

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

305B



FROM: County Counsel/Planning

SUBMITTAL DATE:
October 24, 2013

SUBJECT: Ordinance No. 348.4769
District Three/District Three [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:
Adopt Ordinance No. 348.4769 amending the zoning in the Homeland Area shown on Map No. 2.2354 Change of Zone Case No. 7793.

BACKGROUND:

Summary

Change of Zone Case No. 7793 was tentatively approved by the Board of Supervisors on September 10, 2013.

Departmental Concurrence

Michelle Clack, Deputy County Counsel
Pamela J. Walls, County Counsel

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A	Consent <input checked="" type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A	

SOURCE OF FUNDS:

Budget Adjustment:

For Fiscal Year:

C.E.O. RECOMMENDATION:

APPROVE

BY:
Tina Grande

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Jeffries and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Stone and Ashley
Nays: None
Absent: Benoit
Date: November 5, 2013
xc: Co.Co., Planning, MC, COB(2)

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

- A-30
- Positions Added
- 4/5 Vote
- Change Order

Prev. Agn. Ref.: 09/10/13; 16.1 | District: 3/3 | Agenda Number:

2-12

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FORM 11: Ordinance No. 348.4769

District Three/District Three

DATE: October 24, 2013

PAGE: Page 2 of 2

Impact on Citizens and Businesses

This zoning ordinance is associated with a private land owner's development application. Since it is fully funded by this private land owner, it will not have an impact on citizens and businesses.

SUPPLEMENTAL:

Additional Fiscal Information

N/A

Contract History and Price Reasonableness

N/A

ATTACHMENTS (if needed, in this order):

A. Ordinance

1 ORDINANCE NO. 348.4769

2 AN ORDINANCE OF THE COUNTY OF RIVERSIDE
3 AMENDING ORDINANCE NO. 348 RELATING TO ZONING
4

5 The Board of Supervisors of the County of Riverside ordains as follows:

6 Section 1. Section 4.1 of Ordinance No. 348, and official Zoning Plan Map No. 2, as
7 amended, are further amended by placing in effect in the Homeland Area, the zone or zones as shown on
8 the map entitled "Change of Official Zoning Plan Amending Ordinance No. 348, Map No. 2.2354,
9 Change of Zone Case No. 7793" which map is made a part of this ordinance.

10 Section 2. This ordinance shall take effect 30 days after its adoption.

11 BOARD OF SUPERVISORS OF THE COUNTY
12 OF RIVERSIDE, STATE OF CALIFORNIA

13 By: _____
14

15 *John J. Benoit*
16 Chairman, Board of Supervisors
17 John J. Benoit

18 ATTEST: Kecia Harper-Ihem

19 Clerk of the Board

20 By: _____
21 Deputy

22 *Kecia Harper-Ihem*

23 (SEAL)

24 APPROVED AS TO FORM

25 October 22, 2013

26 By: _____
27

28 *Michelle Clack*
MICHELLE CLACK
Deputy County Counsel

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STATE OF CALIFORNIA)
)
COUNTY OF RIVERSIDE) SS

I HEREBY CERTIFY that at a regular meeting of the Board of Supervisors of said county held on November 5, 2013, the foregoing ordinance consisting of 2 Sections was adopted by the following vote:

AYES: Jeffries, Tavaglione, Stone and Ashley
NAYS: None
ABSENT: Benoit

DATE: November 5, 2013

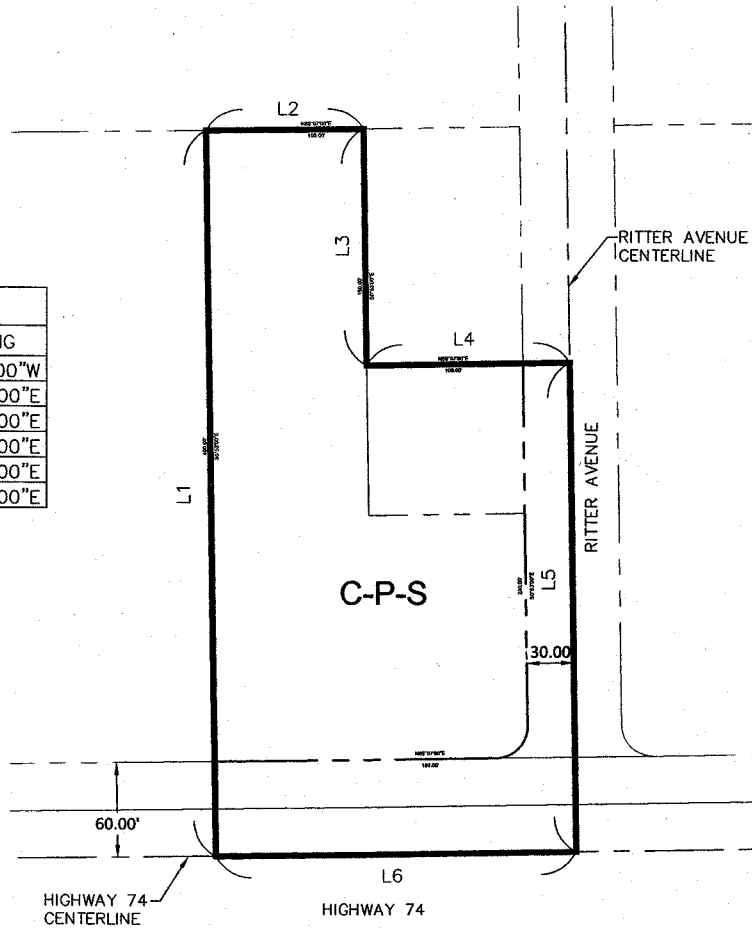
KECIA HARPER-IHEM
Clerk of the Board

BY: *Karla Dutton*
Deputy

SEAL

HOMELAND AREA
 SEC. 8 T. 5S., R. 2W. S.B.M

LINE TABLE		
LINE	LENGTH	BEARING
L1	460.00'	N00°53'00"W
L2	100.00'	N89°07'00"E
L3	150.00'	S00°53'00"E
L4	130.00'	N89°07'00"E
L5	310.00'	S00°53'00"E
L6	230.00'	N89°07'00"E



LEGEND

C-P-S

SCENIC HIGHWAY COMMERCIAL

MAP NO. 2.2354

CHANGE OF OFFICIAL ZONING PLAN

AMENDING

MAP NO. 2, ORDINANCE NO. 348

CHANGE OF ZONE CASE NO. 7793

ADOPTED BY ORDINANCE NO. 348.4769

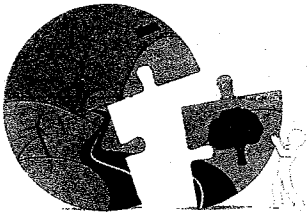
DATE: NOVEMBER 5, 2013

RIVERSIDE COUNTY BOARD OF SUPERVISORS

ASSESSORS BK NO.457-171-020,024,025



0' 50' 100'
 SCALE 1"=50'



Carolyn Syms Luna
Director

RIVERSIDE COUNTY PLANNING DEPARTMENT

Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on.

11/7/13
Date

kb
Initial

TO: Office of Planning and Research (OPR)
P.O. Box 3044
Sacramento, CA 95812-3044
 County of Riverside County Clerk

FROM: Riverside County Planning Department
 4080 Lemon Street, 12th Floor
P. O. Box 1409
Riverside, CA 92502-1409

38686 El Cerrito Road
Palm Desert, California 92211

SUBJECT: Filing of Notice of Determination in compliance with Section 21152 of the California Public Resources Code.

EA42556/Change of Zone No. 7793/Plot Plan No. 25248

Project Title/Case Numbers

H. P. Kang
County Contact Person

951-955-1888
Phone Number

N/A

State Clearinghouse Number (if submitted to the State Clearinghouse)

Boos Development West, LLC (Kristi Kandel)
Project Applicant

701 N. Parkcenter Drive, Suite 110, Santa Ana, CA 92705
Address

The project is located at the northwest corner of Ritter Avenue and Highway 74 in the community of Homeland.

Project Location

The plot plan proposes an 8,239 square foot stand alone retail store (Family Dollar) on approximately 1.5 acres with 42 parking spaces. Additionally a change of zone is also being proposed for the subject property from Rural Residential (R-R) to Scenic Highway Commercial (C-P-S) to be consistent with existing General Plan designation of Community Development: Commercial Retail (CD:CR) (0.2 to 0.35 Floor Area Ratio).

Project Description

This is to advise that the Riverside County Board of Supervisors, as the lead agency, has approved the above-referenced project on 11/5/13 and has made the following determinations regarding that project:

1. The project WILL NOT have a significant effect on the environment.
2. A Negative Declaration was prepared for the project pursuant to the provisions of the California Environmental Quality Act (\$2,156.25 + \$50.00).
3. Mitigation measures WERE NOT made a condition of the approval of the project.
4. A Mitigation Monitoring and Reporting Plan/Program WAS NOT adopted.
5. A statement of Overriding Considerations WAS NOT adopted for the project.

This is to certify that the Mitigated Negative Declaration, with comments, responses, and record of project approval is available to the general public at: Riverside County Planning Department, 4080 Lemon Street, 12th Floor, Riverside, CA 92501.

Signature

Board Assistant
Title

11/5/13
Date

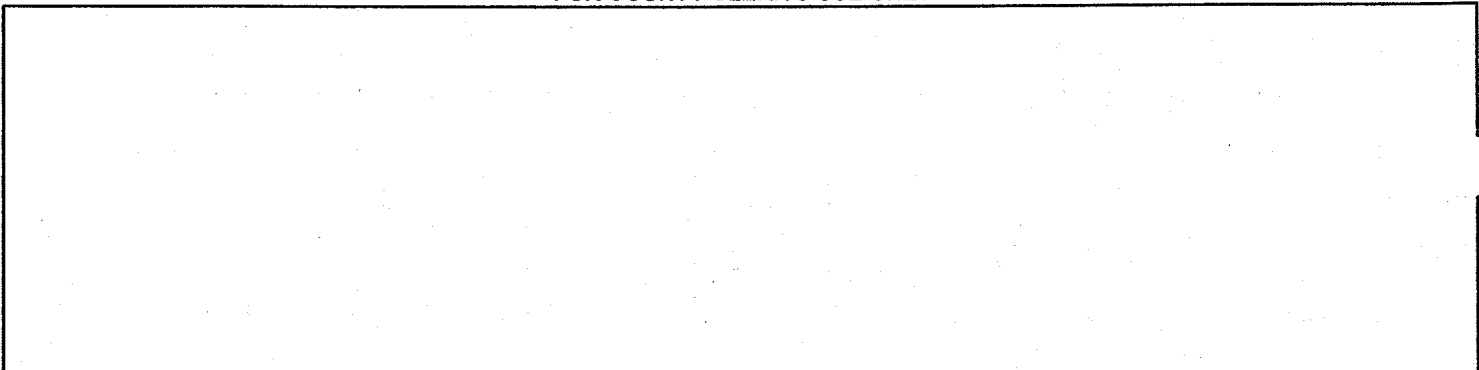
Date Received for Filing and Posting at OPR: _____

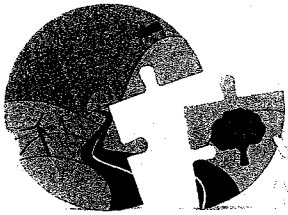
HK/hk
Revised 8/25/2009
Y:\Planning Case Files-Riverside office\PP25248\DH-PC-BOS Hearings\DH-PCNOD Form.PP25248.docx

Please charge deposit fee case#: ZEA42556 ZCFG5933 \$2,165.50

FOR COUNTY CLERK'S USE ONLY

09.10.13 16-1
NOV 05 2013 2-12





RIVERSIDE COUNTY PLANNING DEPARTMENT

Carolyn Syms Luna
Director

NEGATIVE DECLARATION

Project/Case Number: Change of Zone No. 7793 and Plot Plan No. 25248

Based on the Initial Study, it has been determined that the proposed project will not have a significant effect upon the environment.

PROJECT DESCRIPTION, LOCATION (see Environmental Assessment No. 42556).

COMPLETED/REVIEWED BY:

By: H. P. Kang Title: Project Planner Date: May 19, 2013

Applicant/Project Sponsor: Boos Development West, LLC Date Submitted: November 6, 2012

ADOPTED BY: Board of Supervisors

Person Verifying Adoption:  Date: 11/5/13

The Negative Declaration may be examined, along with documents referenced in the initial study, if any, at:

Riverside County Planning Department, 4080 Lemon Street, 12th Floor, Riverside, CA 92501

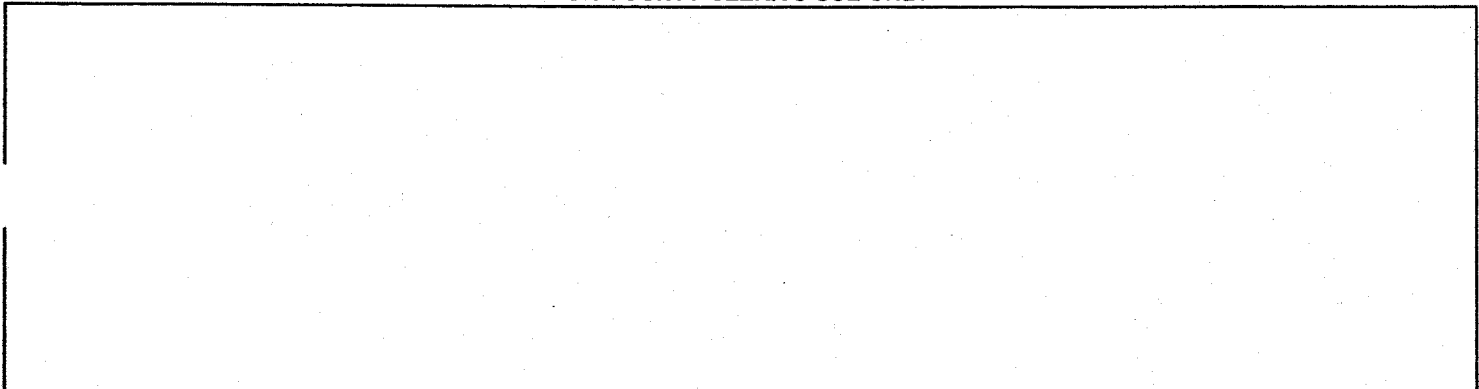
For additional information, please contact H. P. Kang at (951) 955-1888.

Revised: 10/16/07
Y:\Planning Case Files-Riverside office\PP25248\DH-PC-BOS Hearings\DH-PC\Negative Declaration.PP25248.docx

Please charge deposit fee case#: ZEA42556 ZCFG5933 \$2,156.25 +\$50

FOR COUNTY CLERK'S USE ONLY

09.10.13 167
NOV 05 2013 2-12



COUNTY OF RIVERSIDE
SPECIALIZED DEPARTMENT RECEIPT
Permit Assistance Center

M* REPRINTED * R1210077

4080 Lemon Street
Second Floor
Riverside, CA 92502
(951) 955-3200

39493 Los Alamos Road
Suite A
Murrieta, CA 92563
(951) 694-5242

38686 El Cerrito Rd
Indio, CA 92211
(760) 863-8271

Received from: BOOS DEVELOPMENT WEST LLC \$64.00
paid by: CK 127
CA FISH & GAME FOR PP24248
paid towards: CFG05933 CALIF FISH & GAME: DOC FEE
at parcel:
appl type: CFG3

By MGARDNER Nov 06, 2012 11:02
posting date Nov 06, 2012

Account Code	Description	Amount
658353120100208100	CF&G TRUST: RECORD FEES	\$64.00

Overpayments of less than \$5.00 will not be refunded!

COUNTY OF RIVERSIDE
SPECIALIZED DEPARTMENT RECEIPT
Permit Assistance Center

M* REPRINTED * R1303519

4080 Lemon Street
Second Floor
Riverside, CA 92502
(951) 955-3200

39493 Los Alamos Road
Suite A
Murrieta, CA 92563
(951) 694-5242

38686 El Cerrito Rd
Indio, CA 92211
(760) 863-8271

Received from: BOOS DEVELOPMENT WEST LLC \$2,156.25
paid by: CK 1100
CA FISH & GAME FOR PP24248
paid towards: CFG05933 CALIF FISH & GAME: DOC FEE
at parcel:
appl type: CFG3

By _____ Apr 22, 2013 15:06
MGARDNER posting date Apr 22, 2013

Account Code	Description	Amount
658353120100208100	CF&G TRUST	\$2,156.25

Overpayments of less than \$5.00 will not be refunded!



OFFICE OF
CLERK OF THE BOARD OF SUPERVISORS
1st FLOOR, COUNTY ADMINISTRATIVE CENTER
P.O. BOX 1147, 4080 LEMON STREET
RIVERSIDE, CA 92502-1147
PHONE: (951) 955-1060
FAX: (951) 955-1071

KECIA HARPER-IHEM
Clerk of the Board of Supervisors

KIMBERLY A. RECTOR
Assistant Clerk of the Board

November 7, 2013

THE PRESS ENTERPRISE
ATTN: LEGALS
P.O. BOX 792
RIVERSIDE, CA 92501

FAX: (951) 368-9018
E-MAIL: legals@pe.com

RE: ADOPTION OF ORDINANCE NO. 348.4769

To Whom It May Concern:

Attached is a copy for publication in your newspaper for **ONE (1) TIME** on **Monday, November 11, 2013**.

We require your affidavit of publication immediately upon completion of the last publication.

Your invoice must be submitted to this office in duplicate, WITH TWO CLIPPINGS OF THE PUBLICATION.

NOTE: PLEASE COMPOSE THIS PUBLICATION INTO A SINGLE COLUMN FORMAT.

Thank you in advance for your assistance and expertise.

Sincerely,

Karen Barton

Board Assistant to:
KECIA HARPER-IHEM, CLERK OF THE BOARD

BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

(INSERT ORDINANCE NO. 348 4769)

(INSERT MAP HERE)

John J. Benoit, Chairman of the Board

I HEREBY CERTIFY that at a regular meeting of the Board of Supervisors of said County, held on **November 5, 2013**, the foregoing Ordinance consisting of two (2) sections was adopted by said Board by the following vote:

AYES: Jeffries, Tavaglione, Stone and Ashley
NAYS: None
ABSENT: Benoit

Kecia Harper-Ihem, Clerk of the Board
By: Karen Barton, Board Assistant

Barton, Karen

From: b p <bkpatel1414@gmail.com>
Sent: Monday, November 04, 2013 8:22 PM
To: COB; b p
Subject: Revised:Agenda item No. 2-12 ADOPTION OF ORDINANCE NO. 348.4769
Attachments: 2-12 Consent calendar 11-5-13.doc

Sub: - Adoption of Ordinance No. 348.4769, amending the zoning in the Homeland area shown on Map no. 2.2354 change of zone case no. 7793 of District. 3/District Three submitted by County Counsel / Planning on October 24 2013 (305 B) [Agenda item no. 2/12 of meeting of Board of Supervisors dated 11/5/2013]

Attached is an opposition letter in respect to above subject.

Thanks

A.P.Market

B. Patel

To,
Board of Supervisors
Riverside County
Riverside, CA
11/04/13

Sub: - Adoption of Ordinance No. 348.4769, amending the zoning in the Homeland area shown on Map no. 2.2354 change of zone case no. 7793 of District. 3/District Three submitted by County Counsel / Planning on October 24 2013 (305 B) [Agenda item no. 2/12 of meeting of Board of Supervisors dated 11/5/2013]

Respected Sir,

With reference to above subject we existing business owner of the area hereby file our objection and concern against such amendment of Ordinance no 348.4769. The recommended motion application states that "This zoning ordinance is associated with private land owner's development application. Since it is fully funded by this private land owner, it will not have an impact on citizens and businesses."

What is the basis of this statement? What are the supporting documents?

We humbly request the board to provide a copy of the full economic impact report, pull factor report and other supporting required inquiries reports showing the impact on public and existing local family run small businesses which will be affected by this ordinance. The county should take adhoc factual inquiries and it must be conducted with respect of local rural area.

There may be no public interest served by such type of amendment in ordinance. It may merely create a conflict between the economic interests of two private parties 1) the land owner and 2) other local small businesses of this rural area. So it is not in public interest at large. The ordinance should also focus on its impact on other local small businesses of the rural area and should be designed to minimize the loss to these businesses. It should be used for the protection of the health, safety and general welfare of the people and local small business of the area and the action of county should enhanced the value of the local area property and business of the area for taxation. The local people and business owner should be able to improve the use and enjoyment of their respective properties. This change will also significantly impact on the health, safety and welfare of the citizen who are residing adjacent to the subject RR plots. The action of county should not constitute diminution of value of the local small business of area.

This action of the county may make local small business commercially impracticable. It may also deprive local small business from taking full benefits of their investments. It may also cause serious injury to the local small business and its family. It will snatch away their business and bread and butter of the family members and create mental stress and agony. It will snatch away the market share of the small business. The ordinance 348.4769 may impact on economic condition of local small business owner and their property and its interference with reasonable investment backed expectation. If the ordinance is amended, and the big Family Dollar Store is built on this land, local business may suffer significant loss in their businesses and it may lead them to lose their investment and property. As, the size of this Family Dollar Store is 8239 sq ft, it will

create unfair competition with the small family businesses of around sizes 2000-3000 sq ft. Moreover, it may cause irreparable loss to local area businesses and that cannot be compensated in terms of money. Therefore, the balance of convenience is in favor of local small business owners.

Few questions arises and need a review are: Whether the Homeland area is capable to absorbed such type of big store or not? Whether other local small businesses can survive if such type of big 8239 sq.ft. discount store is opened in the nearby Plots? Whether local small business investment will significantly suffer if the big family dollar company is opening its second store within 5 miles? While satisfying the desire of one plot owner and big family company, whether other small scale business owners and their family are suffering or not in the today's bad economic era? Moreover, the C-P-S zoning does not allow such type of big discount store as it is not considered a convenient store. This plot can allow other small businesses which may not affect other businesses and are really needed for the betterment of the community such as daycare center, medical center, library, small parks, vocational training center, etc.

Adoption of the amendment no.348.4769 in ordinance 348 should not be enacted. This ordinance is not a remedial one and not designed to cure existing evils and abuses. There is no exigency existed that would warrant the exercise of eminent domain. The balance of convenience is also in favor of the local business and people. We have faith and trust in our area administrators and believe that local people of the area and business property owner will get fair, bonafide, neutral, legal justice considering the welfare of the community.

For Reference:

- Stacy Mitchell. "The Impact of Chain Stores on Community" 2000
<http://www.ilsr.org/impact-chain-stores-community/>
- KEYSTONE BITUMINOUS COAL ASSN. v. DeBENEDICTIS, 480 U.S. 470 (1987) 480 U.S. 470
KEYSTONE BITUMINOUS COAL ASSN. ET AL. v. DeBENEDICTIS,
SECRETARY,
PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL RESOURCES, ET
AL.
CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE
THIRD CIRCUIT
No. 85-1092.
Argued November 10, 1986
Decided March 9, 1987

<http://caselaw.lp.findlaw.com/scripts/getcase.pl?court=US&vol=480&invol=470>

A.P.Market
Homeland, CA 92548
11/4/13

Nov. 5. 2013
Clerk's Copy Agenda Item
NO # 2/12
Ordinance 348.4769

To,
Board of Supervisors
Riverside County
Riverside, CA
11/04/13

Sub: - Adoption of Ordinance No. 348.4769, amending the zoning in the Homeland area shown on Map no. 2.2354 change of zone case no. 7793 of District. 3/District Three submitted by County Counsel / Planning on October 24 2013 (305 B) [Agenda item no. 2/12 of meeting of Board of Supervisors dated 11/5/2013]

Respected Sir,

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What is the basis of this statement? What are the supporting documents?

We humbly request the board to provide a copy of the full economic impact report, pull factor report and other supporting required inquiries reports showing the impact on public and existing local family run small businesses which will be affected by this ordinance. The county should take adhoc factual inquiries and it must be conducted with respect of local rural area.

There may be no public interest served by such type of amendment in ordinance. It may merely create a conflict between the economic interests of two private parties 1) the land owner and 2) other local small businesses of this rural area. So it is not in public interest at large. The ordinance should also focus on its impact on other local small businesses of the rural area and should be designed to minimize the loss to these businesses. It should be used for the protection of the health, safety and general welfare of the people and local small business of the area and the action of county should enhanced the value of the local area property and business of the area for taxation. The local people and business owner should be able to improve the use and enjoyment of their respective properties. This change will also significantly impact on the health, safety and welfare of the citizen who are residing adjacent to the subject RR plots. The action of county should not constitute diminution of value of the local small business of area.

This action of the county may make local small business commercially impracticable. It may also deprive local small business from taking full benefits of their investments. It may also cause serious injury to the local small business and its family. It will snatch away their business and bread and butter of the family members and create mental stress and agony. It will snatch away the market share of the small business. The ordinance 348.4769 may impact on economic condition of local small business owner and their property and its interference with reasonable investment backed expectation. *97 amount to + adding.* If the ordinance is amended, and the big Family Dollar Store is built on this land, local business may suffer significant loss in their businesses and it may lead them to lose their investment and property. As, the size of this Family Dollar Store is 8239 sq ft, it will

Submitted by

Bhawal

11/5/13
(date)

Item 2-12

create unfair competition with the small family businesses of around sizes 2000-3000 sq ft. Moreover, it may cause irreparable loss to local area businesses and that cannot be compensated in terms of money. Therefore, the balance of convenience is in favor of local small business owners. *Thus, the amendment is discriminatory & contradictory*

Few questions arises and need a review are: Whether the Homeland area is capable to absorbed such type of big store or not? Whether other local small businesses can survive if such type of big 8239 sq.ft. discount store is opened in the nearby Plots? Whether local small business investment will significantly suffer if the big family dollar company is opening its second store within 5 miles? While satisfying the desire of one plot owner and big family company, whether other small scale business owners and their family are suffering or not in the today's bad economic era? Moreover, the C-P-S zoning does not allow such type of big discount store as it is not considered a convenient store. This plot can allow other small businesses which may not affect other businesses and are really needed for the betterment of the community such as daycare center, medical center, library, small parks, vocational training center, etc. *The Family dollar is not a convenient store.*

Adoption of the amendment no.348.4769 in ordinance 348 should not be enacted. This ordinance is not a remedial one and not designed to cure existing evils and abuses. There is no exigency existed that would warrant the exercise of eminent domain. The balance of convenience is also in favor of the local business and people. We have faith and trust in our area administrators and believe that local people of the area and business property owner will get fair, bonafide, neutral, legal justice considering the welfare of the community.

For Reference:

- Stacy Mitchell. "The Impact of Chain Stores on Community" 2000
<http://www.ilsr.org/impact-chain-stores-community/>
- KEYSTONE BITUMINOUS COAL ASSN. v. DeBENEDICTIS, 480 U.S. 470 (1987) 480 U.S. 470
KEYSTONE BITUMINOUS COAL ASSN. ET AL. v. DeBENEDICTIS, SECRETARY, PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL RESOURCES, ET AL.
CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT
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<http://caselaw.lp.findlaw.com/scripts/getcase.pl?court=US&vol=480&invol=470>

A.P.Market
Homeland, CA 92548
11/4/13

FOR REFERENCE

IMPACT OF THE WAL-MART PHENOMENON ON RURAL COMMUNITIES

Kenneth E. Stone
Iowa State University

Introduction

There is strong evidence that rural communities in the United States have been more adversely impacted by the discount mass merchandisers (sometimes referred to as the Wal-Mart phenomenon) than by any other factors in recent times. Studies in Iowa have shown that some small towns lose up to 47 percent of their retail trade after 10 years of Wal-Mart stores nearby (Stone 1997).

Overview

The discount mass merchandisers are not the only threats that small town retailers have faced. In the more distant past (the late 1800s), mail order catalogs distributed by Montgomery Ward and Sears Roebuck caused quite a stir (Mahoney). The mail order catalogs offered large selections at competitive prices. Coincidentally, a well-established railroad system provided nationwide delivery of mail order goods within a few to several weeks. At its peak, Sears Roebuck offered over 100,000 items through its catalog and captured some sales from local merchants.

The next major threat to rural retailers was the automobile. In the 1920s and 1930s, automobiles and roads developed to the point where rural residents gained considerable mobility and could more easily leave their small home towns and travel to shop at larger towns and cities. However, this trend was slowed in the 1930s because of the Great Depression and in the early 1940s because of World War II and its resultant shortage of goods. The late 1940s was a boom time for retailers in both rural areas and larger cities because of the relative prosperity and the great pent-up demand resulting from the Great Depression and World War II.

Shopping malls began to appear in larger trade centers in the 1950s and 1960s. Rural residents were strongly attracted to the new malls because of their ease of access, large selections, controlled climate, easy and free parking and their extended shopping hours. Shopping malls fundamentally changed the way Americans shopped. They drew shoppers from the downtowns to the shopping center location, typically at the edge of town or in a suburb. Shopping centers caused the demise of downtowns, most of which have never fully recovered.

A new format, called discount department stores, began appearing in the 1960s. In fact, K Mart, Wal-Mart and Target stores all began operations in 1962. These were

not the first discount department stores, but they turned out to be the largest chains. The three companies expanded in completely different ways, however. K Mart initially located stores in relatively large communities and spread rapidly across the United States and Canada and, within six or eight years, had become a truly national chain (Discount Store News).

Wal-Mart, on the other hand, initially located its stores in small Southern towns. By opening a relatively large store in a small town, Wal-Mart could quickly become a dominant store (Walton). Furthermore, Wal-Mart's founder, Sam Walton, did not want to outrun his logistical support; namely, his distribution centers. Consequently, Wal-Mart progressed methodically across the United States, always building stores within a day's drive of its distribution centers, and taking over 30 years to become a fully national chain.

Target, owned by Dayton Hudson Company, has selectively looked for markets of opportunity and, after 35 years, is still not located in all the U.S. states. Target will undoubtedly establish stores in every state within a short time.

The 1980s saw a rapid expansion of the discount department stores. In addition, a new store format, called "category killer," began appearing on the scene (Stone 1995). These were large specialty stores that featured nearly complete selections within their narrow category. Quickly, these stores became dominant and, consequently, killed off smaller stores within the category. One of the early category killer stores was Toys R Us, and it remains a dominant toy store today. The buildings materials category was quickly dominated by The Home Depot, but Lowes, Builders Square, Menards and others have also taken substantial market share. The battle within the office supply category is being fought among such stores as Office Max, Office Depot and Staples. Many other categories are being fought over by other category killer stores.

Impacts of Discount Mass Merchandisers

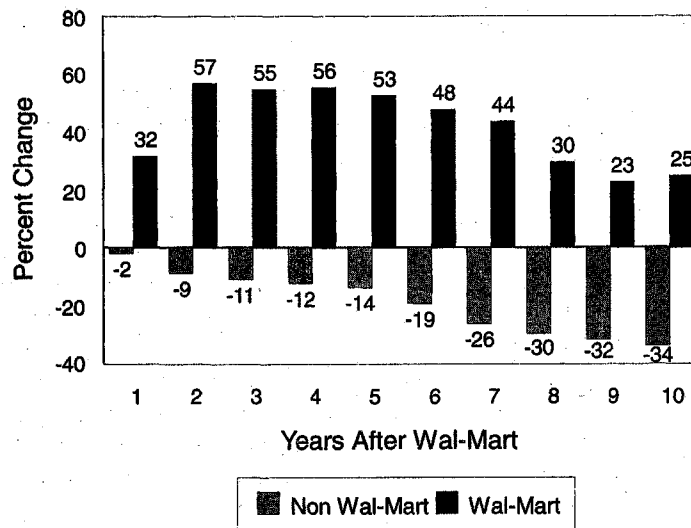
My first study of the impact of Wal-Mart stores was conducted in 1988 to help my clients (Iowa retailers) understand the impacts so that they could better develop strategies to remain competitive (Stone 1991). These studies were updated every two years or so in the 1990s and the results seemed fairly consistent. However, in recent years, it became apparent that the retail situation in Wal-Mart towns was changing. This year, a new study was conducted to determine the situation in Iowa small towns after 10 years of Wal-Mart stores, and those results are reported below (Stone 1997).

The study looked at 34 towns in Iowa that had Wal-Mart stores for at least 10 years. The retail performance of these towns was compared to 15 towns of the same population group that did not have Wal-Mart stores. The population of these towns

ranged from 5,000 to 40,000 persons. Results for two-digit Standard Industrial Classification Codes (SIC) are discussed below.

General Merchandise. General merchandise stores are department stores and variety stores, and include stores such as Wal-Mart, K Mart and Target. Figure 1 shows the average change in pull factors (trade area size) for the 10 years following the opening of Wal-Mart stores.

Figure 1. Iowa Non Wal-Mart Towns vs. Wal-Mart Towns General Merchandise - After 10 Years.

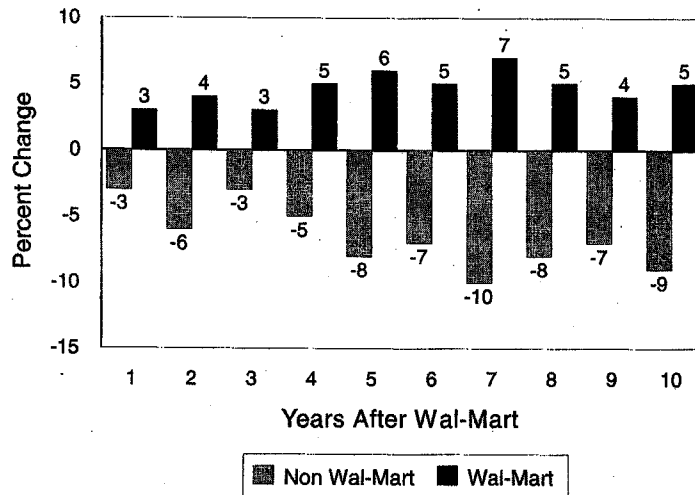


As can be seen, the average growth in general merchandise sales for the Wal-Mart towns was spectacular for the first few years, averaging approximately 50 percent growth (most of which was obviously Wal-Mart's). However, after about five years, sales began declining and, after 10 years, sales were 25 percent higher than before the Wal-Mart store opened. It is believed that this decline in sales occurred because Wal-Mart placed its own stores too close together, causing a predatory effect. At the same time, the build-up of large stores in bigger towns and cities captured some sales from even the Wal-Mart towns.

The general merchandise stores in the non Wal-Mart towns began declining immediately after the Wal-Mart stores opened. Their sales declined by two percent after the first year and continued declining to a cumulative 34 percent after 10 years. A few of these towns had a K Mart store (typically an older, smaller store), and all of them had one or more regional discount stores, such as Pamida, Alco or Place's. It is believed that people in the towns without Wal-mart stores migrated to the towns with Wal-Mart stores to shop for general merchandise.

Eating and Drinking Places. This category includes restaurants of all types and various types of drinking establishments such as taverns and cocktail lounges. Most of the sales occurred in the eating places and they continue to grow. The changes in sales of eating and drinking places are shown in Figure 2.

Figure 2. Iowa Non Wal-Mart Towns vs. Wal-Mart Towns Eating & Drinking Places - After 10 Years.

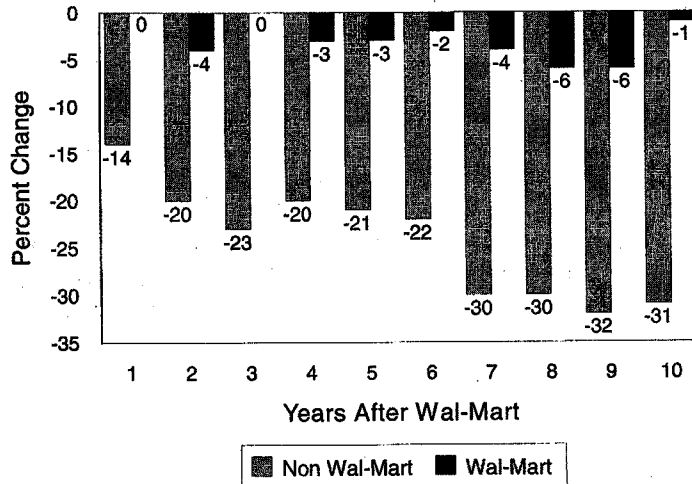


As can be seen, the sales of eating and drinking establishments increased from three to seven percent over the state-wide average for the Wal-Mart towns. Conversely, the sales of eating and drinking places in the non Wal-Mart towns immediately declined and, after 10 years, were still nine percent below the state-wide average. These results indicate that people leave the non Wal-Mart towns to shop in the Wal-Mart towns and while there, they patronize the eating and drinking places.

Home Furnishings. Home furnishings stores consist of furniture stores, major appliance stores, drapery stores, etc. Early studies in Iowa showed that these types of stores benefitted from having a Wal-Mart store in town with its large drawing power. Figure 3 shows the 10 year results.

The initial spill-over benefit enjoyed by home furnishings stores in the Wal-Mart towns eventually eroded somewhat as several later towns had stores so weak that they could not capture this trade. As can be seen in Figure 3, however, home furnishings sales in the Wal-Mart towns declined only slightly, compared to the sales in the non Wal-Mart towns, which ended up declining by 31 percent after 10 years. It is believed that when consumers leave the non Wal-Mart towns to out-

Figure 3. Iowa Non Wal-Mart Towns vs. Wal-Mart Towns Home Furnishings - After 10 Years.



shop for one or more items, they probably also use these occasions to shop for home furnishings.

Building Materials. The building materials category consists of lumber yards, home improvement centers, hardware stores, and paint and glass stores. Figure 4 shows the changes in sales after 10 years of Wal-Mart stores.

Figure 4 shows that building materials stores in both Wal-Mart and non Wal-Mart towns experienced immediate and moderate losses of sales for the first few years after the opening of the Wal-Mart stores. The situation grew progressively worse, especially in the Wal-Mart towns which showed a 20 percent decline after seven years. However, starting in about year eight, the sales of building materials stores started improving rapidly and 10 years after the fact, sales were four percent above the pre-Wal-Mart level. Anecdotal evidence indicated that a few of the category killer building materials stores located in some of the Wal-Mart towns, thus improving these towns' sales, while causing the non Wal-Mart towns to experience a decline of 25 percent after 10 years.

Specialty Stores. This category includes several types of stores, such as sporting goods, jewelry, card and gift, druggists, florists, etc. Many of these stores sell merchandise that is competing directly with the discount mass merchandiser and consequently suffer losses of sales. Figure 5 shows the change in sales for specialty stores in the 10 years following the opening of a Wal-Mart store.

Figure 4. Iowa Non Wal-Mart Towns vs. Wal-Mart Towns Building Materials Stores - After 10 Years.

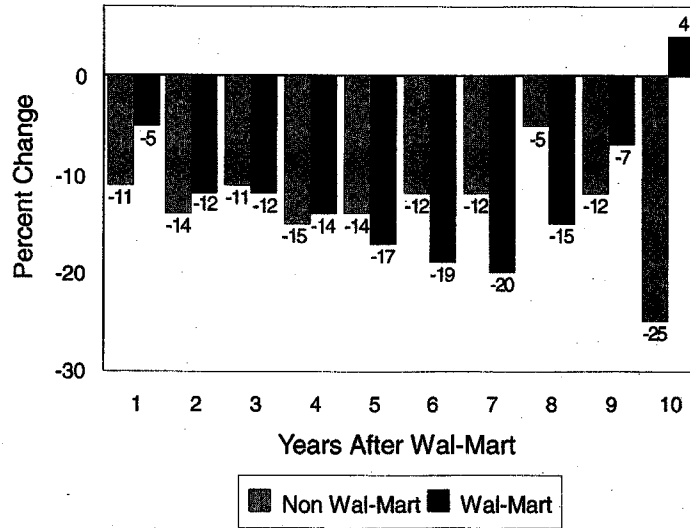
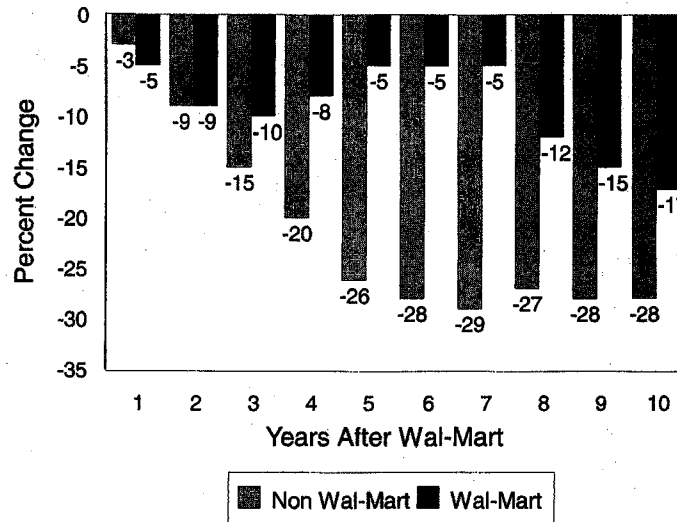


Figure 5. Iowa Non Wal-Mart Towns vs. Wal-Mart Towns Specialty Stores - After 10 Years.



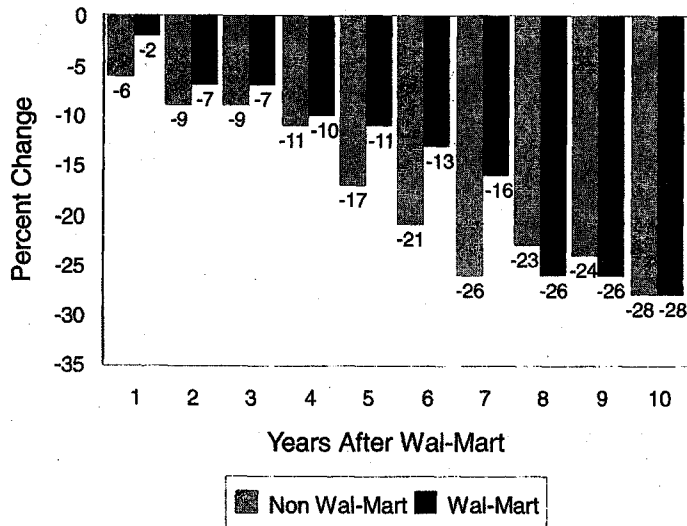
Specialty store sales in the Wal-Mart towns declined by 10 percent after three years of a Wal-Mart store. The situation improved to only a 5 percent decline until year eight when the decline became 12 percent. Sales further declined to 17 percent by the end of year 10. This illustrates that stores selling the same merchandise as a Wal-Mart store will most probably lose sales after a Wal-Mart store opens in their town.

In the non Wal-Mart towns, specialty store sales steadily declined after the introduction of Wal-Mart stores in nearby towns to a low of 29 percent by the end of year 7. This level of sales held fairly steady and year 10 showed a cumulative 28 percent decline, compared to the year before the Wal-Mart store opened. It seems obvious that residents of the Wal-Mart towns were leaving their towns to shop either in the Wal-Mart towns or other larger trade centers.

Apparel Stores. Apparel stores include clothing stores for men, women and children plus shoe stores. Figure 6 shows the changes in apparel stores in Iowa towns after the introduction of Wal-Mart stores.

Apparel store sales dropped fairly steadily in the Wal-Mart towns in the years following the opening of a Wal-Mart store, ending at 28 percent below the pre-Wal-Mart level after 10 years. This probably means that these losses were suffered primarily by the stores selling low-end apparel that competed directly with the apparel sold at a Wal-Mart store.

Figure 6. Iowa Non Wal-Mart Towns vs. Wal-Mart Towns Apparel Stores - After 10 Years.



The apparel stores in non Wal-Mart towns also suffered a steady decline in sales in the years after a nearby Wal-Mart opening, ending year 10 at the same 28 percent level as apparel stores in Wal-Mart towns. Again, it is assumed that most of these sales losses were from stores that handled competing low-end apparel.

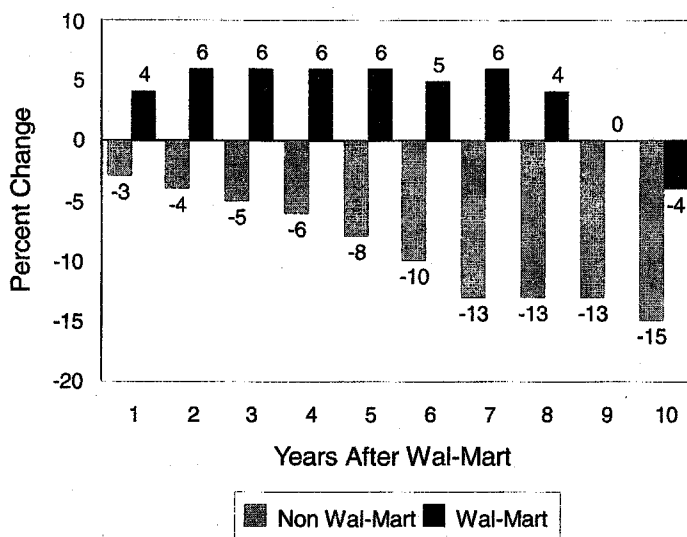
Total Sales. Figure 7 shows the change in total retail sales for the 10 years following the opening of a Wal-Mart store.

Total sales for Wal-Mart towns increased by six percent by the second year and held nearly steady through year seven. However, by year eight, a decline began and by year 10, sales were four percent below the pre-Wal-Mart level. This probably reflects the opening of several mass merchandiser stores in the major trade centers in the last few years that, in turn, captured trade from outlying areas, including Wal-Mart towns.

The non Wal-Mart towns, however, suffered a worse fate than the Wal-Mart towns as their total sales continually decreased over the 10-year period, ultimately ending up 15 percent lower than the pre-Wal-Mart level.

Small Town Losses. It is clear that among the mid-size towns discussed above, the Wal-Mart towns fared somewhat better than the non Wal-Mart towns. But, what was the impact of the mass merchandiser stores on the hundreds of towns with

Figure 7. Iowa Non Wal-Mart Towns vs. Wal-Mart Towns Total Sales - After 10 Years.



populations of less than 5,000? Figure 8 shows the percent change in sales of these towns from 1983 (the first year that Wal-Mart stores opened in Iowa) through 1996. It becomes clear that towns under 5,000 population bear the brunt of the discount mass merchandisers. In most cases, these towns do not have the critical mass of retail stores needed to keep customers at home to shop once newer and larger stores locate nearby.

Figure 8. Percent Change in Sales of Iowa Small Towns 1983-1996.

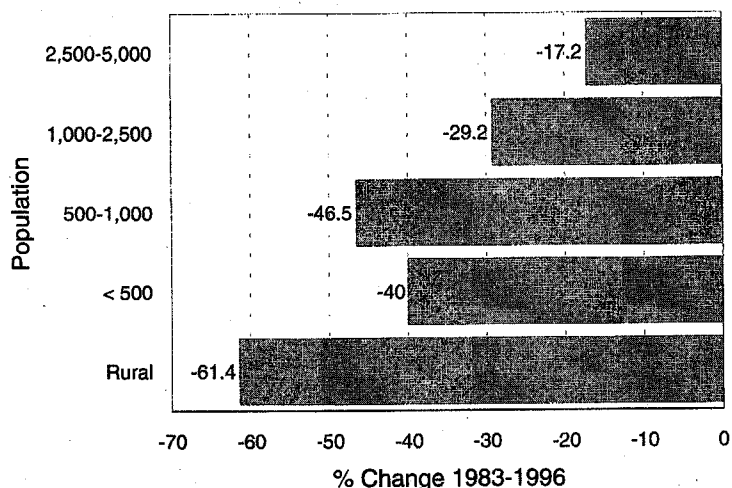


Figure 9 shows the approximate dollar loss of retail sales for these towns from 1983 to 1996. Sales for businesses in rural areas (outside of towns) declined by \$742.8 million from 1983-1996. Towns of 1,000 to 2,500 population suffered sales losses of \$596 million during this period. In total, towns below 5,000 population, plus the rural businesses, lost retail sales of \$2.46 billion during this 13-year period.

Changes in Shopping Habits

After discount mass merchandisers operate in an area for an extended period of time, people gravitate to these stores and, consequently, cause losses of sales to smaller competing stores. Figure 10 shows changes in the buying habits of Iowa consumers for selected stores.

The average Iowa consumer spent 42 percent more money in department stores (primarily discount stores) in 1996 than he or she did in 1983. At the other extreme, on average, consumers spent 59 percent less in men's and boys' clothing stores. This resulted in the loss of over 60 percent of these stores during this period.

Figure 9. Dollar Change in Sales of Iowa Small Towns 1983-1996.

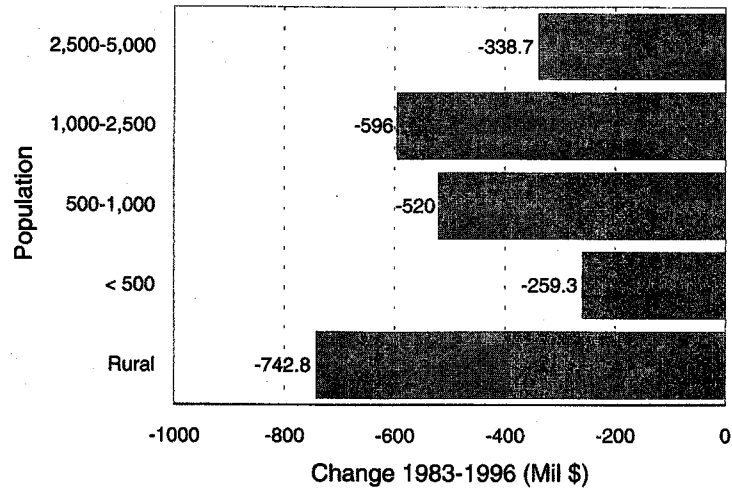
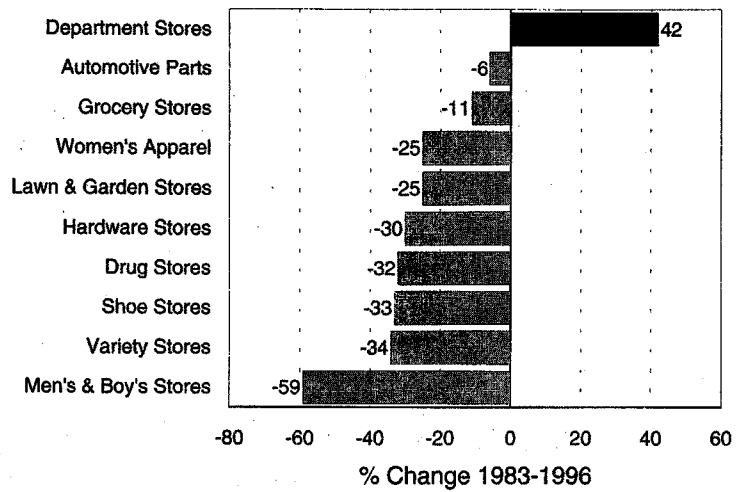


Figure 10. Percent Change in Sales of Iowa Stores 1983-1996.



Public Policy Implications

Public officials often get involved in regulations and statutes concerning the establishment of new mass merchandiser stores. At the state level, Vermont officials attempted to keep the Wal-Mart Company from establishing stores in that state. The policy was well intended and was meant to protect the predominantly small merchants in a small state. However, as time went on, it soon became obvious that the ban was having the opposite effect. As Wal-Mart built stores on the New Hampshire (a no sales tax state) border and on the New York border, it soon began to suck the trade out of Vermont. It is not possible to put fences around a state to keep residents from out-shopping.

Organizations within many municipalities have attempted to prevent mass merchandisers from locating in their areas. Most often, this resistance is organized and supported by local merchants who fear the competition. However, in more and more cases, people who are genuinely concerned about preservation of historic sites and natural resources organize the resistance. Complicating factors in these local debates are growth-oriented local officials such as mayors, city administrators, city council members, county council members, etc. Quite often, they look at the short-term benefits of more employment, and at an increased tax base. But, in the long term, the situation often results in the loss of local businesses—which reduces employment and the tax base. In more and more cases, local officials are actively recruiting the mass merchandisers to their communities and offering attractive incentives. Representatives from the outlying smaller towns have the least representation in this decision making process and, consequently, they suffer the greatest losses.

Conclusions and Recommendations

Rural communities have been losing retail sales to larger towns ever since Montgomery Ward and Sears Roebuck started their mail order businesses. However, the leakage of retail trade from small towns has accelerated in the last two decades with the rapid proliferation of discount mass merchandiser stores in the larger towns and cities. Studies in Iowa have shown that some towns below 5,000 population have lost nearly half their retail trade in the last 13 years. Public officials are placed in difficult situations as they decide whether to recruit and/or approve the establishment of new mass merchandiser stores. There is a need for an educational program aimed at public officials, to help them make better decisions regarding this problem.

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Riverside County Board of Supervisors
Request to Speak

Q.M.M.S

Submit request to Clerk of Board (right of podium),
Speakers are entitled to three (3) minutes, subject
to Board Rules listed on the reverse side of this form.

SPEAKER'S NAME: Bharat Pahl

Address: _____
(only if follow-up mail response requested)

City: Homeland **Zip:** 92548

Phone #: _____

Date: 11/5/13 **Agenda #** 2-12

PLEASE STATE YOUR POSITION BELOW:

Position on "Regular" (non-appealed) Agenda Item:

Support Oppose Neutral

Note: If you are here for an agenda item that is filed
for "Appeal", please state separately your position on
the appeal below:

Support Oppose Neutral

I give my 3 minutes to: _____

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You may request to be heard on a published agenda item. Requests to be heard must be submitted to the Clerk of the Board before the scheduled meeting time.

Requests to Address Board on items that are "NOT" on the Agenda:

Notwithstanding any other provisions of these rules, member of the public shall have the right to address the Board during the mid-morning "Oral Communications" segment of the published agenda. Said purpose for address must pertain to issues which are under the direct jurisdiction of the Board of Supervisors. YOUR TIME WILL BE LIMITED TO THREE (3) MINUTES.

Power Point Presentations/Printed Material:

Speakers who intend to conduct a formalized Power Point presentation or provide printed material must notify the Clerk of the Board's Office by 12 noon on the Monday preceding the Tuesday Board meeting, insuring that the Clerk's Office has sufficient copies of all printed materials and at least one (1) copy of the Power Point CD. Copies of printed material given to the Clerk (by Monday noon deadline) will be provided to each Supervisor. If you have the need to use the overhead "Elmo" projector at the Board meeting, please insure your material is clear and with proper contrast, notifying the Clerk well ahead of the meeting, of your intent to use the Elmo.

Individual Speaker Limits:

Individual speakers are limited to a maximum of three (3) minutes. Please step up to the podium when the Chairman calls your name and begin speaking immediately. Pull the microphone to your mouth so that the Board, audience, and audio recording system hear you clearly. Once you start speaking, the "green" podium light will light. The "yellow" light will come on when you have one (1) minute remaining. When you have 30 seconds remaining, the "yellow" light will begin flash, indicating you must quickly wrap up your comments. Your time is up when the "red" light flashes. The Chairman adheres to a strict three (3) minutes per speaker. **Note: If you intend to give your time to a "Group/Organized Presentation", please state so clearly at the very bottom of the reverse side of this form.**

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Addressing the Board & Acknowledgement by Chairman:

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**Riverside County Board of Supervisors
Request to Speak**

Submit request to Clerk of Board (right of podium),
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to Board Rules listed on the reverse side of this form.

SPEAKER'S NAME: Shivani

Address: _____
(only if follow-up mail response requested)

City: Hemet **Zip:** 92545

Phone #: _____

Date: 11/5/13 **Agenda #** 2-12

PLEASE STATE YOUR POSITION BELOW:

Position on "Regular" (non-appealed) Agenda Item:

_____ **Support** **Oppose** _____ **Neutral**

Note: If you are here for an agenda item that is filed
for "Appeal", please state separately your position on
the appeal below:

_____ **Support** _____ **Oppose** _____ **Neutral**

I give my 3 minutes to: Bharat Patel

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