

# FINAL ENVIRONMENTAL IMPACT REPORT FOR THE WAL-MART PARCEL MAP AND EXPANSION PROJECT

(PM 03-17; 2044 FOREST AVENUE)

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STATE CLEARINGHOUSE #2004012077

**JANUARY 2008**

**Prepared by:**

**CITY OF CHICO**  
Planning Services Department  
411 Main Street  
Chico, CA 95928

**Consultant:**





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**FINAL  
ENVIRONMENTAL IMPACT REPORT  
FOR THE  
WAL-MART PARCEL MAP AND EXPANSION PROJECT  
(PM 03-17; 2044 FOREST AVENUE)**

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**Prepared by:**

**CITY OF CHICO**  
Planning Services Department  
411 Main Street  
Chico, CA 95928

**Consultant:**

**PMC**  
140 Independence Circle, Suite C  
Chico, CA 95973  
530-894-3469  
Fax: 530-894-6459  
[www.pmcworld.com](http://www.pmcworld.com)

**JANUARY 2008**



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# **1.0 INTRODUCTION**

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This Final Environmental Impact Report (FEIR) was prepared in accordance with the California Environmental Quality Act (CEQA) Guidelines (Section 15132). The City of Chico is the lead agency for the environmental review of the Wal-Mart Parcel Map and Expansion project (project) and has the principal responsibility for approving the project. This Final Environmental Impact Report (FEIR) assesses the expected environmental impacts resulting from approval of project and associated impacts from subsequent development of the project, as well as responds to comments received on the Draft EIR.

### 1.1 BACKGROUND AND PURPOSE OF THE EIR

#### OVERVIEW OF CEQA REQUIREMENTS FOR PREPARATION OF AN EIR

The city of Chico (City), serving as the Lead Agency, has prepared this EIR to provide the public and responsible and trustee agencies with information about the potential environmental effects of the proposed project. As set forth in the provisions of CEQA and implementing regulations, public agencies are charged with the duty to consider the environmental impacts of proposed development and to minimize these impacts where feasible while also carrying out an obligation to balance a variety of public objectives, including economic, environmental, and social factors.

CEQA Guidelines Section 15121(a) states that an EIR is an informational document for decision-makers and the general public that analyzes the significant environmental effects of a project, identifies possible ways to minimize significant effects, and describes reasonable alternatives to the project that could reduce or avoid its adverse environmental impacts. Public agencies with discretionary authority are required to consider the information in the EIR, along with any other relevant information, in making decisions on the project.

CEQA requires the preparation of an environmental impact report prior to approving any project that may have a significant effect on the environment. For the purposes of CEQA, the term "project" refers to the whole of an action, which has the potential for resulting in a direct physical change or a reasonably foreseeable indirect physical change in the environment (CEQA Guidelines Section 15378[a]). With respect to the Wal-Mart Parcel Map and Expansion project, the City has determined that the proposed development is a "project" within the definition of CEQA.

#### BACKGROUND OF ENVIRONMENTAL REVIEW PROCESS OF THE PROJECT

The following is an overview of the environmental review process for the Wal-Mart Parcel Map and Expansion project that has led to the preparation of this FEIR:

##### **Notice of Preparation**

In accordance with Section 15082 of the CEQA Guidelines, the City of Chico prepared a Notice of Preparation (NOP) of an EIR in June 2004. The City was identified as the lead agency for the proposed project. This notice was circulated to the public, local, state, and federal agencies, and other interested parties to solicit comments on the scope of the EIR. The June 2004 NOP is presented in Appendix A of the Draft EIR. Concerns raised in response to the NOP were considered during preparation of the Draft EIR and are also presented in Appendix A of the Draft EIR.

## **1.0 INTRODUCTION**

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### **Draft EIR**

The Draft EIR (DEIR) was released for public and agency review on January 2, 2006 and the review period ended on March 3, 2007. The DEIR contains a description of the project, description of the environmental setting, identification of project impacts and mitigation measures for impacts found to be significant, as well as an analysis of project alternatives.

### **Final EIR**

Following the close of the public review period, the City received 80 individual comment letters from agencies, interest groups and the public regarding the Draft EIR. This Final EIR (FEIR) document responds to the written comments received as required by CEQA. The FEIR also contains minor edits to the Draft EIR, which are included in Section 3.0 (Errata). This document constitutes the FEIR.

### **Certification of the Final EIR/Project Consideration**

The City of Chico will review and consider the EIR. If the City finds that the EIR is "adequate and complete", the City may certify the EIR, at a public meeting. The rule of adequacy generally holds that the EIR can be certified if: 1) it shows a good faith effort at full disclosure of environmental information; and 2) provides sufficient analysis to allow decisions to be made regarding the project in contemplation of its environmental consequences.

Upon review and consideration of the EIR, the City may take action to approve, revise, or reject the project. A decision to approve the project would be accompanied by written findings in accordance with CEQA Guidelines Section 15091 and Section 15093. Public Resources Code Section 21081.6 also requires lead agencies to adopt a mitigation monitoring and reporting program to describe measures that have been adopted or made a condition of project approval in order to mitigate or avoid significant effects on the environment. The final mitigation monitoring and reporting program for the project is published as a separate document and is also available at the City.

## **1.2 TYPE OF DOCUMENT**

The CEQA Guidelines identify several types of EIRs, each applicable to different project circumstances. This EIR has been prepared as a Project EIR pursuant to CEQA Guidelines Section 15162. This EIR provides an analysis of the potential environmental effects associated with the implementation of the Wal-Mart parcel Map and Expansion project, located in southeast Chico. The EIR analysis focuses upon potential impacts arising from development of the proposed expansion of the existing Wal-Mart store. The EIR adopts this approach in order to provide a credible worst-case scenario of the impacts resulting from project implementation. Where appropriate, some impacts are analyzed under future conditions, which assume buildout of reasonably foreseeable projects in the region; whereas, other issues that are site specific in nature, are evaluated against baseline conditions.

The Draft EIR includes analysis of alternatives, analysis of the project and cumulative impacts regarding land use, transportation and circulation, air quality, biological resources, cultural and paleontological resources as well as economic impacts.

### **1.3 INTENDED USES OF THE EIR**

The EIR is intended to evaluate the environmental impacts of the project to the greatest extent possible and to be used to modify, approve, or deny approval of the proposed project based on the analysis in the EIR. In accordance with CEQA Guidelines Section 15126, this EIR should be used as the primary environmental document to evaluate all subsequent planning and permitting actions associated with the project. Subsequent actions that may be associated with the project are identified in Section 3.0 (Project Description) of the Draft EIR.

### **1.4 ORGANIZATION AND SCOPE OF THE FINAL EIR**

This Final EIR contains individual responses to each written comment received during the public review period for the Draft EIR. The Final EIR also contains a summary of all changes, corrections, and additions made to the EIR text between the draft and final stages. Deletions are shown in ~~strike through~~, and additions are indicated by underlining. This summary, or errata, is an important reference tool used to identify specific text modifications.

This document is organized in the following manner:

#### **SECTION 1.0—INTRODUCTION**

Section 1.0 provides an overview of the EIR process to date and what the FEIR is required to contain.

#### **SECTION 2.0—COMMENTS AND RESPONSES TO COMMENTS ON THE DRAFT EIR**

Section 2.0 provides a list of commentors, copies of written comments (coded for reference) and the responses to those written comments made on the Draft EIR.

#### **SECTION 3.0—ERRATA**

Section 3.0 consists of the Draft EIR revisions that are a result of responses to comments, as well as minor staff edits that do not change the intent or content of the analysis or mitigation measures.



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## **2.0 RESPONSES TO COMMENTS**

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**2.1 INTRODUCTION**

No new significant environmental impacts or issues, beyond those already covered in the Draft EIR for the Wal-Mart Parcel Map and Expansion project, were raised during the comment period, and the City of Chico, acting as lead agency, directed that responses to the Draft EIR comments be prepared. Responses to comments received during the comment period do not include any new significant impacts or significant new information that would require recirculation of the Draft EIR pursuant to CEQA Guidelines Section 15088.5

The following section contains comment letters on the Draft EIR and written responses to those comments. CEQA requires that this document respond to only those comments that are specific to the Draft EIR. However, every attempt has been made to respond to comments that address the proposed project in general, in an effort to provide the most complete information possible.

**2.2 LIST OF COMMENTERS**

**Table 2.0-1** lists those persons and public agencies that provided written comments on the Draft EIR. The assigned comment letter number, letter date, letter author, and affiliation, if presented in the comment letter or if representing a public agency, are also listed.

**TABLE 2.0-1  
PUBLIC AGENCIES AND PERSONS COMMENTING ON THE DRAFT EIR**

Letter No.	Signature	Affiliation	Date
A	Sukhvinder Takhar, Chief	Caltrans office of Transportation Planning, North	Feb. 2, 2007
B	Rick Kuyper, Fish and Wildlife Biologist	U.S. Fish and Wildlife Service	Jan. 8, 2007
C	Scott A. Zaitz	Regional Water Quality Control Board, Central Valley Region	March 5, 2007
D	Gail Williams, Air Quality Planner	Butte County Air Quality Management District	Feb. 27, 2007
1	Nancy Henry	Resident	Feb. 1, 2007
2	Jim and Donna Williams	Resident	Jan. 22, 2007
3	Meera Y. Celestria	Resident	Feb. 14, 2007
4	Kasey Merrill	Resident	Feb. 1, 2007
5	John and Lori Hunter	Resident	Jan. 31, 2007
6	Steven Leman	Resident	Jan. 31, 2007
7	Michael Worley	Resident	Jan. 30, 2007
8	Lea McCleary	Resident	Jan. 31, 2007

## 2.0 RESPONSES TO COMMENTS

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Letter No.	Signature	Affiliation	Date
9	Mary Aichholz	Resident	Feb. 2, 2007
10	Tim Kiziriam	Resident	Feb. 2, 2007
11	Elizabeth Daniels	Resident	Jan. 30, 2007
12	Elizabeth Daniels	Resident	Jan. 30, 2007
13	Carol Bingman	Resident	Feb. 14, 2007
14	Carol J. Hunt	Resident	Feb. 20, 2007
15	Howard Miller	Resident	Feb. 17, 2007
16	Walter and Rose Luff	Resident	Jan. 13, 2007
17	Sylvia Haselton	Resident	Jan. 25, 2007
18	Linda Lee Bassett	Resident	Jan. 11, 2007
19	Leah Christie	Resident	Jan. 11, 2007
20	Rex Stromness	Resident	Jan. 9, 2007
21	Jennifer Long, Development Director	Big Brothers and Sisters of Butte County	Jan. 10, 2007
22	Gail Beterbide	Resident	Jan. 10, 2007
23	John Alexander	Resident	Jan. 9, 2007
24	Judy Petrucelli	Resident	Jan. 12, 2007
25	Harold D. Jergentz	Resident	Jan. 12, 2007
26	Sharon Jensen	Resident	Jan. 12, 2007
27	Nita Jergentz	Resident	Jan. 13, 2007
28	A. Miller	Resident	Jan. 15, 2007
29	Janice Haugh	Resident	Jan 15, 2007
30	Janice Haugh	Resident	Jan 15, 2007

**2.0 RESPONSES TO COMMENTS**

<b>Letter No.</b>	<b>Signature</b>	<b>Affiliation</b>	<b>Date</b>
31	Daniel and Heidi Gonzales	Resident	Jan. 16, 2007
32	Elizabeth J. Colleran	Resident	Jan. 22, 2007
33	David Smith	Resident	Jan. 30, 2007
34	Michael Perelman	Economics Department, California State University	Jan. 31, 2007
35	Colleen Peace	Resident	Jan. 31, 2007
36	Sandra Atteberry	Resident	Jan. 31, 2007
37	Kitty Ichelson	Resident	Jan. 31, 2007
38	Tony Shafer	Resident	Jan. 31, 2007
39	Joseph Abbott	Resident	Jan. 31, 2007
40	Kaitlyn Laczko	Resident	Jan. 31, 2007
41	Greg Shea	Resident	Feb. 4, 2007
42	Marilyn Porter	Resident	Jan. 30, 2007
43	Marilyn Porter	Resident	Jan. 30, 2007
44	Lisa O'Keeley	Resident	Jan. 26, 2007
45	Doug McLendon	Resident	Feb. 12, 2007
46	Bernadette Maloney	Resident	Feb. 11, 2007
47	Jerry Reiblein	Resident	Feb. 9, 2007
48	Barbara Vlamis, Exec. Director	Butte Environmental Council	Jan. 10, 2007
49	Emily Clark	Chico State Student	Feb. 14, 2007
50	David R. Tidwell	Resident	Jan. 21, 2007
51	John Shannon	Resident	Feb. 14, 2007
52	Mitch Cox	Resident	Feb. 10, 2007

## 2.0 RESPONSES TO COMMENTS

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Letter No.	Signature	Affiliation	Date
53	Kirk C. Casey, M.D.	Resident	Jan. 31, 2007
54	Jackie Willis	Resident	Jan. 17, 2007
55	Alberta Glen	Resident	Feb. 1, 2007
56	Mark Lana	Resident	Jan. 12, 2007
57	Debra Abbott	Resident	No date
58	Dorothy Hanson-Hein	Resident	Feb. 1, 2007
59	Harriett McDougal	Resident	Feb. 2, 2007
60	Betsy Parrott	Resident	Feb. 3, 2007
61	Chet Torres	Resident	Feb. 3, 2007
62	Terry Contreras	Resident	Feb. 5, 2007
63	Carrie Contreras	Resident	Feb. 5, 2007
64	Nina R. Widlund	Resident	Feb. 15, 2007
65	Carolyn Dorn	Resident	Feb. 20, 2007
Verbal Comments Made at January 30, 2007 Public Meeting			
66	Josh Cook	Resident	Jan. 30, 2007
67	Mitch Cox	Resident	Jan. 30, 2007
68	Melinda Fornier	Resident	Jan. 30, 2007
69	Alan Gair	Resident	Jan. 30, 2007
70	Johnny Loff	Resident	Jan. 30, 2007
71	Kathleen (no last name given)	Resident	Jan. 30, 2007
72	Emerald Behrens	Resident	Jan. 30, 2007
73	Nancy Park	Resident	Jan. 30, 2007

Letter No.	Signature	Affiliation	Date
74	Benn Davenport	Resident	Jan. 30, 2007
75	Walter Ballin	Resident	Jan. 30, 2007
76	Allison Stoddard	Resident	Jan. 30, 2007

**2.3 COMMENTS AND RESPONSES**

**2.3.1 REQUIREMENTS FOR RESPONDING TO COMMENTS ON A DRAFT EIR**

CEQA Guidelines Section 15088 requires that lead agencies evaluate all comments on environmental issues received on the Draft EIR and prepare a written response. The written response must address the significant environmental issue raised and provide a detailed response, especially when specific comments or suggestions (e.g., additional mitigation measures) are not accepted. In addition, the written response must be a good faith and reasoned analysis. However, lead agencies need only respond to significant environmental issues associated with the proposed project and do not need to provide all the information requested by commenters, as long as a good faith effort at full disclosure is made in the EIR (CEQA Guidelines Section 15204).

CEQA Guidelines Section 15204 recommend that commenters provide detailed comments that focus on the sufficiency of the Draft EIR in identifying and analyzing the possible impacts on the environment and ways in which the significant effects of the project might be avoided or mitigated. CEQA Guidelines Section 15204 also notes that commenters should provide an explanation and evidence supporting their comments. Pursuant to CEQA Guidelines Section 15064, an effect shall not be considered significant in the absence of substantial evidence.

CEQA Guidelines Section 15088 also recommends that where response to comments results in revisions to the Draft EIR, that those revisions to the Draft EIR be presented in a separate section of the Final EIR. Revisions to the Draft EIR are presented in Section 3.0 Errata to the Draft EIR.

**2.3.2 RESPONSES TO COMMENT LETTERS**

Written comments on the Draft EIR are reproduced on the following pages, along with responses to those comments. To assist in referencing comments and responses, the following coding system is used:

- Each letter is numbered (i.e., Letter 1, Letter 2) and each comment within each letter is numbered (i.e., comment 1-1, comment 1-2).

Where changes to the Draft EIR text result from responding to comments, those changes are included in the response and demarcated with revisions marks (underlined for new text, ~~strike out~~ for deleted text).

## 2.0 RESPONSES TO COMMENTS

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### 2.4 MASTER RESPONSES

#### MASTER RESPONSE 2.4.1 – ADVISABILITY OF APPROVING THE PROPOSED PROJECT

A number of commenters expressed opinions regarding the advisability of approving the Wal-Mart Expansion Project. Comments on this topic are noted and will be conveyed to the decision-makers; however, they do not address the adequacy of the Draft EIR. By definition, Environmental Impact Reports are required to contain an objective evaluation of the ecological consequences of an action, and they are specifically prohibited from making recommendations regarding the advisability of the project. Economic or social consequences of a project are not to be treated as significant effects on the environment, although they may lead to a physical change that may be regarded as a significant effect on the environment. (CEQA Guidelines §15064[e])

Please note that although the public review of the Draft EIR is specifically for the purpose of addressing the adequacy and completeness of the analysis of the environmental consequences of the proposed project, the public has a number of opportunities to present information and/or recommendations regarding other issues to both the Planning Commission and the City Council. Public hearings before the Planning Commission to consider the Wal-Mart Expansion Project are anticipated to be scheduled in March 2008. These hearings will be formally noticed. The City Council will render the final decision on the requested entitlements and certification of the EIR.

## LETTER A

FEB-14-2007 14:36

CALTRANS D3 PLANNING

530 741 5346

P. 02/07

**DEPARTMENT OF TRANSPORTATION**

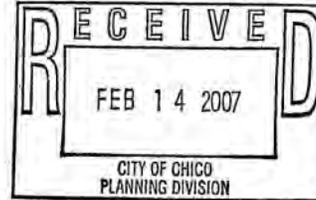
DISTRICT 3  
703 B STREET  
P. O. BOX 911  
MARYSVILLE, CA 95901-0911  
PHONE (530) 741-4025  
FAX (530) 741-5346  
TTY (530) 741-4509



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Be energy efficient!*

February 14, 2007

07BUT0002  
03-BUT-099, P.M. 31.5  
Wal-Mart Expansion, PM 03-17  
DEIR, SCH # 2004012077



Mr. Patrick Murphy, Senior Planner  
City of Chico  
Planning Department  
411 Main Street  
Chico, CA 95927

Dear Mr. Murphy:

Thank you for the opportunity to review and provide comments on the draft environmental impact report (DEIR) for the Wal-Mart boundary line modification and vesting tentative parcel map (project), which will permit expansion of the retail store from 125,889 to 223,445 square feet. The project is located adjacent to State Route (SR) 99 at 2044 Forest Avenue in the City of Chico. Our comments are as follows:

**Section 2.0, Executive Summary:**

- Page 2.0-9, Mitigation Measure (MM) 4.2.3, Ramp Junctions, SR 99/SR 32 Interchange Northbound Off-Ramp: The proposed improvements of providing for either a two-lane ramp exiting the freeway or an additional through lane on the mainline of SR 99 are not included in the City's Nexus program Project List, dated August 2, 2006. Auxiliary lanes, however, between Skyway/Park and SR 32 are included in the Project List. Additionally, BCAG is providing funding to construct auxiliary lanes on SR 99 from SR 32 to East 1<sup>st</sup> Avenue. Please clarify that the reference to an additional through lane on mainline SR 99 is for an auxiliary lane.

A-1

**Section 4.2, Traffic and Circulation:**

- Page 4.2-23, first paragraph, second sentence: The sentence states that the proposed expanded Wal-Mart will result in higher trip generation than the existing facility. When calculating the Existing rates and comparing these rates with the ITE rates for a Super Center, the AM, PM, and Saturday rates were all higher with the Existing than the Proposed. For example, the Existing AM peak trips were calculated to be 2.49 trips/ksf (314/125.889), while the Proposed AM peak trips were calculated to be 2.47

A-2

*"Caltrans improves mobility across California"*

## LETTER A CONT.

FEB-14-2007 14:37

CALTRANS D3 PLANNING

530 741 5346 P.03/05

Mr. Patrick Murphy  
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Page 2

trips/ksf. Along with this, the Existing PM peak trips were calculated to be 6.70 trips/ksf (844/125.889), while the Proposed PM peak trips were calculated to be 5.19 trips/ksf. Finally the Existing Saturday peak trips were calculated to be 8.86 trips/ksf (1116/125.889), while the Proposed Saturday peak trips were calculated to be 6.26 trips/ksf. Please clarify or modify.

A-2  
cont

- Pages 4.2-29 and 4.2-31, Figures 4.2-4a (Wal-Mart Expansion) and 4.2-4b (Fast Food Restaurant/Gas Station): The trip distribution identified on the two figures for vehicles using SR 99 south of E. 20<sup>th</sup> Street as well as using Forest Avenue north of E. 20<sup>th</sup> Street towards SR 32 is inconsistent. Figure 4.2-4a shows 16 percent, while Figure 4.2-4b shows 3 percent using SR 99 south of E. 20<sup>th</sup> Street. Figure 4.2-4a shows 14 percent, while Figure 4.2-4b shows 20 percent of the vehicles using Forest Avenue north of E. 20<sup>th</sup> Street towards SR 32. Please clarify or change.

A-3

- Page 4.2-33, Figure 4.2-5, Project Only Traffic Volumes, Intersection 2, E 20<sup>th</sup> Street/SR 99 SB Ramps: There is no westbound right turn at the southbound ramps. Please explain.

A-4

- Page 4.2-33, Figure 4.2-5, Project Only Traffic Volumes, Intersection 17, Skyway/SR 99 SB Off Ramp: West bound turn movements are not shown. Please explain.

A-5

- Pages 4.2-43 and 4.2-53, Figures 4.2-7 (2010, No Project) and 4.2-9 (2010, Plus Project): The Year 2010 No Project mainline traffic volumes are the same as the Year 2010 Plus Project traffic volumes on SR 99 south of E. 20<sup>th</sup> Street. It would seem reasonable that the Wal-Mart expansion, and addition of a fast food restaurant and gas station would generate additional vehicle trips on SR 99 south of E. 20<sup>th</sup> Street. Please clarify or change.

A-6

- Page 4.2-57, Ramp Junctions: The SR 99/SR 32 north bound off-ramp junction was shown on page 4.2-55 as operating unacceptably at LOS F in the PM Peak Hour, but is not identified in the text on page 4.2-57 as operating unacceptably. Please explain.

A-7

- Page 4.2-59, First Paragraph: The statement is made that the timing for constructing the proposed improvements to the ramp junctions on SR 99 with SR 32 and with E. 20<sup>th</sup> Street will be determined by Caltrans, "as they are state, not City facilities" and that "Caltrans will rely upon state (and possibly federal) funding for a portion of the construction costs". It is further stated that since it is not presently known when these funding sources will be programmed and allocated for construction, this impact is considered to be *significant and unavoidable* in the short-term. These statements imply that it is the responsibility of the State to mitigate impacts to the State highway system related to local development approvals.

A-8

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## LETTER A CONT.

FEB-14-2007 14:37

CALTRANS D3 PLANNING

530 741 5346

P.04/05

Mr. Patrick Murphy  
February 14, 2007  
Page 3

Please remove or correct these references. Caltrans controls very little (less than 25 percent) of the State and federal funding that can be used for capacity increasing projects on the State highway system and our focus continues to be on interregional connectivity as opposed to mitigating the impacts from local development. In Butte County, we will continue to prioritize improvements in the State Transportation Improvement Program to provide better connectivity for Chico, Oroville, and the remainder of Butte County to the freeway and expressway system. The primary responsibility for mitigation of impacts to the ultimate level of service related to mobility and accessibility within Chico as your community grows is yours. Caltrans recognizes the City of Chico's responsible choice in 2005 to approach the analysis of growth impacts in a comprehensive and cumulative fashion by approving a Nexus Study/Development Impact Fee Program to begin addressing expected impacts from proposed developments and Caltrans recognizes that this approach may need to be phased.

A-8  
cont.

- Pages 4.2-71 and 4.2-79, Figures 4.2-12 (2018 No Project) and 4.2-14 (2018, Plus Project): In comparing the two figures, the Year 2018 Plus Project shows a decrease in vehicle trips on the SR 99 mainline south of E. 20<sup>th</sup> Street. The Year 2018 Plus Project also shows a decrease over the Year 2018 No Project of vehicle trips on the E. 20<sup>th</sup> Street/SR 99 northbound on ramp. Please explain these decreases or change accordingly.

A-9

#### Potential Hydrologic, Hydraulic, and Water Quality Impacts:

- Potential hydrology, hydraulic, and water quality impacts were not addressed in this DEIR. To help insure that the drainage facilities are designed not to discharge into or create erosion of the drainage facilities of SR 99 and SR 32, please add a condition of approval to the project that requires submittal of drainage plans and calculations as well as the applicable Storm Water Management Plan and Storm Water Pollution Prevention Plan to Caltrans at the above address for review prior to issuance of building permits for the project.

A-10

#### Appendix B Traffic Impact Study:

- Pages 86, 91, 96, 101, 106, 110, 116, 121, 126, and 126, Results Page 20-1, Intersection 17, Skyway/Park/SR 99 Southbound Ramps, all Existing and Short Term (2010) scenarios: It appears that the intersection was not modeled correctly. The intersection should be modeled as a single through lane in each direction westbound and eastbound with a dedicated westbound left turn lane. The right turn lanes on the eastbound, northbound, and southbound approaches are actually free right turns and not part of this intersection. The eastbound right turn volumes should be included in the eastbound through volumes. Please edit or clarify.

A-11

*"Caltrans improves mobility across California"*

LETTER A CONT.

FEB-14-2007 14:37

CALTRANS D3 PLANNING

530 741 5346

P.05/05

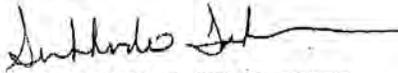
Mr. Patrick Murphy  
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Page 4

- Pages 86, 91, 96, 101, 106, 110, 116, 121, 126, and 126, Results Page 21-1, Intersection 18, Skyway/Park/SR 99 Northbound Ramps, all Existing and Short Term (2010) scenarios: The right turn lanes on the eastbound and westbound approaches are actually free right turns and not part of this intersection. The direct/loop on-ramps should not be included as part of the analysis of this intersection. Please edit or clarify.

A-12

Please send us a copy of the FEIR for review and comment when available. If you have any questions regarding these comments, please contact Matt Friedman, Local Development/Inter-Governmental Review Coordinator, at (530) 741-4004.

Sincerely,

  
SUKHVINDER TAKHAR, CHIEF  
Office of Transportation Planning, North

Cc: Scott Morgan, State Clearinghouse

"Caltrans improves mobility across California"

TOTAL P.05

**Letter A**                      **Sukhvinder Takhar, Chief, California Department of Transportation, District 3**

Response A-1                      The commenter requests that mitigation measure MM 4.2.3 (on page 2.0-9) be clarified to state that the additional through lane on mainline SR 99 is for an auxiliary lane.

The following change has been made to page 2.0-9 mitigation measure MM 4.2.3:

Ramp Junctions			
SR 99/SR-32 Interchange – Northbound Off-Ramp <sup>4</sup>	Provision of an either a two lane ramp (two lanes exiting the freeway) or an additional through lane, <u>as an auxiliary lane</u> , on the mainline.	Nexus Fee	Nexus Fee

Response A-2                      The commenter requests an explanation of why a higher trip rate was used than the existing facility in the calculation of project traffic. The analysis indicates that the proposed expanded Wal-Mart will result in a higher trip generation than the existing Wal-Mart. It does not state that it will result in a higher trip generation rate. The existing Wal-Mart store is a Free Standing Discount Store (Land Use Code ITE 815), while the expanded Wal-Mart will function like a Free Standing Discount Superstore (Land Use Code ITE 813). Trip generation from these two land uses follow different characteristics and cannot be compared. While the estimated trip generation rate for the expanded store (2.47(AM peak), 5.19(PM peak), and 6.26(Sat Mid-day peak)) are less than the corresponding Existing Wal-Mart trip generation rates, it is noted that these estimated rates for the expanded store are higher than the ITE specified rates for Land use Code 813. Trip Generation rates for the expanded Superstore were derived based on research on trip for “Superstores” and consultation with the City of Chico staff. Also, similar to shopping centers, it is reasonable and consistent with commercial trip generation rates that the trip rate per floor area decreases as the size of the use grows to account for linked trips within the center.

Response A-3                      The commenter requests an explanation of why there is an inconsistency between trip distribution rates on Figures 4.2-4a (Wal-Mart Expansion) and 4.2-4b (Fast Food Restaurant/Gas Station.) Trip distribution for the Wal-Mart is separate and different from the trip distribution pattern for the Gas Station/Fast Food, Figures 4.2-4a and 4.2-4b, respectively. These trip distribution assumptions were derived from the City’s previous traffic model and are consistent with analysis completed by the City for the Nexus Study and have been reviewed and approved by City staff.

Response A-4                      The commenter requests an explanation of why there is no westbound right turn at the southbound ramps. The comment is incorrect, the figure does show project volumes for the westbound right-turn movement at intersection 2 which corresponds to the movement from E. 20th Street turning onto the SR 99 SB loop on ramp. There is no eastbound right-turn at the southbound ramps because the project would not be expected to contribute traffic to that movement.

## 2.0 RESPONSES TO COMMENTS

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- Response A-5 The commenter requests an explanation of why Figure 4.2-5, Project Only Traffic Volumes, Intersection 17, Skyway/SR 99 SB Off Ramp does not show west bound turn movements. Westbound left turns at intersection 17 on Figure 4.2-5 have been shown. The only movements which contribute to project only volumes at this intersection are eastbound through and westbound lefts. These have been shown in the Figure 4.2-5.
- Response A-6 The commenter states that it would seem reasonable that the Wal-Mart expansion and addition of a fast food restaurant and gas station would generate additional vehicle trips on SR 99 south of E. 20<sup>th</sup> Street. The project's contribution to mainline traffic between SR 99/E 20<sup>th</sup> interchange and SR 99/Skyway interchange is negligible ("ZERO"). Per discussions with City staff, it is assumed that all trips northbound on SR 99 wishing to enter the project will use the Skyway Interchange. Similarly all trips southbound on SR 99 and wishing to enter the project will do so using the E 20<sup>th</sup> Street interchange. This is likely to be the case, because of the location of the project with respect to these interchanges. This is evident in the trip distribution figures (4.2-4a and 4.2-4b) in report, which do not show red lines or arrows on SR 99 between the Skyway and E. 20<sup>th</sup> Street interchanges.
- Response A-7 The commenter states that the SR 99/SR 32 north bound off-ramp junction is not identified in the text on page 4.2-57 as operating unacceptably. The SR 99/SR 32 NB off ramp diverge sections is projected to operate at unacceptable LOS F under the Short Term No Project conditions and in all scenarios thereafter. Appropriate text in the "Ramp Junctions" regarding this off ramp was inadvertently excluded in the Draft EIR. However, mitigation for this off ramp was included under mitigation measure **MM 4.2.1**. Page 4.2-57 will be changed to include a discussion of the SR 99/SR 32 NB off ramp. The commenter is referred to Section 3.0 Errata of the Final EIR for this discussion.
- Response A-8 The commenter objects to the statement on page 4.2-59 of the Draft EIR "However, Caltrans will determine when these ramp improvements will be constructed, as they are state, not City, facilities. Caltrans will rely upon state (and possibly federal) funding for a portion of the construction costs" stating that the statement implies that it is the State's responsibility to mitigate impacts to the State highway system related to local development approvals. However, this is not what the statement is meant to indicate. The statement is made to show that the City of Chico has minimal control over when roadway improvements to SR 99 will occur as it is not a City facility. Because of this, improvements to the impacted SR 99 roadway segments may not be completed under the short-term time period. Thus, this impact is considered significant and unavoidable.
- In order to clarify the responsibilities of Caltrans and the City of Chico regarding the SR 99 improvements the following has been included in Section 3.0 Errata of this Final EIR:
- "The improvements to the SR 99 ramps are included within the needed improvements identified in the *State Route 99 – Chico Corridor Study*

(Nexus Study), and the city is collecting fair share contributions for these improvements as part of the Nexus Fee program. However, the primary responsibility in the City of Chico for mitigation of traffic impacts due to local development is the City of Chico. This includes State facilities such as SR 99. Caltrans has prioritized improvements to the State Transportation Improvement Program to provide better connectivity to the City of Chico and other areas within Butte County. However, Caltrans is responsible for ~~will determine~~ determining when ~~these~~ ramp improvements to SR 99 will be constructed, as they are state, not City, facilities. Caltrans will rely upon state (and possibly federal) funding for a portion of the construction costs. When and if these funding sources will be programmed and allocated and construction will be scheduled, is not presently known, at least under near-term conditions. Therefore, this impact is considered to be **significant and unavoidable** in the short-term".

Response A-9

The commenter requests an explanation of why there is a decrease in vehicle trips between Figures 4.2-12 (2018 No Project) and 4.2-14 (2018, Plus Project). With the build-out of the proposed project, some trips on the freeway between Skyway interchange and E. 20<sup>th</sup> Street interchange will be diverted from the mainline segment to enter the Wal-Mart site, resulting in trip reduction in on the SR 99 mainline segment. These are accounted for in the diverted/pass-by trips and have been added to the appropriate ramp junctions when they exit the project site to get back onto the freeway mainline.

Response A-10

The commenter request that as a part of the conditions of approval for the proposed project, a copy of the drainage plan and calculations as well as the Storm Water Management Plan and Storm Water Pollution Prevention Plan be submitted to Caltrans for review prior to issuance of building permits. As with all projects in the City, adequate drainage facilities must be designed so storm water runoff from a project site does not to exceed pre-construction totals. Storm water runoff is not discussed in the Draft EIR as it was addressed in the Initial Study for the project and determined to be a less than significant impact and therefore it is not necessary to further discuss storm water runoff in the EIR. The Initial Study discusses storm water management and pollution prevention. The Initial Study indicates that:

"Stormwater runoff from the subject properties will continue to drain to the existing City drainage basin (Fair Street Detention Pond) southwest of the site, which is sized to accommodate stormwater runoff resulting from full development of the subject parcels. The Fair Street detention pond is also designed to treat all stormwater prior to being discharged to Comanche Creek. As a result, impacts relating to stormwater runoff from future development of the properties are less than significant".

The commenter does not raise any issues related to the adequacy of the Draft EIR. Therefore, no further response is necessary. The comment is noted and presented here for Planning Commission consideration.

## 2.0 RESPONSES TO COMMENTS

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Response A-11           The commenter states that the Traffic Impact Study (located in Appendix B of the Draft EIR) appears to have incorrectly modeled the Skyway/Park/SR 99 Southbound Ramps. The Skyway/Park Avenue/SR 99 SB ramps intersection has been modeled with ignore phasing for the eastbound right-turns (i.e from Park Avenue onto SR 99 SB), meaning that eastbound right-turns do not affect operations at the intersection. The lane geometrics used for the analysis assume a single through lane in each direction westbound and eastbound with a dedicated westbound left turn lane.

Response A-12           The commenter states that the Traffic Impact Study (located in Appendix B of the Draft EIR) appears to have incorrectly modeled Skyway/Park/SR 99 Northbound Ramps. The eastbound and westbound movements at Skyway/Park Avenue/SR 99 NB ramps intersection has been modeled with ignore phasing for the eastbound right-turns (i.e from Park Avenue onto SR 99 SB) and westbound right-turns. This is because the movements have their own dedicated lane and/occur well upstream of the intersections and will not affect operations at the intersection.

## LETTER B

Page 1 of 1

Patrick Murphy - Wal-Mart South Expansion Project - Review of Draft Env. Impact Report

**From:** <Richard\_Kuyper@fws.gov>  
**To:** <pjmurphy@ci.chico.ca.us>  
**Date:** 1/8/2007 5:01 PM  
**Subject:** Wal-Mart South Expansion Project - Review of Draft Env. Impact Report  
**CC:** <Holly\_Herod@fws.gov>, <Thomas.J.Cavanaugh@usace.army.mil>

Hi Patrick,

Thank you for the opportunity to review the DEIR for the Wal-Mart Expansion Project. The proposed project has been assigned USFWS project number 1-1-07-TA-0430. I have the following comments at this time:

1. It appears that seasonal wetlands occur onsite. The DEIR does not provide adequate information as to why these seasonal wetlands are not potential habitat for federally-listed vernal pool crustaceans (i.e., vernal pool tadpole shrimp or vernal pool fairy shrimp). In addition, these seasonal wetlands may provide suitable habitat for federally-listed plant species, such as Butte County meadowfoam. It is indicated that Hanover Consulting performed special-status plant surveys, but the Service does not have the report. Therefore, the Service cannot determine if surveys were performed. The DEIR should at the very least provide information detailing dates that surveys were performed, qualifications of the surveyors, and what reference populations were used. B-1

2. It appears that riparian habitat is present onsite. The DEIR does not provide information as to why this habitat is not considered potential habitat for the federally-listed giant garter snake. A habitat assessment for this species to determine potential for this species' presence within the action area should be performed. B-2

3. The DEIR should provide information regarding whether or not elderberry shrubs, the sole host plant for the federally-listed valley elderberry longhorn beetle, are within the action area. B-3

At this time, the Service does not have sufficient information to concur that federally-listed species, including the vernal pool crustaceans, vernal pool plants, giant garter snake, and valley elderberry longhorn beetle would not be adversely affected. It appears that the project proponent has applied for a 404 permit (Corps file number 200300094). The Service recommends that the requested information also be provided in the Biological Assessment provided to the Corps for the section 7 consultation. B-4

Thank you again for the opportunity to review the DEIR. Please call if you have questions,

Rick Kuyper  
 Fish and Wildlife Biologist  
 US Fish and Wildlife Service  
 Endangered Species Division  
 2800 Cottage Way-Suite W-2605  
 Sacramento, CA 95825  
 (916) 414-6517

file://C:\Documents%20and%20Settings\pjmurphy\Local%20Settings\Temp\GW\00001.... 2/28/2007

### Letter B

### Rick Kuyper, U.S. Fish and Wildlife Service

#### Response B-1

The commenter states that the Draft EIR does not provide adequate information as to why the on-site seasonal wetlands are not potential habitat for federally-listed vernal pool crustaceans and federally-listed plant species, such as Butte County meadowfoam. The Draft EIR states (page 4.4-5) that "none of these special-status plant species has the potential for occurrence within the project area." This determination is based on the Biological Resources Survey and Wetlands Delineation (which included a botanical survey as Appendix B of the Delineation) completed by Hanover Environmental Services. Additionally, Table 4.4-2 (located in Appendix E of the Draft EIR) lists all of the special status species which have the potential to occur in the project area, including Invertebrates such as valley elderberry longhorn beetle and vernal pool fairy shrimp. This table also lists the rationale for potential occurrence and identifies whether a listed species occurs on site. This determination is based on the reports completed by Hanover.

The Wetlands Delineation completed for the project is included as Appendix D of the Draft EIR. However, the Biological Resources Survey was inadvertently omitted from Appendix D. This survey is included in Section 3.0 Errata of this FEIR, page 3.0-4.

#### Response B-2

The commenter questions why the giant garter snake was not considered in the Draft EIR when it appears that there is potential habitat for this species on-site. The Biological Resources Survey completed for the proposed project determined that suitable habitat for the giant garter snake was not present on the site. The commenter is referred to Table 4.4-2 of the Draft EIR which indicates that the species is unlikely to occur because habitat at the project location consists of valley grassland and riparian areas, which are not known to support this species. The commenter is also referred to Response to Comment B-1 above.

#### Response B-3

The commenter states that the Draft EIR should provide information regarding the existence of the elderberry shrub, habitat for the federally-listed valley elderberry longhorn beetle, on the project site. The Biological Resources Survey completed for the proposed project determined that suitable habitat for the valley elderberry longhorn beetle was not present on the site. The commenter is referred to Table 4.4-2 of the Draft EIR which indicates that a survey for special status plant species, as well as the blue elderberry, was conducted at the project location by a qualified botanist in April 2003. According to the botanist report, no evidence of special status plant species or the blue elderberry was found. The commenter is also referred to Response to Comment B-1 above.

#### Response B-4

The commenter states that the U.S. Fish and Wildlife Service (USFWS) does not have sufficient information to concur that federally-listed species would not be adversely affected by development of the proposed project. The commenter requests that the Biological Assessment completed for the project be provided for USFWS determinations. As stated previously, the Biological Resources Survey was inadvertently omitted from Appendix D. This survey is included in Section 3.0 Errata of this FEIR, page 3.0-4.

## LETTER C



Linda Adams  
Secretary for  
Environmental Protection

**California Regional Water Quality Control Board  
Central Valley Region**

Karl E. Longley, ScD, P.E., Chair.



Arnold Schwarzenegger  
Governor

Redding Branch Office  
415 Knollcrest Drive, Suite 100, Redding, California 96002  
(530) 224-4845 • Fax (530) 224-4857  
<http://www.waterboards.ca.gov/centralvalley>

5 March 2007

Patrick Murphy  
City of Chico  
Planning Services Department  
P.O. Box 3420  
Chico, CA 95927

**COMMENTS ON DRAFT ENVIRONMENTAL IMPACT REPORT FOR THE WAL-MART  
SOUTH TENTATIVE PARCEL MAP (03-17) AND EXPANSION PROJECT, CHICO, BUTTE  
COUNTY**

On 5 January 2005, our office received a Tentative Parcel Map, a Draft Environmental Impact Report and Request for Comments Letter from your office regarding the proposed development referenced above. The Central Valley Regional Water Quality Control Board (Regional Water Board) is a responsible agency for this project, as defined by the California Environmental Quality Act (CEQA).

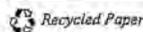
The Request for Comments Letter contained a cover sheet stating that City of Chico has received an application from Wal-Mart requesting reconfiguration of two parcel lines to facilitate the expansion of the existing 125,889 square foot (sf) store into a 223,445 sf Wal-Mart Supercenter. The Tentative Parcel Map will reconfigure the lot lines of the existing parcels to create one 24.69 acre parcel (parcel 1) and one 2.42 acre parcel (parcel 2). The existing Wal-Mart store and all improvements associated with the expansion of the store would be contained entirely within Parcel 1. The existing parking lot would be expanded to the south of the existing store and parking lot. No development is currently planned for parcel 2, but a restaurant and gas station may be developed in the future. In addition, as a part of the Tentative Map, a number of public utility and public access easements are proposed for abandonment and relocation on the site. c-1

The project site comprises 27.11 acres located at 2044 Forest Avenue, Assessor's Parcel Numbers 002-170-004, 002-370-005, and -007. North of this site is Baney Lane, east is Forest Avenue, south is Wittmeier Drive, and Business Lane and State Route 99 are west of the site.

The following comments are provided to help outline the potential permitting required by the Regional Water Board's agency, policy issues concerning the project, and suggestions for mitigation measures. Our present comments focus primarily on discharges regulated under our CWA §401 and storm water programs.

Water Board entitlements include: c-2

*California Environmental Protection Agency*



LETTER C CONT.

Mr. Patrick Murphy

- 2 -

5 March 2007

- Fill or dredged material discharges      Clean Water Act (CWA) §401 water quality certification for federal waters; or Waste Discharge Requirements for non-federal waters
- Storm water and other wastewater discharges      CWA §402 NPDES permit
- Other      Waste Discharge Requirements or other permits for discharges that may affect ground water such as from proposed solid waste transfer facilities.

The following summarizes project permits that may be required by our agency depending upon potential impacts to water quality:

Water Quality Certification (401 Certification) – Permit issued for activities resulting in dredge or fill within waters of the United States (including wetlands). All projects must be evaluated for the presence of jurisdictional waters, including wetlands and other waters of the state. Destruction of, or impacts to these waters should be avoided. Under the Clean Water Act Section 401 and 404, disturbing these waters requires a Corp permit and a State 401 permit. The Section 404 and 401 permits are required for activities involving a discharge (such as fill or dredged material) to Waters of the United States. "Waters" include wetlands, riparian zones, streambeds, rivers, lakes, and oceans. Typical activities include any modifications to these waters, such as stream crossings, stream bank modifications, filling of wetlands, etc. If required, the Section 404 and 401 permits must be obtained prior to site disturbance.

C-2  
cont

Waste Discharge Requirements (WDRs) or a Conditional Waiver of WDRs – Under authority of the California Water Code, the Regional Water Board may issue WDRs for any project, which discharges or threatens to discharge waste to waters of the state. Projects that cause disturbance to Waters of the State (including any grading activities within stream courses) require permitting by the Regional Water Board.

General Permit for Storm Water Discharges Associated with Construction Activity (General Permit) – Land disturbances on proposed projects of 1 acre or more requires the landowner to obtain coverage under the General Permit. As the land disturbance for the Wal-Mart Expansion Project appears to be in excess of 1 acre, the owner of the property will need to file a Notice of Intent (NOI), along with a vicinity map, a Storm water Pollution Prevention Plan (SWPPP), and appropriate fees to the State Water Resources Control Board (SWRCB), prior to the commencement of activities on site. The owner may call our office to receive a permit package or download it off the Internet at <http://www.waterboards.ca.gov/stormwtr/index.html>.

Isolated wetlands not covered by the federal Clean Water Act  
Wetlands not covered by the Clean Water Act are known as "isolated wetlands." Should the U.S. Army Corps of Engineers determine that isolated wetlands exist at the project site and should the project impact or have potential to impact the isolated wetlands, a Report of Waste Discharge and filing fee must be submitted prior to commencing the construction activity. The Regional Board will consider the provided information and either issue or waive Waste Discharge Requirements. Failure to obtain waste discharge requirements or a waiver thereof, when required, may result in enforcement action. Report of Waste Discharge application forms are available by calling our office at (530) 224-4845.

## LETTER C CONT.

Mr. Patrick Murphy

- 3 -

5 March 2007

Phase II Storm Water Permit

The City of Chico is required to comply with the State's Storm Water Permit for Small Municipal Separate Storm Sewer Systems. Under this permit the City of Chico must ensure that new developments comply with certain design standards for storm water runoff. A copy of the permit, including required new development standards, is available for viewing and download at the State Water Resources Control Board's website at: [www.swrcb.ca.gov/stormwtr/municipal.html](http://www.swrcb.ca.gov/stormwtr/municipal.html).

Post Construction Requirements

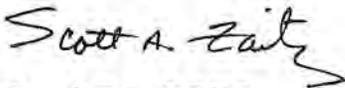
The General Permit and the Small Municipal Separate Storm Sewer Systems Permit (MS4 General Permit), requires the preparation and submittal of specific information regarding post-construction Best Management Practices (BMPs) that will be incorporated in the project to mitigate pollutants. Post-construction storm water management in areas undergoing new development or redevelopment is necessary because runoff from these areas has been shown to significantly affect receiving waterbodies. As stated in the Environmental Protection Agency MS4 Phase II Final Rule, many studies indicate that prior planning and design for minimization of pollutants in post-construction storm water discharges is the most cost-effective approach to storm water quality management.

C-2  
cont.

Therefore, the project development plans and environmental review documents prepared pursuant to the California Environmental Quality Act (CEQA) should indicate that the proposed project applicant shall prepare an NOI, a SWPPP and post construction storm water development plans, as discussed above, and submit copies to the Regional Water Board for review, to mitigate pollutants from the new development proposed on the site. The development plans should contain specific structural and non-structural post-construction BMPs, such as grassed swales, bioretention, porous pavement, treatment vaults, retention of buffer strips, minimization of impervious surfaces, etc, and approximate locations of each BMP. For more information go to: [http://www.waterboards.ca.gov/stormwtr/post\\_construction.html](http://www.waterboards.ca.gov/stormwtr/post_construction.html).

C-3

If you have any questions or comments regarding this matter please contact me at (530) 224-4784 or by email at [szaitz@waterboards.ca.gov](mailto:szaitz@waterboards.ca.gov).



Scott A. Zaitz, R.E.H.S.  
Environmental Scientist  
Storm Water & Water Quality Certification Unit

SAZ: cg/sae

cc: Mr. Tom Cavanaugh, U.S. Army Corp of Engineers, Sacramento  
Department of Fish and Game, Region 2, Rancho Cordova  
PMC, Chico

Wal-Mart south Parcel Map and Expansion Project 03-17

## 2.0 RESPONSES TO COMMENTS

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**Letter C**                      **Scott A Zaitz, R.E.H.S., California Regional Water Quality Control Board**

*Response C-1*                      The commenter describes the proposed Wal-Mart Expansion project. The commenter does not raise any issues related to the adequacy of the Draft EIR. Therefore, no further response is necessary.

*Response C-2*                      The commenter discusses the potential permits that may be required of the proposed project. The proposed project will be required to obtain the proper water quality permits. The commenter does not raise any issues related to the adequacy of the Draft EIR. Therefore, no further response is necessary.

*Response C-3*                      The commenter states that project development plans and environmental review documents prepared pursuant to CEQA should indicate that the proposed project applicant shall prepare an NOI, a SWPPP and post construction storm water development plans and submit these plans to the Regional Water Quality Control Board for review. As with all projects in the City, adequate drainage facilities must be designed so storm water runoff from a project site does not to exceed pre-construction totals. Storm water runoff is not discussed in the Draft EIR as it was addressed in the Initial Study for the project and determined to be a less than significant impact and therefore it is not necessary to further discuss storm water runoff in the EIR. The Initial Study discusses storm water management and pollution prevention. The Initial Study indicates that:

“Stormwater runoff from the subject properties will continue to drain to the existing City drainage basin (Fair Street Detention Pond) southwest of the site, which is sized to accommodate stormwater runoff resulting from full development of the subject parcels. The Fair Street detention pond is also designed to treat all stormwater prior to being discharged to Comanche Creek. As a result, impacts relating to stormwater runoff from future development of the properties are less than significant. Since future construction activities will affect more than one acre of the site, the project applicant will be required to obtain a Construction Activity Storm Water Permit or water quality certification from the California Regional Water Quality Control Board (RWQCB) prior to any construction.”

## LETTER D

2525 Dominic Drive, Suite J  
Chico, CA 95928

(530) 891-2882  
(530) 891-2878 Fax



W. James Wagoner  
Air Pollution Control Officer

Robert McLaughlin  
Asst. Air Pollution Control Officer

February 27, 2007

FEB 28 2007

Patrick Murphy  
City of Chico, Planning Services Department  
P.O. Box 3420  
Chico, CA 95927

Re: Draft Environmental Impact Report (DEIR) for Wal-Mart South (PM-03-17)

Dear Mr. Murphy:

The District has reviewed the DEIR for the proposed project noted above. Based on the information presented the District submits the following comments.

1. Page 4.3-4 & Table 4.3-2 – The table indicates an exceedence for PM<sub>2.5</sub> in 2005, please correct statement that PM<sub>2.5</sub> was never exceeded at any time during the monitoring period. D-1
2. The air quality analysis has determined that the proposed project *will create significant and unavoidable air quality impacts*. Butte County is currently designated as a state and federal non-attainment area for ozone and a state non-attainment area for fine particulate matter (both PM<sub>2.5</sub> and PM<sub>10</sub>). As such the District recommends incorporating additional feasible mitigation measures into the proposed project to reduce the impacts to less than significant. If on-site mitigation measures are not deemed feasible off-site mitigation may be available. Please consult the District regarding potential off-site mitigation measures. D-2

Thank you for the opportunity to comment on the proposed project. If you have any questions or comments, please do not hesitate to contact the District.

Sincerely,

Gail Williams  
Air Quality Planner

File No. 3455

## 2.0 RESPONSES TO COMMENTS

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### Letter D **Gail Williams, Air Quality Planner, Butte County Air Quality Management District**

*Response D-1* The commenter states that there is an error in Table 4.3-2 of the Draft EIR in describing the exceedance of thresholds for PM<sub>2.5</sub>. This error will be corrected to indicate that there was no exceedance of this threshold as follows:

Particulate Matter (PM <sub>2.5</sub> )			
Maximum 24-hour concentration (µg/m <sup>3</sup> )	56.1	76.3	82.7
National <sup>b</sup> annual average concentration (µg/m <sup>3</sup> )	10.5	15.1	12.3
State <sup>c</sup> annual average concentration (µg/m <sup>3</sup> )	15.9	16.5	13.8
Number of Days Standard Exceeded			
NAAQS 24-hour (> 65 µg/m <sup>3</sup> )	0	0	<u>10</u>

*Response D-2* The commenter recommends that proposed project incorporate additional mitigation measures to reduce air quality impacts. The Draft EIR requires all feasible mitigation measures identified in the Butte County AQMD Indirect Source Review Guidelines be incorporated into project development. The following mitigation measures are included in the Draft EIR in order to reduce air quality impacts:

**MM 4.3.1** The developer shall implement measures to reduce ROG, NO<sub>x</sub> and PM<sub>10</sub> emissions during construction activities. During construction, the following measures shall be included in construction specifications, and implemented during construction.

- Water all active construction sites at least twice daily. The frequency of watering shall be based on the type of operation, soil, and wind exposure.
- Use chemical soil stabilizers on inactive construction areas (disturbed lands within construction projects that are unused for at least 4 consecutive days).
- Limit the speed of on-site vehicles to 15 mph on unpaved roads.
- Suspend land clearing, grading, earth moving, or excavation activities when winds exceed 20 miles per hour.
- Apply non-toxic binders (e.g., latex acrylic copolymer) to exposed areas after cut-and-fill operations, and hydroseed the area.
- Plant vegetative ground cover in disturbed areas as soon as possible.

- Cover inactive storage piles.
- During initial grading, earth moving, or site preparation, construct a paved (or dust-palliative treated) apron, at least 100 feet long, onto the project site from the adjacent site.
- Sweep or wash paved streets adjacent to the development site at the end of each day as necessary to remove excessive accumulations of silt and/or mud that may have accumulated as a result of activities on the development site.
- Post a publicly visible sign with the telephone number and person to contact regarding dust complaints. This person will respond and take corrective action within 24 hours. The telephone number of the Butte County AQMD will also be visible to ensure compliance with the Butte County AQMD Rules 200 & 205 (Nuisance and Fugitive Dust Emissions).
- Before final occupancy, demonstrate that all ground surfaces are covered or treated sufficiently to minimize fugitive dust emissions.
- Utilize temporary traffic control as appropriate during all phases of construction to improve traffic flow as deemed appropriate by the Community Services Department Engineering Division and/or Caltrans.
- Schedule construction activities that direct traffic flow to off-peak hours as much as practicable.
- All construction equipment shall be maintained according to manufacturers' specifications.
- The idling of construction equipment shall be restricted to no longer than 10 minutes.
- Only diesel equipment or diesel vehicles with engines built in 1996 or later shall be used.
- Off-road machinery shall be restricted to those pieces equipped with lean NO<sub>x</sub> engine settings where feasible.
- Measures to reduce ROG emissions from architectural coatings shall be implemented. Water-based coatings for both exterior and interior walls on all building structures shall be required. The recommend average solvent content for architectural coatings is approximately 6 grams per liter. That ROG content corresponds to using water-based coatings for everything other than limited specialty uses.

**MM 4.3.4** The project developer shall implement the following mitigation measures as part of project design:

I. Energy Conservation:

- Use of energy-efficient lighting (includes controls) and process systems such as water heaters, furnaces, and boiler units.
- Use of energy-efficient and automated controls for air conditioning.
- Improve the thermal efficiency of commercial and industrial structures as appropriate by: (1) reducing thermal load with automated and timed temperature controls or (2) occupancy load limits.
- Incorporate shade trees, adequate in number and proportional to the project size, throughout the project site to reduce building heating and cooling requirements.

II. Ancillary Services:

- Provide on-site services such as cafeterias, food vending machines, automatic tellers, etc., as appropriate and in compliance with local development regulations.

III. Transit:

- Provide transit-use incentives, as approved by applicable transportation planning agencies (City of Chico, Caltrans, and Butte County Association of Governments), such as subsidized transit passes and accommodation of staggered or unusual work schedules to encourage transit use.
- Provide on-site/off-site bus turnouts, passenger benches, or shelters where deemed appropriate by local transportation planning agencies.

While these mitigation measures will reduce the potential air quality impacts, they will not reduce them below threshold level B, therefore resulting in significant and unavoidable impacts for operational and construction air emissions.

## LETTER 1

page 1 of 1

Patrick Murphy - FOR Wal-Mart

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**From:** Nancy Henry <hande1@sbcglobal.net>  
**To:** <pjmurphy@ci.chico.ca.us>  
**Date:** 2/1/2007 3:07 PM  
**Subject:** FOR Wal-Mart

---

Both of us would like to see the Wal Mart on Forest Avenue enlarged to a super store. For most retirees, Wal Mart allows us to get what we need at a lower price. This stretches our dollars. As for traffic, the number of people going there will not increase by a huge percentage, those shopping there will just spend more on each trip.

One opened in NW Tucson about five years ago. It did not hurt the other stores in the area. Grocery and other lower budget retailers continued to do well. At the same time a food store opened a mile away that was the equivalent of Food Max. All did a great business.

The same applies to Costco. I believe no more than 12 times a year, if that, Costco creates a traffic jam. Two of those times would be the day before Christmas and the day before Thanksgiving.

Let the enlarging begin!!! Thank you. Dick and Nancy Henry, 3266 Hidden Creek Drive, Chico.

1-1

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## 2.0 RESPONSES TO COMMENTS

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### LETTER 1

### DICK AND NANCY HENRY, RESIDENT

*Response 1-1*

The commenters state that they would like to see the existing Wal-Mart enlarged. The commenters do not raise any issues related to the adequacy of the Draft EIR. Therefore, no further response is necessary. The commenters are referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

LETTER 2

January 22, 2007

Chico City Counsel Members  
P. O. Box 3420  
Chico, California 95927

RECEIVED  
JAN 23 2007

CITY CLERK  
CITY OF CHICO

DATE 1/23/07 AGENDA  COUNCIL 7  
 ADD. INFO CM  ACM CA  
 GSD CSD ISD CLK  RLD  
 ENG HR/RM FIN.D COP FC  
 FILE OTHER HANSO Morgado

Dear Member:

Reference is made to the area on Forest Avenue around Wittmeier Auto and Walmart. The nice little residential area across the street is being so punished for even being here. You are desirous of encroaching in on us more to the point of being unfair and unreasonable.

This area of homes has been here for 10+ years and there were no solid businesses surrounding us and now it just keeps growing and you seem determined to close us in even more. The expansion of Walmart is ridiculous. We have Winco in our front and back yards, along with Raleys Center. We have sufficient grocery marketing in this area. We also have a mystery center across from Pheasant Run and behind Target. Butte College has created a terrible traffic problem. We need some relief. A Walmart super center is NOT what we need. There is no question that you are discriminating against this lovely little area surrounded by Talbert Drive, Robailey and Bar Triangle.

2-1

The lot at the end of Talbert Drive is a litteral garbage dump. We would appreciate you requesting the owner to clean it up or contact the agency that is in charge of keeping our city clean and as pristine as possible. It is a terrible eyesore and should be incumbent upon the owner to clear the trash away.

2-2

Before the last election I spoke with the then Mayor Scott Gruendl regarding our downtown streets. It seems to me none of you take the time to stroll downtown or it surely wouldn't be so filthy; (streets and storefronts). You can't shop as it is too precarious to look up. The Mayor told me you have the equipment to clean the streets and side walks but are neglegent in doing so. We have stopped going there or taking guests as it is too embarrassing. What a shame as it is a pretty little town and there are great little shops to enjoy.

2-3

Your attention to the foregoing would be greatly appreciated. We keep our homes up as you will see if you take the time to check it out. The lot in question is the corner of Robailey and Bar Triangle at the end of Talbert Drive.

Thank you for your consideration to the foregoing.

*Donna Williams*  
L. P. (Jim) & Donna Williams  
2198 Talbert Drive  
Chico, CA 95928  
(530) 894-1895

cc: Chico City Planning Commission

## 2.0 RESPONSES TO COMMENTS

---

### LETTER 2

### JIM AND DONNA WILLIAMS, RESIDENT

#### Response 2-1

The commenters discuss the neighborhood adjacent to the proposed project and how it is being systemically surrounded by businesses. The commenters do not raise any issues related to the adequacy of the Draft EIR. Therefore, no further response is necessary. The commenters are referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

#### Response 2-2

The commenters request that the lot at the end of Talbert Drive be cleaned up. The commenters do not raise any issues related to the adequacy of the Draft EIR. Therefore, no further response is necessary. The commenters are referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

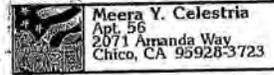
#### Response 2-3

The commenter's assert that the condition of the downtown streets and sidewalks is filthy. The commenters do not raise any issues related to the adequacy of the Draft EIR. Therefore, no further response is necessary. The commenters are referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

LETTER 3

2/14/07

Mr. Patrick Murphy, Senior Planner  
City of Chico  
P.O. Box 3420  
Chico, CA 95927



FEB 16 2007

Re: Wal-Mart Expansion

Dear Mr. Murphy,

I write to you regarding the above as a resident at my present address for 9 years and 7 1/2 months. Thus, through the years of driving down Forest Avenue all the way to Notre Dame is a well known corridor with its ebbs and flows of traffic during all the seasons of the year.

I cannot provide you with any scientific, environmental or other types of statistics to prove the expansion would be detrimental to this neighborhood, I can only give you experience. (This includes my first moving to Chico in October of 1990.)

First, the obvious - please remember Fred Meyers. At first, everyone stopped there. Albeit the real reason it closed those I know as well as myself, got tired of traversing the huge expanse of the store for one-stop shopping. It, though did not present a traffic problem because of its location.

Second, on the other hand (due to its location) Wal-Mart's expansion will create a quagmire of backed up traffic from 20th street to Parkway Village to Wittmer Drive (where the (possible?) proposed new traffic lights would be installed). This would, of course, be in both directions during peak times as well as the above mentioned.

Third - Wal-Mart is not interested in Chico, its inhabitants or the impact it will have on our community. I will relate an experience of a few years ago when expansion plans were first discussed.

I walked into Wal-Mart and said to the then manager of the store (who was a woman with blond hair middle aged, light blue suited) and said "As a resident of Chico and this neighborhood for many years, I'd like you to pass on to your superiors that I'm opposed to your expansion of Wal-Mart." She then replied, with a

Page 1

## LETTER 3 CONT.

- 2 -

Determined and stern expression on her face, "Walmart is not interested in your opinions as to whether we expand or not expand!" I realized any further discussion would be fruitless as this was a well-trained and canned reply to people such as myself. From then on Wal-Mart had received very little of my shopping monies. She, as far as I was concerned, epitomized the real thoughts and business plans Wal-Mart had for Chico. Though this could be called hearsay, it is the truth, and I pass the honour of my name on it.

3-4  
cont.

In conclusion, having shopped all around town and checking prices consistently, Wal-Mart no longer has the cheapest prices in town (though on an item or two one could see a small discount from the other discount stores) and other than a surge of cheap prices that would invariably occur at a grand opening, these would not last for long. Prime example: It didn't at Fred Meyer's, and even Winco has gradually climbed in prices.

3-5

I would dislike seeing Winco and/or Raley's close due to a Wal-Mart expansion as I do a lot of shopping at both of these stores and as well as using Raley's pharmacy. I am disabled now, and navigating a larger Wal-Mart would be impossible (I was not disabled when I moved here.) Please add this to your pile of input from the community. Perhaps it will be of value.

Sincerely,  
Merck Y. Alestina

P.S. Wal-Mart's parking area remains quite empty during most of the year, even towards evening shopping. Logically this proves a larger store is not needed. Have someone do a test to prove this, by observation, for a week at least.

Page 2

**Letter 3                      Meera Y. Celestria, Resident**

*Response 3-1*                      The commenter states that the proposed project will detrimental to the adjacent neighborhood. The commenter does not raise any issues related to the adequacy of the Draft EIR. The commenter is referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

*Response 3-2*                      The commenter discusses the Fred Meyers store and its limited longevity possibly due to the size of the building. The commenter does not raise any issues related to the adequacy of the Draft EIR. The commenter is referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

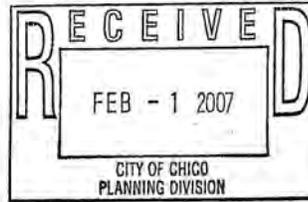
*Response 3-3*                      The commenter states that the proposed project will create a substantial amount of traffic and affect traffic movement on 20<sup>th</sup> Street, Parkway Village, and Wittmeier Drive. The commenter is referred to Section 4.2, specifically Impacts 4.2.1 and 4.2.3 which discusses potential traffic impacts to 20<sup>th</sup> Street and Wittmeier Drive as well as provides mitigation measures to reduce these impacts.

*Response 3-4*                      The commenter describes a discussion she had with a Wal-Mart manager and the potential expansion of the store. The commenter does not raise any issues related to the adequacy of the Draft EIR. The commenter is referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

*Response 3-5*                      The commenter concludes her comments by stating that Wal-Mart no longer has the lowest prices in town. The commenter does not raise any issues related to the adequacy of the Draft EIR. The commenter is referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

LETTER 4

Kasey Merrill  
1627 Arcadian Avenue  
Chico, CA. 95926  
[Kmerrill127@sbcglobal.net](mailto:Kmerrill127@sbcglobal.net)  
343-8334



Comments on Wal-Mart Expansion EIR (Wal-Mart South)

**Pedestrian safety** and safe bicycle passage are only given a cursory look in this review. The South project expansion site has established surrounding neighborhoods. Safety for pedestrians and non-motor powered travel modes are not adequately addressed and respected. The worsening of air-quality is a serious impact to pedestrians and bicyclists and the health risks to the walking and cycling public needs focused evaluation. separately

4-1

The projected number of vehicle trips with the identified Level of Service impacts, (increasing to D & F ratings) on the major access roads leading to the project site will cause 'cut-through' traffic on the residential streets. We all look for a faster route under these conditions. The impact to the surrounding residential areas needs to be quantified and mitigations identified.

4-2

Pedestrian and bicycle routes to the current south Chico shopping area are already poor. **Safe routes across highway 99 are absent.** A pedestrian/bicyclist must contend with on ramps, off ramps, cars turning left and right. Current traffic volumes and speeds, with no traffic calming measures, clearly discourage anything but motor powered travel to this shopping area.

The parking lot on the South site is huge and the bus stop discharges its riders in an area that demands they walk a long distance (1500 feet) to the store front. Cars are given every accommodation. The message is clear that big is better and come in your car. Safe passage for bus riders to and from the shopping facility need evaluation for safety and mitigations identified.

4-3

The width of the streets and the volume of traffic in the south Chico shopping area are designed to accommodate shoppers hopping from block to block by private auto. Those motivated enough to walk have no designed-in incentives or safety. The long blocks, over-heated asphalt lots, wide intersections with short crossing times, with increasing numbers of cars, have not been addressed adequately for pedestrian safety.

The surrounding neighborhoods need careful consideration to diminish the barriers that Forest Avenue and 20<sup>th</sup> Street pose to our non-driving citizens; children, elderly environmentally conscious, and people who cannot afford to drive. Consideration to keeping our neighborhoods connected to retail, not isolated from, needs to be considered. When pedestrian and bicycle passage is unsafe, even the closest residents will choose to

4-4

LETTER 4 CONT.

drive. **The connectivity of this proposed expansion to the existing businesses and neighborhoods needs evaluation and design consideration and evaluation.**

The huge parking lots, a hallmark of modern retail, are clearly designed to accommodate cars without regard to what happens when one is not in a car.

The inclusion of a '12 pump' gas station and fast food outlets in the south project, is a confirmation that this proposed development brings cars, and does not have 'valuing the communities health' as a guiding principle.

The MEGA concept supports profit before people: more cars trips, less walking, more fast food, dirtier air, increased noise, unbridled consumerism. To do anything less than ask a corporate entity to measures up, flies in the face of what many Chico citizens value; neighborhoods, local service, small business, community, and social accountability.

4-5

**Letter 4                      Kasey Merrill, Resident**

Response 4-1

The commenter states that the Draft EIR does not adequately address safety for pedestrians and non-motor powered travel modes. Omni-Means, the transportation and circulation consultant for the proposed project EIR determined that on-site circulation, including on-site pedestrian sidewalks were adequate for pedestrian/vehicular interaction. Impact 4.2.2 Project Site Safety discusses this issue and states:

“The overall layout of the site provides satisfactory vehicle circulation throughout the project site. The project site plan also provides for a pedestrian system of sidewalks and crosswalks which will channel pedestrians arriving from the new sidewalk/crosswalk system along Forest Avenue to the new store”.

Additionally, the Draft EIR provides mitigation measure MM 4.2.2 to reduce the potential vehicular/pedestrian/bicycle conflicts of entering and exiting the site. All project related roadway improvements will be required to adhere to city roadway standards, including all pedestrian and bicyclist related safety standards. MM 4.2.2 is as follows:

**MM 4.2.2**                      The following measures shall be implemented as part of project design and be fully implemented and funded by the project developer:

Location	Improvements
Project Site Access	Outbound left turns shall be physically prohibited through construction of channelizations as shown in the site plan for the Baney Lane/Wal-Mart Central Driveway and the Baney Lane/Wal-Mart East Driveway in order to reduce potential traffic related conflicts. (Outbound left turns at the Baney Lane/Wal-Mart West Driveway will be allowed).
	Restrict vehicular movements along the back alley to/from the Baney Lane/Business Lane intersection to southbound through movements only. To accommodate this restriction, a sign shall be placed near the south end of the alley stating “WAL-MART TRUCK TRAFFIC ONLY – NO THROUGH VEHICLES”.
	Develop and implement of a Traffic Management Plan, in accordance with General Plan Policy T-G-9, which would potentially include (1) adjusting the shifts of employees to non-peak periods, (2) providing directional signage to shift traffic towards other access points, (3) providing on-site personnel during peak holiday seasons to physically direct traffic, (4) provide for transit pass subsidies, (5) provide preferential carpool/vanpool parking, (6) develop an employee ridesharing database, (7) provide for safe and secure bicycle parking, (provide shower and locker facilities for employees, (8) provide on-site information on transit routes, bicycle routes and ridesharing, and (9) flexible work schedules.
Project Roadway Improvements	Push buttons shall be provided to facilitate pedestrian access to/from the site at the intersection of Forest Avenue/Wittmeier Drive.
	Baney Lane shall be improved to City standards for a minor arterial, which will include restriping.

- Response 4-2*            The commenter states that with the declining level of service to project impacted roadways will cause drivers to seek “cut-through” routes through neighborhoods. The number of cut-through trips should be quantified and mitigated. The Draft EIR presented mitigation measures which would require the proposed project to pay its fair-share for the implementation of roadway improvements necessary to reduce roadway impacts to acceptable levels of service (LOS). These improvements would be implemented in order to maintain the City standards for roadway LOS for project-affected roadways. Maintaining these standards would limit the potential “cut-through” on neighborhood streets.
- Response 4-3*            The commenter declares that the parking lots and streets are designed to accommodate the automobile and are not pedestrian/bicyclist friendly. The commenter does not raise any issues related to the adequacy of the Draft EIR. The commenter is referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.
- Response 4-4*            The commenter states that the surrounding neighborhoods need careful consideration to diminish the barriers that Forest Avenue and East 20<sup>th</sup> Street pose to non-driving citizens and the project's connectivity to surrounding businesses and neighborhoods need evaluation. The commenter does not raise any issues related to the adequacy of the Draft EIR. The commenter is referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.
- Response 4-5*            The commenter declares that the MEGA concept supports profit before people. The commenter does not raise any issues related to the adequacy of the Draft EIR. The commenter is referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

LETTER 5

Patrick Murphy - re: Wal-Mart supercenter expansion

From: "TeamCougars" <teamcougars@sbcglobal.net>  
To: <pjmurphy@ci.chico.ca.us>  
Date: 1/31/2007 3:20 PM  
Subject: re: Wal-Mart supercenter expansion

Hello Mr. Murphy,

Our names are John and Lori Hunter. We reside in Huntington Village on Wysong Ct., located off Forest Avenue directly across the street from the existing Wal-Mart.

We are extremely concerned with the increase in traffic a Wal-Mart Super Center will create. Already along Forest Avenue it is extremely congested with the Butte College extension, Mall, the existing Wal-Mart, Target shopping center, and the shopping center containing Old Navy, as well as the Galleria being built. There are certain times of the day I already have to go the back way out of my own subdivision because of the traffic on Forest Avenue. I routinely have to wait 3 lights to get onto 20th street as it is. During Christmas the traffic is unbearable! 5-1

The increased traffic will be a huge concern to the children who walk home from Little Chico Creek Elementary and Hank Marsh Jr. High. Our children deserve a safe environment to walk and play. We live in a cul-de-sac as well, the amount of people using our cul-de-sac as a turn around for the existing businesses in the area is already a problem. Adding a Super Center across from our home would be an un-fair burden. 5-2

The existing Wal-Mart already located on Forest provides the services needed. There are 3 major grocery stores located in the south part of town already, Win-Co, Food Max and Raleys, as well as the Costco. We have more than adequate shopping, restaurants and gas stations. 5-3

From 1998-2001 we lived in Dover, NH. In our neighboring town, literally 2 streets over in the town of Rochester, NH we had a Super Wal-Mart. I have to admit, it was not all it was chalked up to be. Many businesses in our town and Rochester ended up going out of business, there was just no way anyone could compete with their prices. 5-4

There are other things to take into consideration with the Wal-Mart expansion as well. There are numerous well established businesses in this area, and throughout Chico who would be greatly effected by the Super Store. Chico is a very unique town, small businesses and large corporations co-exist in harmony. Mainly because our charming downtown area is still very appealing place to shop. Adding more competition, unfair competition I might add is an injustice to our wonderful town. 5-5

Thank you,  
John and Lori Hunter

**Letter 5                      John and Lori Hunter, Resident**

- Response 5-1*                      The commenters discuss their concerns with the increase in traffic on Forest Avenue the proposed project would create. The proposed project would increase traffic in the area, however the Draft EIR provides mitigation measures to reduce any impact project traffic may have on the surrounding roadway network. The commenters are referred to Section 4.2 of the Draft EIR, specifically Impacts 4.2.1 and 4.2.3, for a full discussion of potential project traffic and circulation impacts and mitigation measures for Forest Avenue and other area roadways. Additionally, the commenters are referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The commenters do not raise any issues related to the adequacy of the Draft EIR. The comment is noted and presented here for Planning Commission consideration.
- Response 5-2*                      The commenters state that the increased traffic will be a huge concern for children walking home from school. The surrounding roadway network has been designed according to City standards. These standards include safety standards for the protection of pedestrians. The proposed Wal-Mart Expansion project would not diminish these safety standards inherent in the design of the roadway system.
- Response 5-3*                      The commenters state that there are adequate shopping, restaurants, and gas stations in the area. The commenters do not raise any issues related to the adequacy of the Draft EIR. The commenters are referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.
- Response 5-4*                      The commenters state their opinion about Wal-Mart Supercenter and its impact on local businesses. The commenters do not raise any issues related to the adequacy of the Draft EIR. The commenters are referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.
- Response 5-5*                      The commenters express their concern over unfair competition the proposed project may have over existing businesses. The commenters do not raise any issues related to the adequacy of the Draft EIR. The commenters are referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

LETTER 6

Patrick Murphy - Support for WalMart Expansion

From: Steven Leman <sd95969@sbcglobal.net>  
To: <pjmurphy@ci.chico.ca.us>  
Date: 1/31/2007 5:46 PM  
Subject: Support for WalMart Expansion

I would like to go on record supporting the expansion of the Forest Avenue WalMart store into a full service Super Walmart Store. 6-1

I do not have an opinion on the second requested store of the north end of town. 6-2

I do not believe that the expansion of the existing store into a super store would negatively impact the Chico area. I have lived in Paradise for 34 years, and graduated from CSU-Chico in 1977, I have had quite an exposure to the shopping opportunities or lack of same in Butte County.

Simply stated, as a Paradise residence anytime I need to shop, I end up in Chico. Paradises only option for a department store is KMart which is very inferior in customer service to Walmart. There are things that shop for at WalMart, and there are things that I shop for at other stores. Please allow us to have a choice. 6-3

For those who do not want to utilize Walmart, then there are many other options for them to choose from. Given the average income for Butte County, common sense says a Super Walmart would certainly be used.

Thanks for reading this.

Steve Leman  
P.O. Box 423  
Paradise, Ca. 95967

**Letter 6**                      **Steven Leman, Resident**

*Response 6-1*                      The commenter declares his support for the proposed project. The commenter does not raise any issues related to the adequacy of the Draft EIR. The comment is noted and presented here for Planning Commission consideration.

*Response 6-2*                      The commenter states that he has no opinion about the North Wal-Mart project. The commenter does not raise any issues related to the adequacy of the Draft EIR. The comment is noted and presented here for Planning Commission consideration.

*Response 6-3*                      The commenter expresses his opinion that the expansion would not impact existing businesses. The commenter does not raise any issues related to the adequacy of the Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 7

Comment Form  
Wal-Mart Expansion EIR (Wal-Mart South)  
Draft EIR Public Comment Meeting  
Tuesday, January 30, 2007, 6:00 p.m.  
City of Chico Council Chambers

Name: Michael Worley  
Address: 287 Filbert Ave  
Chico, CA 95926  
E-mail: muqool195929@yahoo.com

Comments:

A quarter of a million square ft of Retail  
space @ one store is not a good thing for Chico  
Walmart ~~should be a~~ should be a  
community sized operation and not sized to  
attract shoppers from outside the community.  
Since the traffic effects of a larger store  
cannot be mitigated the ~~store~~ present  
Walmart should be limited in its expansion to  
a size that the traffic capacity can handle

7-1

Return Comments No Later Than 5:00 p.m., Friday, March 2, 2007, To Patrick  
Murphy, City of Chico Planning Services Department, P.O. Box 3420, Chico, CA  
95927 or to pjmurphy@ci.chico.ca.us

**Letter 7**

**Michael Worley, Resident**

*Response 7-1*

The commenter states that since the Wal-Mart project traffic impacts could not be mitigated, the Wal-Mart Expansion project should be limited in its expansion to a size that the traffic capacity can handle. The commenter does not raise any issues related to the adequacy of the Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 8

From: "leamccleary@juno.com" <leamccleary@juno.com>  
 To: <dpresson@ci.chico.ca.us>, <nkelly@ci.chico.ca.us>, <lcameron@ci.chico.ca.us>  
 Date: 1/31/2007 9:13:17 PM  
 Subject: Walmart Store Expansions

FEB - 1 2007

Attention City Council Members:

As a 20 year resident of Chico I am writing to urge you to oppose bringing a second Walmart "superstore" to our beautiful but ever growing community.

How many Big Box stores does a town need anyway? Our area, it would seem, is awash in "stuff" that we don't need or use.....every weekend there are dozens of yardsales in Chico with people trying to offload yet more superfluous stuff that will no longer fit in their crammed homes.

The traffic problem here is as bad as anywhere and I feel that yet another large store on the outskirts of town will lead to yet more use of cars, more pollution, more road rage, more accidents, more obesity, more unnecessary burning of non -renewable and precious fossil fuels.

Who will really benefit from this second Walmart? Certainly not the majority of employees who will work for minimum wage, much of which will be spent on maintaining and running their own cars to get to and from work! Most will receive no health care benefits and will of course be unable to purchase their own health insurance. This will inevitably place yet more burden on Enloe Hospital which will be obliged to see sick or injured uninsured Walmart employees for free. Ongoing healthcare may be paid for by the State of California from it's MediCal program for those Walmart employees if they are lucky enough to be poor enough to qualify!

I personally have a problem with some of Walmart's pharmacy policies....pharmacists have been permitted to refuse to fill prescriptions for certain drugs such as Plan B (the "morning after pill") although this was prescribed by a doctor for the patient and it's use has nothing whatsoever to do with the moral concerns of Walmart or it's pharmacists. We do not need these prejudices in an open minded community like Chico.

My only thought in favor of a huge Walmart in north Chico is that it may divert so many shoppers and cars from the downtown that the controversy over erecting another parking garage will become a non-issue!

Please do all you can to prevent this monstrosity being built here.

Sincerely, Lea McCleary, RN, Nurse Practitioner

8-1

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DATE 2/1/07 AGENDA \_\_\_\_\_ COUNCIL 7  
 ADD. INFO \_\_\_\_\_ CM  ACM \_\_\_\_\_ CA  
 GSD \_\_\_\_\_ CSD \_\_\_\_\_ ISD \_\_\_\_\_ CLK \_\_\_\_\_ PLD   
 ENG \_\_\_\_\_ HR/RM \_\_\_\_\_ FIN.D \_\_\_\_\_ COP \_\_\_\_\_ FC  
 FILE \_\_\_\_\_ OTHER P. MURPHY = Planning

**Letter 8**

**Lea McCleary, Resident**

*Response 8-1*

The commenter opposes the North Wal-Mart project. The commenter is referred to the North Wal-Mart FEIR for responses to comments regarding this project. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 9

February 4, 2007

Patrick Murphy, City Planner  
P.O. Box 3420  
Chico, CA 95927

FEB - 6 2007

Dear City Planner,

On the subject of a Super Wal-Mart in Chico, my husband and I have felt the need to have a larger Wal-Mart in Chico for the entire 2 years that we have lived here. We moved here from Sonora, a small Gold Rush town in the Sierra Nevada foothills, east of Modesto, California. The Wal-Mart that we were used to shopping in there was much larger than the one in Chico. In fact the isles in the Chico store are so small and so cramped, that I don't like going there. You can't even get 2 carts side by side down one of the isles. I assume that the Chico store was built many years ago, but the town of Chico has outgrown the present store.

9-1

Recently, we made a trip to Yuba City with the express purpose of shopping in the Super Wal-Mart there. The place was packed with people, but everyone was able to move easily through the store with much wider isles. There was a much better selection of goods to choose from and the prices of the food were very good. When we left the store, we went over to their mall. One would think that because there were so many people shopping at Super Wal-Mart that there wouldn't be anyone left to shop at the mall. Not so. The mall was just as crowded, if not more crowded, than Super Wal-Mart. There were plenty of people to go around, and no store seemed hurting to us.

9-2

We have been visiting my mother-in-law in this town for the last 40 years. It doesn't seem to matter what new thing that someone wants to do in Chico, but what the people go nuts and petition and picket against it. What a shame. What a waste of energy that could be used in helping the project, instead of always trying to stop the project. When are these people going to wake up and face the music that Chico and the rest of Butte County has grown and will continue to grow, and the shopping here is just one of the things that will need to expand to meet the needs of the growing population?

9-3

We encourage you to make your vote a "yea" on the Super Wal-Mart controversy, and allow at least one Super Wal-Mart to be built in Chico.

Sincerely,

*Mary Aichholz*  
Mary Aichholz

390 Rio Lindo Ave #77  
Chico CA 95926

**Letter 9**

**Mary Aichholz, Resident**

*Response 9-1*

The commenter states her belief that Chico needs a larger Wal-Mart. The commenter does not raise any issues related to the adequacy of the Draft EIR. The comment is noted and presented here for Planning Commission consideration.

*Response 9-2*

The commenter discusses a trip to the Yuba City Wal-Mart. The commenter does not raise any issues related to the adequacy of the Draft EIR. The comment is noted and presented here for Planning Commission consideration.

*Response 9-3*

The commenter states that shopping in Chico will need to expand in order to accommodate the increasing population. The commenter does not raise any issues related to the adequacy of the Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 10

Wal Mart public comment

Page 1 of 1

Patrick Murphy - Wal Mart public comment

From: "Kizirian, Tim" <TKizirian@csuchico.edu>  
To: <pjmurphy@ci.chico.ca.us>  
Date: 2/4/2007 12:33 PM  
Subject: Wal Mart public comment

Patrick Murphy, Senior Planner,

As a citizen of Chico, I am appalled at how the proposed WM expansions are turning into a political argument, as opposed to whether expansion(s) will benefit the common Chicoan. Please know that WM supercenters will significantly improve the Chico lifestyle that we all appreciate.

This is still a free country, so if the opponents of the WMSS don't like WM, they can simply not shop at WM! What is so wrong about this tact? Since this is a free country, the City needs to understand that WM should be free to expand.

10-1

Opponents to the SS's cite traffic and economic hardship on the region, but they are totally in error.

Having two SS's will REDUCE pollution, and provide economic benefit to the region. The notion that I would otherwise drive to downtown merchants and fight panhandlers to buy my children milk and breakfast cereal and chap stick and bird food is ridiculous. Please note that without a WMSS, buying these items would likely involve shopping at TWO OR MORE different stores, which means twice the driving. This common sense benefit seems to be missing in the EIR. I hope the Commission will step into the '00's and wake up to the realities of economy of scale and the environmental benefits of 'one stop shopping.' Further, this area is generally devoid in offering people starter jobs. WMSS's means jobs.

10-2

I would like to tell you that there is a STRONG demand for two SS's. This demand is objectified by WM's willingness to build the SS's.

My entire avenues neighborhood strongly demands two WM SS's. Please also know that unfair blocking of the SS's is totally unamerican - no matter how you slice it. Please do not make this a politically motivated decision, this is all I ask. And if the commission members are objective and independent in deliberations, then it will become clear that the SS's will economically and especially environmentally BENEFIT Chicoans of all political persuasions. That's right, "liberals" and "conservatives" presently shop at WM and will utilize WMSS's.

10-3

Thank you and I am happy to clarify our neighborhood's position in any way that will help you. We may not have yard signs, but the majority of Chico seems to desire the WMSS's.

Tim Kizirian  
Avenue's Resident  
898-6389 (W)

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### **Letter 10**

### **Tim Kizirian, Resident**

#### *Response 10-1*

The commenter states his support for the proposed project. The commenter does not raise any issues related to the adequacy of the Draft EIR. The comment is noted and presented here for Planning Commission consideration.

#### *Response 10-2*

The commenter states that having two Wal-Marts would reduce pollution by reducing the amount of vehicle trips for shoppers. The commenter does not raise any issues related to the adequacy of the Draft EIR. The comment is noted and presented here for Planning Commission consideration.

#### *Response 10-3*

The commenter states that unfair blocking of the construction of both Wal-Mart projects is un-American. The commenter does not raise any issues related to the adequacy of the Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 11

Comment Form  
North Chico Retail & Annexation EIR (Wal-Mart North)  
Draft EIR Public Comment Meeting  
Tuesday, January 30, 2007, 6:00 p.m.  
City of Chico Council Chambers

FEB - 7 2007

Name: Elizabeth Daniels  
Address: 305 W LINDO Ave Suite  
Chico CA 95926  
E-mail: solutions@efdaniels.com

Comments:

We have 2 Rally's 3 Superway  
1 Albertsons. Holiday Market (more  
man/prop) was pushed out

We have big K big lot's Target, Costco  
New gas + Wal Mart to the  
South. Enough is enough.

We have become of Retail Stores  
All we do is shop - and how did we get  
that hard earned \$?

You grow up here you can't afford to  
buy here. just because it's happening  
every where else - we don't have to fall  
Sult.

We built on the North side of town +  
we just take the noise, garbage traffic thru + it's on both  
ends of  
Town.

Return Comments No Later Than 5:00 p.m., Monday, February 19, 2007, To  
Patrick Murphy, City of Chico Planning Services Department, P.O. Box 3420,  
Chico, CA 95927 or to [pjmurphy@ci.chico.ca.us](mailto:pjmurphy@ci.chico.ca.us)

11-1

**Letter 11**

**Elizabeth Daniels, Resident**

*Response 11-1*

The commenter states that Chico is becoming to expensive to live and too large. The commenter does not raise any issues related to the adequacy of the Draft EIR. The commenter is referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

LETTER 12

Comment Form  
Wal-Mart Expansion EIR (Wal-Mart South)  
Draft EIR Public Comment Meeting  
Tuesday, January 30, 2007, 6:00 p.m.  
City of Chico Council Chambers



Name: Elizabeth Daniels  
Address: 305 W LINDO AVE  
Chico CA 95926  
E-mail: solutions@edaniels.com

Comments: WE need not be a RACKET Scientist  
to come to the conclusion - traffic, garbage,  
noise will all be MORE!

12-1

Chico like other little oasis towns  
needs to take a gamble + keep WalMart  
from building another store or making  
the one presently in the South a  
Super Store + gas station.

we need local folks - growing their  
businesses. Agriculture Masonry Computer  
building, repair software, solar panels +  
other environmental needs designed +  
built here.

12-2

Growing Bigger doesnt help Chico -  
internally. We dont need what every one else  
has. Lets think + work outside the box

Return Comments No Later Than 5:00 p.m., Friday, March 2, 2007, To Patrick  
Murphy, City of Chico Planning Services Department, P.O. Box 3420, Chico, CA  
95927 or to pjmurphy@ci.chico.ca.us

**Letter 12**

**Elizabeth Daniels, Resident**

*Response 12-1*

The commenter states that the proposed project will increase noise, garbage and traffic. The commenter does not raise any issues related to the adequacy of the Draft EIR. The commenter is referred to the initial study (which is included in Appendix A of the Draft EIR) completed for the proposed project for a discussion on noise and solid waste impacts. The commenter is referred to Section 4.2 of the Draft EIR, specifically Impacts 4.21 through 4.23 for a discussion on potential traffic impacts caused by the proposed project. The commenter is referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

*Response 12-2*

The commenter states her opinion that that the proposed Wal-Mart Expansion is not needed in Chico. The commenter does not raise any issues related to the adequacy of the Draft EIR. The commenter is referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

LETTER 13

14 February 2007

RECEIVED  
FEB 20 2007  
CITY CLERK  
CITY OF CHICO

DATE	2/21/07	AGENDA	COUNCIL	7
ADD. INFO	CM	ACM	CA	
GSD	CSD	ISD	CLK	PUB
ENG	HR/RRM	FIN.D	COP	FC
FILE		OTHER		

To the Chico City Council,

Correct me if I'm wrong, but doesn't our country believe in Free Enterprise? Doesn't that mean that if the guy down the street from my store sells better mouse traps at greater volume for less cost than I do, that is to his advantage and that of the consumer, and not mine? Pretty soon he builds a bigger store, and calls it a box store. Do I, or anyone have the right to complain about it? Yes of course. But this is what free enterprise and freedom of speech is all about. So, to these people who are yelling about Wal\*Mart putting up another store, and putting the little guys out of business, you have the right to do so, but the consumer should have the right to have more convenient shopping at a store we love.

13-1

It's eleven miles each way from my home in the north to get to the present Wal\*Mart. That is a gallon of gas per trip and I'm just one of many in the growing part of Chico, who desire to shop at Wal\*Mart without driving so far.

How is it practical to build more homes and a beautiful park in the north end of Chico and not consider the consumer's needs and desires, whether it is Wal\*Mart or greater shopping advantage?

Though I do not live within the city limits of Chico, I do consider myself as part of the Chico Community. In behalf of all the people living North of Chico, we need a closer Wal\*Mart.

My name, Carol Bingman  
13223 Taylor Dr.  
Chico, Ca. 95973

*Carol Bingman*

FEB 21 2007

**Letter 13**

**Carol Bingman, Resident**

*Response 13-1*

The commenter states her support for the proposed North Wal-Mart. The commenter does not raise any issues related to the adequacy of the Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 14

Feb. 20, 2007  
Carol J. Hunt  
79 Northwood Commons  
Chico, Ca 95973

Patrick Murphy  
P.O. Box 3420  
Chico, CA 95927

FEB 21 2007

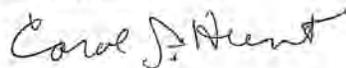
Dear Mr. Murphy,

I wish to register my objection to zoning and planning for a second WalMart in North Chico. I have concern for survival of small local businesses and concern about the traffic flow. I believe that the present and if expanded to a larger WalMart will suffice for the size of community that Chico is now and for the projected 20 years.

14-1

Thank you for the opportunity to register my opinion.

Sincerely,  
Carol J. Hunt



**Letter 14**

**Carol J. Hunt, Resident**

*Response 14-1*

The commenter expresses her objections to the North Wal-Mart project. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The commenter is referred to the North Wal-Mart FEIR for responses to comments regarding this project. The comment is noted and presented here for Planning Commission consideration.

LETTER 15

**Patrick Murphy - Support for Wal\*Mart Super Centers in Chico**

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**From:** "Howard Miller" <rerunz@sbcglobal.net>  
**To:** <pjmurphy@ci.chico.ca.us>  
**Date:** 2/17/2007 8:04 AM  
**Subject:** Support for Wal\*Mart Super Centers in Chico  
**CC:** <aholcomb@ci.chico.ca.us>, <bertfam@sbcglobal.net>, <mflynn@ci.chico.ca.us>, <sgruendl@ci.chico.ca.us>, <trickell@ci.chico.ca.us>, <aschwab@ci.chico.ca.us>, <lwahl@ci.chico.ca.us>

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Gentlemen:

As an owner of Rerunz Recycled Entertainment in Chico (located in the shopping center with Target, Big Lots and Toys 'R Us) I offer support for Wal\*Mart Super Centers in Chico. I believe in the spirit and the essence of the free enterprise system. Wal\*Mart should be allowed to open, within the existing laws and regulations, as many Super Centers as they think the Chico area can support.

If Chico can not sustain two, or even one, Super Centers, then Wal\*Mart will have made a poor business decision. I also think that viable businesses with thrive, not wither, in conjunction with the addition of Wal\*Mart Super Centers.

Sincerely,

Howard Miller  
President  
Rerunz Recycled Entertainment, Inc.  
1937 E. 20<sup>th</sup> St. B-3  
Chico, CA 95928

15-1

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**Letter 15**

**Howard Miller, Resident**

*Response 15-1*

The commenter expresses his support of the project. The commenter does not raise any issues related to the adequacy of the Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 16

Mr. Patrick Murphy,  
City Planner  
P.O. Box 3420,  
Chico Ca. 95927

JAN 13 2007

Walter and Rose Luff  
4 Stoney Point Way  
Chico, Ca. 95928

January 13 2007

Dear Sir:

We are in favor of having a Wal-Mart expansion on Forest Avenue since the Expansion property is available and already zoned for commercial use. If Wal-Mart is denied plans for expansion, probably some other commercial Enterprise will eventually utilize the property.

Customers shop at nicer stores, with greater selection of items, and possibly better prices. Customers shop at places that give them greater value. It is the free enterprise system.

We live half a year in the Lake Almanor area and can assure you that Chico is a shopping destination for many shoppers in out lying areas. Many people utilize the excellent medical facilities and doctors offered in Chico. While in Chico, these people take advantage of the shopping, and Thus the City of Chico enjoys out of town sales tax revenue. Redding and Red Bluff are also areas that can compete for sales tax revenue if the shopping is better.

We are also in favor of a super center Wal-Mart in the north part of the city,

We will be interested during the discussion on who believes in the free enterprise system and who is more interested in social engineering.

Very truly yours

*Walter D. Luff*  
*Rose Jane Luff*

Walter D. Luff and Rose Jane Luff

16-1

**Letter 16**

**Walter and Rose Luff, Resident**

*Response 16-1*

The commenters states their support of the proposed project. The commenters do not raise any issues related to the adequacy of the Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 17

Page 1 of 1

Patrick Murphy - wal mart

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From: "Sylvia Haselton" <sgbluei2@sbcglobal.net>  
To: <pjmurphy@ci.chico.ca.us>  
Date: 1/25/2007 3:53 PM  
Subject: wal mart

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One Wal Mart is sufficient. sgh

17-1

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**Letter 17**

**Sylvia Haselton, Resident**

*Response 17-1*

The commenter states that one Wal-Mart is sufficient. The commenter does not raise any issues related to the adequacy of the Draft EIR. The commenter is referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

LETTER 18

Patrick Murphy - Wal-mart

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From: "Linda Lee Bassett" <lindyb@sunset.net>  
To: <pjmurphy@ci.chico.ca.us>  
Date: 1/11/2007 12:54 AM  
Subject: Wal-mart

---

I am totally against building another Wal-mart. I was against the first one but now that we have it I would rather they expand that then build a new one north of town. Is that what Chico is...just one big discount town???? People fought hard to get Trader Joe's which many thought wouldn't fly here but it's going gangbusters. A Wal-mart north of town would certainly destroy the ambience of that area..I'm sure something more appropriate could be built there..even a park..  
Just my opinion..Linda Lee Bassett, a 21 year resident

18-1

**Letter 18**

**Linda Lee Bassett, Resident**

*Response 18-1*

The commenter states her opposition to the North Wal-Mart project. The commenter is referred to the North Wal-Mart FEIR for responses to comments regarding this project. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The commenter is referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

LETTER 19

Patrick Murphy - Comments on proposed Northern Wal-Mart

From: "Leah Christie" <leah.christie@tcbk.com>  
To: <pjmurphy@ci.chico.ca.us>  
Date: 1/11/2007 1:03 AM  
Subject: Comments on proposed Northern Wal-Mart

Please maintain the beauty of Northern Chico and say NO to a second Wal-Mart. I live in North Chico and am a Wal-Mart customer, so I'm not anti-Wal-Mart, and expansion of the existing Wal-Mart does not overly concern me; however I believe one Wal-Mart in a town this size is *plenty*...for goodness sakes, it's only a ten minute drive from any area! Furthermore, I know putting one in Northern Chico will cause serious congestion issues and take away from the country atmosphere which drew many people to live in that area. Wal-Mart belongs where it is: in a retail/commercial oriented area, **not** in our rural backyards where it will contribute to pollution of our fresh country air and decline in some of our higher-end property values!

19-1

It concerns me that Chico planning seems to be getting farther and farther off track from the small-town, country feel which this town originally exuded. (One example is the shift from a simple (yet beautiful) small-town country plaza to a cold, hard urban area that resembles a cemetery!) The "small-town feel" is why my family, and just about every other family I know, loves Chico, but that "feel" seems to be less and less prevalent in the Planning Commissions decisions. I know progress and expansion are necessary, but I urge the planning commission to not "sell out" and ruin our town's aura. Again, please NO Northern Wal-Mart.

Thank you for your time.

*Leah L. Christie*

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====END DISCLAIMER====

**Letter 19**

**Leah L. Christie, Resident**

*Response 19-1*

The commenter states her opposition to the North Wal-Mart project. The commenter is referred to the North Wal-Mart FEIR for responses to comments regarding this project. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The commenter is referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

LETTER 20

Page 1 of 1

Patrick Murphy - Wal-Mart

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**From:** Rex Stromness <rexstromness@sbcglobal.net>  
**To:** <pjmurphy@ci.chico.ca.us>  
**Date:** 1/9/2007 7:29 AM  
**Subject:** Wal-Mart

---

Patrick Murphy.....I am writing to express my opposition to expansion of Wal-Marts. I am a board member of Butte Environmental Council and while not speaking for the organization, I can assure you that the vast majority of our membership opposes the expansion of both the North and South Chico locations. We have a Wal Mart already.....the expansion would hurt existing, local businesses and the Northern location would cause sprawl. Rex Stromness....307 W. 12th Ave.....Chico, 95926.....(530) 892-8583

20-1

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**Letter 20**

**Rex Stromness, Resident**

*Response 20-1*

The commenter states that the Wal-Mart Expansion project will hurt existing businesses. It was determined by Sedway Group in their analysis *Wal-Mart Supercenter Economic Impact Analysis: South Store Expansion, Chico, California, February 2006 (Revised)*, which is incorporated into Section 4.6 of the Draft EIR, that expansion of the existing Wal-Mart may result in one existing conventional grocery closure or less likely, a price-impact warehouse store. The commenter is referred to Section 4.6 of the Draft EIR for a complete economic analysis as well as Section 2.5 Response To Opposing Economic Analysis of this Final EIR for further information.

LETTER 21

Page 1 of 1

Patrick Murphy - No on Walmart

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From: "Jennifer Long" <jlong@bigbrothersister.org>  
To: <pjmurphy@ci.chico.ca.us>  
Date: 1/10/2007 3:15 PM  
Subject: No on Walmart

---

Chico has some great history, art, shopping, downtown life, city park and more! Chico does not need another Wal-mart, or any bigger one, for that matter. Allowing wal-mart to expand AND add another one would be disastrous to the life of Chico. Downtown businesses would suffer, local stores would close and Chico would become just another city with no class.

21-1

Wal-mart SHOULD NOT be allowed to expand OR build another store!

Jennifer Long  
Development Director  
Big Brothers Big Sisters of Butte County  
Ph. 530. 343. 8407  
*little moments...BIG Magic!*

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**Letter 21**

**Jennifer Long, Resident**

Response 21-1

The commenter states her opinion that Chico does not need another Wal-Mart or an expanded one. The commenter states that expansion of the existing Wal-Mart and construction of another Wal-Mart in Chico would result in a closure of local stores and downtown businesses would suffer. It was determined by Sedway Group in their analysis *Wal-Mart Supercenter Economic Impact Analysis: South Store Expansion, Chico, California, February 2006 (Revised)*, which is incorporated into Section 4.6 of the Draft EIR, that expansion of the existing Wal-Mart may result in one existing conventional grocery closure or less likely, a price-impact warehouse store. The south Wal-Mart expansion would not have an impact to downtown businesses. The commenter is referred to Section 4.6 of the Draft EIR for a complete economic analysis as well as Section 2.5 Response To Opposing Economic Analysis of this Final EIR for further information. Additionally, the commenter is referred to the North Wal-Mart EIR for an economic impact analysis resulting from the opening of that store.

The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The commenter is referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

LETTER 22

FW: Wal-Mart

Page 1 of 1

Patrick Murphy - FW: Wal-Mart

**From:** "Beterbide, Gail" <GBeterbide@csuchico.edu>  
**To:** <pjmurphy@ci.chico.ca.us>  
**Date:** 1/10/2007 3:25 PM  
**Subject:** FW: Wal-Mart  
**CC:** <chicoletters@newsreview.com>, <letters@chicobeat.com>

Ooops. Quardrillion should be spelled quadrillion.

**From:** Beterbide, Gail  
**Sent:** Wednesday, January 10, 2007 2:17 PM  
**To:** 'pjmurphy@ci.chico.ca.us'  
**Cc:** 'chicoletters@newsreview.com'; 'letters@chicoer.com'; 'letters@chicobeat.com'  
**Subject:** Wal-Mart

Q 1: Should Wal-Mart be able to expand its current structure at the south end of town?

A: NO, NEVER, NOT IN A QUADRILLION YEARS!!

Q 2: Should Wal-Mart be able to build a new stupor center at the north of town?

A: See answer to Question #1

Better idea:

Wal-Mart should merge with Waste Management and develop land fills next to their existing stores so as to be able to provide their customers with easy disposal of the cheap-made-in-China crap available for purchase at ALWAYS LOW PRICES!!!!!! The new establishments could be named WASTE-MART! And the motto could read: ALWAYS LOW!!!!!! (wages, benefits, esteem, quality, etc., etc.).

Gail Beterbide

22-1

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**Letter 22**

**Gail Beterbide, Resident**

Response 22-1

The commenter states her opinion that Chico does not need another Wal-Mart or an expanded one. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The commenter is referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

LETTER 23

January 9, 2007  
1700 Lawler Street  
Chico, CA. 95928

JAN 11 2007

Dear Patrick,

I read in the newspaper recently that the draft environmental impact reports for the expansion of the existing Wal-Mart in south Chico to a superstore size and the proposed new superstore in north Chico are completed and you are taking comments on the draft EIR.

23-1

I have concerns about both projects. I live off of 20<sup>th</sup> street and am concerned about the traffic congestion that this will further contribute to.

23-2

I have concerns about how this may negatively affect smaller and larger businesses, especially in the downtown Chico area. I, like many others, really like the downtown and the vibrant atmosphere there. Malls historically have destroyed downtowns, often making them marginal and bordering if not making them ghost towns. Thirdly, how much can a community absorb before it changes radically, i.e. San Jose, Los Angeles and other places in California that had a quality of life similar to Chico's.

23-3

I have the concern that our quality of life will be greatly affected by the big box stores. Its too much, too quickly. Thoughtful planning needs to be done to keep our quality of life. NO on the expansion of the new

23-4

**Letter 23                      John Alexander, Resident**

*Response 23-1*                      The commenter provides an introductory paragraph for his comments. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR.

*Response 23-2*                      The commenter states that he has concerns about both Wal-Mart projects, particularly traffic impacts to 20<sup>th</sup> Street. The commenter is referred to Section 4.2 of the Draft EIR, specifically Impacts 4.2.1 and 4.2.3, for a full discussion of potential project traffic and circulation impacts and mitigation measures for 20<sup>th</sup> Street and other area roadways. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The commenter is referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

*Response 23-3*                      The commenter expresses his concerns on how the proposed project would affect downtown businesses. The commenter is referred to Response 21-1.

*Response 23-4*                      The commenter discusses his opinion on the growing Chico area. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The commenter is referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

LETTER 24

Patrick Murphy - Wal -Mart

**From:** "judy petrucelli" <judyp@sunset.net>  
**To:** <pjmurphy@ci.chico.ca.us>  
**Date:** 1/12/2007 9:58 AM  
**Subject:** Wal -Mart

I would like to add my voice against an additional Wal-Mart.

Enlarge the current Wal-Mart, staff it adequately, pay employees a living wage and benefits. We do not need another source of working poor and corporate greed.

For the aforementioned reasons, I shop at Wal-Mart only when I can not find a product any where else in this town.

jp

24-1

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**Letter 24**

**Judy Petrucelli, Resident**

*Response 24-1*

The commenter voices her objection to the North Wal-Mart project. The commenter is referred to the North Wal-Mart FEIR for responses to comments regarding this project. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The commenter is referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

LETTER 25

Page 1 of 1

Patrick Murphy - walmart

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From: HAROLD D JERGENTZ <mistif2@sbcglobal.net>  
To: <pjmurphy@ci.chico.ca.us>  
Date: 1/12/2007 11:15 AM  
Subject: walmart

---

YES, PATRICK, I WANT A SUPER WALMART! WE LIVE  
ON A FIXED INCOME AND WE NEED ALL THE HELP WE CAN  
GET, BECAUSE OF ALL OUR DOCTOR BILLS.  
THEN THERE IS DENTAL, WAY OUT OF REACH!  
THANK YOU ,  
HAROLD JERGENTZ

25-1

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**Letter 25**

**Harold D. Jergentz, Resident**

*Response 25-1*

The commenter states his support of the proposed project. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 26

<font face=arial size=2>City of Chico Online Contact Form</font> *CC: Kelly Murphy* Page 1 of 1

Nancy Kelly - City of Chico Website Contact Form

From: Sharon Jensen <grannys51@sbcglobal.net>  
To: Deborah Presson <nkelly@ci.chico.ca.us>  
Date: 1/12/2007 10:18:13 AM  
Subject: City of Chico Website Contact Form

DATE	1/12/07	AGENDA	COUNCIL
ADD. INFO		CM	ACM CA
GSD	CSD	ISD	CLK
ENG	HR/RM	FIN/D	COP FC
FILE		OTHER	

Submitted: 1/12/2007 10:30:52 AM

From: Sharon Jensen

Day Phone: 530-876-0836

E-Mail: grannys51@sbcglobal.net

Address: 1077 Shadowbrook Way Apt 30  
Paradise, CA 95969

Comments: Dear City Council Members: While I do not live in Chico, I do most of my shopping there and would do even more of it if we had at least one Walmart Super Center as I am on SSI and they have the best prices that I can afford. I would like to have two Walmarts as that would enable me to shop closer to where I live. As far as the environmental impact, growth of the city is inevitable and where Walmart wants to expand there is an empty field. I go to businesses and having them there does not affect the wildlife that may be there. How many times do. Growth is not something that can be stopped. Everyone seems to be against Walmart due to their not having good benefits for their employees but not all places where you work do have those either. You will have more traffic no matter what you do and to handle that all that needs to be done is to install some signal lights. That would control the traffic as it does now at the current Walmart and the Chico Mall. I moved here from Redding and the Walmart Supercenter in Anderson did not put any stores there out of business. That is just a bunch of hogwash from those who oppose Walmart. If it were apartments or houses, while they would cause more traffic you do not hear the complaints about it. In ending I believe all of this no Walmart expansion or even another Walmart, is just a bunch of flack from those who can afford to shop at stores like Sears, Penneys, and other such stores. Sincerely, Sharon L Jensen

26-1

JAN 12 2007

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**Letter 26**

**Sharon Jensen, Resident**

*Response 26-1*

The commenter states her support of the proposed project. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 27

Page 1 of 1

Patrick Murphy - Wal-Mart

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**From:** HAROLD D JERGENTZ <mistif2@sbcglobal.net>  
**To:** Patrick Murphy <pjmurphy@ci.chico.ca.us>  
**Date:** 1/13/2007 5:50 PM  
**Subject:** Wal-Mart

---

Patrick,  
Hope everyone saw your address and e-mail.  
With the cost of medicine, insurance, gas and groceries,  
we can't afford Rayles, Safeways.  
We are on a fixed income, we need Wal-mart Super Store.  
Thank you,  
Nita Jergentz

27-1

ps  
Get those numbers out there.

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**Letter 27**

**Harold D. Jergentz, Resident**

*Response 27-1*

The commenter states his support of the proposed project. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 28

**Patrick Murphy - Walmart**

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**From:** <Amiller77@aol.com>  
**To:** <pjmurphy@ci.chico.ca.us>  
**Date:** 1/15/2007 10:50 AM  
**Subject:** Walmart

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Dear Mr. Murphy:

I am supportive of WALMART & believe the money saving store is an added bonus to both locations. The expansion at Forest Ave in the South area & with the new northern location off Gardner will provide convenient shopping at both ends of the city.

The congestion in south Chico is becoming ridiculous, where restaurants & shopping is located. I believe the northern area consumer would like the convenience of having something in their area as well.

My vote is for WALMART.....

Thanks,  
A. Miller

28-1

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**Letter 28**

**A. Miller, Resident**

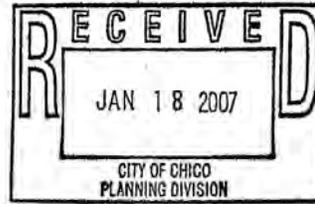
*Response 28-1*

The commenter states his/her support of the proposed project. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 29

1/15/07

Dave Kelley  
Butte County Planning Commission



Dear Sir,

I wish to express my opposition to the expansion of the existing Wal Mart and the building of another Wal Mart in Chico. I hope that you Sir will oppose both of these Wal Mart endeavors.

29-1

Part of my opposition has to do with their wage practices. It is not right to offer few hours work at low wages and then encourage employees to apply for government assisted programs. Simply, my taxes support the "government assisted programs" and I resent that.

29-2

In addition I do not support the idea of expanding businesses which will put others out. That would only be reasonable if the existing businesses were inadequate, which is not the case here. Closing a Wal Mart for just about any other store would be acceptable but not vise versa.

29-3

Please oppose the expansion of the existing Wall Mart and the building of another when ever you can.

Thank you,

A handwritten signature in cursive script that reads "Janice Haugh".

Janice Haugh  
P.O Box 120  
Forest Ranch, CA 95942  
530 342-2543

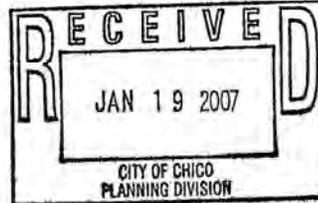
**Letter 29**                      **Janice Haugh, Resident**

*Response 29-1*                      The commenter states her objection to the proposed project. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

*Response 29-2*                      The commenter states that part of her objection to the proposed project is Wal-Mart's wage practices. An EIR is not intended to examine the wage practices of a potential employer, as these practices do not effect the physical environment. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

*Response 29-3*                      The commenter states that she would not support a expansion of a business which would result in the closing of other businesses. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 30



1/15/07

Jon Luvaas  
Butte County Planning Commission

Dear Sir,

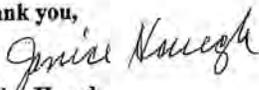
I wish to express my opposition to the expansion of the existing Wal Mart and the building of another Wal Mart in Chico. I hope that you Sir will oppose both of these Wal Mart endeavors. 30-1

Part of my opposition has to do with their wage practices. It is not right to offer few hours work at low wages and then encourage employees to apply for government assisted programs. Simply, my taxes support the "government assisted programs" and I resent that. 30-2

In addition I do not support the idea of expanding businesses which will put others out. That would only be reasonable if the existing businesses were inadequate, which is not the case here. Closing a Wal Mart for just about any other store would be acceptable but not vise versa. 30-3

Please oppose the expansion of the existing Wall Mart and the building of another when ever you can.

Thank you,

  
Janice Haugh  
P.O Box 120  
Forest Ranch, CA 95942  
530 342-2543

**Letter 30**                      **Janice Haugh, Resident**

*Response 30-1*                      The commenter states her objection to the proposed project. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

*Response 30-2*                      The commenter states that part of her objection to the proposed project is Wal-Mart's wage practices. An EIR is not intended to examine the wage practices of a potential employer, as these practices do not effect the physical environment. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

*Response 30-3*                      The commenter states that she would not support a expansion of a business which would result in the closing of other businesses. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 31

Tuesday, January 16, 2007

JAN 22 2007

Patrick Murphy  
City of Chico  
Planning Services Department  
Senior Planner

Mr. Murphy,

This correspondence is to inform you and the City of Chico Planning Services Department that we are categorically opposed to any Wal-Mart expansion in or around the City of Chico.

31-1

We are proud residents of Chico in large part because of our strong community and strong network of neighbors. We fear that two Wal-Mart Supercenters will take away from that community pride. The Wal-Mart Corporation will funnel our local dollars away from our local economy. Benton, Arkansas is not local economy and is not part of our network of neighbors.

31-2

As a public servant, we encourage you to take this matter seriously and to support our community and neighbors by not contributing to the wealth of billionaires in another state. Please do not allow the use of our tax payer dollars to help fund these expansions.

31-3

Sincerely,

  
Daniel Gonzales

  
Heidi Gonzales

202 W. 21<sup>st</sup> Street  
Chico, CA 95928

**Letter 31**                      **Daniel and Heidi Gonzales, Resident**

*Response 31-1*                      The commenters state their objection to the proposed project. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

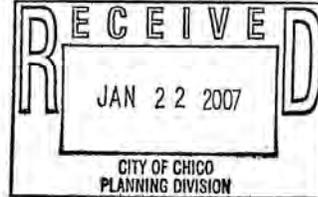
*Response 31-2*                      The commenters state that they fear two Wal-Mart Supercenters would take away from the community pride. The commenters do not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

*Response 31-3*                      The commenters state their opinion on the use of taxpayer dollars to help fund the proposed expansion. The commenter does not explain how the proposed project would use taxpayer's dollars. The use of tax dollars is not a CEQA issue. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 32

**CHICO HOSPITAL FOR CATS**

548 West East Avenue  
Chico, CA 95926  
(530) 892-CATS (2287)



Patrick Murphy  
Senior Planner  
City of Chico

Dear Mr. Murphy:

As a business owner in Chico, I am concerned about the basis upon which assumptions are being made with regard to the desirability of two Walmart Supercenters in Chico. When I wrote my business plan for our hospital, we were compelled to provide data no more than 1 year old. Walmart should be held to no less of a standard.

The cumulative impact of Wal-Mart Supercenters in the primary, secondary and tertiary market areas is of critical importance to the economic analysis portion of the South and North Wal-Mart Supercenter EIRs. I am deeply concerned that the data used to assess the cumulative impact is outdated and inaccurate.

It is noted in the Assumptions and General Limiting Conditions that fieldwork and data collection was done for this study in 2004 and that the consultants take no responsibility for market events pertinent to the primary or secondary market area occurring after that time. We are now in 2007 (2 1/2 years later). Stockton is no longer the only Wal-Mart Supercenter in Northern California as the study states on page 4. In fact, there is a Wal-Mart Supercenter already operational as close as Anderson.

More importantly, the study makes mention of the Wal-Mart Supercenters planned for Willows and Red Bluff (both now approved) as well as the proposed Supercenter for Paradise. However, it fails to take into consideration the proposed Supercenters in Oroville and Redding as well as an existing Supercenter in Anderson and two in the Yuba City/Marysville area. That's 10 proposed or existing Supercenters in a 60-mile radius! That type of market coverage will surely impact the ability for the two proposed Supercenters to draw from the secondary and tertiary market areas and *must* be taken into consideration in the cumulative economic impact section. If the Supercenters are not drawing as heavily from the outside market areas, then they will even more so cannibalize existing Chico businesses.

As an additional point of clarification, the Paradise Supercenter that the report indicates is "likely to enter the market substantially after any of the other identified projects" is expected to be back in front of the Paradise City Council for approvals in 2007 - in line with the other area Supercenters.

This EIR is designed to provide our representatives with accurate information to make decisions with. The inaccuracies are unacceptable and must be fixed before the true impact the Supercenters will have on Chico can be determined.

Thank you for your consideration,

Elizabeth J. Collieran DVM, MS

32-1

**Letter 32**

**Elizabeth J. Colleran DVM, MS, Resident**

*Response 32-1*

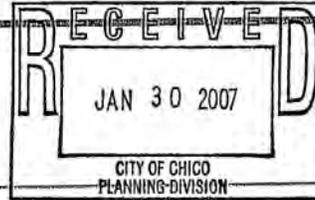
The commenter states that the proposed project economic analysis should be required to provide data that is less than a year old. The development of an Environmental Impact Report is a time consuming process taking many months to complete. CEQA Guidelines Section 15125 (a) discusses the "environmental setting" which is a description of the physical environmental conditions in the vicinity of the project as they exist at the time the Notice of Preparation (NOP) is published. This setting represents the baseline conditions under which a project is analyzed. The NOP for the proposed project was published in June 2004. The proposed Wal-Mart Expansion project EIR was initiated in June 2004. At the writing of the Wal-Mart Expansion Draft EIR, the data used for the analysis was the most up-to-date information available. The economic study completed for the proposed project was written in January 2005 and revised in February 2006. The Draft EIR, which was published in November 2006, used the revised economic study for its analysis.

The commenter states that the market study completed for the proposed South Wal-Mart Expansion project does not take into account all of existing and proposed Wal-Marts in the area. The commenter is referred to Section 2.5 Response To Opposing Economic Analysis of this Final EIR, page 2.0-209 which discusses additional planned Wal-Marts in the area and their affect on the proposed project and the City's retail market.

LETTER 33

Patrick Murphy - Wal Mart Expansion

From: David Smith <smithjonian@sbcglobal.net>  
To: <pjmurphy@ci.chico.ca.us>  
Date: 1/30/2007 3:53 PM  
Subject: Wal Mart Expansion



Dear Mr. Murphy:

I have no objection to a larger WalMart at or near its present location. However, I oppose opening a new WalMart at the north end of Chico. Here are my reasons:

1. It is not necessary to have 2 WalMart stores in Chico, or two Lowes or two Home Depots, or two Best Buys or two Circuit Cities. If we get a second WalMart at the north end of town, the others I have named, and more, will also need to expand there. Because of that, the problem is not one building and one EIR, it is several, with a cumulative impact far greater than the WalMart EIR anticipates. To handle that growth, streets MUST be widened before WalMart opens. My list of needed improvements is:

33-1

- a. Connect Eaton to Hwy 32 west of Chico and Hwy 32 east of Chico with a 4 lane road.
- b. Widen Esplanade from Eaton to its intersection at 99 to be a 4 lane road.
- c. Upgrade the Eaton/99 crossover for heavier traffic flow.

Why should we take on this burden -- it will be ours and not WalMart's -- for expansion we do not have any actual need for.

2. At the south end of town, there are numerous box stores and so playing field is essentially level. What is critical there is to continue to widen roads to improve traffic flow, including widening MLK and redoing the exits on the Skyway/99 overpass to allow two through lanes over the bridge in each direction. Continuing these improvements will be far easier if we are not straining local resources by opening up a second center of growth.

33-2

I hope these thoughts are helpful to the city. I think the EIRs are seriously deficient in seeing too little of the picture.

Yours,

David P. Smith  
321 Mesa Verde Ct.  
Chico CA 95973  
[smithjonian@sbcglobal.net](mailto:smithjonian@sbcglobal.net)

**Letter 33**

**David Smith, Resident**

*Response 33-1*

The commenter states that he has no objections to the south Wal-Mart Expansion project but suggests a number of street improvements to serve the North Wal-Mart project. The commenter is referred to the North Wal-Mart FEIR for responses to comments regarding this project. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

*Response 33-2*

The commenter discusses the necessary continual improvements to the roadway system in south Chico to accommodate future traffic, specifically to Martin Luther King Drive and the Skyway/Hwy 99 overpass. The commenter is referred to Section 4.2, page 4.2-47 Short Term Plus Project Traffic Operations and page 4.2-73 Cumulative Plus Project Traffic Operations of the Draft EIR which discusses the proposed project's impact to the surrounding roadway system, including Whitman Avenue which is now Martin Luther King Drive and the Skyway/Hwy 99 interchange and provides mitigation measures to reduce these impacts.

LETTER 34

Patrick Murphy - Wal-Mart

Page 1

**From:** Michael Perelman <michael@ecst.csuchico.edu>  
**To:** <pjmurphy@ci.chico.ca.us>  
**Date:** 1/31/2007 9:09:34 AM  
**Subject:** Wal-Mart

I would like to elaborate on my brief comments from last night. I mentioned that Wal-Mart has a business practices flooding an area with stores, capturing as much business as possible, then closing some of the stores to save money, assuming that the remaining stores will be able to maintain most of the business.

34-1

Cities structure their plans around the assumption that the physical plant and traffic will be semipermanent. Accommodating new locations will be quite expensive. You know this better than I do.

34-2

Adjusting to the expansions or new locations is expensive, but it will be doubly expensive if you have to adjust for the initial Wal-Mart investment, followed by a departure.

At the very least, any agreement with the city should make Wal-Mart responsible for the extra costs associated with downsizing its presence in Chico.

34-3

Michael Perelman  
Economics Department  
California State University  
michael at ecst.csuchico.edu  
Chico, CA 95929  
530-898-5321  
fax 530-898-5901  
www.michaelperelman.wordpress.com

**Letter 34**                      **Michael Perelman, Economic Department California State University**

*Response 34-1*                      The commenter states it is his understanding that Wal-Mart business practice is to flood a market and then close some of the stores to save money. Business practices are not required to be analyzed in an EIR as they are not considered an impact to the physical environment. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

*Response 34-2*                      The commenter discusses the idea that cities structure their plans with the assumption that the physical plant and traffic will be semi-permanent and businesses that locate in Chico and then depart would be doubly expensive on city resources. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

*Response 34-3*                      The commenter states that at the very least, Wal-Mart should be held responsible by the City of Chico for the extra costs associated with downsizing its present location. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 35

Page 1 of 1

Patrick Murphy - Wal-mart

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From: Colleen Peace <candfrank@sbcglobal.net>  
To: <pjmurphy@ci.chico.ca.us>  
Date: 1/31/2007 9:25 AM  
Subject: Wal-mart

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I think the growing wal-mart is a wonderful idea, and building a new super center is also a wonderful thing. This town can build houses everywhere.... So lets see it grow with jobs as well.

35-1

Colleen Peace

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**Letter 35**

**Colleen Peace, Resident**

*Response 35-1*

The commenter states her support for the proposed project. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 36

Patrick Murphy - WalMart

Page 1

**From:** "Sandra Atteberry" <sanatte@sbcglobal.net>  
**To:** <pjmurphy@ci.chico.ca.us>  
**Date:** 1/31/2007 9:45:03 AM  
**Subject:** WalMart

I SUPPORT the building of a Wal-Mart Super Center in both areas of Chico, I have lived in Durham for over 30 years. The hypocrisy of the people in Chico who are against the Wal-Mart Super Center Stores is a showtime extravaganza. Most of the people I see at the public meetings are the same ones that pushed hard to get a Trader Joe's here in Chico. The same ones who push for Starbucks shops are against Wal-Mart. Is a Marshall's Department Store next??

The people who shop at Wal-Mart are not as vocal as these people against it. They know that they will not be recognized. It is the lower income people who cannot afford the prices at Trader Joe's or Starbuck. There are several local coffee kiosks that are better than Starbucks.

I also have NOT shopped at WinCo; I went into Kohl's when it opened, I will NOT be going back. I do NOT shop at Trader Joe's. I very seldom go downtown, access and prices are out of sight for most of us.

I will support FoodMaxx, Wal-Mart, Penney's, Mervyn's, Costco and some of the local stores, S&S Produce, Collier Hardware, Meeks, and La Comida. I do not understand the building of a Chevy's over by Kohl's. It is so out of the way of traffic.

I do not understand the new businesses in front of Wal-Mart on Forest Ave. Chico Elite is so out of touch with the majority of people who support Chico that I can see that there will be more stores going out of business.

I agree with the people in North Chico that there needs to be a super store there and why not let it be a Wal-Mart Super Center.

Sandra Atteberry  
Durham, CA

36-1

**Letter 36**

**Sandra Atteberry, Resident**

*Response 36-1*

The commenter states her support of the proposed project. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 37

Page 1 of 1

**Patrick Murphy - Walmart suggestion**

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**From:** Kitty Ichelson <kittyi@sbcglobal.net>  
**To:** <pjmurphy@ci.chico.ca.us>  
**Date:** 1/31/2007 4:38 PM  
**Subject:** Walmart suggestion

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Gee, here's a thought...why not enlarge the Walmart in Chico at the southern locate (existing) and see if another is necessary? Then decide where a second one might go, if it is needed.

Just a thought from a native of Chico who lives in Oroville now, because the rents are too high in Chico.

Kitty Ichelson

37-1

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**Letter 37**

**Kitty Ichelson, Resident**

Response 37-1

The commenter states that Chico should allow the expansion and see if another Wal-Mart is necessary after the expansion is completed and operational. The commenters do not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 38

Patrick Murphy - Walmart

**From:** Tony Shafer <tashafer@pacbell.net>  
**To:** <pjmurphy@ci.chico.ca.us>  
**Date:** 1/31/2007 2:34 PM  
**Subject:** Walmart

Greetings Patrick,

I just wanted to send a quick comment about the proposed Walmart Superstores being discussed at tonight's meeting. While I am unable to attend I would like to lend some comment to these plans.

I have to tell you that part of the charm of Chico is the quaintness of the infrastructure. While the growth rate of our area is steady it needs also to be preserved. The residents of the city and surrounding areas of Chico do appreciate having choices for our shopping needs. Having a Trader Joes, a Chili's, and certainly a Walmart Superstore would fill such a need. But not two Walmart Superstores. What are we thinking? We really don't need this at all. In simple terms, this is extreme overkill. If people want "A" Walmart Superstore, fine. Not two!! From one end of town to the other is not that far and takes little time or effort. Relocate Walmart to the new site and make the old site available for some other retailer who could bring something new and exciting to our town. 38-1

We don't want two Walmarts!!!

Thanks for your time,

Tony Shafer  
12620 Quail Run Drive  
Chico, CA 95928  
Tel: 530.864.0429

**Letter 38**

**Tony Shafer, Resident**

*Response 38-1*

The commenter states that Chico does not need two Wal-Marts. The commenters do not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 39

Patrick Murphy

**From:** "Abbott, Joe" <AbbottJo@butte.edu>  
**To:** <pjmurphy@ci.chico.ca.us>  
**Date:** 1/31/2007 5:01 PM

Mr. Murphy;  
To this point I haven't weighed in on the Wal-Mart fiasco so I appreciate the opportunity. I won't bother mentioning the vacancies in downtown Eureka, my long-ago hometown, where the construction of the "new" mall (a couple decades ago) resulted in urban decay in what once was a vital, living city center, because I realize that is largely irrelevant to the Chico Wal Mart EIR. Obviously I did just express my dismay over the probable impact of another Wal-Mart (or expansion) on Chico's downtown. Destruction of the healthy downtown infrastructure would ruin this city--in all the important ways--the same way it's ruined other once-vital cities.

So the EIR: Driving into Chico from the north on 99, passing the north entrance to the Esplanade and curving east before approaching the stoplight at the proposed Wal-Mart site at the par-3 golf course, one often finds backed-up traffic and serious possibilities for full-speed rear-end collisions. The location is already a plethora of traffic accidents waiting to occur, and placing a large retail store there will substantially increase probability of fatalities. Similarly, with the advent of a so-called superstore, the north end of the Esplanade will become a traffic manager's nightmare.

39-1

Improving the site's traffic flow will prove ineffective since increased traffic, especially cross-traffic, will negatively impact Hwy 99 and nearby residents. By its very nature, its eventual bottlenecks and crowded roads, the north WalMart site is untenable; there is no way possible to mitigate immediate and future problems. It's too late for a Chico belldine; anyway, I'm uncertain whether citizens would support one if it were feasible. A large retail center at the location would have serious ramifications for Chico, and I'm confident these ramifications would intensify (worsen) over time and eventually create urban blight. In my opinion Chico must prevent construction of the Wal-Mart Superstore at Chico's north end--for the greater good of the entire city and its present and, especially, future citizens. It's they who will damn us for the mess they inherit.

Sincerely,  
Joseph Abbott  
893-4331

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**Letter 39**

**Joe Abbott, Resident**

*Response 39-1*

The commenter discusses his objections to the North Wal-Mart project. The commenter is referred to the North Wal-Mart FEIR for responses to comments regarding this project. The commenters do not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 40

Page 1 of 1

Patrick Murphy - walmart

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From: Kaitlyn Laczko <babyrock987@sbcglobal.net>  
To: <pjmurphy@ci.chico.ca.us>  
Date: 1/31/2007 8:21 PM  
Subject: walmart

---

hello. i'm 15 years old and i oppose the two walmarts. i do like to shop, but i believe the only reason people move up here is to get away from that kind of thing. people should move to the city if they want more stores. we live in the mountains where the trees should stay.

40-1

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**Letter 40**

**Kaitlyn Laczko, Resident**

*Response 40-1*

The commenter states her opposition to two Wal-Marts. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The commenter is referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

LETTER 41

Patrick Murphy - Walmart North Chico

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**From:** "Greg Shea" <shea@chico.com>  
**To:** <pjmurphy@ci.chico.ca.us>  
**Date:** 2/4/2007 1:55 AM  
**Subject:** Walmart North Chico

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Sir:

A couple of weeks ago the ER quoted someone who was anti-North Chico Walmart. I found it entertaining. His very argument against the Walmart was there perfect reason why the North Chico Walmart should be allowed to go forward. Allow me to paraphrase his comments. He said there was not a need for the North Chico Walmart because it was only 6½ miles and 8½ minutes south of the Garner/99 intersection. I think we could conservatively say 500 people a day from around the Garner/99 intersection would shop at the closer Walmart. Those people would save the 13 mile round trip. If they drive an SUV, that's a gallon of gas (and the pollution it would generate). So, we save 500 gallon a day for say 360 days a year (Walmart does close a few days a year). That saves the environment 180,000 gallons a year.

If Chico is truly serious about wanting to lower green house gas emissions, then the North Chico Walmart must be allowed to go forwarded.

From a purely planning standpoint it got to be a win/win situation. The only possibly reason for turning it down would be purely political. Chico has hundreds, if not thousands of homes in north Chico. The north most grocery stores include three large food retailers on East Avenue and none further north. Tens of thousands of residents live beyond East Avenue. Don't they deserve closer, more convenient shopping access? Chico is worried about the added traffic that a Costco expansion would cause and we all know that 20<sup>th</sup> Street frequently runs at or beyond capacity (Yes, I have occasionally waited 4 light changes to get through an intersection over by the Mall...for that matter East Avenue and Cohasset suffer similarly). Allowing the North Chico Walmart would help relieve the South Chico traffic congestion. Reducing the mileage people have to drive would also translate into a reduction of the wear and tear on the roadway infrastructure and its maintenance.

A North Chico Walmart would conserve fuel, reduce traffic congestion and infrastructure costs. It would also provide residents with closer, more easily accessed shopping. What's not to approve?

Thank you for your attention in this matter,  
Greg Shea

41-1

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**Letter 41**

**Greg Shea, Resident**

Response 41-1

The commenter states his reasoning for allowing the North Wal-Mart project to proceed as it would reduce gas consumption, reduce traffic problems at the south Chico Wal-Mart location and reduce roadway infrastructure cost (maintenance). The commenter does not raise any issues related to the adequacy of the Draft EIR. The comment is noted and presented here for Planning Commission consideration.

## LETTER 42

Comment Form  
 North Chico Retail & Annexation EIR (Wal-Mart North)  
 Draft EIR Public Comment Meeting  
 Tuesday, January 30, 2007, 6:00 p.m.  
 City of Chico Council Chambers

FEB - 4

Name: MARILYN PORTER  
 Address: 779 Linda Lane  
Chico, CA 95973  
 E-mail: SKIPPYRPORTER@yahoo.com

## Comments:

I feel that the EIR report does cover traffic. As an employee of Walmart and a Chico resident of Chico for over 45 years, my husband and I own our own home. I also live on the north side of Chico, and by building low cost retail on the north side it will cut down on the traffic congestion around the 20th street area. Our store is so busy people have to wait to find a parking spot which proves we need another store on the other side of town. The only supermarkets we have are Albertsons (overpriced) Raley's (overpriced in Chico) Safeway very (overpriced 3 in Chico) you tell me why we are fought them the way they fight Walmart. It's called Union supporters.

42-1

Return Comments No Later Than 5:00 p.m., Monday, February 19, 2007, To Patrick Murphy, City of Chico Planning Services Department, P.O. Box 3420, Chico, CA 95927 or to pjmurphy@ci.chico.ca.us

**Letter 42**

**Marilynn Porter, Resident**

Response 42-1

The commenter states her desire to see a North Wal-Mart and construction of this store will ease the traffic burden of the south Wal-Mart store. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 43

Comment Form  
Wal-Mart Expansion EIR (Wal-Mart South)  
Draft EIR Public Comment Meeting  
Tuesday, January 30, 2007, 6:00 p.m.  
City of Chico Council Chambers

FEB - 2 2007

Name: Marilyn Porter  
Address: 779 Linda Lane  
Chico CA 95973  
E-mail: skippyporter@yahoo.com

Comments:

I work for Walmart - I feel the EIR should be approved. ~~the~~ People already crowd into our stores. If we were allowed to expand to carry more groceries, they could finish their shopping in one area rather than fighting the traffic to get to Costco or Food Max. The customers are already in our store, if not I will continue to drive to Yuba City or Anderson. Even with the cost of gas I still save.

43-1

Return Comments No Later Than 5:00 p.m., Friday, March 2, 2007, To Patrick Murphy, City of Chico Planning Services Department, P.O. Box 3420, Chico, CA 95927 or to pmurphy@ci.chico.ca.us

**Letter 43**

**Marilyn Porter, Resident**

*Response 43-1*

The commenter states her place of employment is Wal-Mart and that the EIR should be approved. Additionally, the commenter declares that people could do their grocery shopping when they are already in the store then which would reduce traffic to other stores. The commenter does not raise any issues related to the adequacy of the Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 44

Patrick Murphy - Walmart- Meeting in the Middle- Everyone Wins

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**From:** Ramon Alfaro <okeeleytea@sbcglobal.net>  
**To:** <pjmurphy@ci.chico.ca.us>  
**Date:** 1/26/2007 10:08 PM  
**Subject:** Walmart- Meeting in the Middle- Everyone Wins

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Hello,

My name is Lisa O'Keeley, of Chico, CA. I've lived in a city/town with similar size and economic data (called Palmdale, CA of the Antelope Valley- it was a booming 'bedroom community', same stores, city mall, small downtown, same job market scenarios with a few large industry employers, no university- but a community college in the neighboring town, and they even have roughly the same size airport thinking about connecting with LA) and they did fine with one Super Center Walmart. They are still growing and thriving. And I think it is obvious, even to Walmart, that Chico will not do well with two.

It seems to me Walmart is playing a business strategy. Ask for more than you want, create a lot of controversy, which gives you free branding of your name in news and lawn signs. Then "settle for a little less" than originally asked, which is all you really wanted in the first place. In business when you have a goal, you shoot for higher than what you intend. In the end, you usually come out where you need to be, and if you did better than that, then more power to you.

It's a corporate haggle. Do they really think we'd let two Walmart Supercenter's in? That's ridiculous. The impact reports are in, we know this, they know this. I think Walmart would find us crazy to allow both sites, but they'd shrug their shoulders and do it anyway.

I say let them have their one Walmart SuperCenter at their current site, let us not turn away freedom of commerce, but also let us be reasonable, and decline the second site proposal.

In the history of Chico's decision making, I think this decision fits. Allow growth, but not explosive growth. Just moderate reasonable growth.

Thank you for your time. I hope this sheds some light on a solution so we can all be done with reading about Walmart in the paper. Let their free advertising campaign be over.

Sincerely,

Lisa O'Keeley  
Chico, CA

44-1

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**Letter 44**

**Lisa O’Keeley, Resident**

*Response 44-1*

The commenter states that Chico does not need two Wal-Marts. One Wal-Mart Supercenter is adequate. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 45

From: Douglas McLendon <thefixer@bigvalley.net>  
To: <pjmurphy@ci.chico.ca.us>  
Date: 2/12/2007 5:50:26 PM  
Subject: Wal-Mart Expansions

Dear Mr. Murphy,

I would like to make some comments and observations concerning the Wal-Mart issues here in Chico. As I see it there is no reason not to approve the expansion of the Wal-Mart on the south end of town provided that all of the issues contained within the draft EIR are addressed to the satisfaction of the planning commission.

45-1

With that being said I am very much opposed to allowing a second Wal-Mart on the north entrance of our town. This project would put the currently established businesses under a huge strain. There are a finite number of dollars that the public has to spend. If these current retailers all lose a large enough percentage of their business some will surly close up shop. Some people think "so what" some other retailer will open in that space and it all equals out. This is not true. The current businesses such as Raleys and Albertsons pay good wages and are the careers that support many of our Chico families. If these shops close up they will be replaced with lower wage college type jobs. Also other retail shops such as Rite Aid, OSH, Mervyns and Longs Drugs will all be at risk. What will the north end of town look like with all of these shops drying up?

45-2

I don't wish to deny the people that love Wal-Mart their wonderful Super Center but the detriments far outweigh the benefits in having a Wal-Mart on the north end of town. It seems that people are more concerned with their own convenience than with the livelihoods of their neighbors. After all it only takes about eight minutes to get from the north end of town to the south. That's not such a big deal.

Also is this what Chico really wants, the huge Wal-Mart beacon prominently displayed on both the south and north gateways of our wonderful town.

ONCE THIS GENIE or DEMON IS LET OUT OF THE BOTTLE IT'S TOO LATE TO PUT IT BACK!!!

Sincerely  
Doug McLendon

Dial Broadband has arrived Nationwide! Up to 5 times faster than traditional dialup connections from \$13.33/month! See the demo for yourself at <a href="http://www.BigValley.net">www.BigValley.net</a>

**Letter 45                      Doug McLendon, Resident**

*Response 45-1*                      The commenter approves of the proposed Wal-Mart Expansion project. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

*Response 45-2*                      The commenter declares that he is opposed to the North Wal-Mart project as it would place undue strain on existing businesses. The commenter is referred to the North Wal-Mart FEIR for responses to comments regarding this project. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 46

Patrick Murphy - wal-mart

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From: Bernadette Maloney <maloney\_mcbrayer@sbcglobal.net>  
To: <pjmurphy@ci.chico.ca.us>  
Date: 2/11/2007 11:04 AM  
Subject: wal-mart

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The city of Chico is a beautifully small town. It is a safe and comfortable place to raise a family. Adding a second Wal-Mart to this town would be a major mistake. According to the EIR a second Wal-Mart in Chico would impact traffic and our air quality. In a town so focused on environmental conservation and the beautiful trees that surround us, I find it hard to believe that we are considering risking our air quality for such a useless "big box" retail. Although Chico is a relatively conservative town, Chico State is currently in the process of becoming one of the first Green Campuses expressing its ever increasing concern with the environment of Chico. Why risk destroying the environment that, up until now, this town has shown so much pride and concern for? The strategic north and south placements of these "big box" stores is obviously an attempt to choke out the middle. This middle is our beautiful downtown business district. Today, downtown Chico is a bustling community full of relatively smaller business, free from the stagnation found in these bigger corporations. The Wal-Mart corporation has a tendency to choke out any and all local competition. They bring lower prices that any local business find impossible to beat. They offer new jobs to the community, but these jobs are the lowest paying jobs possible, and their benefits packages are so terrible that it makes it impossible for any hard working employee to use, so they are forced to take state aid in order to feed their families. This will mean an dramatic increase in the number of people living in our beautiful little town that rely on money from state aid programs. Wal-Mart claims to be bringing lower prices and new jobs into the community but their slightly lower prices will drive our important local businesses and their new jobs are not the type or quality of job we want for the families of Chico. Chico doesnt need a Wal-Mart that offers use those kind of benefits. We are better then that and we have to take pride in our town and protect it from "big box" retail.

46-1

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**Letter 46**

**Bernadette Maloney, Resident**

*Response 46-1*

The commenters states that adding a second Wal-Mart in the City of Chico would be a major mistake. The commenter is referred to the North Wal-Mart FEIR for responses to comments regarding this project. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 47

Patrick Murphy - Wal mart

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**From:** jerry reiblein <reiblein@sbcglobal.net>  
**To:** <pjmurphy@ci.chico.ca.us>  
**Date:** 2/9/2007 1:14 PM  
**Subject:** Wal mart  
**CC:** <info@chicocares.org>

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Mr. Murphy,

I am writing to you to state my opposition to the proposed new Wal Mart supercenter and the expansion of the old Wal Mart store. The traffic that will result will be a nightmare around the shopping area by the mall. The traffic resulting in the new store will really overburden the roads near it. That area is not ready for all the additional traffic that will result. Also, Wal Mart , as a whole, does not represent the kind of business ethic we strive for in Chico. We are a small people based community. We like to support our stores that pay a decent wage and the stores that are run by local citizens. The new Wal Mart could create a lot of minimum wage jobs but close other stores where a decent wage and benefits are paid. With Wal Mart not providing benefits to most of their employees, and even encouraging them to seek public assistance, a great financial burden will result. We do not know for sure how many mom and pops will fail if the expansion goes through but I for one would rather shop at Made in Chico than at Made in China. Thank you for listening! Jerry Reiblein

47-1

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**Letter 47**

**Jerry Reiblein, Resident**

*Response 47-1*

The commenter discusses his opposition to the North Wal-Mart and south Wal-Mart Expansion projects. This opposition is based on the increase in traffic and Wal-Mart's perceived business ethics. The commenter is referred to the Section 4.2 of the Wal-Mart Expansion Draft EIR, which discusses traffic impacts to the roadway facilities surrounding the Chico Mall. Impacts 4.2.1 and 4.2.3 analyze the potential traffic impacts and provides mitigation measures for traffic impacts from the south Wal-Mart Expansion project. Additionally, the commenter is referred to the North Wal-Mart Draft EIR and FEIR for a discussion of traffic impacts for that project.

The commenter states that businesses that pay a good wage may have to close because of implementation of the proposed project. The commenter is referred to Response to Comment 20-1, 21-1 and 2.5 Response To Opposing Economic Analysis regarding the potential for business closures. The wage practices for competing stores is not a CEQA issue and therefore not addressed in the EIR.

As far as business ethics, an EIR does not require a discussion of impacts pertaining to business ethics. The commenter is referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

LETTER 48

January 10, 2007

Chico City Council Members  
P.O. Box 3420  
Chico, CA 95927



Dear Council Members:

The Butte Environmental Council would like to suggest that the City of Chico, to more fully mitigate for air quality and traffic impacts from all development projects, institute an Air Quality Impact fee to support transit improvements, park and ride lots, bicycle facilities, wood stove change-outs, low emission vehicles, and possibly dust suppression programs. This fee would be similar to assessments by Colusa County's APCD, Placer County's AQMD, San Luis Obispo County agencies, and other counties, cities, and districts in California

If the City had the funding to institute the programs and create the infrastructure with such a fee, the City would be able to lower air quality impacts from increased development. This will not only provide greater service and cleaner air to each new development project, but to all residents in the City and Butte County.

The City might consider additional measures that might garner increased participation by large employers and high frequency destination businesses.

1. Cost sharing agreements with private businesses to pay for nearby bus shelters.
2. Advertising within public rights-of-way
3. Transit contributions in return for recognition
4. Employer-subsidized transit passes
5. Commuter choice tax benefits

Regards,

A handwritten signature in cursive script that reads "B. Vlamis".

Barbara Vlamis, Executive Director  
Butte Environmental Council

48-1

**Letter 48**

**Barbara Vlamis, Executive Director, Butte Environmental Council**

*Response 48-1*

The commenter suggest an air quality impact fee to more fully mitigate for air quality and traffic impacts. Currently, the City of Chico or Butte County Air Quality Management District does not have such a fee. Establishment of this fee would require a separate process showing a nexus between the fee and the impact and how the mitigation will reduce a particular impact. Once adopted, this impact fee would be required of all projects not just the proposed Wal-Mart Expansion project. While adoption of an air quality impact fee may be a good idea, currently the City of Chico and/or Butte County AQMD do not have an air quality impact fee and as a result, the proposed project is not required to pay this fee.

The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. Therefore, no further response is necessary. The commenters are referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

LETTER 49

From: <eclark5@mail.csuchico.edu>  
To: <PJMurphy@ci.chico.ca.us>  
Date: 2/14/2007 12:30:40 PM  
Subject: Wal-Mart Super Center

I am concerned about the impact a Walmart Super Center will have on city traffic. In regards to reading the EIR, it have been difficult to get a clear and concise picture of these effects. Since the majority of individuals may not be familiar with reading data printouts, I would encourage clarification on how traffic may be effected, intersection by intersection. Perhaps a map of each intersection with the expected wait time and anticipated traffic congestion could be beneficial.

After reviewing the EIR, I understand that traffic projections are assigned a grade. Based on the information provided in the expansion site report, it is evident that a lower grade indicates an expected delay of more than a minute. Does this mean that an intersection with a 61 second wait time is viewed with the same severity as an intersection with a wait of 5 minutes or more? Is there a possiblity to create a more precise and accurate rating scale? This may be accomplished by listing the worst expected wait time on a map or chart.

I greatly appreciate your work in spreading awareness of the impacts this expansion project will have on the city of Chico. Emily Clark, Graduate Student at Chico State.

49-1

**Letter 49****Emily Clark, Chico State Student***Response 49-1*

The commenter discusses the rating scales used in the analysis of traffic impacts for the proposed project and asks if there is some better way to show what the impact to each intersection would be than a map with numbers or a table with letters. A discussion of the various traffic signal delay standards is shown in Table 4.2-6 of the Draft EIR. This table indicates that delay times identified for each LOS increases as the letter increases. For example: a delay time for a signalized intersection for LOS B is greater than 10 seconds but less than or equal to 20 seconds while the delay for LOS E is greater than 55 seconds but less than or equal to 80 seconds. Anything over a delay of 80 seconds is LOS F. All traffic analysis information was based on City, Caltrans (for Highway 99) level of service standards (LOS) and industry roadway standards. While the illustrations in the Draft EIR do not identify the LOS with the implementation of the project, the Draft EIR does provide this information in a text form.

The Draft EIR identifies the LOS for each intersection within the project area as well as the on- and off-ramps for Highway 99 in Table 4.2-12 and Table 4-2-14 of the Draft EIR with the project under short-term conditions (2010) and Table 4.2-19 through 4.2-21 for long-term (2018) conditions. Additionally, each intersection and/or roadway segment with the addition of the proposed project operating below acceptable City or Caltrans standards is identified in Impact 4.2-1 and Impact 4.2-3 of the Draft EIR.

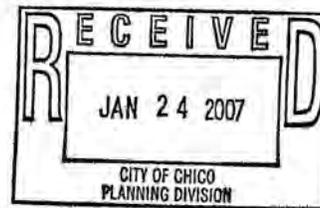
The commenter does not raise any issues related to the adequacy of the Draft EIR. Therefore, no further response is necessary. The commenters are referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

LETTER 50

Patrick Murphy - RE: Walmart Superstores

From: "Dex Sinister" <dex\_sinister@pacbell.net>  
To: <pjmurphy@ci.chico.ca.us>, <bertfam@sbcglobal.net>, <mflynn@ci.chico.ca.us>,  
<sgruendl@ci.chico.ca.us>, <tnickell@ci.chico.ca.us>, <aschwab@ci.chico.ca.us>,  
<lwahl@ci.chico.ca.us>  
Date: 1/24/2007 1:01 PM  
Subject: RE: Walmart Superstores

David R Tidwell  
958-C Kovak Ct  
Chico, CA 95973



To: Mayor Andy Holcombe  
Steve Bertagna  
Mary Flynn  
Scott Gruendl  
Tom Nickell  
Ann Schwab  
Larry Wahl

**Stop the hypocrisy: Cease obstructing the Walmart Supercenters.**

The Chico City Council has, for years, blocked efforts by Walmart to expand their store on their own Forest Avenue land by hiding behind the concept of "environmental impact," while allowing nearly every other square foot of soil in the Forest Avenue corridor to be heavily developed – predominantly by other retail businesses. Please stop misrepresenting the citizens of Chico by pretending that only Walmart, out of all the other businesses, has an "impact on the environment" – and that "environmental impact" is a meaningless catch-all term for "whatever we on the city council do not like."

50-1

The only legitimate purpose of both city governments and businesses is to serve the public - the end consumer. This is true because consumption (not production, employment, or "being in business") is the sole purpose of all economic activity. Somehow, the Chico City Council has come to the economically fallacious conclusion that consumers are served by your continuous efforts to ensure that consumers in Chico must pay higher prices for everything we buy, so that you may express, as our representatives, your own personal preferences in business owners and pressure groups whom you would like to protect.

Government does not serve the consumer by ensuring the health of merchants with high-priced merchandise, by excluding those who would bring consumers low-priced merchandise. If you believe that prosperity can be obtained by paying \$40 for something that can otherwise be obtained for \$10, by all means please follow this dictum in your own personal lives and that of your families: Buy only the most expensive things that you can find, every time you make a purchase, and bring prosperity to your families and the world. You will not, of course have very many things – but you may comfort yourselves by the knowledge that you have transferred your wealth to the merchants from whom you buy, and thereby bettered the world.

50-2

However, please stop imposing this ridiculous fallacy on myself, my family, and all of the other citizens of Chico. As economists have known for over 200 years, I and my family are vastly better off to spend only \$10 on what someone is willing to sell me for \$10, and keep the other \$30 to spend on

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LETTER 50 CONT.

Page 2 of 2

other things that we need. This is, and has been, true for all consumers (except, of course, for yourselves) for all time. It is, and continues to be, true in Chico today.

Stop obstructing Walmart's efforts to serve me as a consumer by providing me with low-priced merchandise. Stop exploiting the economic health of 69,000 consumers to further your fallacious economic pipedreams.

Sincerely,

David R. Tidwell

50-2  
cont.

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## 2.0 RESPONSES TO COMMENTS

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### Letter 50

### David R. Tidwell, Resident

#### *Response 50-1*

The commenter states his opinion that the City Council has blocked the expansion of Wal-Mart by hiding behind the concept of environmental impact. The commenter does not raise any issues related to the adequacy of the Draft EIR. Therefore, no further response is necessary. The comment is noted and presented here for Planning Commission consideration.

#### *Response 50-2*

The commenter states that the only legitimate purpose of city governments and businesses is to serve the end consumer. The commenter does not raise any issues related to the adequacy of the Draft EIR. Therefore, no further response is necessary. The commenters are referred to Master Response 2.4.1 for informational and analytical requirements of Environmental Impact Reports. The comment is noted and presented here for Planning Commission consideration.

LETTER 51

JOHN SHANNON  
42 MORAGA DR.  
CHICO, CA 95926



February 14, 2007

City of Chico  
Planning Services Department  
Attn: Sr. Planner Patrick Murphy  
411 Main Street  
Post Office Box 3420  
Chico, CA 95927

**Re: Comments on the Draft Environmental Impact Reports for the North Chico Retail and Annexation Project (ANX 04-09 and PM 04-09; State Clearinghouse No. 2004112103), and for the Wal-Mart Parcel Map and Expansion Project (PM 03-17; State Clearinghouse No. 2004012077)**

Dear Mr. Murphy:

I am concerned the draft environmental impact reports prepared for the North Chico Retail Annexation Project (North Project) and the Wal-Mart Expansion Project (South Project) are legally deficient, and do not sufficiently evaluate the potential environmental effects from the projects. Because my letter contains comments regarding the North Project and the South Project, please include it as part of the administrative record for each separate project.

The DEIRs do not adequately reflect the economic impact the projects will have on surrounding businesses. The DEIRs include sales data from 2003, but exclude all retail that has been built between 2003 and the present. This skews the economic analysis by minimizing the actual effects of adding approximately 340,000 square feet of additional retail to Chico. This significant influx of new retail in the Chico area may potentially cause many businesses to falter, especially in the Downtown area. These businesses could remain vacant for extended periods of time resulting in unsightly and blighted conditions. Not only is this an economic impact, but also a quality of life impact. The DEIRs must analyze this significant impact.

51-1

The DEIRs also do not sufficiently disclose and evaluate the significant air quality and health related impacts from the projects. Although the DEIRs generally describe the characteristics of various air pollution related ailments, they do not quantify the impact to the general public. And, the DEIRs fail to analyze the projects' impacts on energy consumption and non-renewable energy resources. The North Project DEIR also does not

51-2

51-3

51-4

LETTER 51 CONT.

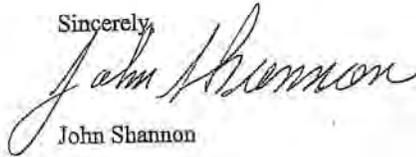
disclose nor analyze the impact eliminating the Sunset Hills Golf Course will have on public services and recreational opportunities for Chico residents.

51-4  
cont.

Based on the above, coupled with the traffic burdens these Supercenters will place on Chico, I respectfully request that the City of Chico deny each project. One Wal-Mart discount store is enough for Chico. We certainly do not need two new Supercenters.

51-5

Sincerely,



John Shannon

**Letter 51**

**John Shannon, Resident**

Response 51-1

The commenter determines that the Draft EIR is deficient in its examination of potential economic impacts as a result of project implementation. The commenter states that development of the proposed project as well as the North Wal-Mart project will result in business closures, especially in the Downtown area and the buildings will remain vacant for a long period of time which, in turn, will result in blight conditions.

The commenter is referred to the North Wal-Mart Draft EIR and FEIR for responses to the potential for blight conditions as a result of store development.

Regarding the potential affects of the south Wal-Mart Expansion project, Section 4.6, page 4.6-4 of the Draft EIR discusses the requirements under CEQA in examination of economic impacts, as follows:

“CEQA provides that “[i]n evaluating the significance of the environmental effect of a project, the lead agency shall consider direct physical changes in the environment which may be caused by the project and *reasonably foreseeable* indirect physical changes in the environment which may be caused by the project.” (CEQA Guidelines Section 15064(d) (emphasis added).) “A change which is speculative or unlikely to occur is not reasonably foreseeable.” (CEQA Guidelines section 15064(d)(3).)

CEQA further provides that “[e]conomic and social changes resulting from a project shall not be treated as significant effects on the environment.” (CEQA Guidelines Section 15064(e).) However, “[a]n EIR may trace a chain of cause and effect from a proposed decision on a project through anticipated economic or social changes resulting from the project to physical changes in turn caused by the economic or social changes.” (CEQA Guidelines section 15131(a).) In other words, economic and social changes are not, in themselves, considered under CEQA to be significant effects on the environment.

Therefore, “[t]he focus of the analysis shall be on the physical changes.” (CEQA Guidelines section 15131(a).) “[S]ocial, economic and business competition concerns are not relevant to CEQA analysis unless it is demonstrated that those concerns will have a significant effect on the physical environment.” (Maintain Our Desert Environment v. Town of Apple Valley (2004) 120 Cal.App.4<sup>th</sup> 396, 422.)

The relevant inquiry concerns whether substantial evidence demonstrates that it is reasonably likely that economic impacts will indirectly cause significant, sustained physical impacts. (Friends of Davis v. City of Davis (2000) 83 Cal.App.4<sup>th</sup> 104, 1022.)

Since only physical effects are to be considered under CEQA, economic and social changes resulting for a project may be considered if they, in turn, produce changes in the physical environment. In this context, the specific physical effect that would

## 2.0 RESPONSES TO COMMENTS

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be expected to occur as a result of a negative economic effect would be a physical deterioration of the built environment, or urban decay."

The potential for the proposed project to result in unsightly or blighted conditions were analyzed by Sedway Group in their study *Draft Wal-Mart Supercenter Economic Expansion Analysis: South Store Expansion Chico, California*. February 2006. The Draft EIR included language from the Sedway Group report which determined that development of the proposed project would have a less than significant impact on the potential for urban decay, including blighted conditions. The commenter is referred to Impact 4.6.1 and Impact 4.6.2 of the Draft EIR for this discussion.

The commenter states that the Draft EIR uses dated material to determine the economic outcome of project implementation and this information should be updated. The commenter is referred to Response to Comment 32-1 as well as Section 2.5 Response To Opposing Economic Analysis of this Final EIR for further information.

Response 51-2

The commenter states that the Draft EIR does not quantify the air quality impacts to the general public. Section 4.3 of the Draft EIR discusses the potential for air quality impacts as a result of project development. Page 4.3-2 through 4.3-4 provides a discussion of the potential health effects related to air pollutants. All air quality impacts are based on standards developed by the U.S. EPA and California Air Resource Board (CARB).

Establishing the number of persons which may develop health problems due to the additional construction, operational vehicular or area air pollutants the proposed project may emit is enigmatic and at best purely speculative as the variables which must be included to determine such a number are enormous. Because of the transient nature of air, meaning that it is not confined by solid barriers but rather moves depending on wind, temperature, pressure, etc., air pollution is thought of on a regional basis and cannot be confined to a specific area. Additionally, poor health conditions which may be related to air pollution also may be exacerbated by other factors such as smoking, poor eating habits, etc. Further, health problems which are linked to air pollution are usually caused by the cumulative effect of living in an area with high air pollution levels over many years. While the proposed project will in fact increase air pollutants due to construction and vehicular travel, the actual increase in air pollutants is very small on a region-wide basis. However, it is the combination of all air pollutant emitters in the air basin that affect the health of persons living in Chico, which is why the U.S. EPA and CARB have established standards for air quality on a regional basis and why all development projects are required to provide mitigation if the project emits air pollutant beyond threshold levels. So, in the greater picture, all air pollutant emitters, including the proposed project, would affect everyone in the Northern Sacramento Valley Air Basin.

Response 51-3

The commenter states that the Draft EIR does not analyze the project's impact on energy consumption and non-renewable energy resources.

The commenter does not provide any information regarding the potential amount of energy the project may use.

Appendix F of the CEQA Guidelines states that an EIR should include a discussion of potentially significant energy impacts of the proposed project, with emphasis on avoiding or reducing inefficient, wasteful and unnecessary consumption of energy. The Initial Study completed for the project determined that there would not be a significant impact on energy suppliers as a result of project implementation. Additionally, the Draft EIR provides a list of energy saving measures (page 3.0-8 Energy Efficiency Measures/Sustainability) to be included in the proposed project. These measures will increase energy efficiency beyond those required in the California Building Standards Code (Title 24). As a result of the energy impact determinations made in the Initial Study and the inclusion of energy saving measures implemented as part of the project design, the project is not anticipated to impact or consume energy sources beyond those of a typical big box store and in fact, because of the energy efficiency measures, the proposed project will likely use less energy than a typical big box store. Therefore, the project is not considered to result in a potentially significant energy impact nor result in a inefficient, wasteful and unnecessary consumption of energy.

*Response 51-4*

The commenter states that the North Wal-Mart Draft EIR does not analyze the impact of eliminating the Sunset Hills Golf Course. The commenter is referred to the North Wal-Mart Draft EIR and FEIR for responses to this statement.

*Response 51-5*

The commenter concludes his comments by requesting that the City of Chico deny both Wal-Mart projects. The commenter does not raise any issues related to the adequacy of the Draft EIR. Therefore, no further response is necessary. The comment is noted and presented here for Planning Commission consideration.

LETTER 52

FEB 13 2007

February 10, 2007

City of Chico, Planning Services Dept.  
Attn: Patrick Murphy, Senior Planner  
P.O. Box 3420  
Chico, CA 95927

Dear Mr. Murphy:

Thank you for the opportunity to voice an opinion on the proposed expansion of the existing Wal-Mart into a Supercenter in South Chico and the development of a Wal-Mart Supercenter in North Chico.

**North Chico Site**

As a resident of the area, and a parent of two children at Shasta Elementary School near the proposed North Chico site, I am obviously concerned about how the development of a Wal-Mart Supercenter would impact me and my family. I have several issues that need to be brought up regarding the draft EIR for the North Chico site.

**1. Shasta School**

The draft EIR does not adequately cover the effect such an enormous project would have on the children that attend Shasta School. Additionally, the draft EIR is outdated and inconsistent when discussing the population of Shasta School. On 4.5-15, it refers to Shasta's 2003-04 school population of 519 students with a practical capacity of 544. It says that the new development would add 26 new students bringing Shasta to capacity. However, on page 4.5-8, they use the more updated figure of 606 based on enrollments in the 2005-06 year. And that isn't even accurate as Shasta's current student population is approximately 650 in 2006-07. Needless to say, with a practical capacity of 544, Shasta Elementary is bursting at the seams. Any additional students brought about because of this development would cause continued stress on the school.

**2. Traffic – Shasta School and surrounding area**

Anyone who has driven in that area during the school week knows that traffic along the Esplanade is already backed up during morning drop off, and morning and afternoon pick up. Additionally, many children walk to school along the Esplanade. Is it really wise to increase traffic to this degree on this route and endanger our children?

52-1

## LETTER 52 CONT.

The draft EIR predicts significant impacts on traffic to the tune of an additional 16,000 car trips per day in the area around the proposed North Chico site. This figure does not include the countless delivery trucks that will be going in and out of the Supercenter. The proposed North Chico site is surrounded by roads like Garner and the Esplanade, roads that are simply not designed to handle such a huge increase in traffic.

The draft EIR details mitigation plans in order to handle the foreseen increase in traffic. Unfortunately, **nearly every single one** of the mitigation measures detailed in the report includes the following sentence: "these improvements are under the jurisdiction of Cal Trans, and Cal Trans has not allocated funding for the project."

In other words, all of these mitigation measures aren't worth the paper they're written on. While Wal-Mart would be responsible for some of the cost of the needed road improvements, the majority of the costs are not funded by any source. So what, in reality, will happen if this project gets approved? The Wal-Mart will be built, but the road system to handle such an enormous project won't and we will have a traffic nightmare beyond comprehension.

### 3. Air Quality

To construct a 250,000 square foot Supercenter will take a lot of trucks, bulldozers, backhoes, etc. Each and every one of these construction vehicles emits carbon dioxide, carbon monoxide and other dangerous chemicals into the air. The draft EIR on page 4.3-15 shows *significant and unavoidable* impact to the air quality on both a short term and long term basis due to this sort of build out. Additionally, with the projected increase in traffic, that's even more unhealthy pollutants being put into the air just a few hundred yards away from our children.

Also, on page 4.3-20, it discusses the methodology used to determine the potential of increased carbon monoxide levels. It states that modeling "was conducted for intersections on the Esplanade where there would be a combination of the highest traffic volumes...and highest level of congestion." It goes on to state that locations around the North Chico site would have much lower levels of traffic congestion than the sites where modeling was conducted. How can they know this? That would be assuming that ALL of their traffic mitigation ideas come to fruition. But as stated in the draft EIR, and discussed above, most of these mitigation plans **have no guarantee of funding**. I would submit that congestion will be far worse than where they did their modeling on account that the majority of the mitigation plans will never occur.

### 4. Light and Glare

52-1  
cont.

LETTER 52 CONT.

The Chico Municipal Code has a set of restrictions on exterior lighting that demands that "all exterior lighting must be shielded and directed in such a way that light falls only within the site boundaries." I would question how a building that is nearly 250,000 square feet planning to be open 24 hours a day – 7 days a week, along with a lit parking lot of hundreds of spaces could meet these requirements. The impact on neighbors and the whole area will be significant, and for the draft EIR to claim it to be less than significant seems far-fetched.

52-1  
cont.

**South Side Expansion**

Because I live in North Chico on county property, and will be more directly impacted by the development of a Wal-Mart Supercenter less than a mile from my home, my feelings for that project are extremely strong.

However, there are many issues with the proposed South Chico expansion of the current Wal-Mart that could have a serious and long term impact on Chico.

52-2

**Air Quality**

(South side executive summary) The EIR states in impact 4.3-3 that "the project would generate temporary, localized odors during the construction phases, similar to any other construction project in the city." I must question this phrase as the construction of an additional 97,556 square feet of retail space is not similar to just "any other construction project in the city." This is a large scale project, and its effects on the air quality should not be minimized.

**Traffic**

On the south end of town, traffic will become worse, if that's even possible. Many intersections – particularly around 20<sup>th</sup> Street, Forest Ave., and Martin Luther King Jr. Dr. are already rated as a Level of Service that is C or below. Many of the congested intersections that we are all familiar with in that area will only get worse with many dropping to a Level of Service of "F", the worst grade possible. The definition of Level of Service "F" is "stop and go traffic conditions. Excessive long delays and vehicle queuing." And I'm not talking about just one intersection, but several intersections in the area. And this is important to note: the draft EIR concludes that these traffic conditions will remain even if all proposed road improvements are completed.

52-3

To put this another way, if your child came home from school with a report card filled with "F's", would you be okay with that?

Recently, the Chico City Council wisely held off making a decision on approving the Costco expansion because of concerns about traffic in the area. To quote from the Enterprise Record dated Jan. 4; "Larry Wahl, a very business friendly councilor, said he wanted the traffic problem fixed **before** the project is approved." Councilor Steve Bertagna, also a friend of business, said that Chico is already the regional retail hub it once strove to be. That we don't need to

## LETTER 52 CONT.

expand retail business unless the infrastructure problems they create can be solved.

52-3  
cont.**Impact on Existing Business**

This is probably the most serious issue with the development and expansion of Wal-Mart into Supercenters.

The draft EIR concludes rather breezily that a number of general merchandise stores are at risk of closing and that if "existing (grocery) stores are not strong enough to withstand a potential three-to-four year downturn in sales, then one existing conventional grocery or price impact warehouse store may close."

This simply makes no sense whatsoever! How many businesses, in Chico or elsewhere, can withstand a "three-to-four year downturn in sales?" I'll tell you how many. ZERO! How that projects to only **one** conventional grocery store (where margins are slim to begin with) or warehouse store closing is simply "fuzzy math." It's obvious from Wal-Mart's history that more than one grocery store in the area will be forced to close if both Supercenters go in as desired. That's their plan! To force out the competition and make people have to shop at Wal-Mart.

52-4

In summary, I strongly urge you to listen to what the residents of this town and this area are saying, and reject the Wal-Mart Supercenter expansion in South Chico, and the development of a Wal-Mart Supercenter in North Chico.

Respectfully submitted,



Mitch Cox  
4303 Kathy Lane  
Chico, CA 95973

## 2.0 RESPONSES TO COMMENTS

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### Letter 52 Mitch Cox, Resident

Response 52-1 The commenter discusses his opinions on the North Wal-Mart project. The commenter is referred to the North Wal-Mart FEIR for responses to comments regarding this project.

Response 52-2 The commenter questions the phrase provided in the Executive Summary of the Draft EIR " the project would generate temporary, localized odors during the construction phases, similar to any other construction project in the city." The commenter questions this phrase based on his belief that the construction of an additional 92,556 square feet of retail space is not just similar to just any other construction project in the city as this is a large scale project and air quality impacts should not be minimized.

Construction impacts for development projects are similar in that most projects produce the similar air quality impacts during construction. For example: all projects which involve grading or land clearing regardless of size produce dust, all projects which use construction vehicles produce air pollutants such as ozone and carbon monoxide. Therefore, air emission types are similar during the construction phase of a project for all projects, although the amount of these emissions is dependent on the size and type of project.

The commenter is referred to Section 4.3 of the Draft EIR which discusses the potential air quality impacts for the proposed project. This section provides an analysis of nine potential air quality impacts which may occur as a result of project implementation. Each of these impacts are thoroughly discussed and mitigation measures are provided, where necessary. Impacts 4.3.1, 4.3.2, and 4.3.3 discuss potential air quality impacts during project construction.

Response 52-3 The commenter discusses the additional traffic with project implementation. The commenter states that even with all roadway improvements identified in the Draft EIR completed, the roadways will operate at an unacceptable level of service. However, this assumption is incorrect. As stated under Impact 4.2.1:

"Implementation of mitigation measure **MM 4.2.1** would reduce traffic impacts on the roadway systems listed above to an acceptable LOS and upon completion of the improvements, the proposed project would have a **less than significant** traffic impact under short-term conditions."

And under Impact 4.2.3;

"Implementation of mitigation measures **MM 4.2.1, MM 4.2.2, MM 4.2.3a** and **MM 4.2.3b** would reduce traffic impacts on roadway systems to an acceptable LOS. Therefore, the proposed project would have a **less than significant** traffic impact under cumulative conditions."

However, as stated in the Draft EIR under Impact 4.2.1 (page 4.2-59), the roadway improvements to State Highway 99 are dependent on many factors not within the City's control and as a result the roadway impacts result in a significant and unavoidable impact under short-term conditions.

"The improvements to the SR 99 ramps are included within the needed improvements identified in the *State Route 99 – Chico Corridor Study (Nexus Study)*, and the city is collecting fair share contributions for these improvements as part of the Nexus Fee program. However, Caltrans will determine when these ramp improvements will be constructed, as they are state, not City, facilities. Caltrans will rely upon state (and possibly federal) funding for a portion of the construction costs. When and if these funding sources will be programmed and allocated and construction will be scheduled, is not presently known, at least under near-term conditions. Therefore, this impact is considered to be **significant and unavoidable** in the short-term."

The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

Response 52-4

The commenter disputes the Draft EIR concluding that the south Wal-Mart Expansion will have minimal impacts on existing businesses in Chico. The commenter is referred to Response to Comment 20-1, 21-1, 32-1, 51-1 and Section 2.5 Response To Opposing Economic Analysis of this Final EIR for further information.

LETTER 53



January 31, 2007

FEB 14 2007

Patrick Murphy  
 City Planner - Chico  
 P.O. Box 3420  
 Chico, CA 95927

Dear Mr. Murphy:

My name is Dr. Kirk Casey. I am a local physician within Chico. I live on the north side of Chico off of Esplanade close to Eaton Road. I am writing this letter in opposition of the proposed expansion of the existing Wal-Mart and I additionally oppose the construction of the proposed new Wal-Mart in north Chico.

53-1

As a business owner as well as home owner, with my house being in the Amber Grove subdivision, and at times both of my children attending Shasta school (one currently), I particularly oppose the construction of the proposed north Chico Wal-Mart. My concerns in this regard are due to several specific reasons. The first being that the character and flavor of Chico is strongly dependent upon individual locally owned businesses rather than "big box" stores. I understand the phase of consideration for these projects is in the EIR phase and consequently I will limit my comments to that. Traffic is a significant concern, as we already have a significant component of traffic on north Esplanade and particularly at Eaton road and the intersection of Eaton road as it crosses highway 99. During the morning and evening hours there is sometimes a prolonged delay and I have personally witnessed several accidents at that particular intersection with the current level of traffic. Additionally, traffic is significant during the morning drop-off and afternoon pick-up of Shasta Elementary School students and adding additional traffic would place those students at increased risk of injury. DeGarmo Park, which is already well along in the construction phase, is going to add additional traffic to that area as well as some of the local farm land adjacent to the Esplanade in that area, not only will continue to be farmed with the associated farm traffic and spraying, but some of that is going to be converted to residential areas with the additional traffic associated with it. Current road size of the Esplanade on the north side of town is only two lanes, is already in poor condition, and would require large expenditure to expand this likely to at least four lanes with the associated traffic lights and instillation of underground utilities. For all of these traffic and infrastructure reasons, I strongly oppose the additional traffic, cost, congestion and potential risk to families and children which by necessity already need to be schooled or are traveling through that area.

53-2

Regarding the potential risk due to farming and exposure, sprays, farm machinery and associated dust and noise are all potential impacts on those individuals that will need to work or commute through that area and consequently placing a Wal-Mart in that area is not the best choice for those of us which live and work in Chico.

An additional component is that of the beauty or attractiveness of Chico and having yet another nitus of "big box" stores beginning on the north side of Chico will likely have a negative impact on the visual appeal of Chico, but will also be a significant contributor to a transition from locally owned businesses to large

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LETTER 53 CONT.



Page Two

corporate ones with significant amount of money exiting Chico.

I am a Chico Chamber of Commerce business member and normally being associated with a pro-business group such as the Chamber of Commerce I might be expected to be supportive of a large business such as Wal-Mart, but in fact I strongly oppose the enlargement of the existing Wal-Mart and have even stronger views of opposition towards the construction of a second totally unneeded and unwanted Wal-Mart in north Chico.

53-2  
cont.

The existing Wal-Mart is already in place, at times has a negative effect on traffic, and certainly contributes nothing to the overall visual appeal of Chico. Let's please consider the other locally owned smaller businesses and not detract from their being able to make a living by expanding the existing Wal-Mart.

53-3

I appreciate your consideration of my views, and again, I strongly oppose the enlargement of the existing Wal-Mart and even more strongly oppose the construction of the proposed Wal-Mart in north Chico.

Sincerely,

Kirk C. Casey, M.D.

KCC:kf

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## 2.0 RESPONSES TO COMMENTS

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### Letter 53

### Dr. Kirk C. Casey, M.D., Resident

#### Response 53-1

The commenter states that he is in opposition of both Wal-Mart projects. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

#### Response 53-2

The commenter discusses his concerns with the North Wal-Mart project. This EIR addresses the potential impacts associated with south Wal-Mart Expansion project. The commenter is referred to the North Wal-Mart FEIR for responses to comments regarding this project.

#### Response 53-3

The commenter requests that the City consider the other locally owned businesses in Chico and states that he is opposed to both Wal-Mart projects. The commenter is referred to Section 4.6 of the Draft EIR, as well as Response to Comments 32-1, 51-1 and Section 2.5 Response To Opposing Economic Analysis of this Final EIR which address the potential economic impacts with project implementation. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

## LETTER 54

1-17-07

Mr. Murphy -

JAN 18 2007

I do not think we should have "2" wal-marts in Chic - and I think the one we have should have to pay the same wage Costco and Wines pay their employees instead of giving so much money to the Charities of their Chair, they should be made to take better care of their employees, by providing good insurance, prescription plan and good wages. I do believe the employees should pay for their insurance as Safeway does.

54-1

I retired from Safeway in 1990 - I pay 70<sup>00</sup> per month for insurance w/ 100<sup>00</sup> deductible every January for prescriptions, my prescriptions cost \$10<sup>00</sup> - 20<sup>00</sup> and sometimes \$35<sup>00</sup> per prescription but I have good retirement and make good money with Safeway. I'm thankful I was in a union, where would I be now if I had retired from wal-mart - "on medical".

54-2

The State should not have to give the people who work at wal-mart medical because wal-mart will not pay good wages and offer benefits - so please think this over before we have 2 wal-marts and lots more people on state-aid - (over)

54-3

LETTER 54 CONT.

2- Wal-mart is only for their selfs and a few employees who have retired and are very well off, on the backs of poor people who make very little money and have no benefits -

Another little thing they do. When you first go to work for them; they line up at they time clock and make you swear you will not try to unionize their company -

Please listen to the people of Chico - 1 Wal-mart is too many, and "2" will be ridiculous -

Thank You  
Jackie Willis  
Paradise Ca  
880-876-1416

54-3  
cont.

F. D. WILLIS  
J. K. WILLIS  
584 CIRCLEWOOD DR.  
PARADISE CA 95969

**Letter 54**                      **Jackie Willis, Resident**

*Response 54-1*                      The commenter states in her opinion Chico does not need two Wal-Mart and the existing one should pay better wages to their employees. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

*Response 54-2*                      The commenter discusses her retirement from Safeway and the cost of prescription medicine. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

*Response 54-3*                      The commenter declares that the state should not have to give the people who work at Wal-Mart medical insurance because Wal-Mart will not pay good wages and benefits. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 55

2-1-07

Patrick Murphy  
P.O. Box 3420  
Chico, Ca 95921

FEB - 2 2007

Dear Sir,

I am writing to you, since reading the article in the Enterprise Record on January 31, 2007 about a Wal-Mart Supercenter and the expansion of the Forest Ave. store in Chico.

Some of the fears seems to be the impact they would have on traffic and also that it would put stores out of business.

I am in favor of both stores because I live in North Chico and we have to go to South Chico to find any stores that are reasonable in price like Ukien's. Since Raley's, Albertsons, and Safeway are the only stores in our area, I know Wal-Mart will not put them out of business since they are big chain stores.

If traffic and putting stores out of business are the fears of the Chico Advocates for a Responsible Economy

55-1

## LETTER 55 CONT.

2.  
 then why aren't they concerned about Costco enlarging their store plus adding sixteen gas pumps also.

The ER showed the traffic problem on the front page recently at 20<sup>th</sup> St and the new Dr Martin Luther King Jr. Pkwy. road.

How do they justify the approval of Costco plus the business they will take away from other stores. Costco is of no value to me as I am only a one person home.

As far as I am concerned, the traffic problem seems to be a flimsy excuse for not allowing a retailer who would be a help to the lower wage earner and senior citizens on fixed incomes.

I have lived in Chico 28 years and would appreciate the City of Chico considering the needs and the convenience of a Wal-Mart Supercenter in North Chico. Thank you,

Sincerely,  
 Alberta Eden  
 3156 Esplanade #  
 Chico, Ca. 95973

55-1  
 cont.

### Letter 55

### Alberta Glen, Resident

#### *Response 55-1*

The commenter states that she is in favor of both stores as she lives in north Chico and has to go to south Chico to do her shopping. The commenter feels that not allowing a project to proceed, which will offer more opportunities to lower income households, based purely on traffic is a flimsy excuse.

The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

## LETTER 56

1/12/07

JAN 12 2007

Sir;

(my family)  
Regarding the Wal-Mart expansions - we, are opposed to the North Chico project (Garner Lane).

Blight, sprawl, excess traffic, infrastructure being overwhelmed, putting smaller businesses in danger, etc. 56-1  
I'm sure you are familiar with these all too real eventual results, and I fervently hope those with the power to stop this degrading of Chico's quality of life act.

I also hope the expansion of the current Wal-Mart site undergoes strict controls to avoid the inevitable problems with traffic, sprawl, etc. 56-2

While we seldom shop there, I understand that planners cannot pick and choose which companies to "favor". I much prefer the smaller places like Albertsons, and Joes & locals like S. & S. for groceries, and Colliers, etc. for hardware. Box stores are a fact of life today, but competition should be encouraged - the American Way! - not destroyed. With the Costco expansion underway (we see how these corporations do the minimum amount of planning unless forced to do better) soon, it is imperative that Chico have a rational plan to address the blight, traffic & sprawl headed our way. 56-3

It seems Chico will be saddled with much of the costs associated with the EIR problems being addressed. Projected sales tax figures 56-4

LETTER 56 CONT.

more than likely, I believe, will not increase, as the closing of other businesses will make it a wash. Jobs created will be low paying, possibly a drain on local social services and charities as those employees cannot afford homes in the area.

56-4  
cont.

I hope the City & County work together on these issues.

Also wonder what actual power your commission has on this issue?

Thanks -

Sincerely,

Mark J. Sana

1027 Sheridan Ave  
Chico 95926

**Letter 56                      Mark S. Lana, Resident**

- Response 56-1*                      The commenter states that he is opposed to the North Wal-Mart project based on blight, sprawl, excess traffic overwhelmed infrastructure endangering the successfulness of smaller businesses, etc. The commenter is referred to the North Wal-Mart FEIR for responses to comments regarding this project.
- Response 56-2*                      The commenter also states that the proposed Wal-Mart Expansion project should undergo strict controls to avoid the inevitable problems with traffic, sprawl, etc. The proposed project is required to provide mitigation for any traffic impacts. These impacts are discussed in Section 4.2 of the Draft EIR along with mitigation measures to reduce traffic impacts as a result of project implementation. The proposed project will not add to urban sprawl as it is for the expansion of an existing use and does not require the extension of urban services (i.e. sewer, water, electricity, etc.) which may, in turn, permit additional development. Urban services for the proposed project are already in place.
- Response 56-3*                      The commenter discusses his preference for smaller non big-box type businesses. The commenter continues on to say that it is imperative for Chico to have a rational plan to address future blight, traffic and sprawl. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. Addressing the potential future of land development in the City is based on the City's General Plan, which is currently beginning the update process. The commenter is urged to voice any concerns regarding blight, sprawl, and traffic in the City of Chico during the public review period for the General Plan. The comment is noted and presented here for Planning Commission consideration.
- Response 56-4*                      The commenter states that it seems the City will be responsible for much of the costs associated the EIR problems being addressed. The commenter does not specify to which costs he is referring. The project developer will be required to pay their fair share of roadway improvements based on the transportation nexus study. Additionally, the project developer will be required to pay the City's Development Impact Fees which cover improvements to the various City systems such as wastewater, water, parks, etc. Further, the project developer is required comply with the City of Chico 'no net loss of wetlands' policy (05-G-9). This can be achieved by paying in-lieu mitigation fees to the City, which will be used to purchase credits at an approved mitigation bank.

LETTER 57

Dear Mr. Murphy  
Surely the City of Chico can't be  
serious in thinking that this  
town needs another Wal-Mart  
to sell cheap, shoddy products  
made by sweat-shop workers.  
If you want Wal-Mart down our  
throats we will take it  
to a referendum. *Steve Watt*

57-1

**Letter 57**

**Debra Abbott, Resident**

*Response 57-1*

The commenter states her opposition to another Wal-Mart in the city. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 58

To Whom it may Concern,

FEB - 1 2007

"Bring on Wal-Mart"

I am a 78 year old that was born & raised in Chico, went to schools here. In the 1940's there were only a few hundred not thousands attending college. 58-1

Also owned a business on the Esplanade from 1961 until 1989 (Husband died)

lots of changes!

Now live on Springfield Dr & Forest near Wal-Mart

We all must go with change traffic included.

Dorothy Hanson - Hein

2050 Springfield Dr. #143  
Chico, Ca. 95928

894-1975

**Letter 58**

**Dorothy Hanson-Hein**

*Response 58-1*

The commenter states her support for the Wal-Mart project. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 59

Please keep WAL-MART  
in Chico. They are the  
best store in Town and  
have the most helpful  
Employees in Town!

59-1

Harriet McDougall  
1775 Humboldt Rd  
Chico - Cal 95928

FEB - 2 2007

**Letter 59**

**Harriett McDougal, Resident**

*Response 59-1*

The commenter states her support for the Wal-Mart project. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 60

Feb 3, 2006

PLEASE, PLEASE, PLEASE DO NOT LET A FEW PEOPLE WHO DO NOT LIKE WAL-MART STORES KEEP THE REST OF THE THOUSANDS WHO NEED VALUE, CONVENIENT STORES LIKE A SUPER WAL-MART FROM COMING TO CHICO. MY HUSBAND AND MYSELF ARE RETIRED AND ON A FIXED INCOME AND NEED TO SHOP WHERE WE CAN AFFORD.

AFTER ALL, IF THE WAL-MART HATERS DO NOT WANT TO SHOP THERE, THEY DON'T HAVE TO, IT IS THEIR CHOICE, BUT THE REST OF US DESERVE THE RIGHT TO HAVE A PLACE LIKE A SUPER WAL-MART. PLEASE DO NOT LET US DOWN.

60-1

THANK YOU,  
Betsy Parkhill

FEB - 6 2007

6736 Woodland Dr.  
Paradise CA 95989

**Letter 60**

**Betsy Parrott, Resident**

*Response 60-1*

The commenter states her support for the Wal-Mart project. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 61

MR. MURPHY FEB - 7 2007 2-3-7

I DID NOT MAKE THE  
PUBLIC MEETING HELD PAST  
TUESDAY ON THE WAL-MART  
STOREY. I AM TOTALLY  
AGAINST ANY WAL-MART  
EXPANSION. IT WILL DEFIN-  
ITELY CLOSE UP THE GROCERY  
MARKETS, WE HAVE SO MANY  
EMPTY BUILDINGS IN CHICO  
NOW THIS WILL ADD TO IT.  
IT COMES DOWN TO ONE  
THING MONEY ROOT OF ALL  
EVIL.

61-1

CHE T

Chester Torres  
PO BOX 6  
Chico CA 95927

**Letter 61**

**Chester Torres, Resident**

*Response 61-1*

The commenter states his opposition to the proposed Wal-Mart Expansion project based on his belief that it will result in the closure of some grocery stores. The commenter does not raise any issues relating to the adequacy of the Draft EIR. The commenter is referred to Section 4.6 of the Draft EIR as well as Response to Comments 20-1, 21-1, 32-1, 51-1 and Section 2.5 Response To Opposing Economic Analysis of this Final EIR, which address the potential economic impacts with project implementation.

LETTER 62

PETITION

**I AM OPPOSED TO THE DEVELOPMENT OF TWO WAL-MART SUPER CENTERS IN CHICO.**

The extent of the impact on the local business economy, traffic congestion, public safety, and the environment is such that we cannot afford two supercenters in Chico. Equally disturbing is that the proposed plan is for these TWO SUPER CENTERS to be placed WITHIN SEVEN MILES OF EACH OTHER. This will be devastating to Chico's quality of life. I urge the City of Chico to reject the expansion of the Forest Avenue Wal-Mart and to deny the plan for a new supercenter at the Sunset Hills Golf Course.

62-1

I hereby sign and endorse my opposition to both developments and authorize Chico Advocates for a Responsible Economy (CARE) to use my name in support of their effort to protect the character, economy, and safety of our town.

Signature: Terry Contreras  
Name: Terry Contreras  
Address: 1464 Lucy Way  
City: Chico, CA Zip: 95973  
Phone: \_\_\_\_\_ Email: \_\_\_\_\_



[www.chicocares.org](http://www.chicocares.org)

P.O. Box 7647, Chico, CA 95927-7647

email: [info@chicocares.org](mailto:info@chicocares.org)

**Letter 62**

**Terry Contreras, Resident**

*Response 62-1*

The commenter provides a petition stating that he is opposed to the development of two Wal-Marts in Chico based on potential business, traffic, public safety and environmental impacts. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 63

PETITION

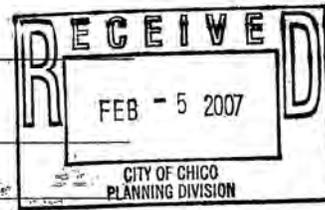
**I AM OPPOSED TO THE DEVELOPMENT OF TWO WAL-MART SUPER CENTERS IN CHICO.**

The extent of the impact on the local business economy, traffic congestion, public safety, and the environment is such that we cannot afford two supercenters in Chico. Equally disturbing is that the proposed plan is for these TWO SUPER CENTERS to be placed WITHIN SEVEN MILES OF EACH OTHER. This will be devastating to Chico's quality of life. I urge the City of Chico to reject the expansion of the Forest Avenue Wal-Mart and to deny the plan for a new supercenter at the Sunset Hills Golf Course.

63-1

I hereby sign and endorse my opposition to both developments and authorize Chico Advocates for a Responsible Economy (CARE) to use my name in support of their effort to protect the character, economy, and safety of our town.

Signature: Chcontreras  
Name: CARRIE CONTRERAS  
Address: 1464 LUCY WAY  
City: CHICO Zip: CA 95973  
Phone: \_\_\_\_\_ Email: \_\_\_\_\_



[www.chicocares.org](http://www.chicocares.org)

P.O. Box 7647, Chico, CA 95927-7647

email: [info@chicocares.org](mailto:info@chicocares.org)

**Letter 63**

**Carrie Contreras, Resident**

*Response 63-1*

The commenter provides a petition stating that he is opposed to the development of two Wal-Marts in Chico based on potential business, traffic, public safety and environmental impacts. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 64

February 15, 2007

Planning Commission  
P.O. Box 3420  
Chico, Ca 95927

Dear Patrick Murphy and Commissioners:

*Please include this submission regarding the EIR for both the South expansion and for the proposed new development in North Chico.*

This submission is in regards to Walmart's national open-door-policy, which allows overnight campers in their parking lots. This item was not addressed in either EIR.

For 10 years, I have witnessed overnight camping in the Chico, Walmart parking lot, when taking my morning and evening walks. From years 2002-2006, I have contacted the City of Chico- Code Enforcement many times regarding this issue. It appears Chico's- Code Enforcement has not the means to follow through or chooses not to discipline Walmart's repeated offenses. I have copies of letters, emails and photos sent to Code Enforcement and my file is available for your review.

Some of the events I have witnessed with Walmart campers:

1. People exit their vehicles to use the parking lot islands and bushes for a toilet.
2. Parking lot islands and bushes are dumping grounds for camper's trash.
3. Some campers return every few weeks. The question should be asked: are some campers rotating and living in Walmart parking lots?)
4. There is one reoccurring camper who was present at the same time our neighborhood had thefts of lawn chairs, hoses and bikes. Similar items were stacked on top of this camper's shell, during the same weekend. Each time this camper returns they have miscellaneous yard and household items on top of the truck bed shell. (Are some Walmart campers using parking lots as springboards into the adjacent neighborhoods ?)

I have included-

- Various articles confirming Walmart campers, nationwide.
- Just a few of the correspondence sent to the City of Chico- Code enforcement, over several years.
- Photographs- *All* photos were taken at the Chico, Forest Ave. location.

Walmart has a short memory when it comes to removing campers. They do it for a time, when I contact Code Enforcement. But, a few weeks later the campers return. During the brief periods where Walmart does remove campers- campers locate themselves behind the Shell gas station, across the street.

64-1

LETTER 64 CONT.

No matter what discussions take place between Walmart and Code Enforcement, Walmart is not consistent with removing campers, as this has been proven over the years.

Please require the overnight-camping-policy to be addressed in both EIR. It is a very real, persistent, health and safety issue.

64-1  
cont.

Sincerely,



Nina R. Widlund  
1 Sir Andrew Court  
Chico, Ca 95928  
Email: [ninawidlund@yahoo.com](mailto:ninawidlund@yahoo.com)  
Phone: 530-894-3973

ATTACHMENT TO LETTER 64

Wal-Mart campers like parking lots' low prices

http://seattlepi.nwsourc.com/local/79628\_walmart23.shtml





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**Wal-Mart campers like parking lots' low prices**

Resorts 'can't compete with free'

Tuesday, July 23, 2002

By M.L. LYKE  
SEATTLE POST-INTELLIGENCER REPORTER

**MOUNT VERNON** -- Forget the caw of the raven. These campers wake to the whoosh of highway traffic and rumbling generators.

And instead of America's amber waves of grain and purple mountain's majesty, they stare at its Dumpsters, abandoned shopping carts, the back of a Home Depot and, everywhere, asphalt.

Glorious, no-fuss asphalt.



Jan Robbins and Thom Hansen of Vancouver, B.C., travel full-time in a 40-foot RV. "We've probably stayed at 500 Wal-Marts in two years," Hansen says. Gilbert W. Aras / Seattle Post-Intelligencer  
[Click for larger photo](#)

By night's end, another half-dozen recreational vehicles, sleek fifth-wheels, truck campers, converted vans and beater cars loaded to bursting will be settled in for a free night's stay.

To the concern of some campground owners nationwide, a growing number of RVers across the country roll into Wal-Marts every night for this no-cost, no-frills, no-hookup sleepover.

"It's becoming more and more popular," says Sarah Wyatt, editor of Lynnwood-based RV Life magazine, which devotes its September issue to "boondocking" -- parking without paying.

Wal-Mart can be a last-resort stop for weary road-trippers, or a first-resort destination for travelers who plan cross-country trips hopping store to store, making new friends and meeting up with old ones who have a Wal-Mart and a highway exit number for a rendezvous address.

"We've probably stayed at 500 Wal-Marts in two years," says Thom Hansen, a full-time RVer who ventured south from Vancouver, B.C., in his 40-foot American Eagle for a three-day local shopping expedition with his significant other, Jane Robbins, and two cocker spaniels, Anthony and Merrily (think "life is but a dream").

"It's great to know you can drive 20 miles down the highway, and there's another Wal-Mart," says Hansen, a retired elementary school principal.

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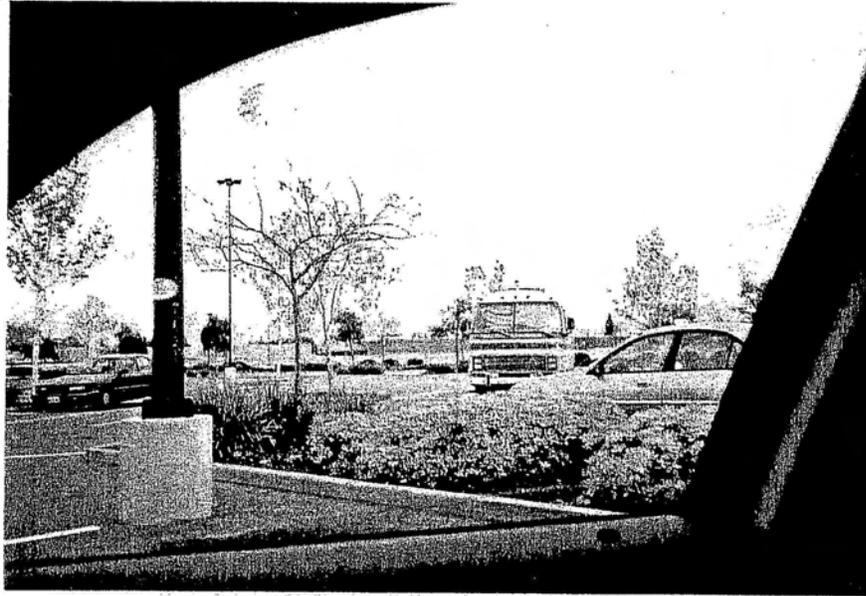
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From site:

<http://www.wistv.com/Global/story.asp?S=2263616&nav=0RaPQby1>

### **Some campers staking out space in Wal-Mart parking lots**

(Federal Way, Washington-NBC) Sept. 6, 2004 - Gordon and Laura Bornkamp are proud citizens of Wal-Mart nation who live up to their last name.

Gordon says, "We gotta have our Wal-Mart fix. It comes about two or three times a week."

Laura concurs, "We love Wal-Mart, and all our friends do, too."

So when retirement came, the Texas couple hit the road in their RV and headed for what they call "Wally World." The Bornkamps are among a growing legion of campers who call Wal-Mart parking lots home as they tour the country.

Gordon says, "We're close to attractions. If you're in the woods, you gotta drive 10 or 15 miles. Here, you're in town. Of course, we do our Wal-Mart shopping."

The couple's GPS is pre-programmed to find any Wal-Mart in America. The discount giant not only allows camping in its parking lots, the company even encourages it, allowing people to stay for free for up to three nights.

As you might expect, the world's most profitable retailer manages to make a buck. Laura says, "In fact, I told this lady last night, I said, 'Hey, if you can't sleep, you have to go read a book.' When I can't sleep, I can go shopping at Wal-Mart."

Wal-Mart campgrounds have become so popular that cities in Florida and Illinois have banned them, saying the lots started to look more like homeless camps.

*posted 1:02pm by Chris Rees*

For complete article:

<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2004/07/19/BAGQ37NRMU1.DTL>

**San Francisco Chronicle**

**BAY AREA**

**For many, Wal-Mart lots feel like home**

**Retailer lets RV owners sleep by stores -- cities getting antsy**

Maria Alicia Gaura, Chronicle Staff Writer Monday, July 19, 2004

The parking lot surrounding the Napa Wal-Mart store is hot and windy, but after a long trek from Kansas City, it looks like home to the Jandle family.

Full-time RVers who live on the road with their two young children, traveling salespeople Kim and Robert Jandle frequently park their well-appointed, 34-foot trailer overnight next to a Wal-Mart store.

"We have stayed at many a Wal-Mart over the past year," said Kim Jandle, 34, who explained that the family returns to its house in Atlanta to do things like swap winter for summer clothes. "It's clean and safe, and there's usually one within a mile of the interstate."

They're seldom alone. Not just full-time road wanderers but vacationers, workers with killer commutes and even homeless people park for a day or two -- or longer -- outside the sprawling stores.

In the Bay Area, however, where Wal-Mart's very presence has proved controversial, the welcome mat outside some stores is being rolled up.

For years, Wal-Mart has allowed travelers to park overnight, or even for a couple of days, outside stores for free. It's an unwritten policy that used to be passed just by word of mouth and now is spread on the Internet, too.

"We consider it a courtesy to our customers," Wal-Mart Stores Inc. spokeswoman Sharon Weber said. "We think of our stores as a home away from home, and we try and welcome people when we can."

The welcoming attitude of the company, which has almost 3,000 locations nationwide, has been a boon to travelers of all stripes, from traveling salespeople like the Jandles, who sell RV cleaning supplies, to the seasonal flocks of Florida-bound snowbirds.

But in pricey California, with its soaring housing costs, the homeless, working poor and even middle-class workers are sharing the Wal-Mart lots with footloose retirees and vacationing families.

This article is from URL: <http://www.freecampgrounds.com/noparking.html>

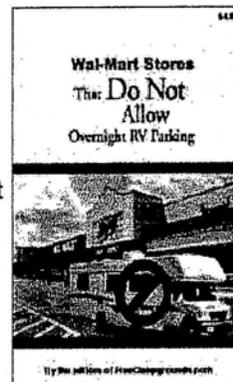
## Wal-Mart stores that do not allow overnight RV parking

Most Wal-Mart stores — perhaps nine out of ten — graciously allow RVers to stay the night in their parking lots.

But, increasingly, **many do not**. In fact, hundreds of stores throughout the United States do not allow RVers to stay overnight in their parking lots, and the list of locations is growing every week. In some cases, it's because of a local ordinance, other times because of objections of nearby businesses or residents, or, sad to say, because of abusive behavior by some RVers who have left no choice for store managers but the ban stays.

Currently, Wal-Mart operates 1,494 discount stores, 1,386 Supercenters and 532 Sam's Clubs.

Most Wal-Marts that prohibit overnight stays post signs that say so. But not all. RVers who try to stay the night at a store where it's not permitted may be asked politely to leave, or as often happens, be ordered to leave long after they have gone to sleep. In some cases, where a local law prohibits overnight stays, local police may knock on a door late at night with an eviction notice, or even issue a citation.



**Our directory, updated in March, 2006, lists more than 350 U.S. stores that do not permit overnight stays in an RV.**

This directory is best used in combination with the [Wal-Mart Locator](#), which lists every store and driving directions to each. Some RVers carry the directory with them and use it to plot overnight stops between campgrounds. Using this list in combination with the directory will prevent the frustration of planning to stay at an off-limits store and then finding "No overnight parking" signs upon arrival.

**You can order your list of "No Stay" Wal-Marts right now.**

*Kim Seidler* <KSEIDLER@ci.chico.ca.us> wrote:

Dear Ms. Widlund,

As I recall from last summer, we were going to wait and see whether the improved situation was permanent. Apparently it was not. I will inquire as to what can be done to address the matter, and will try to keep you informed. Please feel free to contact me by email or phone (895-4743) if you'd like an update at any point.

Kim Seidler

>>> Nina 12/12/03 09:40AM >>>

Dear Mr. Seidler,

You and I spoke on the phone, last summer, regarding Walmart's open door policy, allowing overnight campers in their parking lots. This policy was confirmed to me by Walmart's Tim Campbell (assistant to the District Manager) and John Sherman, District Manager. For a while it seemed they were trying to correct the problem at the Chico store. But, within the last few weeks, RV's and campers have returned.

As an example, this morning on my walk, at 7am, there were 4 RV's and one truck camper parked at the east, far-end of the parking lot. These vehicles are separate and distinct from the cars parked closer to the store.

What can be done to stop this violation from continuing to occur? I have personally witnessed these overnight campers, on my morning walks, for over six years.

Sincerely,  
Nina R. Widlund  
1 Sir Andrew Court  
Chico, CA. 95928

## 2.0 RESPONSES TO COMMENTS

---

Community Development Department  
Scott Armstrong, Enforcement Officer  
P.O. Box 3420  
Chico, Ca 95927

January 25, 2004

Dear Mr. Armstrong:

Thank you for your letter dated Jan 22, 2004 regarding Wal-Mart's "*national policy*" allowing overnight campers in their store parking lots. This is in response to your letter.

First, I would like to lend some history on Wal-Mart's negligence. I walk every morning and evening. In the summer of 2002, after observing (for several years) overnight campers in Wal-Mart's parking lot, I tried to speak directly with Wal-Mart about this. My concerns were ignored. I then phoned the City of Chico and spoke to someone in the Planning Department. No improvement was made and not knowing what else to do, I set my concerns aside.

An additional year passed. Then, last summer there were as many as 5 to 14 overnight campers in the Wal-Mart parking lot on any given night. This time I phoned (on the same day), the Chico Wal-Mart and Kim Seidler, Planning Director, City of Chico. This was to express my concerns, again, and to inquire about city code. It was my understanding Wal-Mart knew of my complaint to the city and the situation improved for a few months.

As Thanksgiving approached, greater numbers of overnight campers showed up again in Wal-Mart's parking lot. I phoned Kim Seidler and expressed my concern that Wal-Mart was again neglecting the city code. After my call to Mr. Seidler, the campers were less, but there still were some overnights 3-4 times a week. Whatever policy Wal-Mart had in place during the 2003 holidays, was working moderately, at best.

As of present, the situation has improved again, but I fear it is only because I recently asked for your follow-up. Apparently on your December 18th visit to Wal-Mart, they said they would get back to you in writing "after the holidays". Consequently you told me, you would send me your assessment when you received Wal-Mart's letter. On January 15th, I was still waiting for a response to my December complaint; so that day I emailed you. You said you would call them and thanked me for the reminder. Directly in response to my January inquiry, once again Wal-Mart's parking lot was free from campers. From these past months, it appears Wal-Mart only complies with city code when their feet are held constantly to the fire.

Hopefully this brings you up to date.

Now in response to the contents of your January 22, 2004 letter, I have addressed your letter's statements (from Wal-Mart) which are in italics:

1. "*Ms. Turner stated that she was aware of the complaint and due to their commitment to be part of the neighborhood, she had decided not to allow overnight parking of campers...*" I do not understand what her commitment has to do with the city code. My understanding is Wal-Mart is not licensed to be a campground, by law, period.

2. "she had decided not to allow overnight parking of campers and travel trailers in the parking lot, even though this is contrary to the national policy of Wal-Mart to allow such activity" Why would Wal-Mart care about being neighborly when they set up a national policy which is in direct opposition to most city and town laws? At the very least, Wal-Mart is reckless and unlawful to allow this national policy to exist. Wal-Mart benefits on the odds that citizens will not complain, nor pursue and continue to pursue rectification once this problem is noticed. Overnight travelers too cheap to stay in a licensed campground and transients living out of their vehicles may be good business for Wal-Mart but this isn't acceptable on many levels for the City of Chico and my neighborhood.

3. "If the occupants refuse," (to remove their camper) "they" (Wal-Mart) "contact the Chico Police Department and they are escorted off the property." Why are my local tax dollars being spent to enforce Wal-Mart's national policy that has no regard for local laws? Wal-Mart has admitted, to you, in your own letter that they have a national-open-door-policy for their customers to camp in their parking lots. Why would their remedy be acceptable to your department, for our local police money to be spent on rectifying a problem they have admitted to creating?

It is my observation over years of morning walks, past this store, that Wal-Mart is only now making an attempt, to comply with code, because they are trying to put a super store in Chico. As soon as they accomplish their objectives, what will stop them from resuming this irresponsible behavior?

One last item of note: I am confident there is an environmental issue here which is not being addressed- Does Wal-Mart's national RV friendly policy create an inconsistency with surrounding land uses (i.e. my residential dwelling)? As a homeowner in this neighborhood I expected to live adjacent to retail commercial, not an RV park.

I look forward to your written response, to my concerns. I also hope this item will be brought up at the February 19<sup>th</sup>, Planning Commission Meeting.

Sincerely,

Nina R. Widlund  
1 Sir Andrew Court  
Chico, Ca. 95928  
Phone/fax (530)894-3973

cc: Kim Seidler  
Tony Baptiste

Print

<http://us.f348.mai>

**From:** Tony Baptiste  
**To:** ninawidlund@yahoo.com  
**Date:** Saturday, December 4, 2004 8:37:39 AM  
**Subject:** Re: unauthorized camping

Hi Nina-- The meeting took place late Thursday afternoon and I did not have time yesterday to let you know the outcome. In attendance with me were one of our city attorneys, code enforcement officer Scott Armstrong, and the Walmart manager and assistant manager. We explained that while we recognize their prior efforts, the measures they have been taking were not working and extra effort must be taken to avoid further enforcement action by the city. We suggested they hire a security company to occasionally patrol the lot. While not agreeing to this suggestion, they offered instead to assign an employee in a vehicle to patrol the lot and monitor it for vehicles which may be overnight campers. They acknowledged that it is better to notify potential campers to move along before they settle in as opposed to trying to wake them when it becomes obvious they are planning an overnight stay. They will do this until 11 pm and will also place an emphasis on contacting any vehicle occupants as early as possible after daylight. They will still maintain the signage at the parking lot entrances and will **continue** to place flyers on unoccupied vehicles notifying them that they cannot camp overnight at this location. We are going to assist them with a modification of the flyer by providing them with a map and address information of approved overnight campgrounds and RV parks in the area so they can direct people to appropriate locations they may be able to stay overnight at. This was acceptable to our city attorney as a reasonable attempt on their part to try to address the problem. We are hopeful that this will have a positive result on reducing the number of uninvited overnight campers. If it doesn't work reasonably well other measures may have to be taken to address this matter.

December 4, 2004

Tony Baptiste, Community Development Director  
City of Chico  
411 Main Street  
P.O. Box 3420  
Chico, California 95927

Dear Tony,

It has been through personal observation, since 1996, that Walmart has allowed overnight campers in their parking lot. For the last 3 years, I have been diligent in communicating to the City of Chico through letters, emails, photos and phone calls regarding these campers in their lot. I am dismayed the City of Chico feels the items listed below are solutions to Walmart's violation of city code.

Since, I am in the position or vantage point of witnessing Walmart's abuse on a daily basis and have given years of effort trying to document this to the City, I must speak frankly regarding your email of December 4th.

You referenced the results of the last City of Chico/Walmart meeting, December 2nd. I have some concerns regarding the statements pertaining to that meeting:

1. *"We explained that while we recognize their prior efforts,..."* With the exception of cutting down four bushes and posting three signs to the parking lot (signs not enforced) what *successful* efforts has Walmart made in the last 3 years? If *efforts* had been made then why are there still campers (going on 8 years) and why did code enforcement (again) and the city attorney meet with Walmart, last Thursday, over this issue?
2. *"We suggested they hire a security company to occasionally patrol the lot. While not agreeing to this suggestion,..."* Who is dictating to whom? Why have city code enforcement met with Walmart, many times, and Walmart doesn't correct the violation? And when the city authorities make a suggestion, Walmart *tells Chico* how things are going to be? When do the meetings end and the City of Chico requires or disciplines Walmart to comply?
3. *"...they offered instead to assign an employee in a vehicle to patrol the lot and monitor it for vehicles which may be overnight campers..."* Why will this work now when it hasn't worked in the past. Walmart has already offered this option and it hasn't work. Why are you or the attorney accepting the same old ill-solutions as if they are new ones?

4. *"They will do this until 11 pm and will also place an emphasis on contacting any vehicle occupants as early as possible after daylight."* Previously, Walmart stated they didn't like sending employees out to deal with the campers, after dark. Now, *it is safe?* But it wasn't for the last 8 months? And up till 11:00 P.M is ok to patrol, but after 11:00 it isn't? You and I both know, that even today (ie. My earlier email), there are 2 campers out there this morning, 1 hour after daylight. This response too, sounds like we are "backtracking" from where we were a few months ago.

Does this also mean Walmart has an open window of time of approximately 8 hours during the night that they don't have to comply with city code? Let me get clear on this- city residents and/or Corporations only have to comply with city codes during certain hours within a day? Why is this period of time being given to Walmart, as an exclusion to remove campers, over and over again?

5. *"They will still maintain the signage at the parking lot entrances..."* Is this some sort of new *effort*- leaving signs up?

6. *"...and will continue to place flyers on unoccupied vehicles notifying them that they cannot camp overnight at this location..."* As I have stated in previous correspondence: Over the years, I have never seen 1 flyer on a window, have never seen 1 employee ever posting flyers. You would think in eight years of daily morning and evening walks, one would see a posted flyer, at least once! And flyers are a solution to what? If you have someone sleeping inside an RV, truck or car, why is a flyer the answer to an illegal camped vehicle? This doesn't deem an effort for removal. Why isn't Walmart knocking on the door of these campers and making these people leave?

And if there is no one inside the vehicle where do you think they are? Why not page then on the intercom inside the store?

7. *"We are going to assist them with a modification of the flyer by providing them with a map and address information of approved overnight campgrounds and RV parks in the area..."* Here we have the largest and richest corporation in the world and the City of Chico will waste more man hours and local tax dollars to help Walmart modify an appropriate flyer?? Why isn't Walmart doing their own research to find local campgrounds, with maps, for their flyer? The flyer won't be used, it never has, and what's most important- it **doesn't remove existing violators**. Why isn't code enforcement leaving the flyer design to Walmart and do what code enforcement should do- enforce code?

I feel sad and frustrated from your response to my years of effort to gain action from the City, regarding this illegal campground. We have a corporation, with no respect for city codes, or their neighbors. Walmart will continue to allow overnight campers/transients'. They will spring-board into our neighborhoods (nights and weekends) fleecing us of our belongings and use the parking lot and perimeter as a bathroom and at the same time denying your law abiding campground parks, in this area, *their right* to these lost dollars.

Why are you accepting these transparent solutions from Walmart management, *year after year*, and not enforcing the code? It seems there is a movement backward and not forward since last we met.

Nina Widlund  
1 Sir Andrew Court  
Chico, CA 95928

## 2.0 RESPONSES TO COMMENTS

---

Hi Scott,

As I mentioned in the email to Tony (see below), a weeks worth of checking should show there is still a problem. Also, any time one of you would be willing to give me a phone #- I could leave a message to it on my morning walks, when the campers are present.

Nina Widlund

----- Original Message -----

From: Scott Armstrong <sarmstro@ci.chico.ca.us>

To: ninawidlund@yahoo.com

Cc: Tony Baptiste <TBAPTIST@ci.chico.ca.us>

Sent: Friday, November 17, 2006 12:14:20 PM

Subject: Re: campers

Nina, I checked on Wed. night and Thurs. morning and there were no campers.

>>> Nina Widlund <ninawidlund@yahoo.com> 11/16/06 5:06 PM >>>

Tony,

That would be great. I think if your people could check for about a week straight, they will see campers. Some nights there are none and some nights there are 3-4. It isn't as bad as it used to be ( before you and I started talking), but there seems to be a backward trend in the last few months. And I would hate to see a dozen or more campers there, once again, as they have become more lax.

Nina

----- Original Message -----

From: Tony Baptiste <TBAPTIST@ci.chico.ca.us>

To: ninawidlund@yahoo.com

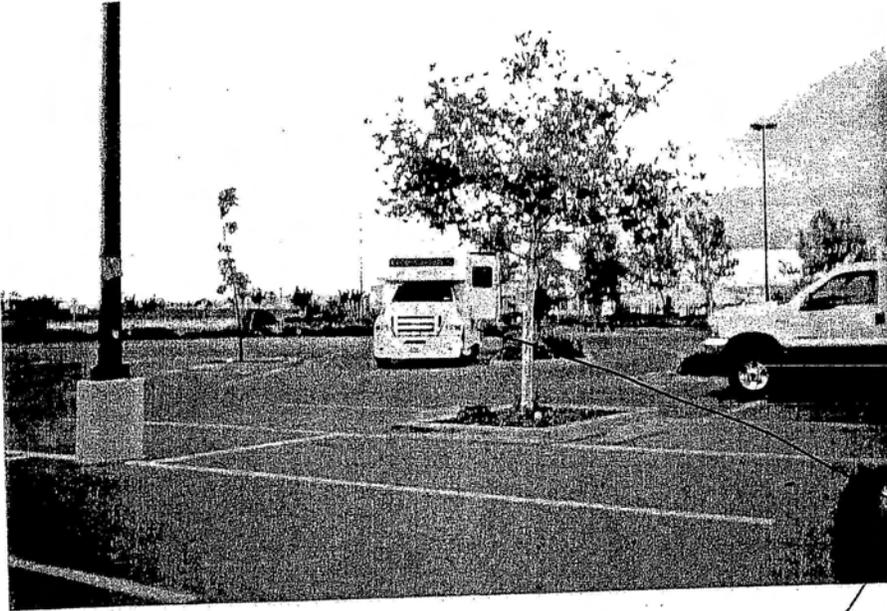
Sent: Thursday, November 16, 2006 4:19:53 PM

Subject: campers

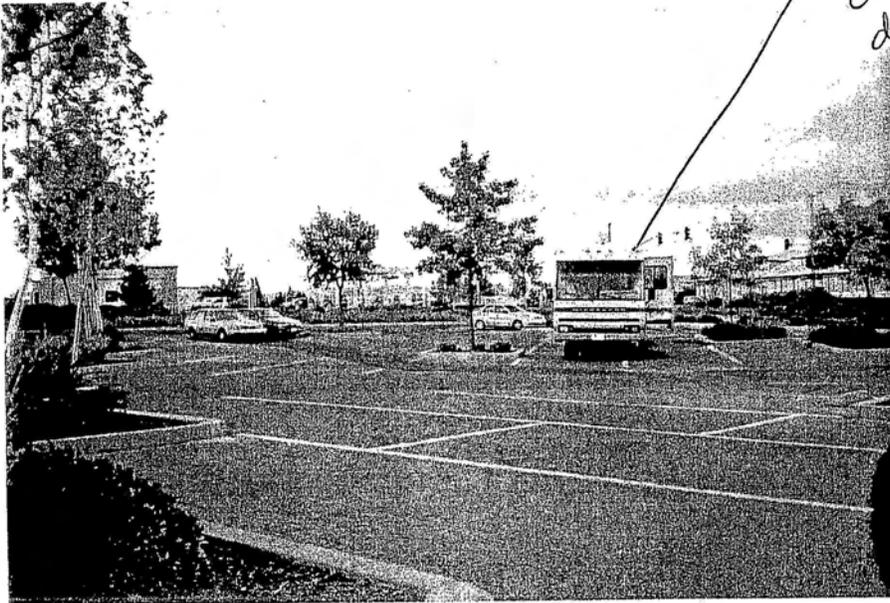
Hi Nina-- I just wanted to check in and let you know that we are trying to follow up on your concerns. While I cannot provide someone to be available for you to be able to contact before business hours, we are concerned that the manager may not be doing all they said would be done to monitor and notify unauthorized campers in the parking lot of city regulations concerning overnight camping. A staff member has volunteered on their own time to monitor the situation a few evenings and then the following mornings on the way to work to see if we can verify that proper notice is not being provided.



2.0 RESPONSES TO COMMENTS



Note:  
tipouts  
extended +  
curtains  
drawn  
closed





### Letter 64

### Nina R. Widlund, Resident

*Response 64-1*

The commenter expresses her concern about overnight camping in the existing Wal-Mart parking lot. The commenter provides copies of letters, emails and photos which she submitted to the City on previous occasions regarding this issue. While such overnight camping in a store parking lot may be a code enforcement issue, it does not result in an environmental effect that is required to be analyzed in an EIR. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

LETTER 65

Karen Masterson - Forest Ave. WalMart expansion

Page 1

From: "Carolyn Dorn" <briar@c-zone.net>  
To: <rschrein@ci.chico.ca.us>  
Date: 2/20/2007 3:07:50 PM  
Subject: Forest Ave. WalMart expansion

1687 Park View Lane  
Chico, CA 95926

February 20, 2007

Chico Planning Commission  
Commissioner Susan Manasian

Dear Commissioner:

I am writing as a citizen concerned about the impact of the proposed WalMart expansion at Forest Avenue on traffic delays and air pollution control and probable closure of existing grocery stores such as the South Raleys and Food Max. Because these impacts appear to be considerable I recommend that this EIR be denied by the Planning Commission.

A traffic study said that the wait time at the intersection of Forest and 32 would increase to five and a half minutes if the Forest Avenue WalMart were expanded into a supercenter. I live in the area and I drive through there frequently.

Sincerely,  
Carolyn Dorn

65-1



*Received by Renee Schreindel  
(delayed as was in her junk mail box)*

*\* email was sent to all Commissioners*

### Letter 65

### Carolyn Dorn, Resident

Response 65-1

The commenter states that she is opposed to the development of south Wal-Mart Expansion based on potential business, traffic, and air quality impacts.

The commenter states that the traffic study states that the wait time at the Highway 32 and Forest Avenue intersection will be five and one half minutes if the Wal-Mart were to be expanded. The Draft EIR and the Traffic study completed for the project do not identify the Highway 32 and Forest Avenue intersection as an intersection which will be impacted from development of the project. In fact, this intersection is not mentioned in the Draft EIR or traffic study. The Forest Avenue intersection with the longest delay would be the Forest Ave/E. 20<sup>th</sup> intersection. This intersection current operates with a 78.8 second Saturday peak hour delay (see Table 4.2-1 of the Draft EIR). Under Short-term (2010) with project conditions, operation of this intersection would increase to a delay of 252.3 seconds (4.2 minutes) during the Saturday peak hour (Table 4.2-12). This is an increase of 91.1 seconds over the short-term without project conditions. Under cumulative (2018) with project conditions, the Saturday peak hour delay at this intersection would be 353.4 seconds (5.9 minutes), which is an increase of 94.0 seconds over cumulative without project conditions. In other words, expansion of the existing Wal-Mart store would increase the delay at the Forest Ave/E. 20<sup>th</sup> intersection by approximately one and one half minutes at the Saturday peak hour.

The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

**VERBAL COMMENTS**

The following are verbal comments received during the January 30, 2007 Public Meeting discussing, the Wal-Mart Expansion Draft EIR. Each comment is numbered and individually responded to following the comments. Comments from the public meeting relating to the North Wal-Mart project are not included.



1/30/2007

1 yesterday of the exact buildings listed in  
 2 Dr. King's reports. You should be happy to know, and  
 3 your economic impact report should take into account,  
 4 that the furniture store is now occupied with a  
 5 tenant doing business. The grocery store that went  
 6 out of business has opened as an Asian supermarket.  
 7 The building is being refurbished, and it is in  
 8 business. The graffiti that he makes reference to on  
 9 page 13 was actually the new tenant blacking out the  
 10 old tenant's sign, and now the new tenant has put  
 11 their sign up for the business.

12 So in Dr. King's reports on pages 12 and 13,  
 13 the photo exhibits, I believe if you're to take them  
 14 into consideration in the record, should be updated.  
 15 And I have copies of the photos for you.

16 The area in general -- I've included  
 17 photographs of the area which he describes as  
 18 blighted. And the photographs of the neighborhood  
 19 around the supercenter and around the area zoned  
 20 commercial in Stockton is actually a very nice  
 21 neighborhood. And I have photos that show that.

22 But I have -- I want to make this clear.  
 23 Specifically, I went to every business he took a  
 24 picture of and took a picture yesterday. And those  
 25 businesses are operating now with current tenants who  
 Page 56

66-2  
cont.

M.O.A. DEPOSITION REPORTERS

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1 are doing business, and the parking lots have cars in  
2 them.

3 Also, I would submit to the record a press  
4 release from SaveMart Supermarts that indicates that  
5 as of November 27th, they were building five Stockton  
6 and Lodi full service stores. S-Marts they call  
7 them. SaveMart bought Albertsons, is occupying  
8 Albertsons in Stockton. And of course, the latest  
9 press release from Raley's indicating they're  
10 building a new store in Stockton.

11 So it seems to me that Dr. King's report,  
12 though it was prepared August 25th, looking at the  
13 photographic evidence that we will submit, is out of  
14 date.

15 Also, I would note that the Sepco study did  
16 a survey of Northern California cities who have  
17 received a Wal-Mart supercenter. And that study  
18 indicated, and those who were interviewed indicated  
19 there had not been this incredible urban blight  
20 destruction of all retail areas in the community. In  
21 fact, their study showed that it was the opposite.

22 So I personally have yet to find evidence of  
23 a supercenter wiping out an entire retail district,  
24 much like your EIR says. So I would speak in support  
25 of the city's EIR, and would offer amendments to  
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66-2  
cont.

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1 Dr. King's report.  
2 MR. MURPHY: Okay. Thank you. We will  
3 provide those to our consultants.  
4 THE SPEAKER: All right. I'm speaking to  
5 the south side. Just had one thing to add here for  
6 this one.  
7 Again, just addressing the issue of  
8 pedestrian access.  
9 The south side has designated a sidewalk on  
10 one side of the parking lot to the bus stop. And I  
11 don't think that adequately addresses the Chico  
12 general plan, which calls for access to nearby  
13 residential, commercial and retail areas, not just an  
14 on-site sidewalk. And that needs to be taken into  
15 consideration. Thank you.  
16 MR. MURPHY: Thank you.  
17 THE SPEAKER: Mitch Cox back to talk about  
18 traffic. And I feel bad that I didn't read the EIR  
19 on Stockton.  
20 On the south end of town, traffic is going  
21 to become worse, if that is even possible. Many  
22 intersections, particularly around 20th Street,  
23 Forest Avenue, and Martin Luther King Junior, are  
24 already rated as a level of service that is C or  
25 below. Many of the congested intersections that we

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1 are familiar with in that area will only get worse,  
2 with many dropping to level of service of F, which is  
3 the worst grade possible.

4 The definition of level of service F is,  
5 quote, stop and go traffic conditions, excessive long  
6 delays, and vehicle cueing. And I'm not talking  
7 about just one intersection, but several  
8 intersections in that immediate area.

9 And this is important to note. The draft  
10 EIR concludes that these traffic conditions will  
11 remain, even if all proposed road improvements are  
12 completed.

13 So to put this another way, if your child  
14 came home from school with a report card filled with  
15 Fs, would you be okay with that?

16 Recently, the Chico City Council held off  
17 making a decision on approving the Costco expansion  
18 because of concerns about traffic in the area.

19 Larry Wall is a very business-friendly  
20 councilor, and he was quoted in the ER as saying he  
21 wanted the traffic problem fixed before the project  
22 is approved.

23 Councilor Steve Bertagna, also a friend of  
24 business, said that Chico is already the regional  
25 retail hub that it once strove to be, and that we  
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cont.

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1 don't need to expand retail business unless the  
2 infrastructure problems that they create can be  
3 solved. Thank you.

4 MR. MURPHY: Excuse me. Mitch? Mitch,  
5 would you go sign in, please?

6 THE SPEAKER: I signed in the first one.

7 MR. MURPHY: This is a new one. We're  
8 starting a new list to provide to a different  
9 consultant. Thank you.

10 THE SPEAKER: My name is Melinda Fornier.  
11 And I actually, at this moment, live in Butte valley  
12 across the street from Butte College, and am in the  
13 process of moving up to Magalia.

14 But there are some things that Chico has  
15 that nowhere else has in this area. One of those  
16 things is Butte College. And the Wal-Mart is very,  
17 very close to Butte College. And so a lot of the  
18 things that have been brought up, like air quality  
19 and traffic, and how are these going to impact the  
20 college and any extensions that the college might  
21 want or need.

22 And I'm sorry. I don't know what's in the  
23 EIR. Because as was already mentioned once, it's  
24 somehow pretty difficult to get through some of that,  
25 especially if you have a young kid and you're a

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67-1  
cont.

68-1

68-2

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1 single parent.

2 But I am concerned a great deal, in fact, as  
3 a parent who often is at Butte College both for  
4 myself and for my son. I do most of my shopping at  
5 Winco. I really like Winco, and I would be very  
6 distraught to see anything happen to it. And in some  
7 ways, I would hate to think that things we already  
8 have in place would be disrupted by something new,  
9 unless we know it's going to be something better.

10 So I'm really concerned about the college  
11 and what impact expanding that store will have on the  
12 college.

13 MR. MURPHY: And just to -- so I'm clear,  
14 are we talking impacts as far as traffic, or health  
15 care?

16 THE SPEAKER: Traffic, congestion, noise.

17 MR. MURPHY: Okay.

18 THE SPEAKER: You know. And maybe -- I  
19 don't know. In the long run, maybe space, you know.  
20 There's -- there's very little outside space around  
21 the college where you can go outdoors and just take a  
22 break. So I'm concerned about the quality of the  
23 college.

24 MR. MURPHY: Thank you.

25 THE SPEAKER: I have one or two short  
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cont.

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1 remarks. I'm Alan Gair from Chico.  
2 One of the reasons that some of the members  
3 of the public are finding it difficult to find the  
4 website is because your files are corrupted. I did  
5 tell you a week ago that your website files were  
6 corrupted. They are still corrupted as of ten  
7 minutes before I left, so it's very difficult to  
8 access all the tables. Some of the appendices are  
9 available, but some of the main file data is not.  
10 Now, what I would like you to do on the EIR  
11 is to extend your range a bit. You've probably heard  
12 of the North Valley project and the way it has  
13 scenarios, which actually look at the plausible  
14 outcomes for the valley, because we are part of it.  
15 You have only one scenario. That is that  
16 inflation will continue to be about 3 percent, and  
17 that the place will be a romping success  
18 economically. That is not the way it looks to a lot  
19 of economists, especially those outside this country,  
20 which are looking at an \$8 trillion deficit, and are  
21 looking, therefore, I would think, you should look at  
22 other scenarios. What happens if we move into  
23 deflation? And those things are more noticeable by  
24 their absence than their existence.  
25 I think you should look also to see what  
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69-1  
cont.

69-2

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1 happens when you consult actual retailers.

2 I'm a consultant, and I have run an actual  
3 big chain of department stores in Britain. And I can  
4 tell you, the two jobs are very different. One will  
5 tell you how it's done, but the other poor guy has to  
6 go and do it. So I suggest you talk to some  
7 retailers about the actual impact of these two  
8 massive stores taking \$500 million of retail turnover  
9 from the area.

69-2  
cont.

10 One of the things that's completely ignored  
11 in the hierarchical study of shopping is the effect  
12 of one-stop shopping. Now, every woman here knows  
13 that if she knows a particular retail shop has not  
14 got what she wants, she won't go there. If she goes  
15 to somewhere where it has got what she wants, she  
16 also picks up everything else she can possibly gather  
17 at the same time.

69-3

18 And that's what's going to happen. You are  
19 going to actually pull traffic out of every existing  
20 retailer. Because Wal-Mart is becoming an  
21 extraordinarily powerful and efficient retailer. It  
22 does a wonderful job. It is a vertical colossus.  
23 And as I look at those pictures up there, they're now  
24 putting a very nice makeup on the front of this  
25 enormous machine. And I suggest to you, be very wary  
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1 about this. Because it will destroy the character of  
2 this city and everything that's around it.

69-3  
cont.

3 If you look at, for instance, traffic. If  
4 you go into the big shopping centers in Europe,  
5 you'll find that they have roundabouts at their  
6 intersections. Noticeably, not a single traffic car  
7 coming or roundabout is mentioned in your report.

69-4

8 All that's mentioned is that we've got to put up with  
9 a 30-second average delay in the intersection caused  
10 by traffic lights.

11 So I think really, we ought to be a bit more  
12 professional about this. You've produced an  
13 absolutely wonderful house of cards. But it is  
14 nevertheless a house of cards. Thank you very much.

15 THE SPEAKER: My name is Johnny Loff, and  
16 I'd like to comment about the traffic deficiencies  
17 within the report.

18 Throughout my college career at Butte and  
19 Chico State, I have lived behind the Chico Mall, the  
20 apartments there. And now I live close to the park  
21 off of Forest. And I think that seasonal traffic is  
22 a big issue, in that from Thanksgiving on through  
23 early January, traffic is horrendous on East 20th.  
24 And so when we would come home and our neighbors  
25 would come home, we go other routes, and we take 32  
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1 or we take somewhere else. And I don't think that  
2 the compounded effect of the traffic that builds up  
3 on East 20th is explored deep enough in this report.  
4 There are families picking up their children  
5 at Marsh School, and the traffic is horrible on  
6 Forest at 3:00. At 5:00, we have people coming home  
7 along 32. And then, this is -- these are my  
8 observations before Butte College was built. That's  
9 when I experienced most of this problem before. We  
10 don't have the Galleria yet. That's coming in.  
11 East 20th beyond Winco, most of that is undeveloped,  
12 but it's commercial land. That's not developed yet.  
13 There's also apartments that may be going in on other  
14 parts of this area.  
15 Also, this was before the houses were built  
16 at the end of East 20th. So traffic has gotten  
17 significantly worse since then, and will continue to  
18 get worse. And I think that we need to look at that  
19 a little bit more in this report.  
20 THE SPEAKER: Hi. My name is Kathleen. And  
21 I want to address a couple of things.  
22 I was most interested, as I tried to read  
23 the report, which I want to appreciate the City of  
24 Chico for giving us this opportunity to talk about  
25 it, it was difficult to read through. It is very  
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70-1  
cont.

71-1

M.O.A. DEPOSITION REPORTERS

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1 lengthy. And I'm certainly not a technical expert.  
2 But as a mom who raised four kids in this town and  
3 who has three grandchildren, I am concerned about  
4 environmental issues. And they're everybody's  
5 concern, I think. So my concerns were about traffic,  
6 and also the impact on small businesses downtown.  
7 As you can see, I have a wal-Mart happy face  
8 on. But I am a person who shops based on -- well, I  
9 just have to tell you, I'm part of this community  
10 because I love the small businesses downtown as much  
11 as I like the convenience of the big -- bigger  
12 stores.  
13 So when I read the study, I was pleased that  
14 the suggestion is there will not be a significant  
15 impact on the small businesses downtown. And that's  
16 as it should be. There's not two worlds out there,  
17 wal-Mart and the rest of you. We are all part of the  
18 same community. So that was a good thing. And I'm  
19 pleased to see that that was addressed.  
20 Also, regarding the traffic, I understand  
21 that traffic is really congested in many areas in our  
22 community before we expand. And those were  
23 addressed.  
24 And so as I took it, the study covered the  
25 potential increase in wait times or delays around the  
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71-1  
cont.

71-2

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1 southern store. And they were measured in seconds.  
2 We've all shopped around the mall, and we already  
3 know that there are delays and congestion. But I  
4 believe that those are mitigated by the mitigated  
5 suggestions. Don't make it any worse. Measuring it  
6 in a few seconds seemed to be covered by the study.  
7 And I just had to say that, because I do  
8 work at Wal-Mart. And thank you for giving us this  
9 opportunity.

71-3  
cont.

10 THE SPEAKER: Good evening. Mark Lance.  
11 My question to you is, does the scope of the  
12 report cover the cost to the public of -- the  
13 economic cost to the public of projects such as this?

14 For example, people who would, say, qualify  
15 for food stamps, welfare, medical care, indigent --  
16 need medical care that they couldn't afford, is that  
17 economic aspect covered in this report, or is that a  
18 separate?

72-1

19 MR. MURPHY: Can you please state that  
20 again? It was a little unclear.

21 THE SPEAKER: Does the scope of this project  
22 include in the economic aspect how the public would  
23 -- the economic cost to the public would be  
24 addressed?

25 MR. MURPHY: Okay. For the purposes of the  
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1 EIR, and as CEQA requires, the extent to which you  
2 look at any economic impacts, as far as an  
3 environmental issue versus a social issue, is to the  
4 extent that there is a cause and effect of blight  
5 where you cause actual businesses to close. That in  
6 turn has a cause and effect on deterioration of a  
7 neighborhood, the built environment.

8 So I guess the quick response to your  
9 question is, CEQA doesn't really steer us towards  
10 looking at these social aspects of -- something  
11 you're getting to. That would be an item -- a  
12 legitimate item that you and others can bring up that  
13 would be more appropriate for City Council, Planning  
14 Commission, further consideration as far as, you  
15 know, the social implications versus the true  
16 environmental impacts.

17 THE SPEAKER: Okay. That makes sense.  
18 well, kind of makes sense. But anyway. I won't get  
19 into that.

20 But I would submit that also, the costs that  
21 have been covered before as far as specifically  
22 traffic and road improvements and stuff, I would  
23 consider that to be a form of corporate welfare. If  
24 we, as the public taxpayers, are paying for these  
25 improvements, that that money could be going

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1 elsewhere to fix the potholes on our streets, et  
2 cetera, for this type of project that -- I think that  
3 should be addressed, and -- seemed like it would be,  
4 from what has been said.

72-2  
cont.

5 MR. MURPHY: Yeah. And I don't want to get  
6 into too many responses tonight. But the quick  
7 answer is the city has -- as I mentioned before, the  
8 city has an established program for dealing with  
9 roads. Capital improvement program. Wal-Mart,  
10 Costco, downtown businesses.

11 Any new development comes in, they pay their  
12 fair share of traffic fees proportionately. Those  
13 all go into a big pot of money that are used  
14 city-wide. That's it in a nutshell.

15 Some of the EIR mitigations in here are  
16 site-specific issues that Wal-Mart will be funding  
17 themselves. It won't be, you know, as far as new  
18 traffic signals right outside of the store, you know,  
19 dealing with that site. Other areas further down the  
20 street are city-wide issues for which we get pots of  
21 money from all development that pays for it.

22 THE SPEAKER: Hello. My name is Emerald  
23 Behrens. I believe you received my previous letter  
24 to you and your Planning Services Department. And I,  
25 of course, support the no-project alternative

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1 concerning the north site of the wal-Mart  
2 development.

3 One point of the Environmental Impact Report  
4 that I wanted to point out that wasn't fully covered  
5 was the environmental and health impact of the sewage  
6 pipe that is planned to run through one of the  
7 creeks. I believe it is Mud Creek that runs through  
8 there. And my concern was, if it ruptured or leaked,  
9 it would spill fecal matter right into the creek,  
10 which would eventually run through agricultural land,  
11 and eventually the Sacramento River. And that has  
12 huge implications.

13 It does not say how this problem would be  
14 solved, if such a disaster should occur. I think we  
15 should consider all environmental and health issues  
16 that may result from this sewage system being built  
17 that isn't fully covered in this Environmental Impact  
18 Report. And the city could face health lawsuits.  
19 And it would be very costly to repair a sewage system  
20 that is damaged. And I just want you to consider  
21 that, because it's not fully discussed in the  
22 Environmental Impact Report.

23 MR. MURPHY: Okay. Thank you. And since  
24 that one was more geared towards the north site, can  
25 we have you sign this sheet for wal-Mart North

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73-1  
cont.

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1 comments?

2 THE SPEAKER: Hi. Nancy Park again. I  
3 didn't expect to speak again tonight. But I wanted  
4 to very quickly address the gentleman who spoke just  
5 prior.

6 The fact that there are people who work at  
7 Wal-Mart, who work very hard, who work very long  
8 hours, who are eligible for food stamps, Medi-cal, et  
9 cetera, it seems to me to be an economic issue. But  
10 I guess maybe under CEQA it isn't.

11 I just wanted to very quickly say that I've  
12 worked for Butte County for seven years in various  
13 social services capacities. And the case loads there  
14 for Medi-cal, in particular, are filled with cases  
15 where one or both parents work for Wal-Mart. This is  
16 not to say that Wal-Mart doesn't have some good jobs.  
17 But it was a very significant thing that we would see  
18 again and again and again. And we, the taxpayers,  
19 pay for it, because Wal-Mart is not providing for its  
20 employees.

21 THE SPEAKER: Hello. My name is Benn  
22 Davenport. And I'm glad to know that there are  
23 people on the Wal-Mart payroll who are here to  
24 participate in public dialogue. That is important  
25 for all people and all corporate interests to be  
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1 represented in our public dialogue.

2 I'm equally glad to know that Stockton has  
3 recovered from the wal-Mart supercenter. However,  
4 one example does not negate all others, as there are  
5 many examples of wal-Mart causing urban blight and  
6 damaging communities in general.

7 And again, I'm glad to hear that a new  
8 business moved in after the initial businesses were  
9 shut down as a result of wal-Mart expanding in the  
10 community. However, there's no guarantee that those  
11 businesses will remain in business, as new businesses  
12 that start up frequently tend to shut down within  
13 only a few years of having started up.

14 In the area surrounding East 20th Street,  
15 there are several grocery stores, including winco and  
16 wal-Mart. And it's my belief that having two grocery  
17 stores of a considerable size in an urban area, as  
18 such, already sufficiently serve our current needs.

19 Additionally, grocery stores employ lots and  
20 lots of students, and they provide good jobs. In the  
21 case that wal-Mart moves in, there would be a grocery  
22 store that -- well, if wal-Mart expands to provide  
23 groceries, they would be paying less. And I don't  
24 have proof of that, of course. But it goes without  
25 saying that they do have the lowest prices, and they  
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75-1  
cont.

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1 do have lower wages.  
2           So that would have an impact on the downtown  
3 businesses. Because students who are employed by  
4 small businesses and by grocery stores spend a lot of  
5 money downtown. So it should be considered, the  
6 student financial impact on the downtown and how  
7 Wal-Mart expanding would wipe out small businesses  
8 that employ those students.  
9           Additionally, Wal-Mart caters primarily to  
10 consumers who drive their cars there, whereas  
11 downtown is primarily ped -- well, downtown is  
12 pedestrian, bicycle, and public transit friendly.  
13 More traffic results in more dangers for pedestrians.  
14 And although the city may be able to put a liability  
15 price on public safety, for us, the citizens' public  
16 safety is priceless.  
17           Additionally, by Wal-Mart expanding their  
18 business and having an impact on downtown businesses,  
19 primarily they would shut down, it should be  
20 considered that that would have a considerable impact  
21 on city income, because there would not be cars  
22 parked downtown, and there wouldn't be people  
23 plugging the meters. And that, of course, could  
24 impact our parks, and that could impact our quality  
25 of life, and many other things.

75-1  
cont.

75-2

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1           One thing that was overlooked, perhaps, in  
2 the Environmental Impact Report was the expansion of  
3 truck traffic. Wal-Mart has one of the largest truck  
4 fleets in the entire world. And if the expansion was  
5 allowed, we would have a lot more truck traffic. And  
6 trucks are fairly gross polluters. So it should be  
7 considered how that will impact our quality here in  
8 the North Valley of the air that we breathe, which  
9 again, I might say, is priceless. Thank you.

10           THE SPEAKER: Good evening. I'm walter  
11 Ballin. I live on Rio Lindo Avenue near the  
12 Esplanade.

13           And one thing I'd like to point out, in  
14 addition to all the other comments that have been  
15 made against the expansion of Wal-Mart, I'm referring  
16 to both stores, in addition -- considering the loss  
17 of business, I would like to mention, there are a lot  
18 of people, like myself, who do not have automobiles.  
19 And I walk often to Raley's. Sometimes I go to  
20 Albertsons.

21           But these stores -- the loss of these  
22 stores, I'm concerned, where would people shop? I  
23 guess people would have to go take the bus to go to  
24 Wal-Mart, either one. That would be the only option.

25           MR. MURPHY: And if there's any others that  
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1 wish to speak, if we can just have people line up,  
2 that would be much appreciated.

3 THE SPEAKER: The gentleman that spoke  
4 earlier talked about how the City of Stockton has  
5 recovered from what I think I heard referred to as  
6 the economic blight zone. This is good news and all,  
7 yeah. But what about in the meantime?

8 A person who's recently been employed at a  
9 place like wal-Mart, chances are, is earning just a  
10 bit above minimum wage, whereas a person that's been  
11 working a long time at a small store, presumably, is  
12 being paid quite a bit more.

13 what's more is that people that have been  
14 employed at a store for a long period of time and  
15 have a steady income start to do things like get  
16 loans, you know. Take a mortgage on their house.  
17 And when this business dies, they can't pay those  
18 things anymore. And that really hurts them. I just  
19 wanted that to be thought about when considering  
20 whether or not we want wal-Mart to move into our  
21 community. Thank you.

22 THE SPEAKER: Hi. I'm Allison Stoddard. I  
23 just had a question. I know that we're just bringing  
24 up questions about the EIR. But I want to actually  
25 just ask you a question.

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76-1  
cont.

77-1

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1           How does the draft of the EIR actually  
2 affect the community of Chico? Like, what is this  
3 going to actually bring to the table? I mean --  
4 like -- sorry.

5           How is this report going to actually affect  
6 the way -- the outcome of the supercenter? Is it  
7 already --

8           MR. MURPHY: The process -- this is the  
9 first kind of component of the public process. So  
10 this draft EIR attempts to address all of the  
11 environmental impacts that could occur. And we'll go  
12 through the final EIR, respond to these comments.  
13 And so we'll give a response.

14           All of that together will be what's called a  
15 final EIR. That document is then given to the final  
16 decision-makers, who will be either the Planning  
17 Commission or City Council. So they'll take this  
18 document, and they'll decide whether to approve the  
19 project or deny the project. This will be one piece  
20 of the information that they'll use to make their  
21 decision, so it's really an information gathering  
22 exercise so they have all of the information before  
23 them so they can make an informed decision.

24           THE SPEAKER: So it's left up to who,  
25 actually?

77-1  
cont.

77-1  
cont.

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1           MR. MURPHY: To the Planning Commission.  
2           The City of Chico Planning Commission, or City  
3           Council. And when it gets to that point in time,  
4           there will be additional public notices in the  
5           newspaper, neighbors, everybody that signed the  
6           sheet. So there will be a full public process  
7           throughout.

8           THE SPEAKER: Okay. Thank you.

9           MR. MURPHY: I guess, with no one else, that  
10          concludes for this evening. And hopefully, you got  
11          the information you needed as far as what the process  
12          is, where we go next.

13          If you have any questions, feel free to call  
14          me, e-mail me. I'll be more than happy to go over  
15          that with you. And we can just track it as it comes  
16          along through the process. So again, thank you very  
17          much.

18                           (The proceedings ended at 8:00 p.m.)

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**Comment 66**                    **Josh Cook, Resident**

Response 66-1                    The commenter submits information disputing the California Economic Research Associates study titled *Economic Analysis for Two Proposed Supercenters in Chico, California*.

Response 66-2                    The commenter describes photographic exhibits that he has submitted disputing the *Economic Analysis for Two Proposed Supercenters in Chico, California*. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

Response 66-3                    The commenter states that the sidewalk on one side of the proposed project's parking lot which provides access to the bus stop does not adequately address the requirements in the Chico General Plan calling for access to nearby residential, commercial and retail areas. The Draft EIR presents project consistency with General Plan goals and policies related to environmental issues in each related analysis section. The adequacy of access to nearby residential, commercial and retail uses is not an environmental issue but rather a City planning issue and therefore not addressed in the Draft EIR. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

**Comment 67**                    **Mitch Cox, Resident**

Response 67-1                    The commenter states that traffic in the south end of town will become worse and that some of these roadways/intersections will operated at LOS F even with proposed roadway improvements. However, this statement is not necessarily correct. As stated on page 4.2-59 of the Draft EIR:

“Implementation of mitigation measure **MM 4.2.1** would reduce traffic impacts on the roadway systems listed above to an acceptable LOS and upon completion of the improvements, the proposed project would have a less than significant traffic impact under short-term conditions. There is a gap in timing between the planned opening of the store and the completion of the SR 99 ramp improvements. The improvements to the SR 99 ramps are included within the needed improvements identified in the *State Route 99 – Chico Corridor Study (Nexus Study)*, and the city is collecting fair share contributions for these improvements as part of the Nexus Fee program. However, Caltrans will determine when these ramp improvements will be constructed, as they are state, not City, facilities. Caltrans will rely upon state (and possibly federal) funding for a portion of the construction costs. When and if these funding sources will be programmed and allocated and construction will be scheduled, is not presently known, at least under near-term conditions. Therefore, this impact is considered to be significant and unavoidable in the short-term.”

## 2.0 RESPONSES TO COMMENTS

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As stated above, if all roadway improvements are completed under short-term conditions, roadways/intersections will be operated at acceptable levels, however improvements to Highway 99 are solely dependent on Caltrans and associated funding. Under long-term conditions these improvements are expected to be completed and therefore, as stated on page 4.2-88:

“Implementation of mitigation measures **MM 4.2.1, MM 4.2.2, MM 4.2.3a** and **MM 4.2.3b** would reduce traffic impacts on roadway systems to an acceptable LOS. Therefore, the proposed project would have a **less than significant** traffic impact under cumulative conditions.”

### **Comment 68**      **Melinda Fournier, Resident**

*Response 68-1*      The commenter discusses the close proximity of the Wal-Mart site and Butte College and that environmental impacts caused by the proposed project will also affect Butte College. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

*Response 68-2*      The commenter states her concern that the Wal-Mart Expansion project may affect the viability of the Winco store. The commenter is referred to Section 4.6 of the Draft EIR, as well as Response to Comments 32-1, 51-1 and Section 2.5 Response To Opposing Economic Analysis of this Final EIR which address the potential economic impacts with project implementation.

### **Comment 69**      **Alan Gair, Resident**

*Response 69-1*      The commenter states that the City's website files for the proposed project is corrupted. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

*Response 69-2*      The commenter would like to see more than one scenario for the economic analysis showing what would happen if there is a downturn in the economy. The comment is noted and presented here for Planning Commission consideration.

*Response 69-3*      The commenter states that the economic study completed for the project ignored the effect of one-stop shopping. The economic analysis completed for the proposed project included all shopping trips as a whole as a part of the analysis and does not separate one-stop shopping trips from other shopping.

*Response 69-4*      The commenter suggests that roundabouts are an efficient way to improve traffic flows around large shopping centers. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

**Comment 70                    Johnny Loff, Resident**

*Response 70-1*                    The commenter discusses the holiday traffic on East 20<sup>th</sup> and states that it is horrendous and that the Draft EIR does not discuss the compound effect of existing and future development in the area. The Section 4.2 of the Draft EIR discusses the cumulative effect of traffic in the area. This discussion includes existing and anticipated future projects in the area. The commenter is referred to page 4.2-62 of the Draft EIR which is the beginning of the discussion of the cumulative traffic impacts in the area and Table 3.1 of the Draft EIR for pending projects, as well as other regional growth and background growth used in this analysis.

**Comment 71                    Kathleen, Resident**

*Response 71-1*                    The commenter states that she is pleased that the proposed project would not have an impact on the downtown businesses. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

*Response 71-2*                    The commenter states that delays and congestion around the mall are existing conditions and implementation of the project would not make it any worse when roadway improvements are in place. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

**Comment 72                    Mark Lance, Resident**

*Response 72-1*                    The commenter asks; does the scope of this project include the economic cost to the public for providing medical care, welfare, food stamps for Wal-Mart employees? The cost to the public to provide social assistance for economically distressed persons is not an environmental issue. The commenter is referred to Master Response 2.4.1.

*Response 72-2*                    The commenter suggests that improvements to roadways would be considered corporate welfare by using taxpayers money for these improvements. The commenter is referred to Section 4.2 of the Draft EIR which discusses the proposed project responsibility for paying their fair-share of roadway improvements. The City of Chico has an established program for roadway improvements in the City. The proposed project is required to pay what is considered its share of the cost of these improvements based on the amount of traffic the project will produce, both from customers and product delivery.

**Comment 73                    Emerald Behrens, Resident**

*Response 73-1*                    The commenter discusses impacts of the North Wal-Mart project. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

## 2.0 RESPONSES TO COMMENTS

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### **Comment 74**                      **Nancy Park**

*Response 74-1*                      The commenter discusses the Wal-Mart employee wages and Medi-Cal. The commenter is referred to Response to Comment 72-1.

### **Comment 75**                      **Benn Davenport**

*Response 75-1*                      The commenter states the proposed Wal-Mart Expansion project would affect downtown businesses. The economic study completed for the project, *Wal-Mart Supercenter Economic Expansion Analysis: South Store Expansion*, determined that the proposed project would not have an impact on downtown businesses:

“Downtown Chico is a niche market focused on specialty items, services, and entertainment. A majority of Downtown retailers provide a product or service not found at a Wal-Mart Supercenter store. With the exception of Chico Natural Foods Stores, there are no major food stores in Downtown. As a result, the grocery component of the proposed Wal-Mart Expansion project is projected to have no negative impact on Downtown businesses. Furthermore, due to the nature of the Downtown retail market, the incremental addition to the general merchandise component of the project is also insignificant. Downtown retailers provide specialized products and services that the Wal-Mart Supercenter Store will not, and any impacts as a result of the general merchandise component of the Project were likely already experienced with the opening of the existing Wal-Mart Discount Store. For this reason, the economic analysis concluded there would be no potential for economic impacts from the proposed Wal-Mart Expansion project.” (see page 4.6-3 of the Draft EIR).

*Response 75-2*                      The commenter suggests that an increase in traffic caused by implementation of the proposed project will result in pedestrian safety issues. The commenter is referred to Response to Comment 4.2 and 5.2.

*Response 75-3*                      The commenter states that those downtown businesses that have to close because of implementation of the proposed project would impact City income. The commenter is referred to Response to Comment 75-1 regarding the potential for downtown business closures. Additionally, the loss of revenue by a City is not an environmental impact and therefore not discussed in the Draft EIR. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

### **Comment 76**                      **Walter Ballin, Resident**

*Response 76-1*                      The commenter discusses the potential financial effects to persons when existing stores may close due to project implementation. The commenter does not raise any issues related to the adequacy of the south Wal-Mart Expansion Draft EIR. The comment is noted and presented here for Planning Commission consideration.

**Comment 77**

**Allison Stoddard, Resident**

*Response 77-1*

The commenter asks whether the Draft EIR will affect the outcome of the Wal-Mart Expansion project. An Environmental Impact Report is an informational report used to identify a project's potential impact to the physical environment. This report is used by the decision makers (City Council and Planning Commission) as information to assist in their decision to approve or deny a project. If it is determined by the City that a project will have a substantial impact to the environment, the City can deny the project. If implementation of a project would result in significant and unavoidable impacts to the environment, the approving agency, in this case the Chico Planning Commission, is required to provide a Statement of Overriding Considerations. This Statement of Overriding Considerations identifies all of the reasons a project was approved despite the significant impacts caused by the project.

Environmental review is just one of many steps a project has to undergo prior to implementation of a project. A project also has to comply with existing City General Plan, zoning, engineering, building, fire safety standards, etc.

## 2.0 RESPONSES TO COMMENTS

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### 2.5 RESPONSE TO OPPOSING ECONOMIC ANALYSIS

The following is a Master Response relative to the Wal-Mart Parcel Map and Expansion Project EIR urban decay discussion and is a response prepared by Sedway Group, authors of the economic analysis for the Chico South Expansion Project EIR.

On September 7, 2006, California Economic Research Associates published a report entitled *Economic Analysis of Two Proposed Supercenters In Chico, California* (CERA Report). See **Appendix A** of this Final EIR. There are currently two Wal-Mart Supercenters planned in Chico, the expansion of the existing Wal-Mart Discount Store into a Supercenter and a North Chico Wal-Mart Supercenter. The CERA Report provides statements relative to the South Chico Wal-Mart Supercenter expansion and the cumulative impacts of this expansion combined with the planned Wal-Mart Supercenter in North Chico. These statements are identified and responded to below relative to the urban decay analysis conducted for the Wal-Mart Parcel Map and Expansion Project EIR (also referred to as the South Chico Wal-Mart Store). This urban decay analysis was conducted by Sedway Group (now dba CBRE Consulting), included in a report titled "Wal-Mart Supercenter Economic Impact Analysis: South Store Expansion, Chico, California," February 2006 (Revised). Henceforth, this report is referred to as the "Urban Decay Study." The CERA topics are identified by their heading in the CERA Report, matched with page number references. Where there are direct quotes from the CERA Report they refer to the page(s) cited in the heading unless otherwise noted. The topics are discussed in the order presented in the CERA Report.

#### EFFECT OF A SUPERCENTER ON GROCERY RETAILERS IN CHICO (PAGES 2-3)

The CERA Report analyzes self-reported annual retail sales (reported by local food store managers) among Chico's major grocery retailers and compares them to a national industry figure. Their conclusion is that several of the stores are performing poorly relative to a benchmark figure, in this case a 2006 national annual average estimate prepared by CERA based upon reported figures for 2004.

CBRE Consulting believes there can be a large margin of error in self-reported sales performance figures, and hence does not consider the figures reported by CERA to be reliable. Local managers are not necessarily objective, third-party resources, especially if they have a vested interest in the outcome of the analysis for which their reported sales are collected. There is a built in motivation in such cases for erroneous reporting. In addition, CERA's 2006 national average sales estimate is high. This figure was derived by CERA pursuant to an estimated inflationary adjustment of 6 percent applied to a 2004 figure reported by the Urban Land Institute (ULI). Subsequent to the preparation of CERA's report, ULI published a 2006 figure. The published 2006 figure of \$401.16 is less than the CERA estimate of \$414 per square foot.<sup>1</sup> Therefore, CERA over-estimates the extent to which select stores were under performing in 2006. While this differential is relatively minor, it translates into an over-estimation of poor store performance.

Absent the influence of the Trader Joe's store and Costco cited in the CERA Report (the Trader Joe's store because of their high sales and the Costco because of its unreported grocery square footage), aggregation of CERA's grocery sales figures suggests that benchmarked to the more accurate 2006 ULI figure, Chico's food stores on average performed above the national average. CERA's figures indicate the stores totaled 479,800 square feet with \$214.5 million in

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<sup>1</sup> "Dollars and Cents of Shopping Centers, 2006," Urban Land Institute, Table 5-28.

sales, resulting in annual sales performance of \$447 per square foot. On average, this is 11 percent above the national average. Comparing this above average performance to CERA's individual store findings suggests that some stores in Chico are already performing especially well to the detriment of existing stores. CERA's figures would suggest this is occurring with the Winco, demonstrating that a high volume, discount grocery store similar to Wal-Mart's grocery operation is presently the most successful and appropriate model for Chico's grocery consumers. However, what this level of analysis lacks is a more store-specific examination, looking at store performance relative to each operator's typical performance or expectations. Not every grocery chain seeks or expects to perform at a national or even regional average. Therefore, if a store-by-store analysis is conducted, CBRE Consulting believes it would be more appropriate to benchmark each store to its own chain's national or regional average, rather than a generic national average that does not take into consideration regional or other significant differences.

In the Urban Decay Study, CBRE Consulting conducted a similar analysis to CERA's grocery store analysis using data available through public resources. Due to confidentiality requirements, sales performance data were only available in aggregate. CBRE Consulting's total store sales estimate was derived from reported taxable sales, since only taxable sales are publicly reported. A metric was applied to gross up sales to include all estimated grocery sales. The result indicated that the identified stores were performing at the national average but below the regional average (see Exhibit 16 in the Urban Decay Study). Since the CERA findings indicate that the stores in aggregate are performing above the national average, the findings included in the Urban Decay Study are more conservative than the CERA Report findings.

### IMPACT OF SUPERCENTERS ON GROCERY RETAIL (PAGES 3-5)

The CERA Report develops a type of retail gravity model to assess the extent to which the Wal-Mart Supercenter grocery sales will impact existing grocery stores. This analysis assumes both the expansion of the existing South Chico Wal-Mart store to a Supercenter as well as development of a planned Wal-Mart Supercenter in North Chico. In this manner, the CERA analysis is a cumulative impact analysis of the two stores. In conducting their analysis, CERA developed Wal-Mart Supercenter grocery sales estimates, formulated estimates of the share of sales new to Chico versus displaced from existing grocery stores, and calculated sales losses benchmarked to the national annual industry average of \$414 per square foot.

CERA concludes that \$57.9 million in grocery store sales will be displaced from existing grocery stores. This conclusion is predicated on CERA's many assumptions, including net new Wal-Mart Supercenter grocery sales totaling \$70.9 million. The CERA displaced sales estimate is greater than the estimate included in CBRE Consulting's Urban Decay Study, which is \$17.9 million in 2008 dollars (see page 26 of the Urban Decay Study). Many factors contribute to the difference in estimated sales impacts, including the following:

- CBRE Consulting's lower cumulative Wal-Mart Supercenter **net** food store sales estimate of \$50.5 million (comprising \$23.8 million in food sales for the South Chico store net of the existing Discount Store food sales pursuant to Exhibit 3 in the Urban Decay Study and \$26.7 million in food sales for the North Chico store pursuant to Exhibit 18 in the Urban Decay Study);
- consideration of new food demand generated by population growth between the study's benchmark year and 2008 (a factor not considered by CERA); and
- assumptions regarding the geographic origin of demand.

## 2.0 RESPONSES TO COMMENTS

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CBRE Consulting believes the CERA Report overstates Wal-Mart food sales because of its reliance on the publication "Progressive Grocer" as a sales source. Since data regarding the sales split between food and other items at Wal-Mart Supercenters are not publicly available, the Progressive Grocer estimates cannot be independently validated or reviewed for reasonableness. Moreover, analysis included in Appendix B of the Urban Decay Study demonstrates how reliance on Progressive Grocer data can result in an over estimation of Wal-Mart food sales on a per square foot basis, which CBRE Consulting estimated to be on the order of at least 10 percent. Instead, CBRE Consulting developed a food sales estimate derived from Wal-Mart's 10-K, a legal document filed with the United States Security and Exchange Commission. Moreover, the CBRE Consulting Urban Decay Study was conservative given that it assumed sales at the two Wal-Mart Supercenters benchmarked to national averages. However, given that two Wal-Mart Supercenters are planned in Chico, it is likely that performance at each store will be less than estimated. Thus, Wal-Mart Supercenter sales, and the portion comprising food sales, may be overstated. This is especially the case going forward given that subsequent to the preparation of the Urban Decay Study plans for yet additional Wal-Mart Supercenters have been identified in the region, such as Oroville and Paradise (see later discussion relevant to *The Proposed Projects in Relation to Chico's General Plan* section of the CERA Report).

### GROCERY STORE CLOSING IN SOUTHERN CHICO (PAGE 5)

The CERA Report says the following about grocery store closures in Southern Chico: "CERA's analysis predicts that the expansion of the southern Wal-Mart into a Supercenter will close the Food Maxx and southern Raley's store. The Raley's store anchors a shopping center which will decline after the Raley's closes, hurting the neighborhood."

The CBRE Consulting Urban Decay Study concluded that if stores cannot withstand a temporary downturn in sales, it is possible that the opening of the expanded South Chico Wal-Mart Supercenter alone could cause one existing conventional grocery or, less likely, a price-impact warehouse store to close (see page 20 of the Urban Decay Study and Exhibit 24). While different stores are cited as potential casualties of the Wal-Mart Supercenter, the Urban Decay Study suggests some store closures could occur. In contrast to the CERA Report, however, the Urban Decay Study does not believe existing grocery store closures will hurt their neighborhoods.

In Southern Chico, the CERA Report specifically identifies the Food Maxx and the Raley's store as at-risk food stores. The Food Maxx store is one of many large retailers in an established sub-regional shopping center located proximate to Highway 99. Other major tenants include Circuit City, PETCO, Bed Bath & Beyond, Office Depot, Hometown Buffet, and Barnes & Noble. This center is located adjacent to Chico's expanding Costco, making this area a strong, attractive retail node. Telephone conversations with active Chico commercial real estate brokers indicate that this Food Maxx store attracts a large volume of Hispanic customers, many from outside Chico. While this market demographic could serve to insulate this store, CBRE Consulting does not believe its closure would hurt the center in the long-term. This center is occupied by other strong, national tenants, and a vacant Food Maxx space would comprise an opportunity for another retailer to expand or locate in the Chico market. Chico is a growing community, characterized by an attraction-based retail market as documented in the Urban Decay Study (see page 11 of the Urban Decay Study). Therefore, a retail vacancy such as the Food Maxx space would likely be backfilled, minimizing any potential for the center to decline to the point of deterioration and urban decay.

The Raley's store is located in Skypark Plaza, a small, neighborhood-oriented shopping center across the street from a Lowe's Home Improvement Warehouse. This center is north of Skyway Road, east of Highway 99. A nearby Home Depot store is situated south of Skyway Road, along

with a 99 Cent store that located after a year in vacated Office Max space. This area is already characterized by one existing major vacancy, an Austin's Furniture store located across from Skypark Plaza in front of the Lowe's. Most market participants indicate this space is poorly configured for retail, with an insufficient amount of parking to successfully transition to another retail use like a restaurant. Other tenants in Skypark Plaza along with the Raley's include Dress For Less, Dollar Tree, Jo-An Fabrics, and Tuesday Morning. This tenant mix indicates the center is generally positioned as a discount shopping location. As such, if the Raley's store closes, other discount type retailers would likely find the space of interest. Given the area presence of Lowe's and Home Depot, there is intrinsic strength in this area. Prospective retailers identified by one commercial real estate broker active in the market include Sports Authority and Michaels.

Grocery chains have developed strategies to effectively compete with Wal-Mart. Therefore, Chico's grocery stores may be more resilient than perceived by CERA. A recently published Wall Street Journal article (June 6, 2007) detailed market share and sales gains that supermarkets are making over Wal-Mart Supercenters, as they implement new competitive strategies. The article is entitled "Not Copying Wal-Mart Pays Off for Grocers," and its main focus is that:

*"The Supermarkets are winning back shoppers by sharpening their differences with Wal-Mart's price-obsessed supercenters, stressing less-hercic stores with exotic or difficult-to-match products and greater convenience. Last year, sales at supermarkets open at least a year rose 4%, the biggest increase in five years..."*

The article goes on to indicate that the perceived notion that chain grocery stores are unable to compete with supercenters and membership clubs is not supported by recent experience, as well-run chains have managed to stay in business and increase market share, while those refusing to adapt to new consumer tastes have failed.

*"Earlier this decade, the hidebound supermarket business was expected to fall before Wal-Mart's aggressive supercenter rollout and the rise of membership clubs like Costco Wholesale Corp., and high-end specialty chains like Whole Foods Market Inc. Many chains did collapse – 26 filed for bankruptcy earlier this decade, unable to match the falling prices of their better-run rivals – and a wave of consolidation swept the business. But the survivors rallied by redesigning stores, introducing a more relaxed shopping experience and marrying low-priced staples with higher-margin breads, meats, and wine."*

Other strategies to combat Wal-Mart that supermarkets are trying include:

*"...cutting back on drugs and health and beauty products, which are Wal-Mart strengths, to stress fresh produce, higher-quality meat, and easy-to-prepare foods. Subdued lighting and high-end selections buttress the nonsupercenter experience. Instead of the rows of aisles with commonplace brands, the supermarkets are adding tables providing ingredients for planned meals, luring the kind of customer who shops for dinner instead of stocking up on groceries once a week..."*

This article documents how grocery chains can compete and thrive by differentiating themselves from Wal-Mart, providing insulation from Wal-Mart Supercenter sales impacts.

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Finally, closing a retail location is a complex corporate decision, based on factors such as the lease/ownership arrangement of a given store as well as store sales volume. Therefore, even if a store's sales volume is significantly impacted due to Wal-Mart Supercenter sales, this does not necessarily mean the store's only course of action is closure. For example, a May 2007 interview with a former grocery store official conducted by CBRE Consulting indicated that this traditional grocery chain with a strong California presence typically achieved stores sales of \$20 million. Yet, this grocery store chain on at least one occasion kept stores open that were grossing as little as \$7 million because closing such a low volume store was actually more expensive than keeping it open. This was especially the case where payments were required on a long term lease, regardless of whether the store was open or not. Closing a store also meant a significant drop in market share, which was a complex corporate decision that affected the operation of stores within an entire region, rather than simply a single location. Therefore, even if store sales decline significantly, this may not necessarily lead to store closure, as corporate decisions may result in a grocery store chain choosing to keep the store open.

### GROCERY STORE CLOSING IN NORTHERN CHICO (PP 5-6)

The CERA Report says the following about grocery store closures in Northern Chico: "CERA estimates that the Albertson's and Raley's (East Avenue) will close soon after the opening of the northern Wal-Mart Supercenter. Both these stores anchor shopping centers which will deteriorate substantially after these closings."

The South Chico Wal-Mart Supercenter Urban Decay Study did not analyze the impact of the North Chico Wal-Mart Supercenter absent development of the South Chico store expansion. The North Chico store impacts, however, were analyzed cumulatively. On a cumulative basis, the Urban Decay Study suggested that one or two existing Chico grocery stores could close if they could not sustain a temporary downturn in sales until such time as new demand is captured from new household growth (see Exhibit 24 in the Urban Decay Study). Therefore, the Urban Decay Study concludes, as does the CERA Report, that existing Chico grocery stores may close due to the Wal-Mart Supercenter sales impacts.

However, as with the findings relative to just the South Chico store expansion, the Urban Decay Study found real estate market conditions in Chico to be robust enough to backfill vacated retail spaces (see Chapter VI, Urban Decay Study). Recent market research conducted in May and June 2007 further supports this finding. Existing retail vacancies in Chico typically comprise poorly configured or poorly-parked spaces (such as Austin's Furniture near the Skypark Plaza Raley's or Chevy's), smaller spaces whose tenants could not sustain high lease rates negotiated at a time of peak market performance, or select downtown spaces. Generally, larger spaces located in retail shopping centers or new centers successfully meet with market demand. For example, the Office Max vacancy in South Chico near the Raley's Skypark Plaza shopping center was vacant for only a year before new tenant 99 Cent store opened.

Experienced Chico commercial real estate brokers indicate that major retailers, including national tenants, are actively looking in the market, such as Sports Authority and Beverages & More. In addition, Target is reputedly interested in expanding. Interest from these and other retailers will be fueled by Chico's housing growth. Therefore, the market is not anticipated to begin the downward spiral leading to deterioration and decay as a result of Wal-Mart Supercenter development.

### THE CUMULATIVE IMPACT OF BOTH SUPERCENTERS (PAGE 6)

The CERA Report forecasts that the cumulative impact of both Supercenters relative to grocery stores will additionally close one of Chico's main Safeway stores, "most likely the one on East Avenue, which anchors a mall which is already struggling somewhat." They further suggest that closure of this store, or a decline in sales short of closure, will create "conditions for physical decay and urban deterioration."

As with the preceding comments, the Urban Decay Study and subsequent market research suggest that the Chico retail market is robust and new tenants will likely occupy space like the referenced Safeway store. This could even possibly include a new and different grocery store, such as a niche market targeting a particular market demographic, such as Chico's small, but growing Asian population. Recent experience in Chico itself demonstrates the potential for this type of re-tenanting, as Chico's Grocery Outlet recently expanded and relocated into vacated Lucky grocery store space at the Almond Orchard Shopping Center, adjacent to Chico's Big K-Mart.

### NON-GROCERY RETAIL (PAGE 6)

CERA estimates that the two Wal-Mart Supercenters will displace close to \$78 million in sales among existing Chico non-grocery retailers. They further indicate a belief that the Chico Mall Sears will close if both Supercenters are built, and that either the Chico Mall JC Penney or Sears will close pursuant to the South Wal-Mart expansion. Under both scenarios, they believe the Chico Mall would suffer, with declining traffic leading to lower sales and poorer maintenance, contributing to physical deterioration and urban decay.

The CBRE Consulting Urban Decay Study found that existing general merchandise stores in Chico in aggregate were outperforming regional performance standards (see page 21 of the Urban Decay Study). Accordingly, the study findings suggested this over performance, coupled with population growth, would serve as a buffer against Wal-Mart Supercenter sales impacts, with no existing general merchandise stores at risk of closure due to the South Wal-Mart expansion. With the addition of the North Chico Wal-Mart Supercenter, however, the Urban Decay Study findings concluded that "at minimum one mid-sized store in Chico is at risk of closing, with the maximum potential of three or more stores, depending upon their size (see page 26 of the Urban Decay Study." Therefore, CERA's beliefs about store closure relative to both Wal-Mart Supercenters are consistent with the Urban Decay Study findings.

The Chico Mall is an older Mall. As an indoor mall, it comprises an obsolete format of mall development. Since 2005, only three such malls have been developed in the country, with none currently in planning.<sup>2</sup> As recently as 2001, 19 percent of malls included in a study by the nonprofit Congress for the New Urbanism and PricewaterhouseCoopers were either "grayfields," meaning their sales performance was below \$150 per square foot, or "on their way to the grave."<sup>3</sup> This trend suggests that any difficulties the Chico Mall may experience in the future will likely be far more associated with changing consumer tastes and trends in retail development in general than with any level of Wal-Mart Supercenter development.

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<sup>2</sup>"Retail ghosts; The enclosed mall is a dying breed," The Columbus Dispatch, July 15, 2007. See article at: <http://www.thedailygreen.com/2007/07/16/the-death-of-the-american-mall-but-not-suburban-shopping/3881/>

<sup>3</sup> Ibid.

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For example, the Kohl's store that opened in May 2007 almost adjacent to the Mall is likely a far greater threat to the performance of the Mall's anchor tenants than expansion or development of new Wal-Mart stores, a type of retailer the Mall has already had to contend with. In contrast, the Kohl's store is much more directly competitive with the Mall's anchor tenants and poses a greater competitive risk than Wal-Mart. However, the presence of the Kohl's store also provides synergy for the Chico Mall, enhancing the area's critical mass of retail. Recently, the Mall's store Troutman's closed. As of May 2007, the Troutman's space was occupied by Furniture Depot, a short term replacement tenant. A representative of Chico Mall at that time mentioned to CBRE Consulting that the mall is considering expansion from this location. The Mall representative optimistically referenced this being an exciting time for the Mall, and that they are looking at future possibilities. Thus, even without the new development of Wal-Mart Supercenters the Chico Mall is looking to its future and trying to reposition itself within the marketplace. This suggests strong efforts to minimize potential negative impacts associated with future retail growth in Chico, including the Wal-Mart Supercenters, and no associated risk of physical deterioration or urban decay.

### DOWNTOWN CHICO (PAGE 7)

The CERA Report indicates that the South Chico Wal-Mart expansion, and especially the North Chico Wal-Mart store, may cause existing businesses in the "relatively healthy" downtown to close, which will lead to further decline of an area they believe is bordered by existing urban decay. The CERA Report further suggests that both the South and North Wal-Mart Supercenter projects will have a significant impact, but that "the new Supercenter in the north will have a more significant impact on downtown than the expansion project."

In supporting this statement, CERA indicates that there are many stores downtown that provide products and services that overlap with what is available at a Wal-Mart Supercenter, such as bicycles, music CDs, beauty stores, and nail finishing. In the CBRE Consulting Urban Decay Study, the downtown area was studied and the Downtown Business Association was conferred with regarding the prospect for negative impacts on existing retailers. The conclusion presented in the report was that the non-food portion of new sales occurring at the expanded South Chico Wal-Mart would not have a significant impact on existing retailers because Downtown retailers provided specialized products and services that the Wal-Mart Supercenter does not. The study stated that any impacts Downtown stores might experience attributable to Wal-Mart were likely already experienced with the opening of the existing store.

Follow-up market research and discussions with the Executive Director of the Downtown Business Association affirm the findings in the Urban Decay Study.<sup>4</sup> Downtown merchants do not believe they compete in the same market as Wal-Mart, with the Downtown merchants being more boutique- and local-oriented, aiming at creating a sense of place in Downtown Chico. Downtown merchants believe their goods are different and of a higher quality than the goods available at Wal-Mart. Therefore, CERA's comments about Downtown being at risk from the Wal-Mart Supercenter, especially the North Chico Supercenter, appear unfounded and unsubstantiated.

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<sup>4</sup> Katrina Davis, Executive Director, Downtown Chico Business Association, May 30, 2007.

OVERALL IMPACT OF SOUTH CHICO SUPERCENTER EXPANSION ON NON-GROCERY RETAIL (PP 7-8),  
OVERALL IMPACT OF NORTHERN CHICO SUPERCENTER ON NON-GROCERY RETAIL (PAGE 8),  
CUMULATIVE IMPACT OF BOTH SUPERCENTERS (PAGE 8)

The CERA Report comments under these headings summarize prior comments and therefore have been responded to previously.

EXPERIENCE IN OTHER TOWNS AND SMALL CITIES (PAGE 8)

### **Studies Cited by CERA**

The CERA Report indicates that experience in other towns and small cities and studies indicate that supercenter development impacts the viability of commerce in the surrounding area. To support this comment the CERA Report cites reports by Edward B. Shils, Kenneth Stone, and David Rodgers. The report prepared by Edward Shils<sup>5</sup> is prospective in nature, focusing on retailer expectations of impacts, and does not analyze any economic impacts following the market introduction of retail supercenters.<sup>6</sup> As such, it does not empirically demonstrate any historical town or small city experiences. The Kenneth Stone and David Rodgers studies were conducted in communities that have little in common with major urbanized areas in California like Chico, i.e., Iowa cities and Oklahoma City, respectively. For example, the Kenneth Stone study pertains to a sample of Iowa cities cited in the CERA Report as "small Iowa towns." Moreover, the CERA report indicates the Kenneth Stone study pertains to supercenters, which is not the case. This study, examining impacts during the 1983 to 1993 timeframe, analyzed more traditional Wal-Mart Discount stores, not supercenters. In fact, Wal-Mart's first Supercenter was not built until 1988 in Washington, Missouri. Thus, the findings of the cited Kenneth Stone study, as well as the David Rodgers study, are not directly applicable to Chico.

### **Relevant Comparative Analysis**

There are two types of studies that would be most relevant to Chico and analysis of the potential for urban decay associated with the South Chico Wal-Mart Supercenter and the cumulative impacts of the North Chico Supercenter. One type of relevant study would be to conduct a customized objective analysis of the anticipated economic and urban decay impacts of the Wal-Mart Supercenter similar to the study conducted by CBRE Consulting in the context of the EIR. This type of study takes into consideration the characteristics specific to Chico and subjects them to focused analysis regarding the prospective local impacts of the planned stores. While a prospective analysis of the nature of the above-referenced Shils report, it is superior to extrapolating the findings from other communities because it is customized, closely examining retail market and demographic trends and projections specific to new planned stores and their customized market areas.

A second type of study would be case study analysis of comparable communities that have already experienced the market entry of one or more Wal-Mart Supercenters, with the case

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<sup>5</sup> "The Shils Report: Measuring the Economic and Sociological Impact of the Mega-Retail Discount Chains on Small Enterprise in Urban, Suburban and Rural Communities," The Wharton School, University of Pennsylvania, February 7, 1997.

<sup>6</sup> A very extensive survey included in the Shils Report surveyed over 600 small businesses in California, Pennsylvania, New York, and Illinois, querying businesses about how they thought the siting of a big box retailer close to their business location would impact their operations. Because it asked businesses about their expectations rather than actual experiences, the results have no relevancy to actual business impacts.

## 2.0 RESPONSES TO COMMENTS

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study city or cities paired as closely as possible to Chico. Community characteristics relevant for matching purposes would be community size, retail inventory size, mix of retail, growth profile, retail market vacancy, and ethnic composition, among others. Given the many unique attributes of Chico, it would likely be very difficult to find a sufficient number of case study cities to conduct a meaningful analysis.

In the absence of ideal case study cities, CBRE Consulting conducted research into four other California communities where Wal-Mart Supercenters have been built. In three of these cases, CERA provided analysis in advance of the store openings regarding their prospective impacts. These three communities include Gilroy, Hanford, and Yuba City. The fourth community comprises La Quinta, where the first California Wal-Mart Supercenter opened in March 2004. Following are findings relevant to Gilroy, Hanford, and Yuba City as of June 2007, including a summary of projected CERA impacts and subsequent impacts identified by local economic development representatives. Also following is information about La Quinta, primarily derived from quantitative data compiled by the State of California Board of Equalization.

### City of Gilroy

In the 2004 report, "Economic Analysis of a Proposed Wal-Mart Super Center in Gilroy, California," CERA asserts that the opening of the Wal-Mart Supercenter will have a significant negative effect on the downtown and other Gilroy retailers, particularly grocery stores. More specifically, CERA declared that the PW Market, Arteaga's, and the Gilroy Village mall would be forced to close within a year of the Supercenter's opening.<sup>7</sup> The report additionally includes a list of 74 retailers that would feel serious impacts. CERA claims these impacts would lead to higher vacancy and blight in the City of Gilroy. Other concerns that CERA raises include a potential rise in unemployment and the opportunity cost to shoppers of more traffic in the area.<sup>8</sup>

Through conversations with the Gilroy Economic Development Corporation, occurring most recently in June 2007, about 1.5 years after the Supercenter opened its doors, it was clear that the retail market, as well as the overall health of the community, continued to prosper. The Economic Development Corporation estimates that retail occupancy citywide is 99 percent. The predictions made by CERA did not come to fruition: the downtown is experiencing significant redevelopment, the City's population is growing, unemployment is down, retail center occupancies are high, and the Arteaga's market and Gilroy Village mall (properly identified as the Gilroy Village Shopping Center) is still in operation, with the latter anchored by Rite Aid as it was at the time CERA authored their report.<sup>9</sup>

Gilroy has a unique downtown that was greatly affected when Interstate Highway 101 was redirected around the City more than 10 years ago. The area suffered from lost visibility to through traffic and the City went from a prime real estate market to a Class C market. Gilroy does not have a Redevelopment Agency; consequently, Gilroy has struggled to retain the charm of its downtown and help businesses survive in the absence of the benefits of redevelopment. Recent growth in the housing market, combined with an incentive for retail whereby developers may build housing provided that it has ground floor retail space, has ignited interest in Gilroy's downtown. New housing units (above required retail space on the

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<sup>7</sup> "Economic Analysis of a Proposed Wal-Mart Super Center in Gilroy, California," February 17, 2004, page 6.

<sup>8</sup> Ibid, pages 10 & 11.

<sup>9</sup> The PW Market is addressed separately below.

ground floor) have been tenanted quickly, attracting young singles as well as couples without children. In October 2006, 12 units in the Heritage Bank Building were released and absorbed within six weeks at prices of \$299,000 to \$318,000 for 800- to 1,000-square-foot units.

The majority of the downtown area retail comprises small boutiques and services. While some of the retail space has had trouble leasing, with downtown vacancy at 20 percent as of June 2007,<sup>10</sup> the December 2006 reopening of the main thoroughfare (Monterey Road), after months of streetscape renovation has spurred a number of planned retailer openings, with 7-10 expected to be announced in the next six months, including restaurants seeking outdoor dining space. Spaces for these retailers are currently under construction. This reopening has also spurred interest and excitement in residential development, with 24 condominiums planned to be constructed over the City's Garlic Festival retail space and another downtown mixed-use project with 210 units planned over the next three years. In all, 1,570 new residential units are anticipated to be built downtown over the next 10 years.

Future commercial plans, such as Westfield Group's plan to build a more than a 1.0-million-square-foot mall, which site includes the former Wal-Mart Discount Store that was vacated when Wal-Mart opened the Supercenter, demonstrate the attention that Gilroy has generated from investors in recent years. Westfield has not yet released names of specific tenants, but the plans call for a lifestyle center with not only shops, but also restaurants, an entertainment component with a movie theater, and possibly condominiums. According to the local Council of Governments (the Association of Bay Area Governments, "Projections 2007"), the City is expected to add 6,400 residents between 2005 and 2015 (13 percent growth). Coupled with a dramatically decreased unemployment rate (down to 7.1 percent in June 2007<sup>11</sup> from a recent high of 13.0 percent in 2003 and 7.5 percent in September of 2005 when the Supercenter opened), this growth indicates that Gilroy's economy is on the upswing.

The Gilroy Economic Development Corporation attributes the City's ability to attract retail shoppers to two factors: the presence of the Premium Outlets and the big box stores. The Gilroy Premium Outlets, which opened in 1989, have always been close to 100 percent occupied. The City's big box retailers (Costco, Target, Lowe's, Kohl's, Wal-Mart, and Best Buy) created a regional draw that attracts shoppers from northern Salinas to southern San Jose, Hollister, and Los Banos. However, Gilroy residents travel to San Jose to grocery shop at Whole Foods and to Morgan Hill to patronize Trader Joe's. To counteract this retail sales leakage, the City is working to attract those grocers to the market.

Gilroy has been able to re-tenant most of its empty retail space. About a year before the Wal-Mart Supercenter opened, in November 2004, the PW Market closed its doors in the Gilroy Village Shopping Center. This followed more than a year of sales declines. A 99 Cent Store and Smart & Final took over the vacant PW Market space. See's Candy has also moved into the neighborhood center and it is currently 96 percent occupied. The Town Center Shopping Center, anchored by Grocery Outlet, is also 96 percent occupied.

Appendix 1 of CERA's report, titled "Businesses we believe will be significantly impacted by [the] proposed Super Center" lists 74 retailers.<sup>12</sup> Of those, more than half are located in the fully

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<sup>10</sup> This vacancy rate is not markedly different from when the Wal-Mart Supercenter opened.

<sup>11</sup> See <http://www.calmis.ca.gov/file/1fmonth/santcsub.xls>.

<sup>12</sup> Ibid.

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occupied Outlet Center and a number of the retailers, in fact, are food manufacturing operations and/or office headquarters. The list also includes a Shell Gas Station Food Mart, three 7 Eleven locations, and a classic car shop, none of which face competition from the Supercenter. Thus, CBRE Consulting believes the list compiled by CERA for the purpose of their analysis is a gross overstatement of the number and type of retailers likely to be impacted by the Supercenter.

### City of Hanford

In the 2004 report, "Economic Analysis of a Proposed Hanford Station Planned Commercial Development Project in Hanford, California," CERA asserts that the opening of the Wal-Mart Supercenter will lead to at least two supermarket closures in Hanford, which would cause the smaller tenants in those centers to close, resulting in blight.<sup>13</sup> CERA also predicts that the downtown area will experience signs of urban decay and that the Sears building shows little potential for redevelopment.

Based upon conversations with the Hanford Economic Development Department, occurring about one year after the Supercenter opened, it appears that the retail market in Hanford is doing well. None of the three grocery stores that CERA asserted would most likely close have done so, and of the eight major supermarkets, only one no longer exists and it shut its doors before the opening of the Supercenter.

The Hanford Economic Development Department indicated that the local market has been booming for the last three years and that the downtown in particular is thriving. The Target and Home Depot are attributed with attracting merchants and shoppers to the local area and the nearby Hanford Mall, as well as bringing recognition to the City. The downtown retailers that CERA concluded would close include a bar and pawn shop, both of which are still operating, and a store named Harold's,<sup>14</sup> which the City had not heard of. Additionally, the old Sears building was partially redeveloped as a medical facility and title company, with remaining availability attracting market interest. Finally, the old Wal-Mart Discount Store is vacant, but market interest in the space is strong. Although no development program has yet been approved, development applications have been filed with the City.

### City of Yuba City

In the 2004 memo titled "Reply to Economic Analysis of Yuba City Wal-Mart Supercenter prepared by the Sedway Group, June 2004,"<sup>15</sup> CERA declared that "the expansion of retail in Yuba City, in particular the proposed Wal-Mart Supercenter will lead to or exacerbate blight in Yuba City."<sup>16</sup> Information gathered from the Yuba-Sutter Economic Development Corporation (EDC) in June 2007, 14 months after the Supercenter's April 2006 opening, indicates that this is

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<sup>13</sup> "Economic Analysis of a Proposed Hanford Station Planned Commercial Development Project in Hanford, California," May 18, 2004, page 7.

<sup>14</sup> Ibid, page 11.

<sup>15</sup> Please note that CBRE Consulting, the author of this report, previously used the business name Sedway Group. Thus, CERA was responding to a report prepared by the authors of the current project's Urban Decay Study.

<sup>16</sup> "Reply to Economic Analysis of Yuba City Wal-Mart Supercenter prepared by the Sedway Group, June 2004," August 12, 2004, page 4.

not the case. The Yuba City-Marysville area has experienced tremendous population growth coupled with increasing household incomes and the area is thriving. As of June 2007, the EDC indicates no major retailers have closed in Yuba City, although one small hardware store is on the verge of closing, potentially due to its poor location, characterized by distance from established retail nodes and no nearby complementary retailers.

The lack of existing store closure in Yuba City is the case even in light of the opening of another Wal-Mart Supercenter in nearby Marysville, just a few miles from the Yuba City Supercenter. In addition, the EDC further indicated that the existing Grocery Outlet is upgrading and relocating within the market, making its prior space available to be filled by another tenant. A representative of the EDC did speculate that if any grocery location were to close, it would likely be the Albertson's in Yuba City, which CBRE Consulting noted at the time of its June 2004 study was an undersized, outdated store, and likely to be the store most at risk of closure. However, even if this store closes, the EDC believes there would be no problem filling the space with another retail tenant. Thus, more than a year after the Yuba City Wal-Mart Supercenter opened, no existing grocery stores have closed, and one existing store is relocating and expanding, demonstrating no negative impacts on the existing grocery market in Yuba City attributable to the Wal-Mart Supercenter.

### City of La Quinta

The La Quinta Wal-Mart Supercenter opened in March 2004. A year later, an article in the local newspaper, the Desert Sun, indicated that "Since the March 2004 debut of Wal-Mart's first California Supercenter, a steady parade of other retailers has moved into the Highway 111 corridor to serve this growing east valley city. Shopping and dining choices have boomed, ...."<sup>17</sup> The article proceeds to cite examples of retailers opening or seeking to open in La Quinta. This suggests that the La Quinta Wal-Mart Supercenter did not have a negative impact on the local viability of commerce.

La Quinta is located in the eastern part of the Coachella Valley. Nearby cities include Indio and Indian Wells. Among the Wal-Mart Supercenters that have opened in California, the La Quinta store is the best positioned to analyze relative to quantitative data regarding retail store operations and sales given that two full years worth of data are available following the opening of the store – year-end 2004 and year-end 2005 data. CBRE Consulting therefore examined the data for La Quinta, Indio, and Indian Wells to assess the pattern of store growth or decline and the associated change in taxable retail sales.

Examination of the City of La Quinta's pattern of the number of retailers from 2003 through 2005 identifies a net gain in the quantity of retailers in all but one of the major retail reporting categories. According to the State of California Board of Equalization, the total number of retail outlets in La Quinta increased from 277 at year-end 2003, before the Wal-Mart Supercenter opened, to 403 at year-2005, more than 1.5 years after the Wal-Mart Supercenter opened.<sup>18</sup> Among the retail categories reported at the city level, all showed an annual increase in the number of outlets, with the exception of building materials, which increased from 6 in 2003 to 10 in 2004, but then dropped modestly to 8 in 2005. However, on an inflation-adjusted basis, taxable sales in this category increased from 2004 to 2005, despite the drop in the number of outlets. This

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<sup>17</sup> "Wal-Mart built it, others have come," Lou Hirst, The Desert Sun, March 6, 2005.

<sup>18</sup> State of California, Board of Equalization, "Taxable Sales in California Report, 2003, 2004 and 2005," Table 5. Taxable Sales in the 272 Largest Cities, by Type of Business."

## 2.0 RESPONSES TO COMMENTS

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consistent gain in the number of retailers suggests that few, if any, existing La Quinta retailers closed following the market entrance of the Wal-Mart Supercenter. Instead, retail opportunities expanded significantly, with a 46 percent increase in the number of retail operators in La Quinta over the 2003 to 2005 time period. During the same time period, total taxable sales increased from \$376.9 million to \$603.1 million, greatly outpacing the rate of inflation, and more than would be accounted for by the Wal-Mart Supercenter alone.<sup>19</sup>

Of note relative to La Quinta's experience is that the neighboring City of Indio also experienced strong growth over this time period in the number of retailers, with total retail outlets increasing 13 percent, from 743 at year-end 2003 to 840 at year-end 2005.<sup>20</sup> As with La Quinta, taxable retail sales increased at a rate in excess of inflation, from \$504.2 million in 2003 to \$675.7 million in 2005. Indio's increase in retail outlets and taxable sales occurred consistently from 2003 to 2004 and then again from 2004 to 2005. Thus, there appear to be no negative spillover effects in Indio associated with neighboring La Quinta's attraction of a Wal-Mart Supercenter. Finally, detailed taxable sales data are not readily available for the much smaller neighboring city of Indian Wells. However, between 2003 and 2005, Indian Wells also experienced growth in the total number of outlets and in taxable retail sales, with the number of retailers increasing from 57 to 61, and with taxable retail sales increasing from \$24.3 million to \$27.9 million.<sup>21</sup> Hence, just like Indio, Indian Wells does not appear to be experiencing any negative impacts associated with the La Quinta Wal-Mart Supercenter.

These findings indicate that in La Quinta, the California city with the longest operational history with a Wal-Mart Supercenter, there has been no net evidence of negative effects of Wal-Mart on existing businesses. This finding seems to refute the CERA assertion that the experience in other towns indicates that Supercenter development impacts the viability of commerce in the surrounding area.

### Conclusion Regarding California Case Study Cities

The case study review of the experiences in Gilroy, Hanford, Yuba City, and La Quinta indicate that thus far, Wal-Mart Supercenter development in these communities has not negatively impacted the viability of commerce in the surrounding areas. Gilroy, Hanford, Yuba City, and La Quinta are all different kinds of retail markets relative to Chico. Therefore, their experiences will not necessarily be repeated in Chico. However, these findings suggest that the CERA statement that experience in other towns and small cities indicates that supercenter development impacts the viability of commerce in the surrounding area is not uniformly the case.

### Stockton (pages 8-11)

**Wal-Mart Supercenter Grocery Store Closures.** The CERA Report includes a section regarding Stockton, California to demonstrate the validity of academic study findings regarding the negative impacts of retail supercenters (referenced in their *Experience in Other Towns and Small Cities* section). In addition, the CERA Report indicates there is a rule of thumb that for every new supercenter constructed in a city, two traditional grocery stores/supermarkets will close (CERA Report, page 1). Experience in Stockton is cited to support this comment, with the CERA Report

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<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> Ibid, Table 6. Taxable Sales in all Cities Except the 272 Largest.

indicating that two traditional supermarkets (S-Marts) closed following the opening of a Wal-Mart Supercenter and are now each located in a “shopping center that has been left to decay by the landlord (CERA Report, page 1).” The CERA Report includes photographs of the latter property (a shopping center with a closed S-Mart at the northeast corner of Hammer Lane and West Lane, pp. 9 and 11) and further indicates that once a supermarket closes in a center it brings the whole center down as “traffic to the shopping center and investment in maintenance dry up (CERA Report, page 11).”

CBRE Consulting visited Stockton in May 2007 for the purpose of examining the properties discussed and photographed in the CERA Report. The field visit findings, supported by market-based research, indicate that while the CERA Report states that two supermarkets closed in Stockton following the opening of the Wal-Mart Supercenter, both vacated store spaces were the subject of reinvestment and have since been tenanted by other grocery stores, including one new to the Stockton market.

**Hammer Lane S-Mart.** One of the vacated S-Mart stores in Stockton is the Hammer Lane S-Mart at Normandy Village Center, at the northeast corner of Hammer Lane and West Lane. This store is now occupied by SF Supermarket, which opened in June 2007. The grand opening ceremony for this store can be seen at <http://www.youtube.com/watch?v=RdxK8J-Dg8k>). CBRE Consulting’s fieldwork and May 2007 photographs presented on the following pages of the Normandy Village Center indicate the following:

- The S-Mart space has been tenanted by SF Supermarket, an Asian-oriented grocery store.
- The center’s monument sign (noted as being covered by graffiti in the CERA Report, page 14) has been updated to reflect the new anchor tenant. CBRE Consulting believes the sign graffiti cited in the CERA Report was the property owner’s attempt to remove the prior anchor tenant’s name from the sign until such time as the sign could be updated to reflect the new anchor tenant.
- The center’s Carl’s Junior restaurant (pictured with graffiti in the CERA Report, page 14) has been repainted to remove prior graffiti.
- The façade of the new SF Supermarket anchor tenant was repainted to match the rest of the center.
- There is evidence of plans for minor expansion of the shopping center.

As the May 2007 photographs of Normandy Village on the next two pages and subsequent grand opening of SF Supermarket indicate, the vacated S-Mart store was successfully re-occupied by not only a new tenant, but a new grocery store tenant. Because this tenant is new to the Stockton market, it represents an expansion of the grocery options available to Stockton shoppers, enriching market opportunities. Thus, closure of this S-Mart has likely resulted in an expansion of the grocery retail market in Stockton.

The prior S-Mart operations at Normandy Village Center closed in 2006. Real estate records indicate that the store space changed ownership in late August 2006, when it was purchased by the current owner. The new owner required only 10 months to obtain both the necessary public approvals to redevelop the space and to retrofit it prior to the grand opening. The short duration of these steps, resulting in only a short term vacancy, indicates that the Stockton retail market is strong and that urban decay did not result from the closure of this S-Mart store. This market

## 2.0 RESPONSES TO COMMENTS

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strength is further demonstrated by retail development occurring on Hammer Lane immediately across the street from Normandy Village, where spaces for 12 new tenants are being developed, including Walgreens, El Pollo Loco, H&R Block, Western Dental, and other tenants.



Vacated S-Mart at Normandy Village now tenanted by SF Supermarket



Redesigned Normandy Village sign featuring the new anchor tenant



Exterior of repainted Carl's Jr. at Normandy Village



Monument sign for Normandy Village featuring SF Supermarket

## 2.0 RESPONSES TO COMMENTS

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View of additional Normandy Village tenants



View of additional Normandy Village tenants

**S-Mart Northeast of Downtown Stockton.** According to the CERA Report, another S-Mart store closed after the opening of the Stockton Supercenter. This S-Mart is cited as being located “to the northeast of downtown Stockton” (page 1). It is also cited as being “poorly performing (CERA Report, page 4). CBRE Consulting believes this is the S-Mart location now occupied by a Grocery Outlet, photographed below.



Grocery Outlet in former S-Mart space northeast of downtown Stockton

Because the CERA Report indicates this S-Mart store performed poorly, it is not clear its closure was directly linked to the opening of the Wal-Mart Supercenter, which is approximately 5.3 miles from this location, somewhat distant relative to neighborhood-serving grocery store market areas. This statement is primarily based on the standards created by the International Council of Shopping Centers (ICSC), which estimates that the average primary trade area for a grocery-anchored neighborhood center is 3 miles.<sup>22</sup>

The Grocery Outlet moved into this closed S-Mart space beginning April 2006. Thus, this closed S-Mart store did not result in urban decay in Stockton, and provides an opportunity for another grocery operator in Stockton to relocate within the market. Moreover, when Grocery Outlet relocated to its current site, its prior space on March Lane was immediately reoccupied by a pet supply store, which began negotiating for the space before Grocery Outlet vacated the premises. This provides further evidence of the strength of the Stockton retail market.

**Grocery Store Closure Rule of Thumb.** In summary, the CERA Report indicates that as a “rule of thumb” two grocery stores close for each Wal-Mart Supercenter (CERA Report, page 1). The experience in Stockton does not bear out this rule of thumb, as the cited closed S-Mart store locations were both tenanted by new or relocated grocery stores, indicating that the Stockton food market remains strong with opportunities for other grocery operators able to meet the needs of Stockton consumers. Moreover, it is unclear to CBRE Consulting from information presented in the CERA Report the extent to which closure of these S-Mart stores was directly linked to the opening of the Wal-Mart Supercenter. Further, the interim closure of the anchor tenant at Normandy Village does not seem to have harmed the balance of the center. The center is fully occupied and there are no visible signs of graffiti on the Carl's Junior restaurant.

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<sup>22</sup> “Shopping Center Definitions,” International Council of Shopping Centers, New York, 2004, page 4.

## 2.0 RESPONSES TO COMMENTS

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**Closed Stockton Wal-Mart Store.** The CERA Report further indicates that the Wal-Mart Discount Store vacated in Stockton following opening of the Supercenter collected graffiti and rotted for several months (CERA Report, page 1) before being partially tenanted by a short-lived furniture store (CERA Report photos, page 10). As of May 2007, the prior Wal-Mart store on Hammer Lane appeared vacant, and remained in a condition similar to the photographs included in the CERA Report. The furniture store that occupied the space following Wal-Mart's closure is no longer in business and has sold the property. However, the commercial real estate broker representing the furniture store in their sale of the property indicated to CBRE Consulting in July 2007 that the store was operational for about three years before disposing of the property in June, 2007. The property sold after being on the market for three months and will be redeveloped by its new Southern California owner. According to this same real estate broker, lease agreements were signed in mid-July 2007 with two retailers that will occupy the site. One of these retailers is Burlington Coat Factory while the other is an electronics retailer. Both stores seek to be open by Christmas 2007. Thus, this property is in the process of being re-occupied, which will undoubtedly result in upgrading of the building exterior, removing any likelihood of long-term decay of the property.

CBRE Consulting's research indicates that the Stockton retail market is strong, with well-located properties readily re-occupied and new retail development occurring. Market participants indicate that most retail vacancies are concentrated among older, weak retail product. While the prior Wal-Mart space is currently in the process of being re-occupied, CBRE Consulting believes vacancy of this space is attributable to poor site characteristics relative to retailer requirements.

The prior Wal-Mart site is surrounded by other strong retail uses, including the Wal-Mart Supercenter and adjacent Lowe's on the north side of Hammer Lane (the old Wal-Mart site is on the south side of Hammer Lane), a Home Depot to the east, and auto dealerships to the west. Hammer Lane is clearly a strong retail corridor, with many major national tenants present. However, the entire prior Wal-Mart retail site, including existing retail tenants such as Sally Beauty Supply, Radio Shack, Dollar Tree, Quiznos Sub, A-1Cut, and other retailers, has no visibility from Hammer Lane. The vacated Wal-Mart store is considerably set back from Hammer Lane and many of the existing retailers have their back to Hammer Lane, obscured by other development immediately located on Hammer Lane. Thus, any major retailer located at this site will not have visibility from Hammer Lane. Even opportunities for signage appear limited. While CBRE Consulting does not know the age of this center, it appears to be somewhat aged. This, combined with the poor site attributes, qualifies the property as the type of older, weak retail product with the most concentrated vacancy. However, despite these characteristics, recent activity indicates the property still has potential for retail, proven by the anticipated upcoming occupancy by Burlington Coat Factory.

### THE FISCAL AND ECONOMIC IMPACT OF SUPERCENTERS (PAGES 12-13)

The CERA Report has a section where it cites summary findings from other studies about the fiscal and economic impact of Supercenters. These findings include the following:

- economic loss due to lower wages and benefits and associated economic impacts due to multiplier effects;
- the lower sales taxes attributable to food stores versus other retailers because most food items are not taxable; and
- municipal finance and public service impacts.

None of these topics have bearing on the likelihood of the Chico Wal-Mart Supercenters resulting in significant physical deterioration of properties or structures and leading to urban decay. Hence, these topics are not germane or relevant to CEQA and are not addressed herein.

### ENVIRONMENTAL PHYSICAL DETERIORATION AND URBAN DECAY (PAGE 13)

CERA states that because of their findings, they believe “there is a serious and significant likelihood that the commercial space created by” the Wal-Mart Supercenters “will create physical deterioration and urban decay in the immediate area surrounding the sites as well as lead to a less healthy business climate in the rest of the City and exacerbate the physical deterioration and urban decay adjacent to the downtown area.”

As presented earlier in this response, the Urban Decay Study findings do not corroborate this conclusion, and the Wal-Mart Supercenter projects are not anticipated to lead to urban decay and deterioration in Chico. The Chico real estate market is robust and retail development will be fueled by population growth and changing consumer tastes in retail.

### THE PROPOSED PROJECTS IN RELATION TO CHICO’S GENERAL PLAN (PAGES 13-14)

#### **General Plan Goals**

CERA cites a belief that the proposed Wal-Mart Supercenter projects will “seriously and significantly impede” three goals from the City’s General Plan cited in their report. These goals pertain to building preservation and enhancement, reinforcing the role of Park Plaza as the civic and cultural heart of Downtown, and supporting commercial strip beautification and encouraging infill and adaptive reuse of transitioning commercial developments. These goals are not germane to CEQA, and therefore do not need to be addressed in the EIR. However, it is interesting to note that if existing stores do close as a result of negative Wal-Mart Supercenter sales impacts, their subsequent backfilling by alternative retailers will comprise adaptive reuse of transitioning commercial developments, one of the General Plan goals cited by CERA.

#### **Other Planned Regional Wal-Mart Supercenters**

Under this report heading, CERA also indicates that the impact of several other planned or built Wal-Mart Supercenters in the Chico trade area (Willows, Oroville, Red Bluff, and Anderson) should be considered, especially relative to reducing the demand for retail in Chico. The market area for the Supercenter analyzed in the DEIR included the City of Chico as the primary market area and Glenn County, Tehama County, and the balance of Butte County (excluding Chico) as the secondary market area. Of the planned stores referenced by CERA, all are included in the secondary market area. The Anderson store is now open.

At the time the North Chico Wal-Mart Urban Decay Study was initiated, none of these stores were built and plans were in the formative stages for some, and not public for others. There are also now plans for a Paradise Supercenter that appear more firm than when the Urban Decay Study was conducted. Therefore, there are now five existing or planned Wal-Mart Supercenters in the secondary market area defined for the South Chico store. Consideration of these additional planned stores effectively results in a shrinking of the market area for the Chico Wal-Mart Supercenters. At the most conservative level, assuming all these other stores are built, the most appropriate market area for the stores is the defined primary market area, the City of Chico. Much of the assumed demand from the defined secondary market area would be directed to the other regional Wal-Mart Supercenters, except for demand generated by

## 2.0 RESPONSES TO COMMENTS

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shoppers from these areas shopping in Chico because of the City's comparatively stronger, significantly larger retail base, establishing Chico as the region's major retail attraction market. However, if not all these stores are built, then the Chico Wal-Mart Supercenter market areas would geographically extend beyond the City of Chico.

In addition to the market area shrinking, the proliferation of other Wal-Mart Supercenters throughout the Northern California region including Butte, Glenn, and Tehama counties is also likely to impact projected Wal-Mart store sales performance. As Wal-Mart adds stores, it will divert sales from other nearby Wal-Mart stores and, therefore, the stores will not achieve full sales potential in their first few years of operations, if at all. This phenomenon has been observed when Wal-Mart has added several stores in a market area. Locating several Wal-Mart Supercenters or General Merchandise Stores in the same market area is a strategy that is recognized as helping alleviate potential overcrowding, assure cleanliness, offer adequate stock on hand, and serve as a convenience for customers. More stores in the Northern California region including Butte, Glenn, and Tehama counties should allow Wal-Mart to operate more efficiently.

The press has described the diversion or "sales cannibalization" by Wal-Mart in other market areas as follows:

- Citing Wal-Mart sources, a columnist in the San Francisco Chronicle noted that sales at two existing San Francisco Bay Area Wal-Mart General Merchandise stores declined 23 and 32 percent immediately following the opening of a new Wal-Mart General Merchandise store in a neighboring city.<sup>23</sup>
- According to an article in the Wall Street Journal, Wal-Mart Stores, Inc. indicated that in Benton, Arkansas, Wal-Mart was operating three stores and opened two new stores in 2005. Following the opening, "same store sales at each of the established stores were down an average 7.4 percent by September."<sup>24</sup>
- According to an article from SmartMoney.com, when a new store opens in the same market area, "[the] impact on existing stores is heaviest in the first month of a new store's existence, when cannibalization cuts business by 10% to 13% at the older store, though the hit shrinks to an 8% drop by the end of the first year after a new store opens."<sup>25</sup>

Based on the precedents set in other market areas, CBRE Consulting believes that the Wal-Mart Supercenter stores in Chico will achieve lower stabilized sales than estimated in the Urban Decay Study. Therefore, the Urban Decay Study overstates the estimated sales potential for the stores. At minimum, this overstatement is likely in the order of 8.0 percent, which reflects the experience of two market areas cited by the aforementioned articles. However, the overstatement could be substantially higher, pursuant to the 23 to 32 percent sales reduction experience cited for the San Francisco Bay Area stores.

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<sup>23</sup> "Sometimes, Wal-Mart Can Be a Good Thing;" Chip Johnson; San Francisco Chronicle; [www.sfgate.com](http://www.sfgate.com); September 19, 2005.

<sup>24</sup> "Wal-Mart Sticks with Fast Pace of Expansion Despite Toll on Sales;" Kris Hudson; Wall Street Journal; [www.wsj.com](http://www.wsj.com); April 13, 2006.

<sup>25</sup> Big Bargains at Wal-Mart;" Will Swarts; [www.SmartMoney.com](http://www.SmartMoney.com); February 15, 2005.

According to the Urban Decay Study, the South Chico Wal-Mart net store sales derived from the primary and secondary market areas in 2008 estimated at \$17.6 million in general merchandise sales and \$21.4 million in food sales (see Exhibit 10, Urban Decay Study). These sales figures were net of additional sales contributed by a tertiary market area, estimated at 10 percent of total sales. The study further estimated \$11.1 million in general merchandise sales and \$8.3 million in food sales diverted from Chico retailers. With the introduction of the North Chico Wal-Mart store these sales diversion figures increased by \$39.6 million and \$9.6 million, respectively (see Exhibit 20, Urban Decay Study). These figures were derived presuming that the diversions from Chico retailers were proportionate to Chico's share of combined primary and secondary market area sales.

Given the probable shrinkage of the primary market area given the number of other planned Wal-Mart Supercenters, these sales diversion figures are likely low. At least four factors, however, will counterbalance the increase in the potential retail sales diversion. These include the following:

- a lower Wal-Mart sales estimate given the greater market penetration of Wal-Mart;
- the likelihood that the Wal-Mart stores will not achieve full sales stabilization until one to two years or more following store opening, as is typical among retailers;
- the likelihood that the Chico Wal-Mart Supercenter primary market areas will extend beyond Chico until such time as the other planned Regional Wal-Mart Supercenters are all developed; and
- future demand generated by Chico's strong forecasted population growth.

These counterbalancing factors can be significant. For example, the population forecasts included in the Urban Decay Study indicate a forecasted population increase of 6,118 in Chico between 2008 and 2010 (derived from Exhibit 5, Urban Decay Study). Based on the per capita forecasted grocery store sales of \$1,890 in 2008 dollars (see Exhibit 7, Urban Decay Study), this new population alone could support over \$11.5 million in grocery sales (in constant 2008 dollars, which is the same year dollars as the Wal-Mart Supercenter sales estimates). In addition, the proposed Chico Wal-Mart stores are much further along in the entitlements process than the other proposed regional Wal-Mart Supercenters in Paradise and Oroville. Therefore, if approved, the Chico stores are likely to be operational well in advance of these two other stores at least, enabling demand to be captured from beyond Chico as originally projected in the Urban Decay Study for an indeterminate time period. While the length of this time period is unknown, significant increases in the projected level of existing Chico store sales diversions could be staved off from demand generated by an increasing Chico population.

However, if existing Chico store sales diversions are greater than estimated in the Urban Decay Study despite the preceding counterbalancing factors, CBRE Consulting continues to believe there will be no potential for urban decay and deterioration attributable to the Wal-Mart Supercenters. This is due to the Chico retail market's inherent strengths. As documented in Chapter VI of the Urban Decay Study, Chico's retail market is "strong, growing, and has the attention of many national retailers" (see page 29, Urban Decay Study). This strength is proven by many cases of vacant retail spaces being filled by new retail tenants. Many such cases are cited in the Urban Decay Study as well as cited earlier in this response, e.g., Grocery Outlet moving into the vacant Lucky space at the Almond Orchard Shopping Center and the 99 Center store moving into the vacant Office Max south of Skyway Road and east of Highway 99.

## **2.0 RESPONSES TO COMMENTS**

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These factors, compounded with retail demand fueled by population growth, will serve the Chico retail real estate market well, eliminating the potential for urban decay and deterioration.

### **COSTS AND BENEFITS FOR THE CITY OF CHICO (PP 14-15)**

This section of the CERA Report discusses CERA's estimate of the net sales tax revenues that will accrue to the City of Chico following expansion of the South Chico Wal-Mart store to a Supercenter and development of the North Chico Wal-Mart Supercenter. This section also qualitatively discusses the likelihood that the net revenues are small considering the costs incurred by the City to provide municipal services to the stores and that property tax revenues will decline because the resulting urban decay and deterioration will reduce residential property values. CERA further suggests the possible need to form a redevelopment project area to rehabilitate the predicted deterioration and associated expenditure of public funds, all comprising a cost to the City of Chico. Other costs cited by CERA include failed businesses, the increase in retail vacancy, and reduced retail demand.

The primary focus of this CERA Report section is a qualitative discussion of the costs to the City due to reduced tax revenues. It indicates there will be no compensating benefit from the South Chico Wal-Mart Supercenter expansion. However, it does not include analysis of increased property tax revenues due to improvement of the South Chico Wal-Mart property or the improvement of the parcel reserved for the North Chico Wal-Mart store. Both of these real estate development activities would result in increased property tax revenues to the City of Chico, as well as retail sales taxes associated with the non-grocery sales.

Regardless of what municipal costs and benefits are considered, information relative to the City of Chico's municipal budget is not relevant to CEQA. Therefore, discussion of this section of the CERA Report is not warranted.

### **CONCLUSION (PAGE 15)**

The CERA Report comments under this heading summarize prior comments and therefore do not require a separate response.

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## **3.0 ERRATA TO THE DRAFT EIR**

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Listed below are the complete changes, additions, and deletions that have been made to the text of the Draft EIR as a result of public and staff review. Revisions herein do not result in new significant environmental impacts, do not constitute significant new information, nor do they alter the conclusions of the environmental analysis. Changes are provided in revision marks (underline for new text and ~~strike-out~~ for deleted text).

**COVER AND TITLE PAGE OF DRAFT EIR**

No changes were made to the cover and title page.

**1.0 INTRODUCTION**

No changes were made to Section 1.0.

**2.0 EXECUTIVE SUMMARY**

The following change has been made to page 2.0-9 mitigation measure MM 4.2.3a:

<b>Ramp Junctions</b>			
SR 99/SR-32 Interchange – Northbound Off-Ramp <sup>4</sup>	Provision of an either a two lane ramp (two lanes exiting the freeway) or an additional through lane, <u>as an auxiliary lane</u> , on the mainline.	Nexus Fee	Nexus Fee

**3.0 PROJECT DESCRIPTION**

No changes were made to Section 3.0 Project Description.

**4.0 INTRODUCTION TO THE ENVIRONMENTAL IMPACT ANALYSIS**

No changes were made to Section 4.0.

**4.1 LAND USE**

No changes were made to Section 4.1.

**4.2 TRAFFIC AND CIRCULATION**

The following change has been made to page 4.2-57:

**Ramp Junctions**

The following ramp junctions were found to operate at an unacceptable level of service under *Short Term Plus Project* conditions.

- SR 99/SR 32 Interchange - Northbound Off-Ramp: The northbound off-ramp at the SR 99/SR 32 interchange would operate at unacceptable LOS "F" during the PM peak hour under Short Term Plus Project conditions.

### 3.0 ERRATA TO THE DRAFT EIR

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The following changes were made to page 4.2.59:

The improvements to the SR 99 ramps are included within the needed improvements identified in the *State Route 99 – Chico Corridor Study (Nexus Study)*, and the city is collecting fair share contributions for these improvements as part of the Nexus Fee program. However, the primary responsibility in the City of Chico for mitigation of traffic impacts due to local development is the City of Chico. This includes State facilities such as SR 99. Caltrans has prioritized improvements to the State Transportation Improvement Program to provide better connectivity to the City of Chico and other areas within Butte County. However, Caltrans is responsible for ~~will determine~~ determining when ~~these~~ ramp improvements to SR 99 will be constructed, as they are state, not City, facilities. Caltrans will rely upon state (and possibly federal) funding for a portion of the construction costs. When and if these funding sources will be programmed and allocated and construction will be scheduled, is not presently known, at least under near-term conditions. Therefore, this impact is considered to be **significant and unavoidable** in the short-term.

#### 4.3 AIR QUALITY

The following changes were made to Section 4.3, Table 4.3-2 on page 4.3-5:

Particulate Matter (PM <sub>2.5</sub> )			
Maximum 24-hour concentration (µg/m <sup>3</sup> )	56.1	76.3	82.7
National <sup>b</sup> annual average concentration (µg/m <sup>3</sup> )	10.5	15.1	12.3
State <sup>c</sup> annual average concentration (µg/m <sup>3</sup> )	15.9	16.5	13.8
Number of Days Standard Exceeded			
NAAQS 24-hour (> 65 µg/m <sup>3</sup> )	0	0	<u>4</u> 0

#### 4.4 BIOLOGICAL RESOURCES

No changes were made to Section 4.4.

#### 4.5 CULTURAL AND PALEONTOLOGICAL RESOURCES

No changes were made to Section 4.5.

#### 4.6 ECONOMIC ANALYSIS

No changes were made to Section 4.6.

### 5.0 CUMULATIVE IMPACTS SUMMARY

No changes were made to Section 5.0.

### 6.0 ALTERNATIVES TO THE PROJECT

No changes were made to Section 6.0.

### 7.0 OTHER SECTIONS REQUIRED BY CEQA

No changes were made to Section 7.0.

**8.0 REPORT PREPARERS AND REFERENCES**

No changes were made to Section 8.0.

**APPENDIX**

The following was included as reference material in Appendix D:



17 April 2003

Mr. Mike Neer  
PaLand  
606 Columbia Street, Suite 106  
Olympia WA 95801

**Re: Proposed Duncan Shopping Center Expansion, Forest Avenue, Chico, Butte Co., CA**

Dear Mr. Neer,

On 14 April 2003 Hanover Environmental Services, Inc. (Hanover) conducted a biological resources survey of the project site. The following letter report summarizes the findings of the biological resources survey as related to special status species. Special status species are plants and animals that are legally protected under the California Endangered Species Act (CESA), the federal Endangered Species Act (ESA), or other regulations, as well as species considered sufficiently rare by the scientific community to qualify for such listing. Botanical survey results are found in Appendix B.

Special status plants and animals are species in the following categories:

- o Species listed or proposed for listing as threatened or endangered under the Federal Endangered Species Act (50 CFR 17.11) and notices in the Federal Register.
- o Species which are candidates for possible future listing as threatened or endangered under the Federal Endangered Species Act (61 FR 40:7596-7613, February 28, 1996)
- o Species which are listed or proposed for listing by the State of California as threatened or endangered under the California Endangered Species Act (14 CCR 670.5)
- o Fully protected animals listed in California Fish and Game Code sections 3511 (birds), 4700 (mammals) and 5050 (reptiles and amphibians)

**Description of Action**

The proposed Duncan Shopping Center Expansion project is an expansion of the existing Wal-Mart shopping center (Figure 2). The development of the property will increase the size of the existing structure by 97,675 sq. ft. and will increase the size of the parking lot by 370,695 sq. ft. Development of the site will convert approximately 11.05 acres of predominately grasslands, including 0.269 acres of seasonal wetlands, to a shopping center and associated parking lot, landscaping, and infrastructure.

**Site Description**

The Duncan Shopping Center Expansion property (referred to as "subject property" or "site") consists of approximately 11.05 acres located on the north side of Talbert Drive, east of State Highway 99 and west of Forest Avenue in the City of Chico, Butte County, California (see attached Figure 1 for site location map). The subject property is currently a vacant lot located between the existing Wal-Mart shopping center to the north and Wittmeier Auto Center to the south. The site is characterized by native and nonnative grasses with small willows and cottonwoods located along the northern property border. The nearest surface water is Crouch Ditch located approximately 1000 feet south of the property.

A wetlands delineation was performed by Hanover in October 2002 (Appendix A). The delineation found 0.269 acres of seasonal wetlands near the northern border of the property.

ENVIRONMENTAL SCIENCE

HYDROLOGY

HAZ-MAT CONTRACTING

REGULATORY COMPLIANCE

HANOVER ENVIRONMENTAL SERVICES, INC.  
2205 NORD AVENUE  
CHICO, CALIFORNIA 95926

PH 530.342.1333  
FAX 530.342.1490  
EMAIL HAN\_ENV@PACBELL.COM

The site is, in effect, a biogeographical island and is largely dysfunctional due to its small size and urban location. However, shrubs and small trees along the northern border could provide some escape, roosting, nesting and perching cover for birds and small mammals.

#### Survey Methodology

Several site inspections/field surveys were performed on the subject property in October 2002 and April 2003 in association with the wetlands delineation and biological resources survey. Ms. Lynn Black, Biologist/Environmental Scientist; Mr. Will Bishop, Environmental Regulatory Specialist/Wildlife Biologist; and Dr. Kingsley Stern, Botanist; conducted field surveys and a literature search to determine the presence or absence of special status species on the site. The field portion of the survey was conducted using general observation survey techniques in the early morning and early evening hours. General observations on species and habitat were noted throughout the survey. Shrubs and small trees were surveyed for the presence of stick nests and the ground was observed for evidence of ground nesting or burrowing species.

#### Results and Conclusions

Approximately 0.269 acres of wetlands were discovered and delineated in October 2002 (Appendix A). Portions of the site appear to have been disked and/or mowed. Due to the biogeographical isolation of the property and on-going disturbance of the vegetation by weed abatement activities, the wildlife resources associated with the parcel are limited.

Vegetation on the site consists of both native and non-native upland and wetland species such as Johnson Grass (*Sorghum halepense*), Oats (*Avena* sp.), Annual Ryegrass (*Lolium multiflorum*), Barley (*Hordeum leporinum*), Willow-leaved Lettuce (*Lactuca saligna*), Soft Chess (*Bromus hordeaceus*), Cottonwood (*Populus fremontii*), Sandbar Willow (*Salix exigua*), Marshpepper Smartweed (*Polygonum hydropiper*), Purple Lovegrass (*Eragrostis pectinacea*), Tall Flatsedge (*Cyperus eragrostis*), Barnyard Grass (*Echinochloa crusgalli*), Red Willow (*Salix laevigata*), Rough Cockle-bur (*Xanthium strumarium*), Spikerush (*Eleocharis* sp.), Shining Willow (*Salix lucida*), Curly Dock (*Rumex crispus*). See the attached Botanical Survey, Appendix B, for a complete listing of vegetation found on the site.

Wildlife observed during the surveys included turkey vultures (*Cathartes aura*) flying at high altitudes over the subject and adjacent properties, white crowned sparrows (*Zonotrichia leucophrys*), American crows (*Corvus brachyrhynchos*), scrub jays (*Aphelocoma coerulescens*), European starlings (*Sturnus vulgaris*), and American robins (*Turdus migratorius*).

No special status species or nesting raptors were identified during the site surveys. However, grasslands provide suitable foraging habitat for several raptor species including Swainson's hawks (*Buteo swainsoni*) and may provide nesting habitat for northern harrier (*Circus cyaneus*) and white tailed kite (*Elanus leucurus*). Nesting raptors are protected under the California Fish and Game Code, Sections 3503.5. Migratory birds, including northern harriers and western meadowlarks are protected under the Migratory Bird Treaty Act.

Project construction would result in the direct, permanent removal of approximately 11.05 acres of 1) annual grassland vegetation; 2) potential Swainson's hawk foraging habitat; 3) other raptor potential foraging and nesting habitat on the subject property; and 4) removal of 0.269 acres of seasonal wetlands.

#### Discussion

1) The removal of annual grassland, a common and widespread habitat type in the Chico area, would not result in a substantial regional decrease in that habitat type.

2) A known occurrence of a Swainson's hawk nest site is located within 3-5 miles of the subject property on the Chico State Farm, west of the Midway and south of Hegan Lane (CDFG, Natural Diversity Database, Occurrence No. 699, 1998). California Department of Fish and Game (1994) identifies permanent loss of foraging habitat within a 10-mile radius of a known Swainson's hawk nest territory that has been occupied at least once during the past 5 years to be an effect requiring mitigation. The direct,

### 3.0 ERRATA TO THE DRAFT EIR

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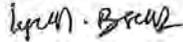
permanent loss of Swainson's hawk foraging habitat is considered an adverse effect (through habitat loss) on a species listed as threatened under CESA.

3) Project construction could result in effects on migratory birds and nesting raptors in the project area. The field surveys found no evidence of nesting raptors however, suitable nesting habitat occurs on-site for small raptors (i.e. white tailed kite) and ground-nesting migratory birds. The loss of foraging habitat for these species is considered minor because grassland and other foraging habitats are abundant in the project vicinity and region. Raptors and burrowing owls are considered unlikely to nest in the project area and vicinity due to the biogeographical characteristics of the site and the lack of suitable habitats.

4) See Appendix A for Wetlands Delineation results.

If you have any questions please feel free to contact our office at 530-342-1333.

Thank you,



Lyna R. Black  
Biologist/Environmental Scientist

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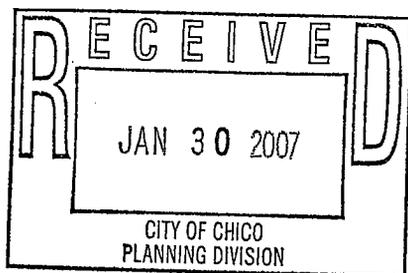
# **APPENDICES**

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## **APPENDIX A – ECONOMIC ANALYSIS**





Economic Analysis of Two  
Proposed Supercenters in  
Chico, California

Prepared for Brett Jolley  
Attorney at Law  
Herum Crabtree Brown  
2291 March Lane, Suite B100  
Stockton, CA 95207

Prepared by:

Philip G. King, Ph.D.  
Economics Department, San Francisco State University

Sharmila King, Ph.D.  
Economics Department, University of the Pacific

September 7, 2006

## Executive Summary

### In General:

- This report uses real data and objective case studies to analyze the impact of two proposed Wal-Mart Supercenters<sup>1</sup> in Chico, California.
- The two proposed Supercenters will have a devastating impact on Chico's grocery and other retail, closing many businesses and leading to the deterioration of many shopping centers. The resulting blight will far outweigh any small benefits.
- It is common for some to assume, "It won't happen here." City officials in Stockton and elsewhere have said this, yet store closings have inevitably occurred in California as Supercenters have arrived.
- Economists, business owners, and appellate courts agree that a Supercenter is qualitatively different from other retail uses and has *much* more intense economic and environmental impacts.

### Forest Avenue Expansion:

- The Forest Avenue Supercenter expansion will close the Food Maxx store and the Raley's in southern Chico, and place severe pressure on nearby non-grocery retailers, especially the struggling Chico Mall. Should the Sears or JC Penney close as a result, the Chico Mall will deteriorate significantly. The shopping center anchored by Raley's will suffer and the center and surrounding neighborhood will deteriorate.

### Northern Chico Annexation:

- The new Supercenter in northern Chico will close the Albertson's and the other Raley's (East Avenue). Both of these stores anchor shopping centers which will deteriorate substantially after these closings.
- The new Supercenter in northern Chico will also lead to the closing of several other (non-grocery) retail stores, most likely K-Mart and other strip malls in the area. Ironically, the northern Chico Supercenter will also place the Chico Mall at great risk since it expands Chico's non-grocery retail significantly. The Chico Mall will deteriorate and likely close if the northern Supercenter is built.

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<sup>1</sup> As used in this report "Supercenter" identifies Wal-Mart's superstore brand, whereas "supercenter" refers to a superstore use type – which combines general merchandise and full grocery sales in a single big box format and describes but is not necessarily specific to Wal-Mart's brand.

### **Cumulative Impacts of Two Supercenters**

- The combined impact if both Supercenters open will be greater than the sum of the two, since some businesses that could withstand one opening will not be able to withstand two Supercenters. If both Supercenters are built, one Safeway will likely close, in *addition* to the stores mentioned above. The Chico Mall (20<sup>th</sup> St.) will close and other retail centers will deteriorate further.
- Even if store closings don't occur, the decline in sales will lead to an underinvestment in routine maintenance and repairs, leading to a decline in the physical appearance of the store/shopping center and, eventually, to urban decay.
- Downtown Chico is quite small and bordered by marginal stores and urban decay. Nevertheless the core area is attractive and worth preserving. The two Supercenters will lead to urban decay downtown. The northern Supercenter will cause more harm than the southern expansion. Many of the stores downtown (picture stores, beauty salons, bike stores etc.) do compete with Supercenters for the ancillary services provided. As downtown shoppers decline, other businesses will suffer, even if they do not compete directly with the Supercenters.

### **Examples in other Communities:**

- These store closings have been observed in other cities and towns. A number of academic studies have documented the severe losses from Supercenters in places such as Iowa and Oklahoma City.
- In Stockton, California, site of northern California's first Supercenter, two grocery stores closed and a number of other retail stores near the Supercenter have since closed and remain vacant, with the property deteriorating.

### **Zero Sum Game:**

- Chico already serves as a regional retail magnet. Consequently, neither of these Supercenters will generate substantial gains in sales tax revenues, since they simply displace other existing retail. Property values will fall due to urban decay and property tax revenues will be lower than otherwise. On the expenditure side, expenses for public services will increase.
- Wal-Mart pays lower wages and benefits than most of its competitors, particularly in the grocery arena. These lower wages will impact Chico's economy since many employees are likely to be residents. These new jobs will displace higher paying jobs in the supermarket industry. Applying studies from southern California, we estimate that the overall economic loss of the City of Chico could be as high as \$1.2 million.
- We believe that the City of Chico should not permit these Supercenters in order that Chico maintain the quality of life it currently has, which many other Central Valley towns and cities do not.

## Introduction

Wal-Mart has proposed the addition of several hundred thousand square feet to the Chico retail market through the introduction of two "Supercenter" superstores. Such retail development will not serve Chico well. These two Supercenters will drive many existing retailers and grocers out of business. Although proponents of these stores will likely claim the Supercenters will increase the tax base for Chico, they will also likely ignore or minimize store closures and the fallout from such closings. In fact, any retail in Chico generated by the two Supercenters will simply displace existing retail since Chico is already a regional retail magnet and attracts shoppers from well outside the city. Indeed, as Chico becomes littered with closed stores, shopping centers and deteriorating malls (for example Chico Mall), it is most likely that Chico's tax base will shrink as property prices fall and Chico becomes a less desirable place to live.

From a practical standpoint, the addition of one Supercenter to the Chico market will have a significant impact on the economic climate and environment of the city. However, the addition of two Supercenters will have more than twice the impact of one since some marginal stores that could withstand the impact of one Supercenter will close after the double blow of two Supercenters.

Based on past experience, California Economic Research Associates (CERA) anticipates that Wal-Mart's consultants (who are preparing the city's EIR documents but paid for by Wal-Mart) will reach the untenable and unrealistic conclusion that the Supercenters will have no significant impact on the community. This is simply untrue, as demonstrated in this report. The rule of thumb is that for every new Supercenter constructed, a city will face the closure of two traditional grocery stores or supermarkets. This has certainly been the case in Stockton, where, in 2004 Wal-Mart closed its existing "Discount Store" and opened a new "Supercenter" across the street. Not only did the Discount Store collect graffiti and rot for several months -- only to be partially tenanted by a short-lived furniture store (see photo in Figures 1-7 below) -- but just as the formula dictates, Stockton has seen at least two traditional supermarkets succumb to the Supercenter's over-saturation of the retail food market: S-Mart, an anchor tenant in a shopping center only 1 mile away, has been left to decay by the landlord, as has another poorly performing S-Mart northeast of downtown Stockton.

As a result of this experience, many cities in California are taking a harder stance against these Supercenters, which represent a new and qualitatively different type of retail use.<sup>2</sup> Turlock has enacted a zoning ordinance that prohibits Supercenter uses and has successfully defended Wal-Mart's legal challenges of this ordinance in court. Hercules has taken a slightly different approach, using its power of eminent domain to purchase property Wal-Mart had planned to use for a Supercenter -- a use the city believed conflicted with the city's planning and development policies.

From an economist's standpoint, both of these moves are sound and prudent, yet Chico need not be as fractious as Turlock or Hercules to protect itself; it may simply exercise its

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<sup>2</sup> This fact has even been recognized by one appellate court which warned, "in the retail context, supercenters are...unique." See *Bakersfield Citizens for Local Control v. City of Bakersfield* (2004) 124 CAL APP 4<sup>th</sup> 1184.

power and zoning authority to preclude the approval of the two proposed Supercenters. From a practical standpoint, cities do not necessarily increase their sales tax revenue due to the addition of Supercenters. However, Supercenters result in the closure of other existing tax-generating businesses, require additional capital and infrastructure (including public health and safety infrastructure and funding), and often add to blight and urban decay conditions. A city's approval of a new Supercenter at the expense of existing businesses is a bit like robbing Peter to pay Paul (economists simply call it a zero-sum game). There is no net gain, but rather a host of net losses.

**For these reasons, it is our opinion that Chico would be best served by allowing Wal-Mart to keep its existing discount store, but denying both the Forest Avenue Supercenter expansion application and the proposed north-side annexation.**

### **Project Description**

According to documents filed with the City, the proposed sites would involve a total of over 330,000 square feet of new Supercenter retail space. At the existing Forest Avenue Wal-Mart an additional 97,675 square feet would be added to the current 125,930 square foot store. At SR 99 and the Esplanade in northern Chico, Wal-Mart proposes annexation and development of a new Supercenter, consisting of 230,000 square feet, plus 10,000 square feet for seasonal sales. The proposed plans also include development of a gas station with 12 fueling stations and a 3,200 square foot fast food restaurant.

Dr. King visited Chico and examined the proposed sites and competing retail in July of 2003 and again in July 2006.

### **Effect of a Supercenter on Grocery Retailers in Chico**

Chico has seven major grocery stores (three Safeway stores, two Raley's stores, a Food Maxx and an Albertson's), one big box grocery store (WinCo) and one big box membership club store with 36-40% of total sales in groceries (Costco). Chico also has a number of smaller grocery stores including a very successful Trader Joe's, as well as co-ops and health food stores that sell grocery items.

**Table 1: Sales at Major Grocery Stores in Chico**

Grocery Store	Square ft.(000) Grocery Only	Sales/sq. ft.	% National Avg.	Sales/wk. (000)	Annual Sales (000)
Winco	80.0	845	204%	1,100	\$ 67,600
FoodMaxx	57.5	424	102%	460	\$ 24,400
Safeway (East Ave.)	56.1	424	102%	475	\$ 23,800
Safeway (Mangrove)	49.0	514	124%	450	\$ 25,200
Safeway (Nord/Sac)	24.9	438	106%	210	\$ 10,900
Albertsons	42.3	343	83%	330	\$ 14,500
Raley's (East)	60.0	260	63%	250	\$ 15,600
Trader Joe's	15.0	1387	335%	200	\$ 20,800
Raley's (South)	60.0	325	79%	450	\$ 19,500
Costco					\$ 45,000
Other	50.0	260	63%	250	\$ 13,000
Total/Avg.				4,175	280,300

Table 1 above presents CERA's estimate of sales and square footage of these stores in Chico. These estimates are based on interviews with local managers and we believe they are quite accurate. Column three compares sales/sq. ft. to the national average of \$414 per square foot.<sup>3</sup> Sales significantly lower than the national average (below 75%) are a sign of poor store health. As one can see, the Raley's on East Avenue is performing very poorly (63% of national average) and the Raley's in southern Chico is not much better (79% of national average). The Albertson's is performing poorly as well at 83% of the national average. The Safeway stores are somewhat healthier, but vulnerable to a substantial sales loss that could result from a Supercenter. The Food Maxx is selling at the national average, however, given its lower margins, its current sales are not as healthy as it might appear. Food Maxx and other similar grocery discount stores have lower profit margins and typically need to generate 125% of the national average (just over \$500 per square foot) to be considered healthy—thus the current Food Maxx is already experiencing unhealthily low sales.

### **Impact of Supercenters on Grocery Retail**

Table 2 presents our estimates of Wal-Mart Supercenter grocery sales that would displace existing grocery sales. The last column, "Estimated Net Impact after Supercenter" refers to the additional grocery sales generated by the two Supercenters and is based on national average sales data for Wal-Mart grocery sales at Supercenters. The data is taken from the *Progressive Grocer*, a leading trade publication.<sup>4</sup>

<sup>3</sup> See the Urban Land Institute, "Dollars and Cents of Shopping Centers", 2004. 2006 estimate of \$414 was adjusted upward by 6% from 2004 estimate of 394.54.

<sup>4</sup> See the *Progressive Grocer*, October 15, 2003. The article indicated that 1386 Wal-Mart Supercenters sold \$66.7 billion in supermarket type retail sales. This yields an average of \$742 per square ft. assuming

We also assumed that these Supercenters would bring in some new sales not currently coming to Chico stores. However, these stores are unlikely to bring in substantial new sales, particularly in the south, which already has a WinCo, Wal-Mart and other big-box stores. At the Supercenter in northern Chico, we estimate 75% of grocery sales will displace current sales already taking place in Chico. In the Supercenter expansion in southern Chico, we estimate 90% of grocery sales will displace current sales already taking place in Chico. Overall, just under \$58 million, or 21% of existing grocery sales in Chico, will be displaced by the two Supercenters.

**Table 2: Grocery Sales Displacement due to Supercenters**

Grocery Store	Square ft.(000) Grocery Only	Sales/sq. ft.	Annual Grocery Sales (000)	% Total Sales in existing Grocery Trade Area	Est. Net Impact after Supercenter (000)
Wal-Mart Expansion	49	\$ 650	\$ 31,850	90%	\$ 28,665
New Wal-Mart Supercenter	60	\$ 650	\$ 39,000	75%	\$ 29,250
<b>Total Grocery Sales</b>					<b>\$ 57,915</b>

Table 3 below presents our estimates of the sales losses at each store and the sales per square foot as a percentage of the national average of \$414 per square foot<sup>5</sup> after each of the two Supercenters are built. If sales per square foot, as a percent of the national average, are low, this is an indication of poor store performance. As a practical matter, if sales are substantially below 75% of the national average, a store is in considerable danger of closing.

It is impossible to predict these losses precisely; however economic theory predicts that the closest substitutes (both geographically and in terms of product similarity) will be the hardest hit. Thus, for example, Food Maxx and WinCo would lose the most sales from the expansion, though WinCo would likely survive based on its high sales per square foot.

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60,000 square ft. per Supercenter devoted to grocery type sales. CERA has conservatively used \$650 per square ft.

<sup>5</sup> See footnote 3.

**Table 3: Sales at Major Grocery Stores in Chico—Post Wal-Mart**

Grocery Store	Est Loss in Sales (%) from Southern Expansion	Est Loss in Sales (%) from Northern Supercenter	% National Avg. from Southern Expansion	% National Avg. from Northern Supercenter	% National Avg. from both Supercenters
Winco	20%	10%	163%	184%	143%
FoodMaxx	20%	10%	82%	92%	72%
Safeway (East Ave.)	5%	20%	97%	82%	77%
Safeway (Mangrove)	10%	5%	112%	118%	106%
Safeway (Nord/Sac)	5%	5%	100%	100%	95%
Albertsons	5%	25%	79%	62%	58%
Raley's (East)		25%	63%	47%	47%
Trader Joe's	5%	5%	318%	318%	301%
Raley's (South)	15%		67%	79%	67%
Costco	5%	5%			
Other	5%	5%	60%	60%	57%

### Grocery Store Closing in Southern Chico

Both Supercenters will have a profound impact on existing grocery stores in Chico. In the south, the WinCo and Food Maxx will be hardest hit in terms of percentage loss in sales, followed by the Raley's (South) store. However, the WinCo is sufficiently profitable that CERA does not anticipate it will close. On the other hand, the Raley's store will sell at 2/3 the national average and will almost certainly close. The Food Maxx will close as well; though 72% of sales is slightly better, Food Maxx has lower margins and is unlikely to be able to withstand a 30% loss of sales. Other small grocery stores will also be put at risk.

**CERA's analysis predicts that the expansion of the southern Wal-Mart into a Supercenter will close the Food Maxx and southern Raley's store. The Raley's store anchors a shopping center which will decline after the Raley's closes, hurting the neighborhood.**

### Grocery Store Closing in Northern Chico

The opening of a Supercenter in northern Chico will also have a substantial impact, with the Raley's on East Avenue and the Albertson's bearing the biggest losses and the Safeway on East Avenue suffering a substantial loss.

**CERA estimates that the Albertson's and Raley's (East Avenue) will close soon after the opening of the northern Wal-Mart Supercenter. Both these stores anchor shopping centers which will deteriorate substantially after these closings. It is important to recognize that closing a grocery store has significant consequences for**

businesses in or near the grocery store since traffic to these stores will fall precipitously after the anchor store closes. A chain reaction occurs—rents fall, maintenance falls, other stores close, marginal stores move in, setting up a cycle of decay until the center is blighted. This pattern is common after Supercenters open and will be discussed later.

### **The Cumulative Impact of both Supercenters**

Table 3 makes it clear that the two main Safeway stores will also be hurt by the cumulative damage of two Supercenters. CERA forecasts that one will close, most likely the one on East Avenue, which anchors a mall which is already struggling somewhat. The Mangrove Safeway anchors a shopping center which already has several marginal businesses such as Hobby Town USA, a beauty supply store, and Yume Buffet. If that Safeway store closes or even if business deteriorates further, it will become more difficult to fill this retail space creating conditions for physical decay and urban deterioration.

Even if store closings don't occur, the decline in sales will lead to an underinvestment in routine maintenance and repairs, leading to a decline in the physical appearance of the store-shopping center and, eventually, to urban decay.

### **Non-Grocery Retail**

The two new Supercenters would add approximately 200,000 square feet of non-grocery retail. This represents a substantial increase in retail in the City of Chico. Just as in grocery sales, Wal-Mart typically has higher sales per square feet than many other retail stores, particularly small local stores. Typical sales for a Wal-Mart are at least \$400 per square foot. Assuming this figure, the two Supercenters would generate \$78,512,000 in non-grocery sales, almost \$1000 per person or \$2400 per household.

We estimate that most of the \$78 million will displace already existing retail in Chico. Chico already serves as a regional retail magnet with a Target, Mervyn's, the planned Kohl's, Gottschalks, JC Penney, Sears, K-Mart and many other stores that compete in the same product space as Wal-Mart.

The Chico mall has a closed Troutman's store and the JC Penney, and Sears also serve as anchor stores. We believe the Sears would close if these Supercenters are built. The expansion of the existing Wal-Mart and the new Supercenter will certainly lead to a slowdown in traffic at the Chico mall, which is already experiencing slow sales. Even if these stores stay open, the decline in traffic will lead to lower sales and poorer maintenance and contribute to physical deterioration and urban decay.

Clearly the northern Supercenter would have the most profound impact on Chico non-grocery retail. However, the southern expansion would add substantially to the decline, especially to the nearby Chico Mall, which is already struggling. The expansion could put JC Penney or Sears out of business, which would turn the Chico Mall into a ghost mall.

## **Downtown Chico**

The small downtown area of Chico is relatively healthy, but it is bordered by what city planners and economists refer to as urban decay, especially on the southeast side where a number of boarded-up buildings and run-down buildings can be observed. This area is only a hundred to two hundred yards from the main downtown shopping area and the historic City (Park) Plaza. Many of the businesses on the fringes of the downtown area are marginal, such as rock shops, tattoo parlors and comic book stores.

Although the overall impact on sales downtown will be lower than the impact on grocery stores in Chico, many of the stores downtown are already marginal, and even a 10-20% loss in sales would make a difference in staying open or closing. If even a few stores close, fewer people will come downtown to shop, which will lead to a further decline in sales. As shoppers diminish and the downtown deteriorates, commerce will spiral downward and the downtown could eventually become blighted, as so many Central Valley downtowns already have.

These Supercenters also have ancillary small businesses, such as beauty parlors and nail finishing stores that would compete directly with several similar businesses downtown. Overall, the following types of businesses downtown will experience significant pressure and some will close, leading to deterioration and physical decay downtown:

- Bicycle stores (Wal-Mart sells a wide variety of bicycles)
- Music stores (Wal-Mart is the largest seller of Music CDs in the world)
- Beauty stores
- Nail finishing stores

Though both projects will have a significant impact, the new Supercenter in the north will have a more significant impact on downtown than the expansion project.

A number of malls as well as the area adjacent to the City (Park) Plaza and the downtown shopping district are already experiencing slowdowns and physical deterioration. We observed several boarded up stores within a very short walk of downtown. We believe that the addition of even more retail space to an area that is already heavily retailed will accelerate this physical deterioration and urban decay and could potentially create much worse conditions.

We spoke with residents of Chico who informed us that this adjacent area was unsafe at night, an indication that the social effects of physical deterioration and urban decay are already underway near the downtown area. We believe the situation could get much worse.

## **Overall Impact of South Chico Supercenter Expansion on Non-Grocery Retail**

The southern Supercenter expansion will place tremendous pressure on the Chico Mall, whose anchor stores (JC Penney, Sears, Gottschalks, to a lesser extent) will compete directly with the new \$15 million in retail that will be introduced. A Supercenter does not just mean the addition of a grocery store to an existing Wal-Mart,

but also a significant expansion in other retail and hours of operation (24 hours per day). The downtown and other retail will also be placed under considerable pressure.

### **Overall Impact of Northern Chico Supercenter on Non-Grocery Retail**

The northern Chico Supercenter represents a significant increase in retail for a city the size of Chico. The K-Mart, the shopping centers anchored by the northern Raley's and Albertson's will also deteriorate and some will eventually close. The Chico Mall will be placed in more jeopardy by the northern Supercenter than the southern one since it will divert more shoppers (with three times the retail volume). Downtown Chico will decline.

### **Cumulative Impact of both Supercenters**

As with grocery stores, the cumulative impact of both stores opening will be greater than the sum of the two individual impacts. The impact on the downtown and Chico mall will be devastating. In addition, CERA anticipates that one Safeway will close, placing pressure on the shopping center it anchors.

### **Experience in other Towns and Small Cities**

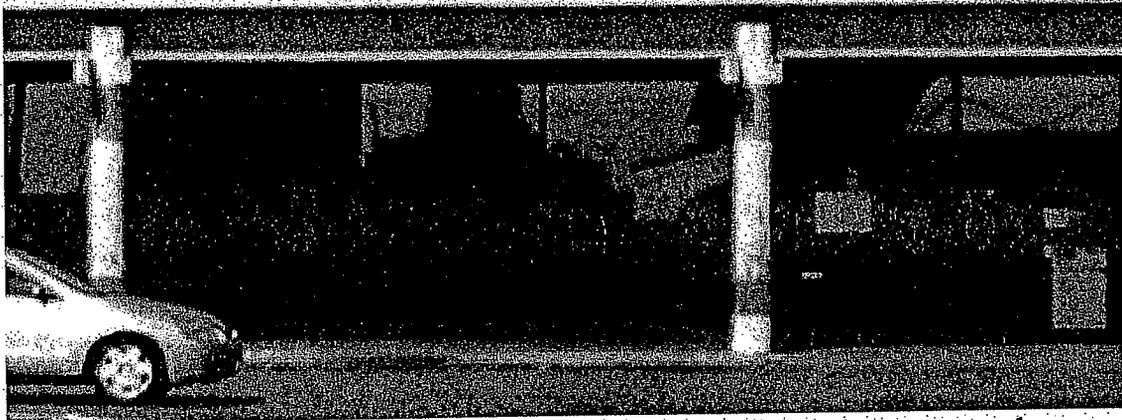
This pattern has been observed in many other cities. Numerous studies of the impacts of retail Supercenter development have been conducted. The Shils Report (Edward B. Shils, *Measuring the Economic and Sociological Impact of the Mega-Retail Discount Chains on Small Enterprise in Urban, Suburban and Rural Communities*, The Wharton School, University of Pennsylvania, 1997) cites predatory pricing and **overall economic decline among the possible impacts**. Kenneth E. Stone studied Supercenter development in a large sample of Iowa cities and found that the location of a Supercenter can have delayed impacts on the viability of commerce in the surrounding area (a loss of 7,326 businesses in small Iowa towns between 1983 and 1993). David Rodgers conducted a similar (non-academic) study in Oklahoma City.<sup>6</sup> It concluded that ten Wal-Mart Supercenters closed thirty traditional grocery stores.

### **Stockton**

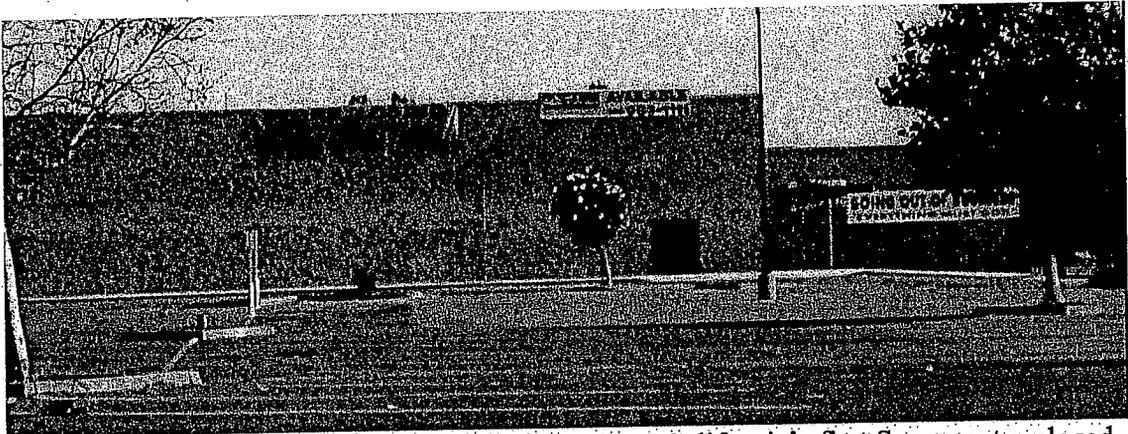
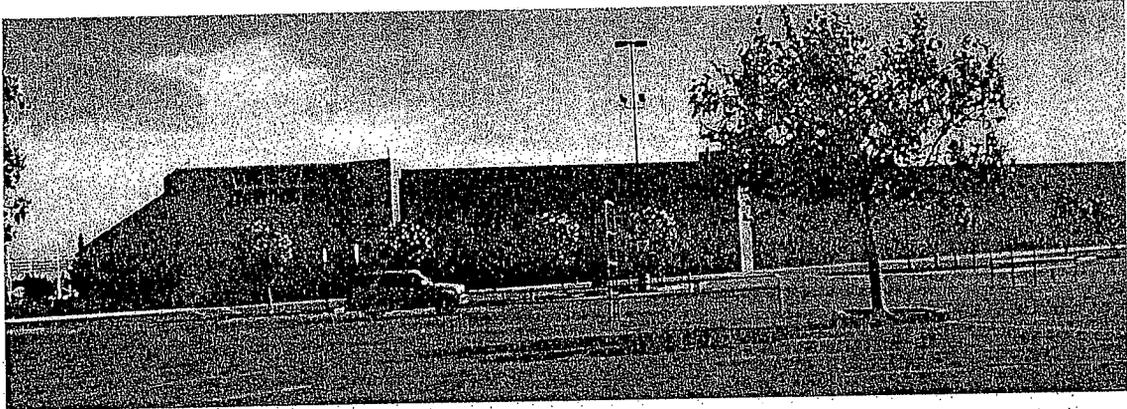
It is common for some to answer to these academic studies, "It won't happen here." City officials in Stockton and elsewhere have said this, yet store closings and physical deterioration have inevitably occurred. The first northern California Wal-Mart Supercenter was opened in Stockton two years ago. Stockton now has two S-Mart stores (S-Mart is owned by the same company that owns Food Maxx) that have closed and the area near the Supercenter has seen deterioration in other retail. The photos below provide examples.

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<sup>6</sup> See "Wal-Mart's Impacts on the American Supermarket Industry," David Rodgers, DMR Marketing Systems, February 10, 2004.



Figures 1 and 2: Recently Closed S-Mart grocery store in Stockton near northern California's first Supercenter. It is now boarded up—a sign of urban decay.



Figures 3 and 4: This furniture store near northern California's first Supercenter closed recently.



Figure 5: Do you want this in your neighborhood?

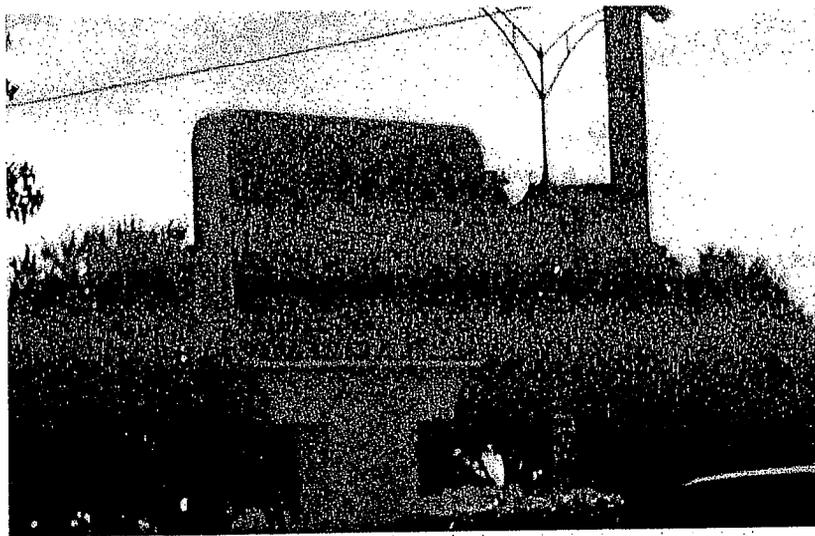


Figure 6: Graffiti covers this sign for a shopping center near northern California's first Supercenter



Figure 7: The Carl's Jr. in the same shopping center as the closed S-Mart grocery store has become a graffiti covered eyesore—once a supermarket closes it brings down other stores in the same center and nearby as traffic to the shopping center and investment in maintenance dry up.

## The Fiscal and Economic Impact of Supercenters

Contrary to claims made by Wal-Mart and the consultants it employs, these Supercenters do not always generate substantially increased tax revenues; however they do often lead to lower wages, depressing a City's economy. Two studies of Supercenters in southern California<sup>7</sup> concluded that:

- The economic loss due to lower wages and benefits paid by Wal-Mart would create a negative economic impact on southern California equal to \$2.8 billion per year.
- "The fiscal impacts of a facility are often seen as clear-cut, but they are not, particularly when a big box retailer expands into food sales. This threatens to lower the taxable sales per square foot for a land use that is already riddled with inefficiencies and great risks should market conditions become unfavorable" (p.93).
- "To help prepare local and regional officials to review proposed big box projects, we suggest communities systematically assess positive and negative local impacts of such projects" (from back cover of report). They go on to suggest that these include the following: (1) economic and employment impacts; (2) municipal finance impacts; and (3) community impacts.

Another similar study of San Diego County<sup>8</sup> also came up with similar conclusions, including the following:

- "Wages and benefits can be expected to decline in San Diego County by \$105 million to \$221 million annually" (p. i).
- "Lost pension and retirement benefits will impact the region negatively by an additional \$80-170 million per year" (p. i).
- Taking into account multiplier effects, this loss could amount to \$440 million a year (p. i).
- "Fiscal benefits, in the form of sales and property taxes, are frequently less than originally expected and are not likely to cover the costs of traffic, police, fire protection, among others. **Ultimately the net cost of these public services for Supercenters could exceed \$700,000 per year**" (p. ii).

The report also concludes that a number of other negative results may result from poor land use planning and the closing down of other businesses; we will discuss these issues later in this report.

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<sup>7</sup> "The Impact of Big Box Grocers on Southern California: Jobs, Wages and Municipal Finance," by Marlon Boarnet and Randall Crane, prepared for the Orange County Business Council, September 1999.

<sup>8</sup> "The Potential Economic and Fiscal Impact of Super Centers in San Diego," by Rea and Parker Research, prepared for the San Diego Taxpayers Association.

Unfortunately, we believe that **the situation in Chico has many similar characteristics and that the City should carefully address, understand, and balance these negative impacts and weigh them against the benefits** (which we believe will be relatively small). As a first approximation, we can apply the estimates from the San Diego County study to Chico. Adjusting for income (the median household income in San Diego County is similar to Chico) and population (San Diego County's population was 29 million, 360 times Chico's population today) we derive an estimate of \$1.2 million in losses due to reduced wages and benefits.

### **Environmental Physical Deterioration and Urban Decay**

For all of the reasons stated above, we believe there is a serious and significant likelihood that the commercial space created by these two proposals will create physical deterioration and urban decay in the immediate area surrounding the sites as well as lead to a less healthy business climate in the rest of the City and exacerbate the physical deterioration and urban decay adjacent to the downtown area.

### **The Proposed Projects in Relation to Chico's General Plan**

Chico's General Plan refers to a number of goals for the City.<sup>9</sup> Specifically, we would like to quote the following from the summary section of the General Plan:

- Encourage preservation and enhancement of buildings of special historic and architectural interest.
- Reinforce the role of Park Plaza as the civic and cultural heart of Downtown.
- Support beautification of Chico's commercial strips and encourage infill and adaptive reuse of transitioning commercial developments.

**We believe that the proposed projects will seriously and significantly impede all of these goals.** By adding new commercial space, rather than utilizing existing space, to an area already over-retailed, the City is setting itself up for future physical deterioration and urban decay. The City of Chico is currently in better economic health than many other cities in northern California of similar size and demographics. It has a more vital downtown area and less physical deterioration and urban decay than other cities we have examined, for example, Redding, Anderson, Stockton, and Tracy. However it is our professional opinion that the City now has several centers that will experience physical deterioration and urban decay soon if nothing is done to stop it.

The addition of 125,000 square feet of grocery space and almost 200,000 square feet of other retail would substantially increase the total amount of retail space in a city which already has more than ample retail and already serves as a regional retail magnet.

Finally, the City of Chico should consider the impact of several other planned or built Supercenters in the Chico trade area (Willows, Oroville, Red Bluff and Anderson). The

<sup>9</sup> See [http://www.chico.ca.us/common/mod\\_resource.asp?p=179&f=54](http://www.chico.ca.us/common/mod_resource.asp?p=179&f=54).

analysis here has not looked specifically at these effects, largely due to resource constraints, but we expect that such projects would significantly reduce the demand for retail in Chico. The forthcoming EIR should examine these impacts in detail.

### Costs and Benefits for the City of Chico

We believe that it is safe to conclude that **the existing expansion will create relatively little additional sales tax and other revenues for the City of Chico**, since the expansion will primarily add retail space for non-taxable merchandise (groceries) and the Supercenter will take business away from existing grocery and other retailers, particularly those nearby. Tables 5 and 6 summarize CERA's findings. After accounting for displacement of existing retail, **CERA estimates the sales tax generated for the City of Chico is \$171,200 for non-grocery sales and only \$34,156 for grocery sales. The total estimated sales tax generated is \$205,355, roughly \$2.50 per resident of Chico. Compared to the losses we have described above, this is small indeed especially considering these new stores will require increased public safety, traffic and other services which are likely to absorb much or all of this revenue. The physical decay and urban deterioration will also reduce residential property values and hence residential property taxes (and may ultimately necessitate the formation of a redevelopment district and the expenditure of public funds to rehabilitate the predicted deterioration).**

**Table 5: Non-Grocery Sales Tax due to Supercenters**

Store	Annual Non-Grocery Sales (000)	% New Sales in Chico	Est. Net Impact after Supercenter (000)	Increase in Sales Tax to Chico
Wal-Mart Expansion	\$ 17,200	10%	\$ 1,720	\$ 17,200
New Wal-Mart Supercenter	\$ 61,600	25%	\$ 15,400	\$ 154,000
<b>Total</b>	<b>\$ 78,800</b>		<b>\$ 17,120</b>	<b>\$ 171,200</b>

**Table 6: Grocery Sales Displacement due to Supercenters**

Store	Annual Grocery Sales (000)	% New Sales in Chico	Est. Net Impact after Supercenter (000)	Increase in Sales Tax to Chico
Wal-Mart Expansion	\$ 32,670	10%	\$ 3,267	\$ 8,168
New Wal-Mart Supercenter	\$ 41,580	25%	\$ 10,395	\$ 25,988
<b>Total</b>	<b>\$ 74,250</b>		<b>\$ 13,662</b>	<b>\$ 34,155</b>

It is clear from our examination that **the proposed projects will impose a number of costs on the City of Chico**. In particular, we anticipate a **significant increase in the number of failed businesses** after the Supercenter(s) open. As noted above, this pattern

has been observed in many other small and medium-sized cities. Further, given the abundance of retail space in Chico, we believe that it is reasonable to conclude that the additional space created when these businesses fail will not be filled. It is especially difficult to fill large (over 30,000 square feet) retail spaces since one must find a large retailer willing to move into this space and if, as we expect, Chico becomes over retailled and business activity slows down there will be less demand for this space. We have documented the costs of this physical deterioration and urban decay to the community of Chico.

Economists refer to market transactions that impose a cost on others as a negative externality—that is, a real cost is imposed on people who are not involved in the transaction. In such cases, the market mechanism does not work properly and sound government policy warrants that the individual/company imposing the costs should be made to pay, since, after all, the damage imposed was not the fault of innocent bystanders. It is for this reason that CEQA requires an examination of such projects. While some believe that markets should be allowed to operate unfettered, we believe this view ignores the real costs to the City and its residents and ultimately affects the economic health and vitality, as well as the real estate prices, of a City such as Chico.

We believe that a significant environmental and economic cost will be imposed on the City and residents of Chico should these proposals be approved. Though there may be a small initial increase in non-sales tax revenues, we believe it is likely that this increase will be more than offset by the loss in tax revenues when other businesses fail and the city is faced with rehabilitating blighted and decayed property. **In sum, the proposed projects will likely pose significant costs on the City of Chico without any compensating benefit.**

Physically deteriorated and decayed areas increase crime, decrease business and other economic activity, and lower property values. The City becomes a less desirable place for people to live and for businesses to locate.

## **Conclusion**

The construction of the two Supercenters is not inevitable, nor should the City of Chico feel obliged to allow the stores to be built at the expense of its citizens. This report demonstrates that the costs to Chico and its citizens will far outweigh the benefits. A Supercenter is qualitatively different from other retail and has much larger impacts. Before approving these proposals, residents and City officials should consider all the impacts.

These are not abstractions, but have occurred again and again in towns and cities across the country and now in California. CERA believes that the City of Chico should not authorize the development of either of these two Supercenters so that Chico can maintain the quality of life it has, which many other Central Valley towns and cities do not.

## Qualifications

**Dr. Philip King** is Associate Professor and former chair of the Department of Economics at San Francisco State University. He received his Ph.D. in Economics from Cornell and has published numerous articles in scholarly journals and edits a book on Economic Policy for McGraw-Hill. His major fields are Applied Microeconomics and Economic Development. He has conducted over a dozen studies of local economic conditions as a consultant to the State of California and for various city governments in the State including two major Economic Impact Reports covering the State of California and six local economic impact reports for City governments in California. He prepared a report on *San Francisco's Economic Growth 1995-2000: The Fiscal Health of the City and Implications for the Future,* for the San Francisco Committee on Jobs Summer 2001. This report was widely cited in the San Francisco press including front-page articles by the *Chronicle* and *Examiner*. He consulted for the City Council of Davis California on the impact of planned conference site development. In the past several years, he has reviewed the DEIRs and prepared economic impact reports pertaining to a number of big-box projects in California including Bakersfield, Stockton, Tracy, Lodi, Hanford and Selma and (in the State of Washington) Tumwater.

**Dr. Sharmila King** is Assistant Professor at the University of the Pacific. She received her Ph.D. in Economics from the University of California at Davis and she has published in professional journals. Her major research fields are macroeconomics, statistics, and econometrics. She prepared "The Environmental Impact Report on the Conference Center, Hotel, and Graduate School of Management Building for the University of California, Davis" prepared by EIP Associates for the City of Davis, CA in January 2002. In the past several years, she has reviewed the DEIRs for a number of big-box projects in California and prepared economic impact reports pertaining to these projects.