Summary of Large Retail Case Studies

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Introduction

This collection of case studies offers examples of the ways in which towns and cities have dealt with large retail. Our intention was to present a variety of perspectives and outcomes. Some of the towns we studied have no “big box” retail within their city limits; of those towns that do have big box stores, some have struggled with large retail and others have integrated it gracefully. Among these case studies we have also attempted to consider a range of small towns, with populations ranging from 1,400 to 20,000 people. Because there is “no place like Homer,” it is not possible to directly predict what may happen if large retail comes to Homer based upon what has happened in a parallel town. However, many of the communities surveyed do have strong similarities to Homer, including towns that:

- have economies centered around tourism, fishing, art, and local businesses,
- are located at “the end of the road,”
- have or are experiencing population growth,
- consider their natural surroundings and town character to be vital community assets, and
- seek economic growth that does not infringe upon “quality of life” or community character.

The following case studies describe methods used by town planning boards, city councils, citizens’ groups and others, which have enabled communities to address some of the complex issues that accompany large retail entering small towns. They provide examples of detailed planning codes and guidelines, as well as stories of what has happened in towns without such guidelines. There are also examples of unique approaches that towns have used in the past, and tactics that they are currently implementing, to ensure that established community goals are met and that the future is well planned. We hope that reading these pages will foster a greater understanding of the vast number of strategies available for town planning and the implications of these strategies for large retail within communities.
Case Study Towns

Many commonalities exist between Homer and the towns selected for case studies. For instance, tourism is an important economic factor for the majority of the towns discussed. Cannon Beach, Port Townsend, Taos, Ashland, and Nelson all actively support the arts. Gig Harbor, Ketchikan, and Port Townsend all report fishing to be an important part of their local economies. There are universities in both Bozeman and Ashland. As a matter of location, Taos, Steamboat Springs, and Port Townsend are all located at “the end of the road.” Both Soldotna and Ketchikan serve as Alaskan case studies.

Large Retail and Small Town Atmosphere: the status quo

The presence, absence and form of a “big box” store in a given town is dependent upon a wide variety of factors. Within the following examples are stories about some of the ways in which large retail and small towns have interacted. In addition, potential methods for addressing large retail are discussed. Individual towns have employed different strategies in treatment of large retail. Each town can, therefore, uniquely inform Homer in its decisions about the fate of large retail within its landscape. It should be noted that, in some instances, two towns have taken the same course of action, or utilized similar strategies, yet were met with very different outcomes (e.g. size caps may have eliminated big box stores from one town, but proved ineffective in regulating them elsewhere). In other cases two different courses of action have elicited identical results (e.g. pressure from citizens groups in one town, and adherence to architectural standards in another may have both resulted in the modification of a façade on a big box store). While one criterion for case study selection was that there be time-frames long enough to observe outcomes, these stories are ongoing; even at the time of this writing, the ends remain unknown.

To date, large retail is present within the towns of Bozeman, Nelson, Taos, Fairview Village, Gig Harbor, Steamboat Springs, Port Townsend, Bainbridge Island, Soldotna and Ketchikan, though in several of these towns it is restricted to certain zones. Ashland and Cannon Beach represent the case study towns that do not host large retail.

Soldotna, Ketchikan, Taos, Steamboat Springs, Bozeman, and Nelson are all towns where at least one big box store has been built without being restricted by tight guidelines. To date, Soldotna still has no design guidelines or codes; the town is home to an 158,000 sq.ft. Fred Meyer, in addition to other large retail. Within the Soldotna community, these stores are predominantly viewed as beneficial to the local economy. Yet, some residents seem weary of relying entirely on one or two companies for the bulk of the town’s income. Others express concern about the fate of the neighboring town of Kenai, which currently has 11 new commercial spaces that stand empty.

Unlike the Soldotna scenario, in Ketchikan the opening of a 64,000 sq.ft. Wal-Mart motivated the borough council to establish guidelines for shopping center development. Ketchikan planners created a commercial district and wrote codes that encourage the consolidation of retail for shopping areas of more than 50,000 sq. ft., rather than scattered development throughout the borough. In addition, the borough codes require compact commercial development that allows for sharing of parking spaces, entrances and exits.
In Gig Harbor and Fairview Village, stringent zoning codes and design guidelines are in place to ensure that large retail is restricted to specific areas of town and that the architecture of these big box stores is stylized to fit with the “look” of the individual communities. Bainbridge Island has similar guidelines, and the potential for large retail development, but currently does not host a big box store.

Size caps limit the square footage of buildings in specific districts of Bainbridge Island, Gig Harbor, Taos, and Ashland. In Bainbridge Island large retail may only be built in three commercial zones, one of which has a size cap of 14,400 sq.ft.; additional size caps apply in certain overlay districts. Gig Harbor has designated a single parcel within city limits to be the only place where retail exceeding 35,000 sq.ft. is permitted. This practice-- of concentrating large retail in one location-- has enabled Gig Harbor to retain the sales tax base from big boxes, without compromising the character of the separate downtown commercial district.

When Wal-Mart built a 75,000 sq.ft. store on the outskirts of Taos in 1985, the community was divided: some were in favor of the tax revenue and jobs the big box would generate and others were concerned about the consequences for local shops (which have reportedly since been driven out of business). In 1999, discussion of a new Wal-Mart Supercenter led to the establishment of architectural standards and size caps, as well as required reviews by the Planning and Zoning Department. In Taos, size caps apply to all commercial buildings: those exceeding 80,000 sq.ft. are banned, and special permits are required for structures larger than 30,000 sq.ft. Although these techniques have temporarily deterred the Supercenter from building in Taos, Wal-Mart continues to put pressure on the city council to amend the existing size restrictions.

In Ashland, size restriction has essentially excluded large retail from the town, thus preserving the character of its historic districts. Ashland is divided into detailed site review zones, only one of which permits any large-scale development; further, strict design standards and guidelines set by the Historic Commission are used to retain the pedestrian-oriented small town feel. Both Ashland and Port Townsend have been winners of Main Street awards. As in Ashland, the historic downtown area of Port Townsend is free of big box stores; this is a result of adherence to strict local guidelines, which apply to architectural design and land use. Taos has special restrictions for historic overlays, which also serve to keep those districts free of big boxes. Ketchikan, one of Alaska’s oldest town, places value on its historic area; numerous historic buildings have been retained and special codes apply in the Ketchikan Creek historic district.

The combination of rigorous design reviews and a lack of developable space have eliminated the potential for large retail in Cannon Beach. Similarly, although Nelson already hosts two big box stores, the topography of the region limits the size of the town, and, thus, there is little opportunity for increased sprawl or an abundance of large retail.

The newly re-developed town of Fairview Village is approaching big box stores from a slightly different angle. Unlike many of the other towns studied, Fairview Village is actively seeking the establishment of large retail in its New Urbanist-style pedestrian-oriented commercial development. Developers and small businesses feel that big box stores, including a 133,000 sq.ft. Target store located several blocks from the town center, are an economic necessity and hope to attract at least two mid-sized (40-50,000 sq.ft.) “anchor stores” for the village. Through negotiations with town planners, Target was required to modify its storefront, building materials, and parking in compliance with local architectural styles and zoning codes. The remaining town center is comprised of mixed-use housing, small retail, and civic buildings. Residents are
reported to be satisfied with the manner in which Fairview Village is being developed, particularly in terms of walkability, sense of community, open space protection, trail networks, and extensive ecological restoration projects.

At the other end of the spectrum from the carefully planned and developed new town of Fairview Village, Bozeman has experienced many years of large retail with minimal restrictions. In 2002, realizing that it had become crucial to establish guidelines to govern future growth, city officials in the Planning and Zoning department enacted a temporary moratorium that bans new structures or expansions that exceed 75,000 sq.ft. Further, design guidelines are now required to be applied to buildings between 40,000 and 75,000 sq.ft. Although these restrictions are written in Bozeman’s Municipal Code, enforcement has been lacking. Big box developers, such as Wal-Mart, Target, Home Depot, and CostCo, are instead given the option of paying impact fees, in order to exceed size cap limits. For example, Home Depot negotiated a fee of $450,000 with the City Manager, which was added to the standard fees for water, sewer, fire, police, and other infrastructure.

Impact fees are not the sole method utilized by towns to ameliorate the presence of big boxes. For instance, Gig Harbor has detailed mitigation requirements for large retail, which provide such community amenities as roads, traffic circles, stormwater management, and open space preservation. Similarly, Wal-Mart has offered road construction and expansion of infrastructure as incentives for approval of its proposed new Supercenter in Taos, though the city has twice denied lifting size restrictions to allow the superstore. In other towns large retail has made efforts (sometimes as good neighbors, and other times of a legal obligation) to donate funds and/or supplies to local causes. For example, in Ketchikan, Wal-Mart offered small grants of $5,000 to $15,000 to local non-profits and community development projects. The Chambers of Commerce in Soldotna, Ketchikan, Fairview, and Gig Harbor each report at least one big box store on their membership lists. Although Ashland does not host any large retail, Wal-Mart and CostCo, which are located 7 miles away in Talent, are members of Ashland’s Chamber of Commerce.

Community Heart

One attribute shared by all of the towns chosen for these case studies is a strong sense of appreciation for community. There is a collective desire among the residents of these towns to maintain a certain quality of life. These facts are evidenced by the amount of public outcry regarding the impact of large retail on small towns, and the concerns voiced by many citizens’ groups that “Anywhere, USA”-type development has the potential to be both economically and aesthetically detrimental to local business and local character.

In Nelson a particularly vocal community group, which sought to protect the town’s waterfront from Wal-Mart expansion, ended up garnering the support of local investors who raised $1 million to purchase the property; they went on to develop a Vision Planning document for the waterfront and corresponding design guidelines. Port Townsend’s activists were successful in prohibiting the chain drugstore Rite Aid from building within its historic downtown. The Bainbridge Island community organized to strictly limit the number of auto-oriented fast food establishments in town. Cannon Beach prohibited “formula fast food franchises” altogether. Bozeman residents used their shopping dollars to express their values and saved a local downtown business from extinction. In Fairview Village, the required mitigation and restoration of habitat areas was a direct result of the voicing of concern by local residents.
Citizens’ groups in Steamboat Springs, Taos, Ketchikan, Gig Harbor, and Ashland have all expressed varying degrees of opposition to large retail. Even in Soldotna—where it seems the majority of community members welcomed Fred Meyer and its perceived economic benefits—there were suggestions by some residents that architectural design guidelines be employed. Ultimately, when the fate of town planning is at stake, it is crucial that diverse opinions be considered. Although community organizations who have argued in opposition of large retail have not always been able to restrict it, such groups have consistently pushed for increased regulation and planning, and have helped foster important compromises.

Lessons for Homer

In researching these case studies, we uncovered many examples of codes, guidelines, and unique planning strategies that may be able to inform the designers of Homer’s future. For instance, in an effort to preserve open space, Bainbridge Island has set a goal for itself of concentrating 50% of projected growth within the small urban business district. One of the unique ways in which this density increase has been achieved is by including a residential component within all commercial zones. Further, in Bainbridge Island, housing is required for all commercial developments taller than one story.

Among other examples, Port Townsend’s Chamber of Commerce has developed a special program that gives technical assistance and loans to small businesses. The new town center of Fairview Village has been deliberately designed as a mixed-use development, including civic buildings—city hall, a post office, and a library—as well as residential, retail, and community gathering spaces. Comprehensive plans, historic overlays, architectural standards, and design guidelines have been used in Ashland, Gig Harbor, Nelson, Ketchikan, Steamboat Springs, Bozeman, Taos, and Cannon Beach to ensure that downtowns, old-towns, and central and small business districts retain local charm and are developed at a pedestrian scale. As some of the case studies demonstrate, it is possible for towns to achieve large retail development that is consistent with a town’s individual character, and allows for both access and walkability.

As a case study, the town of Steamboat Springs may be useful to Homer as an example of what may happen when large retail develops relatively unchecked. In Steamboat Springs planners, city council members, retailers, and community members are concerned about the results of a Wal-Mart constructed in 1992. Subsequent establishment of other large retail has caused problems on a case-by-case basis, and big box stores are generally considered to be a controversial issue in town. In hindsight, the town is attempting to develop and implement a plan for future growth. The options for Steamboat Springs are similar to those that have been faced by other towns (including Homer), which lack enforceable guidelines and codes. Outlined by CLARION (2002) in Steamboat’s Community Plan, these three choices are:

- Discourage large regional commercial development and focus on local, community-based retail (i.e. large retail is PROHIBITED).
- Allow large regional commercial development only in designated/zoned locations and require size caps, architectural standards, and/or design reviews (i.e. large retail is INTEGRATED).
- Make no change to current policy, allowing unchecked large regional commercial development (i.e. large retail is UN-RESTRICTED).

Selection of the first option entails the development and enforcement of very tight codes and guidelines. The assessment and conservation of specific areas of ecological significance,
historic buildings, and community landmarks are necessary, as is the development of support systems for local businesses.

The second scenario is achieved in a variety of different manners, many of which have been documented within the case studies and include the development and enforcement of rigorous codes and guidelines. If town planners intend to allow large retail while maintaining control over its impacts, both aesthetic and economic restrictions must be considered.

There are hundreds, if not thousands, of examples of the third situation described above. These places often qualify as “Anywhere, USA” towns. Although some of the towns included in this case study report have experienced this type of development in the past, most have managed to retain some degree of local character (for example, by creating historic overlay districts). Nonetheless, for these towns it has become very clear in recent years that plans for future growth must be made before their character and economic diversity is eroded by uncontrolled forces.

The notion that in the future Homer’s fate may be parallel to that of one of these case study towns is both daunting and exciting. In order to ensure that Homer charts a desirable course, the town must do its best to answer for itself critical questions, and plan accordingly. Some sample questions:

- What are the community’s long-term goals for economic growth? From what sources might the town expect to gain its income in 20 years? In 40 years?
- What role does retail development play in economic sustainability?
- What are the quintessential aspects that make the town unique? How can the intrinsic natural and cultural assets the community most values be protected?
- How ought land uses be distributed now and in the future? Where is it important to create or preserve natural areas, public meeting places, and open spaces?

Many of the case study towns have already answered similar questions for themselves. We hope that the outcomes documented in these case studies will help Homer to further reflect upon its current circumstances and that the case studies provide memorable stories and strategies that can be applied to planning for Homer’s future.
# Table of Case Study Issues

The following table portrays basic information about the towns discussed within the case studies. In general, the towns are ordered from the least restrictive to most restrictive, in terms of large retail. For further depth, please refer to the individual case study documents.

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<thead>
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<th>TOWN</th>
<th>BIG BOX</th>
<th>ZONING</th>
<th>SIZE CAPS</th>
<th>DESIGN GUIDELINES</th>
<th>ARCH STANDARD</th>
<th>DESIGN REVIEW</th>
<th>HISTORIC OVERLAY/DISTRICT</th>
<th>INCENTIVES OFFERED BY BIG BOX*</th>
<th>NOTABLE** COMMUNITY REPORTED</th>
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* = Incentives offered may include construction of roads, infrastructure, or other community amenities. Locations where large retail has made contribution to local projects or in which a box store is a member of the Chamber of Commerce are also marked.

** = Notable community opposition refers to towns which have reported concern about large retail from any community organization, be it large or small. This may range from complaints to a council member to repeated protests. In many cases, there have also been other community groups who have been active supporters of large retail.

*** = Small business failures were reported in these towns. Especially with the state of our current economy, such conclusions are speculative. Some have been verified by economic reports; others are considered rumors. Also, in the case of Cannon Beach, small business failure may be due to competition with out-of-town large retail. For further detail, please see individual case studies.