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February 17, 2009

Attention: Ron Lundquist, Chair
Salinas City Planning Commissioners
200 Lincoln Avenue
Salinas, CA 93901

Regarding: Zoning Code Amendment 2009-002

Dear Mr. Lundquist and Planning Commissioners:

LandWatch Monterey County supports the planning staff's recommendation for the proposed Zoning Code Amendment 2009-002 which restricts the percentage of total gross floor area for non-taxable merchandise for commercial, mixed use, and new urbanism zoning districts. Planning staff has put forth a very good ordinance to ensure that superstores will not induce urban blight in the city by running other Salinas retailers out-of-business. Superstores which combine large grocery sections with general merchandise are dangerous for a city's fiscal planning and represent bad land-use for two primary reasons:

- Super stores cannibalize existing stores and create urban blight. Grocery stores are often "anchor" attractions, bringing customers to adjacent businesses. Super stores drive the anchor grocery stores out of business, creating a domino effect leaving vacant buildings which attract vandalism and crime.
- Most grocery items are non-taxable. In these challenging times, the City of Salinas needs to maximize the available floor space for taxable items to generate more revenue for the city.

The staff report lays out three alternatives for the Planning Commission:

1. Affirm the findings set forth in the proposed Resolution and recommend the City Council introduce and adopt the proposed zoning code amendment;
2. Affirm the findings and recommend adoption by the city council with modifications; or
3. Find the proposed zoning code amendment is not appropriate.

LandWatch urges the Planning Commission to adopt the second alternative and recommend modification of the ordinance to apply to retail stores exceeding 90,000 square feet (rather than the 100,000 square feet recommended by staff).

The staff report says that the most immediate effect of this ordinance, if adopted, would be to prohibit a large retailer from dedicating more than five percent of its total gross floor area in the

former Home Depot to non-taxable items. However, the old Home Depot building is 102,370 square feet, making it possible for a large retailer to easily reduce the square footage of the building below 100,000 square feet.

The City of Stockton approved a very similar ordinance in 2007 and Wal-Mart responded with a proposal for a 99,000 square foot superstore that would not be subject to the ordinance. It would be easy for any retailer to reduce the square footage of the former Home Depot building to less than 100,000 square feet, a reduction of only 2,371 square feet, in order to avoid the restrictions of the ordinance. Because of this, LandWatch believes the ordinance should be changed to affect all retail stores over 90,000 square feet. Other California cities have approved similar ordinances such as Arroyo Grande in 2003, Livermore in 2006, Paso Robles in 1999, Santa Maria in 1997, and Martinez in 2002, among others.

LandWatch urges the members of the Planning Commission to recommend that the Salinas City Council do the following:

- **Pass an ordinance restricting the gross floor area for non-taxable merchandise to five percent for all the reasons stated in the planning staff's report.**
- **Modify staff's recommendation so the restriction begins with stores larger than 90,000 square feet.**

This ordinance is necessary for the city. It will ensure that superstores do not induce urban blight which attracts vandalism and crime in vacant buildings. The ordinance would also guarantee that the city receives greater tax revenues from existing and future large retail stores, while supporting Salinas businesses already present within the city.

Sincerely,

/s/ Chris Fitz

Chris Fitz, Executive Director

Cc: Courtney Grossman, Planning Manager