positive for Walmart -- you describe them as counter-intuitive or bury them in your appendix. You seem to go out of your way at every turn to choose methods and data that suggest a negative impact by Walmart rather than to be an impartial examiner detached from the outcome.

SCROLL DOWN FOR ATTACHMENTS

ATTACHMENT A SCREENSHOT: MERRIMAN EMAIL



SCROLL DOWN TO NEXT PAGE...

Response to Alderwoman Emma Mitts' critique of
**The Impact of an Urban Wal-Mart Store on Area Businesses:
An Evaluation of One Chicago Neighborhood's Experience**

By

David Merriman (dmerrim@uic.edu) and Joe Persky (jpersky@uic.edu)

Recently (January 9, 2011) Alderwoman Emma Mitts published a short article attacking our academic study of the impact of a Wal-Mart store located in her district on the West side of Chicago and specifically questioning both the competence and academic integrity of one of the authors. The study to which the Alderwoman refers was the product of more than three years work by a team of six co-authors at well regarded universities. Three of the co-authors have published widely in refereed academic journals; two are tenured professors at a research university. In general, we validate research findings in the appropriate scientific manner—by submission to the rigorous scrutiny of our peers through the journal review process. Typically, and in this case, this is a prolonged process and our work (somewhat revised but reaching essentially the same conclusions as the report Alderwoman Mitts discusses) is currently undergoing such scrutiny.

We have been reluctant to get into a public debate—especially with a widely admired and well known elected official—about the scientific validity of our study. However, we now feel compelled to publicly respond. Alderwoman Mitts levels two main criticisms at our study. In each case we briefly summarize the criticism and give our response.

Criticism: "if you are doing a study on the net loss of jobs in a city, one should add new jobs created and subtract jobs lost." Mitts cites Mari Gallagher & Associates' critique which argues that "the Loyola calculation includes all competing jobs lost but excludes all competing jobs gained."

Response: As we have previously explained there is no database that measures new business openings in Wal-Mart's neighborhood and any count of new businesses is sure to be selective. To avoid the problems of a selective count of new businesses our methodology attributes job losses to Wal-Mart only if they are greater than losses projected by our statistical model in Wal-Mart's absence. Mari Gallagher & Associates' Wal-Mart-funded-critique of our study was written (and disseminated) without the consultation that would be typical in a professional peer-review framework. That critique misstates and misinterprets our work in a number of places. In particular, it is plainly not true that our calculation "includes all competing jobs lost." As we clearly explained in the report, our job loss estimates are the difference between expected job losses with and without Wal-Mart.

Also, our study did include an analysis of the net change in retail sales in Wal-Mart's area this calculation captures retail sales of both new and existing business. We found that total retail sales in the area remained essentially unchanged after Wal-Mart opened. This is consistent with our other analyses.

Criticism: the study "contains a disclaimer that the data contained in the report is uncertain".

Response: We believe the phrase in the report that Alderwoman Mitts is responding to is "Our estimates suggest that Wal-Mart has resulted in the loss of about 300 full-time-equivalent jobs in its own and nearby zip codes. While there is still considerable uncertainty attached to these calculations, they suggest a loss about equal to Wal-Mart's own employment in the area." As objective, scientific researchers we acknowledge that there is inherently statistical uncertainty about the net effect of Wal-Mart on total employment in this area. Our conclusions represent our best estimate of Wal-Mart's impact based on available data. Our conclusions are consistent with economic theory and a large body of empirical literature about Wal-Mart's impact on employment in a number of other contexts. Our work is neither the first nor the last study of Wal-Mart's impact. We believe that our work represents the best objective evidence about the impact of the Wal-Mart located in Alderwoman's Mitts' district on total employment in the area.

October 3, 2012

Carmen Marrone
City of Albuquerque
Planning Department
600 2nd St. NW
Albuquerque, NM 87102

Re: Project 1003859, shopping center and "large retail facility" at Coors and Montano

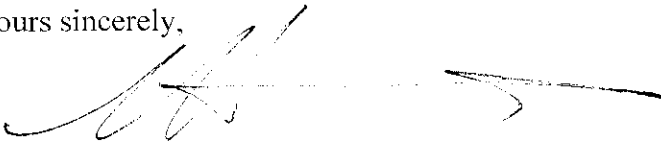
Dear Ms. Marrone:

This firm represents the applicant for Project 1003859.

Enclosed please find several articles and reports rebutting testimony offered at the EPC hearing on January 19, 2012, suggesting that the presence of a Walmart negatively affects small business. Similarly slanted information was included in the appendix to the Staff Report dated January 19, 2012 starting at page 417.

I trust that the Commission will base its decision on land use criteria, as was indicated by Chair Floyd at the hearing on July 19, 2012. However, in the event that the Commission allows non-land-use criteria to be included in the Record and/or to allow this information to influence its decision-making in any way, I offer the enclosed articles and reports in rebuttal and ask that they be considered as well.

Yours sincerely,



Michelle Henrie

Enclosures:

"Has Wal-Mart Buried Mom and Pop?" by Andrea M. Dean and Russell S. Sobel, West Virginia University.

"The absurd Wal of fear" by Andrea Peyser, New York Post.

“When Wal-Mart Moves In, Neighborhood Businesses Suffer. Right?” by Ylan Q. Mui, Washington Post.

“Anti-Wal-Mart study just doesn’t add up,” Editorial, The Chicago Sun-Times.

“Professional Opinion of a Recent Study by the Center for Urban Research and Learning of Loyola University Chicago Concerning the Impact of Chicago’s West Side Wal-Mart” by Mari Gallagher Research & Consulting Group.

“Professional Opinion of a Recent & Second Study by the Center for Urban Research and Learning of Loyola University Chicago Concerning the Impact of Chicago’s West Side Wal-Mart” by Mari Gallagher Research & Consulting Group.

“Response to Professor David Merriman’s January 23, 2011 Email Concerning Walmart” by Mari Gallagher Research & Consulting Group.

Does small business decline when Wal-Mart enters the market?

Has Wal-Mart Buried Mom and Pop?

by ANDREA M. DEAN AND RUSSELL S. SOREL
West Virginia University



Many believe the mega discount store Wal-Mart is a plague set upon small "mom-and-pop" businesses. The instant Wal-Mart moves into town, all small businesses are destroyed in its path, leaving downtowns barren and empty.

This popular misconception has garnered significant media publicity and widespread public acceptance. President Clinton's former secretary of labor, Robert B. Reich, wrote in a 2005 *New York Times* op-ed that Wal-Mart turns "main streets into ghost towns by sucking business away from small retailers." One of the largest anti-Wal-Mart organizations, Wal-Mart Watch, released a report in 2005 claiming that a Wal-Mart expansion in Iowa was solely responsible for the extensive closings of mom-and-pop stores, including 555 grocery stores, 298 hardware stores, 293 building suppliers, 161 variety shops, 158 women's stores, and 116 pharmacies.

Are those claims true? In this article, we use rigorous econometric estimation techniques to examine the rate of self-employment and the number of small-employer establishments in communities where Wal-Mart has entered the market. We find that Wal-Mart has no statistically significant impact on the over-

all size of the small business sector in the United States. When all is said and done, there are just as many small businesses that are just as profitable despite the presence of Wal-Mart.

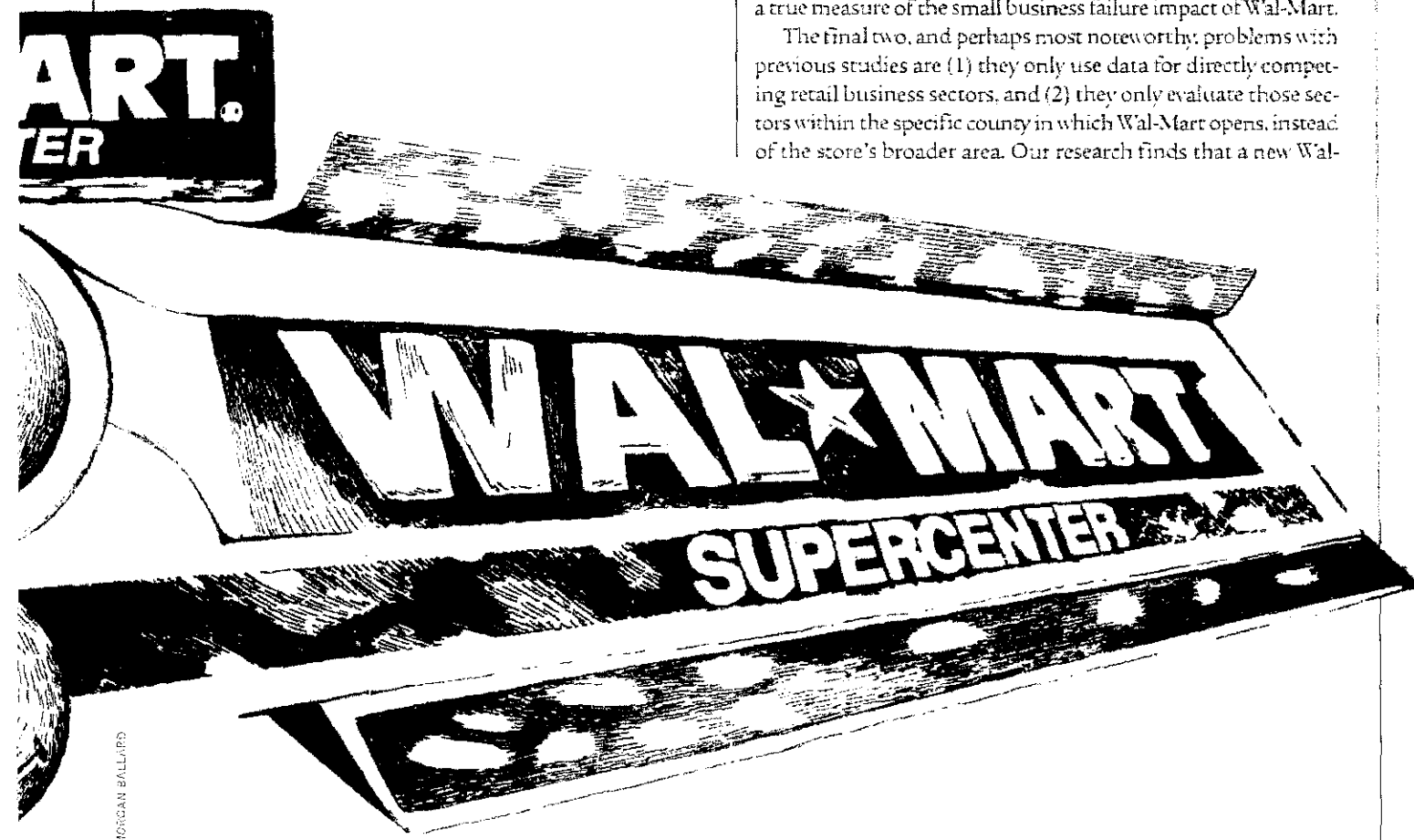
PREVIOUS ESTIMATION PROBLEMS

The oft-cited estimates of Wal-Mart's alleged negative impact on small businesses, such as the Iowa example, are misleading for several reasons. First, many of those estimates, found in a series of applied policy studies, lack formal econometric estimating procedures. The studies simply compare averages for counties with Wal-Mart stores to those without Wal-Mart stores. Although the studies have attracted considerable media publicity, they are problematic and misleading because of the deficiency of econometric analysis, which makes it impossible to know whether the differences are statistically significant. Furthermore, without the use of control variables found in standard econometric analysis, the studies ignore the effects of other economic and demographic factors that differ between counties with and without Wal-Mart stores.

The second problem with previous studies is that, as part of the data for "small business," they often lump in numbers from competing mega-retailers such as Kmart, Target, and Home Depot. Those retailers all suffer negative impacts as a result of Wal-Mart's entrance into the market. Given that flaw, it is uncertain to what extent the previous negative estimates can be used to approximate the effect Wal-Mart has on true mom-and-pop businesses, as a Kmart's store closing should not be counted in a true measure of the small business failure impact of Wal-Mart.

The final two, and perhaps most noteworthy, problems with previous studies are (1) they only use data for directly competing retail business sectors, and (2) they only evaluate those sectors within the specific county in which Wal-Mart opens, instead of the store's broader area. Our research finds that a new Wal-

Andrea M. Dean is a Kendrick Fellow at West Virginia University.
Russell S. Sobel is the James Clark Goffman Distinguished Chair in Entrepreneurial Studies at West Virginia University.



Mart store results in both the immediate failure of some small businesses and the emergence of other small businesses—both in other sectors and in other countries. For example, if a new Wal-Mart store opens, causing a directly competing hardware store to close and subsequently a new antique boutique opens in its place, the previous studies would only observe the failure of the hardware store. Yet Wal-Mart saves consumers a significant amount of money that they can then spend on other goods and services, and we would expect this to result in more new business opportunities. For example, if the money saved by consumers creates a greater demand for recreational activity and, as a result, a whitewater rafting company opens in a neighboring county, this new business would not be accounted for in previous studies. We now consider this process in more detail.

CREATIVE DESTRUCTION

The previous research on Wal-Mart's effects did not correctly model the welfare-enhancing process of "creative destruction." Creative destruction occurs when the introduction of a new idea or product results in the obsolescence of other products. New inventions, for instance, often result in the business failures of products supplanted by now-outdated technologies. That is unfortunate for the old businesses, but it benefits consumers and it frees money and resources that can then give rise to new businesses and further advancements.

For instance, the locale of our university, Morgantown, W.Va., is just one of many cities that have witnessed, first-hand, the process of creative destruction unleashed by Wal-Mart. Shortly after a new Wal-Mart store opened, Morgantown's popular downtown area was wrought with empty storefronts. However, after only a brief period of time, the once-empty storefronts filled with new small businesses. A former women's clothing shop transformed into a high-end restaurant. A former electronics store converted into an ice cream parlor. One by one, each of the vacant stores filled with new businesses, such as cof-

Figure 1

Wal-Mart Stores and Self Employment

U.S. totals, 1969-2001

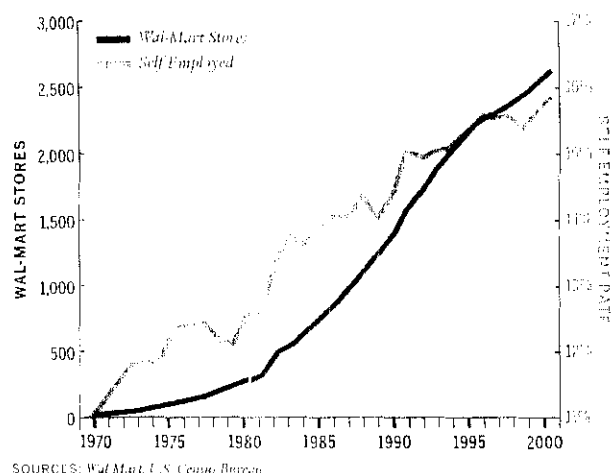


Figure 2a

Wal-Mart Stores and Small Retailers

Establishments with 1-4 employees, 1985-2002

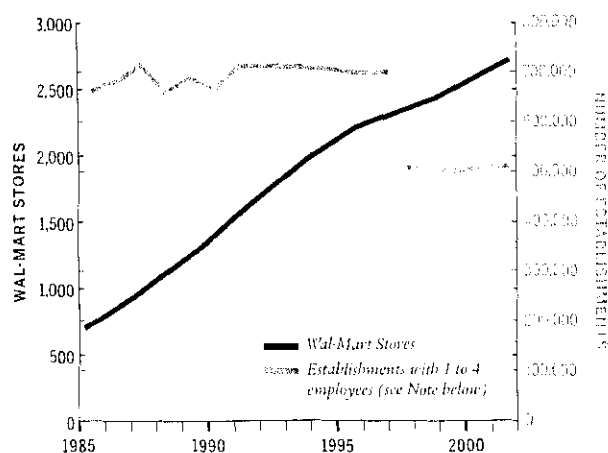
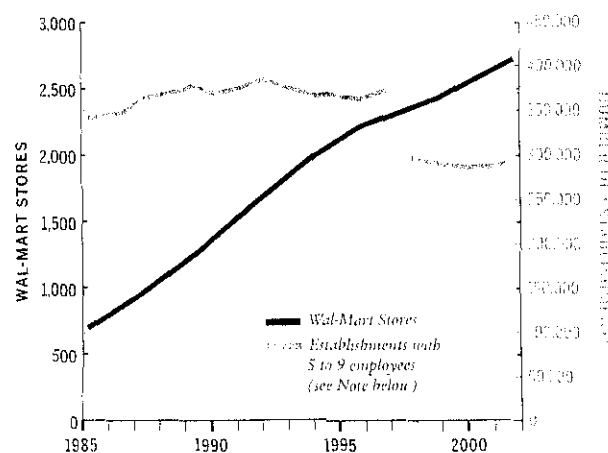


Figure 2b

Establishments with 5-9 employees, 1985-2002



SOURCES: Wal-Mart, U.S. Census Bureau

NOTE: In 1988, the U.S. Census Bureau redefined the way it measures the establishment data series, causing a discontinuity in the data. The drop in the level of this series that year is due to the redefinition, so we present data as two separate lines in these figures.

fee shops, art galleries, and law firms.

This process of creative destruction is able to increase economic efficiency by the reallocation of resources. Downtown retail space, which prior to a Wal-Mart store opening would be extremely competitive and allocated mainly to general merchandise stores, becomes an economically viable location for more elaborate types of small businesses once a Wal-Mart enters the area. Entrepreneurs who once could not afford the high rents of the limited downtown retail space are now granted an affordable opportunity to open their own businesses.

It is also important to consider the money consumers save by purchasing goods at Wal-Mart's lower prices. That money, which was previously spent on the same goods at more expensive mom-and-pop stores, can be reallocated to purchase spe-

cialty items in the boutique shops. Emek Basker of the University of Missouri-Columbia has found that the opening of a new Wal-Mart store results in city-wide price reductions of nearly two or three percent in the short run and approximately 10 percent in the long run. Consumers will spend at least some of that savings at other small businesses.

NATIONAL TRENDS

Because of its size, Wal-Mart's impact is easily observed in U.S. aggregate-level data. As mentioned in the introduction, the Wal-Mart expansion in Iowa has been blamed for the closing of 1,581 total business firms. The data would imply a failure of 11.3 percent of all businesses in the state of Iowa. If computed as a percentage of only small businesses, Wal-Mart would be responsible for the failure of almost 30 percent of all Iowa small businesses. Have these immense declines in small business activity really occurred? If the answer to this question is yes, it will without a doubt be visible in aggregate data on U.S. small business activity.

To begin an examination of the raw data, let us first view a comparison on the expansion of Wal-Mart stores and the rate of self-employment in the United States. The measurement of Wal-Mart stores includes both the chain's traditional "discount stores" and its "supercenters," while the rate of self-employment is calculated by taking nonfarm proprietor employment as a percentage of total nonfarm employment. Figure 1 provides this comparison for the 48 continental U.S. states.

As can be seen in Figure 1, over the time period in which the number of Wal-Mart stores dramatically increased from just a few to over 2,500, there was also a continual increase in the rate of self-employment. This overall upward trend in self-employment is just as strong in the 1980s when Wal-Mart was rapidly expanding as it was in the 1970s. If the negative impact predicted by previous studies is correct, we should see a dramatic drop in self-employment. However, rather than a dramatic drop, the raw data suggest a nearly 50 percent increase in self-employment during the time frame.

A simple time-series regression confirms the relationship between Wal-Mart stores and self-employment seen in Figure 1. After controlling for basic factors such as per capita personal income and the unemployment rate, the regression results in a positive coefficient on Wal-Mart, contrary to the predictions of previous literature. To view those and other regression results not found in this article, please refer to our forthcoming publication in *Economic Inquiry*.

A second and third comparison of Wal-Mart stores to the number of establishments with one to four employees and the number of establishments with five to nine employees may also be enlightening. This measurement of mom-and-pop businesses is defined by the number of retail establishments with one to four employ-

ees, or five to nine employees, per 100,000 of state population from the U.S. Census Bureau. However, the data are a bit more complicated to use because the U.S. Census Bureau redefined the variable in 1998, causing a discontinuity. Unfortunately, the data also are not available for as many years as the self-employment data. Nonetheless, Figures 2a and 2b both demonstrate the same pattern. Although self-employment has been steadily increasing in the United States, the number of small establishments remains practically unchanged since 1985.

Just by looking at the raw data, no evidence can be found to validate the arguments of previous Wal-Mart literature. Wal-Mart's alleged negative effect on the small business sector simply cannot be found in the data. However, many factors can change over a 30-year time period. For example, mom-and-pop businesses may have developed Internet-based services that would make it easier to survive in the marketplace, thereby hiding the alleged negative effect of Wal-Mart. Because of such changes, a more rigorous cross-sectional analysis at a single year in time is necessary to draw a more firm, concise conclusion on Wal-Mart's true effect on the U.S. small business sector.

CROSS-SECTIONAL ANALYSIS

For the purpose of maximizing the number of control variables from the U.S. Census, our cross-sectional analysis uses data for the year 2000. For this analysis, both the level and growth of small business activity are examined.

RAW DATA To begin the cross-sectional analysis, it is also use-

Table 1

Wal-Mart and Small Business

States with the highest and lowest number of Wal-Mart stores per capita, 2000

	Wal-Mart stores per 100,000 population	Self employment rate (percent of total employment)	Number of establishments with 1 to 4 employees per 100,000 population	Number of establishments with 5 to 9 employees per 100,000 population
Top 5 States				
Arkansas	3.067	16.175	220.805	123.999
Nebraska	2.602	15.292	140.222	89.828
Mississippi	2.109	14.217	210.922	125.041
Missouri	2.020	14.900	190.556	114.687
Alabama	1.844	14.500	207.843	122.934
Average	2.328	15.017	194.070	115.298
Bottom 5 States				
Connecticut	0.470	15.936	192.626	102.626
Washington	0.424	16.513	171.154	97.640
California	0.340	19.464	145.629	78.372
New Jersey	0.261	13.635	215.988	86.899
New York	0.084	14.107	220.299	83.319
Average	0.316	15.931	189.139	89.771

SOURCES: Wal-Mart, U.S. Census Bureau

ful to view the raw 2000 data to see if any obvious relationships can be seen, before controlling for other factors. Table 1 presents data on all small business measures for the five states with the highest and lowest number of Wal-Mart stores per capita (per 100,000 population). Arkansas, the home state of Wal-Mart and the state with the greatest population of Wal-Mart stores, has slightly more than three stores per 100,000 people. The other four states with the most Wal-Mart stores per capita are Nevada, Mississippi, Missouri, and Alabama. The states with the fewest Wal-Mart stores per capita are New York, New Jersey, California, Washington, and Connecticut. The top five states, when averaged together, have approximately 2.3 Wal-Mart stores per 100,000 people while the five states with the least Wal-Mart stores per capita have only 0.3 stores per 100,000 people. On average, the top five states have seven times the number of Wal-Mart stores per capita as the bottom five states.

With such a discernable difference, if Wal-Mart has a negative effect on the small business sector, the effect should easily be seen in the states with the most Wal-Mart store per capita. As can be seen in the data in Table 1, although the states with a larger number of Wal-Mart stores do have somewhat lower rates of self-employment, they actually have more small establishments per capita.

Do these patterns hold up across all 48 continental U.S. states? Figures 3 and 4 show data for all states on the number of Wal-Mart stores per capita and measures of small business activity. The regression line has a positive slope for both Figures 3 and 4a; however, the slope is not significantly different than zero. Both of these figures are inconsistent with the hypothesis that Wal-Mart stores reduce the number of small retail establishments. Interestingly, the slope of the regression line in Figure 4b is actually positive and significantly different from zero, which suggests that states with more

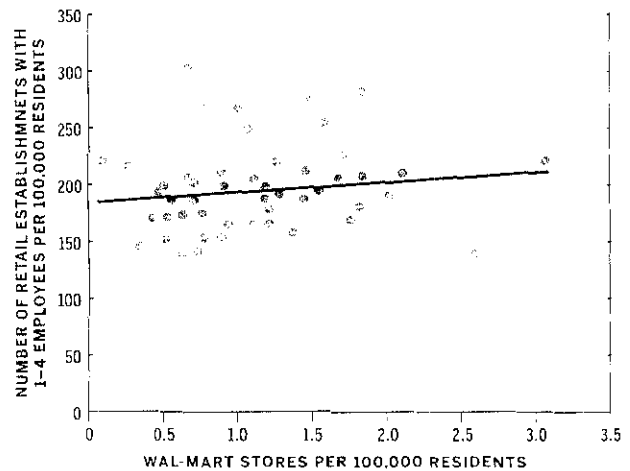
Wal-Mart stores actually have significantly higher levels of five-to-nine-employee establishments.

REGRESSION ANALYSIS Econometric regression analysis will allow us to control for other factors that may affect the size of the small business sector to better isolate the effect of Wal-Mart. Other than the number of Wal-Mart stores per 100,000 people, control variables such as median age, percent metropolitan population, percent of population in poverty, median family income (in thousands), percent of population nonwhite, percent of population with a college degree, percent

Figure 4a

Density of Wal-Mart and Small Businesses

Establishments with 1-4 employees, 2000

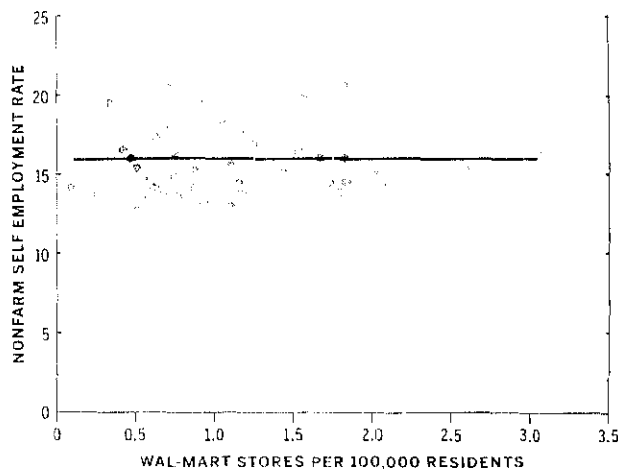


SOURCES: Wal-Mart, U.S. Census Bureau

NOTE: Data represent the 48 continental states. Slope of the regression line shown is 5.875 and the *t*-statistic is 1.052 (which is not statistically significant).

Figure 3

Wal-Mart Stores vs. Self Employment Rates 2000

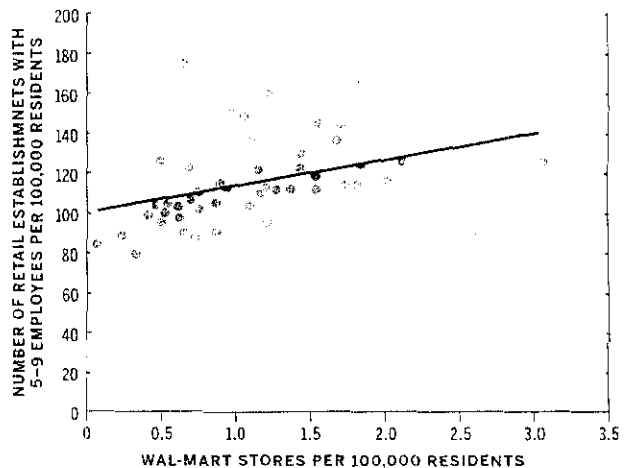


SOURCES: Wal-Mart, U.S. Census Bureau

NOTE: Data represent the 48 continental states. Slope of the regression line shown is 0.035 and the *t*-statistic is 0.062 (which is not statistically significant).

Figure 4b

Establishments with 5-9 employees, 2000



SOURCES: Wal-Mart, U.S. Census Bureau

NOTE: Data represent the 48 continental states. Slope of the regression line shown is 13.027 and the *t*-statistic is 2.710 (which is statistically significant at the 1% level).

Table 2

Does Wal-Mart Reduce Small Business?

Wal-Mart stores per capita as explanatory variable, 2000

INDEPENDENT VARIABLE	DEPENDENT VARIABLE								
	Self Employment Rate			Establishments with 1-4 Employees (per 100,000 population)			Establishments with 5-9 Employees (per 100,000 population)		
	OLS	SAR	SAC	OLS	SAR	SAC	OLS	SAR	SAC
Constant	-66.933** (2.233)	-51.274* (1.751)	-49.688* (1.756)	90.075 (0.191)	-182.669 (0.440)	-236.980 (0.547)	180.046 (0.901)	76.651 (0.373)	104.764 (0.528)
Wal-Mart stores (per 100,000 population)	-0.109 (0.229)	-0.001 (0.002)	-0.152 (0.385)	2.203 (0.297)	0.954 (0.167)	-1.955 (0.291)	3.933 (1.247)	1.712 (0.583)	3.539 (1.113)
Percent white in population	-0.036* (1.750)	-0.032* (1.959)	-0.031* (1.898)	-1.273*** (3.974)	-0.899*** (3.676)	-0.983*** (4.507)	-0.849*** (6.243)	-0.683*** (5.575)	-0.658*** (5.358)
Median age (years)	0.222 (1.650)	0.221* (1.868)	0.225* (1.942)	6.925*** (3.284)	6.926*** (3.962)	6.730*** (4.143)	1.768* (1.974)	1.952** (2.231)	1.819** (2.127)
Percent in poverty	0.207 (1.094)	0.139 (0.825)	0.142 (0.887)	0.541 (1.182)	-0.510 (0.207)	-0.500 (0.208)	-2.564** (2.031)	-3.047** (2.459)	-3.008** (2.470)
Median family income (thousands \$)	-0.115 (1.054)	-0.122 (1.333)	-0.111 (1.287)	-0.862 (0.504)	-1.502 (1.112)	-1.113 (0.823)	-1.419* (1.954)	-1.883*** (2.782)	-1.931*** (2.914)
Percent non-white	-0.037 (1.189)	-0.027 (0.964)	-0.021 (0.744)	0.193 (0.397)	0.419 (1.018)	0.060 (0.141)	0.171 (0.829)	0.255 (1.227)	0.216 (1.015)
Land area (1,000 square miles)	0.013 (1.644)	0.012* (1.784)	0.010 (1.598)	-0.036 (0.303)	-0.086 (0.893)	-0.003 (0.032)	-0.045 (0.973)	-0.091* (1.815)	-0.084* (1.559)
Percent with college education	0.408*** (4.018)	0.378*** (4.372)	0.345*** (3.600)	4.401*** (2.762)	3.126*** (2.579)	2.347 (1.496)	1.832** (2.708)	1.591*** (2.626)	1.811*** (2.635)
Percent in labor force	1.448** (2.692)	1.095** (2.050)	1.029* (1.898)	-2.619 (0.310)	2.181 (0.302)	5.137 (0.621)	-0.378 (0.106)	1.707 (0.478)	1.095 (0.313)
Unemployment	—	0.188 (1.260)	0.301 (1.364)	—	0.442*** (3.435)	0.076 (0.318)	—	0.182 (1.450)	0.181 (1.106)
Turnover	—	—	-0.220 (0.660)	—	—	0.660*** (3.829)	—	—	0.043 (0.163)
Wal-Mart	—	0.530	—	—	30.121†	—	—	1.144	—
Observations	48	48	48	48	48	48	48	48	48
Constant	0.652	0.730	0.744	0.615	0.678	0.773	0.814	0.820	0.827
Adjusted R ²	-109.448	-61.444	-33.607	-239.156	-191.891	-162.983	-215.524	-157.502	-129.555

SOURCES: Wal-Mart, U.S. Census Bureau. NOTES: t-statistics in parentheses; asterisks indicate significance as follows: ***-1%, **-5%, *-10%, † no spatial dependence in the error.

of population male, and state land area (in thousands of square miles) are also included. Those variables are traditionally used in any study of self-employment.

The model is first estimated by means of an ordinary least squares (OLS) regression. However, the OLS estimator can be biased and inconsistent when spatial dependence exists in the data. Spatial dependence can occur when there are unobservable geographic correlations within the dependent variable, which in this case is the measurement of small business activity. Because this dependent variable likely carries spatial dependence, a simple OLS regression is not sufficient; spatial econometric methods must be used to control for these geographic patterns in the data. One may think of spatial models as analogous to an autoregressive moving-average time-

series model, but with lags occurring over geographic distances rather than time. We use two specialized econometric models, spatial autoregression and spatial autocorrelation, to control for a spatially correlated error structure.

Table 2 presents the results from both the OLS and spatial estimation techniques. Highlighted at the top of the table are the Wal-Mart coefficient estimates (the amount by which one additional Wal-Mart store per 100,000 population would affect small business activity), none of which are statistically significant.

The lack of statistical significance indicates that the number of Wal-Mart stores has no significant effect on small business activity in a state, measured by either self-employment or small establishments. The estimates are consistent throughout each of the three different models.

Table 3 displays similar results to those in Table 2, except that the dependent variable, the levels of small business activity, is replaced with annual growth rates. The number of Wal-Mart stores is also replaced with the annual growth rate of Wal-Mart stores. Even with this redefinition of variables, the estimation results remain robust. Except for one case, the Wal-Mart store variable continues to be statistically insignificant. The case in which the relationship between Wal-Mart stores and establishments with one to four employees is significant is actually in the opposite direction as what previous literature would claim — it shows a positive impact. This result occurs only once, however, therefore it is not robust enough to be persuasive.

Taken as a whole, the estimates found in Tables 2 and 3 strongly reject the conjecture that Wal-Mart has a signifi-

cantly negative impact on the overall size and growth of the small business sector in the United States.

CONTROLLING FOR ENDOGENEITY Wal-Mart store locations may be endogenous. For example, Wal-Mart stores may only be expanding in areas where unobservable variables are also causing a more rapid growth in small business activity, thus skewing our results. So it is worthwhile to re-estimate the models accounting for this possibility. The issue of endogeneity is addressed in two ways: a redefinition of the Wal-Mart variable, and inclusion of a Wal-Mart store instrumental variable in the regression.

First, the Wal-Mart store variable is replaced with a five-year lagged value of the Wal-Mart variable, meaning that what was once a value for the number of Wal-Mart stores in the year 2000

Table 3

Does Wal-Mart Reduce Small Business Growth?

Wal-Mart store growth as explanatory variable

INDEPENDENT VARIABLE	DEPENDENT VARIABLE								
	Self Employment Rate			Establishments with 1-4 Employees (per 100,000 population)			Establishments with 5-9 Employees (per 100,000 population)		
	OLS	SAR	SAC	OLS	SAR	SAC	OLS	SAR	SAC
Intercept	22.063 (2.031)	10.808 (1.199)	11.045 (1.155)	-31.983* (1.814)	-26.825* (1.705)	-34.979** (2.029)	-27.824 (1.543)	-42.076** (2.550)	-35.501* (1.806)
Wal-Mart stores (per 100,000 population)	-0.020 (0.846)	-0.013 (1.494)	-0.023 (1.286)	0.279 (0.741)	0.051*** (3.293)	0.030 (0.879)	-0.019 (0.486)	-0.001 (0.069)	0.007 (0.235)
Percent metropolitan population (white)	0.005 (0.785)	0.005 (0.880)	0.004 (0.707)	0.015 (1.399)	0.018** (1.987)	0.019* (1.816)	0.013 (1.186)	0.015 (1.580)	0.013 (1.224)
Adjusted income	-0.092* (1.972)	-0.097*** (2.615)	-0.103*** (2.829)	-0.248*** (3.274)	-0.270*** (4.340)	-0.257** (3.889)	-0.091 (1.171)	-0.099 (1.481)	-0.097 (1.420)
Percent impaired	0.013 (0.200)	0.064 (1.170)	0.045 (0.871)	-0.085 (0.779)	-0.183** (1.997)	-0.088 (0.902)	0.094 (0.838)	0.119 (1.220)	0.111 (1.226)
Adjusted income (the white %)	0.042 (1.059)	0.060* (1.889)	0.048 (1.578)	-0.003 (0.050)	-0.071 (1.294)	-0.018 (0.304)	-0.030 (0.456)	-0.032 (0.565)	-0.024 (0.423)
Percent unemployed	-0.001 (0.019)	-0.011 (1.297)	-0.006 (0.760)	0.028 (1.645)	0.050*** (3.342)	0.028* (1.814)	-0.012 (0.683)	-0.009 (0.556)	-0.009 (0.613)
Adjusted R-squared	-0.003 (1.232)	-0.002 (0.739)	-0.002 (1.077)	-0.005 (1.042)	-0.006 (1.630)	-0.005 (1.185)	-0.001 (0.123)	-0.001 (0.256)	-0.002 (0.500)
Percent with college education	-0.045 (1.408)	-0.030 (1.209)	-0.029 (1.189)	-0.026 (0.509)	-0.024 (0.590)	-0.022 (0.461)	0.019 (0.368)	0.027 (0.608)	0.019 (0.472)
Percent female	-0.381* (1.978)	-0.193 (1.210)	-0.181 (1.064)	0.835** (2.671)	0.813*** (2.865)	0.911*** (2.808)	0.603* (1.886)	0.888*** (3.014)	0.757** (2.014)
Size	—	0.449*** (3.251)	0.571** (2.478)	—	-0.189 (1.259)	-0.134 (0.547)	—	-0.377** (1.981)	-0.046 (0.098)
Location	—	—	-0.269 (0.674)	—	—	0.149 (0.507)	—	—	-0.467 (0.916)
Wald test	—	128.011†	—	—	0.163	—	—	27.782†	—
Observations	48	48	48	48	48	48	48	48	48
Adjusted R-squared	0.393	0.533	0.637	0.574	0.706	0.662	0.208	0.341	0.456
Residual variance	-45.304	-6.676	20.097	-77.065	-30.422	-7.197	-63.290	-34.333	-5.999

SOURCES: Wal-Mart, U.S. Census Bureau, SCOTUS. t-statistics in parentheses; asterisks indicate significance as follows: *** = 1%, ** = 5%, * = 10%; † = no spatial dependence in the errors.

is now a value for the number of Wal-Mart stores in the year 1995. Not only will this variable redefinition uncover endogeneity issues, it will also address concerns that the entrance of a new Wal-Mart store has a time lag effect of small business activity.

Second, instrumental variable methodology is used to predict the number of Wal-Mart stores in each stage, and in a second stage, we use this predicted value in the regressions. The results from these regressions are practically identical to the results from the previous regressions. No model displays any significant relation between the number of Wal-Mart stores per capita and the level of business activity.

BANKRUPTCY RATES We also examine whether there is a relationship between Wal-Mart stores and bankruptcy rates in the small business sector. Data on state-level business bankruptcy rates from the U.S. Small Business Administration are collected and employed in the three regression techniques discussed above. The regressions control for demographic and socio-economic factors as well as spatial dependence. The bankruptcy variable is measured as both a rate of all businesses as well as bankruptcies per 1,000 state population.

The regression results for this alternative small business measure mirror earlier results: Wal-Mart causes no significant harmful effect. In fact, all coefficients are negative, which implies that bankruptcy rates are actually lower in states with more Wal-Marts.

QUALITY OF NEW BUSINESS Thus far, the data have consistently demonstrated that the overall size of the small business sector is unaffected by the opening of a Wal-Mart store. Without a doubt, some directly competing small businesses will fail when Wal-Mart opens. Subsequently, the failure of those businesses will free up valuable resources, making it possible for other new businesses to open. However, some worry that the new businesses are in some ways inferior to the old businesses they replace.

For example, what was once a long-standing profitable hardware store may be replaced with a marginal diner with low revenue or profitability. If this is indeed the case, the average sales or net income of small businesses should visibly decrease as Wal-Mart has expanded.

Figures 5a and 5b illustrate the relationship between the number of Wal-Mart stores and the average real net income and revenue of sole proprietors. Both figures clearly indicate a uniform positive growth for the "quality" of small businesses. In fact, small businesses today both have higher revenue, and are more profitable, than in the past (in real terms).

CONCLUSION

Our research suggests that the popular belief that Wal-Mart has a significant negative effect on the size of the mom-and-pop business sector of the United States economy is statistically unfounded. After examining a plethora of different measures of small business activity and growth, examining both time series and cross-section data, and employing different geographic levels of data and different econometric techniques, it can be firmly concluded that Wal-Mart has had no significant impact on the overall size and growth of U.S. small business activity.

Figure 5a

Wal-Mart Stores and Small Business Receipts

Average sole proprietor, real net income

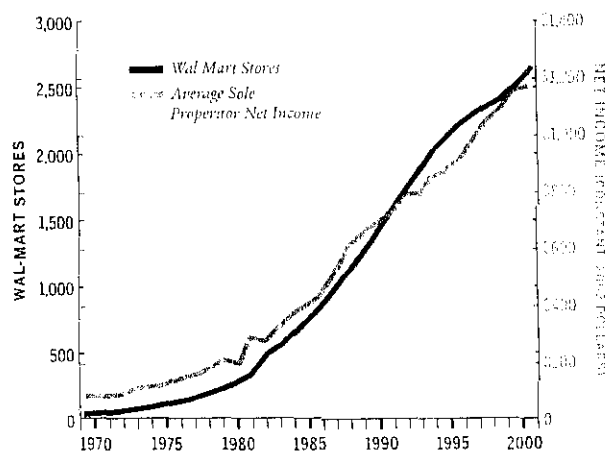
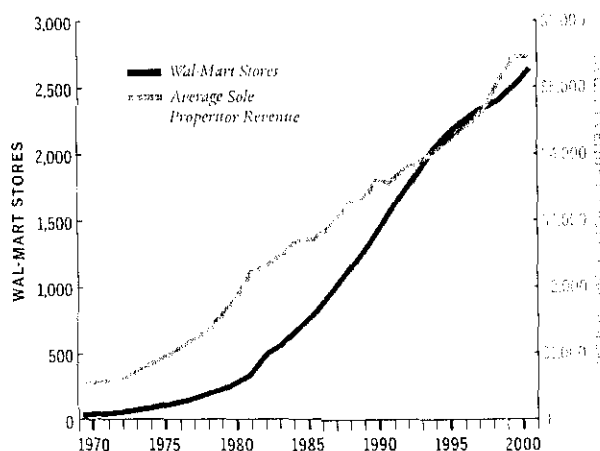


Figure 5b

Average sole proprietor, real revenue



SOURCES: Wal-Mart, U.S. Census Bureau

NOTE: Net income and receipts are converted to real dollars using the CPI

There is no question that Wal-Mart does cause some mom-and-pop businesses to fail. However, those failures are entirely compensated for by the entry of other new small business elsewhere in the economy through the process of creative destruction. **R**

Readings

- "Has Wal-Mart Buried Mom and Pop? The Impact of Wal-Mart on Self Employment and Small Establishments in the United States," by Andrea M. Dean and Russell S. Sobel. *Economic Inquiry*, forthcoming.
- "Job Creation or Destruction? Labor-Market Effects of Wal-

Mart Expansion," by Emek Basker. *Review of Economics and Statistics*, Vol. 87 (2005).

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Updated: Mon., Jan. 17, 2011, 6:45 AM

The absurd Wal of fear

By ANDREA PEYSER

Last Updated: 6:45 AM, January 17, 2011

Posted: 3:13 AM, January 17, 2011

It's a rumble in Brooklyn.

Word spread rapidly through the borough last week, like rats scampering through a subway car. The place was to be invaded. Were interlopers spreading violence? Or had slumming celebrities trained their sights on our shores? Not quite. This incursion was by forces far more sinister.

Walmart.

On Monday, The Brooklyn Papers reported that the giant purveyor of discount orange juice and underwear six-packs was to open a massive store in a new development on the fringes of Flatbush Avenue near Kings Plaza, spreading jobs, bargains -- if you believe carping critics -- pain. By Tuesday, word spread like a cancer to blogs and the mainstream media.

Tuesday night, an emergency meeting was scheduled so local officials might run Walmart out of town.

"I don't know what the idea is," said Dorothy Turano, district manager of Community Board 18. "We could wake up one morning and find a Walmart there."

The hearing was pushed back, due to snow. The next day, a spokesman for Forest City Ratner denied his company met with Walmart about opening a store in its planned Four Sparrows Retail Center.

Is Walmart coming? From the hysterical reaction, you'd think the Evil Empire was about to swallow the city whole. Yet the city has not announced a single project within the five boroughs. And still, official opposition to the retailer, already in the danger zone, has risen to lunatic levels.

It will come to a head on Feb. 3 as the City Council, led by bargain-hating Council Speaker Christine Quinn, hosts Hate Walmart Day.

But to the people of New York -- those who live on Flatbush Avenue and in East New York -- Walmart is not just wanted. It's desperately needed.

"We really want it," said Rosa, a clerk at Kings Plaza. "When I was in Kentucky, they had groceries and gave jobs to senior citizens. The prices are good!"

In a park in East New York, a long Town Car drive from Manhattan, I met a dad who watched his kids. Last year, he was out of work 12 months. Now it's going on 24. To him, Walmart is not just a store. It's the chance for a new life.

"We need jobs," said Malik Johnson, a laid-off laborer. "I'd work at Walmart in a heartbeat."

Why the hostility? Public Advocate Bill de Blasio last week released studies that he said showed -- aha! -- that for every two jobs Walmart brings into a community, three are lost. But if you look at the numbers, you'll see the conclusion is a crock.

One much-cited 2007 report by professors, led by David Neumark of the University of California, Irvine, is "full of a ton of caveats," said a source sympathetic to Walmart.

The study states -- bear with me here -- that the study's own findings "do not imply that the growth of Walmart has resulted in lower absolute levels of retail employment . . . We suspect that there are not aggregate employment effects, at least in the longer run, as labor shifts to other uses."

Phew! Translate that mouthful into English, and the same study that "proves" Walmart's a job killer suggests the opposite may be true. You see, when a Walmart opens, it draws new stores into the area. The result is that people get jobs. Perhaps in other industries, such as construction and hospitality. But don't ask me. Ask the dang study.

Or ask Chicago Alderman Emma Mitts. "If I could have another store today, I'd get me another store today," she said on a video posted online. "Because people need jobs."

"You have a big-box retail, and other, smaller stores are gonna come around and give you an economic engine," Mitts said. Stop the insanity. And learn to love Walmart.

washingtonpost.com > Business > Local Business

When Wal-Mart Moves In, Neighborhood Businesses Suffer. Right?

By Yan Q. Mui
Washington Post Staff Writer
Monday, June 23, 2008

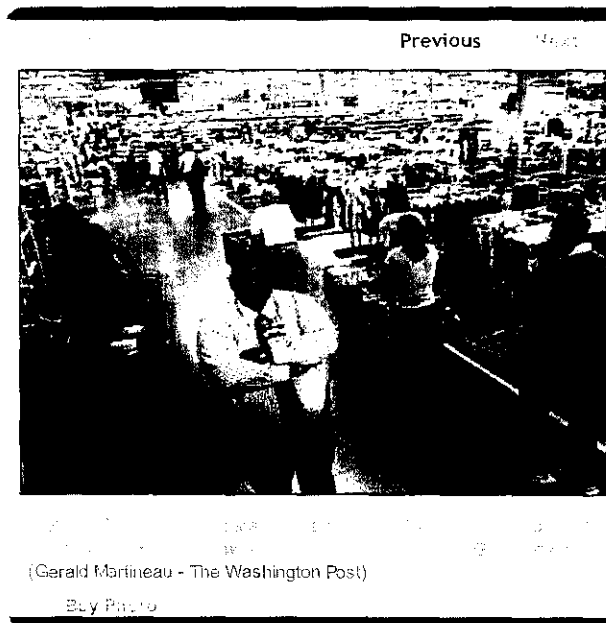
Anthony Ramdass used to worry about Wal-Mart.

For more than a decade, he has watched from behind the counter of his pharmacy in a converted pool hall as businesses slowly blossomed along Annapolis Road in Prince George's County. Then the biggest retailer in the world arrived, offering \$4 prescriptions and always low prices. Ramdass braced himself for legions of defections.

But the pharmacist said not much has changed in the year since the behemoth from Bentonville, Ark., threw open its doors. His loyal clients have not strayed. They like the fact that he delivers for free and remembers most of his customers' names.

Wal-Mart opened its store in Landover Hills -- the first inside the Beltway -- in a storm of controversy last year bred in part by its reputation for running small businesses like Ramdass's out of the rural towns and suburbs that for decades were the retailer's breeding ground. There was concern that the so-called Wal-Mart effect would be replicated, if not magnified, once it moved into more urban areas, such as Landover Hills.

No comprehensive study has been done on Wal-Mart's impact on this stretch of Annapolis Road, the heart of this redeveloping neighborhood. But local proprietors and community leaders say the fears have not panned out. Some say the dour economy is a bigger threat than



(Gerald Martineau - The Washington Post)

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Wal-Mart. Other store owners credit Wal-Mart for boosting their sales, through both its proximity and community outreach programs.

"Wal-Mart was just the big gorilla coming into the community," Ramdass said on a recent afternoon, standing behind the counter of his store. "I think it's perception more than reality."

Ongoing research at Loyola University Chicago suggests one reason why the small businesses have been preserved. In examining Chicago's blighted West Side neighborhood in the year after Wal-Mart entered, researchers found some correlation between how far a business is from Wal-Mart and its likelihood of surviving. That relationship seems to be weaker in urban Chicago than in smaller towns, said Julie L. Davis, the university's community research coordinator and who is leading the study. Davis said more study is needed and expects to complete the research over the next year.

"There's so many other things happening in an urban environment," she said. "It'd be so tough to nail down what's up with Wal-Mart."

The retailer designated Chicago and Landover Hills as two of 10 "jobs and opportunity zones" designed to spur economic development around its urban stores and help small businesses. When it launched the program two years ago, Wal-Mart said it would offer free advertising to local stores and seminars on how to do business -- and even compete -- with Wal-Mart. It also promised grants to local chambers of commerce. The program is designed to last two years in each community.

The company has carried out parts of the program in each zone. It is working with businesses in all locations on advertising but has yet to hold a seminar in Landover Hills. Wal-Mart spokeswoman Rhoda Washington said she hopes to hold one soon. Adam Arroyos, who oversees the program nationally for Wal-Mart, said the most well-attended workshop was held in Decatur, Ga. It has since evolved into business networking sessions and expanded to Miami, Tampa and Raleigh, N.C., he said.

"There's not a one-size-fits-all," Arroyos said. "We leave the design in which that's going to happen to the community."

In Prince George's, Wal-Mart has donated several thousand dollars to help four independent businesses near the store advertise in local newspapers. It also produced radio spots to air over the store's sound system. Wal-Mart selected the stores with help from local officials.

CONTINUED 1 2 Next>

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June 7, 2010 Monday
Final Edition
EDITORIALS; Pg. 21
640 words

Anti-Wal-Mart study just doesn't add up

The Chicago Sun-Times

The folks who don't want any more Wal-Marts in Chicago like to paint the superstore as the root of all evil.

Recently, they've latched on to a new study of Chicago's first Wal-Mart, in Austin, as further evidence of the unique kind of pain Wal-Mart inflicts on Americans.

There's just one problem.

The study's anti-Wal-Mart conclusions don't add up.

On Thursday, the City Council Zoning Committee, short on votes, once again deferred a vote on a massive development on the Far South Side that would include Chicago's second Wal-Mart, giving Chicagoans more time to analyze this study, as well as all things Wal-Mart.

First, let's take a careful look -- and quickly dismiss -- this flawed study by researchers at Loyola University Chicago

Wal-Mart Stores, Inc. - Anti-Wal-Mart study just doesn't add up
and the University of Illinois at Chicago.

Though pegged as the first urban analysis of Wal-Mart's impact on local businesses and jobs, the study turns out to be little more than a cheap shot at Wal-Mart.

The underlying data are weak, even if the researchers' forceful conclusions are not.

In other words, their conclusions are no conclusions at all.

The researchers found that the Austin Wal-Mart basically has been a "wast" in terms of job creation. The jobs created by Wal-Mart, they concluded, were erased by the loss of an equal number of jobs at nearby businesses that closed after Wal-Mart opened in September 2006.

Too bad the researchers didn't count the jobs at the new businesses that opened after Wal-Mart's arrival on the West Side. There are roughly 22, according to the local alderman, Emma Mills, including Menards, Food 4 Less, Aldi, two bank branches, CVS and Burlington Coat Factory. That information wasn't available, the researchers say.

Too bad they also didn't factor in other reasons, unrelated to Wal-Mart, nearby businesses closed. Nor did they compare West Side business closure rates with rates in other similar communities. Again, that information wasn't available.

Without this key data, this research is only a starting point -- and nothing close to a definite statement about Wal-Mart's economic impact.

We don't doubt that when a Wal-Mart opens other stores nearby are forced out of business. That has been documented elsewhere in the U.S, and the Chicago researchers found the businesses closest to the Austin Wal-Mart were at the greatest risk of closure.

It's worth noting, though, that those lost jobs paid low wages, an average of \$9.02 an hour in 2008, according to the UIC/Loyola study. That compares with Wal-Mart's reported full-time average wage of \$11.77 in Austin in 2010.

The verdict is still out on Wal-Mart's impact on job creation in Chicago, with this study offering little insight. But it does help clarify one point:

Wal-Mart alone cannot transform a community, despite what Wal-Mart boosters like to say. Rather, it can be a catalyst

for further economic development, the single best reason we strongly support more Wal-Marts in Chicago, particularly in underserved neighborhoods.

The two South Side sites -- in Pullman and Chatham -- under consideration for a Wal-Mart cannot attract other retailers without an anchor such as Wal-Mart. In fact, no other anchor store has even expressed interest.

And Wal-Mart stores at both locations would bring groceries, merchandise and decent-paying -- not great, but decent -- jobs to neighborhoods that need and want them. This is especially true at Pullman Park, the development the City Council put off on Thursday. That project would transform a barren former industrial site with retail, 800 new homes, a hotel and a recreation center.

There is little risk of displacing existing businesses because there are almost none there -- almost no retail, no restaurants, no grocers.

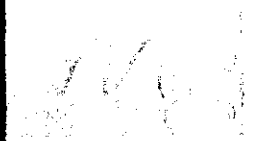
Wal-Mart is neither evil nor the Messiah. But there's little doubt that struggling Chicago neighborhoods would be better off with one than without one.

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Professional Opinion of a Recent Study by the
Center for Urban Research and Learning of
Loyola University Chicago
Concerning the Impact of Chicago's West Side Wal-Mart

June 10, 2008

Prepared for
Wal-Mart Stores Inc.

Overview

Mari Gallagher Research & Consulting Group was retained by Wal-Mart Stores Inc. to develop a Professional Opinion (the Opinion) on a report entitled *The Impact of an Urban Wal-Mart Store on Area Businesses: An interim-evaluation of one Chicago neighborhood's experience* by authors Julie L. Davis, David F. Merriman, Lucia Samayoa, Brian Flanagan, Ron Baiman, and Joe Persky of the Center for Urban Research and Learning of Loyola University Chicago¹ (the Loyola report). The version available for review was marked "last revised April 15, 2008."

We emphasize that we are neither "pro" nor "anti" Wal-Mart but, rather, a neutral third-party research firm. We do not conduct advocacy or any type of political work. More information is available at marigallagher.com.

The Opinion is organized into two key subsequent sections: 1) a review of the Loyola report and 2) a preliminary assessment of alternative data, methods, and analysis that, moving forward, might inform the important question of Wal-Mart's potential impacts – whether positive, negative, or neutral – on the local business, economic development, and community development climate in Chicago and particularly in the Austin neighborhood.

We express appreciation and respect for the authors and funders on whose paper we provide feedback, and hope that our commentary and analysis contribute positively to their continued work, and other research concerning the entrance of Wal-Mart into urban settings.

Report Review

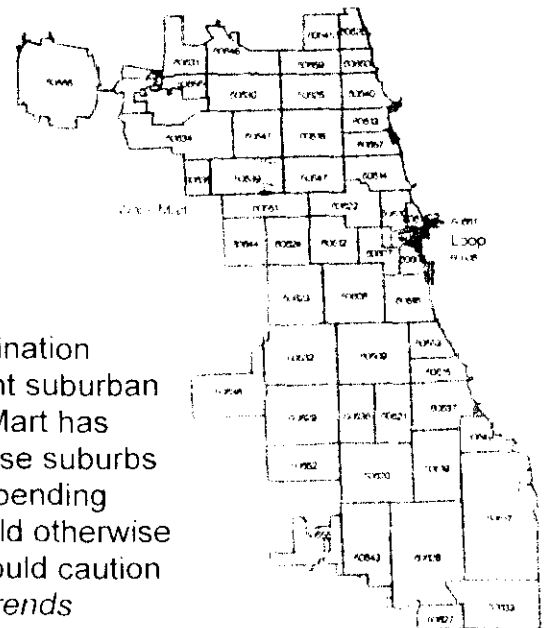
The Loyola report utilizes three key sources of data: 1) a survey of businesses within a 3-mile radius of Wal-Mart conducted in 2006 and 2007; 2) Illinois Department of Revenue sales tax data by Zip Code for 2000-2007; and 3) Dun & Bradstreet data on store location and sales for 2005 and 2007. The methodology constitutes examining changes from the period before Wal-Mart's arrival to the period after Wal-Mart's arrival, with these changes further broken down by distance from Wal-Mart and by whether or not a business was a Wal-Mart competitor.

No methodology is perfect. Limited time, resources, and data, in addition to many other factors, can challenge any research project. However, we identified several difficulties with the Loyola methodology that are worth addressing:

1. The before-and-after approach, even when it looks at changes close to and distant from Wal-Mart, cannot account for the possibility that the retail climate in the neighborhood into which Wal-Mart moved was already in decline to a greater extent than in other neighborhoods. If this is the case, then a greater decline in the number of retail establishments after Wal-Mart's arrival may be less the result of Wal-Mart's impact

than of pre-existing trends in the vicinity of the location chosen by Wal-Mart. The authors admit that the neighborhood into which Wal-Mart moved was indeed unique in how seriously the retail environment had declined, even before Wal-Mart's arrival: "... no other area of the city could serve as an appropriate control, because no other area had experienced such a large recent decline in retail and overall employment in recent years" (Footnote 6, p. 8). The implication here is that the retail market had "bottomed-out." Our methodological criticism also applies to the analysis of sales tax data by Zip Code. Here, although the authors have enough data to analyze the *trend* in sales by Zip Code both before and after Wal-Mart's arrival, they do not do so — the regressions in Table 8 contain a "Wal-Mart effect" that is the amount by which the *level* [of the natural log] of retail sales differs after Wal-Mart's arrival, but to capture the effect of Wal-Mart's entry on the *trend* in sales, a three-way interaction between year, Zip Code, and whether an observation occurred after Wal-Mart's arrival would be required (i.e. the regressions in Table 8 allow the *intercept* to change with Wal-Mart's arrival, but not the *slope* of the regression line). Furthermore, even if this were accounted for, we have concerns about using Zip Code level data for this type of analysis. Urban Zip Codes are large geographies that can contain many substantial retail nodes, with many businesses moving in and out (some being very big and constituting the addition or subtraction of a high volume of sales), yet, due to the nature of how the data are made available, the authors must rely on one total sales tax figure by category across an entire Zip Code. This can be very misleading when trying to pinpoint the effect of one particular business on all other competitors. Furthermore, the Wal-Mart, which opened in September of

2006, resides officially in one Zip Code but on the border of another, as the Loyola report notes. The Wal-Mart is located just east of Cicero on North Avenue in the Austin community as illustrated in Maps 1 & 2. The potential impacts of Wal-Mart would thus ripple out from that center point to 60639 and 60651, as well as to other possible Zip Codes, and even potentially the adjoining suburbs just to the West, small parts of which are included within a 2 mile ring, a relatively small distance from a destination center. While the Loyola report does include three adjacent suburban Zip Codes of the total 10 analyzed, it states that the Wal-Mart has "limited ability" to attract suburban customers because those suburbs have their own retail options and that "much of the retail spending going to a Wal-Mart store must replace spending that would otherwise have gone to stores in the city" (p. 8, paragraph 2). We would caution not to ignore the before-and-after flow of sales tax dollar *trends* across municipal borders. Consumer retail dollars flowing from urban to nearby suburban areas has been noted as a serious concern by government leaders and others, not only in Chicago, but across the country over the last few decades, especially with the "mallings of America" taking place historically in the suburbs, driving sales tax dollars away from urban centers. Since the West Side of Chicago, particularly Austin, had a "bottomed out" market with few retail options, as the Loyola report suggests, it is highly likely that



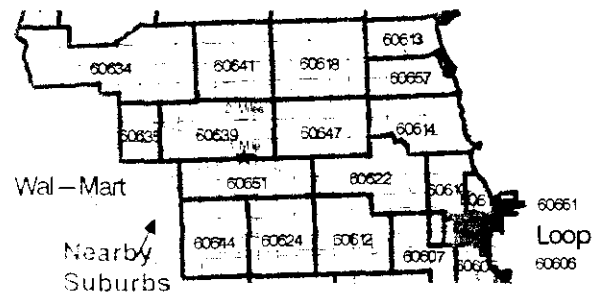
**Map 1: Wal-Mart
by Chicago Zip
Codes and
Distance Rings**

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function to
enlarge map

a good portion of consumer dollars from the West Side of Chicago flowed or "leaked" over the years to nearby suburbs as well as to other areas of the city and that some of those dollars originating from Chicago but previously being spent in the suburbs now are being spent at Wal-Mart and/or possibly other Chicago stores that compete with Wal-Mart (as a shopping alternative) or

complement Wal-Mart (additional shopping that takes place near a destination center such as Wal-Mart due to factors of agglomeration, increased traffic and shopper convenience). For consumers who live in adjoining suburbs, the Austin Wal-Mart might be the closest Wal-Mart to them, and as Wal-Mart is a destination center for certain types of consumers, suburban residents might, in fact, cross the Chicago border to shop at the Austin Wal-Mart. The net gain, loss or "evening out" between Chicago and adjoining suburbs should be explored and quantified, as locally captured sales tax dollars are generally important to municipalities and to their ability to make local investments that impact the local business climate and quality of life amenities for residents.

Map 2: Wal-Mart by Nearby Zip Codes and Suburbs and Distance Rings



2. The possibility that Wal-Mart's arrival generated the entrance of additional retail establishments is overlooked except in noting that the Dun and Bradstreet data contain some firms that were present in 2007 but not in 2005 (p. 14, paragraph 3: one of the three groups into which the data were divided was "[firms] that appeared in the 2007 data but not in the 2005 data"). It is not until the Appendix tables that it is possible to ascertain that there were nearly 700 such businesses (new entrants) that arrived after Wal-Mart (Table A2.1) and that more than 400 of these were in SIC codes that competed with Wal-Mart. In fact, these new entrants into the market were actually just as likely ($406/697=58.2\%$) to be Wal-Mart competitors as the firms that exited the market ($770/1308=58.8\%$) [calculated from Table A2.3]. Based on the information available in the Loyola report, it appears that no attempt was made to contact these businesses, and no analysis of their proximity to Wal-Mart was conducted. It is thus possible that the slightly higher rate of business failures that the authors suggest is a consequence of Wal-Mart's arrival (p. 15, paragraph 2) is actually instead a symptom of greater "churning" (entry as well as exit – market movement) in the vicinity of Wal-Mart. There are many reasons why stores go in and out of business. Industries emerge, grow, change, and die, and some are reborn and reconstituted. This is the natural cycle of the market. In the retail industry, certain stores and shopping environments become more competitive, while other stores and shopping environments become less competitive. Stores go in and out of business based on a myriad of inter-related and highly dynamic factors, and when markets begin to revitalize or at least to improve somewhat after having "bottomed-out" over time, there is churning and upward pressure on and tightening of the local commercial and residential real estate market. The net effect of businesses moving in and out, before and after Wal-Mart, must be calculated.

Furthermore, a reasonable time period must elapse for the "churning dust to have settled" after the arrival of Wal-Mart to capture these potential impacts.

3. Increased sales growth for firms in SIC codes that compete with Wal-Mart is a "counter-intuitive" finding only if the potential for Wal-Mart's entrance to generate additional retail traffic² through the neighborhood is ignored. When findings are inconsistent with a negative impact from Wal-Mart's arrival, the authors describe these results as "counter-intuitive" (e.g. p. 13, paragraph 1: "Three Zip Codes all relatively distant from Wal-Mart have counter-intuitive positive and significant coefficients" [indicating that retail sales in these Zip Codes were higher after Wal-Mart's arrival than before it]; p. 20, paragraph 4: "We find some counter-intuitive evidence that establishments in SIC codes that compete with Wal-Mart had more growth in sales than those that did not compete with Wal-Mart.")³.

4. The finding that in the raw data (as opposed to the regression results) there was "little evidence that the Wal-Mart store either hastened business failure or slowed business formation in competitive SIC codes" (p. 19, paragraph 4) appears in Appendix 2, despite the fact that it is arguably one of the most important findings the authors offer (in light of their review of previous studies of Wal-Mart's impact which emphasizes the need to examine the impact on firms that directly compete with Wal-Mart). In the regressions using the Dun and Bradstreet data to evaluate the impact of Wal-Mart's arrival on the probability that a firm would go out of business between 2005 and 2007 (Table A2.5A), the finding that businesses closer to Wal-Mart and in SIC categories that directly compete with Wal-Mart were more likely to exit than more distant firms that were not direct competitors is sensitive to the inclusion of controls for the size of firm (employment and sales) and for the firm's age. Once these variables are included (column 5), the effects of proximity to Wal-Mart (either in physical distance or in the extent to which they were in the same line of business) become statistically insignificant. One interpretation of the difference between column 5 and columns 2 through 4 is that going out of business is the result not of Wal-Mart's appearance but of the poorer performance of smaller firms ("small" being measured by number of employees and sales), and firms that have been in business a short time. The authors choose to focus on the results that do not include these controls when they claim (p. 15, paragraph 2) that "proximity to Wal-Mart increased the probability that a business closed during the first year of Wal-Mart's operation." So the authors dismiss the result of examining the raw data, dismiss the results of examining the data in a regression with a reasonable set of control variables, and choose instead to emphasize the one set of results that is least favorable to Wal-Mart.

5. The Dun and Bradstreet data, as the authors point out after describing their efforts to verify it, are quite incomplete (for example, of 20 businesses that Dun and Bradstreet report as having disappeared between 2005 and 2007, the authors were able to verify that a quarter were in fact still in business in 2007 [p. 14, paragraph 3]). There is considerable research literature and complaint about Dunn and Bradstreet data reliability issues, documented as far back as 1980. The company has made efforts to

improve their data, and the data do have value in many research circumstances, especially when "n" is large enough to mask gross errors and additional data and field checks are used for supplementation and crosschecks. The data used for the Loyola report, however, have a relatively small universe, making data reliability and the need to supplement and clean data of extreme importance. However, as we understand it, the Dunn and Bradstreet data was the sole business data used. Furthermore, we find in our work that Dunn and Bradstreet data is weakest in markets such as Chicago's Austin community where there are a number of small and minority-owned businesses that might not be on Dunn & Bradstreet's radar to begin with, let alone show up in their database with a correct or up-to-date name, sales figure, etc. Minority markets and markets that have experienced decline are often themselves biased against in terms of regular and accurate data collection on the part of private data vendors. There is likely not as much interest or perceived financial incentive, for example, for private sector data firms such as Dunn and Bradstreet to develop and check data in the Chicago Austin neighborhood as there is in neighborhoods East of Austin and especially closer to downtown Chicago.

Although the authors admit the Dunn and Bradstreet data imperfections, they nonetheless describe the results they obtain from them as "stronger than the results from our own survey." They assert that, though the Dun and Bradstreet data "measure economic activity with error," they believe the data are unbiased. In Appendix 2, they state "this data appear to suffer from (sometimes severe) measurement error but we know of no reason that it should bias our results" (p.19, paragraph 1).

There are in fact two potential sources of systematic bias that the authors do not consider or reveal in their report: (1) the Dun and Bradstreet methodology is likely more prone to identify businesses that *disappear* rather than businesses that *appear* (since for the former, they already have a phone number and address on file that they can utilize to contact existing businesses, so their disappearance can be easily verified); firms that enter the marketplace, on the other hand, are unlikely to be immediately identified by Dun and Bradstreet because it relies on information from vendors and various other data sources to add firms to their rosters, and many of these sources become utilized by Dunn and Bradstreet only with an often substantial lag by the nature of the time period needed to collect data and release it; and (2) to the extent that Dun and Bradstreet does not continuously monitor activity in each neighborhood but instead "looks in" only at discrete intervals (monthly, semi-annually, annually), neighborhoods characterized by high turnover or churning will have their turnover understated. Given the likelihood that exiting firms are identified more quickly than entering firms, such high-turnover neighborhoods will likely show up as losing more businesses than more stable neighborhoods despite the fact that the actual number of firms in business at any date in each grouping may not differ substantially. When the authors limit their sample to those firms that actually reported any change in sales from 2005 to 2007 (firms for which they are more confident the Dun and Bradstreet data are accurate), they "find few significant variables and little evidence that Wal-Mart's presence had any effect on

employment growth or decline among establishments that continued in business" (p. 20, paragraph 5).

6. The results on sales tax revenue by Zip Code are highly sensitive to the time periods included: the exclusion of observations for 2000-02 (to avoid the impact of the 2001-02 recession) results in a surprising number of changes in the signs and statistical significance of the variables measuring Wal-Mart's impact in each Zip Code. In addition, it is not clear why observations from 2000 must be dropped to avoid the impact of a recession which the authors assert (p. 13, paragraph 2) did not begin until early 2001.

Summary of Review

In general, we find the results in the Loyola report to be weak (as the authors admit) for their own survey data and often "counter-intuitive" or sensitive to the time periods examined for the sales tax data. The results are described as "strong" only for the Dun and Bradstreet data that the authors concede "measure economic activity with error." The label "strong" does not seem warranted by these results. But even using these data, the impact of Wal-Mart on business failures is absent in both the raw data and in the regression results with a reasonable set of controls. Together, the potential bias favoring greater counting of business exits, the lack of analysis of business entrants, and the failure to distinguish pre-existing trends from the impact of Wal-Mart's entry render the study's conclusions less than convincing at this point. The study's claim in its concluding paragraph (p. 16, paragraph 2) that "... our work demonstrates that, even in its first year of operation, Wal-Mart is indeed changing the landscape of Chicago's West Side business community," and, by implication, *negatively* changing the landscape, is far too strong and conclusive a statement for the weak evidence provided by the authors thus far.

Cursory Alternative Data and Analysis Exploration

Overview

In the following pages we outline our cursory data analysis work to offer suggestions for moving forward in the study of the potential impacts of Wal-Mart on the local business, economic development, and community development climate in Chicago and the Austin community. **This is not a comprehensive or conclusive study, but a beginning exploration extremely limited by time and resource constraints, shaped by several areas of inquiry in response to the Loyola report.**

Upon reviewing the Loyola report we became curious about four key questions: 1) what activity has there been in the local real estate market before and after the arrival of Wal-Mart, 2) was the local retail market churning, 3) what alternative or supplemental data sources could be used for business entrance, exit, and churning to improve Loyola's Dunn and Bradstreet data analysis and 4) what appropriate "control" communities could be identified for comparison purposes? To begin to explore these questions we 1)

analyzed ten years of individual address-level Multiple Listing Service real estate transactions for the Zip Code in which the Wal-Mart resides and aggregated data for comparison Zip Codes 2) analyzed before-and-after Wal-Mart City of Chicago individual address-level business license data for the entire City of Chicago at five dates separated by intervals of 6 to 12 months (October 2005, October 2006, April 2007, October 2007, and April 2008), and 3) developed a cluster analysis to identify a control or comparison group, and then compared results to that group. **We emphasize that exploring these three questions was the goal of this limited data exercise as supplemental information to accompany our Opinion of the Loyola report.**

Our theory of change concerning overall business and economic development impact is that the first potential impact would be felt in the local real estate market as plans for the Wal-Mart store (or any large development) are announced and pursued. For example, if the Wal-Mart is perceived by the local real estate market as positive, land values should increase within the most immediate distance rings around the store, with the greatest increases closest to the store. If the perception is negative, land values should decrease. If there is no impact, land values should remain flat or move along with other external influences. Pre- and post-Wal-Mart figures must be compared to changes over time and compared to other areas.

The second potential impact would be seen in business activity, although this cannot be measured overnight as the impact takes longer to be realized. Furthermore, methods must incorporate the realities of any churning that might be taking place. As businesses move in and out, there can be an in-between period that appears as "high vacancies," "inactivity," or "decline." For example, the Austin Cub Foods, just over 1/4 mile from the Wal-Mart, had recently closed⁴ but was later reopened as a Food-4-Less. The acquisition of the Cub Foods site and remodeling of it into a Food-4-Less presumably took time to complete, after which a permit could be sought and the store could open for business, which happened last month. Grocery stores are not direct competitors to a regular Wal-Mart, but they do sell crossover items⁵.

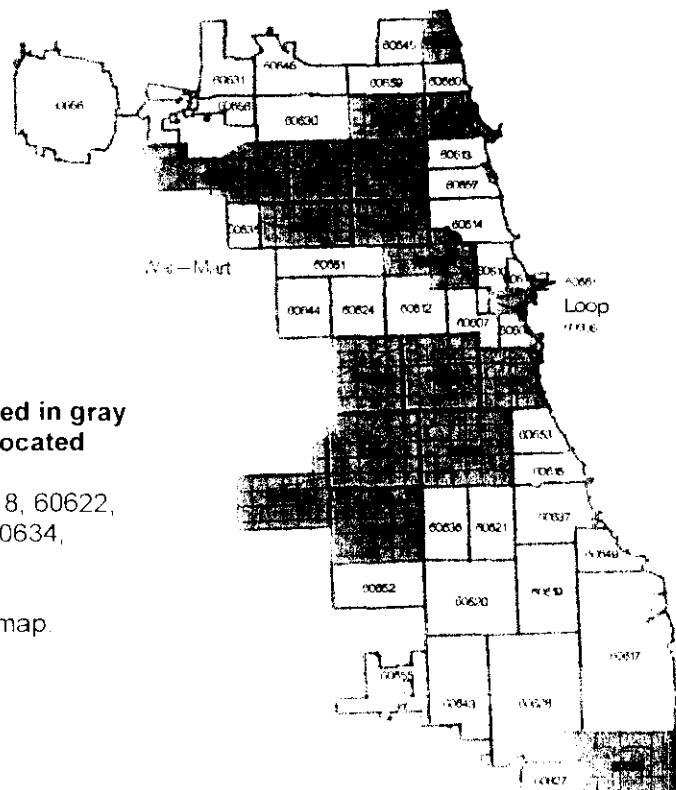
Potential impacts could also be measured through lending, permit, and business license data (investment activity), sales tax data projections (with methods to overcome the problem of one total category figure for an entire Zip Code⁶), real estate and tax assessment records, change in jobs, wages of those jobs, the recycling of retail dollars locally (which tends to happen more with independent, small businesses than with chains) and other measures. Aside from being constrained by time and resources for this cursory analysis, we are limited by the short amount of time that the Wal-Mart has been open. Retailers do not immediately open or close when another retailer enters the market⁷; longer-term trend analysis, as well as very detailed, accurate, timely, and geographically appropriate data down to the block and exact business location level, with an appropriately-sized universe, are required to isolate the many factors that can affect local markets. Future studies of the potential impact of Wal-Mart should also measure any agglomeration⁸ effect that might take place; we recommend that it not be limited to direct competitors only. The "Snowball Effect" (Gallagher 2007) can also help

put into perspective where the neighborhood market is headed relative to other local neighborhood markets.⁹

Approach

Before the change over time in the number of real estate transactions or business licenses could be examined, it was necessary to identify areas to which the vicinity of the Wal-Mart could be compared. This was an attempt to isolate any effect of Wal-Mart's arrival from the effect of more general changes over time in the city's business climate. For example, if the analysis revealed an increase or decrease in business licenses in a one-mile radius around Wal-Mart from October 2006 to October 2007, it would not be possible to associate this change with Wal-Mart's presence, as it may reflect a trend that was occurring in other parts of the city as well.

To identify useful neighborhoods to which the area around Wal-Mart could be compared, demographic and economic data from the 2000 U.S. Population Census was examined for a set of Zip Code Tabulation Areas (ZCTAs). Three characteristics were considered: the percentage of an area that was African American, the percentage that had at least a high school degree, and median household income. A "cluster analysis" was performed to identify a group of ZCTAs that was similar to the ZCTA containing the Wal-Mart (60639). This procedure is illustrated for the case of two variables in Figure 1. One drawback of the procedure is that the Census data are 8 years old. A second drawback is that the data are aggregated across Zip Codes, very large geographies. However, the cluster analysis provides an alternative to simply comparing changes in the Wal-Mart Zip Code to surrounding Zip Codes which could indeed be very different. Attempting this modest level of control or comparison is likely better than no control or comparison.

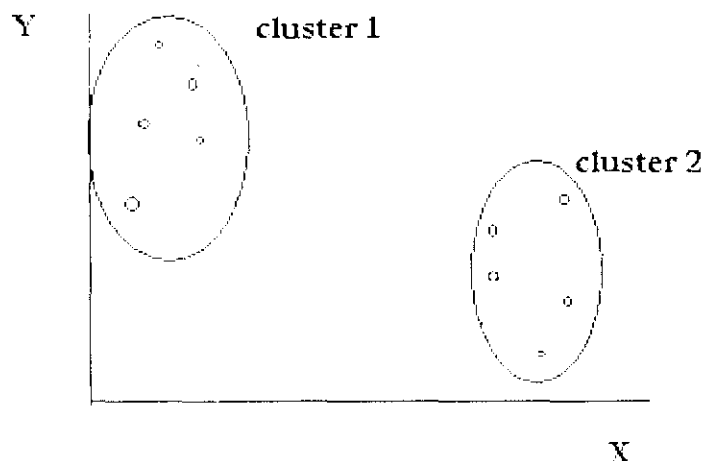


Map 3: Zip Codes for Cluster Analysis shaded in gray and 60639, where the Wal-Mart is officially located

Cluster Zip Codes: 60608, 60609, 60616, 60618, 60622, 60623, 60625, 60626, 60629, 60632, 60633, 60634, 60638, 60640, 60641 and 60647

Please use your "zoom in" function to enlarge map.

Figure 1: Cluster Analysis



The scatterplot shows the values of two variables (X and Y) for each of 10 different areas of our example. The cluster analysis groups the 5 observations with high Y values and low X values together in one group, and places the other five values with low Y values and high X values in another group. The procedure selects observations into each group to minimize the distances among the observations within a group.

Once the group of ZCTAs similar to the ZCTA containing Wal-Mart was identified (refer to Map 3), the trends over time in the distribution of business licenses could be analyzed by comparing the trends across similar ZCTAs. This makes it easier to isolate the trend in business licenses near Wal-Mart from the city-wide trend in neighborhoods with a similar demographic and economic make-up, again noting the limitations of the data as discussed.

Multiple Listing Service Data

Individual Multiple Listing Service records of all real estate transactions at the address level, from 1998 through 2007, were collected, geocoded¹⁰ and analyzed for the 60639 Zip Code, in which the Wal-Mart resides (there were 7,226 total records). These records include commercial properties, although the vast majority are residential. Because retail agglomeration (the attraction of additional retail to a large anchor¹¹ development such as Wal-Mart) tends to trigger commercial development speculation, the tying up of commercial land, and the eventual transfer of commercial land through brokers, developers, etc., developing appropriate commercial data as an impact indicator would require other methods. Furthermore, we suspect that not enough time has passed to see the full impact on commercial parcels. Residential parcels, by contrast, can show an impact much more quickly. Therefore, the MLS dataset was chosen.

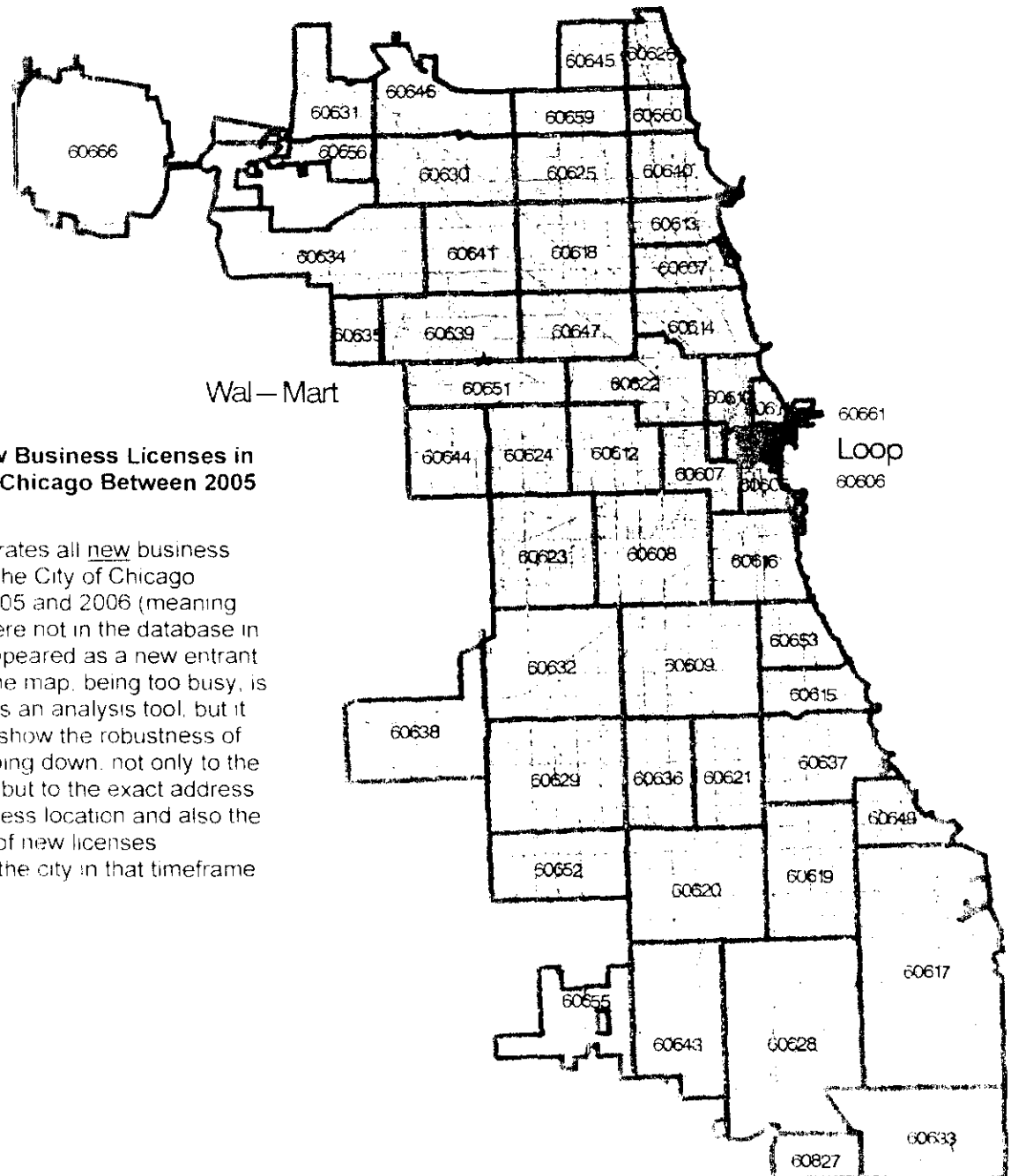
The distance to the Wal-Mart location was calculated for each of the 7,226 transactions. A ring analysis surrounding the Wal-Mart was conducted for transactions within 1/4 mile, 1/2 mile, and 3/4 mile in distance¹². Averages across comparison Zip Codes were also collected and analyzed for 2005 through 2007; time and resources did not allow a ten-year scan. The analysis would have been improved if data from 60651, the Zip Code to which Wal-Mart borders, could also have been collected and analyzed at the address level (indeed – if *all* transactions in the City could have been analyzed at the address level over a ten year period), which, again, time and resources did not allow. Furthermore, for the 1/4 mile distance ring, the numbers of observations are very low. The transactions in the 1/4 mile ring were 2 or 3 for most years (the highest number was 5). The 2002 data for the 1/4 mile ring consists of 2 parcels that appear to have been sold as vacant land, both for \$37,000, which is why that year's figure is so low. We do not know the size of either parcel. Perhaps one or both are now part of the Wal-Mart site. All other transactions in the 1/4 mile ring for the ten-year period are residential transactions. The 2007 1/4 mile ring only consists of one transaction. We expect "n" to be extremely low (and thus, limited) in the 1/4 mile ring because, the closer to the store, the smaller the universe of total transactions to analyze due to the smaller area and thus the smaller number of total properties. We also expect "n" to be low because of the likelihood that those properties are not constantly turning over and thus not showing up repeatedly in the database over the ten-year period. Additionally, the 1/4 mile distance ring around Wal-Mart will be comprised partly of Wal-Mart land as the ring is drawn from where the address is pinpointed. It is nonetheless worthwhile to take a look at property transactions within the 1/4 mile ring since they are the absolute closest to the store – practically on Wal-Mart's doorstep. This is where we expect impact to be greatest. For the 1/2 mile distance ring, the vast majority are residential, and the average number of observations per year over the ten-year period is 20. For the 3/4 mile distance ring, the vast majority are also residential, and the average number of observations per year over the ten-year period is 95. We note that some residential transactions and many commercial transactions were likely completed outside of MLS (such as independently by owner or through other methods).

City of Chicago Business License Data

To determine if churning might be taking place around the Wal-Mart, and to identify a possible data supplement to the Dunn and Bradstreet data used in the Loyola report to assist in identifying new business entrants as well as a more complete database overall, a total of 255,659 City of Chicago address-level business licenses were drawn from the city's licensing database at five dates (October 2005, October 2006, April 2007, October 2007, and April 2008). Unfortunately, we were not able to choose our data segments; this is all that was available to us.

The distance to the Wal-Mart location was calculated for each of the 255,659 licenses. At each date, roughly 51,000 licenses were extracted and geocoded (see MLS geocoding endnote for details). Each license location was then compared to the geographic center of each of the ZCTAs selected for analysis, and the distance from the

license location to the center of the ZCTA was calculated. Then the number of licenses at different distances (e.g. less than 1/4 mile, 1/4 to 1/2 mile, etc. up to three miles) from each ZCTA in question was calculated. This made it possible to assess how many licenses were located in the vicinity of each ZCTA center at 5 different dates. We also conducted a distance ring analysis around the Wal-Mart.



Map 4: New Business Licenses in the City of Chicago Between 2005 and 2006

Map 4 illustrates all new business licenses in the City of Chicago between 2005 and 2006 (meaning that they were not in the database in 2005 but appeared as a new entrant in 2006). The map, being too busy, is not useful as an analysis tool, but it is useful to show the robustness of the data, going down, not only to the block level, but to the exact address of the business location and also the magnitude of new licenses throughout the city in that timeframe

While we have at least captured data before and after Wal-Mart's entrance, the business license data also have limitations. Regarding business licenses, it is possible that a store might go out of business but that the license, until it expires, is considered current. However, it is at least possible to call that store to identify if the business has persisted or not. Furthermore, the licenses provide a good method to capture brand new businesses which, for the most part, require licenses to sell product, hang signs, etc. or risk being fined. It is important to note that not all business licenses are equal, and some stores, big or small, might need multiple licenses. For example, additional businesses might be attracted to a market because the market is improving. Areas with smaller, traditional storefronts might be redeveloped into fewer but larger stores with more square footage and employees, but fewer collective licenses. We would have preferred to draw business licenses farther back in time to have a more robust trend analysis but this was not possible given time and resource constraints and what was made available to us. The Zip Code that the Wal-Mart borders (60651) was not identified in the cluster analysis and, as such, was not analyzed. If given more time and resources, we would, at the minimum, go back and run an additional analysis from the center of 60651. However, the ring analysis around the Wal-Mart itself includes those areas that are in 60639, 60651, and any other Chicago Zip Code that the ring includes.

All data must be placed in context, seen through the lens of both advantages and disadvantages, and used with caution.

Summary of Cursory Analysis (Please see the Appendix for supporting charts and graphs.)

The ten-year period of Multiple Listing Service data for Zip Code 60639 shows that, upon the announcement of Wal-Mart's location plans, average real estate sales prices shot up dramatically among those transactions within 1/4 mile to the store, compared to the preceding trend. The vast majority of these are residential transactions. We compare the recent Wal-Mart distance rings with average sales data from the set of "cluster" Zip Codes, namely: 60608, 60609, 60616, 60618, 60622, 60623, 60625, 60626, 60629, 60632, 60633, 60634, 60638, 60640, 60641 and 60647 (see Map 3) for the years of 2005, 2006, and 2007. The averages of the comparisons also increase sharply and are higher, with the exception of the 1/4 mile-to-Wal-Mart distance ring (again, "n" in that category is low). However, the sales trends of the rings around the Wal-Mart are most striking. If the residential market (in addition to the commercial market, as the Loyola authors suggest) had bottomed-out around the Wal-Mart and in Austin generally, then the area around Wal-Mart, in terms of residential real estate sales, appears to have started down the path of recovery. It appears that the announcement and opening of the Wal-Mart increased nearby (primarily residential) MLS real estate values in the 1/4 mile ring closest to the store. The two other distance rings also show improvement. Conducting a ten-year analysis of cluster Zip Codes for the same ten-year period would help us draw more conclusive findings as to how these increases compare to other parts of the city. Conducting an analysis for every real estate transaction in the entire city, or at least for the additional Zip Code of nearby



60651, beginning at the address level as we did in 60639, would also shed light on the question of impact.

We reconciled, cleaned, and analyzed individual address-level business license data for over 255,000 records, also using our “cluster” Zip Code set (see listing above or Map 3) for comparison purposes. Additionally, we developed a distance ring analysis around the Wal-Mart itself. In the case of business licenses, we developed distance scores for every business license location for each of the City’s 255,000-plus data points to the North Avenue Wal-Mart across five time segments: October 2005, October 2006, April 2007, October 2007, and April 2008.

What we found is that the number of business licenses fluctuates between increases and decreases throughout the Zip Code cluster evaluation series, with more increases and an upward trend line closer to the Wal-Mart, and more decreases and a downward trend line farther from the Wal-Mart. With the ring analysis around the Wal-Mart itself, there is an increase within 1/4 mile of the Wal-Mart, and then there is a dip immediately afterwards in the 1/2 mile and 3/4 mile rings. What we can conclude based on the data, our knowledge of commercial markets, and our inspection of the Wal-Mart site and surrounding business community is that there is new business activity immediately around the Wal-Mart and churning (business entry as well as exit – market movement) rippling out in the next 1/2 mile and 3/4 mile ring from the Wal-Mart as well as farther out, which we would expect if the commercial market had bottomed-out and was rebounding. Earlier, we cited the example of the Austin Cub Foods, just over a 1/4 mile from the Wal-Mart, which had closed but was recently reopened as a Food-4-Less. The acquisition of the Cub Foods site and the remodeling of it into a Food-4-Less presumably took time to complete, after which a permit could be sought and acquired and the store could open for business. (Grocery stores are not direct competitors to a regular Wal-Mart, but they do sell crossover items. Food-4-Less is also relevant in terms of overall business activity and agglomeration. See endnotes for more details.) The Food-4-Less business license was acquired last month, after which the store opened. Given that not all business licenses are equal, and that some retailers will have multiple licenses, as discussed previously, the next analysis step would be to match and de-duplicate all business license data to one particular business location, and then project the number of jobs, square footage, and sales, record-by-record for each business. That data could then be cross-checked with Dunn and Bradstreet data and/or other private vendor data as well as field checks (field checks are extremely important). Given what we found so far in this cursory analysis, we believe that not enough time has passed to make the record-by-record matching and projections of each business worthwhile at this point in time. We recommend first the passage of a few more time segments for the “churning dust” to begin to settle to maximize the data effort.

We emphasize that our analysis is very cursory – a small first step – and that more time, data, and analysis are needed to continue to track and monitor potential Wal-Mart impacts – whether positive, negative, or neutral – on the local business, economic

development, and community development climate in Chicago and particularly in the Austin neighborhood.

In addition to surveys, private vendor business data, business license data, employment data, and so on, potential impacts could be measured through lending and investment activity (such as bank loan and permit data), sales tax data projections (with methods to overcome the problem of one total category figure for an entire Zip Code as well as the net sales tax effect between Chicago and nearby suburbs), percentage change in jobs, projected wages and benefits of those jobs, the recycling of retail dollars locally, and other measures. Future studies should also measure any agglomeration effect that might or might not take place around the Wal-Mart; we recommend that future studies not be limited to direct competitors only, as there is a great degree of cross-selling of many consumer goods by retailers who are not thought of or coded as direct competitors.

The core tenant of agglomeration is that retail attracts more nearby retail. This is one of the many reasons why – if there are impacts from the Wal-Mart – we will likely first see those impacts closest to the store, then rippling outward¹³ in rings away from the store. Retailers have a “herd” mentality. They typically choose to move together and to avoid isolated investments. The closer the stores are in location, and the more they provide similar (the same type of product line) but distinct consumer options (different brands, customer service, price points, ambiance, etc.), the greater the agglomeration effect and the greater the potential for the Snowball effect (see endnotes) to accelerate in an outward direction. Retailers agglomerate because they perceive that any negative effects from increased competition are outweighed by lower investment risk, lower development costs, increased number of shoppers and a better bottom line. Consumers support agglomeration through spending patterns because of increased selection, quality, price, and convenience of consumer goods. If the Chicago Austin market had bottomed-out and had few retail options, consumer dollars from Austin might flow to other Chicago neighborhoods or to the suburbs. As more local shopping options become available in Austin, more local dollars might be captured locally.

Measuring the net effect of all these factors with the best and most robust data and methods possible – under an appropriate timeframe – will hopefully help draw meaningful and accurate conclusions about the impact of the Chicago Wal-Mart.

Impacts are not realized overnight; longer term trend analysis, as well as very detailed, accurate, timely, and geographically appropriate data down to the block and exact business location level, with an appropriately-sized universe, are required to isolate the many factors that can affect local markets.

Appendix

Table 1

Multiple Listing Service Data Average Sales Price in Dollars for all MLS Property Transactions by Distance Rings Around the Current Location of the West Side Wal-Mart

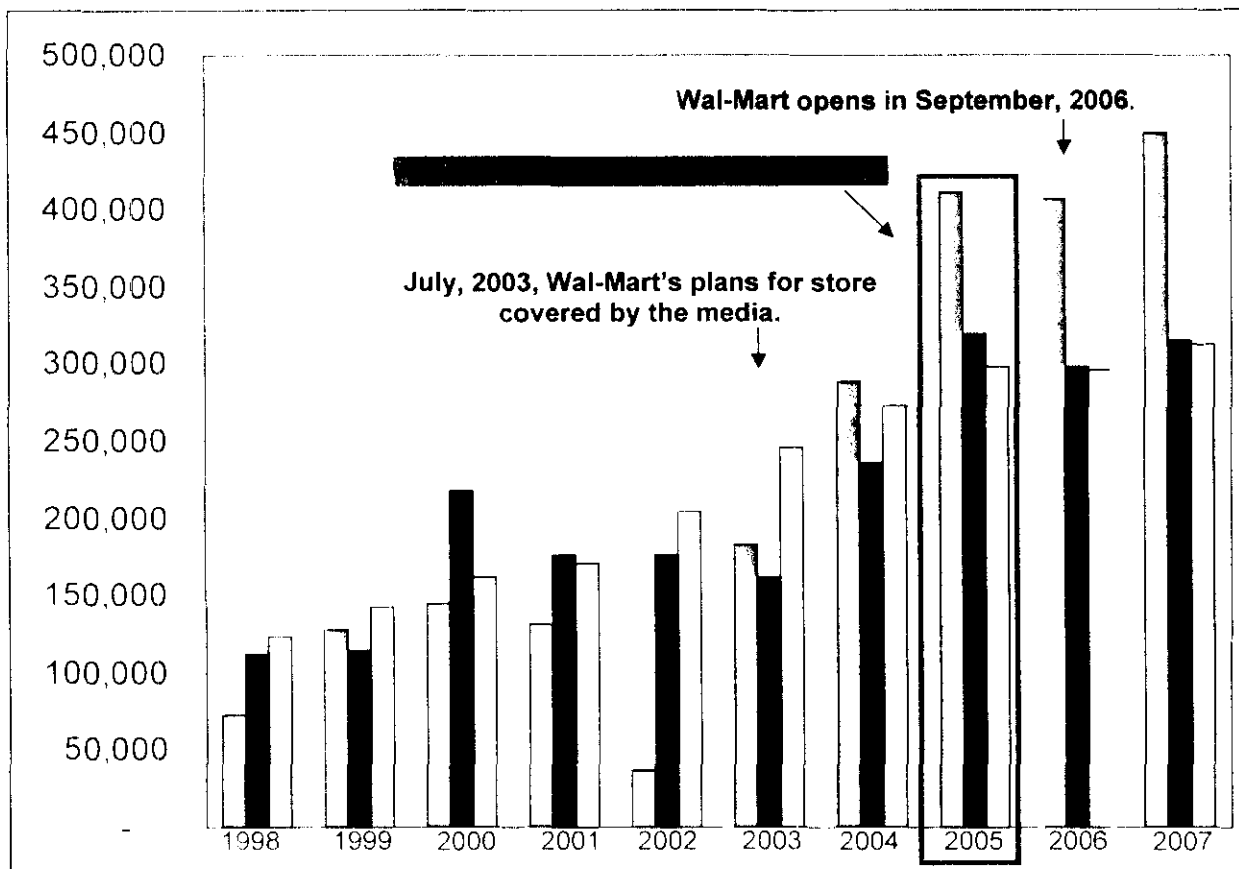
Distance	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
.25 miles and less	72,400	127,933	144,725	131,129	37,000	182,967	287,780	410,950	406,950	450,000
.26 miles through .5 miles	112,608	114,802	217,991	175,627	176,550	161,412	235,926	319,026	297,936	314,845
.51 miles through .75 miles	123,141	142,668	160,877	170,787	203,978	245,459	271,917	298,673	296,154	313,090

(Scroll down.)

Chart 1

**Multiple Listing Service Data Average Sales Price in Dollars
for all Property Transactions by Distance Rings
Around the Current Location of the West Side Wal-Mart
of Properties Located in 60639**

- ▒ 25 miles and less
- .26 miles through .5 miles
- ▒ .51 miles through .75 miles



The 2002 data for the 1/4 mile ring consists of 2 parcels that appear to have been sold as vacant land, both for \$37,000. We do not know the size of the land. Perhaps it is now part of the Wal-Mart site. All other transactions in the 1/4 mile ring over the ten-year period are residential transactions.



Chart 2

Multiple Listing Service Data Average Sales Price in Dollars
for all Property Transactions
For the Average of all 17 "Cluster" Zip Codes for 2005, 2006 and 2007

2005	2006	2007
309,752	366,870	431,947

"Cluster" Zip Codes: 60608,
60609, 60616, 60618, 60622,
60623, 60625, 60626, 60629,
60632, 60633, 60634, 60638,
60639, 60640, 60641 and
60647

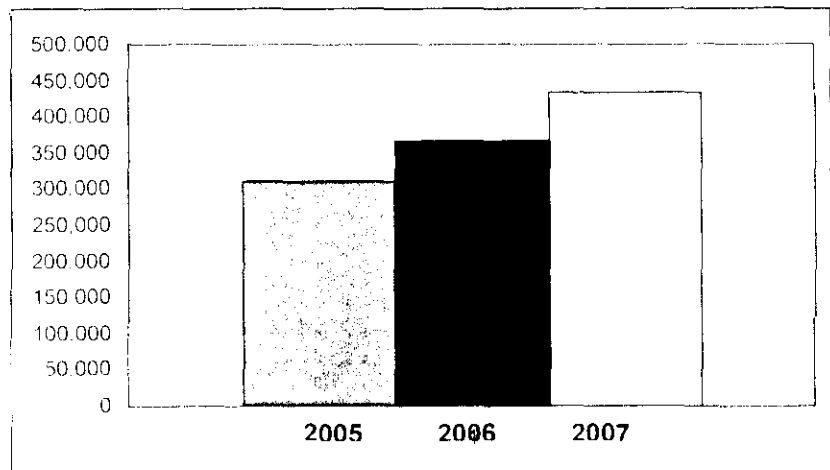


Table 1-B

Area Analyzed	2005	2006	2007
25 miles and less from the Wal-Mart	410,950	406,950	450,000
26 miles through 5 miles from the Wal-Mart	319,026	297,936	314,845
51 miles through 75 miles from the Wal-Mart	298,673	296,154	313,090
Cluster / comparison Zip Codes	309,752	366,870	431,947

Table 2

Number of Business Licenses Within 0.25 Mile Ring from Zip Code Center Series 1					
Zip Code	Oct 2005	Oct 2006	Apr 2007	Oct 2007	Apr 2008
	1	2	3	4	5
60608	35	35	33	36	36
60609	9	14	13	15	14
60616	47	48	53	46	52
60618	40	41	38	41	43
60622	135	142	129	139	126
60623	104	102	127	121	125
60625	74	74	70	75	69
60626	105	100	98	109	101
60629	46	49	43	48	47
60632	41	46	48	44	44
60633	7	8	7	8	5
60634	46	47	42	44	42
60638	4	2	1	2	0
60639	57	54	49	54	57
60640	54	50	54	48	48
60641	74	69	75	76	80
60647	51	60	58	61	64

Pre Wal-Mart to time Wal-Mart Opens

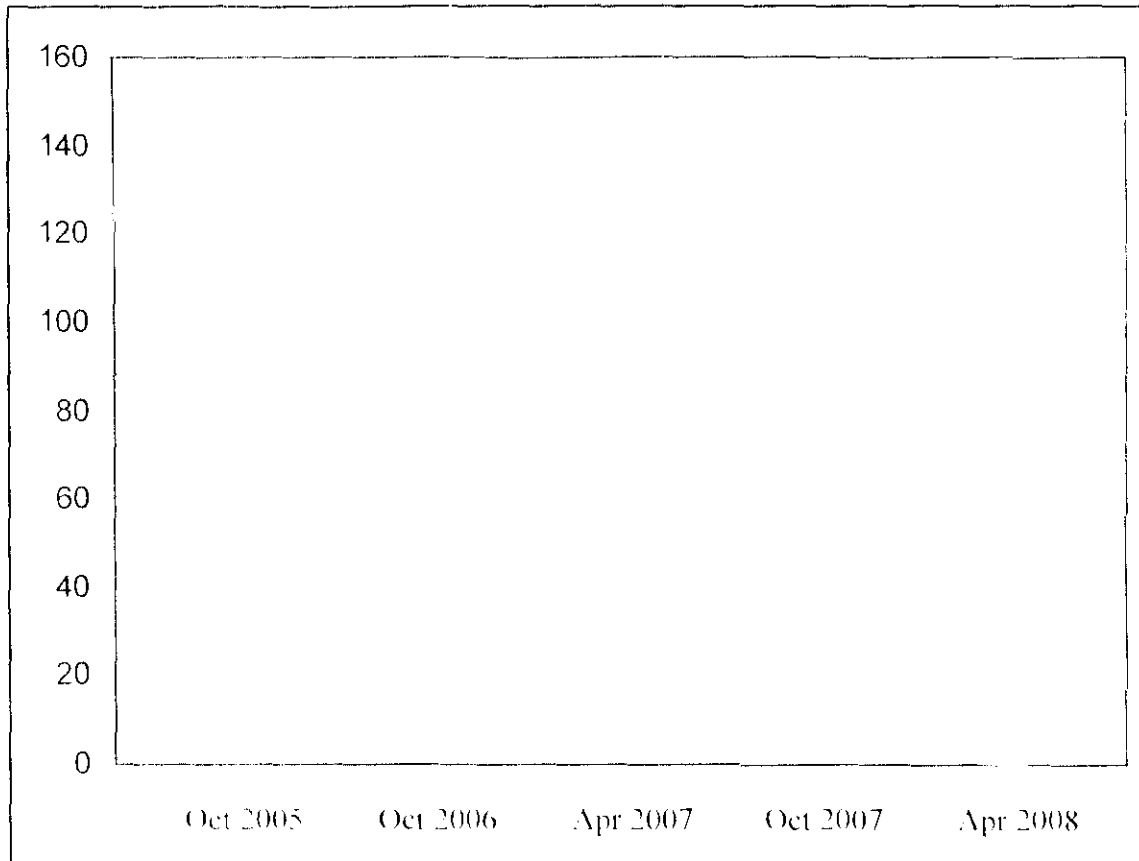
Wal-Mart's first seven months in business

Wal-Mart continues operations

Chart 3

Number of Business Licenses Within 0.25 Mile Ring
from Zip Code Center

Series 1



Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Table 3

Number of Business Licenses Between .25 Mile and .5 Mile Ring From Zip Code Center Series 2					
Zip	Oct 2005	Oct 2006	Apr 2007	Oct 2007	Apr 2008
60608	174	178	164	181	184
60609	76	79	79	96	91
60616	127	134	154	149	159
60618	187	207	175	192	194
60622	329	350	319	352	321
60623	273	265	292	265	296
60625	273	254	230	239	237
60626	356	345	298	312	292
60629	153	143	131	138	124
60632	112	110	123	107	115
60633	16	16	11	12	12
60634	164	162	152	151	144
60638	68	61	61	64	60
60639	171	178	169	188	199
60640	382	383	411	377	398
60641	146	145	170	161	170
60647	225	217	198	207	200

Pre Wal-Mart to time Wal-Mart Opens

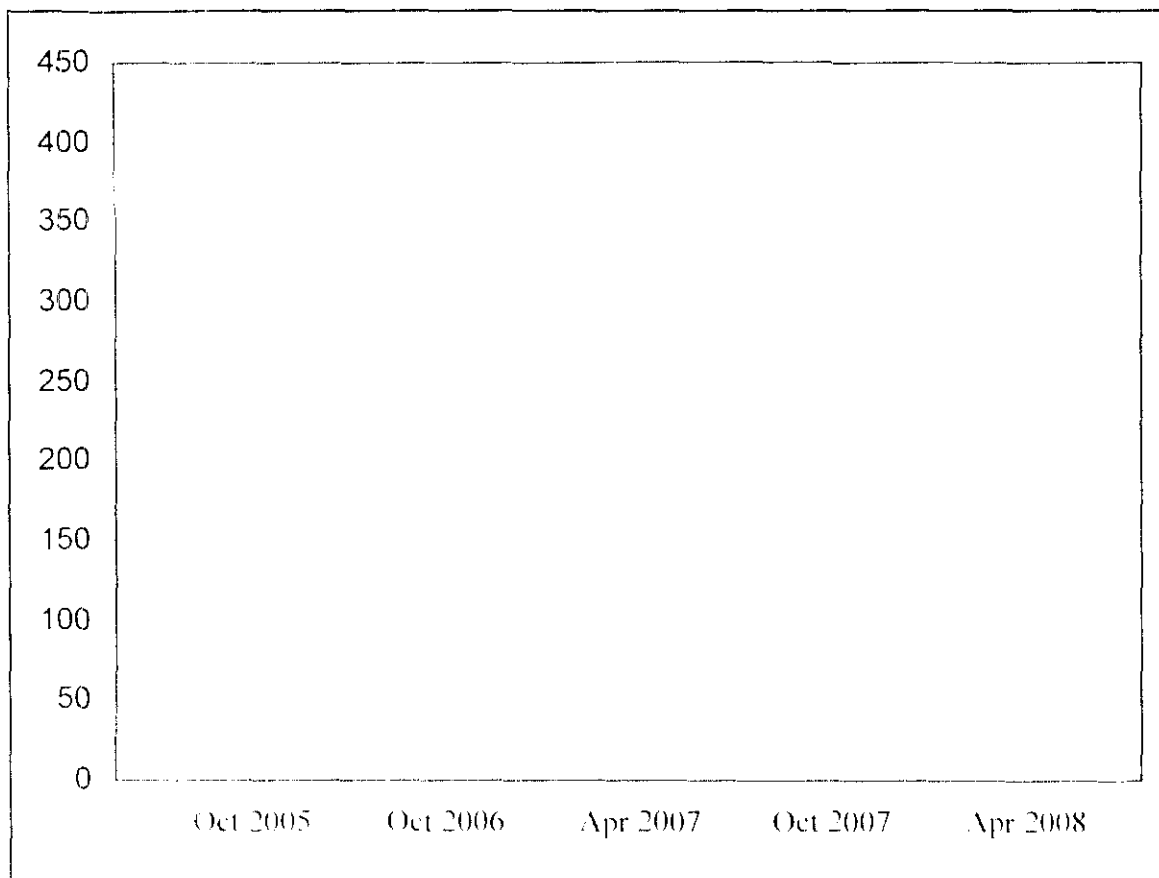
Wal-Mart's first seven months in business

Wal-Mart continues operations



Chart 4

**Number of Business Licenses
Between .25 Mile and .5 Mile Ring
From Zip Code Center**
Series 2



Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Table 4

Number of Business Licenses Between .51 Mile and .75 Mile Ring From Zip Code Center Series 3					
Zip	Oct 2005	Oct 2006	Apr 2007	Oct 2007	Apr 2008
60608	591	570	447	473	419
60609	482	724	638	708	539
60616	303	310	342	313	341
60618	244	258	234	264	280
60622	492	520	484	527	494
60623	415	407	461	415	464
60625	445	422	382	396	404
60626	230	243	212	219	213
60629	238	237	223	227	209
60632	195	189	226	206	228
60633	53	57	50	51	52
60634	129	129	123	115	119
60638	99	97	85	100	98
60639	404	409	366	397	417
60640	581	557	601	541	563
60641	301	291	301	281	302
60647	451	376	454	478	388

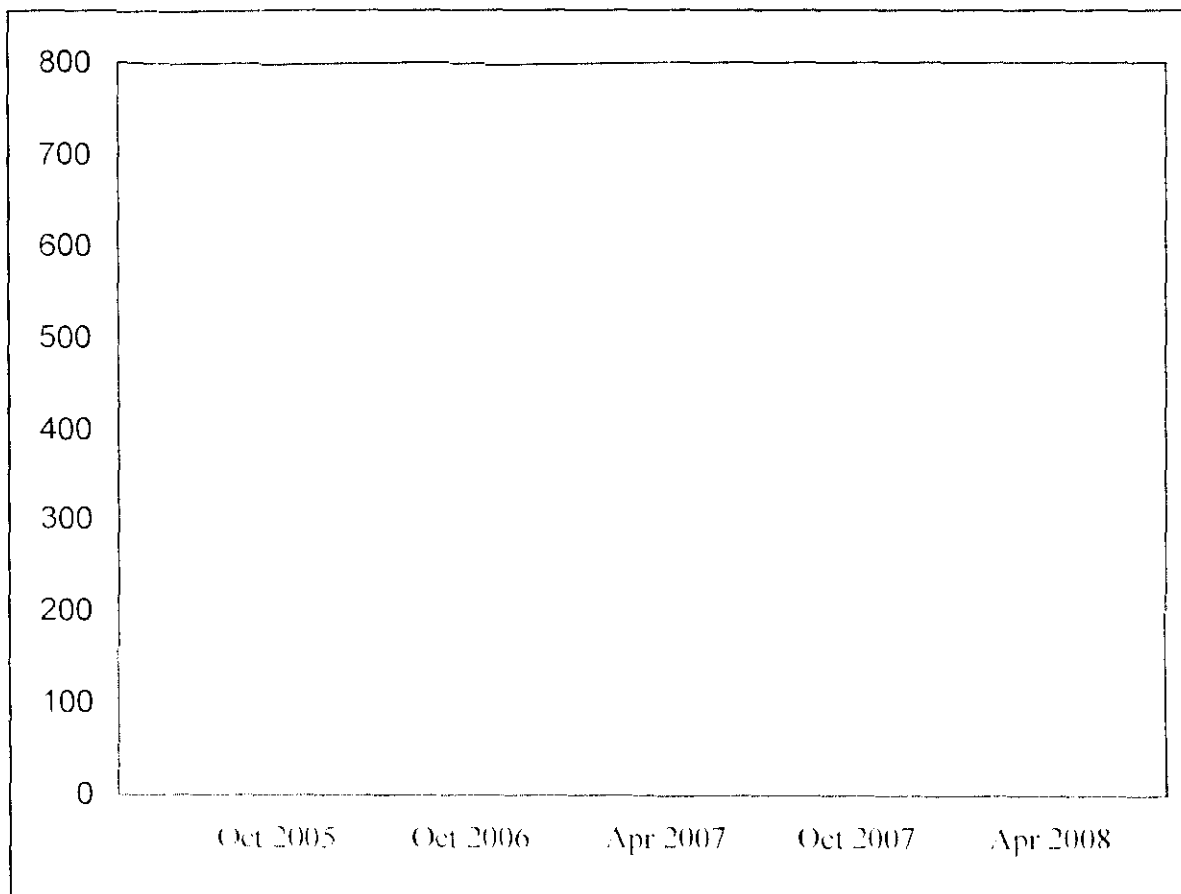
Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Chart 5

**Number of Business Licenses
Between .51 Mile and .75 Mile Ring
From Zip Code Center**
Series 3



Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Table 5

Number of Business Licenses Between .76 Mile and 1 Mile Ring From Zip Code Center Series 4					
Zip	Oct 2005	Oct 2006	Apr 2007	Oct 2007	Apr 2008
60608	303	296	264	294	273
60609	247	242	200	227	213
60616	179	198	223	205	230
60618	545	544	485	535	550
60622	754	783	765	785	739
60623	287	310	343	292	310
60625	516	507	433	480	468
60626	240	221	217	222	236
60629	216	217	200	217	195
60632	307	311	358	328	347
60633	15	15	14	15	14
60634	82	80	80	80	76
60638	119	117	110	120	107
60639	391	392	352	378	381
60640	449	439	461	435	457
60641	436	428	454	418	443
60647	434	432	400	427	404

Pre Wal-Mart to time Wal-Mart Opens

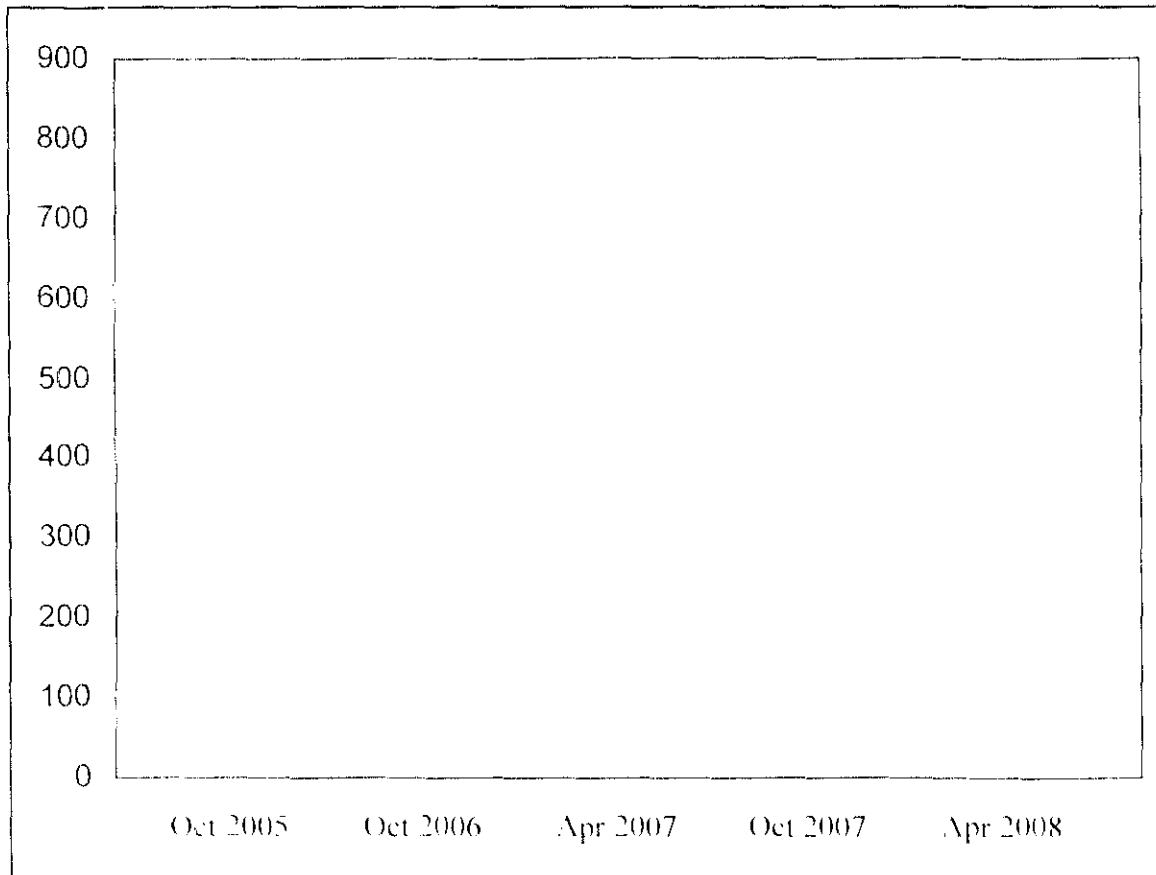
Wal-Mart's first seven months in business

Wal-Mart continues operations



Chart 6

**Number of Business Licenses
Between .76 Mile and 1 Mile Ring
From Zip Code Center**
Series 4



Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Table 6

Number of Business Licenses Between 1.01 Mile and 1.25 Mile Ring From Zip Code Center Series 5					
Zip	Oct 2005	Oct 2006	Apr 2007	Oct 2007	Apr 2008
60608	311	370	356	373	360
60609	282	309	282	311	255
60616	287	293	297	311	302
60618	782	695	743	771	758
60622	809	813	794	852	813
60623	196	190	198	188	202
60625	497	488	440	479	482
60626	413	398	381	376	387
60629	270	281	259	274	253
60632	306	296	344	318	320
60633	15	16	15	16	16
60634	135	141	125	134	119
60638	167	164	151	164	148
60639	540	533	483	525	536
60640	525	520	511	516	522
60641	579	578	572	548	559
60647	714	722	672	749	702

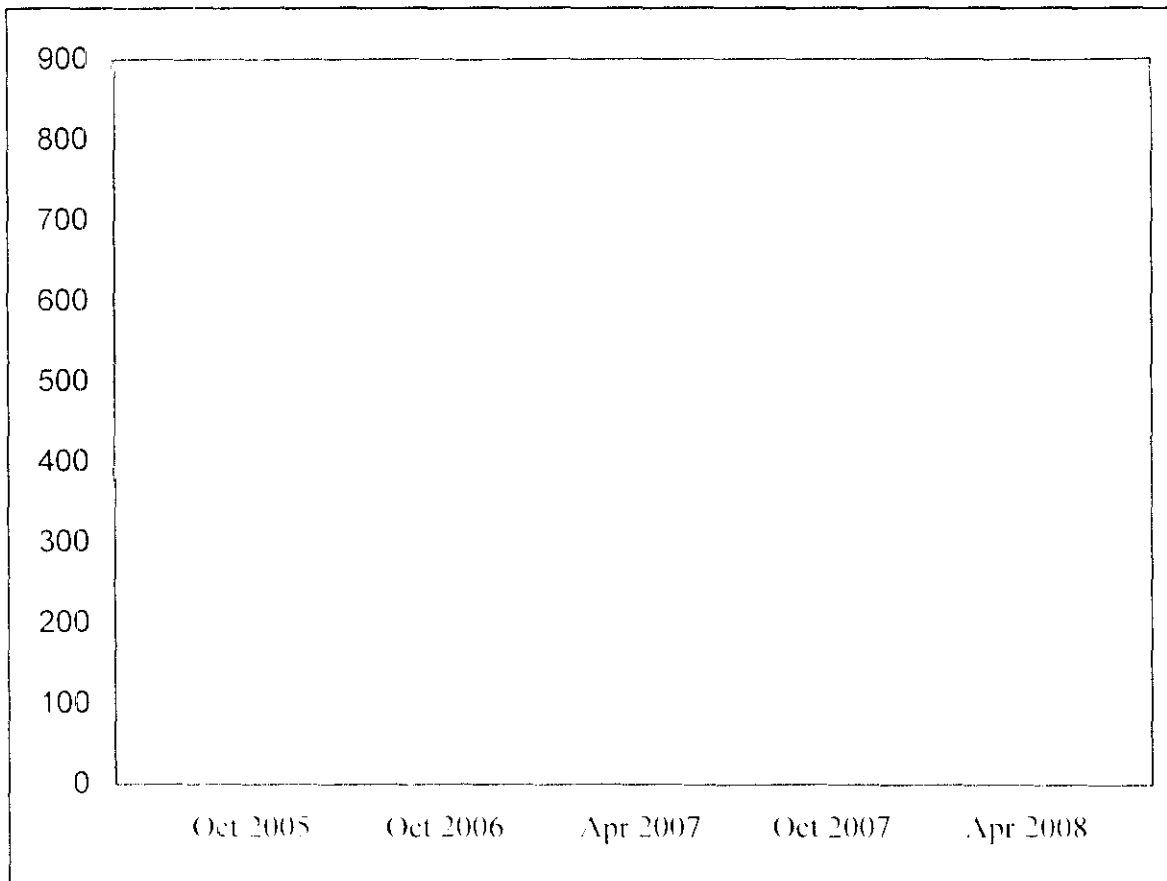
Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Chart 7

**Number of Business Licenses
Between 1.01 Mile and 1.25 Mile Ring
From Zip Code Center**
Series 5



Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Table 7

Number of Business Licenses Between 1.26 Mile and 1.50 Mile Ring From Zip Code Center Series 6					
Zip	Oct 2005	Oct 2006	Apr 2007	Oct 2007	Apr 2008
60608	517	514	492	509	495
60609	240	240	217	227	215
60616	377	348	340	362	321
60618	900	861	831	841	859
60622	889	931	974	975	959
60623	203	265	273	268	262
60625	745	737	714	747	764
60626	327	322	312	311	314
60629	308	309	318	314	321
60632	297	300	319	298	303
60633	4	6	6	6	6
60634	188	177	163	163	153
60638	98	97	82	88	80
60639	800	810	756	772	755
60640	613	595	630	613	640
60641	760	771	729	759	742
60647	857	918	845	899	881

Pre Wal-Mart to time Wal-Mart Opens

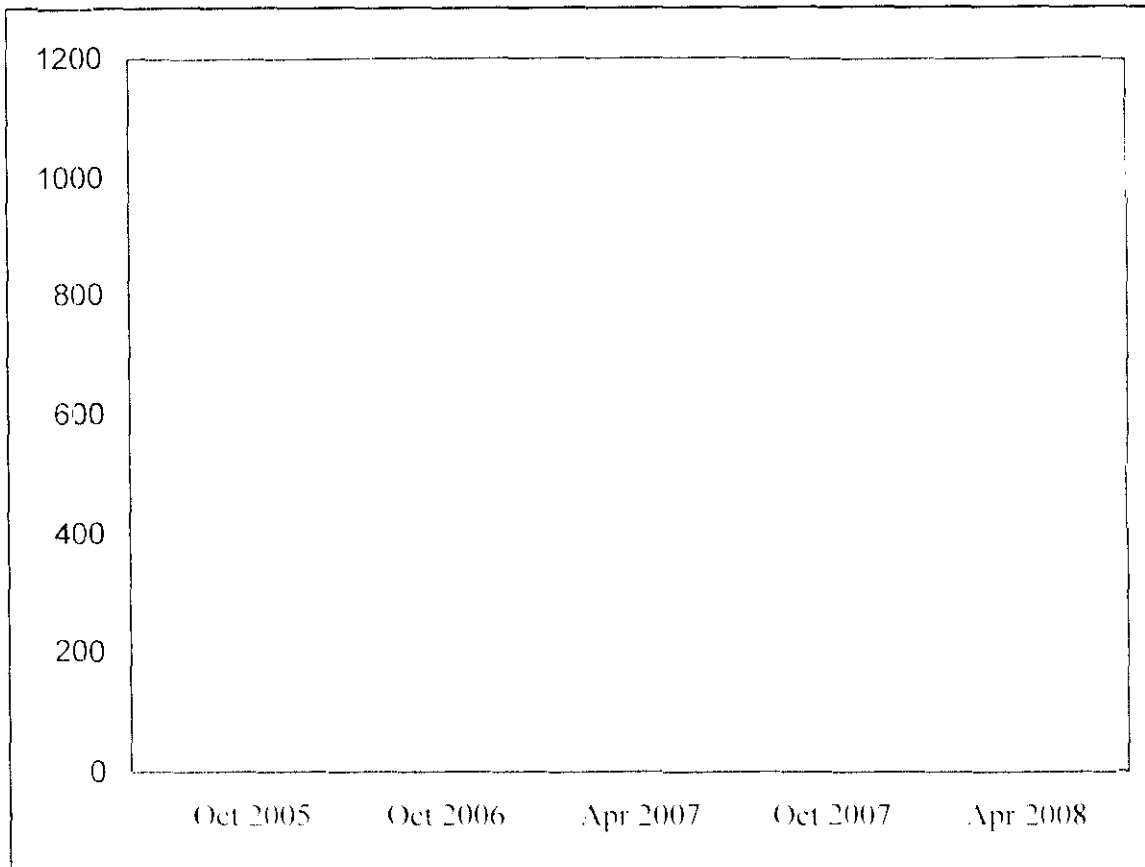
Wal-Mart's first seven months in business

Wal-Mart continues operations



Chart 8

**Number of Business Licenses
Between 1.26 Mile and 1.50 Mile Ring
From Zip Code Center**
Series 6



Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Table 8

Number of Business Licenses Between 1.51 Mile and 1.75 Mile Ring From Zip Code Center Series 7					
Zip	Oct 2005	Oct 2006	Apr 2007	Oct 2007	Apr 2008
60608	501	560	567	565	545
60609	425	423	400	415	403
60616	388	409	371	400	388
60618	1032	1029	975	1021	1023
60622	1117	1165	1271	1187	1153
60623	239	235	240	241	262
60625	736	741	722	730	752
60626	511	512	485	484	512
60629	381	384	404	399	412
60632	351	361	348	361	361
60633	11	16	13	13	17
60634	188	193	173	181	176
60638	77	75	73	82	76
60639	652	681	639	669	633
60640	547	537	568	548	597
60641	889	899	824	892	879
60647	1031	1115	1025	1077	1051

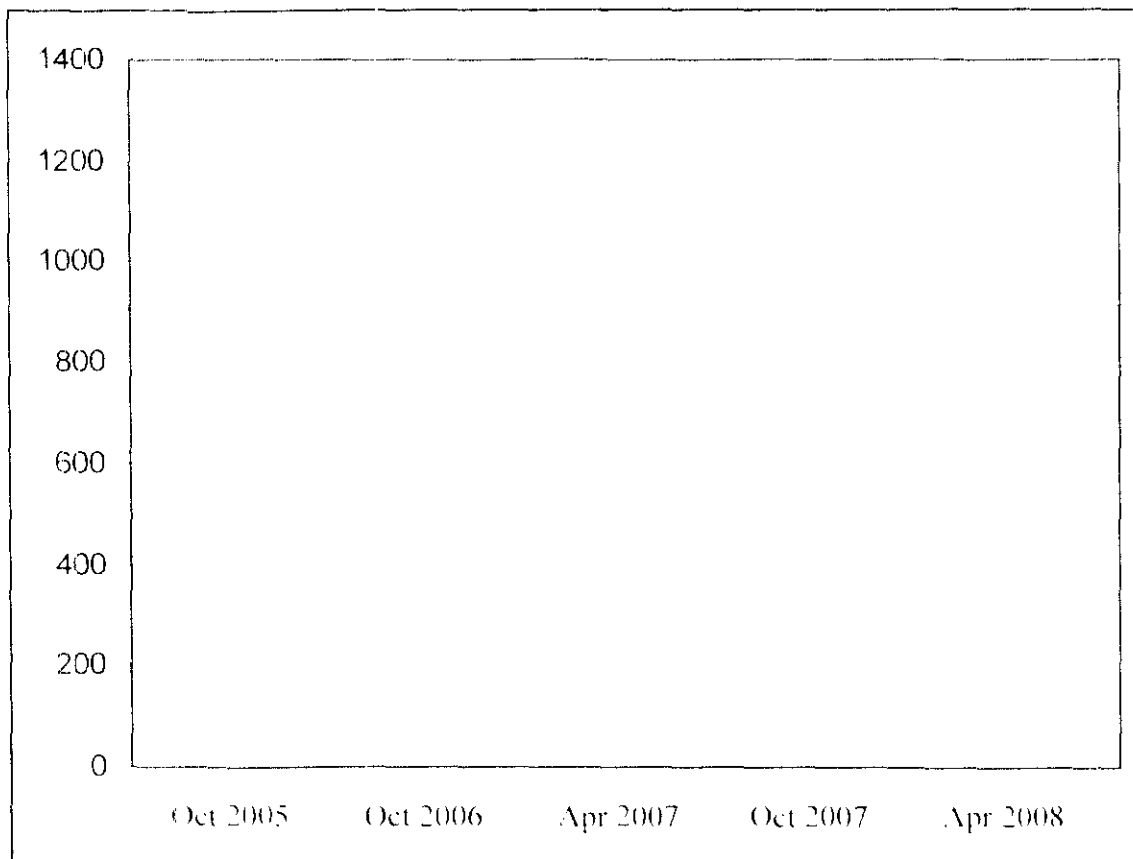
Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Chart 9

**Number of Business Licenses
Between 1.26 Mile and 1.50 Mile Ring
From Zip Code Center**
Series 7



Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Table 9

Number of Business Licenses Between 1.76 Mile and 2.0 Mile Ring From Zip Code Center Series 8					
Zip	Oct 2005	Oct 2006	Apr 2007	Oct 2007	Apr 2008
60608	826	851	917	878	909
60609	572	568	563	573	553
60616	445	469	437	470	436
60618	1273	1277	1253	1298	1290
60622	1819	2077	2214	2099	2268
60623	295	293	306	319	327
60625	732	744	748	712	757
60626	385	360	355	346	359
60629	361	366	393	373	391
60632	356	334	336	359	333
60633	9	10	10	10	10
60634	197	213	191	211	193
60638	97	103	92	103	102
60639	612	622	614	627	609
60640	616	622	602	618	647
60641	957	950	852	947	932
60647	1043	1063	1042	1073	1070

Pre Wal-Mart to time Wal-Mart Opens

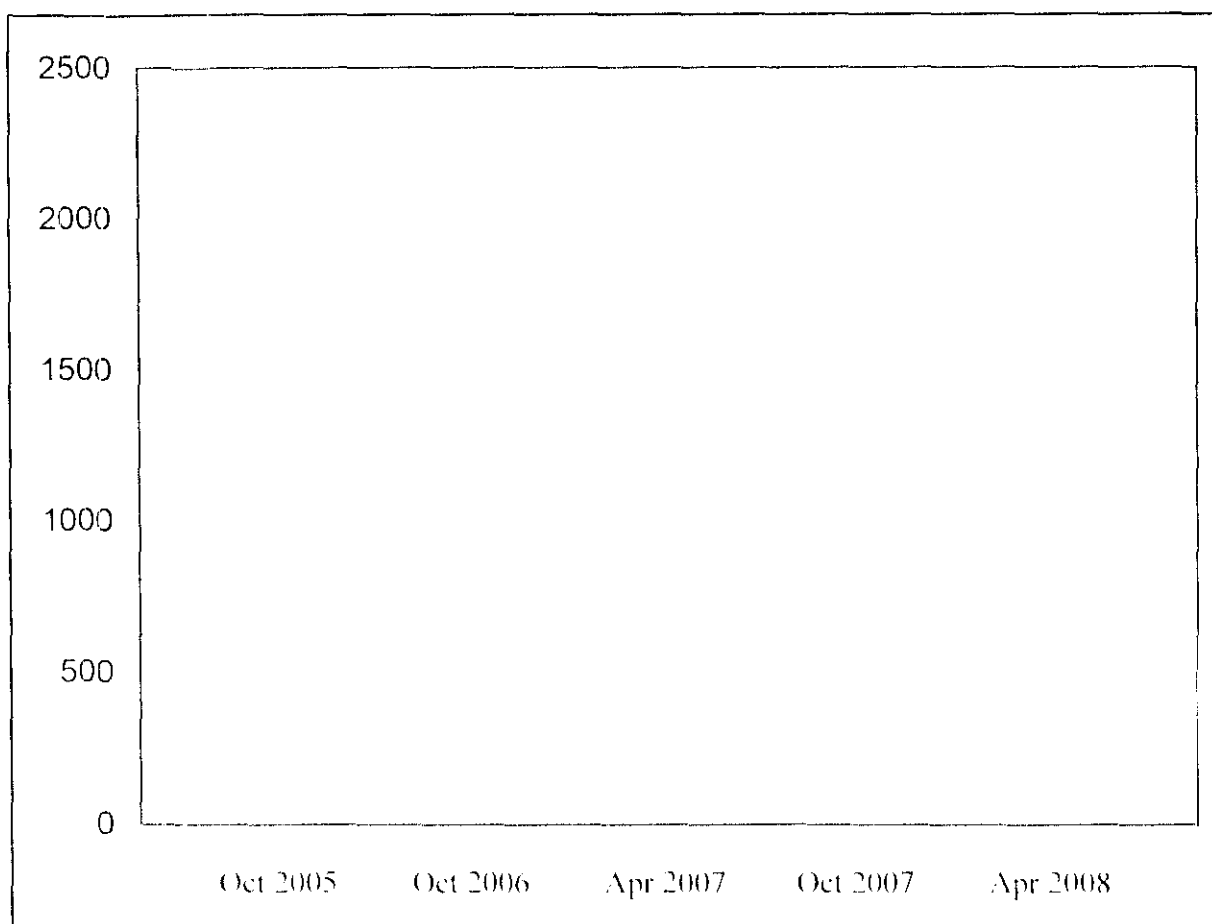
Wal-Mart's first seven months in business

Wal-Mart continues operations



Chart 10

**Number of Business Licenses
Between 1.76 Mile and 2.0 Mile Ring
From Zip Code Center**
Series 8



Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Table 10

Number of Business Licenses Between 2.1 Mile and 2.5 Mile Ring From Zip Code Center Series 9					
Zip	Oct 2005	Oct 2006	Apr 2007	Oct 2007	Apr 2008
60608	2011	2265	2296	2317	2285
60609	1052	1056	1075	1025	1067
60616	2517	2529	2456	2507	2970
60618	2586	2580	2543	2548	2541
60622	6099	6183	6630	6126	6988
60623	1096	1107	1038	1044	1050
60625	2457	2454	2442	2432	2541
60626	684	668	653	669	677
60629	1085	1064	1081	1053	1052
60632	1673	1905	1780	1842	1637
60633	25	30	32	28	30
60634	744	772	703	725	701
60638	223	218	208	216	208
60639	1551	1510	1472	1528	1517
60640	2316	2264	2048	2190	2246
60641	2124	2077	1940	2037	1995
60647	2714	2687	2780	2691	2714

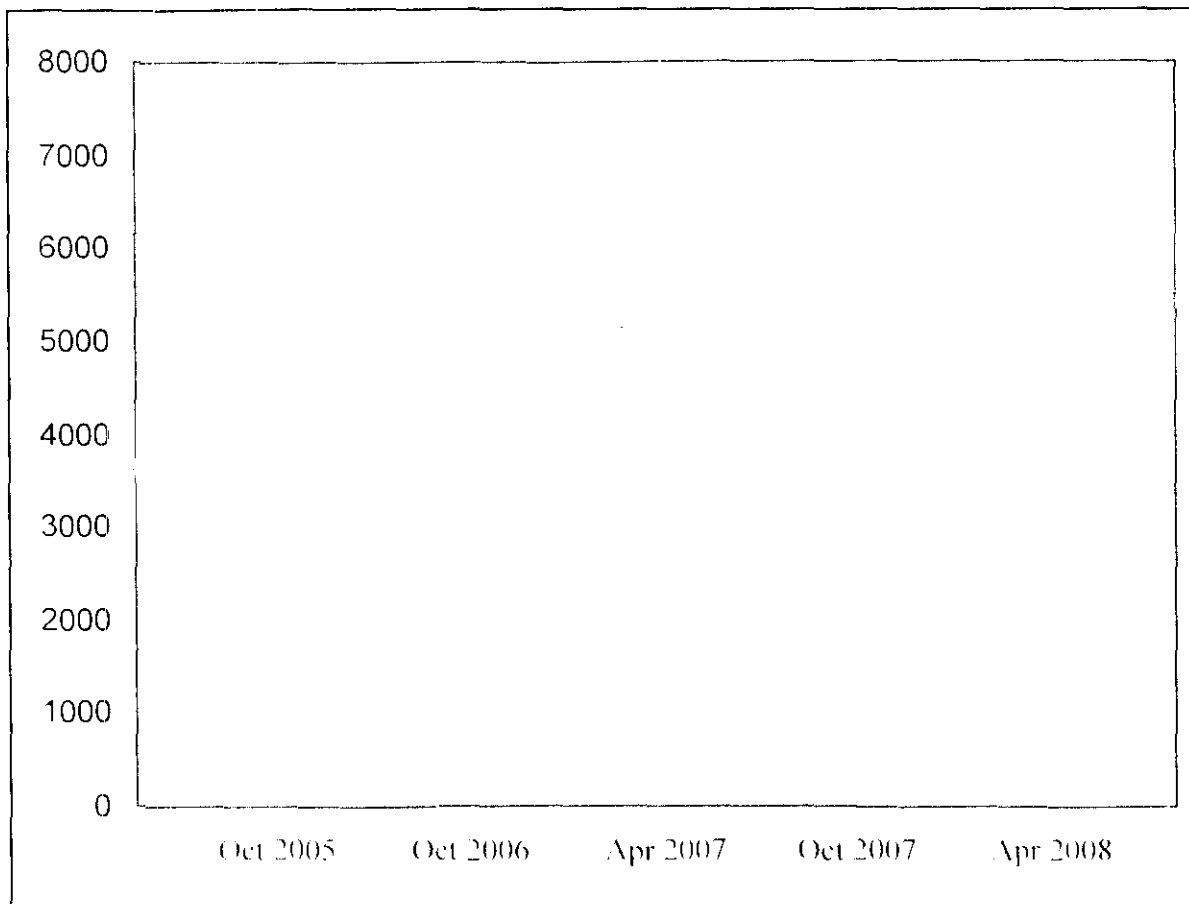
Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Chart 11

**Number of Business Licenses
Between 2.1 Mile and 2.5 Mile Ring
From Zip Code Center**
Series 9



Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Table 11

Number of Business Licenses Between 2.51 Mile and 3.0 Mile Ring From Zip Code Center Series 10					
Zip	Oct 2005	Oct 2006	Apr 2007	Oct 2007	Apr 2008
60608	4608	4709	4752	4794	5429
60609	1504	1505	1536	1521	1568
60616	3999	4627	4482	4591	4958
60618	3316	3227	3399	3251	3274
60622	3955	3887	4018	3965	4151
60623	1258	1263	1282	1265	1253
60625	2631	2516	2597	2615	2624
60626	1034	1011	1008	991	1007
60629	994	1005	1000	1008	1000
60632	1221	1233	1237	1227	1256
60633	28	25	31	25	30
60634	898	890	844	872	900
60638	761	756	753	769	771
60639	1583	1500	1559	1551	1535
60640	1966	1939	1741	1846	1898
60641	2031	2004	1838	1989	1879
60647	3226	3192	3461	3180	3245

Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

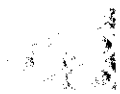
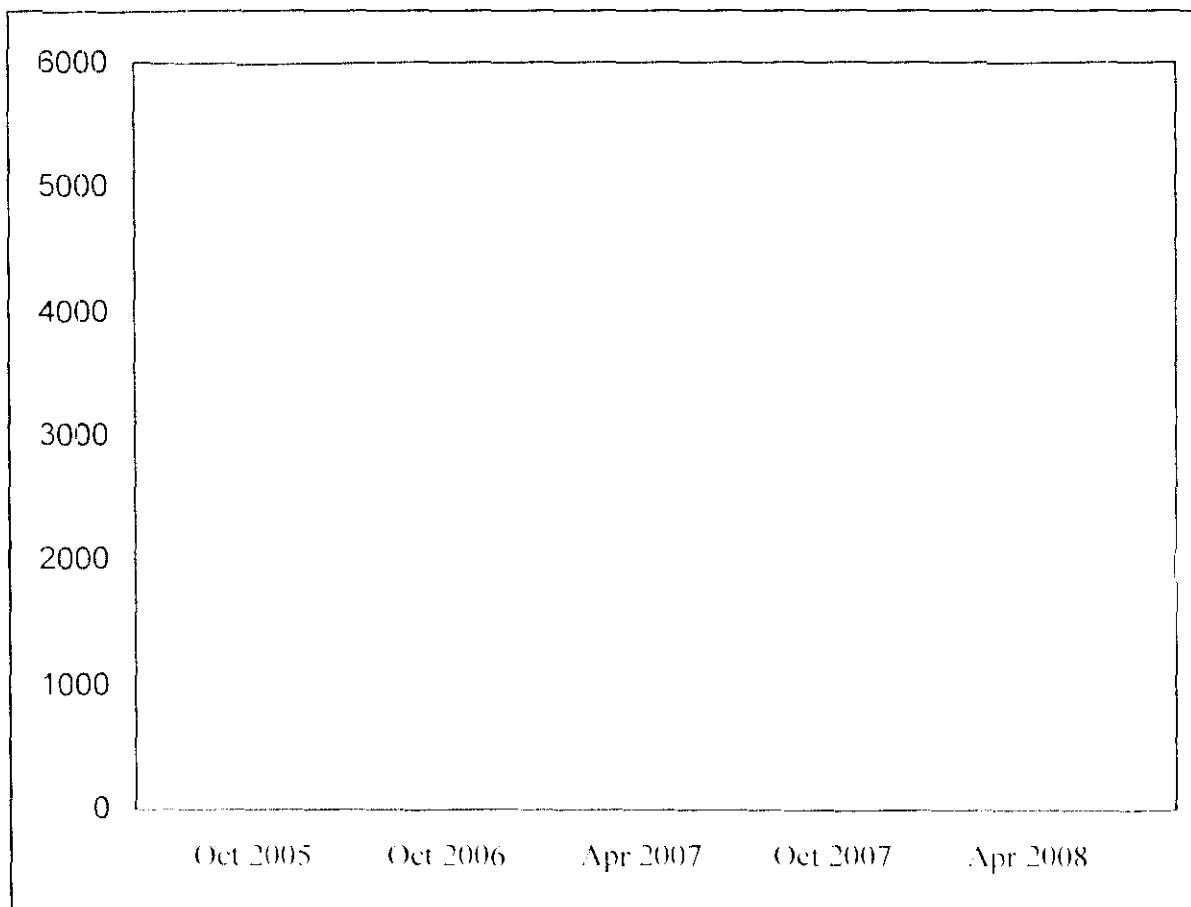


Chart 12

**Number of Business Licenses
Between 2.51 Mile and 3.0 Mile Ring
From Zip Code Center**
Series 10



Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Table 12

**Number of Business Licenses
By Rings Around the
Center of the Wal-Mart Store**

Year	Distance	COUNT	PERCENT
Series 11			
1 Oct 2005	under 0.25	76	10.7042
2 Oct 2006	under 0.25	77	11.2573
3 Apr 2007	under 0.25	71	11.4332
4 Oct 2007	under 0.25	78	11.4875
5 Apr 2008	under 0.25	78	12.1118
Series 12			
1 Oct 2005	0.25-0.50	156	21.9718
2 Oct 2006	0.25-0.50	131	19.1520
3 Apr 2007	0.25-0.50	115	18.5185
4 Oct 2007	0.25-0.50	124	18.2622
5 Apr 2008	0.25-0.50	114	17.7019
Series 13			
1 Oct 2005	0.51-0.75	478	67.3239
2 Oct 2006	0.51-0.75	476	69.5906
3 Apr 2007	0.51-0.75	435	70.0483
4 Oct 2007	0.51-0.75	477	70.2504
5 Apr 2008	0.51-0.75	452	70.1863

Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

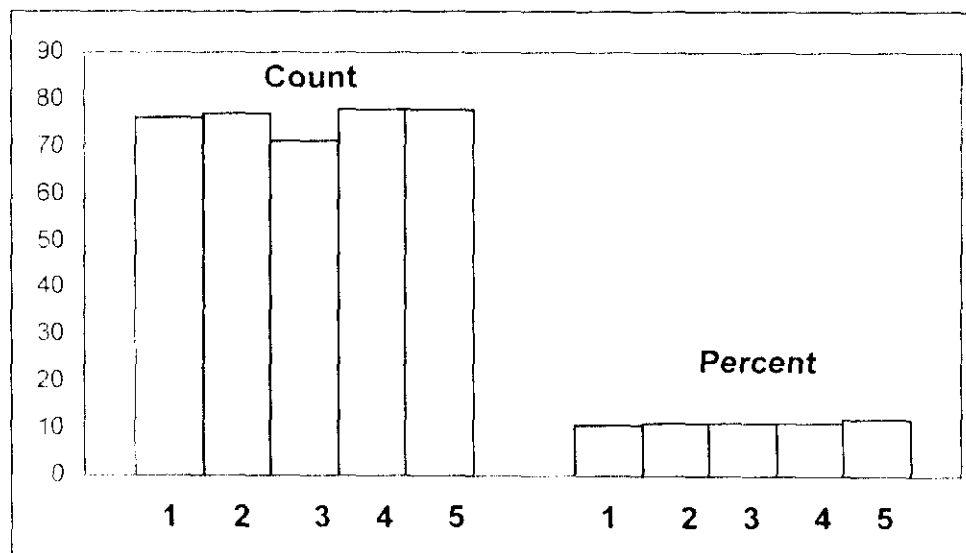
Wal-Mart continues operations



Chart 13

**Number of Business Licenses
By Rings Around the
Center of the Wal-Mart Store**

Series 11
Under 0.25



Year key:

1. Oct 2005 2. Oct 2006 3. Apr 2007 4. Oct 2007 5. Apr 2008

Pre Wal-Mart to time Wal-Mart Opens

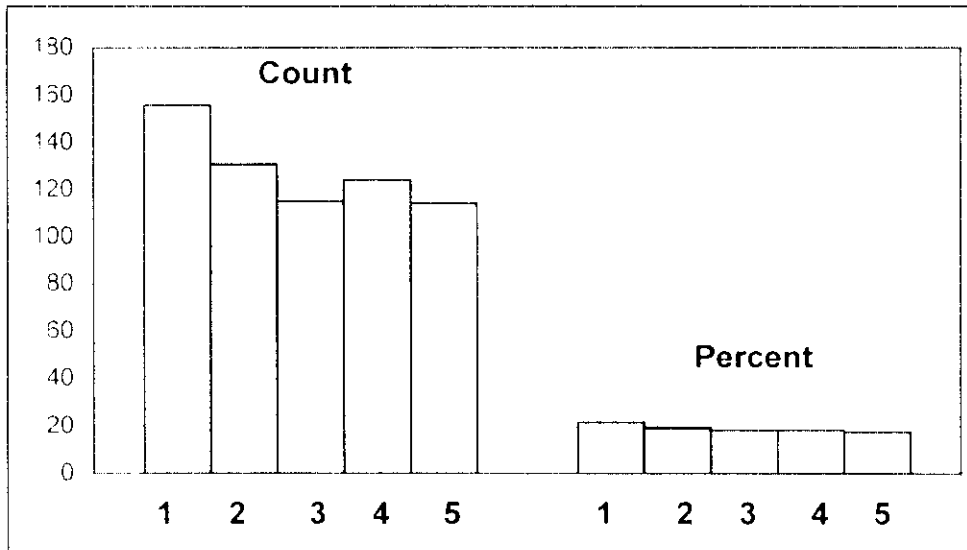
Wal-Mart's first seven months in business

Wal-Mart continues operations

Chart 14

**Number of Business Licenses
By Rings Around the
Center of the Wal-Mart Store**

Series 12
0.25-0.50



Year key:

1. Oct 2005 2. Oct 2006 3. Apr 2007 4. Oct 2007 5. Apr 2008

Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

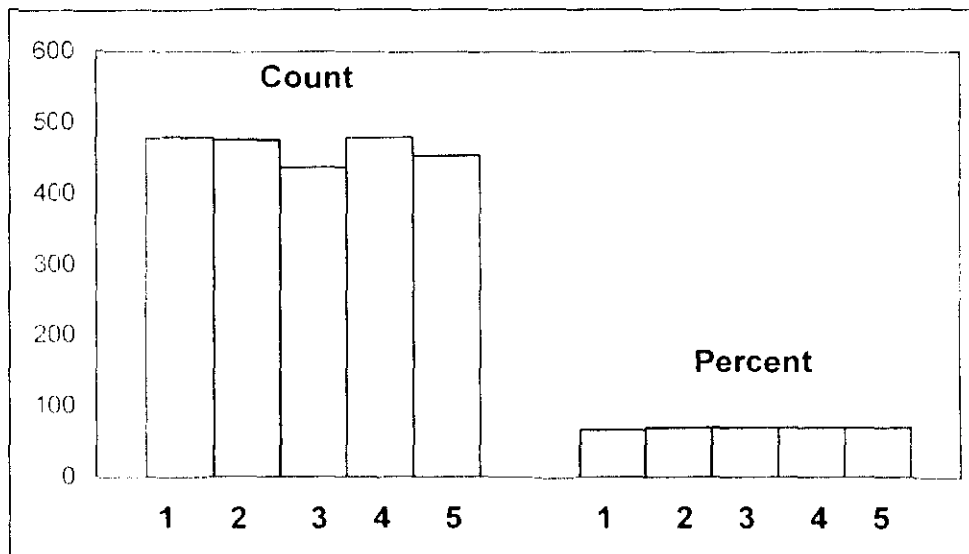
Wal-Mart continues operations



Chart 15

**Number of Business Licenses
By Rings Around the
Center of the Wal-Mart Store**

Series 13
0.51-0.75



Year key:

1. Oct 2005 2. Oct 2006 3. Apr 2007 4. Oct 2007 5. Apr 2008

Pre Wal-Mart to time Wal-Mart Opens

Wal-Mart's first seven months in business

Wal-Mart continues operations

Notes:

¹ The study was funded by the Woods Fund of Chicago and Loyola University Chicago.

² The Chicago Tribune, October 7, 2007: "Residents of Austin, the neighborhood where the store is located, say they are glad Wal-Mart came to town. Traffic in and out of its

parking lot is so heavy that the city, after relying initially on traffic cops, installed a permanent signal.”

³ As the Chicago Tribune article that summarized the Loyola study notes, “...Norman Delrahim, owner of B&S Hardware nearby, said that after an initial drop-off in sales, he thinks business is a ‘little better’ as shoppers come to the neighborhood to visit Wal-Mart and notice his store” [May 13, 2008].

⁴ The Austin Cub Foods closed because of internal factors inside the parent company (it is now owned by Supervalu which also owns Jewel-Osco) and because of the performance of Cub Foods generally in the Chicago market (Cub Foods has performed comparatively better in other markets, particularly Minneapolis/St. Paul) and the likelihood that Cub Foods would, to some degree, compete against Jewel-Osco. The Cub Foods did not close because of churning, although the Food-4-Less might or might not have been attracted to the former Cub Foods Austin site because of agglomeration (retail attracts retail, meaning the Food-4-less could have been attracted to the Wal-Mart) and churning overall (as retail attracts retail in a previously bottomed out market, there is some turnover of stores, as well as a period of transition). In studies such as these, it is important to be mindful of commercial development plans on parcels that might otherwise look vacant, inactive, or in decline. As developers see agglomeration take place, they assemble and sometimes hold nearby commercial land in anticipation of the next project of highest return (again, retail attracts retail, and developers speculate on this phenomenon), but this would not be captured in a traditional dataset.

⁵ The Austin Wal-Mart is not a Supercenter and does not have a full-line grocery store, but it sells a considerable amount of packaged foods as do other general merchandise stores. It also sells paper products, cleaning supplies, and many other items also found in full-line grocery stores. Grocery stores and general merchandise stores agglomerate, as do other types of businesses. Future studies of the potential impact of Wal-Mart should measure any agglomeration effect that might or might not take place; we recommend that it not be limited to direct competitors only. See additional endnotes on agglomeration.

Our point about grocery stores and general merchandise stores competing is referenced in The Chicago Tribune, October 7, 2007: “...For example, the store [the West Side Wal-Mart] often runs out of milk. Without a major grocery store nearby, shoppers pile up cereal and bread and eggs. Even though this Wal-Mart isn't a supermarket, it carries aisles of basic pantry items.” Presumably, the new Food-4-Less will now gain some food sales which were captured by the Wal-Mart.

⁶ To compensate for the issues with sales tax data totaled across a Zip Code, we would explore matching and de-duplicating all business license data to one particular business location, and then attribute the number of jobs, square footage, and an estimate of sales, record-by-record for each business, and then cross-check that data with Dunn



and Bradstreet and other data, as well as field checks. We would employ other sources of data and field checks to address suburban sales tax patterns.

⁷ Even businesses owners who identify themselves as being hit the hardest by a competitor do not necessarily go out of business (either immediately or ultimately) or find a new business location, as noted in various articles on the West Side Wal-Mart. LDL Furniture is often cited as an example. We are not sure if the business persisted because it was stuck in a lease (suggested in the 2007 article) or because the business owner owned the building (suggested in the 2008 article). We made no attempt to contact the owner.

The Chicago Tribune, October 7, 2007: "It's just a front to say Wal-Mart is trying to help small business,' said Lawrence LeBlanc, owner of LDL Furniture and Appliance, a second-hand store down the street from Wal-Mart, who hadn't heard of the zones program until a reporter told him about it. 'How is it going to help me when Wal-Mart is selling things for cheaper and cheaper?'"

"Business has been slow ever since Wal-Mart opened, LeBlanc said. A \$20 microwave at his store has been sitting on a shelf for a year. A glass dining table with chairs is reduced from \$400 to \$250. Even on a 96-degree day, a \$50 air conditioner perched on the sidewalk failed to attract buyers. Before Wal-Mart arrived, it would have sold within two hours, LeBlanc said. Now residents go to Wal-Mart where they find brand-new microwaves for as little as \$46.42, a dining room set for \$169.88 and air conditioners for \$96.

"People aren't buying the way they used to,' LeBlanc said. 'If I could find someone to take the lease, I'd close it up.'"

The Chicago Tribune, May 13, 2008: "Lawrence LeBlanc, owner of LDL Furniture and Appliance, said sales at his secondhand-goods store just down the street from Wal-Mart have fallen dramatically since the discount chain came to town. The little shop had been generating about \$130,000 to \$140,000 in sales a year before Wal-Mart. Last year it rang up \$35,000. The only reason LeBlanc has kept the store open, he said, is that he owns the building."

⁸ The term agglomeration has several meanings. For example, in the study of human settlements, an agglomeration is the built-up area where population and density congregate. In the early stages of human history, agglomeration could refer to small fishing or trade villages. Today, agglomeration usually refers to a municipality, suburb, or town. It means the act or process of gathering a certain type of thing or similar things (such as population) into a mass or a cluster and toward a specific and shared function or purpose.

In retail, agglomeration means the attraction of stores to other stores. It is common for retailers to choose to locate together in the same small town, mall, block or intersection, even when their products directly compete, overlap, or are complementary. Retailers have a “herd” mentality. They typically choose to move together and to avoid isolated investments. The closer the stores are in location, and the more they provide similar (the same type of product line) but distinct consumer options (different brands, customer service, price points, ambiance, etc.), the greater the agglomeration effect. Retailers agglomerate because they perceive that any negative effects from increased competition are outweighed by lower investment risk, lower development costs, increased number of shoppers and a better bottom line. Consumers support agglomeration through spending patterns because of increased selection, quality, price, and convenience of consumer goods.

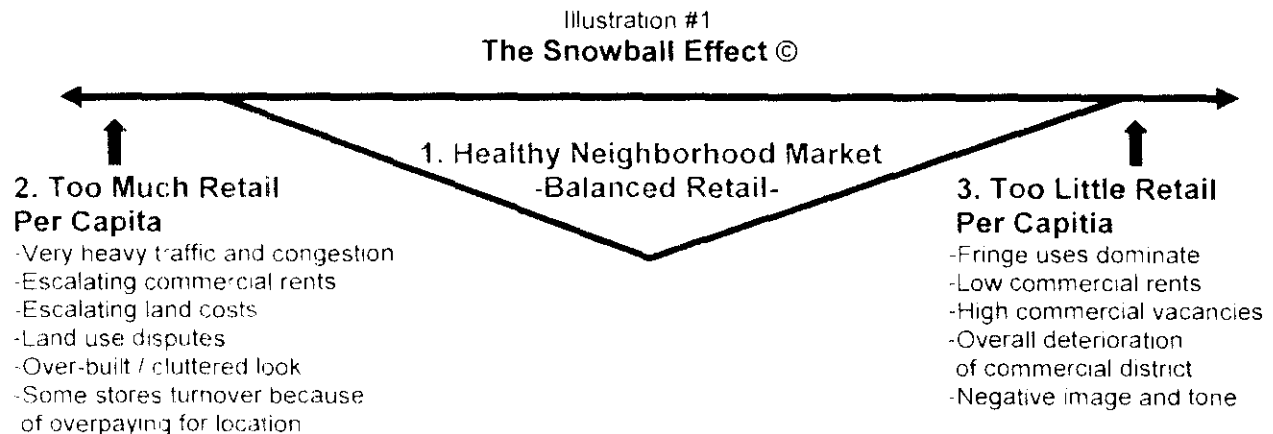
⁹ Understanding agglomeration is useful, but it falls short of explaining the intricacies of how neighborhood markets actually work, and how to “fix” markets that are “broken.” To address this, we have developed new concepts and methods which line up with the theory of agglomeration but take it a step farther.

Mari Gallagher Research & Consulting Group describes the clustering of retail outlets as the “Snowball Effect” (Gallagher 2007). Retail attracts more retail, and like attracts like, in either a positive or negative direction. A successful shopping corridor attracts additional retailers at that same level of quality to locate (or to at least desire locating) in that same corridor, or as close to it as possible. Conversely, where there is no existing retail, or no quality retail, it is sometimes hard for communities to attract that *first* quality retailer, even when there is an obvious nearby consumer base. There is still a Snowball Effect of land use. Commercial-designated parcels still, of course, exist, with or without retail, but their current uses or expressions might or might not be commercial in nature. Those districts tend to take on more negative, marginal, or haphazard tones and functions; they “snowball” in the “wrong” direction.

Neighborhood markets outside of the “Balanced Retail Zone” shown in Illustration #1 (next page) can suffer from either one extreme or the other: an all-or-nothing state of retail. When retail markets “bottom out” they can fall into the “Too Little Retail Zone.” This means that there is still too little retail for what can be supported economically by local consumers. Some of those consumer dollars might then flow to more agglomerated markets where there is more product choice, convenience, etc. As sales drop in a bottoming-out market, prices on consumer goods must rise to cover fixed expenses. Perhaps the selection of expected product offerings declines in response to less cash flow and, thus, a diminished ability to stock up on inventory. Higher prices and a declining selection of product offerings reinforce declining sales; and the two factors together can have a major compounding effect. Because profit margins continue to decrease as part of this process, but operational costs remain fixed, the unit cost of goods will have to rise again to cover the store’s expenses. This means the selection and perhaps quality of goods will continue to go down while prices continue to go up.

This repeating downward Snowball cycle repels both consumers and “higher toned” retailers. The corridor might have a scattering of vacant storefronts, which creates downward pressure on commercial rents. As rents are lowered, landlords have less cash flow for building maintenance and improvements. In addition to vacant storefronts, the business district might consist of non-traditional uses such as a storefront church or daycare center, a “second hand” goods store or thrift shop, and/or a few fringe services, such as a currency exchange, tax preparation service, nail salon, dollar store, and fast food restaurant.

None of these uses are inherently bad; some are in fact desirable additions to consumer choice and convenience. Healthy markets do indeed have and need some level of these types of fringe services. However, if “second hand” stores, currency exchanges and so on are the *only* expressions of the local marketplace (i.e. if they *dominate*), they set the commercial tone in the district at that low fringe level. The key defining factor of agglomeration is that “retail attracts retail” whereas the key defining factor of the Snowball Effect is “like attracts like and sets the retail tone, either positive or negative.” A bottomed-out market has a negative retail tone, and for the bottomed-out market to improve, this downward Snowball cycle must be broken.



The black arrow in Illustration #1 represents the continuum of per capita retail by neighborhood market (of day and nighttime population) from the highest per capita retail on the left to the lowest per capita retail on the right. This is a conceptual illustration, but the MG methodology includes the quantification and scoring of neighborhoods on a block-by-block basis. We call this quantified measure the Snowball Index (Gallagher, 2007). The first layer is normalized by density. The second layer is normalized by density and buying power. Other layers focus on specialized areas of retail and other variables, including impacts from the built environment on public health. In the Illustration, market #2 would improve by moving to the right and market #3 would improve by moving to the left. But as either of these two markets move, there will be

churning (businesses moving in and out), and it could take some time for the market to resettle or reposition itself.

As bottomed out markets improve, there are “winners” and “losers” in the reshuffling of the marketplace; the net impact must be measured. Some businesses will move out and resettle in another market, while others will go out of business entirely. This in part has to do with the combination of rising costs of doing business, increased competition, and consumer preferences.

For example, a “second hand” store in a bottomed-out or marginal market might be able to sell enough used air conditioners, microwaves, and other goods to cover rent, expenses salaries, and so on. However, if the bottomed-out market improves and attracts a store that offers *new* air conditioners, microwaves, etc. that are *competitive* in price and/or quality, the “second hand” store faces two distinct challenges.

First, if the market in which the “second hand” store is operating is generally improving, the cost of doing business in that market (rent, real estate taxes, etc.) will likely rise with or without competition from the new store selling similar products. This means that the volume of goods sold by the “second hand” store also must rise at the same level as the rising costs of doing business in that market. If the cost of doing business was not in part determined by location, “second hand” stores would locate as frequently on Michigan Avenue in downtown Chicago as they would in Chicago neighborhoods such as Austin.

Second, instead of giving the “second hand” store *more* business to enable it to keep up with the rising location-based costs as described above, consumers might choose to *divert* their dollars to the new competition (giving the “second hand” store *less* business, or declining sales) because consumers perceive greater value in the purchase of those new goods (buying a new air conditioner or microwave instead of a used one at a certain price point). Under these circumstances, sales at the “second hand” store might fall instead of rise, creating a gap between what the “second hand” store generates in terms of sales and what it must generate to remain viable. Even so, the “second hand” store might not immediately go out of business, but if it does eventually go out of business, the three defining factors would likely be 1) poor or marginal performance in an improving and more costly business environment, 2) new competition, and 3) consumer choices and preferences. For this reason – and unfair, unethical, or illegal business practices aside – we find that it is not *competition itself* that creates pressure on pre-existing businesses, but consumers *choosing* the competition over those businesses. To stay competitive, stores must offer the “right” combination of product selection, quality, price, convenience, attractiveness, customer service, etc. that local consumer dollars demand. Market forces, shopping patterns, consumer preferences, costs of goods, profit margins, management ability, personal circumstances, etc. all affect a store’s ability to stay in business.



¹⁰ The position in latitude and longitude on the city's map was determined by locating their street addresses in the U.S. Census Bureau's TIGER map database, which contains the co-ordinates of all street addresses in the U.S.

¹¹ Generally, an anchor is what ties something down; it brings stability or permanence. In retail, the term anchor denotes a major retailer around which other retails cluster. The following quotes are relevant to anchors and agglomeration.

The Chicago Tribune, October 7, 2007: "Menards is building a 240,000-square-foot home improvement store across the street [from the West Side Wal-Mart]. Conway Stores, a small family-owned discount chain with stores in New York, opened its first Chicago-area store down the street in August, banking that Wal-Mart "might help us because they're attracting traffic," store manager Scott Bauer said."

"Even an independent shoe boutique called Shu Diva opened in June just blocks away from Wal-Mart."

"I don't sell a lot of things that Wal-Mart sells," said Leandra Peters, a social worker who opened the shoe store partly to inspire young African-American women in the community to go into business for themselves. "I'm more fashionable, so I don't see Wal-Mart as a threat."

"At least one business owner, Francisco Soto, said he 'panicked' when he heard Wal-Mart was moving into Austin. Soto, who owns Midwest Audio, a car stereo and accessories store, said he opened a second store in Cicero, thinking he needed another location in case his Austin location faltered. He overextended himself financially and now is closing the Cicero outpost to concentrate on the Austin store where business is better. He competes with Wal-Mart by selling higher-end products and offering installation."

"Today he embraces Wal-Mart's entry into the neighborhood. 'Wal-Mart's got good pull,' Soto said. 'I've been in this neighborhood all of my life. I started working here when I was in high school. This neighborhood was terrible. Now that Wal-Mart's here, there are planters, sidewalks, new trees. It's wonderful. Why did it take Wal-Mart to make it happen?'"

We note that business articles such as these will likely miss opportunities to quote business owners that indeed closed their business or moved away because of increased competitive factors, because those business owners would be harder to locate.

¹² As discussed earlier, our theory of change concerning overall business and economic development impact is that the first potential impact would be felt in the local real estate market as plans for the Wal-Mart store (or any large development) are announced and

pursued. For example, if the Wal-Mart is perceived by the local real estate market as positive, land values should increase within the most immediate distance rings around the store, with the greatest increases closest to the store. If the perception is negative, land values should decrease. If there is no impact, land values should remain flat or move along with other external influences. Impacts on residential transactions would likely take place within close distance rings whereas impacts on commercial transactions might push out farther, but begin near the store. Because MLS is mostly residential transactions, the ring analysis surrounding the Wal-Mart was conducted for transactions within 1/4 mile, 1/2 mile, and 3/4 mile in distance but not greater distances. When we analyze the permit data, distance rings are expanded to intervals up to 3 miles.

¹³ The yellow arrow shows the potential ripple effect along a single dimension for each block in Chicago (there are over 18,000 blocks – Illustration #2A). In the real world of the market, the Retail Continuum is not a single straight line but instead radiates outward in multiple directions from the center (Illustration #2B). This is why at our firm we analyze concentric rings moving outward from the Austin Wal-Mart and not a line or another shape (concentric rings do not themselves make up the geographic areas or dynamics of neighborhood markets – each market must be custom drawn – although impacts of new stores opening and closing can stretch across many neighborhood markets in a ring-like fashion). This is how we track the impact of different types of stores opening and closing block-by-block. To do so for Chicago markets, we must recalculate the per capita retail distance scores for each of Chicago's 18,000-plus blocks (as well as for each block in a buffer zone immediately surrounding the city, as Chicago residents can cross borders to shop) each time we update our analysis as all retailers exist and operate on the Retail Continuum in relative to each other.

Illustration #2A
The Potential Ripple Effect along the Retail Continuum
for Chicago Block-by-Block ©

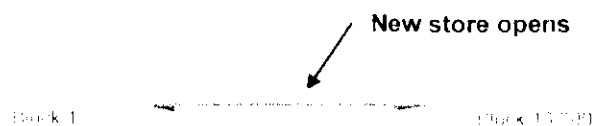
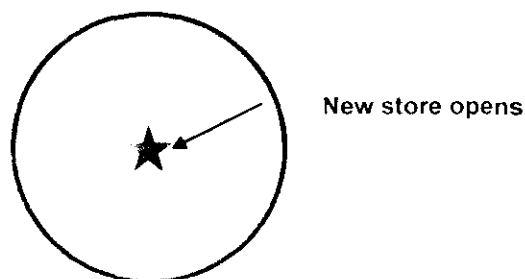


Illustration #2-B ©





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Professional Opinion of a Recent & **Second Study** by the
Center for Urban Research and Learning of
Loyola University Chicago
Concerning the Impact of Chicago's West Side Wal-Mart

OPINION UPDATE

(Please see our website for the original forty-four page MG opinion released in 2008.)

January 12, 2010

Prepared for
Wal-Mart Stores Inc.



Updated: Mon., Jan. 17, 2011, 6:45 AM

The absurd Wal of fear

By ANDREA PEYSER

Last Updated: 6:45 AM, January 17, 2011

Posted: 3:13 AM, January 17, 2011

It's a rumble in Brooklyn.

Word spread rapidly through the borough last week, like rats scampering through a subway car. The place was to be invaded. Were interlopers spreading violence? Or had slumming celebrities trained their sights on our shores? Not quite. This incursion was by forces far more sinister.

Walmart.

On Monday, The Brooklyn Papers reported that the giant purveyor of discount orange juice and underwear six-packs was to open a massive store in a new development on the fringes of Flatbush Avenue near Kings Plaza, spreading jobs, bargains -- if you believe carping critics -- pain. By Tuesday, word spread like a cancer to blogs and the mainstream media.

Tuesday night, an emergency meeting was scheduled so local officials might run Walmart out of town.

"I don't know what the idea is," said Dorothy Turano, district manager of Community Board 18. "We could wake up one morning and find a Walmart there."

The hearing was pushed back, due to snow. The next day, a spokesman for Forest City Ratner denied his company met with Walmart about opening a store in its planned Four Sparrows Retail Center.

Is Walmart coming? From the hysterical reaction, you'd think the Evil Empire was about to swallow the city whole. Yet the city has not announced a single project within the five boroughs. And still, official opposition to the retailer, already in the danger zone, has risen to lunatic levels.

It will come to a head on Feb. 3 as the City Council, led by bargain-hating Council Speaker Christine Quinn, hosts Hate Walmart Day.

But to the people of New York -- those who live on Flatbush Avenue and in East New York -- Walmart is not just wanted. It's desperately needed.

"We really want it," said Rosa, a clerk at Kings Plaza. "When I was in Kentucky, they had groceries and gave jobs to senior citizens. The prices are good!"

In a park in East New York, a long Town Car drive from Manhattan, I met a dad who watched his kids. Last year, he was out of work 12 months. Now it's going on 24. To him, Walmart is not just a store. It's the chance for a new life.

"We need jobs," said Malik Johnson, a laid-off laborer. "I'd work at Walmart in a heartbeat."

Why the hostility? Public Advocate Bill de Blasio last week released studies that he said showed -- aha! -- that for every two jobs Walmart brings into a community, three are lost. But if you look at the numbers, you'll see the conclusion is a crock.

One much-cited 2007 report by professors, led by David Neumark of the University of California, Irvine, is "full of a ton of caveats," said a source sympathetic to Walmart.

The study states -- bear with me here -- that the study's own findings "do not imply that the growth of Walmart has resulted in lower absolute levels of retail employment . . . We suspect that there are not aggregate employment effects, at least in the longer run, as labor shifts to other uses."

Phew! Translate that mouthful into English, and the same study that "proves" Walmart's a job killer suggests the opposite may be true. You see, when a Walmart opens, it draws new stores into the area. The result is that people get jobs. Perhaps in other industries, such as construction and hospitality. But don't ask me. Ask the dang study.

Or ask Chicago Alderman Emma Mitts. "If I could have another store today, I'd get me another store today," she said on a video posted online. "Because people need jobs."

"You have a big-box retail, and other, smaller stores are gonna come around and give you an economic engine," Mitts said. Stop the insanity. And learn to love Walmart.

'Take my kids, please:' Black

Newly minted Schools Chancellor Cathie Black transformed into a Borscht Belt comedienne, joking that the final "solution" to crowded schools is "birth control." Then, taking the Nazi metaphor to uncharted depths, Black said that school budget cuts have presented her with a "Sophie's Choice" -- a reference to the book and movie in which a mom, imprisoned in Auschwitz, has to decide which one of her children gets to live, and which one dies.

YOU CAT BE SERIOUS

Human companions of Sal Esposito, who happens to be a cat, want him removed from a Boston jury pool because he can't speak proper English and requires a full-time litter box. Two-legged officials denied the request.

Which begs the question: Can bipeds do better than Sal? Last week, a naked, vacuum-wielding Thomas Corde was acquitted of manslaughter after a guy he met on a boy-meets-boy Web site was stabbed to death. Cordero said he confessed to the crime only because he feared being sodomized by cops with a broomstick, like Abner Louima. A Bronx jury bought it.

I'll take my chances with Sal. Meow once for guilty. Scratch your nose twice for not.

From rags to riches to (best of all) celeb rehab

Faster than a speeding bullet, Ted Williams went from being a homeless drug addict to a celebrity recovering addict to a cop hassled by cops to the envy of famous people everywhere -- a resident of celebrity rehab.

Since the silken-voiced Williams became an Internet sensation, he's been deluged with job offers. Then he was questioned by cops after a fight with his daughter. Now, he's received a prime offer he can't possibly refuse from celeb uber-Dr. Phil McGraw -- doing a stint in a private rehab facility to kick a drinking problem.

He's a lucky guy.

Sack master 1, justice system 0

I give up. Former Giants star linebacker Lawrence Taylor paid \$300 to have sex with a 16-year-old runaway. He says he thought the girl was 19, which makes no difference in the eyes of the law.

But in the eyes of celebrity justice, Taylor wins. Like a sleazy politician, Taylor insists he did not have sexual intercourse with that underage woman. And now, he's likely to dodge even a minute in jail after pleading down from a felony to a sweet pair of misdemeanors.

There is no equal justice. Not when a guy used to know how to play football.

Subway a 'wild' ride

Despised transit brass should take a creative approach to the debacle of the subway rat caught on video climbing up a sleeping man's leg and staring him in the face. Ewww.

Top officials, many of them unfamiliar with the look and smell of subway vermin, should market a ride on the No. 4 train as a great way to commune with nature. That should remove the sting when fares go up. Again.

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Overview

Mari Gallagher Research & Consulting Group was retained by Wal-Mart Stores Inc. to develop a Professional Opinion (the Opinion) on a report entitled *The Impact of an Urban Wal-Mart Store on Area Businesses: An interim-evaluation of one Chicago neighborhood's experience* by authors Julie L. Davis, David F. Merriman, Lucia Samayoa, Brian Flanagan, Ron Baiman, and Joe Persky of the Center for Urban Research and Learning of Loyola University Chicago¹ (the Loyola report). The version available for this review was marked "last revised April 15, 2008."

The original forty-four page MG opinion of the 2008 Loyola report is available at www.marigallagher.com.

Loyola recently provided an update to their 2008 report with a similar title and the date of December 2009. **MG was retained again by Wal-Mart to provide a brief summarized update of our Opinion of this second 2009 Loyola report (this document).**

We emphasize that we are neither "pro" nor "anti" Wal-Mart but, rather, a neutral third-party research firm. We do not conduct advocacy or any type of political work.

Summary Opinion of the December 2009 Loyola Report

Most of our original criticisms of the Loyola report continue to be serious issues in this second version; key methodological flaws were not addressed. In this Opinion Update, we focus on only two key concerns for the sake of brevity.

First, the most important finding advanced by the Loyola report is that there is essentially no change in community jobs as a result of Wal-Mart opening and operating a store on Chicago's West Side. We believe that this is an inaccurate finding based on the evidence provided.

In the body of the Loyola report, the research team estimates job losses resulting from Wal-Mart's entry by looking only at firms that exited. They acknowledge that firms have entered since Wal-Mart's arrival, but this is buried in the Appendix, and not included in their job calculation. To put it in very simple terms, understanding if and how Wal-Mart impacted community jobs requires the following calculation at minimum:

Businesses that entered and those jobs gained	MINUS	Businesses that closed and those jobs lost	EQUALS	Net job loss or gain
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But, instead, the foundation of Loyola's calculation is:

Just the new regular Wal-Mart jobs	MINUS	Businesses that closed and those jobs lost	EQUALS	Net job loss or gain
---------------------------------------	-------	---	--------	-------------------------

sensible to move to Option #1 or Option #2. But the Loyola Study has proceeded in this version without demonstrating that Option #3 is not the correct way to analyze the data.

We recognize that this is a difficult and seemingly arcane point, but it is important because, to restate, Option #3 is the best fit to the data. We provided feedback on this methodological shortfall in our original Opinion, which is perhaps why the Loyola authors switched from Option #2 to Option #1, but that did not solve the problem. If the authors have reasons to believe that Option #3 is inappropriate, they should present evidence before proceeding to Option #2 or Option #1.

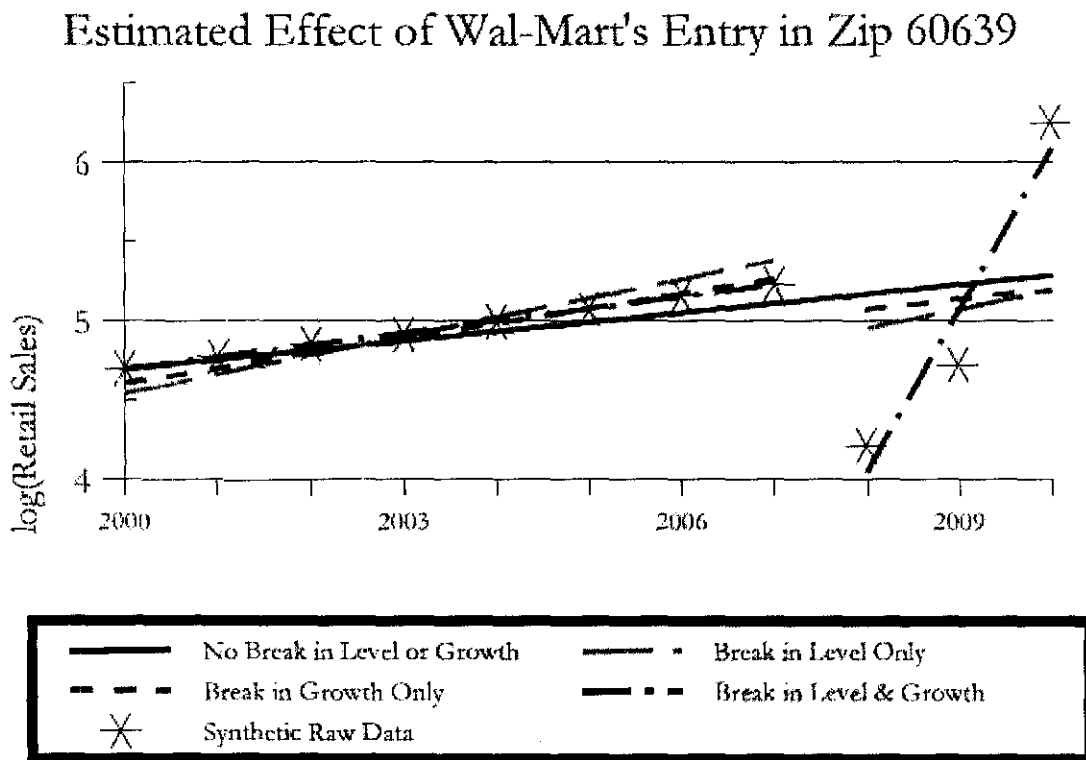


Figure 1

¹ The study was funded by the Woods Fund of Chicago and Loyola University Chicago.



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RESPONSE TO
PROFESSOR DAVID MERRIMAN'S JANUARY 23, 2011 EMAIL
CONCERNING WALMART

To: Professor David Merriman
From: Mari Gallagher
Date: February 2, 2011
CC: All those also copied on the Merriman email: Alderwoman Mitts, Professor Joseph Persky, and Professor Phillip Nyden

Thank you for your email (ATTACHMENT A) and corresponding statement (ATTACHMENT B) on your study relative to a recent letter written by Alderwoman Mitts concerning Walmart. It is always nice to hear from you, but I have to say that the content of your email is a bit baffling.

First, we will address your issues concerning peer review.

You stated in ATTACHMENT A "In the future, I believe that we would have a more productive dialogue if you communicated privately regarding our study's strengths and limitations prior to making public statements that might sometimes be incorrect or misleading."

You also stated in ATTACHMENT B, "Mari Gallagher & Associates' Walmart-funded-critique of our study was written (and disseminated) without the consultation that would be typical in a professional peer-review framework."

I don't know if you are exclusively addressing the Alderwoman with these criticisms, or both of us, but as you'll recall, you and I have been in direct and friendly contact about our detailed review of your study as far back as January 2, 2009 when we exchanged emails. I sent you the link to our review and you responded that it would be beneficial to your work.

You stated in ATTACHMENT B, "In general, we validate research findings in the appropriate scientific manner—by submission to the rigorous scrutiny of our peers through the journal review process. Typically, and in this case, this is a prolonged process and our work

(somewhat revised but reaching essentially the same conclusions as the report Alderwoman Mitts discusses) is currently undergoing such scrutiny.”

We are glad that you are undergoing a journal-style peer review. Unfortunately, prior to this review being complete, and despite the study’s shortcomings, you and your colleagues in effect submitted your work, even its early draft version, to the “Journal of Public Opinion” by forcefully and publicly advancing findings without sufficient evidence to back those findings up. And by so doing, your study is open to public debate and scrutiny and is no longer a matter of “private discussions.”

You state in your email that we have been retained by Walmart to review your work. This is true. We are a neutral third party firm hired by many different types of entities, big and small. Others have and will review your study as well, particularly as a result of its constant replay in the media. In fact, in what appears to be a highly unusual step, the *Sun Times* editorial board reviewed your study and deemed it “flawed” and a “cheap shot” at Walmart.

In your recent email to me you stated, “We have been reluctant to get into a public debate.” This is another strange statement, again, belied by your efforts to widely circulate your study and your frequent local and national appearances touting the study’s findings as a means to argue against Walmart.

Second, we will address the technical points raised Attachment B.

Your study purports to measure the net effect of Walmart’s arrival on employment within a four-mile radius of its Chicago West Side location. Your study concludes (p. 11): “Rough comparisons of employment losses associated with WalMart’s opening and WalMart’s own labor force suggest that WalMart had little or *no net effect* on total employment in the area.” [italics added].

There are problems with your calculation.

Your study measures the net effect on employment, but in only one narrow sense: you calculate total job losses that would likely have occurred in Walmart’s absence and subtract this from the total job losses that actually occurred to generate what you call the “Walmart effect.” The “WalMart effect” is thus net of job losses that would have taken place if Walmart had not entered the market.

To demonstrate how this was done, we created Figure 1 from the data in the tables of your report.

Your regression analysis (Table 5, Column 1 of your most recent version of your report) shows that failures in the immediate vicinity of Walmart (“Distance to Walmart”=0) are 25%, and as distance from Walmart increases, failures decrease by 4.12 percentage points for every mile.

A four-mile boundary from Walmart is the limit of distance in your sample. By your estimate, about 8% of firms four miles from Walmart are predicted to fail each year. You call this the “normal” rate of failures that would occur if Walmart did not enter the market. The difference between total failures (the downward-sloping line) and the “normal” or “baseline” rate of failures (the horizontal line) is your measure of the “Walmart effect at each distance from

Walmart. To convert this into job losses, you calculate the number of firms in your sample located at each distance from Walmart, and multiply the "Walmart effect" on business failures by the average number of employees in each failed business (about 6).

One problem with this analysis is that the local market which Walmart entered had bottomed out; the entire radius you draw is not homogenous. We created Figure 2 which shows what happens if we assume that the "normal" (i.e. if Walmart hadn't entered) rate of business failure was higher within a mile of the location that Walmart actually chose (because the market at their chosen location had already bottomed out, as admitted to in your report).

For Figure 2, the "Walmart effect" (business failures attributable to Walmart's arrival – i.e. failures over and above what would have occurred if Walmart hadn't arrived) is the same at distances above 1 mile, but for distances < 1 mile, it's smaller than in Figure 1 (the "Walmart effect" at each distance from Walmart is the difference between the two lines).

FIGURE 1

Probability of Going
Out of Business

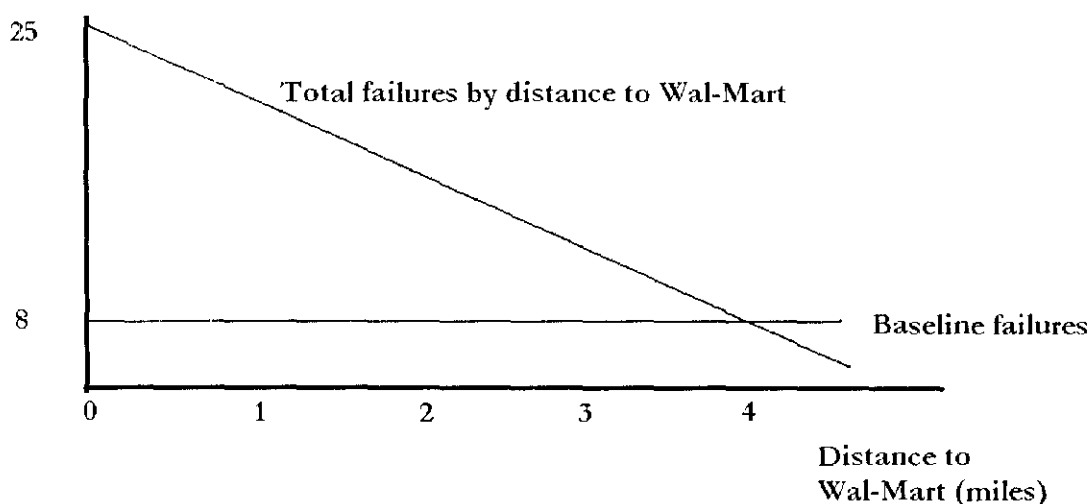
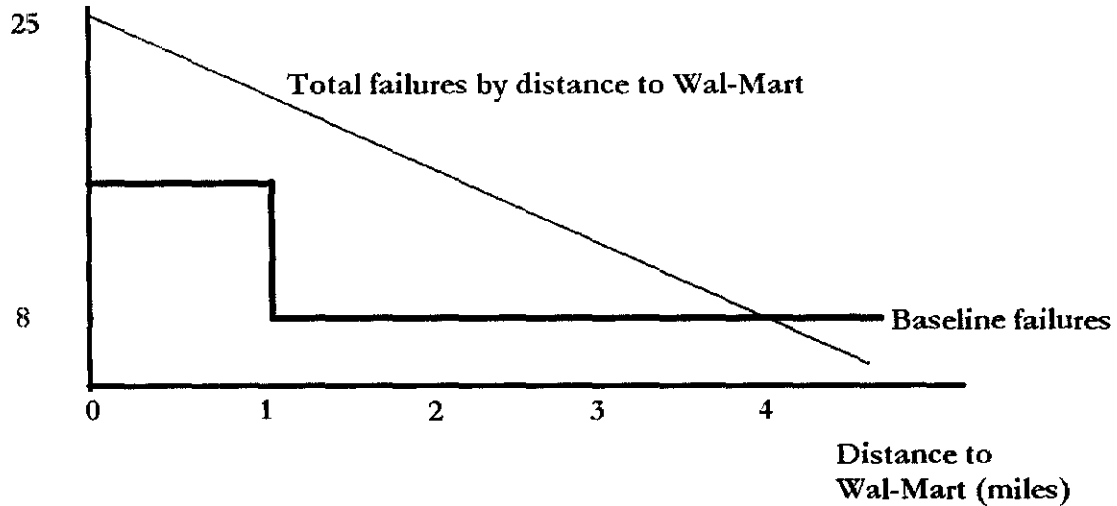


FIGURE 2

**Probability of Going
Out of Business**



An even more important problem with the analysis, though, is the absence of a necessary but vital step in calculating net employment change: the difference between jobs added and jobs lost. Ideally, both of these components of net change would be net of gains or losses that would have occurred if Walmart had not entered the market. With data on jobs gained over the 2006-08 period within a four-mile radius of Walmart, it would be possible using a regression analysis like that in your Table 5 to estimate the total jobs gained over the period at each distance from Walmart and the jobs that would have been gained at a distance of four miles from Walmart. If we take the jobs gained at four miles as “normal job gains,” we could estimate the “Walmart effect” on jobs gained by subtracting total “normal” gains from total gains.

We could then calculate the net employment change attributable to Walmart’s arrival as:

$$E_{\text{net}} = J_{\text{gained}} - J_{\text{lost}}$$

J_{gained} is job gains attributable to Walmart and J_{lost} is job losses attributable to Walmart.

You state that there is no database of new businesses that opened in the Walmart vicinity and that the procedure outlined in our Figure 1 is your attempt to overcome the inevitable problem of the selectivity of any such count of new businesses. You stated: “As we have previously explained there is no database that measures new business openings in Walmart’s neighborhood and any count of new businesses is sure to be selective. To avoid the problems of a selective count of new businesses our methodology attributes job losses to

Walmart only if they are greater than losses projected by our statistical model in Walmart's absence." (Your response to Alderwoman Mitts' critique, ATTACHMENT B, paragraph 4).

Key points concerning your statement:

First, the lack of an existing and easy database of business closings does not mean you cannot create one. We are constantly creating databases of small businesses that either enter or exit the market. This involves driving and videotaping commercial districts, walking the districts, using smart phones for documentation and linking pictures of stores with geocoordinates, searching online sources, calling the stores in question, calling nearby stores and other entities for verification of the store's operation, visiting the stores, and so on. We are working on such a database now. Over this last week alone, I personally made 200 such phone inquiries. It is tedious and unglamorous work but it is often the price we must pay if we wish to state findings with conviction. You could have created a database of new business openings but for some reason chose not to do so. Though such a database might well be "selective," the relevant question is not its selectivity in isolation but whether it is more or less selective than the database of business closings that you did choose to create.

Second, you state that your methodology "avoid[s] the problem of a selective count of new business." We would argue instead that it simply ignores these new businesses. Your methodology provides nothing more than an estimate of job losses net of the effect of normal job losses and therefore attributable to Walmart's arrival. It says nothing about jobs gained through the entry of new businesses. This would be fine if your study simply owned up to its shortcomings in these respects by saying, "We measure only gross job losses and make no serious attempt to measure net employment change except in the narrow sense that our gross job loss measure adjusts for job losses attributable to normal business failures in Walmart's absence." Unfortunately your presentation of findings are not quite so modest: after deriving your measure of job losses attributable to Walmart's arrival, you proceed to estimate net employment change by comparing an estimate of gross job losses driven by Walmart's arrival to gross job gains from Walmart's arrival (p. 10). In doing so, you implicitly acknowledge that there are two sides to the ledger that must be examined here. However you do not examine both sides. Instead, you vastly underestimate job gains by including only Walmart's own new employees, entirely ignoring jobs gained through the entry of new businesses.

Another problem is your exclusive focus on competing businesses.

You reject our claim that "the Loyola calculation includes all competing jobs lost but excludes all competing jobs gained." Again, this rejection is baffling. The calculation of job losses you undertake does indeed begin with all competing businesses and examines only firms that remained in business or closed, so our statement is correct as it stands. You perhaps construe our statement to mean that your bottom line number on job losses included all competing businesses; clearly it does not, as you have factored out the normal losses from business closings unrelated to Walmart, but the starting point for the calculation nonetheless includes all competing business job losses and excludes all competing business job gains. Perhaps you have misinterpreted our comment.

You cannot deny that your job loss calculation (p. 10 of your study) applies only to "competing jobs" (i.e. job in businesses that compete with Walmart) as your study itself

describes the sample used for this calculation as containing only “businesses in the major retail categories that compete with WalMart” (p. 6 of your study).

You also cannot deny that your calculation excludes competing jobs gained.

You admit (in your response to Alderwoman Mitts' critique, ATTACHMENT B, paragraph 4) that there is no existing database of new firms and state that, as such, your study does not have the capacity to measure gross job gains (though, again, we would disagree with the second half of that statement). You state that your methodology takes care of this shortfall, but it clearly does not; see above. You can only quibble with the use of the word “all.” What you actually measure is *competing* jobs lost over and above those that would have been lost even if Walmart had not entered. If the phrase “all competing jobs lost” in the statement is amended to “all competing jobs lost over and above those that would have been lost in Walmart's absence” and the phrase “all competing jobs gained” is amended to “all competing jobs gained over and above those that would have been lost in Walmart's absence then our statement is again correct and emphasizes the imbalance in your study, which claims to measure net employment change but fails to account for any new jobs gained except those in Walmart itself.

Your comment on this point raises another issue. In your job loss calculations, you focus only on firms that compete with Walmart. But firms in lines of business that do not compete with Walmart can experience an impact from Walmart's arrival as well. Suppose a bank or currency exchange is located next door to a toy store. Some of the traffic enjoyed by the bank or currency exchange will be driven by customers going to the toy store.

The toy store's exit from the market at Walmart's arrival might result in reduced traffic for the bank or currency exchange, and, in the extreme, its exit from the market, too. Of course, this process can also work in the opposite way: the arrival of Walmart generates additional retail traffic in the area, some of which will generate business for firms that do not compete with Walmart, so businesses will enter the market to take advantage of Walmart's ability to draw customers to this area. The arrival of a Chase bank branch is an example of this spillover effect working to increase employment and activity in Walmart's vicinity.

These considerations suggest that a comprehensive estimate of Walmart's impact on employment should include not just jobs gained (caused by Walmart's arrival) from competing businesses entering the market and jobs lost (caused by Walmart's arrival) from competing firms exiting the market, but also the net effect of Walmart on the employment of firms throughout the retail market in the vicinity of Walmart. The “net job change” equation identified above should therefore be amended to:

$$E_{\text{net}} = (J_{\text{gained}}^c - J_{\text{lost}}^c) + (J_{\text{gained}}^n - J_{\text{lost}}^n)$$

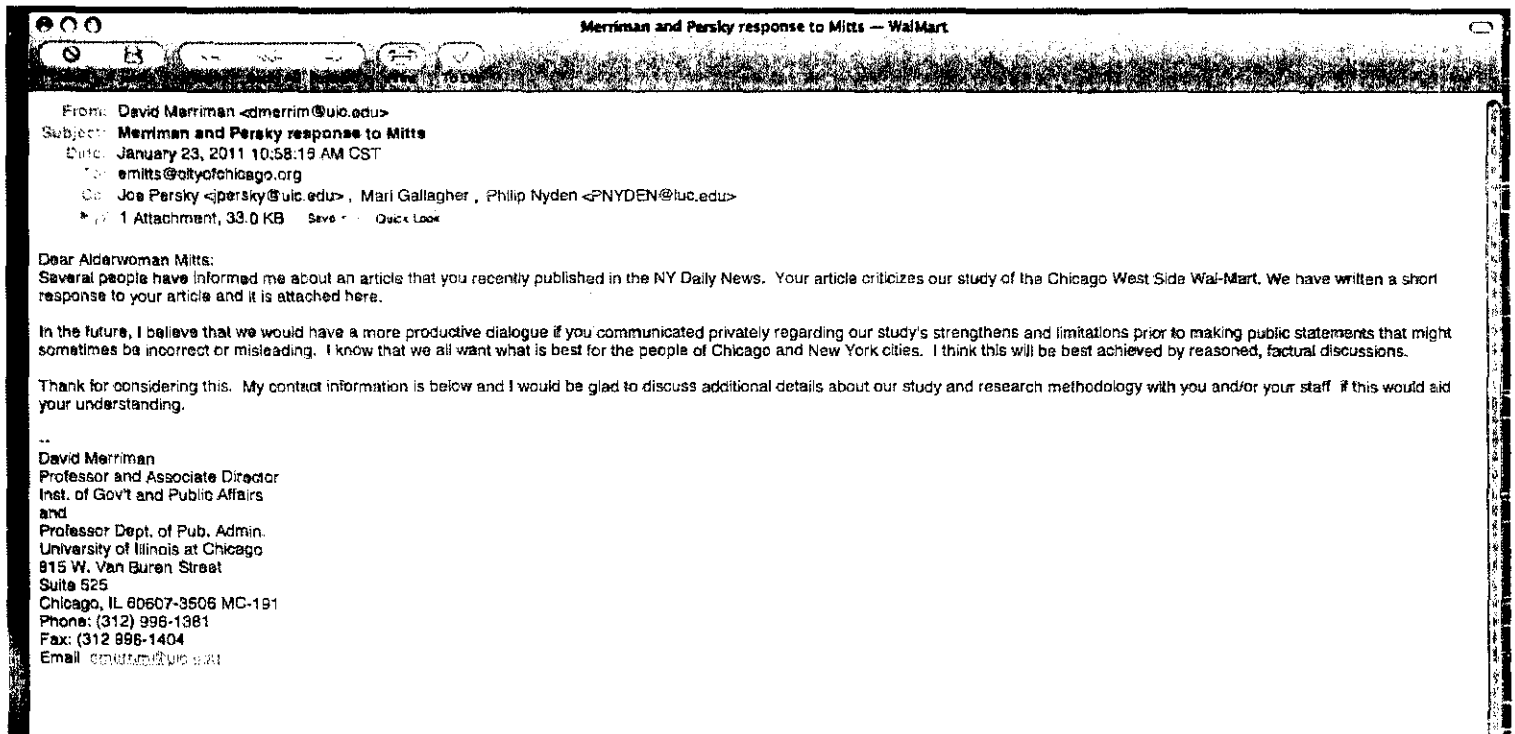
The superscripts “c” and “n” refer to “competing” and “non-competing” businesses. There are four items in this corrected equation. Unfortunately, your study attempts to measure only one: J_{lost}^c .

The study's conclusions regarding net employment change therefore remain unreliable for many reasons.

There are other issues with your study that we pointed out in our previous reviews. In light of your correspondence to which we are now responding, perhaps the most troubling is that – when findings are positive for Walmart – you describe them as counter-intuitive or bury them in your appendix. You seem to go out of your way at every turn to choose methods and data that suggest a negative impact by Walmart rather than to be an impartial examiner detached from the outcome.

SCROLL DOWN FOR ATTACHMENTS

ATTACHMENT A SCREENSHOT: MERRIMAN EMAIL



SCROLL DOWN TO NEXT PAGE...

Response to Mitts.pdf

Response to Alderwoman Emma Mitts' critique of
**The Impact of an Urban Wal-Mart Store on Area Businesses:
An Evaluation of One Chicago Neighborhood's Experience**

By

David Merriman (dmerrim@uic.edu) and Joe Persky (jpersky@uic.edu)

Recently (January 9, 2011) Alderwoman Emma Mitts published a short article attacking our academic study of the impact of a Wal-Mart store located in her district on the West side of Chicago and specifically questioning both the competence and academic integrity of one of the authors. The study to which the Alderwoman refers was the product of more than three years work by a team of six co-authors at well regarded universities. Three of the co-authors have published widely in refereed academic journals; two are tenured professors at a research university. In general, we validate research findings in the appropriate scientific manner—by submission to the rigorous scrutiny of our peers through the journal review process. Typically, and in this case, this is a prolonged process and our work (somewhat revised but reaching essentially the same conclusions as the report Alderwoman Mitts discusses) is currently undergoing such scrutiny.

We have been reluctant to get into a public debate—especially with a widely admired and well known elected official—about the scientific validity of our study. However, we now feel compelled to publicly respond. Alderwoman Mitts levels two main criticisms at our study. In each case we briefly summarize the criticism and give our response.

Criticism: "if you are doing a study on the net loss of jobs in a city, one should add new jobs created and subtract jobs lost." Mitts cites Mari Gallagher & Associates' critique which argues that "the Loyola calculation includes all competing jobs lost but excludes all competing jobs gained."

Response: As we have previously explained there is no database that measures new business openings in Wal-Mart's neighborhood and any count of new businesses is sure to be selective. To avoid the problems of a selective count of new businesses our methodology attributes job losses to Wal-Mart only if they are greater than losses projected by our statistical model in Wal-Mart's absence. Mari Gallagher & Associates' Wal-Mart-funded-critique of our study was written (and disseminated) without the consultation that would be typical in a professional peer-review framework. That critique misstates and misinterprets our work in a number of places. In particular, it is plainly not true that our calculation "includes all competing jobs lost." As we clearly explained in the report, our job loss estimates are the difference between expected job losses with and without Wal-Mart.

Also, our study did include an analysis of the net change in retail sales in Wal-Mart's area this calculation captures retail sales of both new and existing business. We found that total retail sales in the area remained essentially unchanged after Wal-Mart opened. This is consistent with our other analyses.

Criticism: the study "contains a disclaimer that the data contained in the report is uncertain".

Response: We believe the phrase in the report that Alderwoman Mitts is responding to is "Our estimates suggest that Wal-Mart has resulted in the loss of about 300 full-time-equivalent jobs in its own and nearby zip codes. While there is still considerable uncertainty attached to these calculations, they suggest a loss about equal to Wal-Mart's own employment in the area." As objective, scientific researchers we acknowledge that there is inherently statistical uncertainty about the net effect of Wal-Mart on total employment in this area. Our conclusions represent our best estimate of Wal-Mart's impact based on available data. Our conclusions are consistent with economic theory and a large body of empirical literature about Wal-Mart's impact on employment in a number of other contexts. Our work is neither the first nor the last study of Wal-Mart's impact. We believe that our work represents the best objective evidence about the impact of the Wal-Mart located in Alderwoman's Mitts' district on total employment in the area.

Over 5,000 people like me signed a petition to support the new Walmart at Coors and Montano.



**And there are many, many more
who would sign it.**



**We think the new Walmart is a
really great idea.**



88

**I've owned this property since 1994.
Having Walmart as a neighbor is a
great idea.**



**It will reduce my traffic time when
it's right here and I won't have to
drive so far.**



**I really like the convenience. It'll be
easy to get to and from.**



I like the low prices.



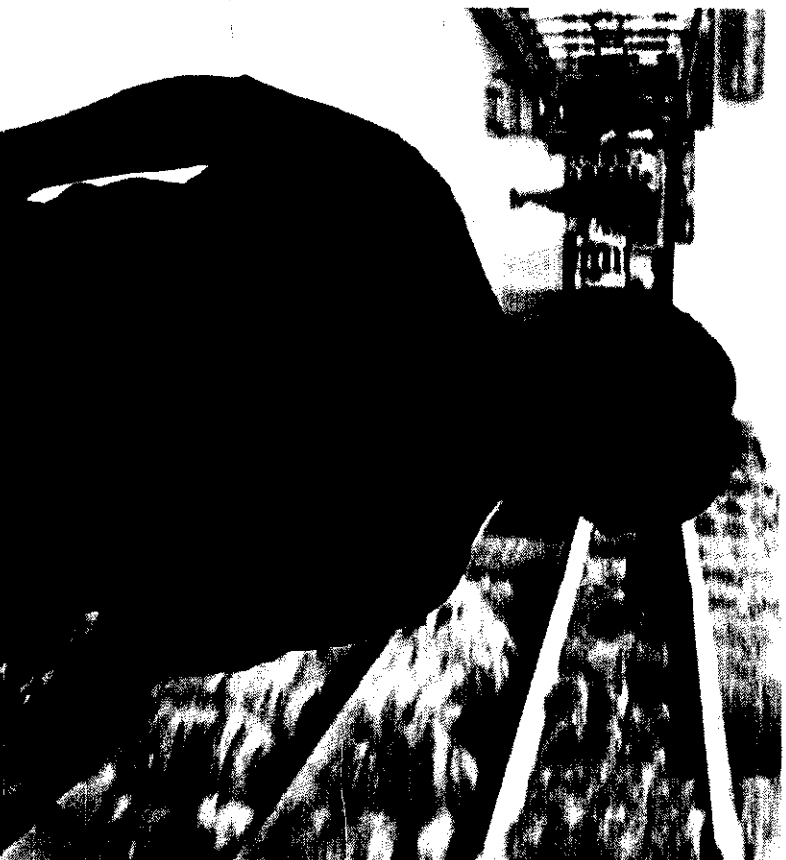
It will be a very unique size. Half of it will be groceries and half of it will be entirely other merchandise.



I like the convenience. It's the one
stop shop. I get everything I need in
this one spot.



**As you can see from the shelves,
Walmart purchases a lot of stuff
from local vendors. Over \$80
million alone last year!**



**The new Walmart will create 300
new jobs.**



Once this Walmart is built here, I won't have to drive to any other Walmart in town. This is very convenient.



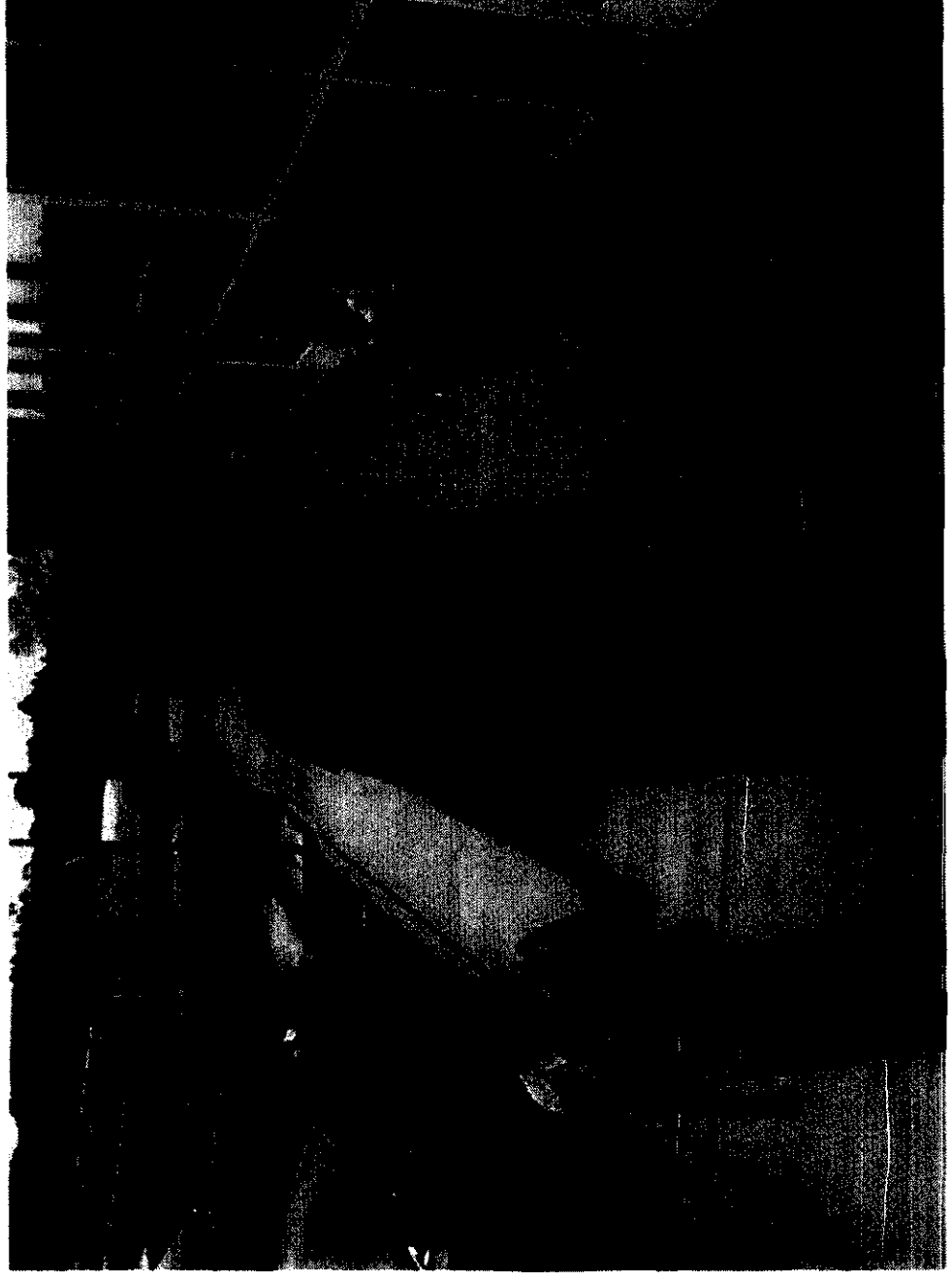
I know one of the biggest concerns is that the store is going to be too close to the Bosque. But if you look the Bosque is so far away.



The city wouldn't have zoned this property commercial if it was in the Bosque. It is not in the Bosque.



There's going to be lots of shops
around. It's going to be like a village.



**Walmart will only occupy 11 acres
out of the 285 acres at the site.**



**It'll be a nice new community with
apartments and other shops.**



**Traffic won't get much worse.
People are driving by anyway.**



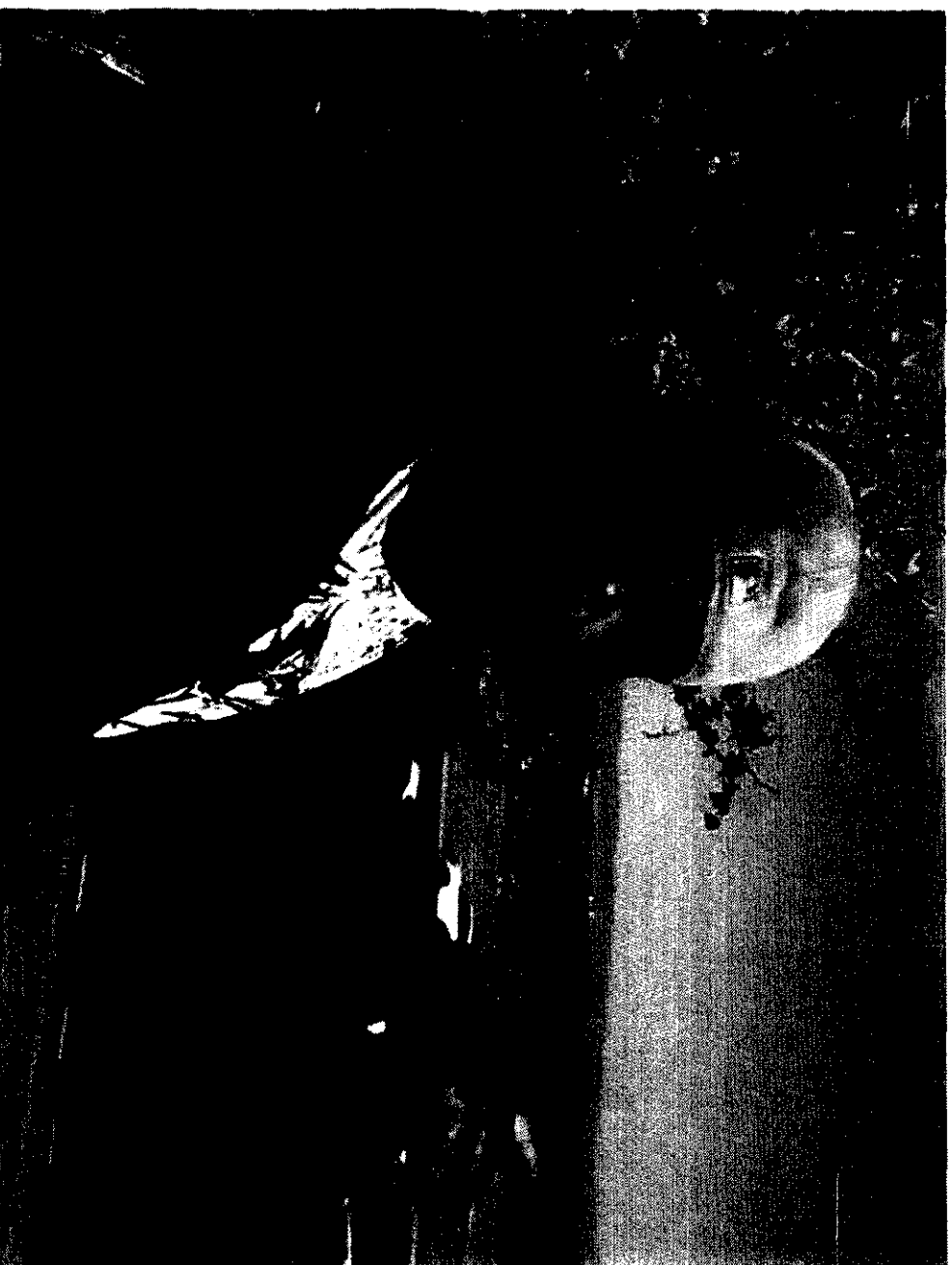
There will be bike paths and walking paths.



**...And environmentally-sensitive
landscaping.**



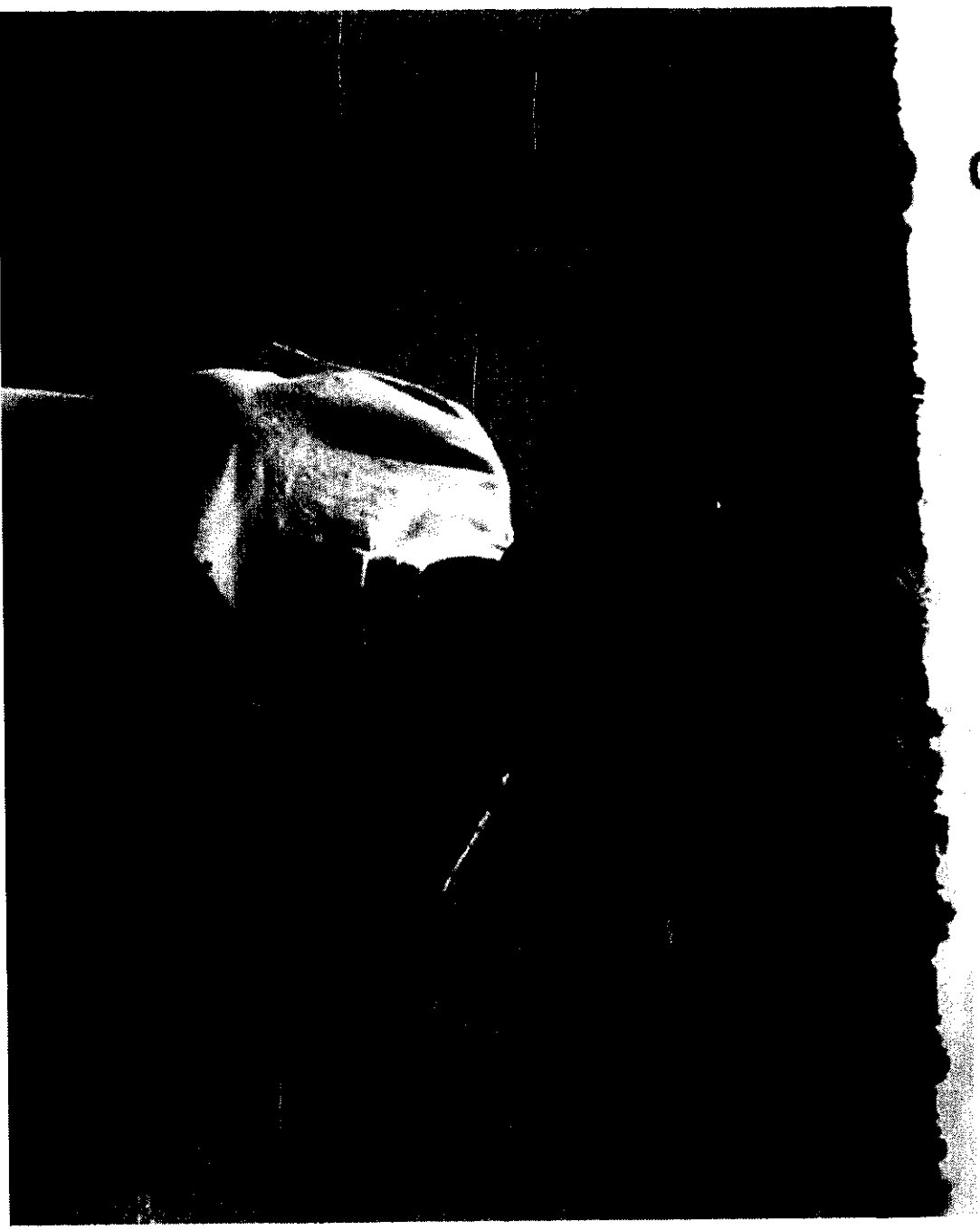
**The new Walmart will not block the
view of the Bosque or the
mountains.**



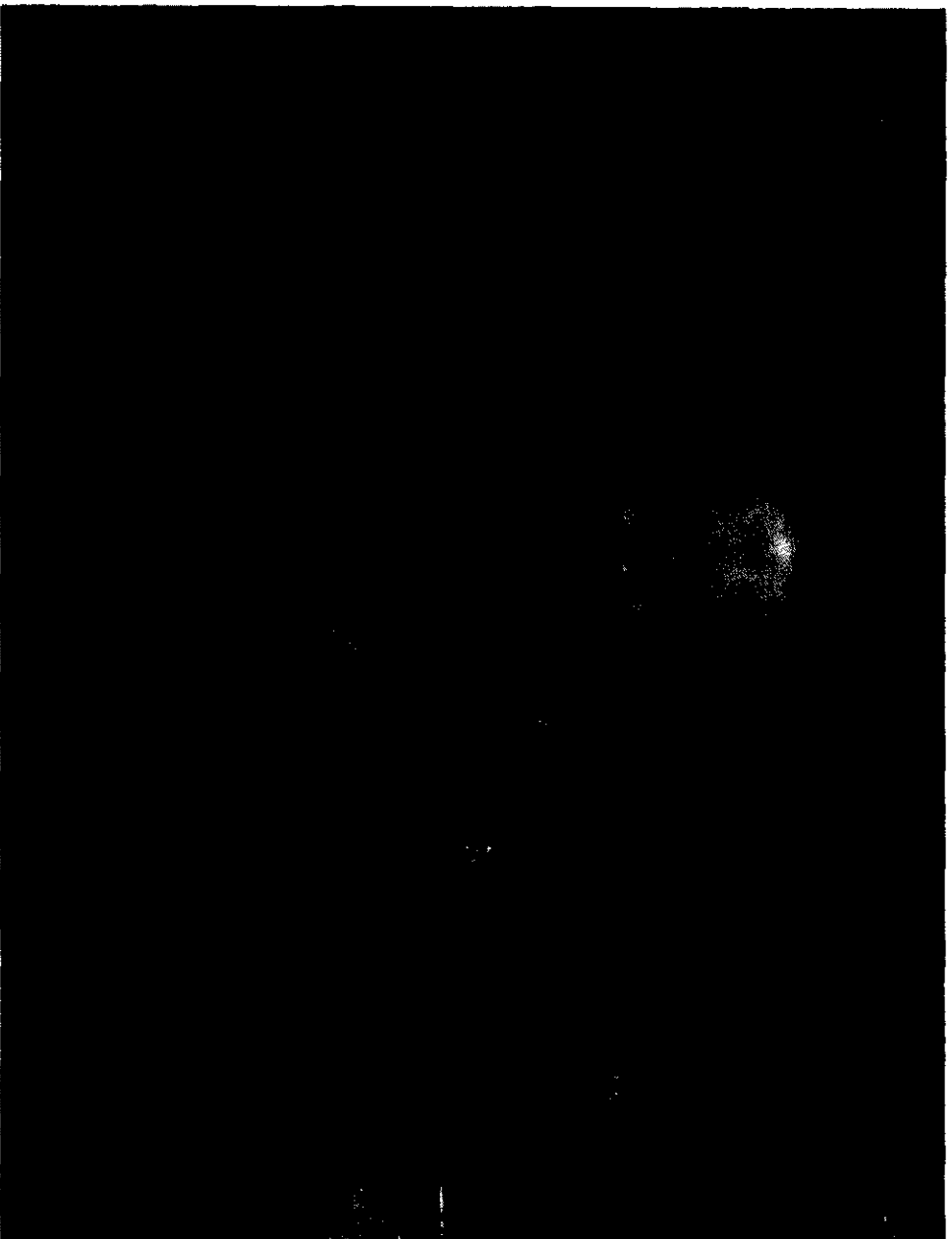
**Bosque School will have what looks like a
big park right in front of the school.**



If the wind is blowing like it is today,
the wall will prevent anything from
blowing over.



This land is zoned commercial. I think Walmart should be able to put a store here.



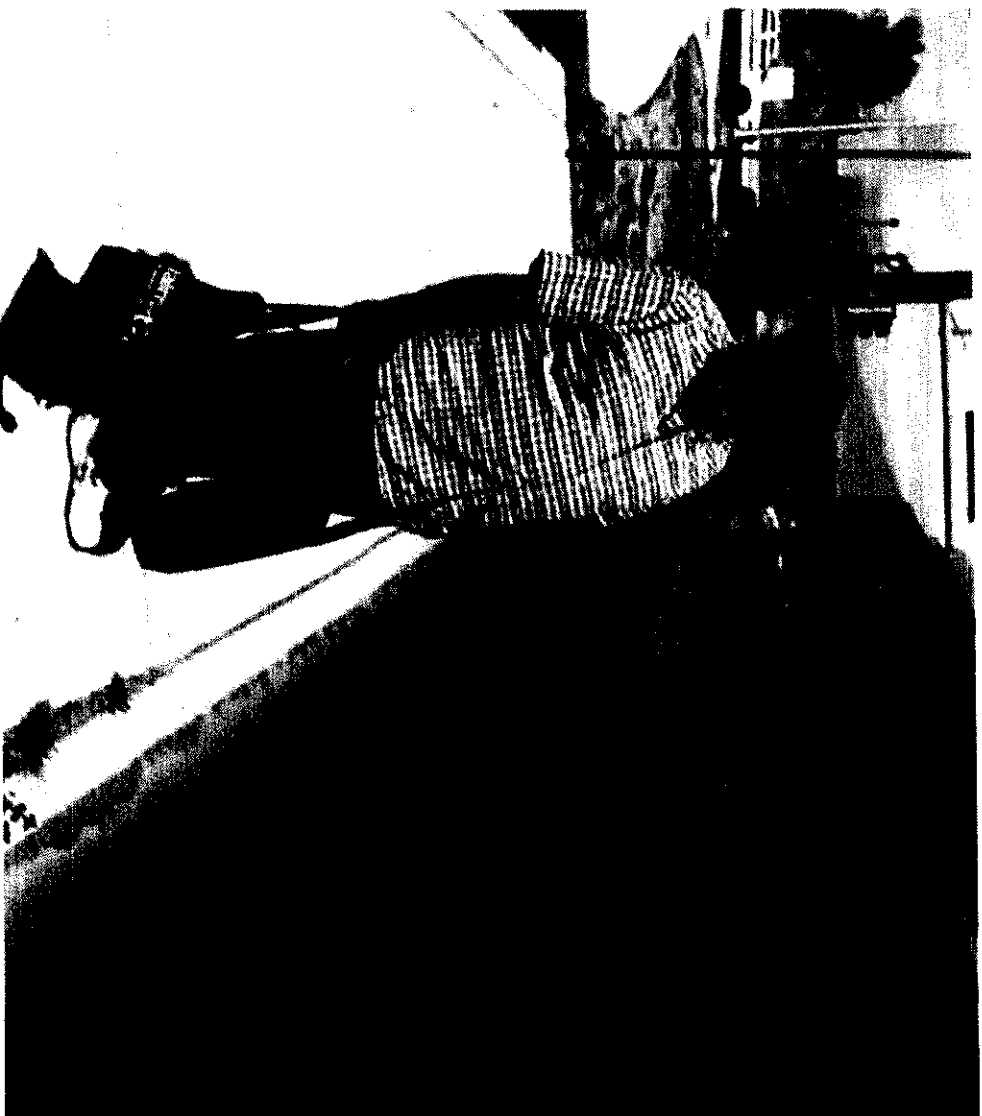
Big trucks won't be coming in near as often as you think...on average less than one per day. Even if one per day were to come, that wouldn't be very much traffic.



This is the drainage area for the entire development area. So, none of the runoff will be going into the river.



There are a lot of bus stops on this route.



**We do need to save a lot of money.
Walmart is a good place to do that.**



**I think it's a great idea and it will
help the other Walmarts not be so
crowded.**



August 28, 2012

President Trudy E. Jones
Albuquerque City Council
c/o Crystal Ortega, Clerk of the Council
P.O. Box 1293
Albuquerque, NM 87103

Via Hand Delivery

Re: AC-12-10, Appeal of Declaratory Ruling

Dear President Jones and City Councilors:

Silver Leaf Ventures, LLC, requests that the vote taken on August 20, 2012 be reconsidered or rescinded for reasons stated below.

Councilor Rey Garduño did not recuse himself from the vote. The vote is tainted. The proper path forward is to re-open the matter and vote a second time without Councilor Garduño's participation.

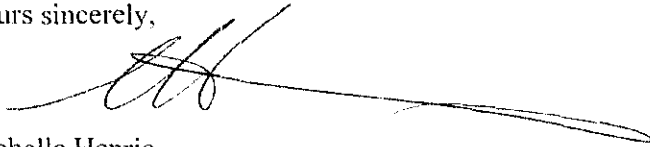
In a well-known California case, a court vacated a planning commission's decision to deny a project when it learned that a planning commissioner wrote a newsletter article attacking the project. Nasha L.L.C. v. City of Los Angeles, 125 Cal. App. 4th 470, 22 Cal. Rptr. 3d 772 (Cal. Ct. App. 2004). The court concluded that the commissioner's article, in which he described the proposed development project as a "threat to [the] wildlife corridor," gave rise to an "unacceptable probability of actual bias" and was sufficient to preclude that commissioner from serving as a reasonably impartial, noninvolved reviewer on the planning commission when it voted on the project.

New Mexico courts agree. In Reid v. New Mexico Board of Examiners in Optometry, 92 N.M. 414, 589 P.2d 198 (1979), the New Mexico Supreme Court concluded that because a board member had "admitted making a statement indicating his bias and prejudgment of the issues ..., the Board's failure to disqualify [the board member] clearly violated Reid's constitutional right to procedural due process." Id. at 416, 589 P.2d at 200.

Councilor Garduño is not "disinterested and free from any form of bias or predisposition regarding the outcome of the case." Id. at 416, 589 P.2d at 200. His statements on the Record indicate the opposite. His attempt to justify his participation in the August 20th vote was based on an incomplete understanding of the law. Bias against a *party* is a ground for recusal. It is *not* the *only* ground for recusal.

Councilor Garduño's failure to recuse himself deprived Silver Leaf of its constitutional right to procedural due process. City Council's best course of action is to re-open the matter and vote a second time without Councilor Garduño's participation in order to neutralize the risk he has caused the City. Please know that if the City fails to take corrective action, I will need to advise my client to take such action as required to protect itself, which may include filing a notice of tort claim.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'MH' followed by a long horizontal stroke.

Michelle Henrie
Attorney for Applicant

August 28, 2012

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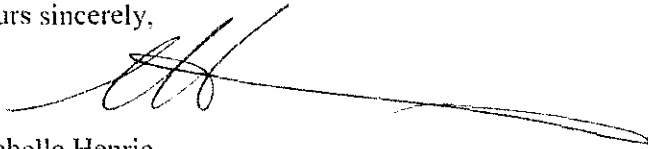
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Michelle Henrie
Attorney for Applicant

August 23, 2012

President Trudy E. Jones
Albuquerque City Council
c/o Crystal Ortega, Clerk of the Council
P.O. Box 1293
Albuquerque, NM 87103

Via Hand Delivery

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As described by the Albuquerque Journal, Exhibit A, a protest took place on November 12, 2011:

More than 100 people crowded the Coors and Montano intersection blasting a proposed plan that would bring in the nation's No. 1 retailer and employer to the southeast corner of the location—the place Walmart wants to build a 98,900-square-foot store.

Both the Albuquerque Journal and KRQE TV, Exhibit B, published photographs of Councilor Garduño participating in the protest. Councilor Garduño is expressly mentioned in the Journal article. In fact, Councilor Garduño talked to the Journal reporter, who wrote:

“We want human-scale development” was the statement on the sign Councilor Rey Garduño held. He said while it's important to preserve the bosque's beauty, it is equally important to preserve the community. “We want people to feel like they are part of the business they are patronizing.”

Based on these statements, Councilor Garduño has already pre-determined, off the Record and prior to a hearing, that the proposed 98,900-square-foot Large Retail Facility is not “human-scale development,” does not “preserve the community,” and is contrary to what “we want.”

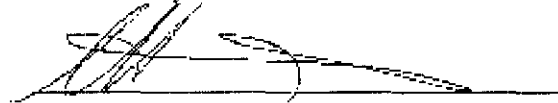
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Councilor Garduño is not "disinterested and free from any form of bias or predisposition regarding the outcome of the case." Id. at 416, 589 P.2d at 200. He has already pre-judged the outcome of this case. His attempt to justify his participation in the August 20th vote was based on an incomplete understanding of the law. Bias against a *party* is a ground for recusal. It is not the only ground.

Councilor Garduño's failure to recuse himself deprived Silver Leaf of its constitutional right to procedural due process. City Council's best course of action is to re-open the matter and vote a second time without Councilor Garduño's participation in order to neutralize the risk he has caused the City. Please know that if the City fails to take corrective action, I will need to advise my client to take such action as required to protect itself, which may include filing a notice of tort claim.

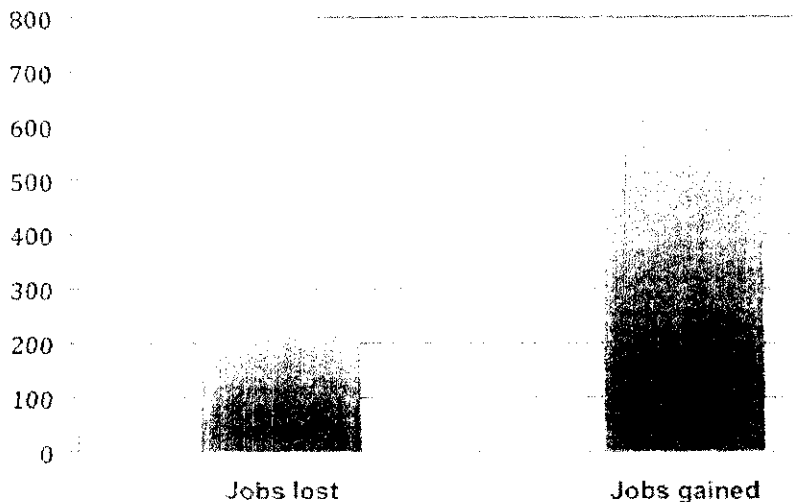
Yours sincerely,

A handwritten signature in black ink, appearing to read 'Michelle Henric', written over a horizontal line.

Michelle Henric
Attorney for Applicant



If we were to create a chart for this revised example, it would look like this:



We emphasize that we are not stating that this *is the* job gain, but, rather, that the Loyola report excluded a key component (*competing firm entrants*) and that, if included, it is reasonable to assume that, using the Loyola approach, the job gain would be at least this much. If studying the success of heart transplants, we would need to look at patients that lived as well as died. If studying the personal effects of gambling, we would need to look at winners as well as losers. And when studying the impact of a retailer on competing community jobs, we must look at competing jobs gained as well as competing jobs lost. It's that simple.

Furthermore, one could easily argue that *all new business entrants and related new jobs* in the study area should be accounted for, at least to some degree, in the calculation. In addition to Menard's, new entrants include Aldi's, Chase Bank, Bank of America, CVS, Conway's, American Kid, O & W Auto Parts, and J-Bees.

There are many reasons why stores go in and out of business. Markets are in constant movement, and when markets revitalize, they churn. Where there is churning, impact needs to be measured carefully. The Loyola authors themselves state that there is "considerable uncertainty" attached to their finding, yet they nonetheless put forth few or no qualifications elsewhere in the report or at media venues where the report is featured.

Second, the Loyola report evaluates the impact of Wal-Mart's arrival using a linear regression. This is a bit more complicated to explain to a general audience. In short, we developed Figure #1 (scroll down to end of document) to show synthetic data (indicated



by the asterisks) and a regression line (the solid black line) that represents the best fit to the data if no account is taken of a break in the pattern in late 2006.

There are three ways to account for a break in a linear regression, which we outline here:

OPTION #1

Allow the *level* of sales to change but not the *rate of growth* as shown by the dashed blue line in Figure #1; or

OPTION #2

Allow the *rate of growth* of sales to change but not the *level* as shown by the dashed red line in Figure #1; or

OPTION #3

Allow both the *level* of sales and the *rate of growth of sales* to change as shown by the dashed black line in Figure #1.

The current version of the Loyola report (December 2009) used Option #2.

The previous version of the Loyola report (April 2008) used Option #1.

We do not know why different options were used at different times. In any event, neither Loyola report (2008 or 2009) uses Option #3, which, in this case, provides the best fit to the data in our hypothetical example. In this example, sales could actually be higher shortly after Wal-Mart's entry even if the estimated "Wal-Mart effect" in regressions like those in Table 8 in this report (using Option #2) or Table 7 in the original report (using Option #1) is negative.

Although the data in our Figure #1 is contrived to provide an example, as we do not have access to Loyola's raw data, the regression results based on our synthetic data are the same as those in Loyola's Table 8: sales growth is positive when no account is taken of Wal-Mart's arrival, and if Option #2 is used – allowing the rate of growth of sales to change after Wal-Mart's entry but not the level of sales – it appears as though Wal-Mart's arrival leads to a sharp reduction in the growth of sales (after the break, the red dashed regression line is flatter than it was before the break).

The regression results based on our synthetic data (Figure #1) are also the same as those in Loyola's Table 7 in the original (April 2008) version of the study where Option #1 above allows the level of sales to change after Wal-Mart's entry but not the rate of growth of sales. In this case, it appears as though Wal-Mart's arrival leads to a sharp reduction in the level of sales (after the break, the blue dashed regression line is always below where it was before the break).

In general, Option #3 is the preferred way to analyze the data: if it can be shown that only the level or only the rate of growth is affected by Wal-Mart's entry, then it is



August 23, 2012

President Trudy E. Jones
Albuquerque City Council
c/o Crystal Ortega, Clerk of the Council
P.O. Box 1293
Albuquerque, NM 87103

Via Hand Delivery

Re: AC-12-10,, Appeal of Declaratory Ruling

Dear President Jones and City Councilors:

Silver Leaf Ventures LLC, request that the vote taken on August 20, 2012 be reconsidered or rescinded for reasons stated below.

Councilor Rey Garduño did not recuse himself from the vote. The vote is tainted. The proper path forward is to re-open the matter and vote a second time without Councilor Garduño's participation.

As described by the Albuquerque Journal, Exhibit A, a protest took place on November 12, 2011:

More than 100 people crowded the Coors and Montano intersection blasting a proposed plan that would bring in the nation's No. 1 retailer and employer to the southeast corner of the location—the place Walmart wants to build a 98,900-square-foot store.

Both the Albuquerque Journal and KRQE TV, Exhibit B, published photographs of Councilor Garduño participating in the protest. Councilor Garduño is expressly mentioned in the Journal article. In fact, Councilor Garduño talked to the Journal reporter, who wrote:

“We want human-scale development” was the statement on the sign Councilor Rey Garduño held. He said while it's important to preserve the bosque's beauty, it is equally important to preserve the community. “We want people to feel like they are part of the business they are patronizing.”

Based on these statements, Councilor Garduño has already pre-determined, off the Record and prior to a hearing, that the proposed 98,900-square-foot Large Retail Facility is not “human-scale development,” does not “preserve the community,” and is contrary to what “we want.”

michelle@mhenrie.com
505-842-1800

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126 E. DeVargas • Santa Fe, New Mexico • 87501


In a well-known California case, a court vacated a planning commission's decision to deny a project when it learned that a planning commissioner wrote a newsletter article attacking the project. Nasha L.L.C. v. City of Los Angeles, 125 Cal. App. 4th 470, 22 Cal. Rptr. 3d 772 (Cal. Ct. App. 2004). The court concluded that the member's newsletter article, in which he described the proposed development project as a "threat to [the] wildlife corridor," gave rise to an "unacceptable probability of actual bias" and was sufficient to preclude that member from serving as a reasonably impartial, noninvolved reviewer on the planning commission when it adjudicated the proposed project.

New Mexico courts agree. In Reid v. New Mexico Board of Examiners in Optometry, 92 N.M. 414, 589 P.2d 198 (1979), the New Mexico Supreme Court concluded that because a board member had "admitted making a statement indicating his bias and prejudgment of the issues ..., the Board's failure to disqualify [the board member] clearly violated Reid's constitutional right to procedural due process." Id. at 416, 589 P.2d at 200.

Councilor Garduño is not "disinterested and free from any form of bias or predisposition regarding the outcome of the case." Id. at 416, 589 P.2d at 200. He has already pre-judged the outcome of this case. His attempt to justify his participation in the August 20th vote was based on an incomplete understanding of the law. Bias against a *party* is a ground for recusal. It is not the only ground.

Councilor Garduño's failure to recuse himself deprived Silver Leaf of its constitutional right to procedural due process. City Council's best course of action is to re-open the matter and vote a second time without Councilor Garduño's participation in order to neutralize the risk he has caused the City. Please know that if the City fails to take corrective action, I will need to advise my client to take such action as required to protect itself, which may include filing a notice of tort claim.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Michelle Henrie', written over a horizontal line.

Michelle Henrie
Attorney for Applicant

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Home » News » Local » Dozens protest planned Walmart

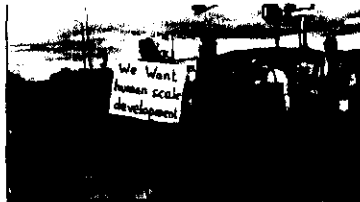
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Dozens protest planned Walmart

Images Photo



Dozens protest planned Walmart

Updated: Monday, 12/10/2012 11:45 AM MST
Published: Monday, 12/10/2012 11:45 AM MST

ALBUQUERQUE (KRQE) — Dozens protested at the corner of Coors Boulevard and Montano Road Saturday in northwest Albuquerque, the site of a planned Walmart.

The company claims it does have local support but a group of people who live and work in the area have major concerns.

They say the store would be too close to the Bosque, obstruct views and bring more traffic to an already congested area.

The community development plan in this area calls for any development to maintain a village feel, and we don't think that any big box store, anything that's over 50,000 square feet is going to do that. — Tom Allen said

A Walmart spokesperson issued a statement saying the company will continue listening to feedback from concerned citizens.

Local News Video Player



Albuquerque residents gain new neighbors. The new Walmart store from a research lab in Alamo, N.M. is their new home more than 1,000 miles away is complete.

Related Links



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Join the conversation on Facebook

5 Comments

It follows

Dozens protest planned Walmart
Isn't jobs the priority now days? Walmart will have to hire people to work there. The people protesting are probably the same ones complaining about high unemployment.

6/21/2012 5:40 PM

Dozens protest planned Walmart
Is Walmart doing anything illegal? If not, shut the **** up. The time to have protested this issue was when the land was being zoned. Then you should have spoken up and lobbied for zoning that would have only allowed smaller.

6/21/2012 5:40 PM

Dozens protest planned Walmart
I love how the company keeps saying they have local support, but you never see them. Anyone with half a brain knows any big box store in that location is a BIG MISTAKE.

6/21/2012 5:40 PM

Dozens protest planned Walmart
I love how the company keeps saying they have local support, but you never see them. Anyone with half a brain knows any big box store in that location is a BIG MISTAKE.

6/21/2012 5:40 PM



APPLIANCE

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Dozens protest planned Walmart
Dozens protest planned Walmart

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ESA

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WEST SIDE JOURNAL

TRAFFIC WATCH

12th from Candelaria to Griggs:
Southbound double lane closures
7:30 a.m.-3 p.m. and northbound
double left lane closures 9 a.m.-
3:30 p.m. through Nov. 23.

PAGE 2



SPORTS

Cibola girls aiming
for a return to hoops
championship game

PAGE 6

High 58
Low 31
Sunny

WEATHER
FORECAST
821-1111

ear tence Fatal /I

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y Writer

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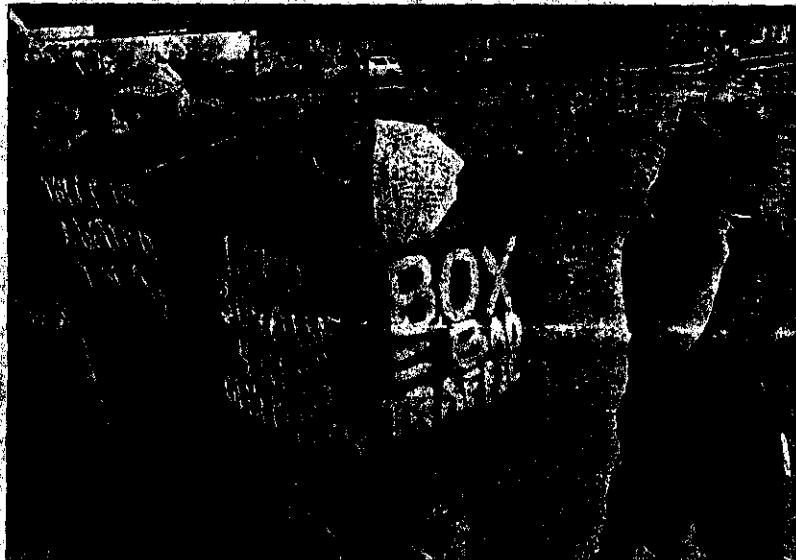
17, 2010, Lewis rear-
SUV that Collier was
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que. The SUV rolled
me and Collier was
ter the crash. Lewis,
m Gallup, told police
ad drank 14 beers
iving.
nesday, Lewis, who
the time of the crash,
ok full responsibility
tions. He asked Col-
ally for forgiveness
he lost his younger
a similar tragedy
ears ago.
someday you try to
se," he said sobbing
ry ounce of my flesh
I am truly sorry for
h."

a plea agreement,
aded guilty in Sep-
vehicular homicide
vng while intoxicat-
grated DWI.
nesday, Judge Sen-
enced Lewis to nine
prison, the maximum
wed under the plea
nt.

Sanchez handed
wis' sentence, sever-
ers of Collier's family

See DRIVER on PAGE 2

Walmart Not Welcome



MARLA BROSE/JOURNAL

Jude Gutierrez, 13, right, walks past others, including Yolanda Garcia, second from right, and Paula Mortensen, third from right, during a Saturday protest against a plan to put a Walmart store on the southeast corner of Coors and Montano.

Big Box Protest Draws Dozens

Protesters dressed in big
boxes decry plans for store
near Bosque School, river

BY BARRON JONES
Journal Staff Writer

Standing roadside wearing a big
cardboard box that blared "better
planning for a quality community, no
big box" is how Joel Horvath spent his
Saturday afternoon.

And he wasn't the only one toting the
same sentiment.

More than 100 people crowded the
Coors and Montano intersection blast-
ing a proposed plan that would bring
the nation's No. 1 retailer and employer
to the southeast corner of the location
— the place where Walmart wants to
build a 98,000-square-foot store.

The signs read "No Sprawlism,"
"Walzilla," "big box = bad traffic" and
"protect our views." Horvath and oth-
ers were mockingly clad in big box
attire, and "no big box" was the chant
du jour.

Critics were speaking out against a



Area neighbors and students from Bosque School were among the people who took part in a protest against a plan to build a Walmart store on the southeast corner of Coors and Montano.

plan they insist would diminish the
quality of life in the area located by
the Rio Grande bosque.

"We want human-scale develop-
ment" was the statement on the sign

City Councilor Rey Garduño held.
He said while it's important to pre-
serve the bosque's beauty, it is equally
important to preserve the sense of

See BIG on PAGE 2

Panel Moves Meeting To January

BY ROSALIE RAYBURN
Journal Staff Writer

The city's Planning
Department has resched-
uled the Environmental
Planning Commission's
hearing on a proposed
Walmart at the Coors and
Montano intersection until
early January to allow time
to analyze a recently updat-
ed traffic study.

Planning Department
spokeswoman Deborah
Nason told the Journal on
Tuesday that the EPC hear-
ing has been rescheduled
from Dec. 8 to Jan. 5.

"Everybody in the Plan-
ning Department and the
developer agreed that now
we have the new traffic
impact study we needed
more time to study it,"
Nason said.

She said the hearing loca-
tion has also been moved to
the City Council Chambers
at City Hall, a location that
can accommodate the large
numbers of people expected
to show up.

More than 450 people
attended a public meeting

See PANEL on PAGE 2

PUBLIC INFO

This month

WHAT: Public meeting
about a proposed
Walmart at Coors and
Montano

WHEN: 6:30 to
8:30 p.m. Monday,
Nov. 21

WHERE: Cibola High
School Performing Arts
Center

In January

WHAT: Environmental
Planning Commission
hearing on proposed
Walmart at Coors and
Montano

WHEN: 8:30 a.m.
Thursday, Jan. 5

WHERE: Albuquerque
City Council Chambers,
City Hall, 1 Civic Plaza
NW, basement level

EXHIBIT

A

near time of the proposed Walmart, welcomed the hearing date change.

Flynn O'Brien, was convinced he would not have sufficient time to review the traffic study and prepare informed comments in time for the December date.

Representatives from Taylor Ranch Neighborhood Association

Big Box Protest Draws Dozens

from PAGE 1

community. "We want people to feel like they are a part of the business they are patronizing," he said.

Walmart says it welcomes the discussion with residents.

"Walmart looks forward to continuing the conversation with residents and the city of Albuquerque regarding our proposed store at Coors and Montano," said Joshua Pinar, a spokesman for Wal-Mart Stores Inc. "As always, our goal is to provide access to quality merchandise at a low price so customers can save money and live better. Many members of the community have expressed excitement and support for the project.

"We will continue listening to constructive feedback from the community in an effort to provide a great shopping experience."

Driver Gets 9 Years In Jail For Fatal DWI Wreck

from PAGE 1

addressed the court, including her daughter Suzette Collier Martinez, who was with her mother during the fatal crash and continues to have medical issues related to her injuries in the crash.

"Since the accident, it's been a nightmare every single day," Collier Martinez said. "She was my mother and she was my best friend. ... A piece of

in a letter "to the Planning Department.

As of Wednesday, the date of the public meeting has not been decided. It will be from 6:30 to 8:30 p.m. Monday at Coors Field School.

another rally to protest the Walmart from 6:30-8:30 p.m. Dec. 6.

"We want to be there at rush hour to emphasize the traffic problem," said Collette Schobben, one of the rally organizers.

She said between 80 to 100 people attended a similar rally Saturday.

Her email says that "at the Petroglyph Plaza shopping center at Paseo del Norte and Golf Course Road, several signs at the entrance/exits south of US 280 have been missing for months. As a regular user of this shopping center, I have seen many near-misses as drivers are unsure of who has the right-of-way in this peninsula."

It is scheduled to run through Jan. 8.

Assistant editorial page editor D'Va Westgate tackles community issues for the latest issue on Mondays and Thursdays at the 822 Coors Field School, Room 203, 3545 Montano Avenue, NE 87105. Go to albuquerquejournal.com for more information and join in the conversation.

NEWS FROM THE WEST

Journal Staff Reports

Group's General Meeting Tonight

The Albuquerque North Valley Association will hold its general meeting from 7 to 9 p.m. today at the Raymond G. Sanchez Community Center, 9800 Fourth NW.

State Sen. John Pata, R-Albuquerque, and Rep. Bill O'Reilly, D-Albuquerque, are scheduled to give updates on legislative matters.

Bernalillo County Commissioners Michelle Lujan Grisham and Michael Warner are expected to speak about the County Commission.

Those who attend will be able to ask questions and make comments.

LLC is the agent for Walmart.

Walmart operates two Supercenters, one at Coors and Montano and another at Coors Bypass and Ellison.

The site is properly zoned for the retail project, Terra West LLC is the agent for Walmart.

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The site is properly zoned for the retail project, Terra West LLC is the agent for Walmart.

Walmart operates two Supercenters, one at Coors and Montano and another at Coors Bypass and Ellison.



Wishful thinking

Wishful giving

Albuquerque Journal

823-3380

AT BUDERODE JOURNAL

on Fourth Street from Solar Road to Alameda. More than 40 businesses will offer discounts, prizes, refreshments and entertainment. Shoppers can also enter drawings for gifts.

A map showing the participating businesses is available online at www.borntobestops.com.

Store Hours: Tuesday-Sunday 10:30-5:30

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Starting Nov. 27 - Jan. 1, 2012

**CITY OF ALBUQUERQUE
CITY COUNCIL**

APPEAL NO. AC-12-10

Declaratory Ruling

Project No. 10003859

Taylor Ranch Neighborhood Association, Appellant

Silver Leaf Ventures, LLC, Party Opponent

**PROJECT OWNERS' OPPOSITION TO
RE-CHARACTERIZING THIS APPEAL MIDSTREAM**

Background. Appellant Taylor Ranch Neighborhood Association asked for a declaratory ruling. Its request was in writing. It articulated the question. The Association now wants City Council to re-write the question because it does not like the answer it received. This would be inappropriate and should not be allowed.

Question Asked. The two-part question asked by the Association is this:

- (1) Whether the site for the LRF (Large Retail Facility) as presented in Project 1003859 11 EPC 40067/40068, is permitted at this site, specifically whether it meets the requirements [of] LRF access regulations. LUHO Decision at p. 5.
- (2) Does an LRF meet the access requirement of Section 14-16-3-2(D)(2)(b) if (1) the site plan for building permit for the LRF (98,901 sq. ft.) does not have the required access and; (2) the subdivision in which the LRF is proposed is zoned SU-1 and the local road access to a collector street is through residential zones. LUHO Decision at p. 7.

Both questions address a specific proposal: a 98,901 sq. ft. LRF presented in Project 1003859, 11 EPC 40067/40068 and known as the Silver Leaf Ventures, LLC, project involving a Walmart at Coors and Montano.

LUHO Decision. The LUHO decision reflects the Association's pressure on the LUHO to bypass the EPC and make a decision that would bind Silver Leaf's project. LUHO Decision at pp. 4-5. The LUHO resisted for very good reasons stated at page 5 of the Decision.

The Association's Latest Argument (Letter Dated July 9, 2012). Having failed to convince the LUHO, the Association now reverses its position. It essentially argues that because the Decision does not dictate the EPC's decision affecting the Silver Leaf project, therefore the Decision is not about the Silver Leaf project at all. Instead it is merely an interpretation of the Big Box Ordinance.

Thus, they further argue, Councilor Garduno is not bound to recuse himself, despite the Councilor's participation in a public protest over the project as well as the Councilor's statements to the media. And the Association further suggests (without merit) that Councilor Harris might consider recusing himself after voting "no" on the Big Box Ordinance.

Problems with the Association's Argument. The Association neglects to mention the distinction between the very strict requirements of Councilors in a quasi-judicial proceeding, such as the pending case involving Silver Leaf's project (which is the subject of the City Council Rules at Art. III, Sec. 8—the provision cited by the Association's attorney), in contrast to the rules applicable in a legislative action, such as voting on the Big Box Ordinance (which is the subject of Council Rules at Art. III, Sec.6, not Sec.8). Indeed, Councilors could have actively taken part in public gatherings either for or against the Big Box Ordinance and still voted on that ordinance because such a vote—being non-project specific—does not violate property owner rights. It is unlikely to trigger any liability for the City. A quasi-judicial proceeding, however, is quite different and Councilors voting in such proceedings are held to quasi-judicial standards. The other problem is that the Record is filled with arguments—offered by both sides—that squarely address Silver Leaf's project. Practically speaking, it would be impossible to untangle the Record such to allow (as the Association suggests) the Councilors to make a decision that is isolated from any considerations of actual projects. Any attempt to do so would be a decision that was not based on the same evidence heard by the Hearing Examiner.

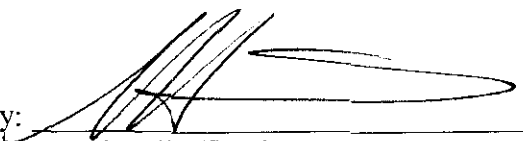
Finally, City Council may decide to hold a full hearing on this matter. If so, the Association's recent desire to limit the issue to an interpretation of the Big Box Ordinance would tie City Council's hands. Ironically, such a limitation would preclude City Council from answering the very question that the Association asked. How does that make sense?

Summary. The Association asked a question. That question was project-specific. The LUHO hearing involved project-specific discussions. The Record reflects project-specific discussions. It is impossible to know how much the project-specific discussions, testimony, and exhibits affected the final LUHO Decision. The LUHO Decision, and the City Council's pending decision, affect a specific project scheduled before the EPC. The Association now wants everyone to ignore that these facts exist. The Association invites us all to affirm that their line of questioning is (and always has been) just an academic discussion about how to interpret the Big Box Ordinance. We can't.

Silver Leaf Ventures, LLC, as owner of the project affected by City Council's decision, urges the Councilors to do what the law requires it to do. Councilor Garduno has twice recused himself in accord with the rules of quasi-judicial proceedings. It is wrong of the Association to now suggest a different course of action. Further, it is impractical and impossible for the Council to do their job as an appellate review body when the Association changes the question answered and the Record considered in the middle of the appeal proceedings. The law does not allow such a course of action.

Respectfully submitted,

MICHELLE HENRIE, LLC

By: 
Michelle Henrie

P.O. Box 7035

Albuquerque, New Mexico 87194


Telephone: (505) 842-1800

michelle@mhenrie.com

This is to certify that a true and correct copy of the foregoing was e-mailed and mailed on August 2, 2012 to:

Tim Flynn-O'Brien
817 Gold Ave SW
Albuquerque, NM 87102
tim@flynnobrien.com

Bruce Thomson
City of Albuquerque Council Services
P.O. Box 1293
Albuquerque, NM 87103
bthompson@cabq.gov

By: 
Michelle Henrie

**CITY OF ALBUQUERQUE
CITY COUNCIL**

**APPEAL NO. AC-12-6
2004EPC-01845; Five Year Extension of Site Plan
Project No. 10003859**

Taylor Ranch Neighborhood Association, Appellant

Silver Leaf Ventures, LLC, Party Opponent

PROJECT OWNERS' SUPPLEMENT STATEMENT

The Owner of Project No. 10003859, Silver Leaf Ventures, LLC, hereby submits this supplement to its previously submitted legal analysis (submitted on May 31, 2012) relating to Appeal No. AC-12-6.

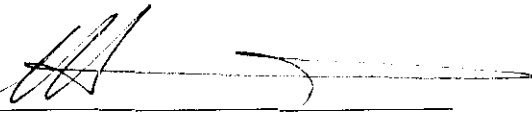
Sufficient Notification. At pages 12 to 13 of the Transcript, the Hearing Examiner struggles to put his hands around the specific harm being alleged by Appellant. In summary, he says: "I'm just trying to find out what would have been different if they had provided notice there to you, because you were actually there at the hearing." Tr. 13. The Appellant articulates this harm in its letter to President Jones dated May 3, 2012, page 2, where it argues that additional time "provides neighborhood associations the time to work with their communities and boards" and "time to solicit comment from their members and an approved course of action from their Board."

However, the case law on this issue is very clear. If a person shows up at a hearing, s/he has no claim of defective notice. "Obviously, the reason for such notice is to apprise interested parties of the hearing so that they may attend and state their views on the proposed [action], pro or con." Hawthorne v. City of Santa Fe, 88 N.M. 123, 124, 537 P.2d 1385, 1386 (1975). The entire purpose of a hearing is that it is *live*. Decision-makers can ask questions. Speakers can react to information presented by prior speakers. In fact, the testimony at the EPC hearing by Appellant's Land Use Director, Ms. Rene Horvath, shows that she did exactly that. She listened to other speakers and reacted to their comments. She was not tied to a script that was pre-approved by a Board of Directors. See pages 675-676 of the Record ("...I just wanted to comment on some things that were said already...").

Project Support. The Record indicates that several petitions were received, both in opposition (R. at 83) and in support (R. at 549, 552). Signatures in support, numbering over 5,000, *id.*, were received primarily from Councilor Sanchez' current District (1,311 signatures) and Councilor Lewis' current District (686 signatures). Silver Leaf believes this is an important, project for the Westside community and urges the denial of this appeal.

Respectfully submitted,

MICHELLE HENRIE, LLC

By: 

Michelle Henrie

P.O. Box 7035

Albuquerque, New Mexico 87194

Telephone: (505) 842-1800

michelle@mhenrie.com


This is to certify that a true and correct copy of the foregoing was e-mailed and mailed on June 14, 2012 to:

Taylor Ranch Neighborhood Association
c/o Rene Horvath
5515 Palomino Dr. NW
Albuquerque, NM 87120
aboard10@juno.com

Anita Miller
City of Albuquerque Legal Department
P.O. Box 2248
Albuquerque, NM 87103
apmiller@cabq.gov

And

Jolene Wolfley
7216 Carson Trail NW
Albuquerque, NM 87120
sagehome@live.com

By: 
Michelle Henrie

**CITY OF ALBUQUERQUE
CITY COUNCIL**

**APPEAL NO. AC-12-6
2004EPC-01845; Five Year Extension of Site Plan
Project No. 10003859**

Taylor Ranch Neighborhood Association, Appellant

Silver Leaf Ventures, LLC, Party Opponent

PROJECT OWNERS' LEGAL ANALYSIS

The Owner of Project No. 10003859, Silver Leaf Ventures, LLC, hereby submits this analysis of the applicable law related to Appeal No. AC-12-6.

The Appellant neighborhood association articulates its arguments well. The problem is that Appellant's arguments are based on what the neighborhood association wants, not what the law says. The legal framework is binding. Ordinances cannot be interpreted without regard for the principles that a reviewing court will factor in. There must be consideration of the applicable case law. And the Record cannot be taken out of context. The Hearing Examiner's Recommended Decision is legally solid. The appeal should be denied.

BACKGROUND

In 1984, the City and Bernalillo County adopted the Coors Corridor Plan. R at 469. In 1985, the City annexed the southeast quadrant of Coors and Montano and zoned the property to allow Commercial, Office and Planned Residential Development uses (SU-1 for C-2, O-1 & PRD). R at 38. In 2001, 228 acres in the southeast quadrant were master planned for development via a Site Plan for Subdivision. R at 38. This master planned area included not only the La Luz community and the Bosque School property, but also the area adjacent to the Coors and Montano intersection, which was designated by the City as a Community Activity Center, which is an area planned for more intensive uses. R at 34, 37, 129. This is the property that Silver Leaf now owns.

In 2005, the City approved a Site Plan for Subdivision and a Site Plan for Building Permit allowing Silver Leaf to build a shopping center (140,000 sf commercial). R. at 38-39, 127-150. (This Site Plan for Subdivision is the subject of the extension request). The City also required Silver Leaf to prepare a Traffic Impact Study (TIS) to identify the traffic impacts of the shopping center and identify appropriate mitigation. R at 42, 61-63, 143-144. Even though that shopping center was never built, Silver Leaf spent over \$2 Million building traffic mitigation measures identified in the 2005 TIS. R. at 294, 296. These improvements include:

- Widening the Coors/Learning Road (Dellyne) intersection by adding thru lanes on Learning Road and northbound Coors, adding second left turn lanes on Dellyne, Learning Road and southbound Coors, and adding a bike lane on northbound Coors;

- Building a deceleration lane on northbound Coors approaching Mirandela, and adding a second right turn lane at northbound Coors at Montano;
- Building a right turn lane on eastbound Montano approaching Mirandela and paving Mirandela to Bosque School.

R. at 147-149.

With the current proposed shopping center, which qualifies as a Large Retail Facility and falls under the City's Big Box Ordinance, following are key dates.

- September 28, 2011: First facilitated meeting with neighbors, as required by § 14-8-2-7(A). R at 81.
- October 26, 2011: Application submitted for Site Plan for Building Permit and Amendment to Site Plan for Subdivision. R at 82.
- November 21, 2011: Second facilitated meeting with neighbors. R at 82.
- November 30, 2011: Silver Leaf applies for extension of 2005 Site Plan for Subdivision. R at 42, 463-464.
- December 8, 2011: EPC Hearing scheduled and noticed, but twice deferred at the City's request. R at 412, 413.
- Staff issues second Staff Report on or about January 12, 2012. R at 417.
- January 19, 2011: EPC Hearing scheduled, noticed and held. R at 393, 516-529. At this hearing, EPC granted the extension of 2005 Site Plan for Subdivision. R at 516-517. This appeal followed.

ARGUMENT

Notice: The O-92 (Neighborhood Notification) Process Does Not Apply. Appellant argues that notification was inadequate and misleading. It feels that notice was inadequate because the "O-92" process was not followed. O-92 is codified at § 14-8-2-7(A). This ordinance does not say that it covers every action that goes before the EPC, as Appellants suggest. This ordinance applies only to those specific actions listed in the ordinance, which are:

- Approval of amendments of the zone map,
- Approval of site development plans (except houses and accessory buildings),
- Approval of major subdivisions,
- Vacations of public right-of-way,
- Mapping historic districts,
- Landmarking sites, and
- Issuance or transfer of liquor licenses.

For any action that is not on the list (such as amendment to site development plans, conditional uses to allow liquor sales, zoning upon annexation, etc.), City Council can certainly amend the language of the ordinance and add to the list. But the list is the list. A copy of § 14-8-2-7(A) is attached as Exhibit 1.

Courts have consistently ruled that "Zoning regulations should not be extended by construction beyond the fair import of their language and they cannot be construed to include by implication that which is not clearly within their express terms." High Ridge Hinkle Joint Venture v. City of Albuquerque, 1998-NMSC-50, ¶ 6, 126 N.M. 413, 970 P.2d 599. See also State ex rel. Vaughn v. Bernalillo County Bd. of County Com'rs, 825 P.2d 1257, 1259, 113 N.M. 347, 349 (N.M.App. 1991) (in determining the scope of such statutes and ordinances, a reviewing court may not read into the law "language which is not there, particularly if it makes sense as written" quoting Burroughs v. Board of County Comm'rs, 88 N.M. 303, 306, 540 P.2d 233, 236 (1975)); Nesbit v. City of Albuquerque, 91 N.M. 455, 575 P. 2d 1340 (1977) (because zoning statutes and ordinances are in derogation of the common law, they are to be strictly construed); Miller v. City of Albuquerque, 89 N.M. 503, 506-07, 554 P.2d 665, 668-69 (1976) (City must follow its own regulations).

Stated simply: If an action is not on O-92's list, no one—not a neighborhood association, not Staff, not an applicant—can add it to the list. Only City Council can change the list, and only by following the proper procedures per §3-21-6(B) NMSA 1978 and the City's ordinances governing text amendments. Temple Baptist Church, Inc. v. City of Albuquerque, 98 N.M. 138, 142, 646 P.2d 565, 569 (1982) (zoning authority can only be exercised pursuant to statutory authority and in conformity with a lawfully adopted ordinance).

Appellants Received Legally Proper Notice. It is important to realize that Appellant does not claim that it received no notice. It just wanted more notice.

Appellant suggests that if it had received notice per the O-92 procedures, it would have been able to "work with their communities and boards to offer the EPC and the City Council a recommendation that is thoughtfully analyzed " and "process the ramifications" and "solicit comments from their members and an approved course of action from their Board." (Appellant's letter to President Jones dated May 3, 2012, page 2). However Appellant admitted before the Hearing Examiner that it received the Staff Report prior to the EPC hearing. Transcript p. 72. The Staff Report lists Staff's recommended action (Approval) on the cover. R at 29. It discusses the extension. R at 42. It describes the applicable criteria. R at 38. And contains Findings in support of the extension. R at 85. The EPC hearing did not take place until January 19th, a week later. Surely in a world of email lists and Facebook pages Appellant—which has its own website—could have solicited comments and analyzed and processed ramifications and received needed approvals.

Appellant also suggests that it was confused by "contradictory notice information." (Appellant's letter to President Jones dated May 3, 2012, page 3). If there is confusion, it may well be because Appellants attached the Staff Report for a hearing that did not happen (December 8th) to their appeal, R at 8, 110, rather than attaching the Staff Report for the actual hearing on January 19th, R at 29. The actual Staff Report clearly lists the Staff Recommendation for the extension in the upper right hand corner: Approval. R at 29. It discusses the extension. R at 42. It describes the applicable criteria. R at 38. And contains Findings in support of the extension. R at 85. Appellant admitted before the Hearing Examiner that it received the Staff Report for the January 19th hearing prior to the hearing. Transcript p. 72.

Appellant also alleges confusion based on a website set up by Planning Staff. R. at 9. City's Zone Code nowhere authorizes this website to be the bearer of official notice. (The official notice clearly states that the extension was one of three items that would be heard on January 19, 2012, R. at 393, 716-717). The website is merely a courtesy to make documents and information available to the public. See, e.g., R at 416-417. Appellant's position seems to be that EPC has no discretion to take action that is different from what has been posted—with or without EPC's approval—by Planning Staff on a website. However, the entire purpose of a hearing is that it is live. Commissioners ask questions. Speakers react to information presented by prior speakers. This is how the Commissioners determine what action to take. If the EPC's actions were fore-ordained, it would not be a public hearing. It would be a sham.

As a practical matter, there is no question that Appellant was well represented at the EPC Hearing. Appellants admit it. R at 3. The discussion among the EPC Commissioners that night clearly indicated that they might take action on the site plan extension. R at 543-547. This discussion occurred at the beginning of the meeting ... prior to public testimony. R at 543-547. Appellants addressed the Commissioners. R at 673-679. They had every opportunity to talk about the site plan extension. They also had every opportunity to tell the Commissioners that they thought notice was inadequate, which may have given EPC a reason to not take action. But they did not bring it up.

As a legal matter, New Mexico law is clear on this point. If a person shows up at a hearing, s/he has no claim of defective notice. "Obviously, the reason for such notice is to apprise interested parties of the hearing so that they may attend and state their views on the proposed [action], pro or con." Hawthorne v. City of Santa Fe, 88 N.M. 123, 124, 537 P.2d 1385, 1386 (1975). Where a person had no notice of a public hearing but appeared nonetheless, the courts have consistently held there was substantial compliance with the notice requirement. See, e.g., Bennett v. City Council, 1999-NMCA-015, ¶ 7, 126 N.M. 619, 973 P.2d 871 ("Our Supreme Court has held that "substantial compliance" with notice and publication is sufficient to satisfy statutory requirements); Nesbit v. City of Albuquerque, 91 N.M. 455, 457, 575 P.2d 1340, 1342 (1977) (while "some courts have held that even a minor defect in notice will invalidate an action taken by the zoning authority, New Mexico does not take such a strict view").

No "Mandatory Requirements". As stated above, the City is bound by its own ordinances. Because zoning statutes and ordinances are in derogation of the common law, they are to be strictly construed. Nesbit v. City of Albuquerque, 91 N.M. 455, 575 P. 2d 1340 (1977). Express terms must be adhered to. High Ridge Hinkle Joint Venture v. City of Albuquerque, 1998-NMSC-50, ¶ 6, 126 N.M. 413, 970 P.2d 599. Words may not be added. State ex rel. Vaughn v. Bernalillo County Bd. of County Com'rs, 825 P.2d 1257, 1259, 113 N.M. 347, 349 (N.M.App. 1991).

Appellants argue that a site plan extension must meet the requirements of adopted City policies and procedures. (Appellant's letter to President Jones dated May 3, 2012, page 1). Not accurate. There is a provision of the Zone Code that says: "Site Development Plans are expected to meet the requirements of adopted city policies and procedures." § 14-16-3-11(B). "Expected" is not a mandatory word like "must". Moreover, this provision is in a separate subsection altogether.

The issue at hand is site plan extensions. The relevant governing language is set forth verbatim on page 5 of the LUHO decision. It is § 14-16-3-11(C) (not (B)), and nowhere does it say that a site plan extension must meet the requirements of adopted City policies and procedures.

This makes sense because a site plan extension is merely extending the status quo. It is not a change to the status quo like the initial site plan approval or an amendment. What has already been approved through a public hearing process is being continued in an extension. The two criteria for an extension are that (a) the site plan “remains appropriate” and (b) the “owner intends to fully develop the site according to the plan concept.” §14-16-3-11(C). These criteria make sense. Furthermore, these criteria are consistent with the vested rights doctrine which allows an owner to continue a project despite inevitable changes in City policies and procedures after the project has been approved when the owner has made substantial investment in the project—as has Silver Leaf via the road improvements made pursuant to the 2005 TIS. R at 42. See KOB-TV, L.L.C. v. City of Albuquerque, 137 N.M. 388, 394-395, 111 P.3d 708, 714 - 715 (Ct. App. 2005) ([T]he vested rights doctrine applies to an ongoing development or project that has been approved and upon which substantial investment has been made. The vested rights doctrine allows the development or project to be completed and operated in accordance with the regulations in effect at the time of approval and substantial investment) (citations omitted).

Appellant also argued that the TIS was deficient (R at 5) and that the TIS would have been scoped differently had Tony Loyd realized that a site plan extension was going to be requested too (Appellant’s letter to President Jones dated May 3, 2012, page 3-4). Neither of these arguments has any merit. The alleged deficiencies were addressed at the EPC hearing by Tony Loyd. R at 565-571. Ron Bohannon, P.E., testified before the Hearing Examiner that the extension does not change the scope of the TIS. Transcript p. 58. Carmen Marrone, Senior Planner for the City agreed. Transcript pp 63-64. Appellants argue what they wish was involved in a TIS process, not what is actually required by the City. See, e.g., R at 318, 424-428, 460. The fundamental reality is that the City has a traffic problem on the West side.

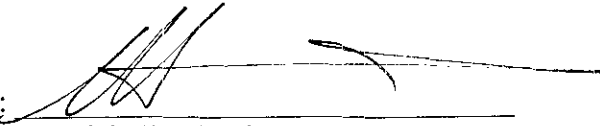
Date of Site Plan Expiration Not Relevant. Appellant argues that there should be clarity about when the 2005 Site Plan for Subdivision expires and the fact that Staff has new information somehow merits more discussion. The issue before City Council is whether to affirm EPC’s decision to extend the expiration date (i.e., deny the appeal), or not. To be clear, if the 2005 Site Plan for Subdivision expires, the undeveloped property north of Learning Road will no longer be bound by the requirements of the site plan, including the Design Guidelines.

SUMMARY.

For the reasons stated herein, Silver Leaf urges denial of this appeal.

Respectfully submitted,

MICHELLE HENRIE, LLC

By: 
Michelle Henrie

P.O. Box 7035
Albuquerque, New Mexico 87194
Telephone: (505) 842-1800
michelle@mhenrie.com

This is to certify that a true and correct copy of the foregoing was e-mailed and mailed on May 31, 2012 to:

Taylor Ranch Neighborhood Association
c/o Rene Horvath
5515 Palomino Dr. NW
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Anita Miller
City of Albuquerque Legal Department
P.O. Box 2248
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apmiller@cabq.gov

And

Jolene Wolfley
7216 Carson Trail NW
Albuquerque, NM 87120

And

aboard10@juno.com; sagehome@hotmail.com

EXHIBIT 1

§ 14-8-2-7 Albuquerque Code of Ordinances

(A) Applicants for approval of amendments of the zone map, site development plans (except houses and accessory buildings), major subdivisions, vacations of public right-of-way, mapping historic districts, landmarking sites, and issuance or transfer of liquor licenses shall, prior to filing the application, make a reasonable attempt to give written notification of their proposal to any recognized and non-recognized neighborhood or homeowner association which covers, abuts, or is across public right of way from the subject site. Certified letters, return receipt requested, mailed to the two designated neighborhood association representatives on file at the City Office of Neighborhood Coordination constitutes a reasonable attempt to notify an association. Failure by an applicant to show proof of either notification in person or a reasonable attempt to give written notification of its proposal to such designated association representatives shall be grounds for a neighborhood association to request deferral of a hearing. The application for such hearing shall include a signed statement that such notification has been sent.

**CITY OF ALBUQUERQUE
LAND USE HEARING OFFICER**

**APPEAL NO. AC-12-10
Declaratory Ruling Regarding Large Retail Facilities
Project No. 10003859**

**Taylor Ranch Neighborhood Association, Westside
Coalition of Neighborhood Associations, Appellants.**

PROJECT OWNERS' LEGAL ANALYSIS

The Owner of Project No. 10003859, Silver Leaf Ventures, LLC, hereby submits this analysis of the applicable law related to Appeal No. AC-12-10.

APPELLANTS' ARGUMENT.

Appellants' criticisms of the Declaratory Ruling are: (1) that the Declaratory Ruling acknowledges the EPC's discretionary authority, (2) that it does not interpret a "Large Retail Facility" to be merely a structure, and (3) that it does not prohibit the LRF proposed on Silver Leaf's property.

SILVER LEAF'S POSITION

The EPC retains discretion. The Big Box Ordinance is replete with language of discretion... which makes sense. If the regulations were simply of a black-and-white mandatory nature, there would be no reason to require LRFs to go to EPC. LRFs could be administratively approved. But that's not the case.

Instead, the BBO states at §14-16-3-2(D)(1)(a) (Applicability) that this section (i.e., the LEF Regulations) applies "as determined" by the EPC. Specifically within the subsection addressing Location and Access, §14-16-3-2(D)(2), the intent of the siting regulations is explained up front in an aspirational paragraph. These regulations "manage" the location and design of LRFs; they don't "dictate." It is important to note that the text on which Appellants rely so heavily ("shall") is contained within this aspirational paragraph ("Large retail facilities shall be located to secure adequate street capacity to transport pedestrians and vehicles to and from large retail facilities, and discourage traffic from cutting through residential neighborhoods"). This paragraph also talks about "enjoyment of the community" and "quality of life" and "efficient and safe access"... none of which can possibly be mandatory rules. Instead, it is up to the EPC to use its discretion as to the best way to accomplish these aspirational goals.

Similarly, consider the procedural context of Silver Leaf's proposal. The specific actions requested of EPC are approval of a site plan for building permit and amendment to an existing site plan for subdivision, as required by SU-1 zoning. Note that SU-1 zoning provides "suitable

sites for uses which are special,” and “the appropriateness of the use to a specific location is partly or entirely dependent on the character of the site design.” §14-16-2-22. Once again, it is up to the EPC to use its discretion as to whether the site design is “appropriate.”

Silver Leaf’s Proposal meets the requirements. Appellants base their position on the word “shall” and the word “required.” The word “shall” appears in the aspirational paragraph discussed above. The word “required” appears at §14-16-3-2(D)(2)(a)(3) and –(b)(2) in connection with LRFs under 125,000 sf, which are “Required to be located adjacent to and have primary and full access to a street designated as at least a collector...” Appellants do not believe Silver Leaf’s proposal meets this siting requirement. It does.

There are two criteria in the siting requirement. First, the LRF must be “adjacent to” a collector or larger street. No matter how one interprets the scope of the LRF (an issue discussed below), the proposed Major Structure / Big Box store is on a lot adjacent to and abutting Coors Blvd.

Second, the LRF must have “primary and full access” to a collector or larger street. Again, no matter how one interprets the scope of the LRF, primary access to the master planned community at the southeast quadrant of Coors and Montano is via the full access signal at Learning Road. This light has been planned as the primary access point for this quadrant since the Coors Corridor Plan designated a signal at Learning Road, simultaneously prohibited any signals closer to the Coors/Montano intersection, and identified a loop connector road running from this signal to Montano as a way to alleviate the traffic stresses already existing at the Coors/Montano intersection in 1984. Exhibit 1. This plan pre-existed the zoning of Silver Leaf’s property to allow commercial use when it was annexed in 1985. The signal at Learning Road provides primary and full access.

It is important to realize what the BBO does *not* say. It does *not* say that the Main Structure’s parking lot must have “direct” and “full” access to an adjacent street which is a collector or larger. The BBO nowhere requires that the primary access point be direct. It only requires that there be a primary access point with full access.

Courts construe Zoning Ordinances strictly because they are in derogation of the common law of private property rights. State ex rel. Vaughn v. Bernalillo County Bd. of County Com’rs, 825 P.2d 1257, 1259, 113 N.M. 347, 349 (N.M.App. Dec 27, 1991); Nesbit v. City of Albuquerque, 91 N.M. 455, 575 P.2d 1340 (1977). Courts will not read into the law language which is not there. Vaughn v. Bernalillo County; see also Burroughs v. Board of County Comm’rs, 88 N.M. 303, 306, 540 P.2d 233, 236 (1975). Recently, the Court of Appeals had an opportunity to consider this principle in applying the language of restrictive covenants (also in derogation of the common law of private property rights), ruled a strict construction, and refused to read in words that were not there. Sabatini v Roybal, 2011-NMCA-086, 150 N.M. 478, 261 P.3d 1110. It is unlikely that a reviewing court would add words to the BBO and require a Main Structure’s parking lot to have “direct” and “full” access to an adjacent street which is a collector or larger, as Appellants’ construe the siting requirement.

It is important to note that Appellants’ construal of the siting requirement would prohibit *any* LRF from Silver Leaf’s 22+ acre commercial area—even a Trader Joe’s or the Kohl’s that was

proposed a few years ago. It is also important to note that very few LRFs have been approved in the City since the enactment of the BBO: a 111,000+ sf Lowe's in Hotel Circle and two Big Boxes at Unser Crossing (one was 97,000+ sf and the other was over 125,000 sf). Site Plans for Building Permit for these two projects are attached as Exhibits 2 and 3. Nowhere does the Main Structure's parking lot to have "direct" and "full" access to an adjacent street which is a collector or larger. The City's own precedent in interpreting the BBO is consistent with the Declaratory Ruling, i.e., the EPC has discretion and Appellants' construal of the siting requirement is wrong.

An LRF is not just the Main Structure. Appellants try to redefine "Large Retail Facility" to be only the Big Box store—not the Shopping Center site or the larger master planned mixed use area. However, the BBO defines the Big Box Store as a "Main Structure." ("A building used for the purpose of retailing that is at least 75,000 square feet in size and dedicated to a single tenant, or a building that has one or more tenants with at least one tenant occupying at least 75,000 square feet for retail uses. A collection of smaller buildings, each less than 75,000 square feet and linked by common walls is not considered a Main Structure" § 14-16-1-5). Also, note that mixed use development is "strongly encouraged ... for all large retail facilities." § 14-16-3-2(D)(4)(b). So clearly an LRF is not just the Big Box building itself.

Antequera Road is not a Cut-Thru Residential Street. Two of the primary motivations behind enactment of the Big Box Ordinance were (a) preventing cut-thru traffic and (b) encouraging development that is less car-intensive. These issues are identified over and over again in the BBO. See, e.g., the aspirational paragraph referenced above at §14-16-3-2(D)(2).

The BBO provides a procedure for addressing cut-thru traffic. A cut-thru traffic study can be required by the Traffic Engineer. §14-8-2-7(B)(4)(b). Note that if the traffic study identifies problems, the solution is "traffic mitigation." §14-8-2-7(B)(5). Not disapproval of the project. The text of §14-8-2-7 is attached as Exhibit 4.

It is also important to recognize that the BBO presumes that an LRF will have "surrounding" neighborhoods in the "vicinity" of the LRF, and that there will be pedestrian linkages to these "external neighborhoods." §14-16-3-2(D)(2), -(4), -(5). In other words, an LRF is not isolated and shielded from the neighborhoods around it—and vice versa. To the contrary, there *is* an interaction, and the BBO strives to manage that interaction for the benefit of both.

Appellants pretend that commercial use of Antequera Road is somehow in violation of the ideals of the BBO. This is wrong. This entire southeast quadrant—commercial as well as residential and other mixed uses—was planned with primary and full access from the light at Learning Road and loop connector road running from this signal to Montano. See Exhibit 1. Antequera Road serves that function. Traffic from the high density residential areas on both sides of Antequera Road is channeled to Antequera Road. It is misleading to characterize Antequera Road as the same kind of thing as the local residential roads within the high density residential areas. Also, the Notice of Decision for these high density residential units, pages 33-40 of the Record, states that these units have "excellent access to the major street network" and that "high density housing will serve as a transition between single-family homes to the south and more intensive commercial development to the north." Finding No.10. The NOD also states that these high density residential units further Comprehensive Plan goals by "providing high-density residential

development adjacent to the Activity Center in order to help ‘fuel’ the Activity Center and to reduce the auto travel needs,” by serving “as a transition to lower density residential neighborhoods” and complementing “the more intensive uses within the Activity Center.” Finding No. 14. The high density residential project and the commercial uses of Silver Leaf’s property have long been planned together to work hand-in-hand as part of the greater vision for the entire southeast quadrant. They can certainly share use of Antequera Road.

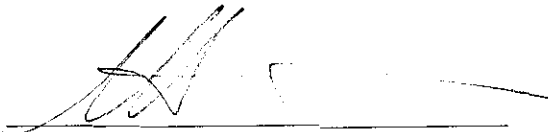
Improper Joinder. Silver Leaf attaches as Exhibit 5 an email sent to Appellants, which remains unanswered as of the date of this pleading. Silver Leaf objects to the improper joinder of multiple associations for reasons stated at Exhibit 5.

SUMMARY.

For the reasons stated herein, and because there is a strong need and desire for the project proposed by Silver Leaf, as evidenced at Exhibit 6, Silver Leaf urges denial of this appeal.

Respectfully submitted,

MICHELLE HENRIE, LLC

By: 

Michelle Henrie

P.O. Box 7035

Albuquerque, New Mexico 87194

Telephone: (505) 842-1800

michelle@mhenrie.com

This is to certify that a true and correct copy of the foregoing was e-mailed and mailed on May 29, 2012 to:

Timothy V. Flynn-O’Brien, Esq.
817 Gold Avenue SW
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Attorney for Appellants
tim@flynnobrien.com

Anita Miller
City of Albuquerque Legal Department
P.O. Box 2248
Albuquerque, New Mexico 87103
apmiller@cabq.gov

Michelle Henrie

From: Michelle Henrie <michelle@mhenrie.com>
Sent: Wednesday, May 23, 2012 4:44 PM
To: 'Tim Flynn-O'Brien'
Cc: 'bthompson@cabq.gov'; 'Curran, Kevin J.'; 'Rene Horvath'; 'Jolene Wolfley'; 'William Kraemer'; 'Ronald Bohannon'; 'dstover@cabq.gov'; 'cmarrone@cabq.gov'; 'Henry, Dora N.'; 'cortega@cabq.gov'
Subject: RE: AC-12-10

Hi Tim,

I just had a chance to look at the Certifications you sent in support of the joinder of 30+ parties as appellants in this appeal. The Certifications lack the kind of information needed to evaluate whether the individual party is qualified and authorized to join this appeal.

NMRA Rule 1-020 allows permissive joinder—which you appear to assume based on facts not in the Record—when parties “assert any right to relief jointly, severally, or in the alternative in respect of or arising out of the same transaction, occurrence, or series of transactions or occurrences and if any question of law or fact common to all of them will arise in the action.” What is the claimed commonality that supports standing to join this appeal? I am not sure that each of these proposed appellants has a vacant commercially-zoned corner within their boundaries that could someday be the proposed site of an LRF.

Also, NMRA Rule 1-017 states that the capacity of a corporate entity to sue or be sued “shall be determined by the law under which it was organized.” I would suppose that the proposed appellants are organized as New Mexico nonprofits, and that the bylaws required of these organizations by § 14-8-2-4(A) of the City Code and § 53-8-12 NMSA 1978 would require some official action taken by those properly empowered to make decisions in order to authorize an appeal. By what authority are these proposed appellants proceeding? Membership vote? Board vote? At a properly called meeting? Without proper authority to appeal, I would need to object because even though the Zone Code allows any “person” to appeal a declaratory ruling, and it also defines “persons” to include corporate entities, without proper authorization, there is no way to know whether the capacity required by Rule 1-017 has been met.

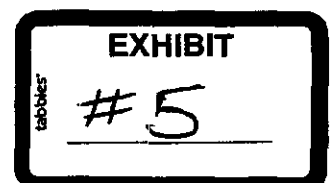
Can you follow up with this information?

Michelle

From: Mary L. Garcia [<mailto:marylgarcia@swcp.com>]
Sent: Monday, May 21, 2012 3:36 PM
To: dstover@cabq.gov; cmarrone@cabq.gov; 'Henry, Dora N.'; cortega@cabq.gov
Cc: bthompson@cabq.gov; 'Michelle Henrie'; 'Curran, Kevin J.'; 'Rene Horvath'; 'Jolene Wolfley'; 'William Kraemer'; 'Ronald Bohannon'; 'Tim Flynn-O'Brien'
Subject: AC-12-10

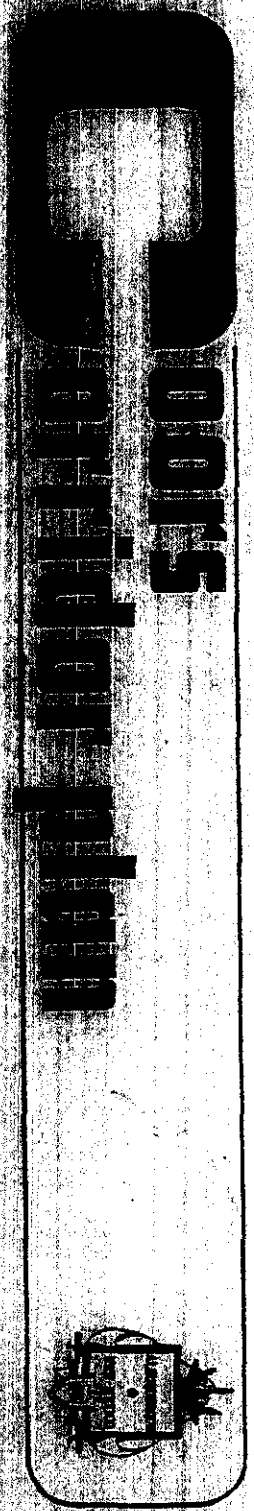
Ladies,
See attached letter from Timothy Flynn-O'Brien in the above referenced matter. If you have any questions or problems with the attachment, please do not hesitate to contact this office.

~~~~~  
*Mary L. Garcia*, Legal Assistant



**TIMOTHY V. FLYNN-O'BRIEN**  
**ATTORNEY AT LAW**  
817 Gold Avenue SW  
Albuquerque, NM 87102  
Phone: (505) 242-4088  
Fax: (866) 428-7568  
Email: [marylgarcia@swcp.com](mailto:marylgarcia@swcp.com)

tabbles®  
EXHIBIT  
# 1



101



# **Coors Corridor plan**

**City of Albuquerque**

**New Mexico**

**Municipal Development Department  
Albuquerque/Bernalillo County  
Planning Division**

**Adopted By:**

**Albuquerque City Council  
April 30, 1984**

**and**

**Board of County Commissioners  
May 15, 1984**

## policy 5 intersections

Distance between major signalized intersections on Coors Boulevard shall be as far apart as is possible and practical to encourage continuous traffic flow.

There shall be a minimum distance of approximately one-half mile for signalized intersections. Limited access locations for right-turn-off and right-turn-on traffic movement shall be placed with careful consideration for proximity to full intersections and to provide reasonable access to property within the corridor. Limited access locations shall be a minimum distance of approximately one-quarter mile from full intersections or from other limited access locations.

An exclusive right turn lane shall be provided at all major one-half mile signalized intersections and one-quarter mile right-turn only intersections.

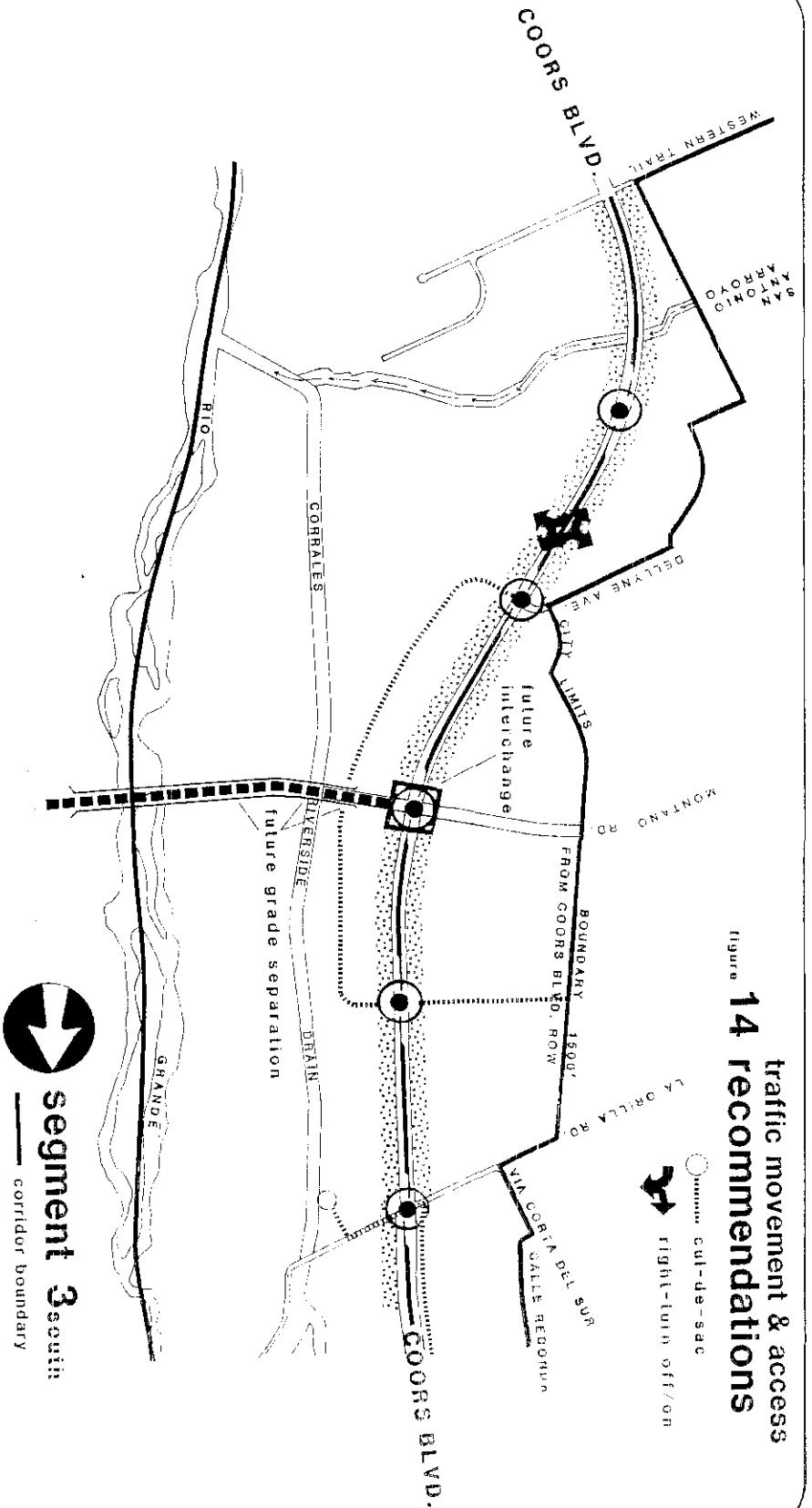
At the signalized one-half mile intersections a radius sufficient to accommodate channelized right-turns shall be utilized to improve pedestrian crossing conditions by reducing crossing time and by providing a pedestrian refuge area, as well as enhancing vehicular operation. The specific design shall be determined by the Traffic Engineer.

The proposed traffic signals shown along Coors Boulevard shall be installed when the warrants contained in The New Mexico Manual and Specifications for a Uniform System of Traffic Control Devices are met at each location.

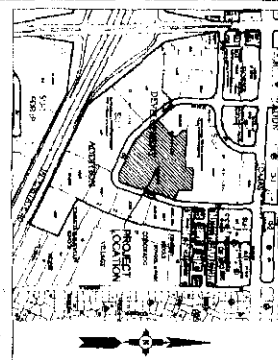
### **rationale:**

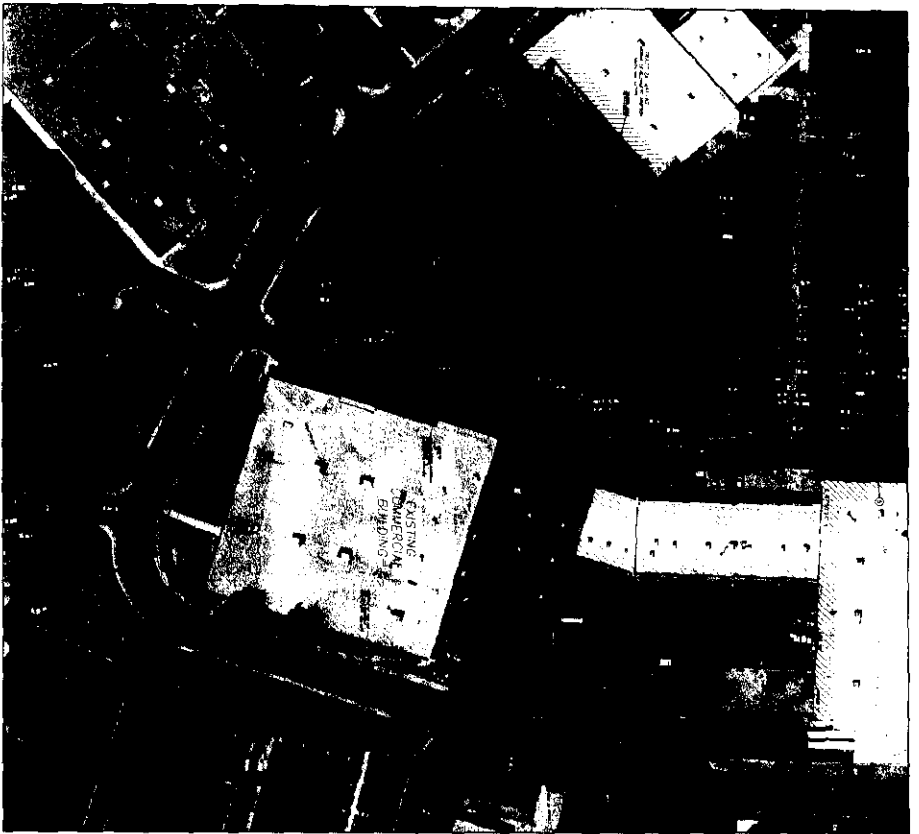
Maximum practical distance between traffic signals and points of limited access is essential to accomplish the best possible traffic flow to accommodate the anticipated traffic volumes on Coors Boulevard. One-half mile spacing for major signalized intersections will allow speeds in the range of 35 to 40 miles per hour in both directions along Coors Boulevard.

traffic movement & access  
figure 14 recommendations



| ITEM                   | EXISTING CONDITIONS 1982                           | RECOMMENDATIONS                                                                               |
|------------------------|----------------------------------------------------|-----------------------------------------------------------------------------------------------|
| 7. CIRCULATION STREETS | eastside is mostly undeveloped<br>westside         | develop plans for access to parcels from facilities<br>other than Coors Blvd.                 |
| 8. TRAFFIC SIGNALS     | 1-Montano Road                                     | 5-La Luz area, Dellyne, Montano, 1/2 mile north<br>of Montano, La Orilla (at minimum spacing) |
| 9. STREET LIGHTS       | only at major intersections                        | only at major intersections and areas of access                                               |
| 10. BUS ROUTE          | northbound and southbound as far as Paradise Blvd. | improve bus stop areas, provide shelter                                                       |
| 11. SIDEWALK           | none                                               | proposed feet                                                                                 |
| 12. BIKEWAY            | both sides of Coors Blvd.                          |                                                                                               |
| 13. LANDSCAPING        | none in R.O.W.                                     | develop streetscape plan                                                                      |

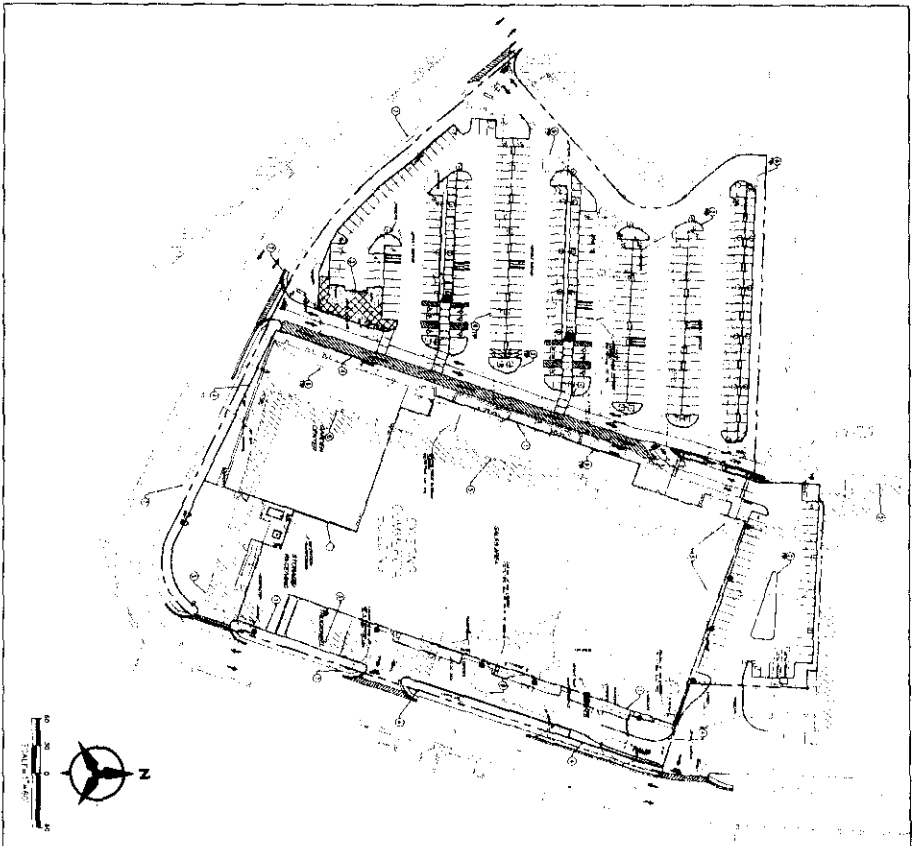




# EXISTING CONDITIONS

THE EXISTING BUILDING AND SITE ARE SHOWN AS THEY ARE. THE EXISTING BUILDING IS NOT TO BE CONSIDERED AS A BASIS FOR ANY DESIGN OR CONSTRUCTION.

FOR INFORMATION ONLY



# PROPOSED CONDITIONS OVERLAIN ON EXISTING CONDITIONS

THE EXISTING BUILDING AND SITE ARE SHOWN AS THEY ARE. THE EXISTING BUILDING IS NOT TO BE CONSIDERED AS A BASIS FOR ANY DESIGN OR CONSTRUCTION.

## KEYED NOTES

1. PROPOSED BUILDING
2. PROPOSED PARKING LOTS
3. PROPOSED DRIVEWAYS
4. PROPOSED DRIVEWAYS
5. PROPOSED DRIVEWAYS
6. EXISTING DRIVEWAYS
7. EXISTING DRIVEWAYS
8. EXISTING DRIVEWAYS

## LEGEND

- PROPOSED BUILDING
- PROPOSED PARKING LOTS
- PROPOSED DRIVEWAYS
- PROPOSED DRIVEWAYS
- PROPOSED DRIVEWAYS
- EXISTING DRIVEWAYS
- EXISTING DRIVEWAYS
- EXISTING DRIVEWAYS

C-002

EXISTING & PROPOSED  
CONDITIONS EXHIBIT  
LOWE'S OF:  
Market Center East  
Albuquerque, NM



BOHANNAN & HUSTON  
CONSULTING ENGINEERS  
1000 JEFFERSON BLVD. ALBUQUERQUE, NM 87102-4229  
PH: 505-263-1100 FAX: 505-263-1101  
WWW.BH-ENGINEERS.COM

**Bohannan & Huston**  
CONSULTING ENGINEERS  
1000 JEFFERSON BLVD. ALBUQUERQUE, NM 87102-4229  
PH: 505-263-1100 FAX: 505-263-1101  
WWW.BH-ENGINEERS.COM

| PROJECT TEAM                                     | DRAWING DATE      |
|--------------------------------------------------|-------------------|
| Gary Wynn<br>Sr. V.P. Real Estate, Eng. & Const. | JUNE 5, 2008      |
| Don Meyer<br>Real Estate Manager                 | REVISIONS         |
| Matthew Smiley<br>Site Development Manager       | SEPTEMBER 2, 2008 |
| Brian Hall<br>Real Estate Director               |                   |

C-003

SITE PLAN DETAILS

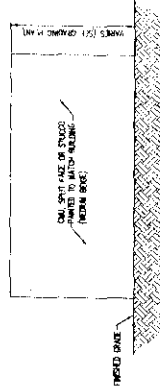
Abuquerque, NM  
Market Center East



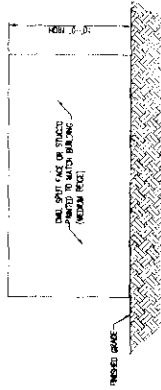
**Bohman + Huston**  
CONSULTING ENGINEERS - PLANNING - ARCHITECTS  
10000 Lomas Blvd. NE, Suite 100  
Albuquerque, NM 87131  
505.261.1000  
www.bohmanhuston.com

PROJECT TEAM  
Client: Lowe's  
Design: Bohman + Huston  
Construction: Bohman + Huston  
Date: 10/1/2009  
Drawing Date: 10/1/2009  
Drawing Number: 2-000

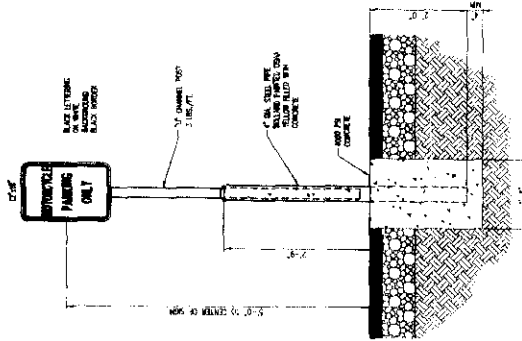
11 RETAINING WALL ELEVATION  
NTS



10 SCREEN WALL ELEVATION  
NTS



9 MOTORCYCLE PARKING SIGN  
NTS



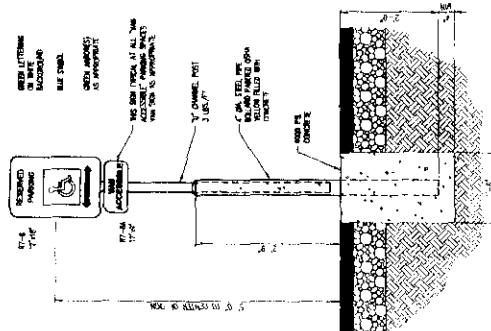
8 PEDESTRIAN CROSSING SIGN  
NTS



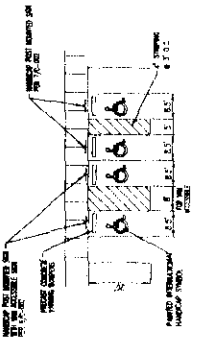
7 STOP SIGN  
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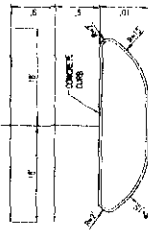
6 HANDICAP PARKING SIGN MOUNTING DETAIL  
NTS



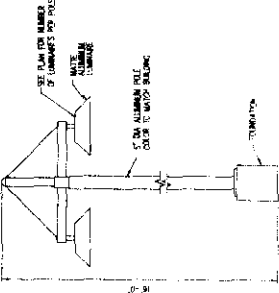
2 TYPICAL HANDICAP PARKING DETAIL  
NTS



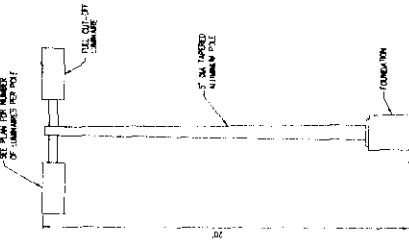
1 TYPICAL END PLANTER ISLAND & PARKING LOT STRIPING  
NTS



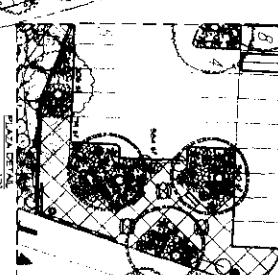
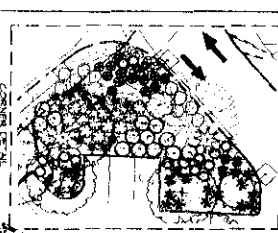
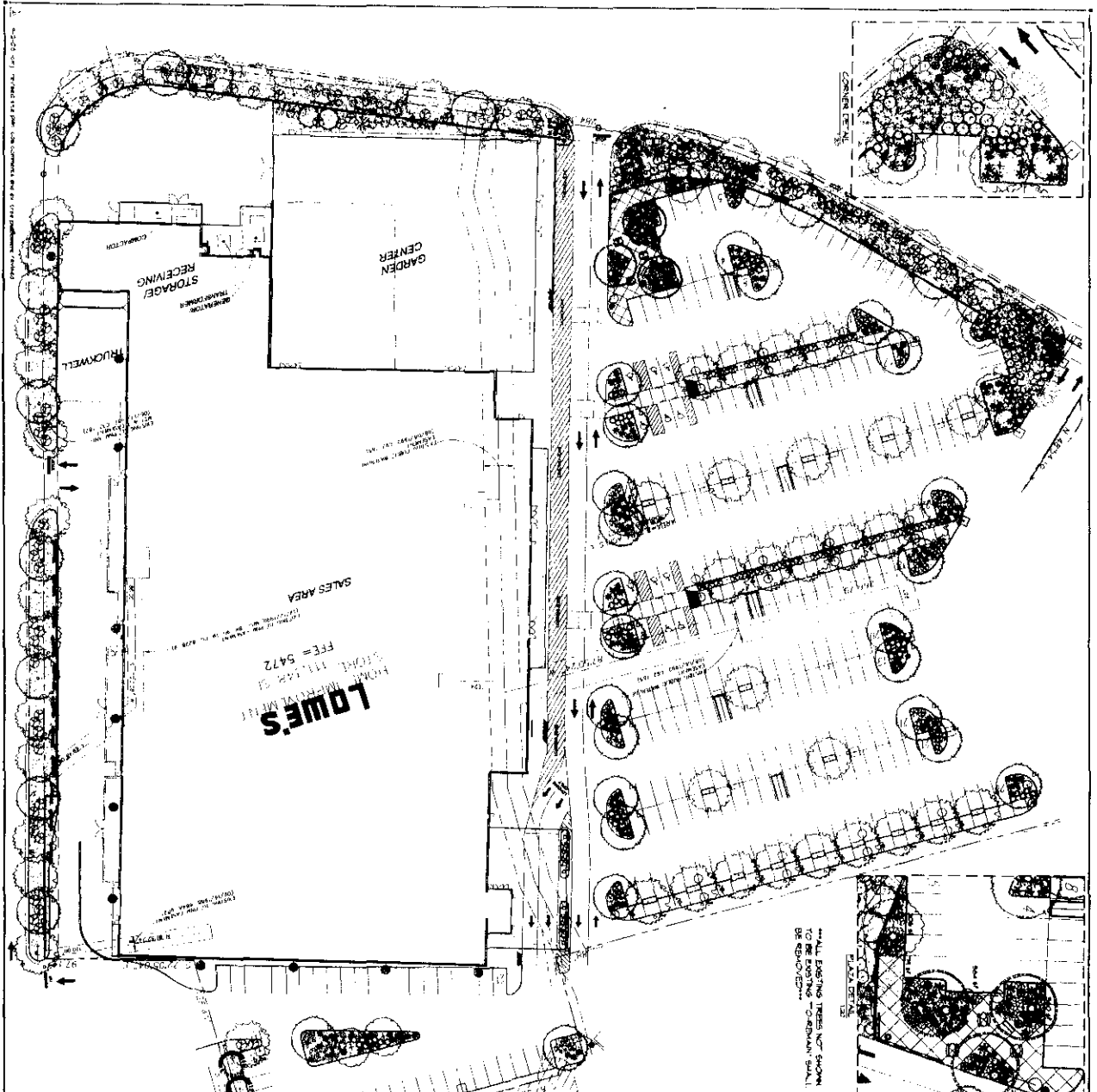
4 DECORATIVE POLE MOUNTED LIGHT  
NTS



5 TYPICAL POLE MOUNTED LIGHT  
NTS







ALL EXISTING TREES NOT SHOWN  
BE REMOVED - GARDEN CENTER

# PLANT LEGEND

ALL PLANTS WILL BE PLANTED PER SPECIFICATIONS FOR PLANTING. PLANTS  
WILL BE PLANTED IN THE SPRING OR FALL. PLANTS WILL BE PLANTED IN THE  
SPRING OR FALL. PLANTS WILL BE PLANTED IN THE SPRING OR FALL.

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- 100. PLANTING SPECIFICATIONS



GRAPHIC SCALE  
1" = 10'  
0 10 20 30 40 50 60 70 80 90 100

LOWE'S  
Market Center East  
Albuquerque, NM



**Bohannon & Huston**  
ENGINEERING - SPATIAL DATA - ADVANCED TECHNOLOGIES

| PROJECT TEAM                                      | DRAWING DATE |
|---------------------------------------------------|--------------|
| Curry Wyatt<br>Sr. VP - East Estate, Eng & Const. | JUNE 5, 2008 |
| Don Moyn<br>Field Estate Manager                  |              |
| Matthew Smiley<br>Site Development Manager        |              |
| Frank Noel<br>Field Estate Director               |              |

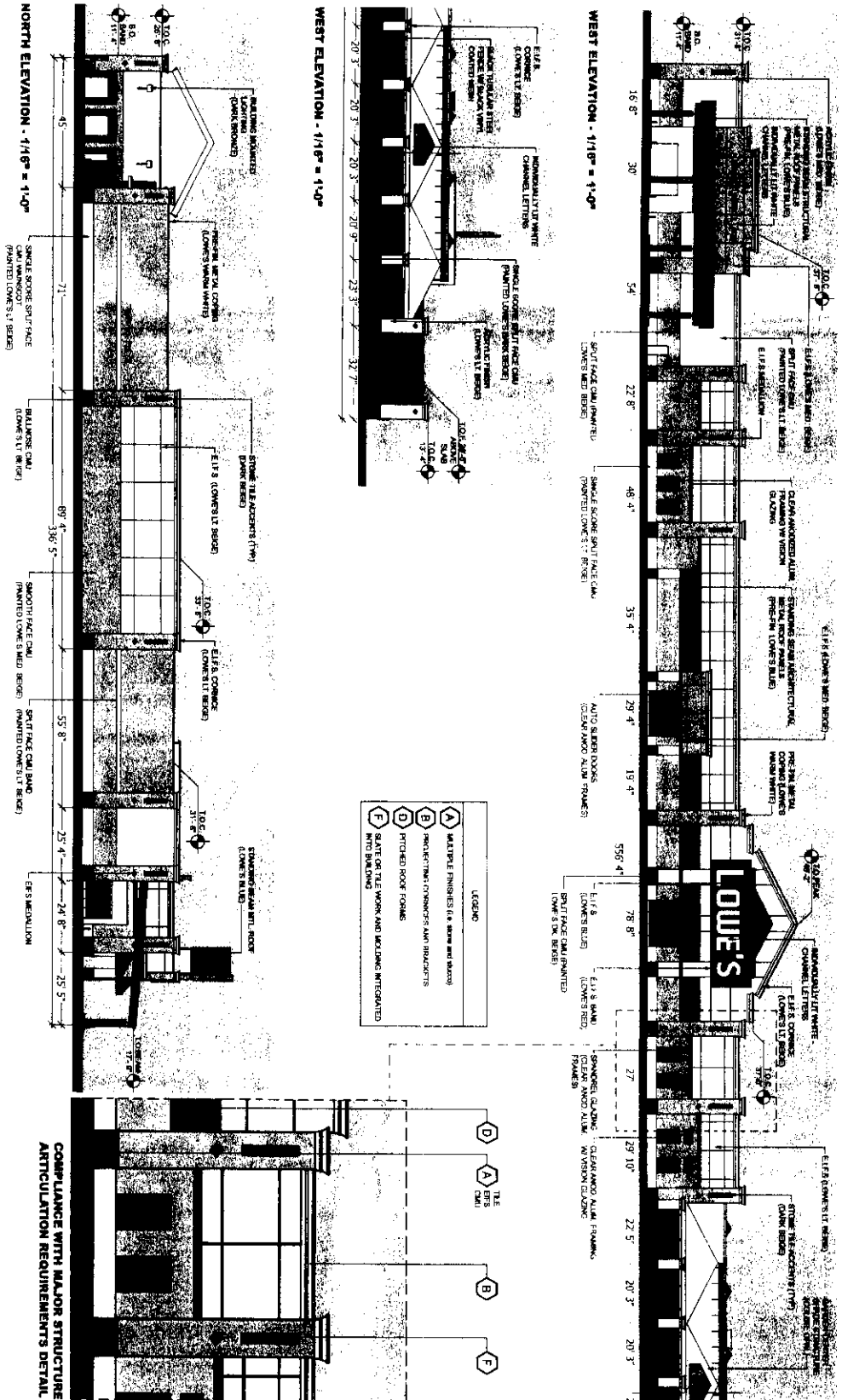
L102

LANDSCAPING PLAN-ENLARGED  
DATE: 06/05/08  
BY: J. BOHANNON  
CHECKED: J. BOHANNON  
DATE: 06/05/08



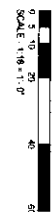


B | R | R



| MEASURE SCHEDULE |                  |               |             |
|------------------|------------------|---------------|-------------|
| NO.              | DESCRIPTION      | HEIGHT        | AREA        |
| 1                | LOWEST           | 9'-4 1/8" 0"  | 348.44 S.F. |
| 2                | CHARGE CENTER    | 8'-10 1/8" 0" | 81.06 S.F.  |
| 3                | WOOD LAMBER VAND | 2'-2 7/16" 8" | 82.02 S.F.  |
| TOTAL MEASURE:   |                  |               | 482.32 S.F. |

REPRESENTATION ONLY  
NOT FOR CONSTRUCTION  
BUILDING IMAGES SHOW ARE A REPRESENTATION OF THE DESIGN  
INTENT AND NOT A GUARANTEE OF THE FINAL CONSTRUCTION  
DIFFERENCES AND FINAL DESIGN DETAILS



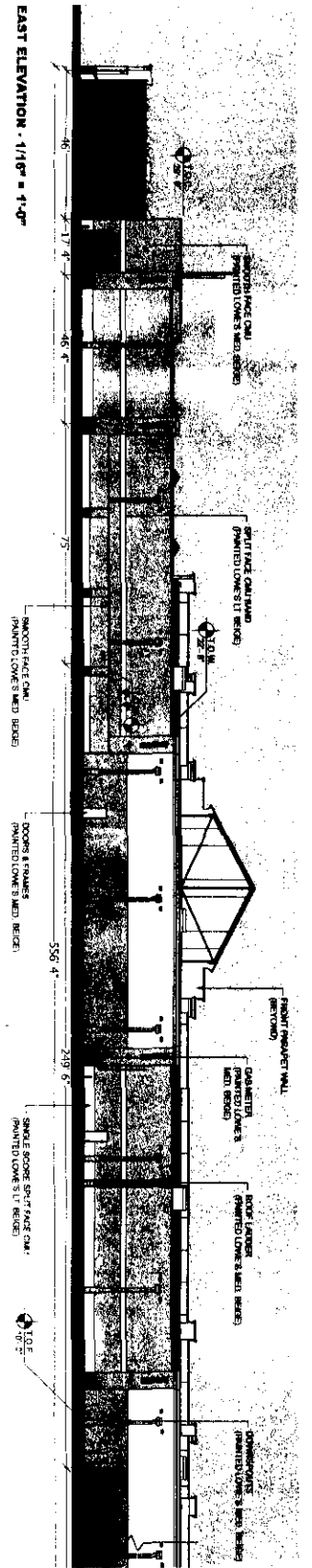
LOWE'S OF:  
Market Center East  
Albuquerque, NM

A-101

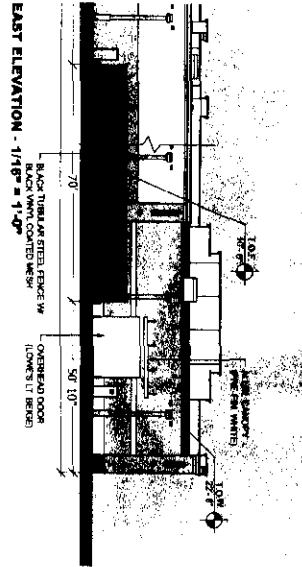
**Bohannon & Huston**  
Consulting 17000 Jefferson St. NE Albuquerque, NM 87106-4336  
ENGINEERING • SPATIAL DATA • ADVANCED TECHNOLOGIES

**PROJECT TEAM**  
Gary Wynn  
Sr. VP, Real Estate, Fox & Corne  
Tom Mayfield  
Real Estate Manager  
Matthew Smiley  
Site Development Manager  
Ryan Hall  
Real Estate Director

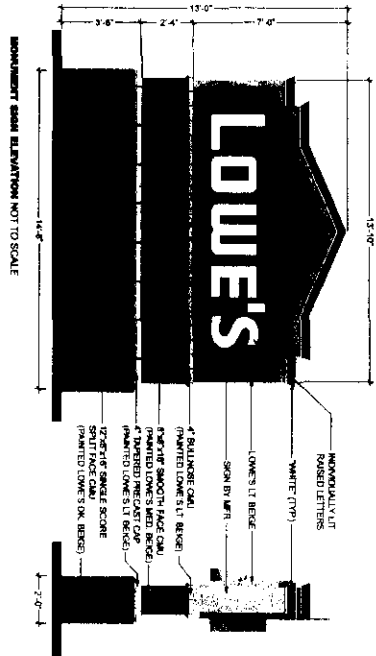
**DRAWING DATE**  
APRIL 6, 2008



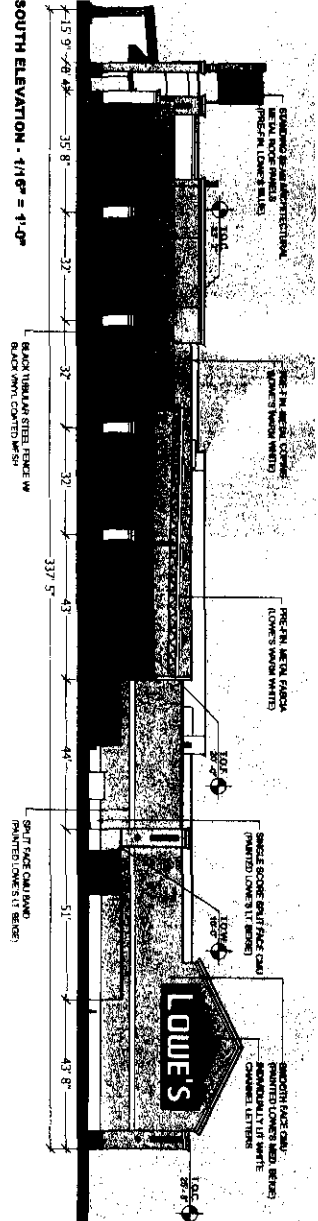
EAST ELEVATION - 1/16" = 1'-0"



EAST ELEVATION - 1/16" = 1'-0"



MONUMENT SIGN ELEVATION NOT TO SCALE



SOUTH ELEVATION - 1/16" = 1'-0"

B | R | R



REPRESENTATION ONLY  
NOT FOR CONSTRUCTION  
BUILDING IMAGES SHOWN ARE A REPRESENTATION OF THE DESIGN  
INTENT AND MAY NOT REFLECT ANY SUBTLE VARIATIONS IN COLOR,  
TEXTURES OR CONSTRUCTION THAT MAY OCCUR DUE TO LOCAL MATERIAL  
DIFFERENCES AND FINAL DESIGN DEVELOPMENT.

A-102

LOWE'S OF:  
Market Center East  
Albuquerque, NM



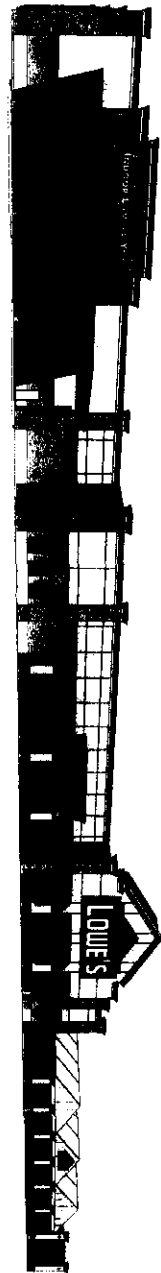
BOBANNAN & HUSTON, INC.  
1700 JEFFERSON BL. NE  
ALBUQUERQUE, NM 87108-4300  
PH: 505-241-1100  
FAX: 505-241-1101  
WWW.BH-ARCHITECTS.COM

**Bobannan & Huston**  
Courtyard 1700 Jefferson Bl. NE Albuquerque, NM 87108-4300  
ENGINEERING - SPATIAL DATA - ADVANCED TECHNOLOGIES

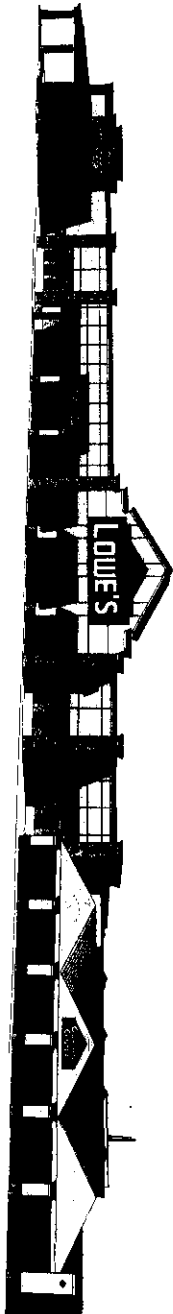
| PROJECT TEAM                                    | DRAWING DATE |
|-------------------------------------------------|--------------|
| Gary Wyll<br>Sr. VP, Real Estate, Eng. & Const. | JUNE 8, 2008 |
| Don Maylan<br>Real Estate Manager               |              |
| Matthew Smiley<br>Site Development Manager      |              |
| Shawn Hall<br>Real Estate Director              |              |

B | R | R

LEFT PERSPECTIVE VIEW



RIGHT PERSPECTIVE VIEW



REPRESENTATION ONLY  
NOT FOR CONSTRUCTION  
BUILDING IMAGES SHOWN ARE A REPRESENTATION OF THE DESIGN  
INTENT AND MAY NOT REFLECT ANY SUBTLE VARIATIONS IN COLOR,  
TEXTURE, OR FINISH. THE FINAL DESIGN SHALL BE DETERMINED BY THE  
OWNER'S AND FINAL DESIGN DETAILS.

A-103

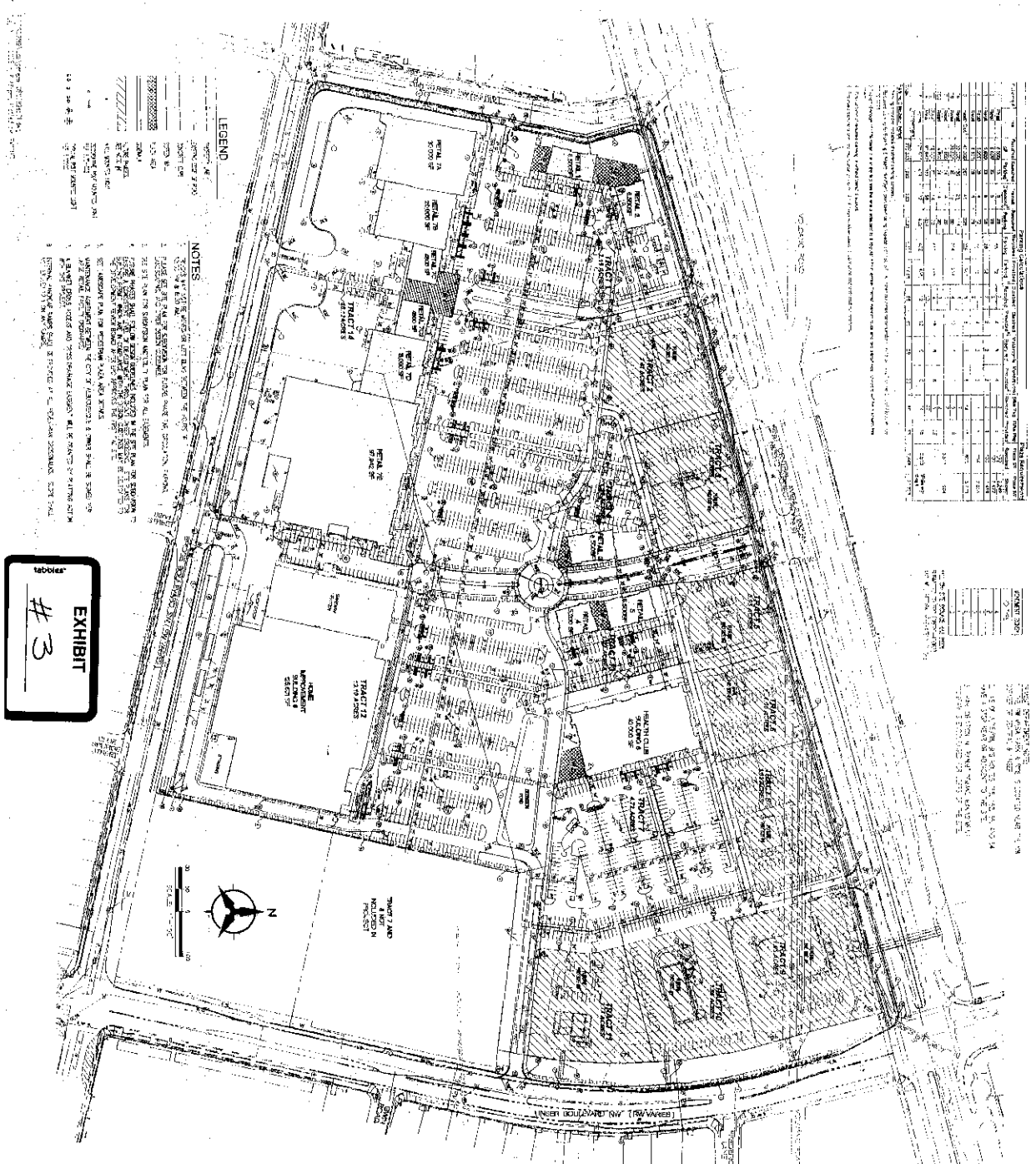
LOWE'S OF:  
Market Center East  
Albuquerque, NM



LOWE'S OF ALBUQUERQUE, NM  
7700 JEFFERSON ST. NE  
ALBUQUERQUE, NM 87109-4386

**Bohannon & Huston**  
Courtyard 1 7700 Jefferson St. NE Albuquerque, NM 87109-4386  
ENGINEERING • SPATIAL DATA • ADVANCED TECHNOLOGIES

| PROJECT TEAM                                   | DRAWING DATE |
|------------------------------------------------|--------------|
| Gary West<br>Sr. VP Real Estate, Eng. & Const. | JUNE 5, 2008 |
| Dan Moyer<br>Real Estate Manager               |              |
| Matthew Smiley<br>Site Development Manager     |              |
| Brian Hall<br>Real Estate Director             |              |



tabbier  
#3  
EXHIBIT

| PROPERTY DATA |       | GENERAL INFORMATION |                       | DEVELOPMENT DATA |         |
|---------------|-------|---------------------|-----------------------|------------------|---------|
| TRACT         | ACRES | OWNER               | DEVELOPER             | USE              | DATE    |
| 1             | 1.25  | UNSER CROSSING      | ARMSTRONG DEVELOPMENT | RESIDENTIAL      | 10/1/04 |
| 2             | 1.25  | UNSER CROSSING      | ARMSTRONG DEVELOPMENT | RESIDENTIAL      | 10/1/04 |
| 3             | 1.25  | UNSER CROSSING      | ARMSTRONG DEVELOPMENT | RESIDENTIAL      | 10/1/04 |
| 4             | 1.25  | UNSER CROSSING      | ARMSTRONG DEVELOPMENT | RESIDENTIAL      | 10/1/04 |
| 5             | 1.25  | UNSER CROSSING      | ARMSTRONG DEVELOPMENT | RESIDENTIAL      | 10/1/04 |
| 6             | 1.25  | UNSER CROSSING      | ARMSTRONG DEVELOPMENT | RESIDENTIAL      | 10/1/04 |
| 7             | 1.25  | UNSER CROSSING      | ARMSTRONG DEVELOPMENT | RESIDENTIAL      | 10/1/04 |
| 8             | 1.25  | UNSER CROSSING      | ARMSTRONG DEVELOPMENT | RESIDENTIAL      | 10/1/04 |
| 9             | 1.25  | UNSER CROSSING      | ARMSTRONG DEVELOPMENT | RESIDENTIAL      | 10/1/04 |
| 10            | 1.25  | UNSER CROSSING      | ARMSTRONG DEVELOPMENT | RESIDENTIAL      | 10/1/04 |
| 11            | 1.25  | UNSER CROSSING      | ARMSTRONG DEVELOPMENT | RESIDENTIAL      | 10/1/04 |
| 12            | 1.25  | UNSER CROSSING      | ARMSTRONG DEVELOPMENT | RESIDENTIAL      | 10/1/04 |
| 13            | 1.25  | UNSER CROSSING      | ARMSTRONG DEVELOPMENT | RESIDENTIAL      | 10/1/04 |
| 14            | 1.25  | UNSER CROSSING      | ARMSTRONG DEVELOPMENT | RESIDENTIAL      | 10/1/04 |

**KEYED NOTES**

1. SEE PLAN FOR TRACT 1
2. SEE PLAN FOR TRACT 2
3. SEE PLAN FOR TRACT 3
4. SEE PLAN FOR TRACT 4
5. SEE PLAN FOR TRACT 5
6. SEE PLAN FOR TRACT 6
7. SEE PLAN FOR TRACT 7
8. SEE PLAN FOR TRACT 8
9. SEE PLAN FOR TRACT 9
10. SEE PLAN FOR TRACT 10
11. SEE PLAN FOR TRACT 11
12. SEE PLAN FOR TRACT 12
13. SEE PLAN FOR TRACT 13
14. SEE PLAN FOR TRACT 14

**REVISIONS**

| NO. | DATE    | DESCRIPTION    |
|-----|---------|----------------|
| 1   | 10/1/04 | INITIAL DESIGN |
| 2   | 10/1/04 | REVISED DESIGN |
| 3   | 10/1/04 | REVISED DESIGN |
| 4   | 10/1/04 | REVISED DESIGN |
| 5   | 10/1/04 | REVISED DESIGN |
| 6   | 10/1/04 | REVISED DESIGN |
| 7   | 10/1/04 | REVISED DESIGN |
| 8   | 10/1/04 | REVISED DESIGN |
| 9   | 10/1/04 | REVISED DESIGN |
| 10  | 10/1/04 | REVISED DESIGN |
| 11  | 10/1/04 | REVISED DESIGN |
| 12  | 10/1/04 | REVISED DESIGN |
| 13  | 10/1/04 | REVISED DESIGN |
| 14  | 10/1/04 | REVISED DESIGN |

**DESIGNER**  
1007204

**DATE**  
10/1/04

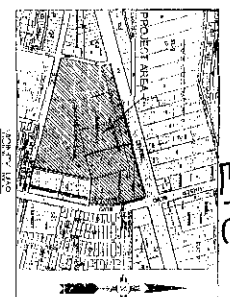
**BY**  
[Signature]

**CHECKED BY**  
[Signature]

**DATE**  
10/1/04

**APPROVED BY**  
[Signature]

**DATE**  
10/1/04



**DISIA**  
Dustin Savell  
AIA, LEED AP  
Project Manager

**Michael Associates, LLC**  
Michael J. Michael  
AIA, LEED AP  
Architect

**ARMSTRONG DEVELOPMENT**

**Unser Crossing  
DRB Submittal**

**Site Plan for Building Permit**

**Central Avenue and Unser Boulevard**

**Albuquerque, New Mexico 87121**

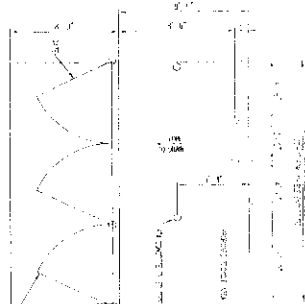
**C-001**

**5TH PLAN**

**REVISED**



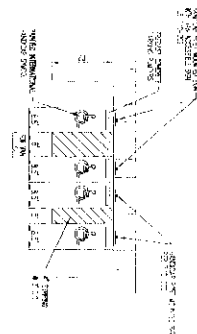
1. TYPICAL BARRIER SLAB & SPACING OF REINFORCING



2. SINGLE & DOUBLE VERTICAL END CAPS



3. TYPICAL HANDICAP PARKING DETAIL

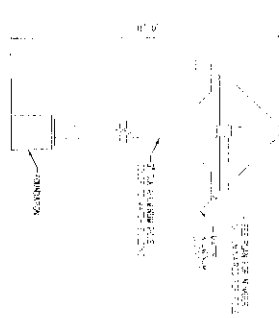


4. TYPICAL HANDICAP PARKING DETAIL

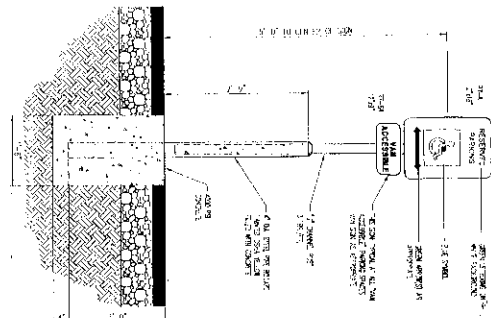
SEE PLAN FOR NUMBER OF SPACES TO BE PROVIDED FOR ALL HANDICAPPED PARKING



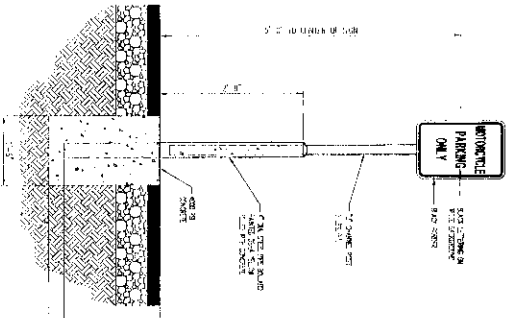
5. TYPICAL POLE MOUNTED LIGHT



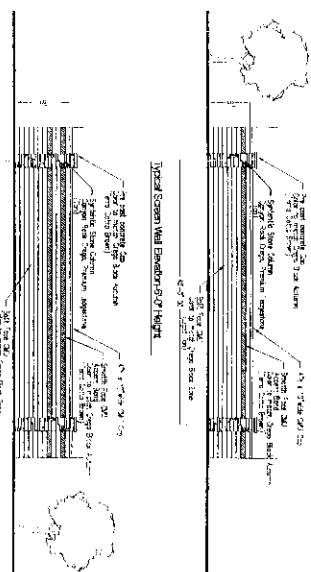
6. DEPENDENT POLE MOUNTED LIGHT



7. HANDICAP PARKING SIGN DETAIL



8. NO ON-STREET PARKING SIGN



9. TYPICAL SCREEN WALL ELEVATION

SEE PLAN FOR NUMBER OF SPACES TO BE PROVIDED FOR ALL HANDICAPPED PARKING

C-002

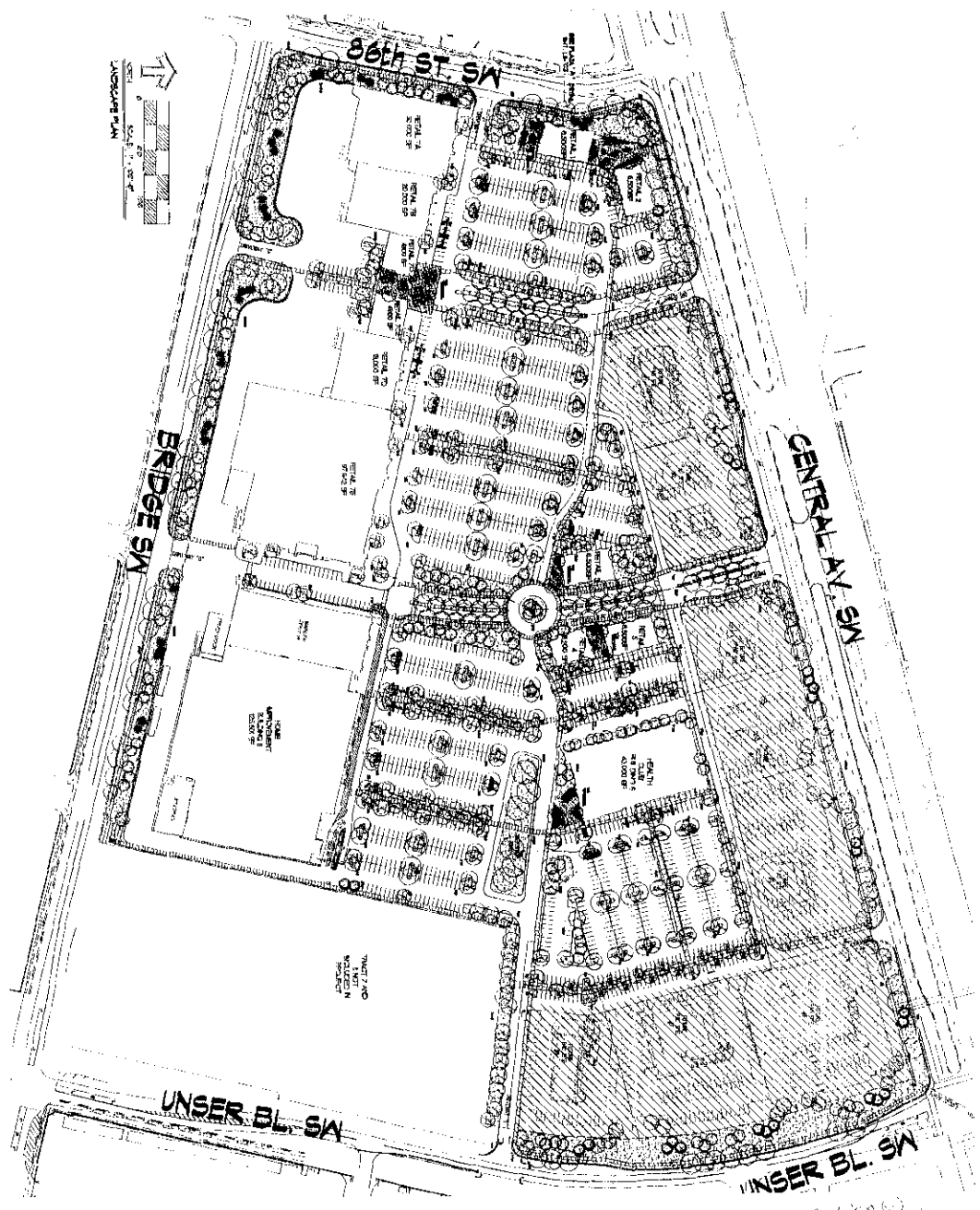
Unser Crossing  
DRB Submittal  
Site Plan for Building Permit  
Central Avenue and Unser Boulevard  
Albuquerque, New Mexico 87121

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Armstrong  
Reveston  
Principal  
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armstrong@reveston.com

Mitchell Associates, LLC  
Principal  
10000 1st Avenue NE  
Albuquerque, NM 87112  
505.261.1111  
mitchell@ma-llc.com



# LANDSCAPE PLAN

| NO. | PLANT MATERIAL      | QUANTITY | NOTES             |
|-----|---------------------|----------|-------------------|
| 1   | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 2   | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 3   | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 4   | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 5   | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 6   | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 7   | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 8   | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 9   | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 10  | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 11  | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 12  | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 13  | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 14  | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 15  | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 16  | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 17  | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 18  | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 19  | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 20  | SPRING BURNING BUSH | 100      | 10' x 10' spacing |

## LANDSCAPE NOTES

1. All plant materials shall be installed in accordance with the following specifications:

2. All plant materials shall be installed in accordance with the following specifications:

3. All plant materials shall be installed in accordance with the following specifications:

4. All plant materials shall be installed in accordance with the following specifications:

5. All plant materials shall be installed in accordance with the following specifications:

6. All plant materials shall be installed in accordance with the following specifications:

7. All plant materials shall be installed in accordance with the following specifications:

8. All plant materials shall be installed in accordance with the following specifications:

9. All plant materials shall be installed in accordance with the following specifications:

10. All plant materials shall be installed in accordance with the following specifications:

11. All plant materials shall be installed in accordance with the following specifications:

12. All plant materials shall be installed in accordance with the following specifications:

13. All plant materials shall be installed in accordance with the following specifications:

14. All plant materials shall be installed in accordance with the following specifications:

15. All plant materials shall be installed in accordance with the following specifications:

16. All plant materials shall be installed in accordance with the following specifications:

17. All plant materials shall be installed in accordance with the following specifications:

18. All plant materials shall be installed in accordance with the following specifications:

19. All plant materials shall be installed in accordance with the following specifications:

20. All plant materials shall be installed in accordance with the following specifications:

## LANDSCAPE SCHEDULE

| NO. | PLANT MATERIAL      | QUANTITY | NOTES             |
|-----|---------------------|----------|-------------------|
| 1   | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 2   | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 3   | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 4   | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 5   | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 6   | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 7   | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 8   | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 9   | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 10  | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 11  | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 12  | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 13  | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 14  | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 15  | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 16  | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 17  | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 18  | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 19  | SPRING BURNING BUSH | 100      | 10' x 10' spacing |
| 20  | SPRING BURNING BUSH | 100      | 10' x 10' spacing |

not for construction

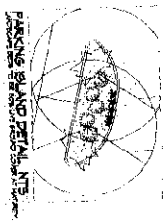
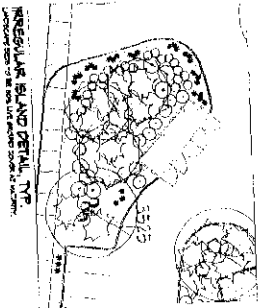
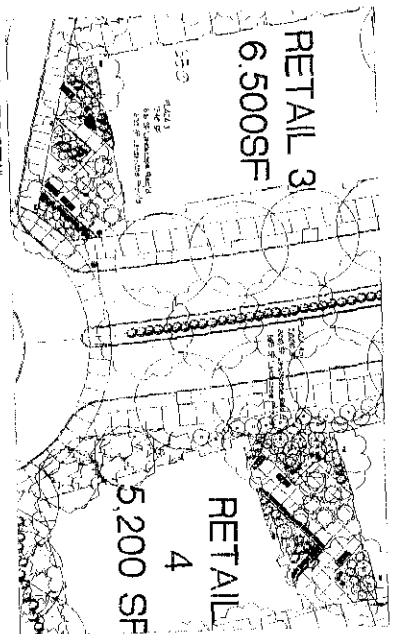


LANDSCAPE PLAN  
LS-101

Unser Crossing  
Site Plan for Building Permit  
Central Avenue and Unser Boulevard  
Albuquerque, New Mexico 87121

ARMSTRONG  
DEVELOPMENT

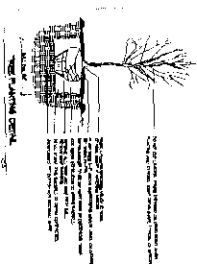
DSM  
Darren Sowell  
ARCHITECTS



| DATE     | DESCRIPTION     | AMOUNT | BALANCE |
|----------|-----------------|--------|---------|
| 1-1-68   | OPENING BALANCE | 100.00 | 100.00  |
| 1-15-68  | PAYROLL         | 15.00  | 85.00   |
| 2-1-68   | RENT            | 25.00  | 60.00   |
| 2-15-68  | UTILITIES       | 10.00  | 50.00   |
| 3-1-68   | SALES           | 30.00  | 80.00   |
| 3-15-68  | PAYROLL         | 15.00  | 65.00   |
| 4-1-68   | RENT            | 25.00  | 40.00   |
| 4-15-68  | UTILITIES       | 10.00  | 30.00   |
| 5-1-68   | SALES           | 30.00  | 60.00   |
| 5-15-68  | PAYROLL         | 15.00  | 45.00   |
| 6-1-68   | RENT            | 25.00  | 20.00   |
| 6-15-68  | UTILITIES       | 10.00  | 10.00   |
| 7-1-68   | SALES           | 30.00  | 40.00   |
| 7-15-68  | PAYROLL         | 15.00  | 25.00   |
| 8-1-68   | RENT            | 25.00  | 0.00    |
| 8-15-68  | UTILITIES       | 10.00  | 10.00   |
| 9-1-68   | SALES           | 30.00  | 40.00   |
| 9-15-68  | PAYROLL         | 15.00  | 25.00   |
| 10-1-68  | RENT            | 25.00  | 0.00    |
| 10-15-68 | UTILITIES       | 10.00  | 10.00   |
| 11-1-68  | SALES           | 30.00  | 40.00   |
| 11-15-68 | PAYROLL         | 15.00  | 25.00   |
| 12-1-68  | RENT            | 25.00  | 0.00    |
| 12-15-68 | UTILITIES       | 10.00  | 10.00   |
| 1-1-69   | SALES           | 30.00  | 40.00   |
| 1-15-69  | PAYROLL         | 15.00  | 25.00   |
| 2-1-69   | RENT            | 25.00  | 0.00    |
| 2-15-69  | UTILITIES       | 10.00  | 10.00   |
| 3-1-69   | SALES           | 30.00  | 40.00   |
| 3-15-69  | PAYROLL         | 15.00  | 25.00   |
| 4-1-69   | RENT            | 25.00  | 0.00    |
| 4-15-69  | UTILITIES       | 10.00  | 10.00   |
| 5-1-69   | SALES           | 30.00  | 40.00   |
| 5-15-69  | PAYROLL         | 15.00  | 25.00   |
| 6-1-69   | RENT            | 25.00  | 0.00    |
| 6-15-69  | UTILITIES       | 10.00  | 10.00   |
| 7-1-69   | SALES           | 30.00  | 40.00   |
| 7-15-69  | PAYROLL         | 15.00  | 25.00   |
| 8-1-69   | RENT            | 25.00  | 0.00    |
| 8-15-69  | UTILITIES       | 10.00  | 10.00   |
| 9-1-69   | SALES           | 30.00  | 40.00   |
| 9-15-69  | PAYROLL         | 15.00  | 25.00   |
| 10-1-69  | RENT            | 25.00  | 0.00    |
| 10-15-69 | UTILITIES       | 10.00  | 10.00   |
| 11-1-69  | SALES           | 30.00  | 40.00   |
| 11-15-69 | PAYROLL         | 15.00  | 25.00   |
| 12-1-69  | RENT            | 25.00  | 0.00    |
| 12-15-69 | UTILITIES       | 10.00  | 10.00   |
| 1-1-70   | SALES           | 30.00  | 40.00   |
| 1-15-70  | PAYROLL         | 15.00  | 25.00   |
| 2-1-70   | RENT            | 25.00  | 0.00    |
| 2-15-70  | UTILITIES       | 10.00  | 10.00   |
| 3-1-70   | SALES           | 30.00  | 40.00   |
| 3-15-70  | PAYROLL         | 15.00  | 25.00   |
| 4-1-70   | RENT            | 25.00  | 0.00    |
| 4-15-70  | UTILITIES       | 10.00  | 10.00   |
| 5-1-70   | SALES           | 30.00  | 40.00   |
| 5-15-70  | PAYROLL         | 15.00  | 25.00   |
| 6-1-70   | RENT            | 25.00  | 0.00    |
| 6-15-70  | UTILITIES       | 10.00  | 10.00   |
| 7-1-70   | SALES           | 30.00  | 40.00   |
| 7-15-70  | PAYROLL         | 15.00  | 25.00   |
| 8-1-70   | RENT            | 25.00  | 0.00    |
| 8-15-70  | UTILITIES       | 10.00  | 10.00   |
| 9-1-70   | SALES           | 30.00  | 40.00   |
| 9-15-70  | PAYROLL         | 15.00  | 25.00   |
| 10-1-70  | RENT            | 25.00  | 0.00    |
| 10-15-70 | UTILITIES       | 10.00  | 10.00   |
| 11-1-70  | SALES           | 30.00  | 40.00   |
| 11-15-70 | PAYROLL         | 15.00  | 25.00   |
| 12-1-70  | RENT            | 25.00  | 0.00    |
| 12-15-70 | UTILITIES       | 10.00  | 10.00   |
| 1-1-71   | SALES           | 30.00  | 40.00   |
| 1-15-71  | PAYROLL         | 15.00  | 25.00   |
| 2-1-71   | RENT            | 25.00  | 0.00    |
| 2-15-71  | UTILITIES       | 10.00  | 10.00   |
| 3-1-71   | SALES           | 30.00  | 40.00   |
| 3-15-71  | PAYROLL         | 15.00  | 25.00   |
| 4-1-71   | RENT            | 25.00  | 0.00    |
| 4-15-71  | UTILITIES       | 10.00  | 10.00   |
| 5-1-71   | SALES           | 30.00  | 40.00   |
| 5-15-71  | PAYROLL         | 15.00  | 25.00   |
| 6-1-71   | RENT            | 25.00  | 0.00    |
| 6-15-71  | UTILITIES       | 10.00  | 10.00   |
| 7-1-71   | SALES           | 30.00  | 40.00   |
| 7-15-71  | PAYROLL         | 15.00  | 25.00   |
| 8-1-71   | RENT            | 25.00  | 0.00    |
| 8-15-71  | UTILITIES       | 10.00  | 10.00   |
| 9-1-71   | SALES           | 30.00  | 40.00   |
| 9-15-71  | PAYROLL         | 15.00  | 25.00   |
| 10-1-71  | RENT            | 25.00  | 0.00    |
| 10-15-71 | UTILITIES       | 10.00  | 10.00   |
| 11-1-71  | SALES           | 30.00  | 40.00   |
| 11-15-71 | PAYROLL         | 15.00  | 25.00   |
| 12-1-71  | RENT            | 25.00  | 0.00    |
| 12-15-71 | UTILITIES       | 10.00  | 10.00   |
| 1-1-72   | SALES           | 30.00  | 40.00   |
| 1-15-72  | PAYROLL         | 15.00  | 25.00   |
| 2-1-72   | RENT            | 25.00  | 0.00    |
| 2-15-72  | UTILITIES       | 10.00  | 10.00   |
| 3-1-72   | SALES           | 30.00  | 40.00   |
| 3-15-72  | PAYROLL         | 15.00  | 25.00   |
| 4-1-72   | RENT            | 25.00  | 0.00    |
| 4-15-72  | UTILITIES       | 10.00  | 10.00   |
| 5-1-72   | SALES           | 30.00  | 40.00   |
| 5-15-72  | PAYROLL         | 15.00  | 25.00   |
| 6-1-72   | RENT            | 25.00  | 0.00    |
| 6-15-72  | UTILITIES       | 10.00  | 10.00   |
| 7-1-72   | SALES           | 30.00  | 40.00   |
| 7-15-72  | PAYROLL         | 15.00  | 25.00   |
| 8-1-72   | RENT            | 25.00  | 0.00    |
| 8-15-72  | UTILITIES       | 10.00  | 10.00   |
| 9-1-72   | SALES           | 30.00  | 40.00   |
| 9-15-72  | PAYROLL         | 15.00  | 25.00   |
| 10-1-72  | RENT            | 25.00  | 0.00    |
| 10-15-72 | UTILITIES       | 10.00  | 10.00   |
| 11-1-72  | SALES           | 30.00  | 40.00   |
| 11-15-72 | PAYROLL         | 15.00  | 25.00   |
| 12-1-72  | RENT            | 25.00  | 0.00    |
| 12-15-72 | UTILITIES       | 10.00  | 10.00   |
| 1-1-73   | SALES           | 30.00  | 40.00   |
| 1-15-73  | PAYROLL         | 15.00  | 25.00   |
| 2-1-73   | RENT            | 25.00  | 0.00    |
| 2-15-73  | UTILITIES       | 10.00  | 10.00   |
| 3-1-73   | SALES           | 30.00  | 40.00   |
| 3-15-73  | PAYROLL         | 15.00  | 25.00   |
| 4-1-73   | RENT            | 25.00  | 0.00    |
| 4-15-73  | UTILITIES       | 10.00  | 10.00   |
| 5-1-73   | SALES           | 30.00  | 40.00   |
| 5-15-73  | PAYROLL         | 15.00  | 25.00   |
| 6-1-73   | RENT            | 25.00  | 0.00    |
| 6-15-73  | UTILITIES       | 10.00  | 10.00   |
| 7-1-73   | SALES           | 30.00  | 40.00   |
| 7-15-73  | PAYROLL         | 15.00  | 25.00   |
| 8-1-73   | RENT            | 25.00  | 0.00    |
| 8-15-73  | UTILITIES       | 10.00  | 10.00   |
| 9-1-73   | SALES           | 30.00  | 40.00   |
| 9-15-73  | PAYROLL         | 15.00  | 25.00   |
| 10-1-73  | RENT            | 25.00  | 0.00    |
| 10-15-73 | UTILITIES       | 10.00  | 10.00   |
| 11-1-73  | SALES           | 30.00  | 40.00   |
| 11-15-73 | PAYROLL         | 15.00  | 25.00   |
| 12-1-73  | RENT            | 25.00  | 0.00    |
| 12-15-73 | UTILITIES       | 10.00  | 10.00   |
| 1-1-74   | SALES           | 30.00  | 40.00   |
| 1-15-74  | PAYROLL         | 15.00  | 25.00   |
| 2-1-74   | RENT            | 25.00  | 0.00    |
| 2-15-74  | UTILITIES       | 10.00  | 10.00   |
| 3-1-74   | SALES           | 30.00  | 40.00   |
| 3-15-74  | PAYROLL         | 15.00  | 25.00   |
| 4-1-74   | RENT            | 25.00  | 0.00    |
| 4-15-74  | UTILITIES       | 10.00  | 10.00   |
| 5-1-74   | SALES           | 30.00  | 40.00   |
| 5-15-74  | PAYROLL         | 15.00  | 25.00   |
| 6-1-74   | RENT            | 25.00  | 0.00    |
| 6-15-74  | UTILITIES       | 10.00  | 10.00   |
| 7-1-74   | SALES           | 30.00  | 40.00   |
| 7-15-74  | PAYROLL         | 15.00  | 25.00   |
| 8-1-74   | RENT            | 25.00  | 0.00    |
| 8-15-74  | UTILITIES       | 10.00  | 10.00   |
| 9-1-74   | SALES           | 30.00  | 40.00   |
| 9-15-74  | PAYROLL         | 15.00  | 25.00   |
| 10-1-74  | RENT            | 25.00  | 0.00    |
| 10-15-74 | UTILITIES       | 10.00  | 10.00   |
| 11-1-74  | SALES           | 30.00  | 40.00   |
| 11-15-74 | PAYROLL         | 15.00  | 25.00   |
| 12-1-74  | RENT            | 25.00  | 0.00    |
| 12-15-74 | UTILITIES       | 10.00  | 10.00   |
| 1-1-75   | SALES           | 30.00  | 40.00   |
| 1-15-75  | PAYROLL         | 15.00  | 25.00   |
| 2-1-75   | RENT            | 25.00  | 0.00    |
| 2-15-75  | UTILITIES       | 10.00  | 10.00   |
| 3-1-75   | SALES           | 30.00  | 40.00   |
| 3-15-75  | PAYROLL         | 15.00  | 25.00   |
| 4-1-75   | RENT            | 25.00  | 0.00    |
| 4-15-75  | UTILITIES       | 10.00  | 10.00   |
| 5-1-75   | SALES           | 30.00  | 40.00   |
| 5-15-75  | PAYROLL         | 15.00  | 25.00   |
| 6-1-75   | RENT            | 25.00  | 0.00    |
| 6-15-75  | UTILITIES       | 10.00  | 10.00   |
| 7-1-75   | SALES           | 30.00  | 40.00   |
| 7-15-75  | PAYROLL         | 15.00  | 25.00   |
| 8-1-75   | RENT            | 25.00  | 0.00    |
| 8-15-75  | UTILITIES       | 10.00  | 10.00   |
| 9-1-75   | SALES           | 30.00  | 40.00   |
| 9-15-75  | PAYROLL         | 15.00  | 25.00   |
| 10-1-75  | RENT            | 25.00  | 0.00    |
| 10-15-75 | UTILITIES       | 10.00  | 10.00   |
| 11-1-75  | SALES           | 30.00  | 40.00   |
| 11-15-75 | PAYROLL         | 15.00  | 25.00   |
| 12-1-75  | RENT            | 25.00  | 0.00    |
| 12-15-75 | UTILITIES       | 10.00  | 10.00   |
| 1-1-76   | SALES           | 30.00  | 40.00   |
| 1-15-76  | PAYROLL         | 15.00  | 25.00   |
| 2-1-76   | RENT            | 25.00  | 0.00    |
| 2-15-76  | UTILITIES       | 10.00  | 10.00   |
| 3-1-76   | SALES           | 30.00  | 40.00   |
| 3-15-76  | PAYROLL         | 15.00  | 25.00   |
| 4-1-76   | RENT            | 25.00  | 0.00    |
| 4-15-76  | UTILITIES       | 10.00  | 10.00   |
| 5-1-76   | SALES           | 30.00  | 40.00   |
| 5-15-76  | PAYROLL         | 15.00  | 25.00   |
| 6-1-76   | RENT            | 25.00  | 0.00    |
| 6-15-76  | UTILITIES       | 10.00  | 10.00   |
| 7-1-76   | SALES           | 30.00  | 40.00   |
| 7-15-76  | PAYROLL         | 15.00  | 25.00   |
| 8-1-76   | RENT            | 25.00  | 0.00    |
| 8-15-76  | UTILITIES       | 10.00  | 10.00   |
| 9-1-76   | SALES           | 30.00  | 40.00   |
| 9-15-76  | PAYROLL         | 15.00  | 25.00   |
| 10-1-76  | RENT            | 25.00  | 0.00    |
| 10-15-76 | UTILITIES       | 10.00  | 10.00   |
| 11-1-76  | SALES           | 30.00  | 40.00   |
| 11-15-76 | PAYROLL         | 15.00  | 25.00   |
| 12-1-76  | RENT            | 25.00  | 0.00    |
| 12-15-76 | UTILITIES       | 10.00  | 10.00   |
| 1-1-77   | SALES           | 30.00  | 40.00   |
| 1-15-77  | PAYROLL         | 15.00  | 25.00   |
| 2-1-77   | RENT            | 25.00  | 0.00    |
| 2-15-77  | UTILITIES       | 10.00  | 10.00   |
| 3-1-77   | SALES           | 30.00  | 40.00   |
| 3-15-77  | PAYROLL         | 15.00  | 25.00   |
| 4-1-77   | RENT            | 25.00  | 0.00    |
| 4-15-77  | UTILITIES       | 10.00  | 10.00   |
| 5-1-77   | SALES           | 30.00  | 40.00   |
| 5-15-77  | PAYROLL         | 15.00  | 25.00   |
| 6-1-77   | RENT            | 25.00  | 0.00    |
| 6-15-77  | UTILITIES       | 10.00  | 10.00   |
| 7-1-77   | SALES           | 30.00  | 40.00   |
| 7-15-77  | PAYROLL         | 15.00  | 25.00   |
| 8-1-77   | RENT            | 25.00  | 0.00    |
| 8-15-77  | UTILITIES       | 10.00  | 10.00   |
| 9-1-77   | SALES           | 30.00  | 40.00   |
| 9-15-77  | PAYROLL         | 15.00  | 25.00   |
| 10-1-77  | RENT            | 25.00  | 0.00    |
| 10-15-77 | UTILITIES       | 10.00  | 10.00   |
| 11-1-77  | SALES           | 30.00  | 40.00   |
| 11-15-77 | PAYROLL         | 15.00  | 25.00   |
| 12-1-77  | RENT            | 25.00  | 0.00    |
| 12-15-77 | UTILITIES       | 10.00  | 10.00   |
| 1-1-78   | SALES           | 30.00  | 40.00   |
| 1-15-78  | PAYROLL         | 15.00  | 25.00   |
| 2-1-78   | RENT            | 25.00  | 0.00    |
| 2-15-78  | UTILITIES       | 10.00  | 10.00   |
| 3-1-78   | SALES           | 30.00  | 40.00   |
| 3-15-78  | PAYROLL         | 15.00  | 25.00   |
| 4-1-78   | RENT            | 25.00  | 0.00    |
| 4-15-78  | UTILITIES       | 10.00  | 10.00   |
| 5-1-78   | SALES           | 30.00  | 40.00   |

## SITE FURNITURE

- GENCO, TYPEICAL  
LABOR, TYPEICAL  
RAGG, CAN, TYPEICAL  
VOR, TYPEICAL



**TYPE TREE PLANTING DETAIL**

preliminary  
not for construction  
05/01/2008



Unser Crossing  
Site Plan for Building Permit  
Central Avenue and Unser Boulevard  
Albuquerque, New Mexico 87121

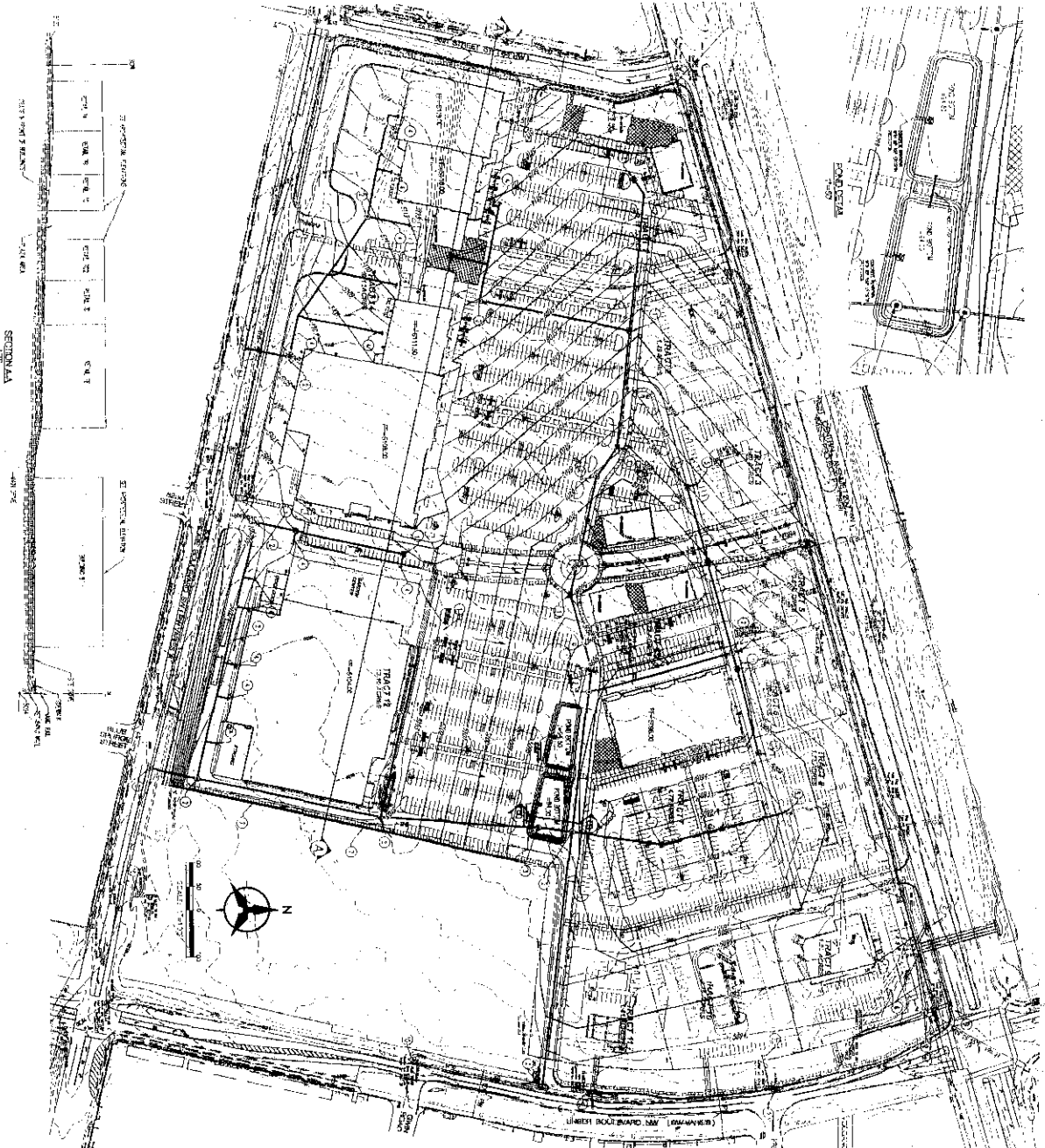
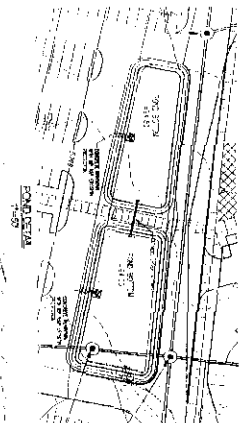
**ARMSTRONG  
DEVELOPMENT**  
PAPERWALLS INC.

**Richardson & Fishburn**  
 10000 Wilshire Blvd., Suite 1000  
 Beverly Hills, CA 90210  
 Tel: 310.279.1100  
 Fax: 310.279.1101  
 E-mail: [info@rffishburn.com](mailto:info@rffishburn.com)  
 Website: [www.rffishburn.com](http://www.rffishburn.com)

# DISA

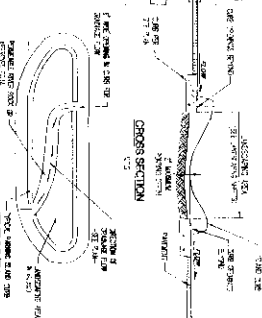
**Darren Sowell**  
ARCHITECT  
PROFESSIONAL SEAL  
Sarasota, FL 34236  
Tel: 941.555.1234  
Fax: 941.555.1234

LANDSCAPE PLAN  
LS-102



- KEYED NOTES**
1. TOTAL SITE AREA
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1. TYPICAL CURB CUT DETAIL



2. TYPICAL WATER HARVESTING DETAIL

- LEGEND**
- 1. TOTAL SITE AREA
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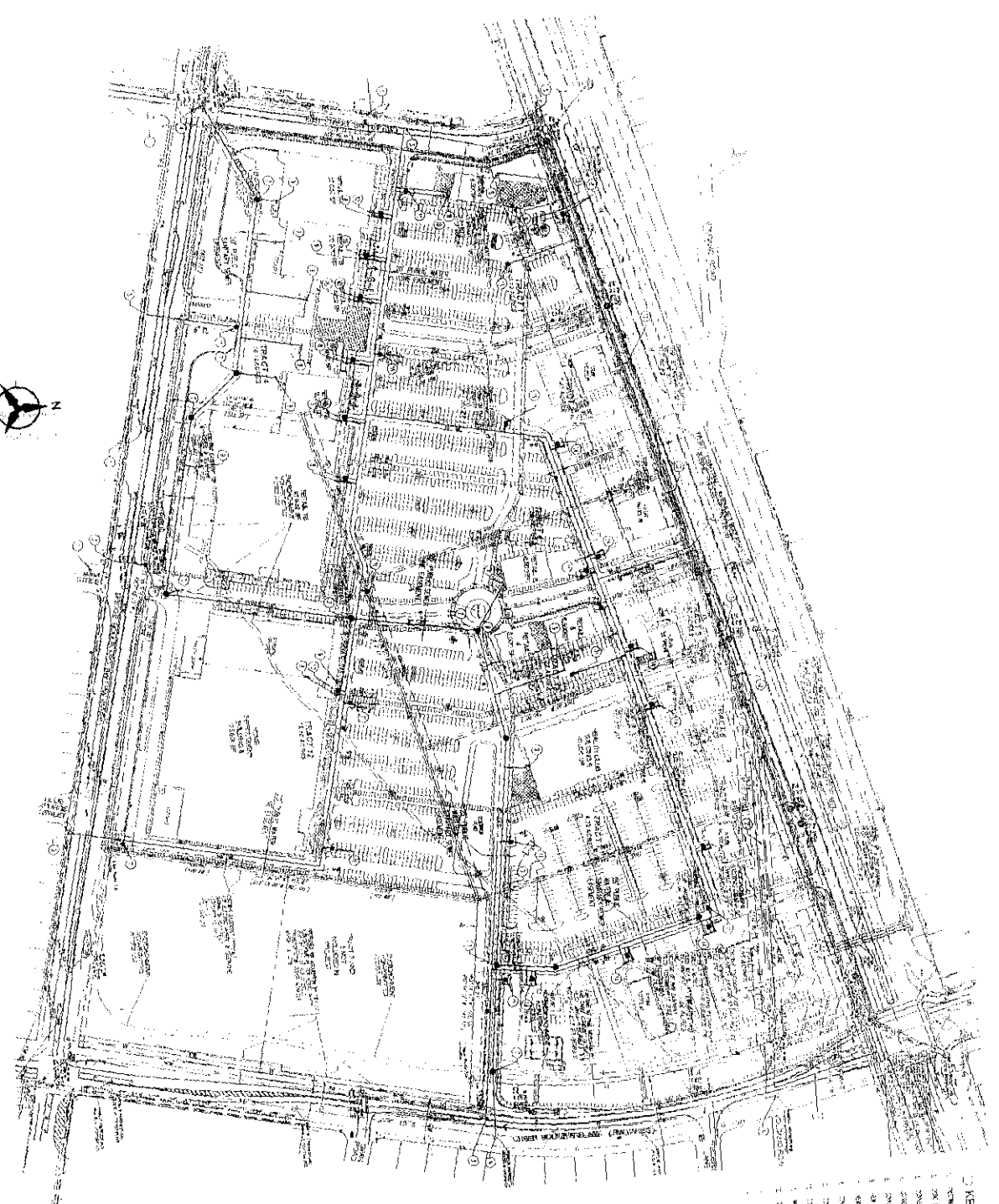
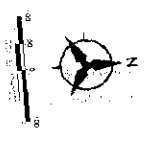
# Unser Crossing DRB Submittal Site Plan for Building Permit Central Avenue and Unser Boulevard Albuquerque, New Mexico 87121

**IDSA**  
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**ARMSTRONG DEVELOPMENT**  
1000 10th Avenue NW  
Albuquerque, NM 87102  
(505) 243-1111  
www.armstrongdevelopment.com

UNSER CROSSING



KEYED NOTES

1. SEE SHEET 1000
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Unser Crossing  
DRB Submittal  
Site Plan for Building Permit  
Central Avenue and Unser Boulevard  
Albuquerque, New Mexico 87121

C-201

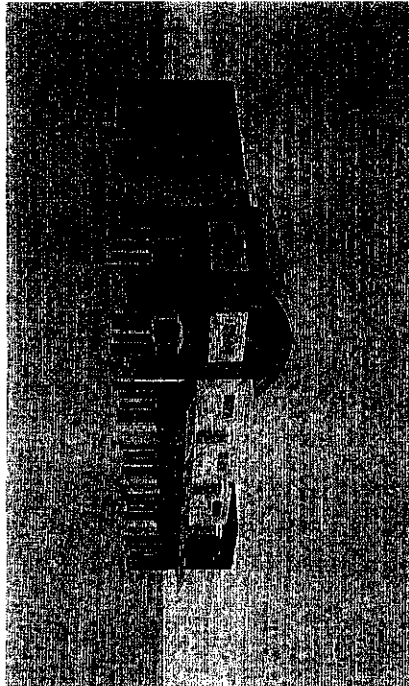
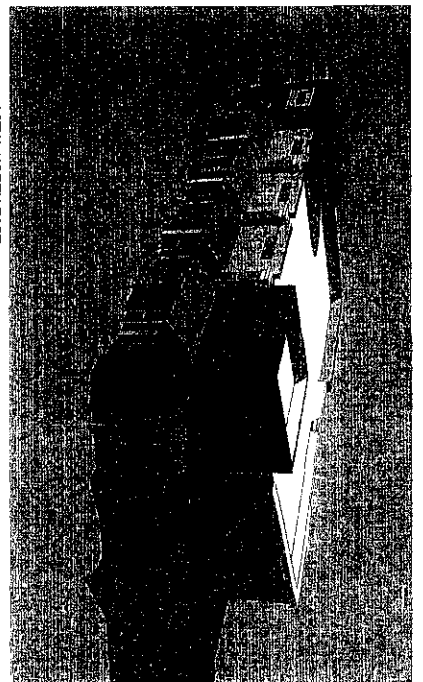
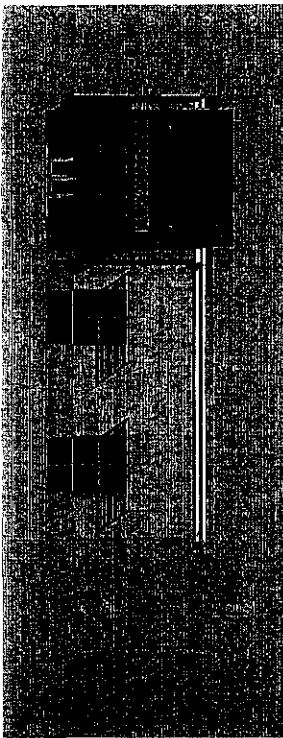
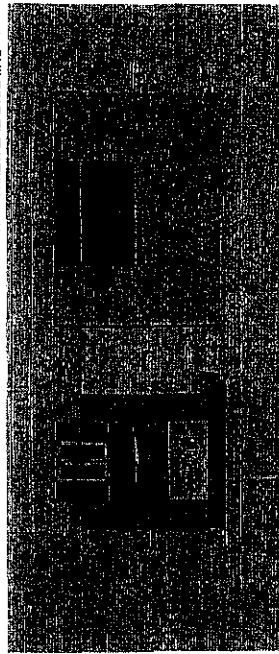
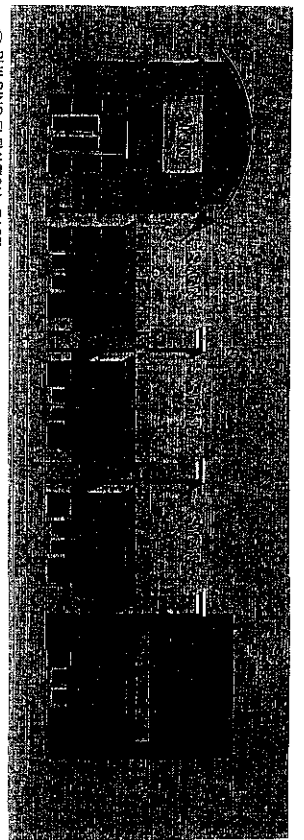
CONCEPT  
PLAN

**ARMSTRONG**  
DEVELOPMENT

**DRSA**  
DANIELSON & ROSS, INC.  
1000 10TH AVENUE, N.W.  
ALBUQUERQUE, NM 87102  
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**Bethmann & Heston**  
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**Mitchell Associates, LLC**  
1000 10TH AVENUE, N.W.  
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(505) 263-1000



## STUCCO COLORS

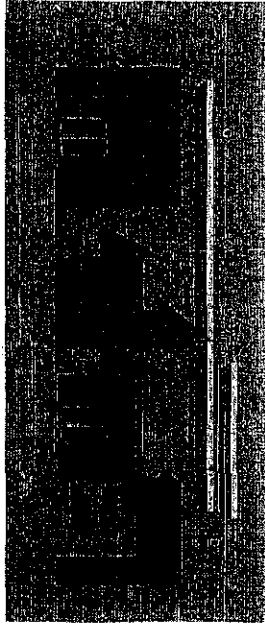
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### ELEVATION NOTES

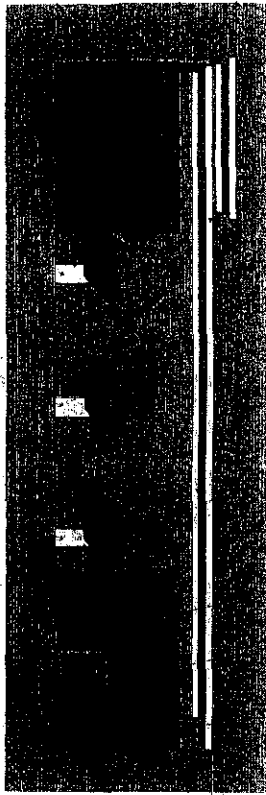
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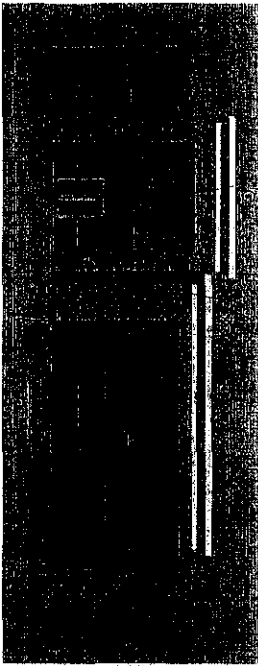
1 BUILDING ELEVATION - SOUTH



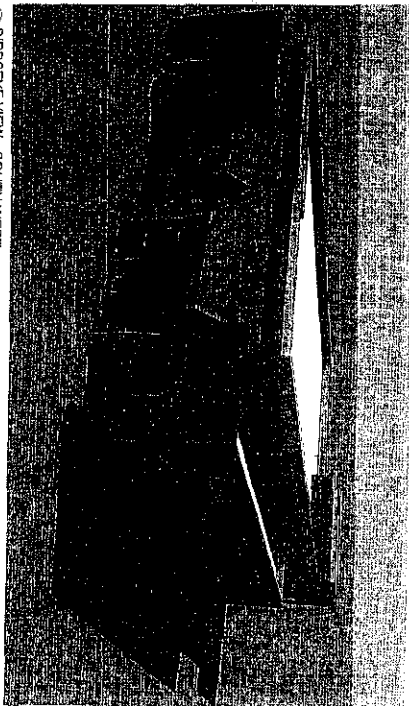
2 BUILDING ELEVATION - WEST



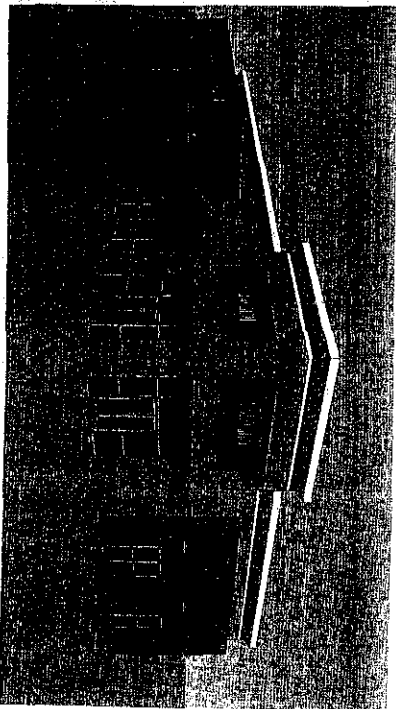
3 BUILDING ELEVATION - NORTH



4 BUILDING ELEVATION - EAST



5 BIRDEYE VIEW - SOUTH WEST



6 EYE LEVEL VIEW - SOUTH EAST

# STUCCO COLORS

- 1. COLOR 1 - STUCCO COLOR (Light Gray)
- 2. COLOR 2 - STUCCO COLOR (Light Gray)
- 3. COLOR 3 - STUCCO COLOR (Light Gray)
- 4. COLOR 4 - STUCCO COLOR (Light Gray)
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- 100. COLOR 100 - STUCCO COLOR (Light Gray)

# ELEVATION NOTES

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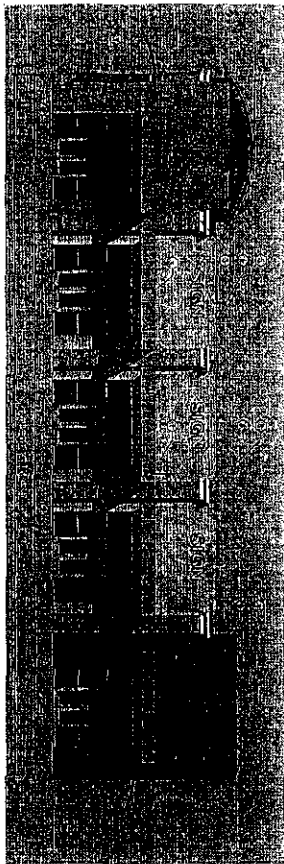
Unser Crossing  
Site Plan for Building Permit  
Central Avenue and Unser Boulevard  
Albuquerque, New Mexico 87121

**ARMSTRONG DEVELOPMENT**  
10000 1st Ave. NE  
Albuquerque, NM 87112  
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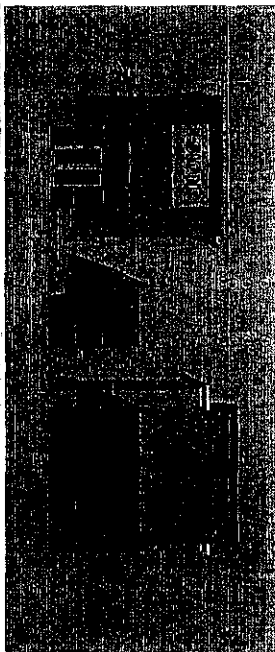
**Bohman + Huston**  
Architects  
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www.bohmanhuston.com

**Mitchell Associates, LLC**  
Engineers  
10000 1st Ave. NE  
Albuquerque, NM 87112  
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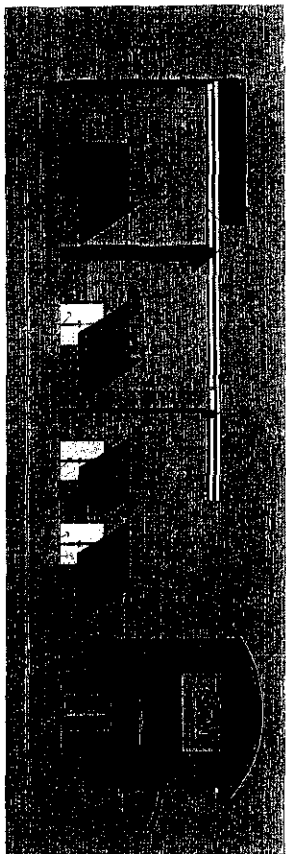
**DSIA**  
Design Services  
Architects  
10000 1st Ave. NE  
Albuquerque, NM 87112  
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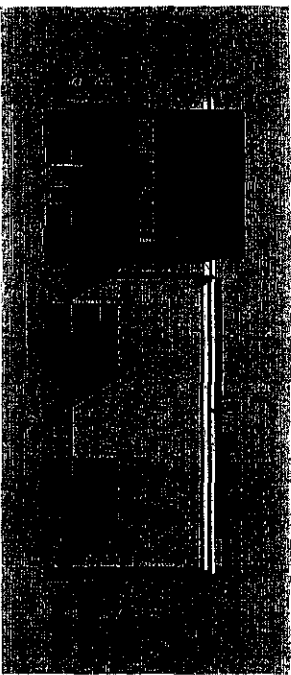
1 BUILDING ELEVATION - WEST



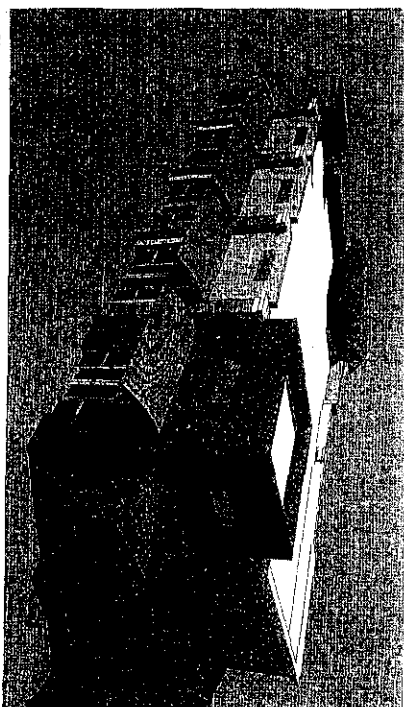
2 BUILDING ELEVATION - NORTH



3 BUILDING ELEVATION - EAST



4 BUILDING ELEVATION - SOUTH



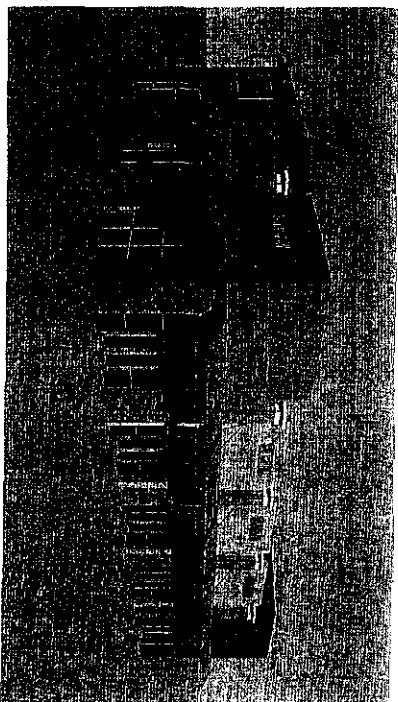
5 BIRDEYE VIEW - SOUTHWEST

### STUCCO COLORS

- 1. COLOR: WHITE
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### ELEVATION NOTES

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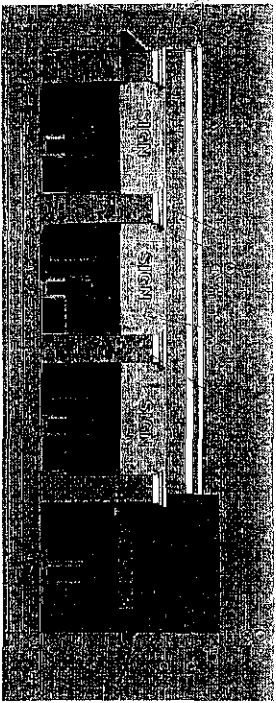
6 BIRDEYE VIEW - NORTHWEST

Unser Crossing  
Site Plan for Building Permit  
Central Avenue and Unser Boulevard  
Albuquerque, New Mexico 87121

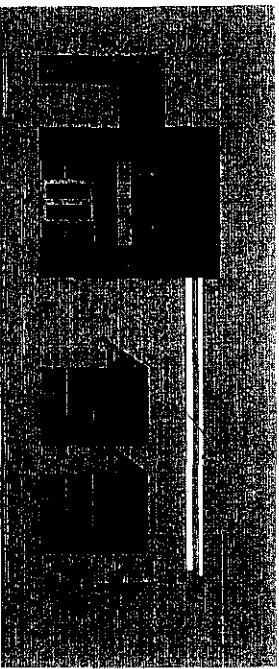
ARMSTRONG  
DEVELOPMENT

BOHEMAN + HEDLUN  
DARRIN SOWELL  
ARCHITECTS  
1000 UNIVERSITY AVENUE, SUITE 100  
ALBUQUERQUE, NEW MEXICO 87102  
TEL: 505.263.1000

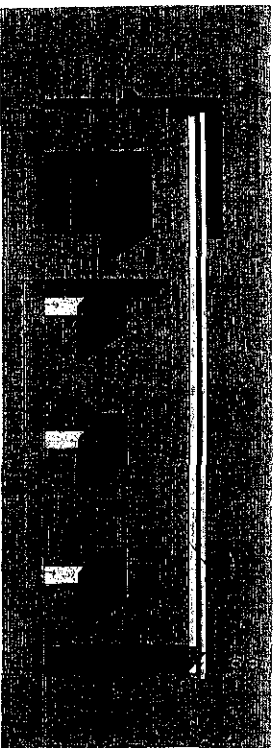
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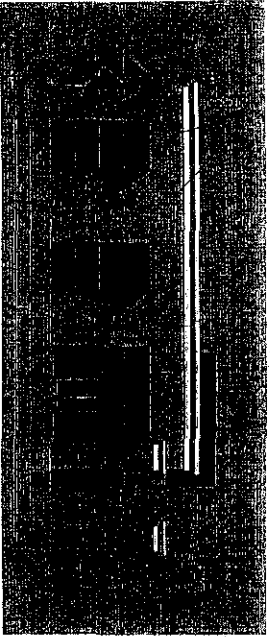
1 BUILDING ELEVATION - EAST



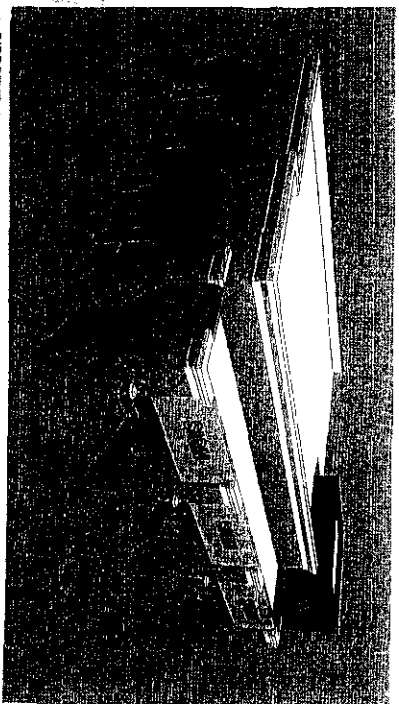
2 BUILDING ELEVATION - SOUTH



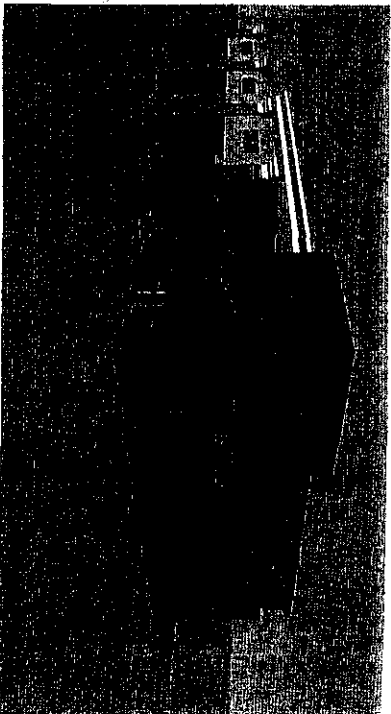
3 BUILDING ELEVATION - WEST



4 BUILDING ELEVATION - NORTH



5 BIRDSEYE VIEW - SOUTHEAST



6 EYE LEVEL VIEW - NORTHEAST

## STUCCO COLORS

- 1. COLOR 1 - LIGHT GREY
- 2. COLOR 2 - LIGHT GREY
- 3. COLOR 3 - LIGHT GREY
- 4. COLOR 4 - LIGHT GREY
- 5. COLOR 5 - LIGHT GREY
- 6. COLOR 6 - LIGHT GREY
- 7. COLOR 7 - LIGHT GREY
- 8. COLOR 8 - LIGHT GREY
- 9. COLOR 9 - LIGHT GREY
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- 11. COLOR 11 - LIGHT GREY
- 12. COLOR 12 - LIGHT GREY
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- 14. COLOR 14 - LIGHT GREY
- 15. COLOR 15 - LIGHT GREY
- 16. COLOR 16 - LIGHT GREY
- 17. COLOR 17 - LIGHT GREY
- 18. COLOR 18 - LIGHT GREY
- 19. COLOR 19 - LIGHT GREY
- 20. COLOR 20 - LIGHT GREY

## ELEVATION NOTES

- 1. ELEVATION 1 - FRONT ELEVATION
- 2. ELEVATION 2 - SIDE ELEVATION
- 3. ELEVATION 3 - SIDE ELEVATION
- 4. ELEVATION 4 - SIDE ELEVATION
- 5. ELEVATION 5 - SIDE ELEVATION
- 6. ELEVATION 6 - SIDE ELEVATION
- 7. ELEVATION 7 - SIDE ELEVATION
- 8. ELEVATION 8 - SIDE ELEVATION
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- 13. ELEVATION 13 - SIDE ELEVATION
- 14. ELEVATION 14 - SIDE ELEVATION
- 15. ELEVATION 15 - SIDE ELEVATION
- 16. ELEVATION 16 - SIDE ELEVATION
- 17. ELEVATION 17 - SIDE ELEVATION
- 18. ELEVATION 18 - SIDE ELEVATION
- 19. ELEVATION 19 - SIDE ELEVATION
- 20. ELEVATION 20 - SIDE ELEVATION

**DSIA**

**DARREN SAWELL**

**ARCHITECT**

**ARCHITECT**

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Unser Crossing  
Site Plan for Building Permit  
Central Avenue and Unser Boulevard  
Albuquerque, New Mexico 87121

**ARMSTRONG DEVELOPMENT**

**Bolton & Nelson**

**ARCHITECT**

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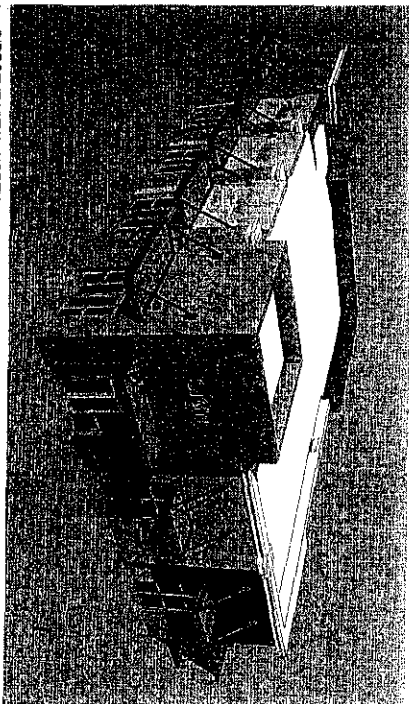
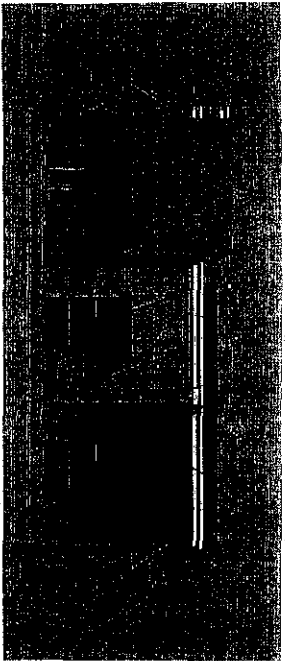
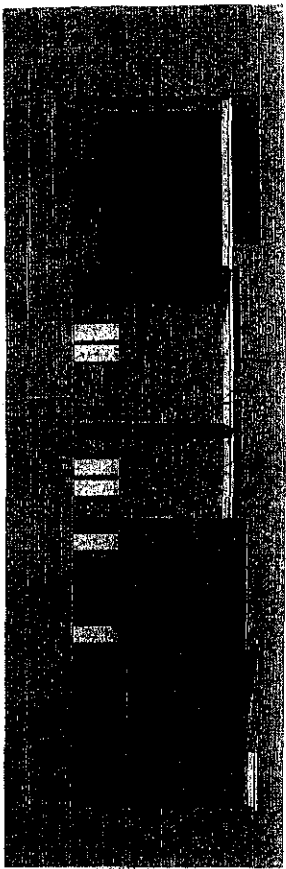
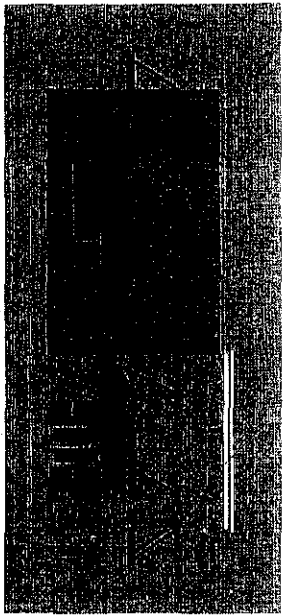
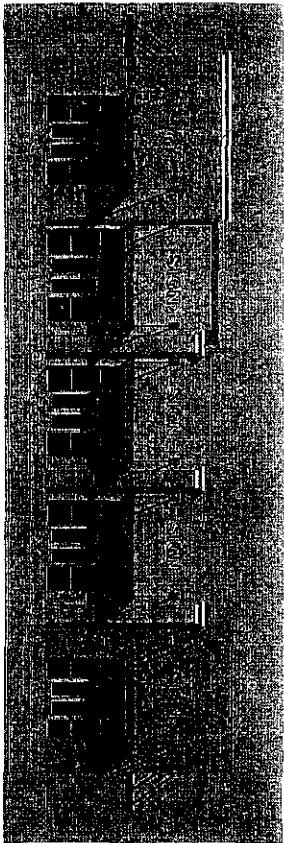
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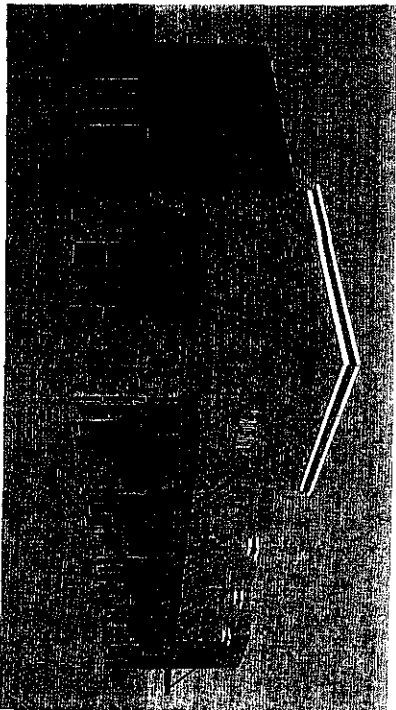
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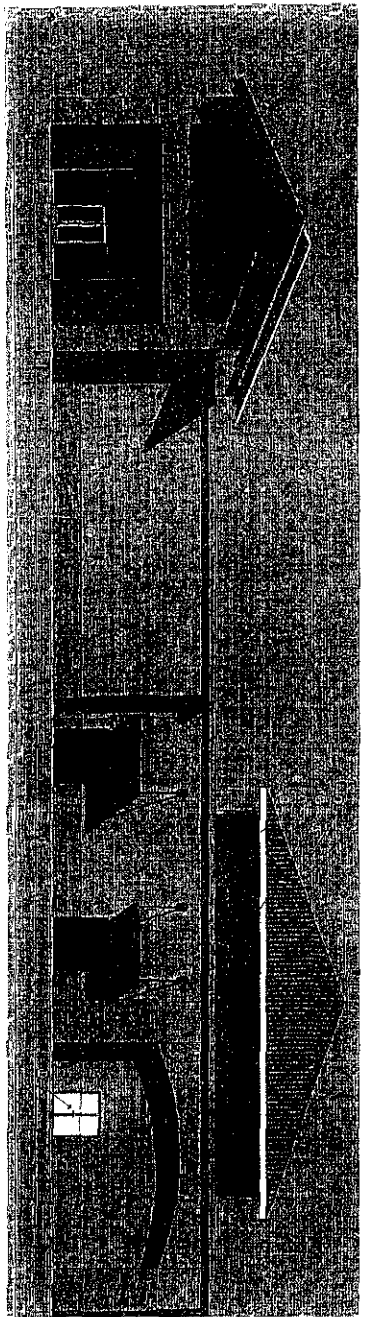


## STUCCO COLORS

- COOL 1 - 3000 KWH (1000 KW) (1000 KW)  
COOL 2 - 1000 KWH (1000 KW) (1000 KW)  
COOL 3 - 1000 KWH (1000 KW) (1000 KW)  
COOL 4 - 1000 KWH (1000 KW) (1000 KW)  
COOL 5 - 1000 KWH (1000 KW) (1000 KW)







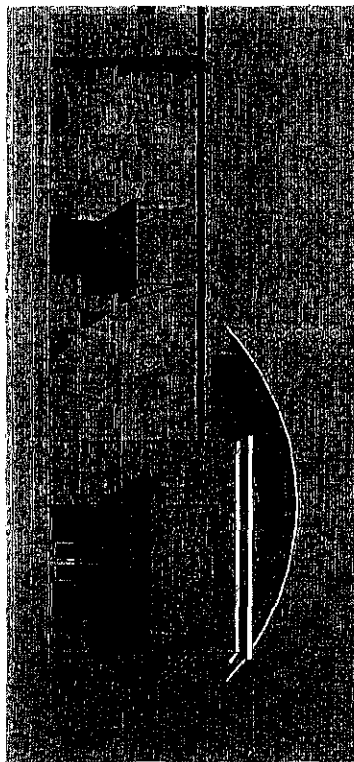
1 BUILDING ELEVATION - PARTIAL WEST

# STUCCO COLORS

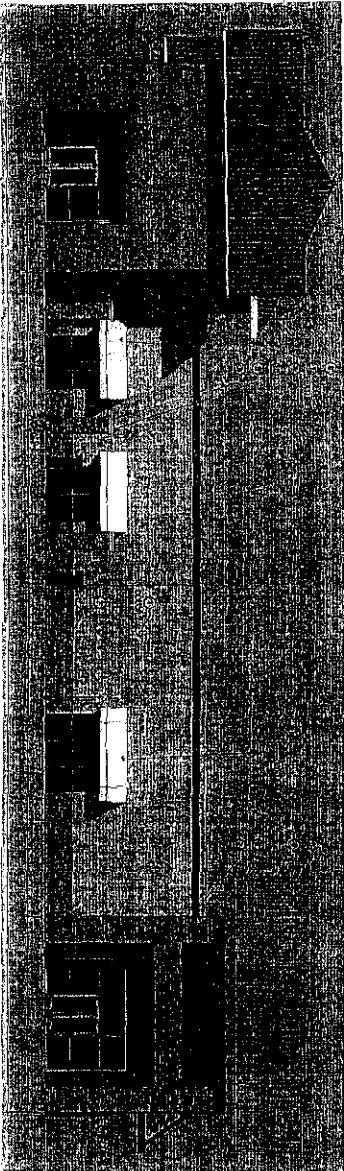
1. COLOR AND FINISH SPECIFICATIONS BY THE ARCHITECT  
 COLOR 1 - 100% WHITE STUCCO  
 COLOR 2 - 10% COBALT BLUE AND  
 90% WHITE STUCCO  
 COLOR 3 - 10% COBALT BLUE AND  
 90% WHITE STUCCO  
 COLOR 4 - 10% COBALT BLUE AND  
 90% WHITE STUCCO  
 COLOR 5 - 10% COBALT BLUE AND  
 90% WHITE STUCCO

# ELEVATION NOTES

1. STUCCO FINISH
2. COLOR AND FINISH SPECIFICATIONS BY THE ARCHITECT
3. COLOR AND FINISH SPECIFICATIONS BY THE ARCHITECT
4. COLOR AND FINISH SPECIFICATIONS BY THE ARCHITECT
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13. COLOR AND FINISH SPECIFICATIONS BY THE ARCHITECT
14. COLOR AND FINISH SPECIFICATIONS BY THE ARCHITECT
15. COLOR AND FINISH SPECIFICATIONS BY THE ARCHITECT



2 BUILDING ELEVATION - PARTIAL WEST



3 BUILDING ELEVATION - NORTH

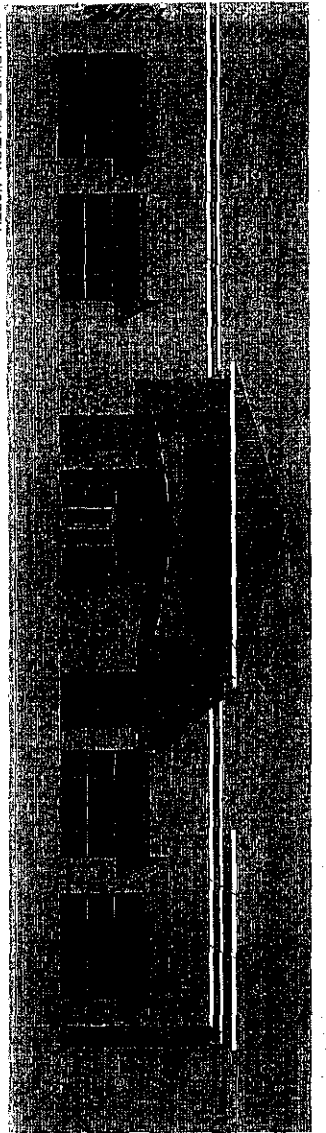
**DSIA**  
 DESIGN SERVICES  
 ARCHITECTS  
 1000 10TH AVENUE, N.W.  
 ALBUQUERQUE, NM 87102  
 (505) 263-1000

**Bohannon & Hinson**  
 ARCHITECTS  
 1000 10TH AVENUE, N.W.  
 ALBUQUERQUE, NM 87102  
 (505) 263-1000

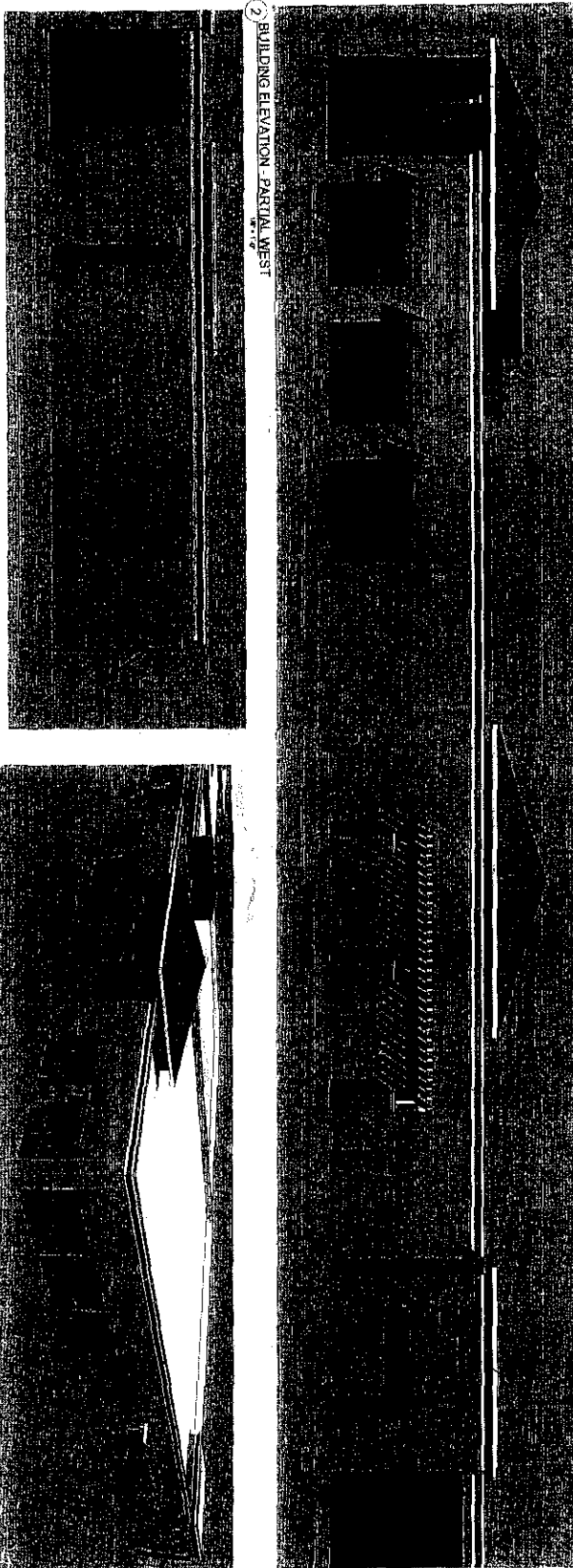
**ARMSTRONG**  
 DEVELOPMENT  
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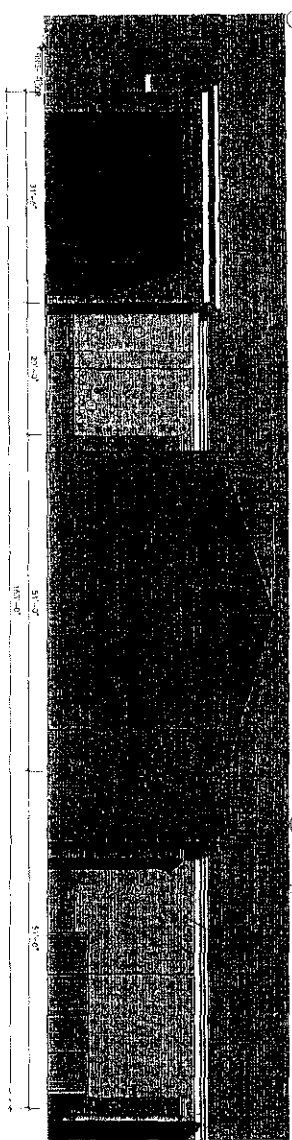
**A-106B**  
 1000 10TH AVENUE, N.W.  
 ALBUQUERQUE, NM 87102  
 (505) 263-1000



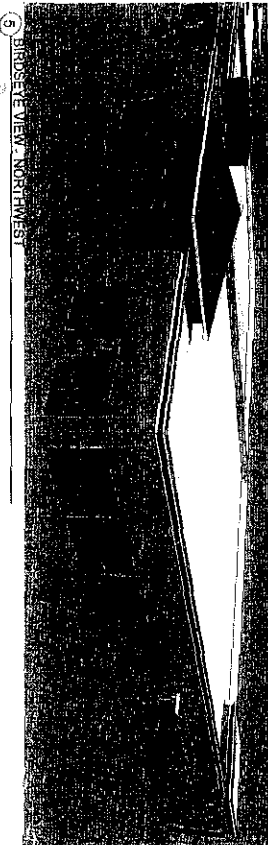
1 BUILDING ELEVATION - NORTH



2 BUILDING ELEVATION - PARTIAL WEST



3 BUILDING ELEVATION - PARTIAL WEST



4 BIRD'S-EYE VIEW - NORTHWEST

# STUCCO COLORS

- 1. LIGHT STUCCO - LIGHT BEIGE COLOR
- 2. DARK STUCCO - DARK BEIGE COLOR
- 3. MEDIUM STUCCO - MEDIUM BEIGE COLOR
- 4. WHITE STUCCO - WHITE COLOR
- 5. RED STUCCO - RED COLOR
- 6. BLUE STUCCO - BLUE COLOR
- 7. GREEN STUCCO - GREEN COLOR
- 8. BROWN STUCCO - BROWN COLOR
- 9. BLACK STUCCO - BLACK COLOR
- 10. GREY STUCCO - GREY COLOR
- 11. TAN STUCCO - TAN COLOR
- 12. GOLD STUCCO - GOLD COLOR
- 13. SILVER STUCCO - SILVER COLOR
- 14. COPPER STUCCO - COPPER COLOR
- 15. BRASS STUCCO - BRASS COLOR
- 16. IRON STUCCO - IRON COLOR
- 17. ZINC STUCCO - ZINC COLOR
- 18. ALUMINUM STUCCO - ALUMINUM COLOR
- 19. STEEL STUCCO - STEEL COLOR
- 20. CEMENT STUCCO - CEMENT COLOR
- 21. CONCRETE STUCCO - CONCRETE COLOR
- 22. MARBLE STUCCO - MARBLE COLOR
- 23. GRANITE STUCCO - GRANITE COLOR
- 24. SLATE STUCCO - SLATE COLOR
- 25. SCHIST STUCCO - SCHIST COLOR
- 26. GNEISS STUCCO - GNEISS COLOR
- 27. QUARTZITE STUCCO - QUARTZITE COLOR
- 28. METAMORPHIC STUCCO - METAMORPHIC COLOR
- 29. SEDIMENTARY STUCCO - SEDIMENTARY COLOR
- 30. IGNEOUS STUCCO - IGNEOUS COLOR
- 31. METEORIC STUCCO - METEORIC COLOR
- 32. ASTEROID STUCCO - ASTEROID COLOR
- 33. COMET STUCCO - COMET COLOR
- 34. PLANET STUCCO - PLANET COLOR
- 35. GALAXY STUCCO - GALAXY COLOR
- 36. UNIVERSE STUCCO - UNIVERSE COLOR
- 37. COSMOS STUCCO - COSMOS COLOR
- 38. COSMOS STUCCO - COSMOS COLOR
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- 48. COSMOS STUCCO - COSMOS COLOR
- 49. COSMOS STUCCO - COSMOS COLOR
- 50. COSMOS STUCCO - COSMOS COLOR

# ELEVATION NOTES

- 1. ALL STUCCO SHALL BE APPLIED TO THE EXTERIOR OF THE BUILDING.
- 2. ALL STUCCO SHALL BE APPLIED TO THE EXTERIOR OF THE BUILDING.
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**DISA**

DESIGN GROUP  
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SUITE 100  
ALBUQUERQUE, NM 87102  
TEL: 505.261.1000  
WWW.DISA-ARCHITECTS.COM

**BOLLMAN & HOSCHKE**

ARCHITECTS  
1000 N. 10TH ST.  
SUITE 100  
ALBUQUERQUE, NM 87102  
TEL: 505.261.1000  
WWW.BOLLMAN-ARCHITECTS.COM

**ARMSTRONG**  
DESIGN GROUP

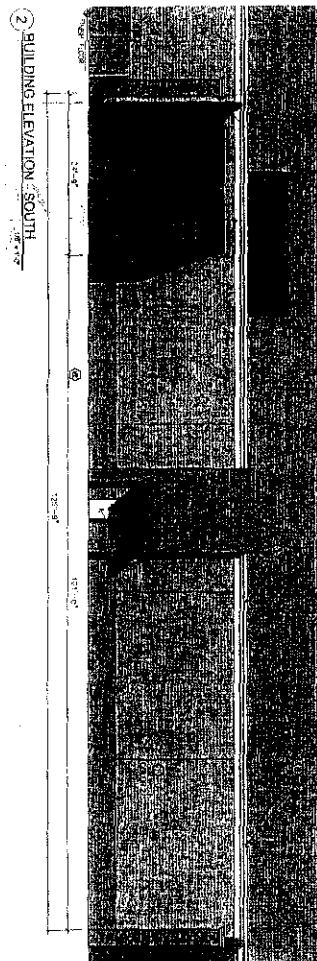
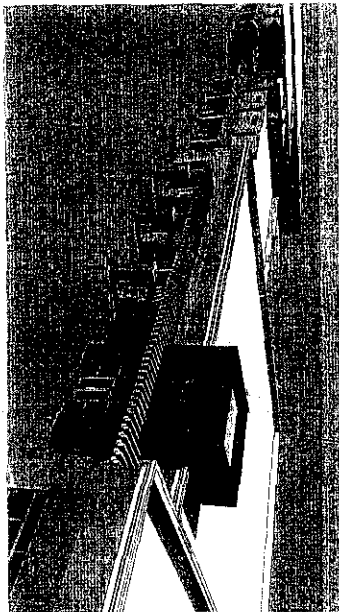
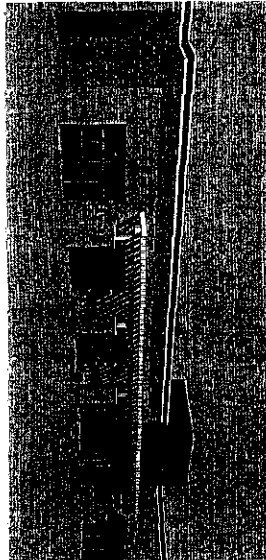
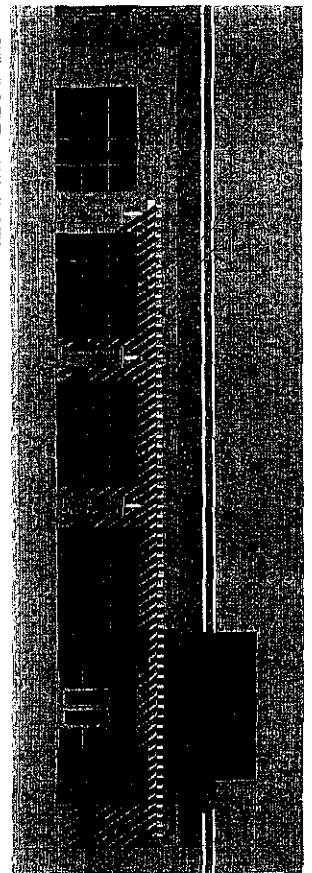
Unser Crossing  
Site Plan for Building Permit  
Central Avenue and Unser Boulevard  
Albuquerque, New Mexico 87121

A-107A

|           |                |                   |
|-----------|----------------|-------------------|
| DATE      | 11/11/11       |                   |
| BY        | DISA           |                   |
| PROJECT   | UNSER CROSSING |                   |
| SHEET     | 1 OF 1         |                   |
| SCALE     | AS SHOWN       |                   |
| REVISIONS |                |                   |
| NO.       | DATE           | DESCRIPTION       |
| 1         | 11/11/11       | ISSUED FOR PERMIT |

100 NORTH  
24<sup>TH</sup> ST  
EAST  
RETAIL BUILDING 7  
ELEVATIONS

A-107A



STUCCO COLORS

## ELEVATION NOTES

- ① 1945年10月25日
- ② 日本投降
- ③ 日本投降
- ④ 日本投降
- ⑤ 日本投降
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Robinson &amp; Huston,

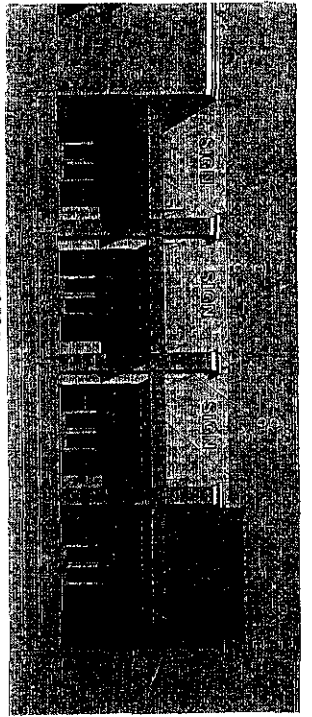
**Mitchell Associates, LLC**  
10000 E. 15th Ave.  
Suite 100  
Denver, CO 80231  
303.755.1100  
www.mitchellassoc.com

**ARMSTRONG**  
2010 PPM  
REGISTRATION

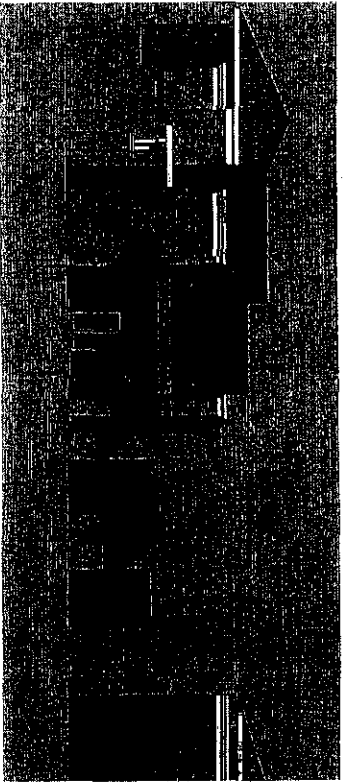
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Site Plan for Building Permit  
Central Avenue and Unser Boulevard  
Albuquerque, New Mexico 87121

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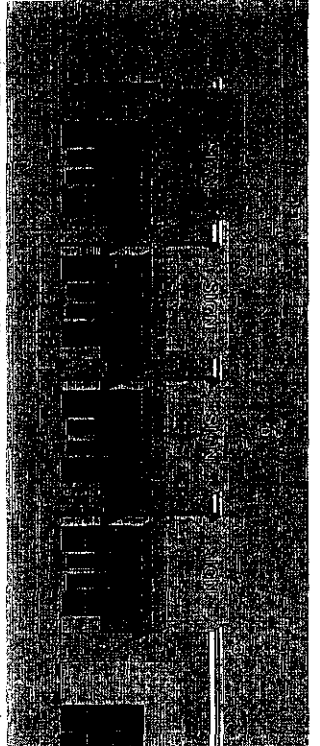
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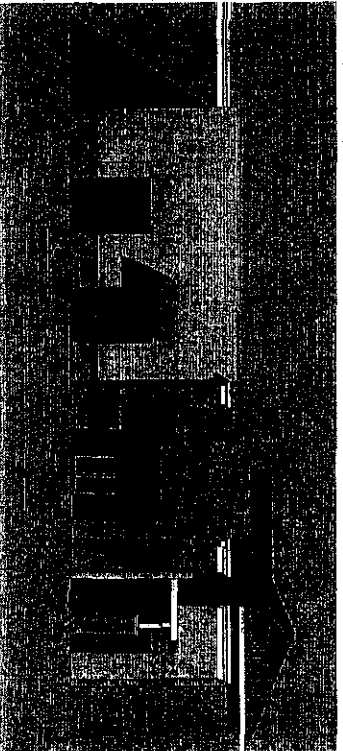
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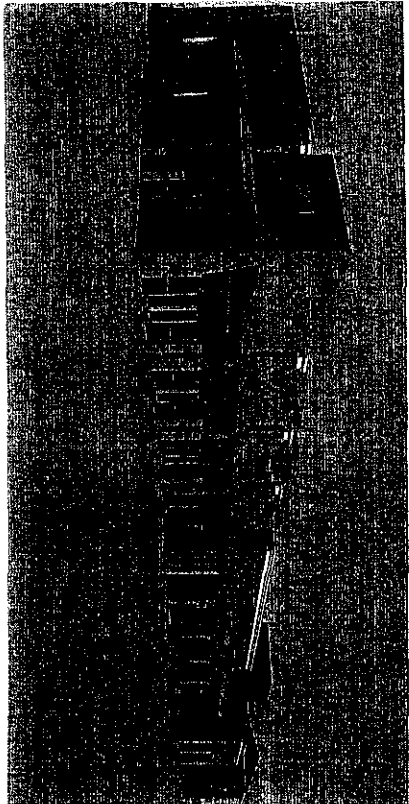
3. BUILDING ELEVATION - WEST (BUILDING 7C-2)



2. BUILDING ELEVATION - NORTH (BUILDING 7C1)



4. BUILDING ELEVATION - EAST (BUILDING 7C1)



5. EYE LEVEL VIEW - NORTH (BUILDING 7C1)

### STUCCO COLORS

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### ELEVATION NOTES

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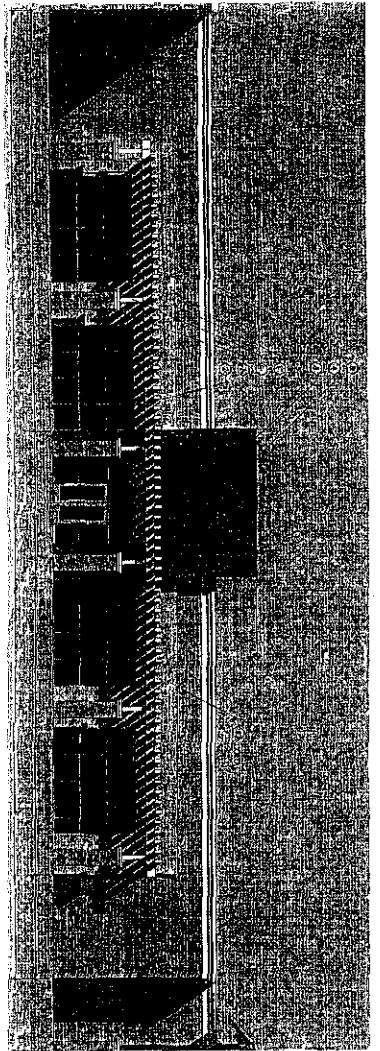
**DSA**  
Architects, Inc.  
1000 Central Avenue, Suite 100  
Albuquerque, NM 87102  
Tel: 505.243.1234

**Behrman & Briston**  
1000 Central Avenue, Suite 100  
Albuquerque, NM 87102  
Tel: 505.243.1234

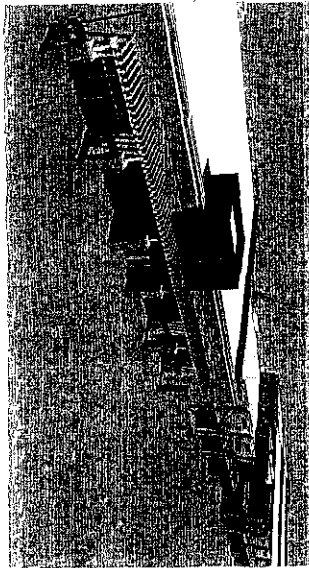
**Mitchell Associates, LLC**  
1000 Central Avenue, Suite 100  
Albuquerque, NM 87102  
Tel: 505.243.1234

**ARMSTRONG**  
LEVEL OF REST  
1000 Central Avenue, Suite 100  
Albuquerque, NM 87102  
Tel: 505.243.1234

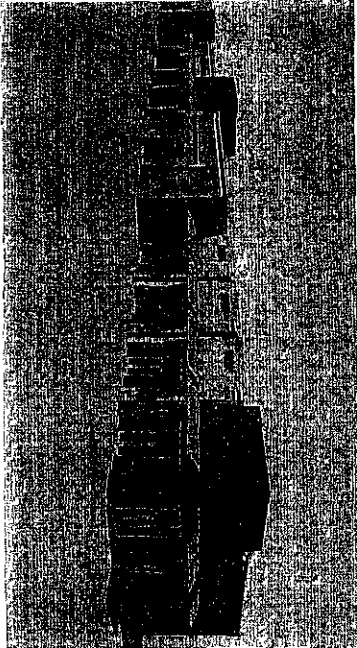
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Albuquerque, New Mexico 87121



1 BUILDING ELEVATION - NORTH



2 BIRDS' EYE VIEW - NORTH (INCLUDING BUILDINGS 7C-2 AND D)



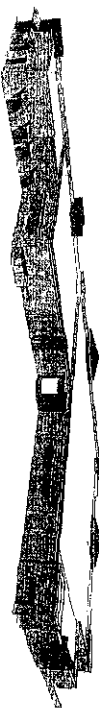
3 EYE LEVEL VIEW - NORTH (INCLUDING BUILDINGS 7C-2 AND D)



4 BUILDING ELEVATION - SOUTH



5 BIRDS' EYE VIEW - SOUTH (INCLUDING BUILDINGS 7C-2 AND D)



# STUCCO COLORS

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# ELEVATION NOTES

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- 8. STUCCO COLOR: LIGHT TAUPE
- 9. STUCCO COLOR: LIGHT TAUPE
- 10. STUCCO COLOR: LIGHT TAUPE



DSMA  
DESIGN SERVICES  
MANAGEMENT ASSOCIATES  
10000 N. ALBUQUERQUE BLVD.  
SUITE 1000  
ALBUQUERQUE, NM 87112  
(505) 261-1000  
www.dsma.com

Prepared by: **Armstrong & Associates**

Reviewed by: **Armstrong & Associates**

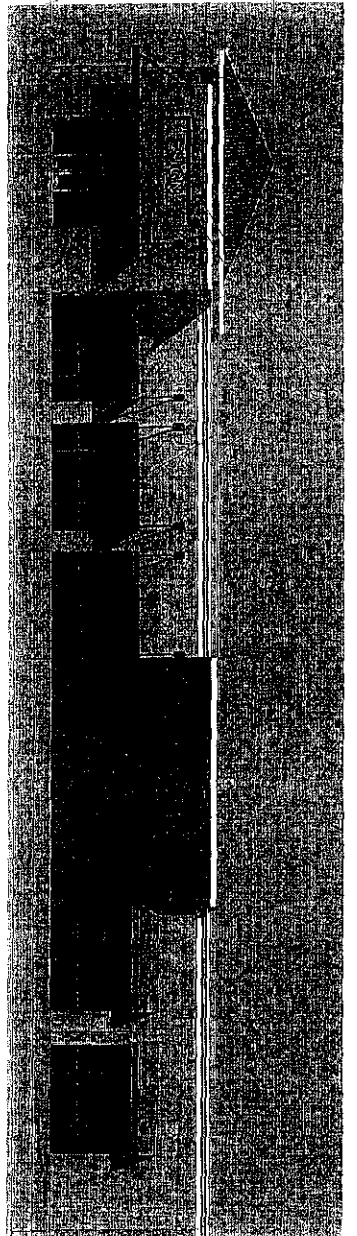
Approved by: **Armstrong & Associates**

Project: **Unser Crossing**

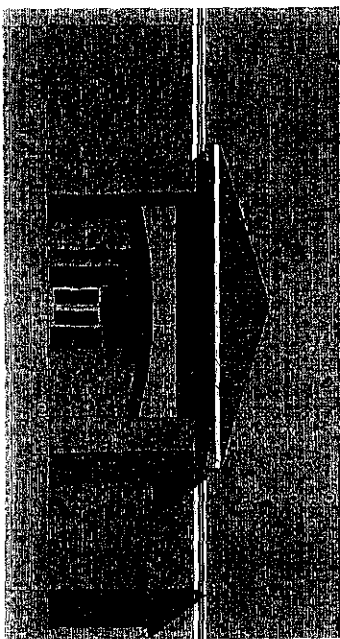
Unser Crossing  
Site Plan for Building Permit  
Central Avenue and Unser Boulevard  
Albuquerque, New Mexico 87121

# ELEVATION NOTES

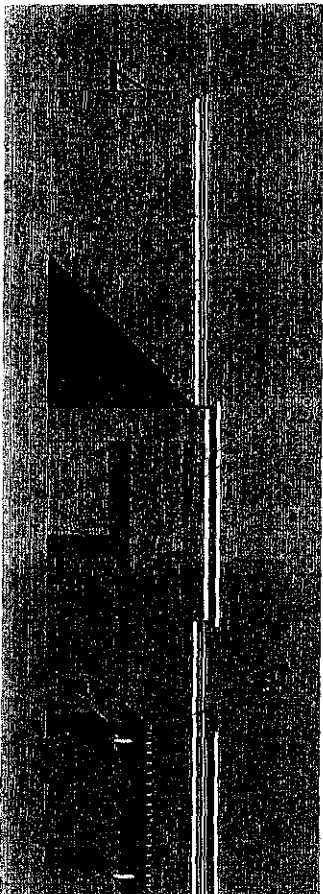
SEE PLAN FOR ELEVATION NORTH



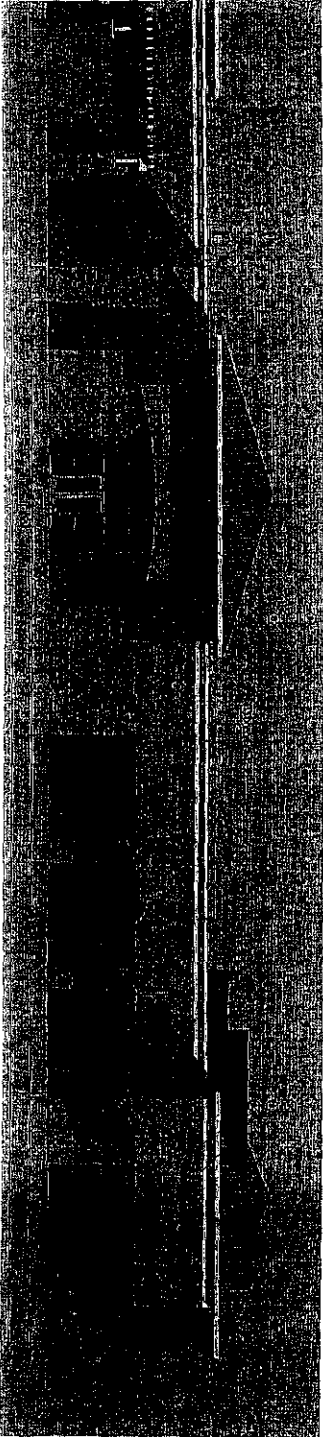
1 BUILDING ELEVATION - PARTIAL NORTH



2 BUILDING ELEVATION - PARTIAL NORTH



1 BUILDING ELEVATION - PARTIAL EAST



2 BUILDING ELEVATION - PARTIAL EAST

**DS/A**

DAVIDSON SONNENSHINE ARCHITECTS  
1000 10TH AVENUE, SUITE 1000  
ALBUQUERQUE, NEW MEXICO 87102  
TEL: 505.263.1000  
WWW.DSA-ARCHITECTS.COM

**Johnson & Johnson**

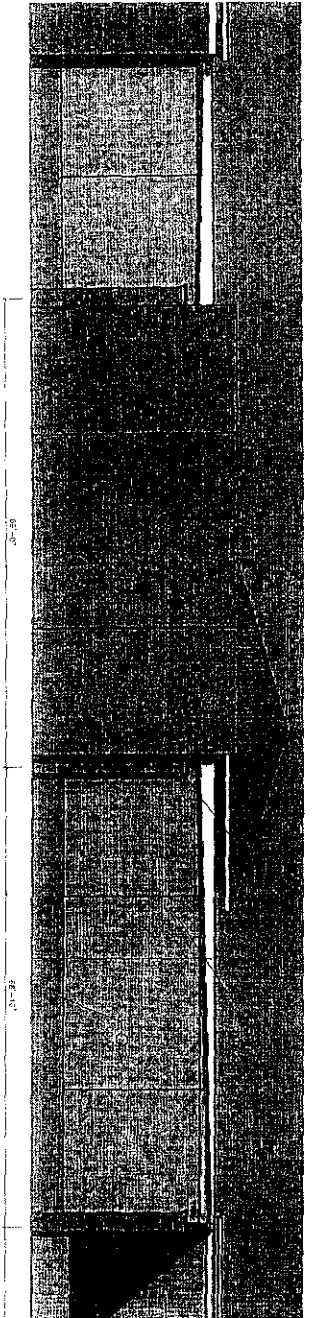
Johnson & Johnson, a Johnson & Johnson Company  
Mitchell Associates, LLC  
1000 10TH AVENUE, SUITE 1000  
ALBUQUERQUE, NEW MEXICO 87102  
TEL: 505.263.1000  
WWW.MITCHELLASSOCIATES.COM

**ARMSTRONG**  
ARMSTRONG INTERNATIONAL CORPORATION  
2000 10TH AVENUE, SUITE 1000  
ALBUQUERQUE, NEW MEXICO 87102  
TEL: 505.263.1000  
WWW.ARMSTRONGCORP.COM

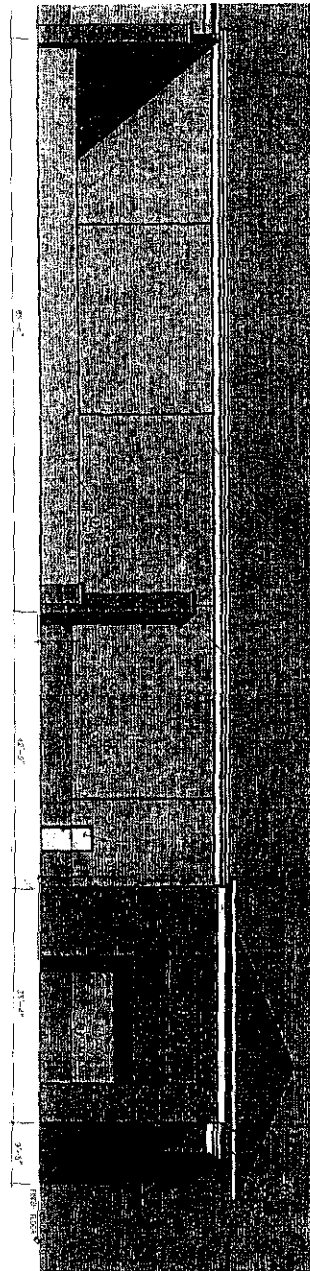
Unser Crossing  
Site Plan for Building Permit  
Central Avenue and Unser Boulevard  
Albuquerque, New Mexico 87121

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|-------------------------------|
| Revised: 04/11/2014           |
| 1000 10TH AVENUE, SUITE 1000  |
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| TEL: 505.263.1000             |
| WWW.DSA-ARCHITECTS.COM        |
| 1000 10TH AVENUE, SUITE 1000  |
| ALBUQUERQUE, NEW MEXICO 87102 |
| TEL: 505.263.1000             |
| WWW.MITCHELLASSOCIATES.COM    |
| 1000 10TH AVENUE, SUITE 1000  |
| ALBUQUERQUE, NEW MEXICO 87102 |
| TEL: 505.263.1000             |
| WWW.ARMSTRONGCORP.COM         |

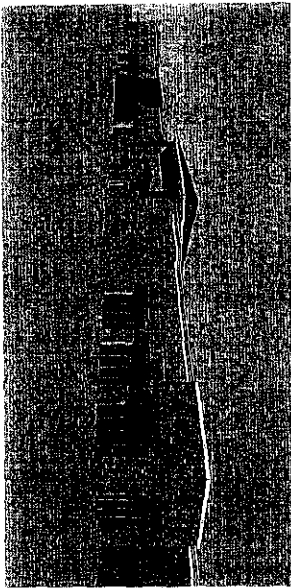
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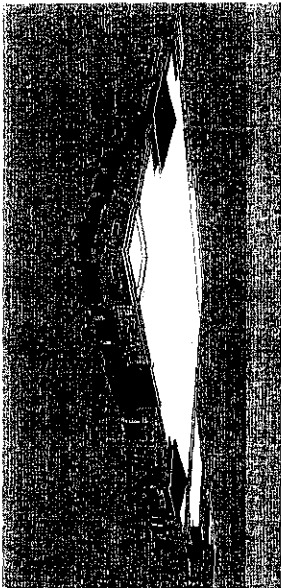
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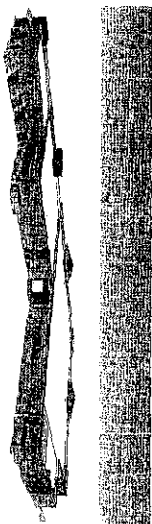
2. BUILDING ELEVATION - PARTIAL SOUTH



3. EYE LEVEL VIEW - NORTH



4. BIRDSEYE VIEW - NORTH



5. BIRDSEYE VIEW - SOUTH

# ELEVATION NOTES



**ARMSTRONG**  
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 Armstrong International, Inc.  
 10000 West 10th Avenue  
 Suite 100  
 Denver, CO 80202  
 (303) 751-1000  
 Fax: (303) 751-1001  
 E-mail: info@armstrong.com  
 Website: www.armstrong.com

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 Fax: (303) 751-1001  
 E-mail: info@disa.com  
 Website: www.disa.com

Unser Crossing  
 Site Plan for Building Permit  
 Central Avenue and Unser Boulevard  
 Albuquerque, New Mexico 87121

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RETAIL BUILDING  
 ELEVATIONS

**DISA**  
 Design Services  
 14400 N. 30th St.  
 Suite 100  
 Phoenix, AZ 85018  
 Tel: 602.998.1234  
 Fax: 602.998.1235

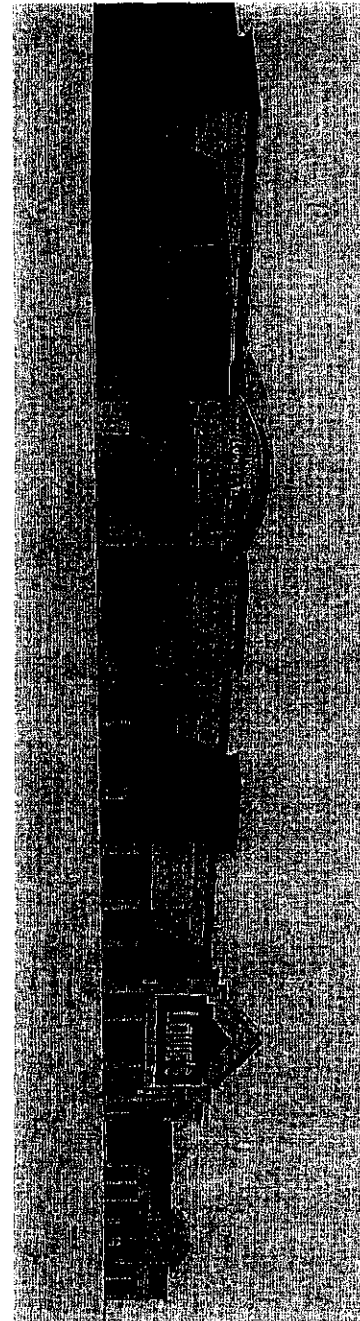
**Edelman & Associates**  
 Architects  
 10000 N. 30th St., Suite 100  
 Phoenix, AZ 85018  
 Tel: 602.998.1234  
 Fax: 602.998.1235

**ARMSTRONG**  
 DEVELOPMENT  
 10000 N. 30th St., Suite 100  
 Phoenix, AZ 85018  
 Tel: 602.998.1234  
 Fax: 602.998.1235

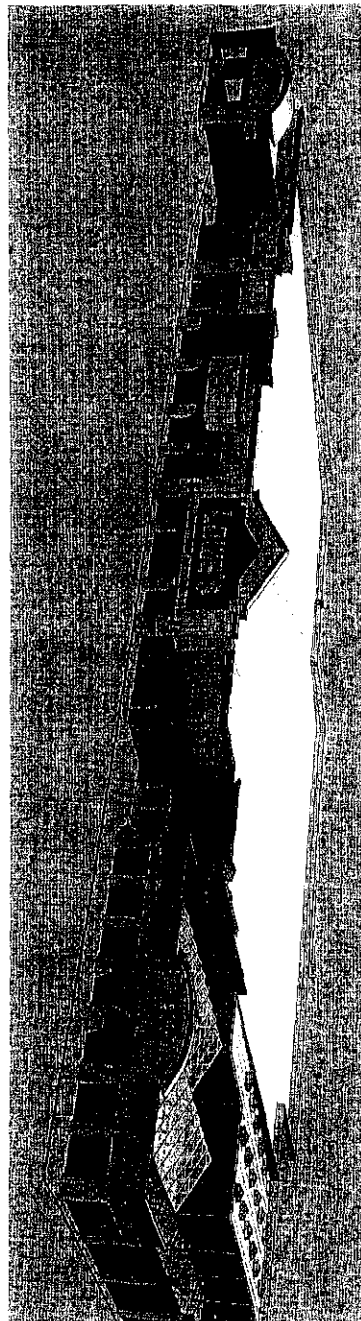
**Unser Crossing**  
 Site Plan for Building Permit  
 Central Avenue and Unser Boulevard  
 Albuquerque, New Mexico 87121

|                      |                                    |
|----------------------|------------------------------------|
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| 2. Project Address   | Central Avenue and Unser Boulevard |
| 3. Project City      | Albuquerque, NM                    |
| 4. Project State     | New Mexico                         |
| 5. Project Zip       | 87121                              |
| 6. Project Owner     | Armstrong Development              |
| 7. Project Architect | Edelman & Associates               |
| 8. Project Engineer  | Edelman & Associates               |
| 9. Project Planner   | Edelman & Associates               |
| 10. Project Designer | Edelman & Associates               |
| 11. Project Date     | 10/1/2010                          |
| 12. Project Status   | Building Permit                    |

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5  
 Elevated View

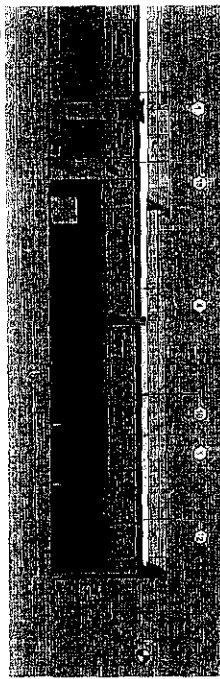
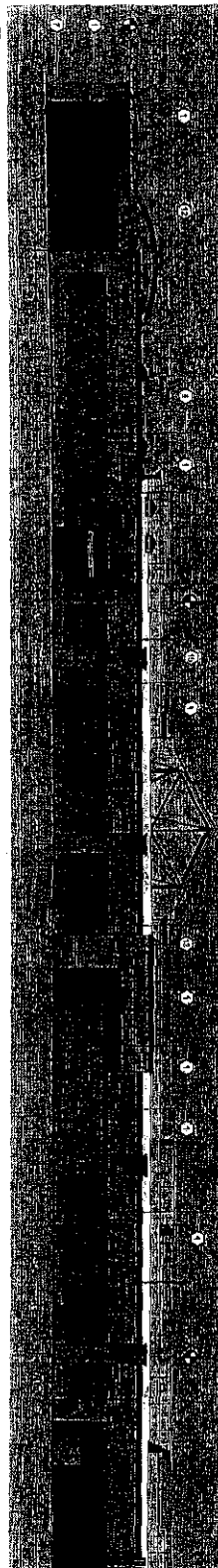
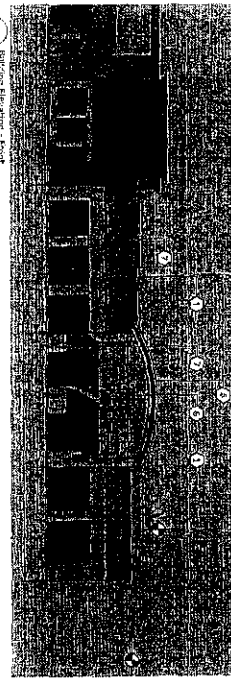
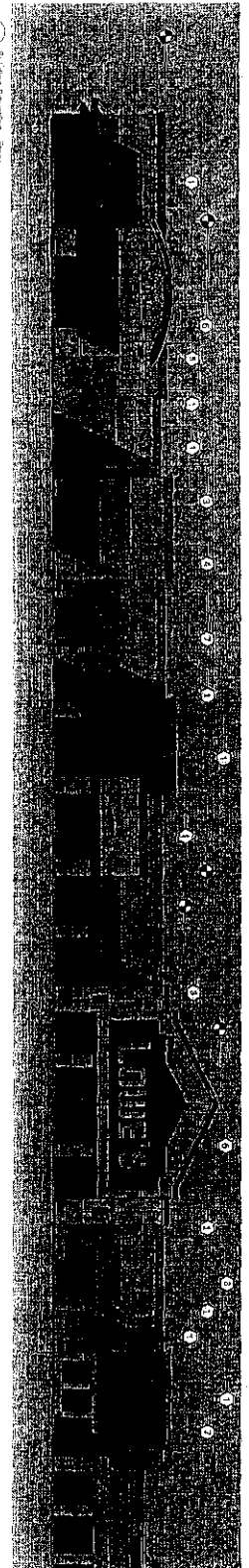


6  
 Elevated View

PERPETRATION ONLY  
 NOT FOR CONSTRUCTION  
 THIS SITE PLAN IS A PRELIMINARY DESIGN OF THE PROJECT.  
 IT IS NOT TO BE USED FOR ANY PURPOSES AND SHOULD NOT BE  
 REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS,  
 ELECTRONIC, MECHANICAL, PHOTOCOPYING, RECORDING, OR BY  
 ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM.



B | R | R  
 Architecture



B|R|R



## STUCCO COLORS

ALL COLORS ARE AS MANUFACTURED BY ALBER-KONIGS  
 STUCCO SYSTEMS, INC. (ALBER-KONIGS)  
 20100 10TH AVENUE, N.E.  
 ALBUQUERQUE, NM 87111  
 505-261-1111  
 WWW.ALBER-KONIGS.COM

## ELEVATION NOTES

1. STUCCO SYSTEMS, INC.
2. STUCCO SYSTEMS, INC. (ALBER-KONIGS)
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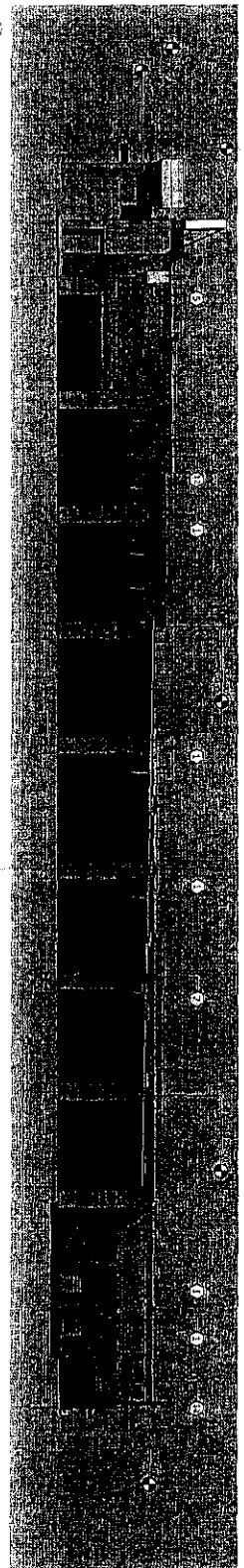
A-108A

Unser Crossing  
 Site Plan for Building Permit  
 Central Avenue and Unser Boulevard  
 Albuquerque, New Mexico 87121

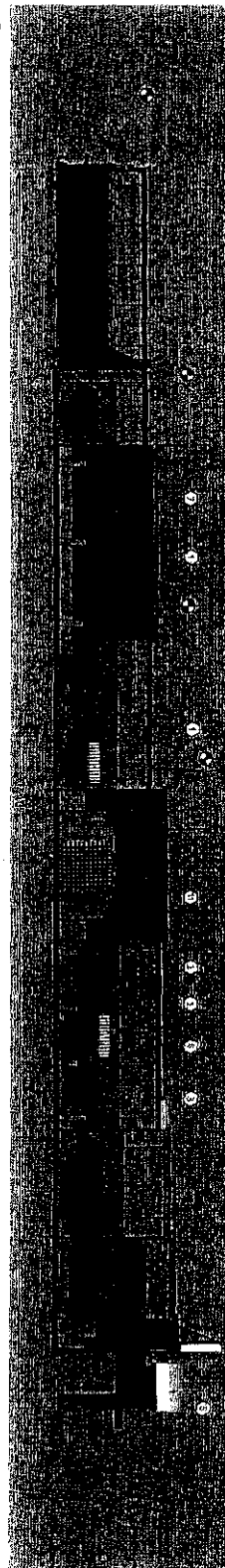
ARMSTRONG  
 DEVELOPMENT

Belknap & Heston  
 Daren Sovell  
 MICHAEL ASSOCIATES, LLC

IDAIA  
 Daren Sovell  
 MICHAEL ASSOCIATES, LLC



3  
Bellingham - Kirk  
1964-1965



4 Building Elevation - Left  
27.0' = 1" =

## STUCCO COLORS

- [illegible]

### ELEVATION NOTES

- [illegible]



Unser Crossing  
Site Plan for Building Permit  
Central Avenue and Unser Boulevard  
Albuquerque, New Mexico 87121

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DEVELOPMENT**  
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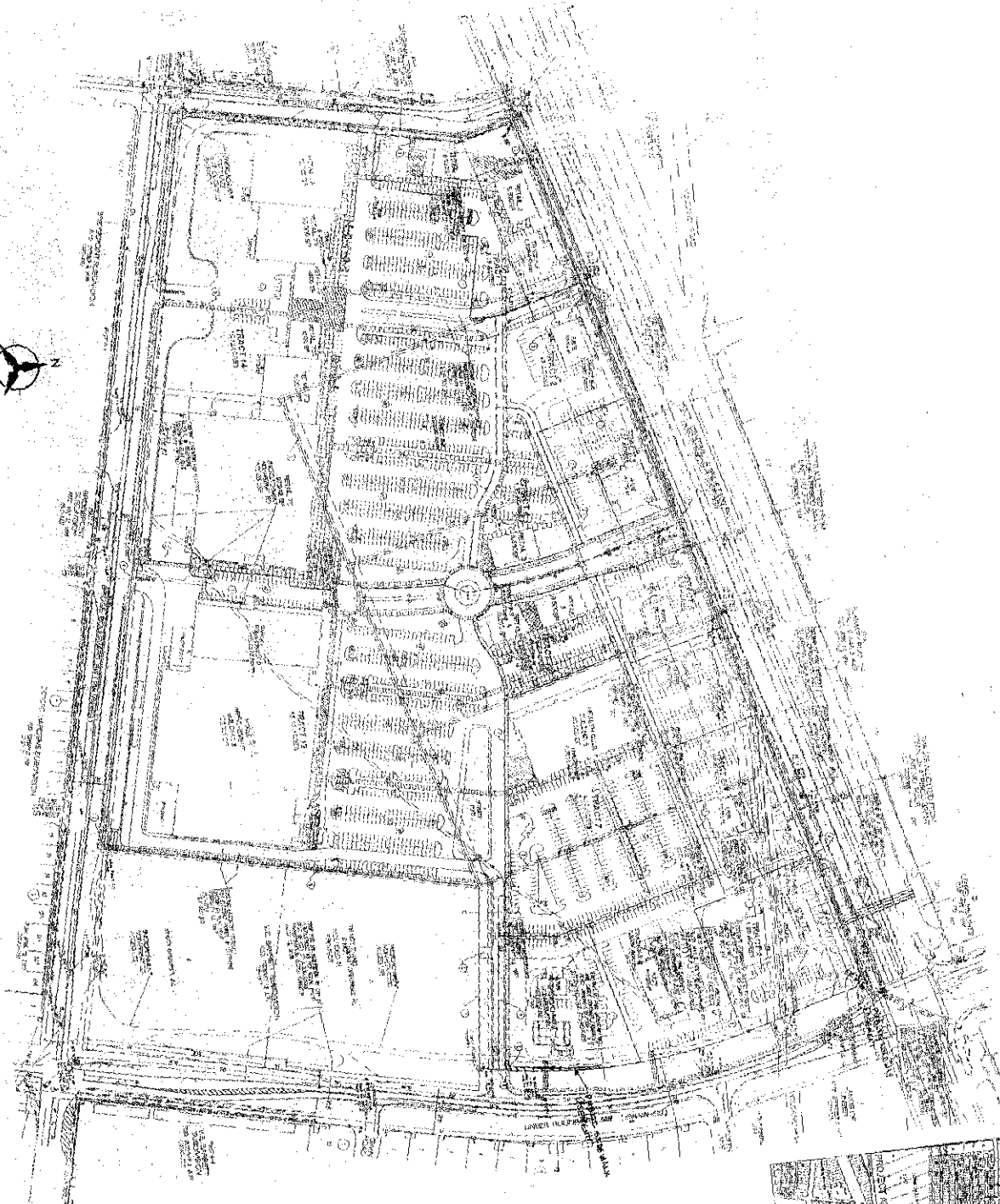
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DISA

A-108B



NOTE

KEYED NOTES

SHEET INDEX



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Unser Crossing  
DRB Submittal  
Site Plan for ~~Building Permit~~ <sup>Supervision</sup>  
Central Avenue and Unser Boulevard  
Albuquerque, New Mexico 87121

0000

## INTRODUCTION

The following Design Standards for Unser Crossing are attached to and made part of the Site Plan for Unser Crossing. These Design Standards are intended to address needs of the City of Albuquerque, New Mexico, and are intended to ensure a consistent level of design and construction throughout Unser Crossing.

The City of Albuquerque may be authorized to amend these Design Standards by resolution of the City Council.

All development on the site must comply with the Zoning Code and the City of Albuquerque's Design Standards. These Design Standards are intended to address needs of the City of Albuquerque, New Mexico, and are intended to ensure a consistent level of design and construction throughout Unser Crossing.

The City of Albuquerque may be authorized to amend these Design Standards by resolution of the City Council.

## 2. PERMITTED USES

### EXISTING USES: C-2

The Unser Crossing development will be a commercial center complying with all other codes affecting this property. Any C-2 commercial uses are subject to the City of Albuquerque's Comprehensive Land Use Plan.

## 3. DESIGN STANDARDS

### A. INTRODUCTION

These Design Standards are established to provide assurance that future design and construction will meet the collective standards of quality established by which these original structures are produced. These standards will assist in creating an attractive environment that promotes desirable opportunities for commercial activities and will define a unified image for architecture and landscape design that creates a distinctive visual identity.

### B. STREETSCAPE

The development of a lively, dynamic entry and streetscape is essential in defining an image for Unser Crossing that places it at the forefront of Albuquerque's Community Activity Centers. The streetscape will provide a pedestrian-friendly environment that will encourage users to walk and bike to move from one destination in Unser Crossing to another, as well as encourage nearby residents to walk rather than drive to Unser Crossing.

- Landscaping, lighting, and other amenities shall be provided to create a pedestrian-friendly environment, as well as opportunities for visual screening and environmental amenities, such as storm water infiltration and heat island effect reduction. Streetscape shall be provided as follows:
  - 25 feet minimum from the right-of-way at Unser Boulevard, Bridge Boulevard and 6th Street.

- Trees shall be provided at an average spacing of 25 feet on-center along the four (4) public right-of-ways surrounding Unser Crossing, and at an average spacing of 30 feet on-center along the building facades. Trees shall be provided in the landscaped strips of inward facing facades at an average spacing of 50 feet on-center.
- Living plant materials shall cover a minimum of 75 percent of the required landscape area.
- Low water use turf may be provided at a maximum of 40 percent of the required landscape area.
- High water use turf is not allowed.
- Materials for the separation of turf and parking areas shall be concrete, brick, or similar quality material.
- Streetscape will encourage nearby residents to walk rather than drive to Unser Crossing.

### C. PARKING

The intent of the standards for the development of parking areas is to mitigate the negative impact of parking on the surrounding environment, to provide a visual impact of parking areas and provide accessible, safe circulation within and adjacent to the parking areas.

- Parking shall be placed on at least two sides of a building, within a particular lot, or, if necessary, on the side of the building or street frontage.

- Parking space standards shall be in accordance with the City of Albuquerque's Comprehensive Zoning Code.
- Parking shall be designed to minimize visual impact from the surrounding area, and shall not dominate the street frontage and shall be aesthetically screened with landscaping and other measures.

- Clear pedestrian connections shall be provided through parking areas at a minimum width of 6 feet and shall be clearly demarcated with highly visible and durable paving where they cross vehicular approaches and drive aisles. Street trees shall be provided along pedestrian walks at an average spacing of 25 feet on-center.
- On-street parking shall be located adjacent to main building entries.
- On-street parking shall be located adjacent to the main building entries at the front of the building, and shall be clearly demarcated with highly visible and durable paving where they cross vehicular approaches and drive aisles. Street trees shall be provided along pedestrian walks at an average spacing of 25 feet on-center.

- Landscaped islands shall be established throughout parking areas, parking areas visible from the public street shall have at least one tree for every 2,000 square feet of parking space, and the maximum spacing between trees shall be 50 feet. Trees shall be 30 feet in diameter within 8 feet of the perimeter of the parking area and may be counted towards the required spacing. Trees shall be 30 feet in diameter and shall be planted in a grid pattern.

- Trees shall be provided in parking areas per the requirements of the West Side 60 Development Plan Design Overlay Zone.
- A minimum of 75 percent of parking lot trees shall be large mature deciduous trees to provide shade during the summer months.

- Parking screening shall be in compliance with requirements in the Zoning Code §14-6-3-1 (F) (4).
- Motorcycle, moped, and motor scooter parking shall be provided close to building entrances per City Regulation §14-6-3-1 and shall be visible from building entrances.

### D. BICYCLE FACILITIES

Providing convenient bicycle facilities to encourage non-motorized travel to Unser Crossing is an integral part of the City of Albuquerque's goal of supporting alternative modes of transportation and sustainability. Safe and convenient connections to the surrounding bicycle routes will be provided to all of the Unser Crossing occupants.

- Bicycle parking for employees shall be provided to encourage alternative vehicle use. One bicycle rack space per 20 parking spaces is required, and shall be conveniently located near building entrances, but not within pedestrian pathways of landscaped areas.

### E. SITE LANDSCAPE

Landscaped areas shall be enhanced to create a vibrant and lively environment and to enhance the street edge and pedestrian environment, as well as providing environmental benefits such as storm water infiltration opportunities and heat island effect reduction. The primary focus for the landscape shall be the common areas and major pedestrian pathways.

The plant palette for Unser Crossing shall provide year-round color and interest and shall consist of regionally appropriate, low and moderate water use plants. Elements such as trees, shrubs, groundcover, and grasses shall be used to enhance the street and highway edge. These elements shall be consistent throughout the entire site to enhance the unified aesthetic. A palette of landscape materials will also be selected for the entire site to further contribute to the sense of visual unity. Please see the plant palette in the Landscape Standards included in this package.

- All landscape plans shall comply with the City's Water Conservation Ordinance, Urban Ordinance, Zoning Code, and West Side 60 Sector Development Plan Design Overlay Zone.

- Water harvesting techniques, including some collection of rain water for irrigation to landscaped areas, landscape in lawns and trees, water recycling, and pervious paving or other alternative technologies are encouraged.
- The total landscaped area provided for each site shall equal not less than 15% of the net lot area as defined in the Zoning Code §14-6-3-10 (F) (1).

- Future development areas within the site shall be landscaped with native seed mix appropriate for this region and maintained accordingly to discourage erosion and blowing dust.
- The hard scape materials shall be selected by the Developer at the time of building permit through the City.

- Trees shall be provided at an average density of 1 tree per 2,000 square feet of landscaped area.
- Live plant materials shall cover a minimum of 75 percent of all required and provided landscaped areas.

- Landscaped buildings shall be used to separate turf and parking from the surrounding area, and shall be clearly demarcated with highly visible and durable paving where they cross vehicular approaches and drive aisles. Street trees shall be provided along pedestrian walks at an average spacing of 25 feet on-center.

- General lighting, signage, and similar materials are appropriate as a background for landscaped areas. All signage materials shall be illuminated after dark and shall be visible.

- An automatic underground irrigation system is required to support the landscaping. The system shall be designed to maintain the irrigation and to provide watering from water, including, but not limited to, water, and water recycling.

- All plant material shall be maintained by the Owner or Tenant in a uniform, attractive condition. This includes proper maintenance of the irrigation system and removal of weeds, grass, or debris, as well as proper care of any areas not being irrigated.

- Minimum plant material sizes at the time of installation shall be as follows:
  - Tree: 2" caliper DBH or larger
  - Shrub: 6" caliper DBH or larger
  - Accent trees: 1-1/2" caliper DBH or larger
  - Shrub: 6" caliper DBH or larger
  - Shrub: 6" caliper DBH or larger

### F. SITE PLANNING

The intent of the following standards is to create pedestrian-friendly environments for Unser Crossing customers.

- Pedestrian paths shall be provided in the amount of 400 square feet for every 20,000 square feet of building space. If the development of these paths produce a reduction in the required sidewalk from areas shall be provided.
- A minimum of 50% of the required public space shall be provided in the form of aggregate space that encourages its use and that serves as the focal point for the development.

- Pedestrian paths shall be provided to the main entrance of the principal structure and the public sidewalk or internal driveway. Such paths shall be 40% of the area of the plaza shall be landscaped including shade trees. Paths shall be safe and visible from the public right-of-way as much as possible, and shall have pedestrian scale lighting and other amenities such as trees, benches, and other amenities.

- A sidewalk with a minimum width of 6 feet shall be provided along the front of buildings that are less than or equal to 10,000 square feet. A sidewalk with a minimum of 10 feet in width shall be provided along the front of buildings that are 10,000 to 30,000 square feet. A sidewalk with a minimum width of 15 feet shall be provided along the front of buildings that are greater than 30,000 square feet. These sidewalks shall be graded with a maximum of 1% slope. Integrated drainage, gutters, or curbs, or any trees planted at intervals of 15 feet. In parking with a minimum of 10% of the area of 15' x 6'.

- Pedestrian connections with a 6-foot minimum clear path shall be provided from each building to the external circulation system and to adjacent buildings. Shade trees shall be provided along the pedestrian connection at intervals of 25 feet in plan. Paths shall have a minimum of 10% of the area of 15' x 6'.

- A continuous sidewalk with a minimum width of 6 feet shall be located around the perimeter of buildings that are greater than 4,000 square feet.

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- During of primary pedestrian crossings and primary outdoor seating areas shall use patterned, stained, or brightly colored concrete, stone or brick paving options may also be used.
- Any public seating shall only be used in green space and pedestrian areas.
- The design of all bicycle racks and other bicycle-related equipment shall be designed to be compatible with the City's Department of Public Works and shall be coordinated with the City's Department of Public Works.
- Perimeter walls, if provided, shall comply with the City's Uniform Manual for Building Access and Perimeter Walls. Concrete may be placed in existing parking spaces when not of public view. The use of barbed wire, chain-link fencing, or chain-link fencing is not permitted. All site walls shall comply with Zoning Code §14-16-3-13.

#### H. SETBACKS

- The use of building area setbacks is required to provide space for the location of secondary pedestrian crossings and provide a safe and comfortable environment for walking, biking, and recreation throughout the street corridor. Setbacks shall be consistent with the Department of Public Works, Planning and Development, and the Department of Public Works. The setbacks shall be consistent with the City's Uniform Manual for Building Access and Perimeter Walls.
- Buildings shall be setback according to the following minimum setbacks:
  - 15 feet (15 feet) from the right-of-way at Unser Boulevard and Unser Avenue.
  - 10 feet minimum from the right-of-way at Unser Boulevard and Unser Street.

#### I. ARCHITECTURE

In general, all buildings shall comply with the current City of Albuquerque Zoning Code and all applicable sector plan, policies, and ordinances. However, in cases where the Urban Crossing improvements exceed the Zoning Code, the Urban Crossing standards will govern. The focus of these architectural standards and guidelines is to promote consistency and continuity in relation to building aesthetics and design. The use of the Albuquerque Energy Conservation Code and LEED guidelines are encouraged.

#### Development Densities

Improvements for the Urban Crossing is currently master planned for a Maximum Hour Area Ratio (A.R.) of 1.0.

#### Building Heights

Building heights shall be enforced in accordance with the City of Albuquerque Zoning Code for the C-2 zone. However, buildings located on Unser Avenue not fronting any right-of-way or affecting any adjacent neighborhoods do not comply with the Zoning Code by being located closer to the property lines than the included setbacks.

#### Building Entrances

- Primary entrances shall be clearly defined with visible variations, porches, roof overhangs, porches or projections, or other integral building forms.
- Facades that contain a primary customer entrance and facades adjacent to a public street or area or an internal driveway shall contain display windows, or a recessed space at a minimum depth of 10 feet, or a combination of all three, along 50% of the length of the facade. Where patios are provided, at least one of these recessed walls shall contain a window for ease of surveillance and the door shall contain glazing and security. Where patios are provided, they shall be accessible to the public from the outside.

- Break in the Mass: Major facades greater than 100 feet in length shall break up building mass by including at least two of the following architectural features:
  - wall plane projections or recesses of at least 2 feet in depth, occurring at least every 100 feet and extending at least 25% of the height of two facades.
  - a recessed entrance or entrance canopy 50 inches deep and extending at least 25% of the depth of the facade.
  - a recessed entrance or entrance canopy 50 inches deep and extending at least 25% of the depth of the facade.
  - a recessed entrance or entrance canopy 50 inches deep and extending at least 25% of the depth of the facade.

- Every 30,000 gross square feet of structure, a wall be designed to appear as a minimum of one distinct building mass with different expressions. The building mass shall have a change in volume not more or less than 10% of the total volume of the building. The building mass shall be designed to be no more than 100 feet in height without an offset vertically of at least 24".

- Facades adjacent to a public right-of-way, primary driveway and "grades" that contain primary customer entrance shall contain features that provide visual interest at least 50% of the length of the facade for the use of pedestrian.

#### Service/Loading Areas

Loading areas which face a public street or residentially-zoned property and which are not separated from the public street or a residentially-zoned property by intervening buildings, landscaping or by a distance of at least 100 feet, shall be screened with solid walls which are a minimum of six feet in height when measured from the finished grade exterior to the loading area and eight feet at loading dock areas.

#### Context

New buildings shall be designed to harmonize with adjacent buildings.

#### Building Articulation/Detailing

Buildings shall convey an image appropriate to a neighborhood qualitatively similar.

- Buildings shall be sensitive to the local character of the region and the vernacular elements of buildings.

- Edge treatments shall "step down" to relate to the scale of pedestrians; reduce the scale of the building edge by stepping down to the street. It is encouraged that building masses be arranged in order to cast shadows on each other to emphasize the texture of light and shaded surfaces at corners and edges.

- The front building facade shall convey variety in structural forms to create visual character and interest. Front facades shall have varied front entrances, with wall planes not meeting in one continuous line for more than 100 feet without a change in architectural treatment (i.e., 3 foot minimum offset, transition, material change, etc.).

- Columns, arcades, corner articulation, overhangs, awnings, marquees, gutters and awnings, breezeways, and awnings shall be carefully dimensioned and detailed to provide a human scale and visual interest.

- Extended architectural detailing on the ground floor is an exceptional trend from 0 to 10 feet, such as a change in color or texture, the architectural expression expansion joints as movable door and window articulation, and architectural accents, is required.

- The mass of building shall be articulated meeting the same standards as the mass of buildings.

#### Equipment

All roof top equipment and appurtenances shall be below the top of the parapet, or architecturally screened with a visually-solid surround that is compatible with the predominant building materials and color. Roof penetrations that are not architecturally screened with a visually-solid surround shall be painted to match roof color or general building color.

All equipment shall be screened in accordance with §14-16-3-13 of the City provisions for Zoning Code.

Transformers utility vaults and telephone boxes shall be appropriately screened with walls and/or vegetation when viewed from the public right-of-way but in such a way that is accessible to the affected service provider to ensure safety and access to maintenance, repair, and replacement of equipment.

#### Portable Buildings

Portable or temporary buildings may not be located in urban settings.

#### Materials and Colors

Buildings shall convey solidity and durability and employ high quality materials in their construction. Materials and colors shall vary from those to the vernacular architecture of the area. Acceptable materials include: stone, concrete, brick, masonry or masonry surface, stone, split face block, finished block, glass curtain wall, glass block, stone, exterior concrete tile, painted metal, and EPS. Architects shall use these materials extensively used in the Albuquerque of New Mexico area.

- Acceptable colors include those taken from the native New Mexican landscape palette: red-brown and earth tones, across colors in desert natural or desert colors may be used. Colors shall be the "natural color" of the material or the color of the material, or color painted, or color when used by a colorist.

- Prohibited building materials include the following:
  - plastic or vinyl building panels, awnings, or canopies
  - exposed, untreated precision block or wood
  - highly reflective surfaces

- Special consideration shall be given to roof structures. The use of contrasting colors between roofs and walls is encouraged to help differentiate the details of building masses.

- The use of accent colors and materials is encouraged to bring a building to better articulate or give scale to a building, including accent tiles, wood trim, tile roofing, metal, etc.

#### Sustainability

Green architectural design and construction has been implemented wherever possible. Urban Crossing uses sustainable design principles, environmentally responsible building concepts and practices, and earth-friendly products.

- Low water use may be provided at a maximum of 40 percent of the landscape area.
- High water use may not be allowed.
- All envelope plans comply with the City's Water Conservation Ordinance and Water Ordinance.
- Water harvesting techniques, including some combination of cisterns for drainage to landscaped areas, bioswales to slow and treat storm water runoff, cisterns for the collection and reuse of storm water and grey water, and permeable parking or other innovative technologies are encouraged.
- An automatic underground irrigation system will be installed to support all site landscaping. The system shall be designed to maximize efficiency and avoid over-irrigation with water, nutrients, fertilizers, and salts, etc.
- Providing convenient bicycle facilities to encourage non-motorized travel to the Urban Crossing is an integral part of the City of Albuquerque's goal of supporting alternative modes of transportation and sustainability. Safe and convenient connections to surrounding City bicycle routes will be provided to all Urban Crossing employees and customers.
- The use of the Albuquerque Energy Conservation Code is encouraged.
- Convenient bicycle collection facilities shall be provided by all levels of Urban Crossing.
- Temporary structures shall be limited by including permeable paving surfaces, such as bricks and concrete pavers or such devices that are approved by the City of Albuquerque, where possible.
- Access to transit and safe and convenient pedestrian connections are provided to facilitate non-motorized transportation.

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DESIGN/ENGINEER

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Site Plan for Building Permit  
Central Avenue and Unser Boulevard  
Albuquerque, New Mexico 87121

**G-102**

DESIGN STANDARDS

Open courtyard designs shall be employed in order to form "relationships between parking spaces and building facades. Building masses and openings shall be visible from the street level." Other measures "such as carefully

A significant theme in the lighting fixtures within the environment and to every piece of their. Consistent will contribute significantly to User Experience. Small, elegant, Character, Safety and security shall be the primary design considerations, as well as the aesthetic appearance of the light fixtures.

- Lighting shall be fully shielded, nonflicker, have no high-voltage part, especially around the property line and no on-off switch shall be visible from the street.

Each development site design shall incorporate certain criteria in order to provide proper site screening from public roadways.

- **Commutal, directional lighting** shall be used in adjacent public spaces and corridors. The use of downward directed lighting, such as wall pockets or bollards, is encouraged to attract pedestrian traffic.
- **Fixture style and design** shall be compatible and consistent with the lighting design of other projects within the Corridor.
- The pattern of light pooling from each fixture shall avoid glare or reflection on adjacent pavements, buildings or roadways.
- **Exterior lighting fixtures** shall relate aesthetically to the architecture of the adjacent buildings.
- **Undulating features** to highlight trees, walls and architectural features shall be limited to 100 maximum wattage per fixture, and shall be designed to comply with the New Mexico Light-Sky Protection Act.
- The use of energy efficient lighting is required.

Refer to the Sign Package on sheets S-101, S-102, and S-103.

- The use of stacked stone, wood shingle, or shingle vinyl fencing is not permitted.
- Fences and gates shall be constructed of the following materials:
  - Fences and gates shall be constructed of the following materials:
    - The same material as the building itself.
  - Vinyl or hand-painted beams 2 1/2 to 3 feet in height shall be provided to screen parking areas adjacent to public streets. Vinyl, if used, shall be designed to interlock with building materials and colors.

5.5 Round off. Current industry codes of Unsafe-Crossing steel for the size range will be used in peak calculations. Existing roof truss will be incorporated into the design by providing seating, bracing, and tieing structures using the same materials and design as those provided in the Unsafe-Crossing Solutions. Future development (phase 2) shall meet the guidelines of the Comprehensive Plan for buildings adjacent to Enhanced Transit Corridor including station buildings as the event, with pricing on the order of near-proposed overpasses along the street.

## N. DRIVE-UP SERVICE WINDOWS

Overhead windows will be located on or adjacent to the side or rear walls of service or retail structures and the window shall not be a plain, right-view or pedestrian access. Essentially, covered areas, or public spaces where possible, in cases where outdoor windows face public areas, something that be avoided. Stairways may be in the form of walls, earth berms, or elevated by a structure or a combination thereof and may be a mixture of the two.

Driver, a service window shall be limited to 4, with the number of adjacent drive-up service window uses limited to two. Drive-up window uses may include bank, ATM, and a maximum of two "quick-service restaurants".

Only a small number of the authors of the 1990s and 2000s have been cited in the literature.

Only a small number of the authors of the 1990s and 2000s have been cited in the literature.



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**PSIA**  
Darren Howell  
A R C H I T E C T S

Unser Crossing  
Site Plan for Building Permit  
Central Avenue and Unser Boulevard  
Albuquerque, New Mexico 87121

Date: June 10, 1964  
 To: Mr. J. E. Smith  
 From: Mr. J. E. Smith  
 Subject: Design Standards  
 Re: Design Standards  
 Date: June 10, 1964  
 By: J. E. Smith  
 For: Mr. J. E. Smith  
 File: Design Standards  
 G-103

#### § 14-8-2-7, Albuquerque Code of Ordinances

(A) Applicants for approval of amendments of the zone map, site development plans (except houses and accessory buildings), major subdivisions, vacations of public right-of-way, mapping historic districts, landmarking sites, and issuance or transfer of liquor licenses shall, prior to filing the application, make a reasonable attempt to give written notification of their proposal to any recognized and non-recognized neighborhood or homeowner association which covers, abuts, or is across public right of way from the subject site. Certified letters, return receipt requested, mailed to the two designated neighborhood association representatives on file at the City Office of Neighborhood Coordination constitutes a reasonable attempt to notify an association. Failure by an applicant to show proof of either notification in person or a reasonable attempt to give written notification of its proposal to such designated association representatives shall be grounds for a neighborhood association to request deferral of a hearing. The application for such hearing shall include a signed statement that such notification has been sent.

(B) Development of large retail facilities. Prior to submitting an application for a project that includes a large retail facility, the applicant shall perform the following:

(1) Pre-application discussion with the Planning Review Team (PRT) to include the following:

(a) Complete the pre-application form and appropriate checklists.

(b) Review of the request for appropriateness as related to the design regulations for large retail facility and various applicable plans, policies, and ordinances including the Comprehensive Zoning Code and/or the Subdivision Ordinance. The review shall cover, but is not limited to, the location requirements for a large retail facility, mixed use component requirements, proposed phases of development, and the neighborhood traffic management requirements.

(c) Identify all appropriate actions and procedures needed to obtain approval. This shall include, but not be limited to, the pre-application development review meeting with stakeholders.

(d) Identify a preliminary schedule/time frame for approval.

(e) Determine a filing date for the application if appropriate.

(f) Determine if a Traffic Impact Study (TIS) is required. If a TIS is required, the City Traffic Engineer or his designee staff shall issue the developer a written scope for the TIS. The written scope shall be distributed to the applicant within seven working days of the City Traffic Engineer being contacted by the applicant's traffic engineer.

(g) Upon completion of the meeting the Planning Department shall prepare a report of the pre-application session. The report shall include an outline of their preliminary direction based upon the information submitted. A copy of the report shall be provided to the developer and included in the case report for the site plan.

(h) The developer, if he or she chooses, may also submit a report on the meeting into the case file.

(2) Notice of pre-application meeting.

(a) The applicant shall coordinate with the Office of Neighborhood Coordination to set up a pre-application public meeting. The applicant shall notify affected Neighborhood Associations per § 14-8-2-7 and all property owners within 100 feet of the subject site (excluding right-of-way). Notice shall be delivered by first class mail a minimum of 10 days prior to the public meeting. In addition, the applicant shall post a sign(s) of at least 4 feet by 6 feet advertising the pre-application public meeting for at least 10 consecutive calendar days prior to the meeting.



(b) Notices shall include the date, time and place of the pre-application public meeting, the meeting purpose, a description and 8.5 x 11 drawing(s) of the proposed development, and any other information that the Planning Director and the Office of Neighborhood Coordination deem necessary. Drawings shall contain enough pertinent information to visually describe the development proposal.

(c) The Office of Neighborhood Coordination shall post meeting dates on the Planning Department's website and shall contact neighborhood associations by e-mail.

(3) Pre-application public meeting.

(a) The meeting shall be conducted and recorded by a facilitator.

(b) The applicant shall provide a visual and narrative presentation of the project concept, and shall identify existing traffic conditions and proposed traffic conditions as preliminarily identified in the TIS scope related to the project.

(c) Meeting attendees may identify any additional traffic problems that should be scoped and/or studied.

(d) The facilitator shall compile and maintain a list of issues and concerns pertaining to the project and shall inform meeting attendees on how they can remain involved in the process.

(e) The City Traffic Engineer shall attend the pre-application public meeting and shall consider the additional traffic problems in determining the scope that shall be addressed in the TIS, which shall be paid for by the applicant and reviewed by the city.

(f) Additional meetings may be held upon the request of those attending the meeting and as deemed useful by the facilitator. The facilitator shall prepare a report to be placed in the applicant's case file detailing the reasons for conducting additional meetings.

(4) Traffic studies. If, in the opinion of the Traffic Engineer, or upon a receipt by the Planning Director and the Traffic Engineer of a petition that includes a list of traffic issues created by the development of the large retail facility from 67% of the residences within 500 feet of the subject site, a Neighborhood Area Traffic Study is warranted, it shall be specified by the City Traffic Engineer with input from the meeting attendees and the applicant. Neighborhood area traffic study or studies and cut through studies shall be paid for by the applicant and overseen by the City Traffic Engineer. The study shall include, at a minimum, the following:

(a) A baseline count of the vehicles per day traveling the local street;

(b) A cut-through traffic study on those streets identified by the meeting attendees;

(c) Current conditions and full build-out conditions.

(5) Traffic mitigation.

(a) If the neighborhood area traffic study identifies current problems associated with traffic, speeding, and problem intersections on more than one local street in the neighborhood(s) and provides recommendations to resolve these problems, the city shall initiate a neighborhood traffic management program in the area.

(b) If the neighborhood area traffic study identifies problems with the build-out conditions, or any phase of the project before a building permit is issued, the applicant shall post a financial guarantee in a form acceptable to the City Attorney and an amount determined by the traffic engineer, to pay for mitigation measures necessitated by the development.

(c) Before a building permit is issued, the applicant shall post an additional 2% of the costs of the mitigation measures identified in the TIS as a contingency for future study and mitigation (contingency amount).

(d) Within two weeks of issuing an occupancy permit, the City Traffic Engineer and or the Planning Director shall provide notice to all residences and property owners within 200 feet of the project that a cut through study will occur within 12 months of issuing an occupancy permit for the applicant's development. At least one year after issuing a certificate of occupancy, the applicant shall conduct a follow-up neighborhood area traffic study to determine if additional traffic mitigation measures are necessary as a result of the development. The City Traffic Engineer shall issue notice of the traffic study to the property owners within two hundred feet of the large retail facility at least two weeks before the commencement of the study. Such notice shall provide direction as to how the recipient can provide input into the study. If additional traffic mitigation measures are necessary, they shall be paid for by the applicant and the contingency amount of the applicant's bond shall not be released until the city accepts these mitigation measures. If the neighborhood area traffic study determines there is no need for further mitigation measures attributable to the development, the contingency amount shall be released.

(e) Projects identified as a result of the neighborhood traffic management program are not to be included in or to be considered part of the Component Capital Improvement Program (CCIP) except that improvements identified on the CCIP shall be eligible for impact fee credits.

('74 Code, § 7-11-7) (Ord. 14-1987; Am. Ord. 23-2007; Am. Ord. 42-2007)

Over 5,000 people like me signed a petition to support the new Walmart at Coors and Montano.



And there are many, many more  
who would sign it.



We think the new Walmart is a  
really great idea.



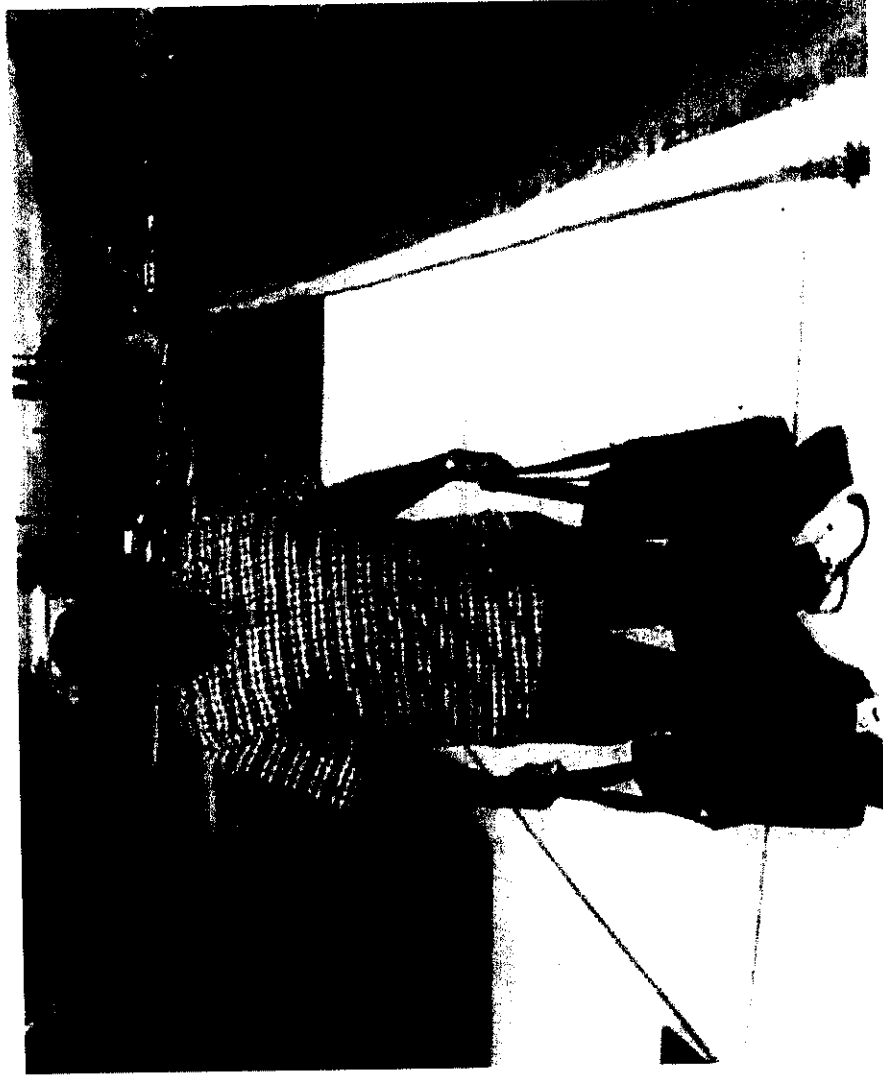
I've owned this property since 1994.  
Having Walmart as a neighbor is a  
great idea.



It will reduce my traffic time when  
it's right here and I won't have to  
drive so far.



I really like the convenience. It'll be  
easy to get to and from.



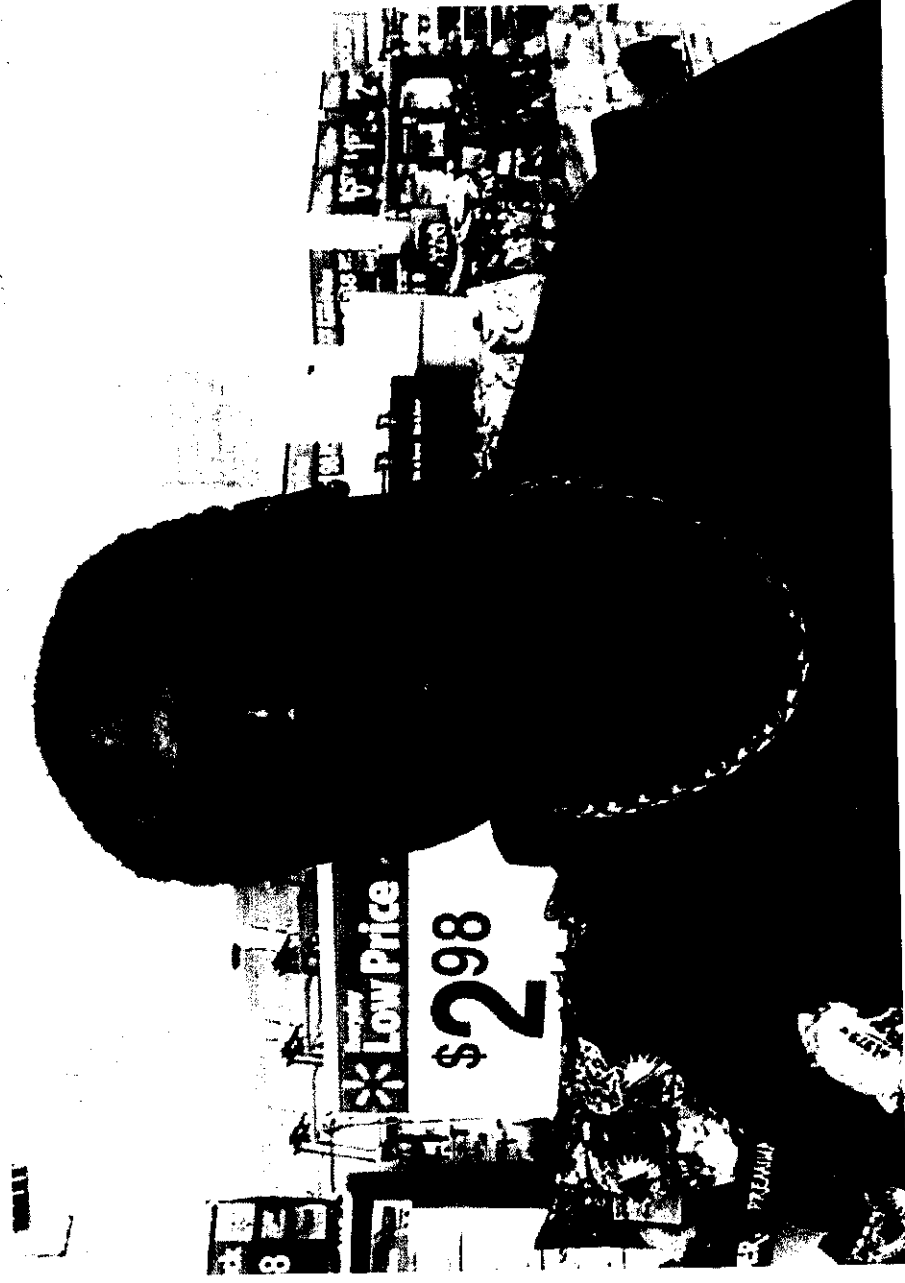
I like the low prices.



It will be a very unique size. Half of it will be groceries and half of it will be entirely other merchandise.



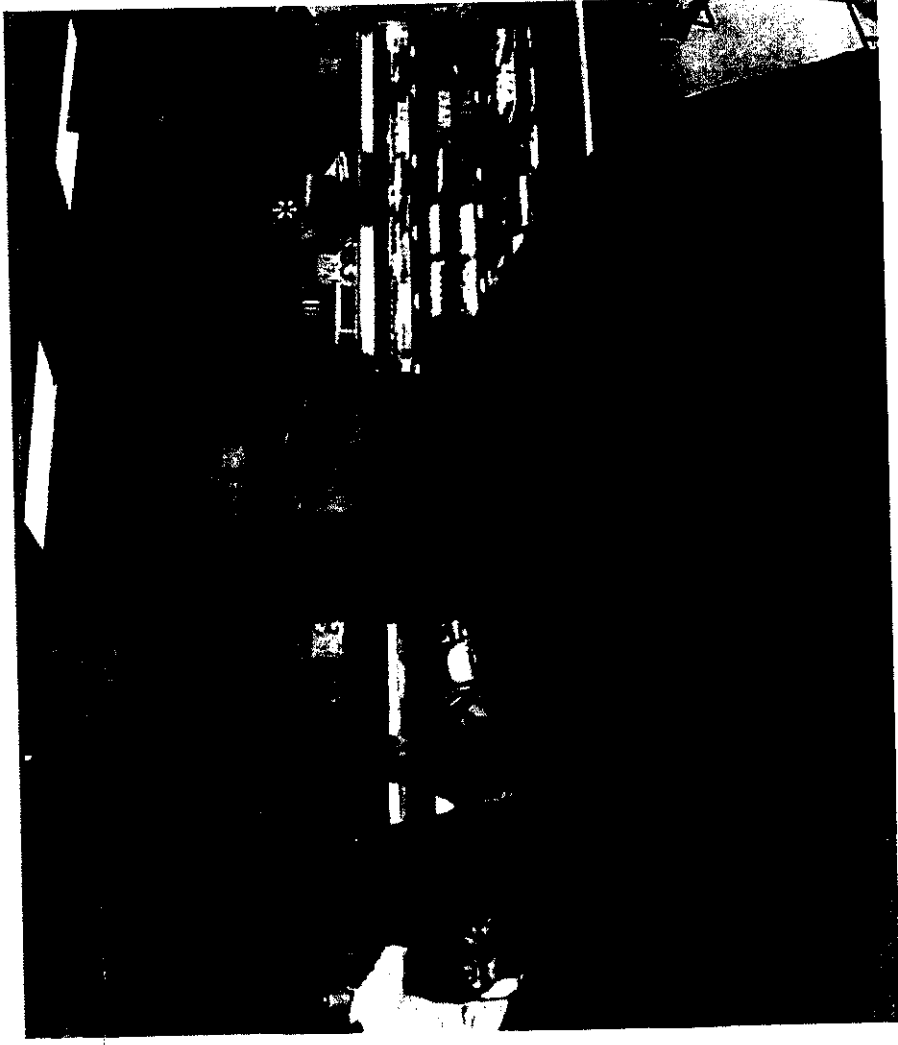
I like the convenience. It's the one  
stop shop. I get everything I need in  
this one spot.



As you can see from the shelves,  
Walmart purchases a lot of stuff  
from local vendors. Over \$80  
million alone last year!



The new Walmart will create 300  
new jobs.



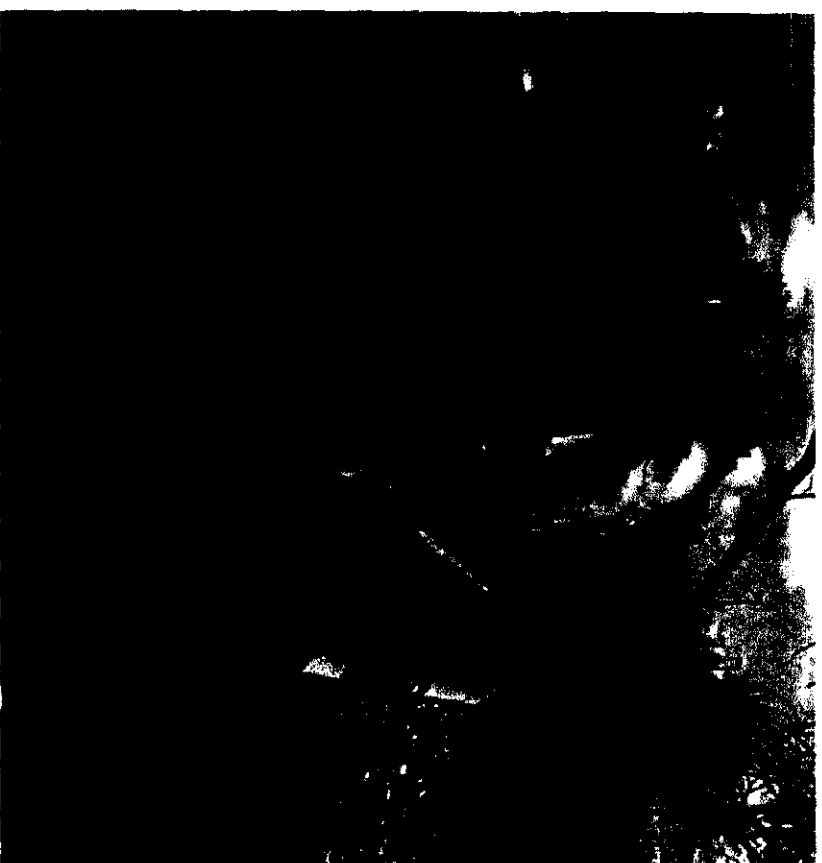
Once this Walmart is built here, I won't have to drive to any other Walmart in town. This is very convenient.



I know one of the biggest concerns is that the store is going to be too close to the Bosque. But if you look the Bosque is so far away.



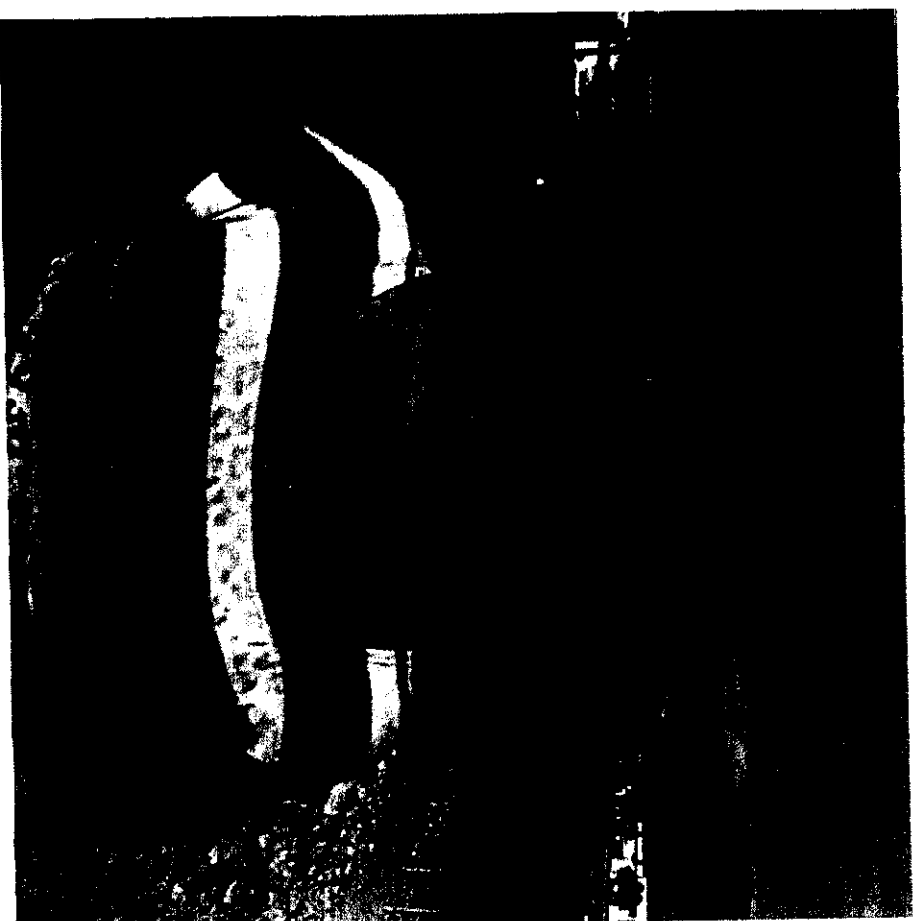
The city wouldn't have zoned this property commercial if it was in the Bosque. It is not in the Bosque.



There's going to be lots of shops  
around. It's going to be like a village.



**Walmart will only occupy 11 acres out of the 285 acres at the site.**



It'll be a nice new community with  
apartments and other shops.



Traffic won't get much worse.  
People are driving by anyway.



There will be bike paths and walking paths.



*...And environmentally-sensitive  
landscaping.*



The new Walmart will not block the view of the Bosque or the mountains.



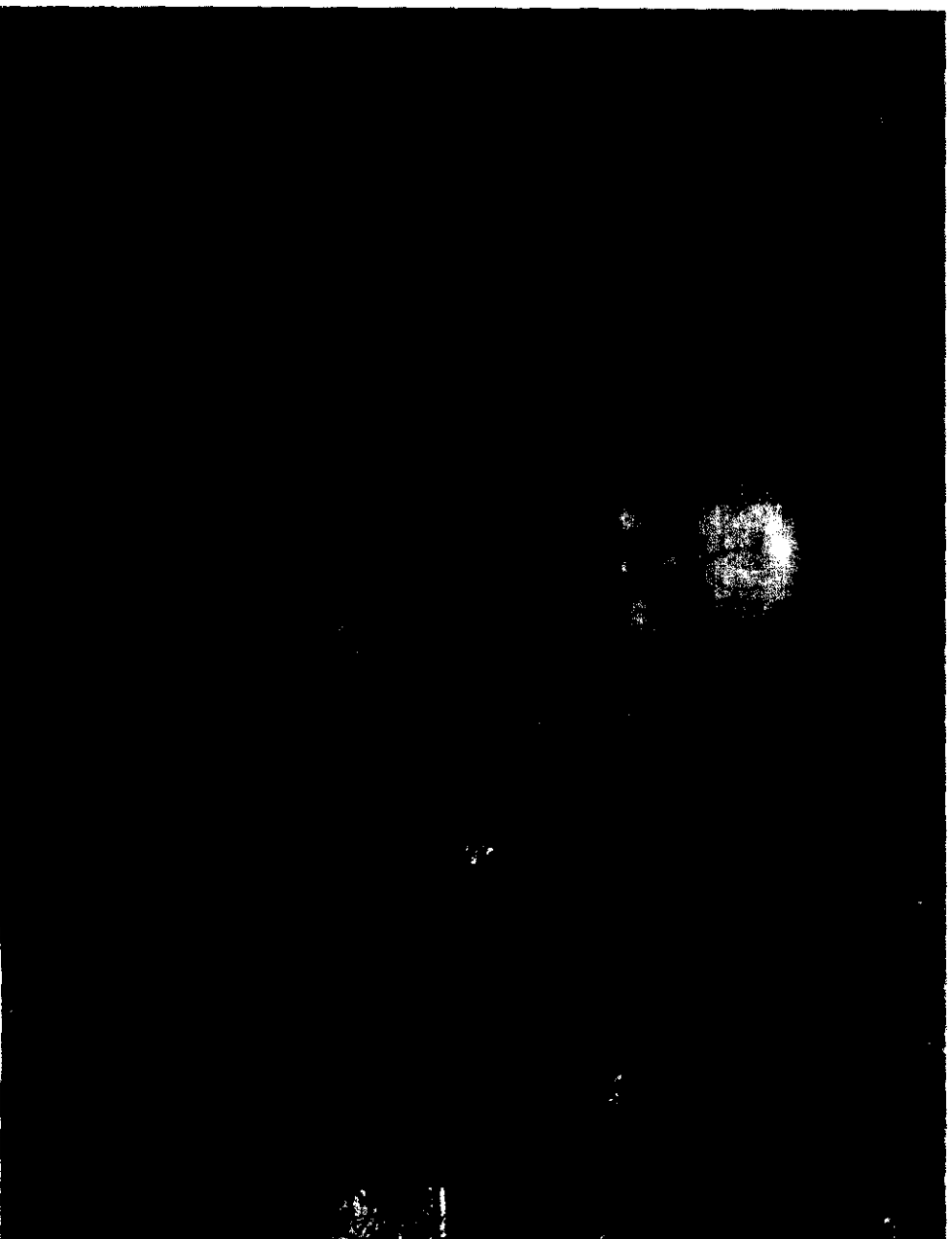
Bosque School will have what looks like a  
big park right in front of the school.



If the wind is blowing like it is today,  
the wall will prevent anything from  
blowing over.



This land is zoned commercial. I think Walmart should be able to put a store here.



Big trucks won't be coming in near as often as you think...on average less than one per day. Even if one per day were to come, that wouldn't be very much traffic.



This is the drainage area for the entire development area. So, none of the runoff will be going into the river.



There are a lot of bus stops on this  
route.



We do need to save a lot of money.  
Walmart is a good place to do that.



I think it's a great idea and it will help the other Walmarts not be so crowded.



Statement in Support of Walmart at Coors & Montano

April 12, 2012

I support the Walmart at Coors and Montano for the following reasons:

- Over 5,000 people like me signed a petition for this new Walmart
- Over 5,000 people like me signed a new Walmart at Coors & Montano.
- Including local produce, lots of produce from ~~New Mexico~~ <sup>New Mexico</sup> farms
- I like the competitive prices
- I do home daycare and I like the ~~competitive~~ <sup>competitive</sup> prices
- (group) - And we all like the low prices

My address is:

7724 Ranchwood Dr. NW  
Albuquerque NM 87120

Sincerely,



Print Name:

Twila Kirkpatrick

Statement in Support of Walmart at Coors & Montano

April 12, 2012

I support the Walmart at Coors and Montano for the following reasons:

Since the Walmart is right here, I won't have to drive to other Walmarts in town.

This is very convenient. It will cut down on driving time.

The city wouldn't have zoned this commercial if it was in the Bosque and this isn't

in the Bosque. I've owned this property since 1994 &

having a Walmart here is a great idea

And there are many more people who would sign the petition. This land is zoned commercial, ~~Walmart has been here~~ ~~see map~~ I think Walmart should be able to put a store here.

My address is:

5305 ARROYO DRIVE NW

Albuquerque, NM 87124

Sincerely,

Patrick Montano

Print Name:

PATRICK MONTANO

Statement in Support of Walmart at Coors & Montano

April 12, 2012

I support the Walmart at Coors and Montano for the following reasons:

We think it's a great idea

It'll help the other Walmarts not be so crowded

My address is:

4608 STAFFORD PL. NW

Albuq. NM 87120

Sincerely,



Print Name:

SANDRA ARCHIBEQUE

Statement in Support of Walmart at Coors & Montano

April 12, 2012

I support the Walmart at Coors and Montano for the following reasons:

- When I go to the store, I have to go through traffic, but <sup>(other)</sup>  
if we have the other one <sup>(Walmart)</sup> it's only 2 miles from me.
- It will reduce traffic time, <sup>when it's right here</sup> ~~it will reduce my time~~ & I won't have to drive so far
- It will only take me 8 minutes to get to this Walmart
- ~~It will not~~ This is a commercial area & I don't understand why we can't have Walmart here
- Traffic won't get much worse, people are driving by anyway

My address is:

Valerie Beatty  
2427 Bixby St NW  
Albuquerque NM 87120

Sincerely,

Valerie Beatty

Print Name:

Valerie Beatty

Statement in Support of Walmart at Coors & Montano

April 12, 2012

I support the Walmart at Coors and Montano for the following reasons:

People are driving along anyway, so I don't see  
how it's going to ~~make a difference~~ <sup>increase traffic flow</sup>

There are a lot of bus stops along this way anyway

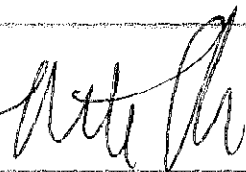
I like the convenience

Thanks for listening

My address is:

6121 Buenos Aires Pl. N.W  
Albuquerque NM 87120

Sincerely,



Print Name:

Mike Shenka

Statement in Support of Walmart at Coors & Montano

April 12, 2012

I support the Walmart at Coors and Montano for the following reasons:

- We all like the low prices
- please support the new Walmart for all of us
- It's unique in size, it is smaller
- I love the low prices I truly am a believer in Walmart
- The new Walmart will not be a Supercenter
- it will be unique in size, ~~and~~ half groceries
- half other merchandise
- (Group) - We all like the low prices

My address is:

2332 STONEHAM PLACE NW

Albuquerque, NM 87120

Sincerely,

Carmen Johnson

Print Name:

CARMEN JOHNSON

Statement in Support of Walmart at Coors & Montano

April 12, 2012

I support the Walmart at Coors and Montano for the following reasons:

- It's cheap, the prices are good
- One ~~stop~~<sup>stop</sup> shop
- They have everything here
- I like convenience, I get everything ~~@~~ I need right
- Thank you for listening

My address is:

10500 Connemara DR  
SW Albuquerque NM  
87121

Sincerely,

*Janiro Kennedy*

Print Name:

Janiro Kennedy

Statement in Support of Walmart at Coors & Montano

April 12, 2012

I support the Walmart at Coors and Montano for the following reasons:

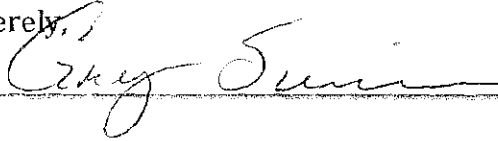
- We all like the low prices (group)
- And what about jobs? The new Walmart will create 300 new jobs
- We need the low prices it's easy on the Walmart
- We need to save a lot of money and Walmart is the perfect place for that
- As you can see from the shelves Walmart buys a lot from local vendors, over \$80 million alone last year.

My address is:

6328 CUESTA PL N.W

ALB. N. M. 87120

Sincerely,



Print Name:

GREG SUMMA

Statement in Support of Walmart at Coors & Montano

April 12, 2012

I support the Walmart at Coors and Montano for the following reasons:

Some people are saying it's just too close to the  
Bosque, but look it's so far away  
over here we have the Bosque school and the store is going to be right  
what they're going to do is build a high wall  
& there's going to be landscaping  
with plants trees & bushes  
There are bike paths & walking paths  
And if the wind is blowing like it is today the  
wall will prevent anything from blowing over  
This is the drainage area for the whole development

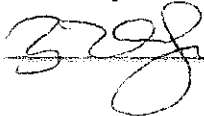
My address is:

6816 Staghorn Dr. NW

ALB NM 87120

none of runoff  
will go into the  
river

Sincerely,



Print Name:

Zan T. Loya

Statement in Support of Walmart at Coors & Montano

April 12, 2012

I support the Walmart at Coors and Montano for the following reasons:

There's going to be lots of little shops around. It  
will be like a village.

Thanks for listening.

We would sure like to have this new store

It'll be a nice community with apartments & shops

This is a commercial area

And environmentally-sensitive & really great landscaping

And we all like the low prices

My address is:

10401 Tall Rock Ct NW

ABQ NM 87114

Sincerely,

Kari Stake

Print Name:

Kari Stake

Statement in Support of Walmart at Coors & Montano

April 12, 2012

We support the Walmart at Coors and Montano for the following reasons:

We want the new store, all of us here

From all of us here, thank you for listening  
Walmart is only going to take up 11 out  
of the 285 acres here.

There will be a lot of other things here

You can still see the Bosque and the mountains  
from here, behind it

Our

My address is:

1304 Tanglewood Pl. NW.

Albuquerque NM 87120

Sincerely,

Roberta Vigil



Print Name:

Roberta Vigil

Roberta Vigil

Statement in Support of Walmart at Coors & Montano

April 12, 2012

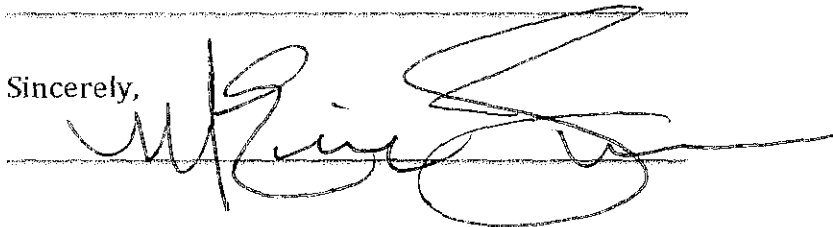
I support the Walmart at Coors and Montano for the following reasons:

- <sup>Big</sup> The trucks won't come as often than you think on average less than ~~1 every other~~ <sup>a</sup> day
- some days there won't be large truck deliveries at all
- Don't we're sorry we couldn't be there today but a lot of us who shop @ Walmart work

My address is:

4608 Stafford Pl NW  
87120

Sincerely,



Print Name:

M Eric Lucero

Statement in Support of Walmart at Coors & Montano

April 12, 2012

I support the Walmart at Coors and Montano for the following reasons:

I got life insurance, a 401k & stocks purchased  
a life insurance to help my kids  
Walmart does treat its people at  
I've had plenty of jobs & I decided  
to stay at this one

My address is:

2512 Flor Silvestre NW 87120

Sincerely,

Frank Guerra

Print Name:

Frank H Guerra

Statement in Support of Walmart at Coors & Montano

April 12, 2012

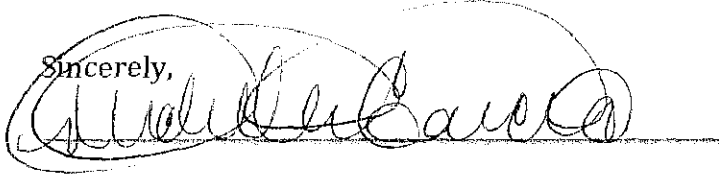
I support the Walmart at Coors and Montano for the following reasons:

I like that it's open 24hrs, sometimes you  
need medicine at 2 in the morning  
I strongly urge you to support Walmart  
sorry we couldn't come to the meeting today,  
but most of us are at work

My address is:

6601 Lamar NW  
ABQ NM 87120

Sincerely,

A handwritten signature in cursive script, appearing to read "Michelle Garcia", written over a horizontal line.

Print Name:

Michelle Garcia

Statement in Support of Walmart at Coors & Montano

April 12, 2012

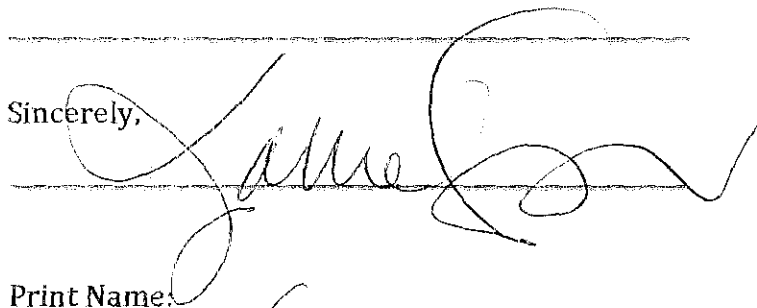
I support the Walmart at Coors and Montano for the following reasons:

- I like shopping at Walmart because they have everything we need
- They (kids) love shopping here ~~too~~ because they get to eat
- That would be great if it would be open 24hrs you never know when you might need something

My address is:

Jaime Gravel  
8312 Boulevard NW 87180

Sincerely,



Print Name:

Jaime Gravel

Statement in Support of Walmart at Coors & Montano

April 12, 2012

I support the Walmart at Coors and Montano for the following reasons:

- they ~~are~~ have a bit of variety and they usual have the best prices in ~~Albany~~ Albuquerque
- Thanks for listening

My address is:

8200 Bridge apt 10B-10

Albuquerque NM 87121

Sincerely,

Angelique Z

Print Name:

Angelique Zamora