The Home Town Advantage Bulletin
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ABOUT THIS BULLETIN

In communities across the country, citizens are taking action to defend and strengthen their local economies. The Institute for Local Self-Reliance (ILSR) has been tracking these efforts and will use this bulletin to provide bimonthly updates on significant developments. We hope it will serve as a tool for making connections and sharing strategies within this growing movement. We encourage readers to share news and resources by sending email to smitchell@ilsr.org.

ILSR is a nonprofit organization providing research, analysis, and innovative policy solutions for building healthy communities and strong local economies. This bulletin is part of ILSR's New Rules Project (http://www.newrules.org), which publishes a quarterly journal, The New Rules; several electronic bulletins on specific issues; and books, including The Home Town Advantage: How to Defend Your Main Street Against Chain Stores and Why It Matters. We also maintain a web-based clearinghouse of model public policies at http://www.newrules.org.

Another good source of news on local efforts to keep megastores at bay is the NewsFlash! section of the Sprawl-Busters web site (http://www.sprawl-busters.com). Additional links and organizations are listed at the end of each story.

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I. LOCALS VS. CHAINS

LOCAL STORES PRODUCE BIGGER ECONOMIC BENEFITS, SURVEY FINDS

Three times as much money stays in the local economy when you buy goods and services from locally owned businesses instead of large chain stores, according to an analysis by the Institute for Local Self-Reliance and Friends of Midcoast Maine.

The study tracked the revenue and expenditures of eight locally owned businesses in the Maine towns of Rockland, Camden, and Belfast. The businesses---which represented a range of goods and services---collectively employed 62 people and had sales of $5.7 million in 2002.

The survey found that the businesses spent 44.6 percent of their revenue within the surrounding two counties. Another 8.7 percent was spent elsewhere in the state of Maine. The four largest components of this local spending were: wages and benefits paid to local employees; goods and services purchased from other local businesses; profits that accrued to local owners; and taxes paid to local and state government.

All eight of the surveyed businesses banked with locally owned banks. They purchased inventory from local manufacturers, advertised in local newspapers, and hired local accountants, printers, internet service providers, and repair people.

The other 46.7 percent of their revenue left the state. This out-of-state spending included inventory purchased from out-of-state companies, mortgage interest, rent, credit card fees, supplies, insurance, and equipment leasing.

A similar expenditure profile was created for a major big box retailer with outlets in Maine. Because national retailers do not reveal detailed financial information, the study estimates local expenditures (payroll, supplies, services, utilities, taxes, etc.) based on national data, statements by company officials, and information on one of its Maine outlets. The study estimates that the chain returns just 14.1 percent of its revenue to the local economy, mostly in the form of payroll. The rest leaves the state, flowing to out-of-state suppliers or back to corporate headquarters.

From an economic development perspective, the ramifications of the study are substantial. Based on current growth rates, annual retail sales in the three cities will expand by $74 million over the next four years. If all of this additional spending were captured by new and expanding locally owned businesses, it would add $23 million more to the local economy each year than if all of the new spending were captured by chains.

The survey also found that the local businesses contributed more to charity than national chains. The eight businesses made $24,000 in cash donations, which amounts to 0.4 percent of their revenue. That's four times as much, relative to overall sales, as Wal-mart gave to charity in 2002, and twice as much as Target gave.

-- "The Economic Impact of Locally Owned Businesses vs. Chains: A Case Study in Midcoast Maine":
http://www.newrules.org/retail/midcoaststudy.pdf
-- Friends of Midcoast Maine: http://www.friendsmidcoast.org
-- A study earlier this year in Austin, Texas, reached similar conclusions:
http://www.newrules.org/hta/hta0203.htm

RETAIL SPRAWL IMPAIRING NATION'S WATERWAYS

As big box stores and chain retailers consume more and more undeveloped land, polluted runoff from their parking lots is placing an ever greater burden on the nation's rivers, lakes, and coastal waters. Storm water control measures and filtration systems produce only modest improvement, according to experts. A better solution is to channel commerce back into compact downtowns and neighborhood business districts, which are far less polluting.

Runoff from streets, parking lots, and rooftops now ranks as the top source of water pollution, ahead of industrial discharges, according to the U.S. Environmental Protection Agency.

Retail development produces more runoff, and the runoff contains a larger concentration of pollutants, than any other type of land use. New retail centers generate 20 percent more runoff than industrial uses and more than three times as much as residential. Retail runoff contains phosphorous, nitrogen, hydrocarbons, metals such as zinc, road salt, pesticides, and herbicides.

Shopping centers are the worst polluters because of the volume of traffic they generate and the amount of land they devote to parking lots. "From an environmental standpoint, parking lots rank among the most harmful land uses in any watershed," according to Tom Schueler of the Center for Watershed Protection. "Simply put, there is no other kind of surface in a watershed that produces more runoff and delivers it [to a local waterway] faster than a parking lot."

A 250,000-square-foot Wal-Mart supercenter would typically have a 16-acre parking lot. For every inch of rain, a 16-acre parking lot produces 413,000 gallons of storm water. Over the course of a year, it will send 240 pounds of nitrogen, 32 pounds of phosphorus, and 5 pounds of zinc into the nearest waterway.

Runoff causes rivers to erode and flood, alters stream channels and habits, and raises water temperatures. Runoff pollutants lower dissolved oxygen levels and reduce the diversity and abundance of fish and aquatic insect species. According to large body of research, severe water quality degradation occurs when the amount of impervious surface in a watershed reaches as little as 10-15 percent of total land area.

Compounding the problem is the fact that corporate retailers are consuming more and more land to build the biggest stores and latest shopping formats. Retail space per capita has tripled over the last twenty years. Every new store means more roads and more parking lots. Meanwhile, thousands of older malls and big box stores are now vacant----while their parking lots continue to deliver runoff to nearby streams and rivers.

Finally, it's worth noting that some of the major chains have a poor history of complying with runoff regulations. Legal action has been taken against Wal-Mart in several states for multiple violations of the Clean Water Act. The Connecticut Attorney General described the violations in his state as "irresponsible and reprehensible." They resulted in pesticides, fertilizers, and other pollutants entering waterways and causing a "serious threat to water quality and public health."

More stringent regulations and enforcement---such as requiring developers to install ponds and filtration systems---are important, but at best these systems produce only modest improvements. As Dana Beach of the South Carolina Coastal Conservation League notes, "Abundant research over the past three decades has proven that site-level practices, in the absence of land-use reforms, cannot protect aquatic ecosystems from decline."

The only real solution is to limit the amount of impervious surface in a watershed. According to Tom Schueler of the Center for Watershed Protection, "The best way to minimize the creation of additional impervious area at the regional scale is to concentrate it in high density clusters or centers." This means channeling retail activity back into downtowns and neighborhood shops.

These traditional, compact business districts produce far less polluted runoff than conventional shopping centers and big box stores. Multi-story buildings reduce the footprint of buildings. Higher densities and greater access for pedestrians and public transit mean significantly less land devoted to roads and parking lots.

Local and state governments can reinvigorate downtown commerce and protect waterways by revising their land use and economic development policies to prevent excessive retail development, limit auto-oriented big box retailers, support small-scale, pedestrian-oriented stores, and channel new investment into downtowns and neighborhood business districts.

-- The New Rules web site provides examples of these kinds of policies at
http://www.newrules.org/retail/index.html
-- The Local Government Environmental Assistance Network has developed an on-line tool that enables users to assess the water quality impact of development. Enter some basic information about the site and the proposed development, and the tool will estimate the volume of runoff and amount of various pollutants:
http://www.ecn.purdue.edu/runoff/lthianew/Index.html
-- Tom Schueler, The Center for Watershed Protection, “The Importance of Imperviousness," *Watershed Protection Techniques*, Fall 1994:
http://www.cwp.org/Practice_Articles.htm
-- Dana Beach, "Coastal Sprawl: The Effects of Urban Design on Aquatic Ecosystems in the United States," (Pew Oceans Commission, 2002):
http://www.pewoceans.org/oceanfacts/2002/04/12/fact_25649.asp

AS POLICE COSTS RISE, TOWNS RECONSIDER BIG BOXES

"When . . . a large development wants to be in your town, you see the tax values surrounding that. . . I think the tendency is to think this is really going to give us a solid foundation," George Fowler, mayor of Pineville, North Carolina, told the Charlotte Observer. "But you don't realize at that particular point the impact it's going to have on the services you have to provide."

Pineville is one of a growing number of towns that have added large retail stores in recent years only to find that the stores do not generate enough tax revenue to cover their impact on public services, particularly police costs.

Over the last decade, Pineville has attracted six million square feet of new retail, including a major shopping mall, big box stores, chain restaurants, and gas stations. Many communities aspire to have such a large commercial tax base in order to keep residential tax rates low.

But Pineville, home to 3,400 people, is struggling financially. The town takes in $2.3 million in property taxes, but spends almost all of it---$2.2 million---on its police force. The police spend most of their time dealing with crimes like shoplifting, bad checks, and credit card fraud originating at the shopping centers. Commercial property accounts for 96 percent of all police calls.

Desperate to control rising costs, Pineville has put the brakes on retail growth. It recently tightened its zoning rules and turned down two retail developments, including a Wal-Mart supercenter. The town concluded the store would require hiring two new police officers at a cost of $120,000 per year, but would generate just $100,000 in taxes.

Pineville hopes to attract more residential growth, but the traffic congestion and retail sprawl have made the town less attractive to families. Last year Pineville raised its residential tax rates.

Other towns struggling with rising public safety costs include East Lampeter, Pennsylvania, where District Justice Ronald Savage has added two days to the monthly court calendar just to deal with crimes at Wal-Mart, which account for about one-quarter of the town's non-traffic citations, criminal misdemeanors, and felony complaints.

The volume of police calls in West Sadsbury, Pennsylvania, jumped 27 percent following the opening of a Wal-Mart. In Vista, California, Sheriff's Lt. Grant Burnett says shoplifters at a new Wal-Mart have been a major contributor to the 24 percent rise in the town's crime rate.

Downtown business districts do not generate the same level of crime for several reasons. They are not open 24 hours a day. Criminals passing through seem to prefer the anonymity of a Wal-Mart store along the highway to the intimacy of Bob's Hardware on Main Street. Local retailers, moreover, do not call the police for every bad check or shoplifting incident, while chain stores have a policy of prosecuting every offense.

-- These are just the latest examples of the public costs of chain retailers. For more, read our last article on this subject, "Big Box Sprawl Causes Sharp Rise in Police Costs": http://www.newrules.org/hta/hta0802.htm

II. NATIONAL NEWS

SMALL MANUFACTURERS DENOUNCE BIG RETAILERS

Big retailers are increasingly coming under fire from small and mid-sized manufacturers. Last month, more than 1,000 employees and owners of small manufacturing firms attended a rally in Connecticut to denounce Wal-Mart, Home Depot, Target, and other chains for forcing large manufacturers to move their factories to China.

As large manufacturers abandon their domestic operations, the small firms that once supplied them with parts are forced to downsize or close. "The major retailers and big manufacturers are doing us in," explained rally-organizer Fred Tedesco, owner of Pa-Ted Spring Co. in Bristol. "They're destroying small- and medium-sized businesses. They're destroying jobs. They're destroying the middle class."

The rally was organized by a new coalition of small manufacturers called Mad in the USA. The group's goals include reforming U.S. trade policy, educating the public about the practices of major retailers, and encouraging people to buy locally produced goods. Several unions have expressed interest in partnering with the coalition.

Wal-Mart now does so much business in China that it ranks as the country's 8th largest trading partner, ahead of Britain and Russia. About 10 percent of the U.S. trade deficit with China can be attributed to Wal-Mart's imports.

Small manufacturers complain that big retailers are not only shifting production overseas, but routinely mistreat U.S. producers. Tedesco contends the chains often order large quantities of a product at a steep volume discount and then cancel the remainder of the order after the first shipment, keeping the volume discount and leaving the producer with the excess inventory. The manufacturers rarely complain publicly, Tedesco said, because they fear reprisals.

Coalitions similar to Mad in the USA are beginning to form elsewhere. Manufacturers for Fair Trade, a new alliance of small firms in Pennsylvania, hopes to influence trade policy and the 2004 presidential race. "Large corporations have the money to be at [President] Bush's table," said Dan Jepson, owner of Jepson Precision Tool and one of the founders of the alliance. "We don't have the money, but by God we've got the votes."

-- Mad in the USA: http://www.madinusa.org
-- Manufacturers for Fair Trade: http://www.mftcoalition.org

WAL-MART DISTRIBUTION CENTERS CAPTURE $150 MILLION IN SUBSIDIES

Since the 1980s, Wal-Mart has received at least $150 million in local, state, and federal subsidies to build 47 distribution centers in 32 states, according to a study by The Palm Beach Post.

Only those subsidies that have been quantified in published reports were counted. "That number likely grows by tens of millions when unquantified breaks, such as government bond financing for construction, and ongoing breaks, such as those given to businesses in enterprise zones, are included," the newspaper notes.

The Post only reviewed subsidies for distribution centers. It did not examine the hundreds of millions of dollars in tax breaks and incentives Wal-Mart has received for its retail stores.

Wal-Mart currently has 84 distribution centers in the U.S.. The retailer has been building new centers at a furious pace to support new stores and its expansion into groceries.

Wal-Mart generally expects to receive government assistance for new distribution facilities and sometimes plays neighboring towns against one another to get the best deals. The centers vary in size from about 400,000 square feet to well over 1 million. They employ anywhere from 150 to 1,000 people at wages of about $8-$10 an hour.

Among the biggest subsidies documented by the report: $17 million in state and local incentives for distribution center in Lewiston, Maine; a $9 million handout in Bartlesville, Oklahoma; and $8.9 million free land and tax credits provided in Macclenny, Florida.

Earlier this year, activists in Killingly, Connecticut, had to file a Freedom of Information Act request to make public the details of $46 million in state and local subsidies earmarked for a Wal-Mart distribution center. Public outcry led the Killingly zoning board to effectively kill the project by denying a request to rezone the property.

Such subsidies are rarely, if at all, made available to locally owned businesses and their distributors. This has given Wal-Mart an unfair advantage in the market. Moreover, there's little to justify the subsidies from an economic development standpoint. While distribution centers may boost employment locally, these new jobs generally come at the expense of existing distribution jobs in the surrounding region. Dozens of supermarket distributors have gone out of business since Wal-Mart began selling groceries.

RADIO STATIONS REFUSE TO PULL ANTI-WAL-MART ADS

Five radio stations in St. Louis are refusing Wal-Mart's demand that they pull ads critical of the company's labor practices. The ads, sponsored by the United Food and Commercial Workers Union Local 655, discuss working conditions, wages, and lack of health care at Wal-Mart stores. Wal-Mart claims the ads are false and misleading, but the UFCW stands behind their accuracy.

Wal-Mart appears increasingly concerned about its public image. Constance Hays recently reported in the New York Times that the company has hired consultants to examine its image and commissioned ads to counter criticism from community groups and labor unions. "It is the first time that Wal-Mart, known for parsimony in its business practices, has invested in "reputation research" . . . and then spent more money to try to repair the distressing aspects of what it found," Hays wrote.

The company is currently running three national television ads that feature female employees talking about the benefits of working for Wal-Mart. Presumably the ads are designed to counter negative publicity stemming from a large gender discrimination suit filed against the retailer.

III. LOCAL BATTLES

CONTROVERSIAL MALL WILL NOT BOOST JOBS OR REVENUE, STUDY SAYS

Developers of a massive shopping center in Leominster, Massachusetts, claim the project will create 869 new jobs and boost the city's property tax revenue by $400,000 annually.

But a study by a nationally recognized land use economist has found that the development will destroy about as many jobs as it creates and provide the city with only $51,000 in additional revenue. To put that into perspective, if the new revenue were used to cut residential property taxes, each of the city's 17,000 households would save just $3 annually.

The study, "The Fiscal and Economic Impact of a Proposed Shopping Center Project on the City of Leominster," was conducted by Dr. Thomas Muller, who has authored dozens of economic and fiscal impact studies of big box retail and other types of development.

The study was commissioned by Leominster First, a grassroots group fighting the proposed 510,000-square-foot shopping center. The project is to include a Wal-Mart supercenter, a Lowe's, a department store such as Kohl's, and four chain restaurants.

Muller concludes that, like much of the country, Leominster already has more retail than residents can support. Several big box stores were built in the late 1990s. There are ten Wal-Marts within a 25 mile radius.

The new center would dramatically worsen the situation. Its projected annual sales of $185 million are equivalent to 77 percent of the local market's current sales in building materials, groceries, and general merchandise. The new restaurants would add 1,000 seats, increasing the city's dining capacity by one-third.

Since neither population nor incomes are growing, according to Muller, sales at the new shopping center would come entirely at the expense of existing businesses. Competing stores within a 5-6 mile radius would lose $104 million in revenue. Those 5-6 miles further out would lose $72 million. Only 5 percent of the center's sales would come from outside the local market.

Because of the development's impact on existing businesses, the 869 jobs created by the center will be offset by about the same number of job losses. "The net long-term employment impact of the proposed center will be minimal," Muller notes. "There may be a small employment net gain or net loss, depending on specific market conditions."

The development's tax benefits are also overstated. Muller concludes the developer inflates the shopping center's value. He estimates property tax revenue at $312,000, not $400,000. Moreover, because the center will reduce sales at existing businesses, property values will decline in other parts of the city, reducing tax revenue by $156,000. Add the cost of providing city services to the new development, and the city can expect a net gain of just $51,000.

The study mirrors dozens of other economic impact studies in recent years, which have also concluded that big box stores destroy about as many jobs and as much tax revenue as they create.

Leominster First hopes the study will persuade the Planning Board to reject the project. The citizens group has been packing public meetings and organizing expert testimony against the development.

-- Leominster First: http://www.leominsterfirst.org

IV. NEW RULES

HOMER, ALASKA, BANS BIG BOX RETAIL

The town of Homer, Alaska, has capped retail store sizes at no more than 20,000 square feet in its central business district and 40,000 square feet in other commercial areas. The measure will remain in effect until the Planning Commission implements permanent regulations setting impact standards and size limits for large-scale retail, expected within six months.

Homer, a community of 4,700 people on the breathtaking Kenai Peninsula, has no stores over 20,000 square feet, few chain retailers, and a multitude of healthy, locally owned businesses. Economic data reveal that the area has a larger concentration of small businesses than the rest of the peninsula, and higher sales per square foot.

Last November, the giant supermarket chain Kroger caused an uproar when it announced plans to build a 94,000-square-foot Fred Meyer store in an area the city hoped to develop as a community green space and town square. "The town center should reflect the people who live and work here," said resident Steve Powell. "There's nothing about Fred Meyer that reflects the town's heart or history."

The City Council passed a temporary moratorium on large-scale retail development and appointed a task force to recommend criteria and regulations for large stores.

The task force has drafted an ordinance for the Planning Commission to consider. It would require retail developments over 15,000 square feet to undergo a review and meet standards governing visual, traffic, environmental, community, and fiscal impacts. The community section includes impact on scenic and historic resources, employment, the downtown business district, local character, and surrounding towns. The fiscal impact section evaluates the development's projected tax revenue, demand on city services, and effect on nearby property values.

The ordinance seeks to prevent the construction of more retail space than the town can support. It reads: "The applicant shall demonstrate that the project will contribute to the financial health of Homer’s overall economy and that it will not precipitate the decline of existing retail business. The project shall demonstrate that . . . approximate annual sales per retail square foot within the City of Homer will not decrease more than one Standard Deviation. The Standard Deviation is the most stable measure of variability and it is calculated using Homer Gross Retail Sales and Homer’s annual Retail Space as obtained from the Kenai Peninsula Borough Community and Economic Development Division for the five most currently available years."

Developers pay a permit fee of $300 per 1,000 square feet to cover the city's cost of evaluating a project's impacts.

The Planning Commission is expected to consider the measure in the next few months. In addition to the impact review ordinance, it may also opt to make the size limits permanent.

-- Homer's size cap and draft impact standards:
http://www.newrules.org/retail/homer.html

SAN FRANCISCO CONSIDERS RESTRICTIONS ON 'FORMULA' BUSINESSES

San Francisco Board of Supervisors President Matt Gonzalez has introduced legislation requiring that neighbors be notified whenever a formula retail store or restaurant seeks to open in their neighborhood. Residents would have the option of requesting a public hearing and formal review by the Planning Commission. The law would also ban formula businesses entirely from the Hayes-Gough neighborhood, the district Gonzalez represents.

"Formula" businesses are legally defined as those that have standardized characteristics and methods of operation similar to other establishments. Many chains and franchise outlets qualify.

As we reported in the last issue of this Bulletin, an earlier measure sponsored by Gonzalez applied only to drugstores and coffee shops. After constituents complained that it did not go far enough, he returned with the current proposal covering all formula businesses.

"The increasing number of formula/chain stores has a homogenizing effect on our neighborhoods and makes it more difficult for local and independent businesses to have a foothold in the city," Gonzalez said, noting that his proposal furthers one of the eight priority policies in the city's master plan. The policy resolves that "existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced."

The measure is now before a subcommittee. It may be several months before a vote by the Board of Supervisors. Several smaller towns around the country have banned or restricted formula businesses. San Francisco would be the largest city to date to regulate them.

Meanwhile, in November, San Francisco voters will consider a measure to strengthen the city's Small Business Commission. The current commission is appointed by the mayor and has little real authority. The referendum proposal calls for writing the commission into the city's charter, making it an independent body, with its own budget, increased clout, and authority over the city's Small Business office. The referendum is backed by San Francisco Small Business Advocates and the Small Business Network.

-- Examples of formula business ordinances: http://www.newrules.org/retail/formula.html
-- San Francisco Small Business Advocates: http://www.smallbusinessadvocates.com
-- Small Business Network: http://www.sfsbn.org
-- New study on the economic value of the San Francisco's small businesses: http://www.cal-insure.com

SANTA MONICA LIMITS STOREFRONT SIZE ON PROMENADE

In an effort to prevent further consolidation of small storefronts into large chain outlets along the Third Street Promenade, the city of Santa Monica has adopted an ordinance that limits stores to no more than 50 linear feet of street frontage. The City Council has also directed city staff to compile data on the number of formula businesses in the district and draft options for limiting their proliferation.

The Third Street Promenade is a vibrant, three block long, pedestrian corridor of stores, restaurants, and theaters. The area was blocked to car traffic in the 1960s, but failed to attract shoppers and struggled with vacancies and decline for two decades. In the late 1980s, the district began to turn around. A diverse mix of small, one-of-a-kind stores started drawing crowds.

The Promenade's success caught the attention of corporate chains. They began opening outlets on the street in the 1990s, driving up rents and squeezing many local stores out. Barnes & Noble, Borders, Banana Republic, Pottery Barn, Restoration Hardware, Abercrombie & Fitch, Old Navy, and J Crew are among the retailers currently on the Promenade.

To accommodate their larger formats, the chains often combined several smaller storefronts into one large space, which has reduced the number and diversity of shops along the street. The 50-foot limit is designed to prevent further consolidation of storefronts.

-- Storefront Size Restriction Ordinance:
http://www.santa-monica.org/cityclerk/council/agendas/2003/20030909/s2003090907-E-1.htm

V. ALLIANCES & COOPERATIVES

MINNESOTA TOWN'S AD CAMPAIGN TAKES AIM AT CHAINS

"Secede from Starbucks Nation" is the tagline of a new advertising campaign by the small town of Excelsior, Minnesota. The tongue-and-cheek ads take jabs at chain stores and promote Excelsior as a place where one-of-a-kind, locally owned businesses are embraced.

The ads consist of hand-written letters to Starbucks, the Hard Rock Café, and Home Depot. The one to Home Depot reads, "Thank you for your interest in our fine lakefront town. . . But with all due respect, we think we have it covered when it comes to home improvement. You see, we already have a few hardware stores of our own and even our own paint shop."

It goes on, "We know you have shelves stocked up to the ceiling. . . But, no offence, you've never seen where we live. Chris at True Value has and knows exactly what we need."

Excelsior sits on the shores of Lake Minnetonka about 20 miles west of Minneapolis. A lakeside resort in the 19th century, the community has maintained a lively downtown of locally owned businesses, including clothing stores, a florist, printer, barber, ice cream parlor, and music shop.

"The only brand-name you'll recognize is Pizza Hut," said Linda Murrell, director of the Excelsior Area Chamber of Commerce, which sponsored the ads with the goal of drawing people tired of cookie-cutter chains to downtown Excelsior.

The ads caused quite a stir when they first appeared in a regional magazine in June. Murrell heard complaints from several of the Chamber's members, including a few independent retailers who said the ads would deter new businesses and make the town appear arrogant.

But the complaints disappeared once the ads started attracting shoppers and media attention. Stories have aired on several local radio and television stations. Both the Minneapolis Star

Tribune and the Minneapolis Business Journal gave Excelsior front page coverage. "I've never seen as much return on so little investment," said Chris Birt of Andrews/Birt, the firm that created the ads. The Chamber has spent a total of $7,000.

Activity in downtown Excelsior has increased noticeably. Several entrepreneurs are now interested in locating new businesses in Excelsior. "They all say, 'What a great ad campaign,'" Murrell noted. "I have said many times that advertising Excelsior as 'a charming little town on the lake with nice merchants and cute gift stores' doesn't grab anyone's attention."

-- To view the ads, follow the links under "Ads Promoting Independent Businesses" in the Resources section below.

VI. RESOURCES

ADS PROMOTING INDEPENDENT BUSINESSES

The New Rules Project has begun to assemble an on-line "slide show" of advertisements, bumper stickers, and other items that encourage people to support locally owned businesses. So far, our collection includes 19 examples from around the country. We hope readers will send us more (contact Stacy Mitchell at smitchell@ilsr.org).

-- To view the slide show: http://www.newrules.org/retail/slides/index.html
-- Or view images one by one: http://www.newrules.org/retail/slides/indexolder.html

REPORT TRACKS WEAKENING OF STATE TIF LAWS

A new report from Good Jobs First reveals that many states have weakened the criteria for establishing tax increment financing (TIF) districts. TIF was originally intended to spur development in poor neighborhoods, but many states have broadened the criteria, allowing subsidies to flow to more affluent, suburban locations. The number of TIF districts has since mushroomed. Many include big box retail. The report also highlights a handful of states that have instead tightened their TIF laws and channeled subsidies to impoverished areas.

-- "Straying from Good Intentions" http://www.goodjobsfirst.org/straying.pdf

INDEPENDENT BUSINESSES, UNITE!

In Business magazine article on independent business alliances by Stacy Mitchell.
http://www.ilsr.org/columns/2003/inbusiness.pdf

IN WAL-MART'S AMERICA

Washington Post op-ed on how Wal-Mart's destroying the middle class by Harold Meyerson.
http://www.commondreams.org/views03/0827-06.htm

UPCOMING EVENTS

October 3, Denver, Colorado
Stacy Mitchell of the Institute for Local Self-Reliance and Valecia Crisafulli of the National Main Street Center will be presenting a session on "Locally Owned Retail: A Revival" at the National Trust for Historic Preservation annual conference from 1:30 to 3:00 p.m. The session will examine the true costs of chain stores and will outline strategies for revitalizing downtowns and expanding locally owned retail.
-- http://www.nthpconference.org

October 8, St. Croix Falls, Wisconsin
Stacy Mitchell of the Institute for Local Self-Reliance will be talking about the impact of big box stores on Main Street and what communities can do to reverse the trends at a public forum organized by the Polk County Green Party. The event will be held at 7 p.m. at the Polk County Information Center (intersection of US Hwys. 8 & 35) in St. Croix Falls.

October 11, Oakland, California
Jennifer Rockne, director of the American Independent Business Alliance, will be presenting a session on "Localizing Economics and Community Investment" at the Empowering Democracy Conference:
-- http://empoweringdemocracy.org

October 14, Grand Rapids, Michigan
Judy Wicks, owner of the White Dog Cafe in Philadelphia and co-chair of the Business Alliance for Local Living Economies, will talk about re-building our local economies.
-- http://www.livingeconomies.org/balle/calendar/eventDetail.cfm?eventId=104

October 14, Flagstaff, Arizona
Jeff Milchen, co-founder of the American Independent Business Alliance, will be presenting "Supporting Positive Alternatives (Locally-Owned Businesses) with an Independent Business Alliance" at a public forum.
-- Contact Sandra Lubarsky at Sandra.Lubarsky@ nau.edu

October 30th, Montpelier, Vermont
Stacy Mitchell of the Institute for Local Self-Reliance and Paul Bruhn of the Preservation Trust of Vermont will present a new report on how to strengthen locally owned retail in Vermont at the annual Vermont Downtown Conference. The report outlines 50 innovative planning policies and revitalization strategies gathered from around the country.
-- http://www.dhca.state.vt.us/DHP/programs/downtown.html

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