

Taos, New Mexico

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Summary

This study provides a unique look at the long-term impacts of a large retail store on a small community with a tourist-based economy. In the 1980's Taos, New Mexico was an economically depressed community with no size restrictions in place for large retail structures. Though some community groups dissented, a 75,000 square foot Wal-Mart was built on the outskirts of town in 1985. Over

18 years later, the outcome of this development has created negative economic impacts for small businesses, more careful zoning and land use codes, and community and political battles over future "big box" development. Evidence also suggests that the 1985 Wal-Mart development opened the door to future large retail development by rallying community and town support through jobs and tax dollars. Despite the recent changes in code, the sprawl of large retail development and the ensuing community battles seem inevitable in the town of Taos.



Photo: Taos Wal-Mart

Community Background

Location: Taos, New Mexico (See map in Appendix A)

Size: population 4,065

Economic Base: Retail Trade and Services, including Tourism
(Taos Economic Report 2001)

Governing/Planning Structure: Mayor/ Council with City Manager
Planning & Zoning Department

New or Existing Town: Existing

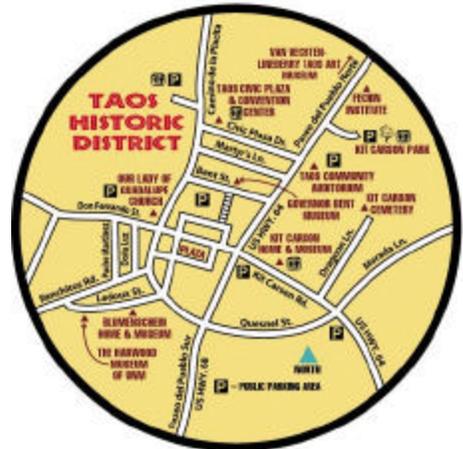
The southwest-pueblo character of Taos is a unique blend of several close-knit communities, including a Native American Pueblo, a Spanish colonial village, an artist colony and a ski resort. Nestled against the Sangre de Cristo Mountains in Northern New Mexico, it sits virtually "at the end of the road," as the last major town on a state route. Santa Fe, the state capital and largest nearby town (pop. 61,805), is 70 miles. Albuquerque, the closest major city (pop. 448,607), is 135 miles. Nearby towns in Taos County have populations less than half of Taos, giving the county a population density of 10 people per square mile (compared with Kenai Borough's density of 11 people per square mile) (U.S. Census 2000). The ethnic composition of the population is a blend of Hispanic (65%), Anglo (27%), and Native American (7%). Half of the town population is under 44 years of age (Taos Chamber of Commerce, 2003, Community Profile).



Sketch of Taos by Dale Chihuly

Economic indicators show that Taos' per capita household income is \$17,815 (U.S. Census 2000). The high degree of unemployment (15.6%) combined with the high cost of living—only

1% less than the cost of living in Homer—create quality of life issues for many residents. People are drawn to Taos by the remote setting, the art community, the proximity to outdoor recreation, and the alternative mindset of the 1960's-influenced counterculture. A comparison of the population growth statistics over two decades before and after the Taos Wal-Mart opened illustrate that growth increased by 10% from 1990 – 2000 (U.S. Census 2000). Taos has over 150,000 visitors per year and tourism is responsible for 80 – 85% of the Taos economy (Taos Economic Report 2001). Visitors are as much lured by the world-renowned ski resorts and mountain desert scenery as the historic Taos pueblo and many art galleries and fine shops. Currently, Taos has more than 80 art galleries and more than 60 retail shops (Taos Chamber of Commerce, 2003, Community Profile).



Map: Taos Historic District. The heavily enforced Historic Overlay Zone closely coincides with the Central Business District. (See Notes: Extended Resources)

Taos' remote setting, sparse population, tourism-based economy, and community character, a mix of young artists and old freethinkers, bear resemblance to the town of Homer. Taos' economic indicators—including its high cost of living, minimal jobs, and low per capita household income—are also roughly comparable to Homer. What differs greatly between the two towns are the number of business establishments, the ethnic demographics, and the unemployment rates.

In terms of the large retail scenario, the Taos Wal-Mart is located on a state route (similar to the Sterling Highway in Homer) about three miles from the town center and is positioned near two chain grocery stores of roughly 30,000 square feet each (See Appendix A). Though Homer does not have the eighteen-year history of a Wal-Mart affecting its town development, a few interesting lessons can be learned by comparing it to Taos' large retail track record. These lessons can be envisioned if one can imagine Homer eighteen years from now, with a "smaller" big box in town and a threatening mega-store continuing to knock at its door.

Wal-Mart History within the Town of Taos: The First Big Box

When asked whether there was any opposition to the Wal-Mart being built in the 1980's or expanded in the 1990's, Taosenos' opinions are mixed. One townspeople, who identified himself as a Wal-Mart supporter, said in an interview with the author on 23 April, 2003 that Taos welcomed Wal-Mart in the 1980's because it badly needed the jobs and the tax base. Sarah Backus, the recently-hired Taos Planning Director, told the author in a 25 April, 2003 interview that she was pretty sure there was opposition, but she could not remember specifics. There were no size restrictions for large retail at that time and the Taos Wal-Mart developer simply acquired land in the appropriate zone (C-2), applied for a commercial building permit, provided a site



Taos Wal-mart Staff

plan, and met various fire and structural codes. Once approved by the Planning & Zoning department, the building permit was issued. No further design review was in place. The structure was constructed in 1985 and opened its doors the following year (Appendix A; Brady 2001).

Outcomes: The Miracle Mile

The Taos Wal-Mart opened in 1986 and hired 100 employees in the first year (Brady 2001). The store is situated on the state route leading into Taos, approximately two miles from the historic town center and the Central Business District. The larger retailer stands alone and two chain grocery stores are nearby. Covered with brown stucco, its “skin” bears some resemblance to the town’s architectural character, but its architectural form is a strikingly familiar “big box” (See picture of store on p.1). Similar to Wal-Mart’s across America, the store features a large asphalt parking lot that sits between the state route and the store. Since no size restrictions or large retail architectural standards were in place at this time in the town code, the stucco façade was a neighborly gesture made by the developer. Today the store is a member of the Taos Chamber of Commerce, has 180 employees and yields \$1,000,000 in gross-receipts tax revenue for the town each year (Lenderman 2003). They contribute to town philanthropies and support community groups with nearly \$300,000 in donations each year (Brady 2002). Despite paying lower wages than the nearby unionized grocery stores, Wal-Mart has been embraced by some Taos residents because of the jobs it has created. The Wal-Mart store manager reports that over 50% of the current employees have been with the same store for 10 years (Brady 2002).

While the Wal-Mart may have created jobs in the name of economic revitalization, time has shown that the big box has done more to hurt the town’s small businesses than to help them. There are no conclusive figures, but studies show that within the first eleven years of operation, the number of retail businesses decreased by 30 – 60% (Staten 1999; Wal-Mart Business Practices, 2003). The majority of the small retail businesses are located along the historic Taos Plaza in the town center and many that survived had to modify their merchandise to stay alive (Lenderman 2003). Those that still sell the same merchandise are continually undersold by Wal-Mart’s “low, low prices” (Staten 1999)—putting into question their claim of creating healthy competition in small towns. As testified in other small town scenarios, when the large retailer continually undersells the small retailers, competitive pricing occurs only until the small retailer goes under. With many small businesses going under in Taos, it was clear that the competition created by Wal-Mart was short-lived and not sustainable.



*Photo: Historic Taos Plaza.
The vibrant town center was an historically important social, cultural, and commercial hub.*

In September 1999, prompted by talk of a Wal-Mart Supercenter coming to town, Taos enacted an ordinance restricting construction of large retail stores. The measure bans new stores that exceed 80,000 square feet and requires developers to obtain a special permit to build stores over 30,000 square feet (Taos Municipal Code [TMC]; Appendix C). At the same time, architectural standards were adopted (TMC; Appendix D) and are required when developers are

seeking building permits for stores over 30,000 feet. The 80,000 square foot figure includes gross square feet. For example, a two-story building could have 50,000 square feet on the first floor and 30,000 square feet on the second floor. If more than one 30,000 to 80,000 square foot building is placed on a building site, the buildings must be at least twenty feet apart and staggered to prevent the big box look. According to the architectural standards, buildings and landscaping must conform to the Pueblo or territorial style, landscaping must mitigate unpleasant appearances. Government-owned buildings (including schools) are exempt from square footage maximums but not architectural review standards. Design review for the historic district is a rigid, multi-lateral process; however, design review for large retail structures is an in-house process in the Planning & Zoning Department.

According to Backus, Taos Planning Director, in an interview with the author on 25 April, 2003, the Taos Plaza and town center is still vibrant and full of unique character, despite the loss in small businesses. The on-going success of the Taos Plaza area is probably due to the rich historic nature of the Plaza and the famous art galleries that are located nearby, providing a distinctly different function than convenience retail shopping. The three-mile distance between the charming town center and the “Miracle Mile” retail character of Wal-Mart, the two grocery stores, and myriad of chain restaurants serves as a barrier from the impacting the character of the town center.

While the separation between the Taos Plaza and the Wal-Mart might serve to keep intact the historic character and unique artistic identity of the town center, it has contributed to the sprawl of chain stores and fast-food restaurants along the state route that serves as the gateway to town. Land values and water rights are extremely expensive in Taos and the push to develop further infrastructure has been funded by the national chain store developments. No environmental effects of this sprawl has been documented, but the additional roadways, parking lots and automobile use necessary to connect the community to the sprawling “Miracle Mile” has undoubtedly increased air pollution, severed habitat corridors of large and small mammals, and increased flash flooding in the many dry gulches that cross this state route.

Wal-Mart History within the Town of Taos: The Supercenter

After eighteen years, the lessons learned from the outcomes of the Taos Wal-Mart development are still unfolding. Even after enacting size restrictions for large retail structures, Wal-Mart developers are pressing to develop an even bigger box in Taos—the Wal-Mart Supercenter. In 2000 and again in 2003, developers have knocked on Taos’ door, asking them to amend the size restriction code to allow the 180,000 square foot structure to be built (“Votes to Keep Store Size Limit” 2003). Proponents are promising 200 more jobs, millions of dollars in construction costs, and doubling the Wal-Mart tax base—all to benefit the town of Taos, as well as the entire Taos County (Lenderman 2003). TAWSS (Taosenos Against Wal-Mart Supercenter), a community activist group, has tried deliberations with Wal-Mart. The developers proposed mitigation to remodel the empty store property, lease it to the city for \$1 a year, develop a park, and increase donations to the Taos Children and Family Center, but the mitigation offer was turned down (Whaley 2003).



Photo: Wal-Mart Supercenter

In 2000, Wal-Mart developers secured a building site just south of the existing Wal-Mart—an added half-mile away from town and across from the Taos Visitor’s Center. At this time, the

Taos City Council voted down amending the size cap to allow for the Supercenter. Survey of citizens and Taos Chamber of Commerce businesses showed that the majority of Taos citizens and businesses were against changing the code (Lenderman 2003). Still, the Wal-Mart developers persisted. In March 2003, Wal-Mart developers pushed City Council to another vote to amend the size restriction. In an even closer vote, the council rejected the motion. Wal-Mart developers are currently taking the battle out of the town's jurisdiction, threatening to develop on nearby county land or even Taos Pueblo land (See Appendix A). Currently the Supercenter permit is pending as County Commissioners debate the issue (Whaley 2003).

Outcome Pending: The Big Divide

Despite the uncertainty of the Supercenter outcome, one thing is for sure—the discount store is dividing the town even before the permit is approved or denied. Some say the debate is really about who will be able to live in Taos as issues of cost of living and gentrification are at stake in the decision to bring in the Supercenter (“Taos’ Fight Over New Wal-Mart” 2003). Wal-Mart proponents are not just out-of-town developers, but locals who believe that the bigger Wal-Mart will bring jobs to lower-skilled laborers and tax money to the impoverished town and county. Opponents of the Supercenter say that the Supercenter will erode the community character and quality of life that brought them there. Opponents have as their strongest weapon the town's Vision 2020 Comprehensive Plan (See Appendix E; Staten 1999). To quote the first two economic development goals: “Taos targets and grows small, sustainable industries that do not negatively impact the environment or the rural character of the area” and “The Taos economy combines a mixture of thriving tourist and local and local-serving businesses, cottage industries and home industries” (Vision 2020 Comprehensive Plan 1999). According to Supercenter opponents, the proposed Wal-Mart development is in conflict with the comprehensive plan. Even with a size restriction ordinance in place, city and county officials have not clearly shown it their allegiance.

References

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Appendices

- Appendix A: Map: Town of Taos, Existing Wal-Mart Site, and Proposed Supercenter Sites
- Appendix B: Summary of the Vision 2020 Comprehensive Plan, Taos, New Mexico
- Appendix C: +Section 5.2 of Taos Municipal Code, Restricting Commercial Building Size
- Appendix D: +Section 5.3 of Taos Municipal Code, Prescribing Architectural Standards of Commercial Buildings Greater than 30,000 Square Feet.

List of Extended Resources:

*Section 4.22 of Taos Municipal Code, Prescribing Standards for the Historic Overlay Zone.

+ These documents are included within the Master document provided to the Homer Chamber of Commerce with this document. Due to their original source, they are not available in electronic form.

* These documents are included within the Extended Electronic Resource provided to the Chamber of Commerce with this document, but are available by request from the Chamber of Commerce.

Appendix B: Summary of Vision 2020 Master Plan

The Town of Taos Vision 2020 Master Plan is a community-based plan with over 350 community members taking part in the planning process during 1998. The plan is a comprehensive vision for the next 20 years that covers the entire geographic area, and encompasses all the functions that make a community work including land use, transportation, housing, economic development, and recreation. It is also a physical plan that not only reflects social and economic values, but also guides the physical development of the community by addressing location of various land uses, design and density of buildings, and the preservation of natural resources and important lands.

The major themes expressed in the Vision 2020 Master Plan are:

- Growth and development that protects Taos' landscape and natural resources
- Diversification and improvement of the economy
- Preservation of open space and agricultural lands
- Enhancement of quality of life, small town character, and sense of community through the use of history and traditions, appropriate technologies, and design
- Provision of community facilities and housing that allow a diverse community of various cultures, classes and ages to flourish

The history of Taos is a story of change, adaptation, and the interaction of three cultures that both complicates and enriches the reality in which Taoseños live today. The most striking feature of Taos, its impressive and nourishing landscape, remains reassuringly stable in a sea of great change. It continues to attract people from around the world just as it attracted its earliest settlers some 8,000 years ago. Through the richness of its history, Taos looks forward to a new millennium that will build upon the opportunities provided by this beautiful land and its diverse and dedicated people.

To receive a copy of the **Town of Taos Vision 2020 Master Plan**, send a check for \$35.00 made payable to the Town of Taos to:

Taos Business Alliance for Economic Development
7001 NDCBU
Taos, NM 87571
Ph: 505-758-2103
Fax: 505-758-2054
info@taosba.org