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Editorial: Wal-Mart, Too big to succeed

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Our view: Large companies that want to come to Chico or expand there will think twice after seeing the excessive demands made on another business.

So Wal-Mart has been denied an expansion of its Forest Avenue store by the Chico City Council. No surprise there. We're fairly certain the nation's largest retailer will survive.

What about Chico's reputation? Will businesses be afraid of relocating here knowing that the council — the majority of them anyway — plays favorites? The very clear message from the council is, if we like you, we'll let you prosper. If we don't like you, forget it.

We heard a lot this year about banks and car companies that were deemed too big to fail. In the council's eyes, Wal-Mart is too big to succeed.

The council, sensing deep pockets, started piling on at a meeting in late September. It told Wal-Mart, in effect, "You're rich. Cough up some dough and we'll approve your expansion."

We call it extortion. Councilors Andy Holcombe and Scott Gruendl say, sorry, that's just the way we in Chico do business.

That caused Mary Flynn, who seemed firmly against the expansion from the beginning, to get a little squeamish. She recognized the council was discriminating against Wal-Mart by asking for more civic gifts than the council asked of others — for example, Costco.

Flynn also served on the city's economic development committee and thus better understands the importance of creating jobs and being fair and evenhanded toward companies that want to do business here. Kudos to Flynn for having the intelligence to see that and the courage to change her mind and endure the wrath of the anti-Wal-Mart crowd.

Alas, Flynn's vote wasn't enough to change the outcome. She sided with Larry Wahl and Jim Walker to allow the expansion. They were outvoted 4-3 by Holcombe, Gruendl, Tom Nickell and Ann Schwab.

Holcombe was fine with the environmental mitigation, but wanted more economic analysis than the reams of paper on the matter already provided by city staff. Gruendl, who commutes to work in Willows each day, was worried about air quality problems resulting from traffic to the store. Nickell wasn't ready to "trade one set of jobs for another," seeming to think it was his job to tilt the playing field in favor of some private concerns over others, rather than letting the marketplace decide. And Schwab was just plain upset that Wal-Mart didn't pay proper deference to her demand for a solar array. She's the mayor, after all!

Unless one of those four sees what a ridiculous precedent has been established and asks for a revote, Wal-Mart's expansion is dead.

The vote came the same week City Manager Dave Burkland reminded the council in a memo that Chico is a regional shopping hub for the north state, especially when it comes to discount department stores like Wal-Mart. He didn't specifically mention the upcoming vote on Wal-Mart's expansion, but the message was evident: Chico can't afford to lose that designation as a regional shopping hub.

That entreaty was ignored by four councilors.

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Now we'd guess Wal-Mart will forget about Chico and step up expansion of its Oroville store and maybe get cracking on the one in Paradise. Four Chico councilors will say that's perfectly fine with them. They won't make the connection when other retailers (like Macy's) decide it's just not worth the hassle to try to do business with Chico, or when they have to cut police officers and library hours because of a lack of sales tax revenue.

That's the way they do business in Chico.

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