



# **An Analysis of Taxable Retail Sales and Retail Business Permits in California Cities with **WAL\*MART** Supercenters**

Prepared for

Wal-Mart Stores, Inc.

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## Executive Summary

We were retained by Wal-Mart Stores, Inc. to perform an independent and objective analysis to quantify the city-wide *Taxable Retail Sales* in California communities where Wal-Mart Supercenters have opened during the period of 2003-2007. We also analyzed the number of *Retail Business Permits* in those same communities. We accomplished this through a comparative analysis of *Taxable Retail Sales* and *Retail Business Permits* from the years just prior to and the years just after the opening of the various Wal-Mart Supercenters. We also looked at data from subsequent years for those locations that have been opened for more than one year. Since data is only available through the end of 2007, we were able to perform these comparisons for the cities of 21 of the 32 Wal-Mart Supercenters in California (the remaining 11 Supercenters opened in 2007 or later).

The results of our analysis are as follows:

- In every city where Wal-Mart has opened a Supercenter in California, the city-wide *Taxable Retail Sales* (including apparel stores, general merchandise stores, grocery stores, home furnishing and appliance stores, and other retail stores) have increased in the year following the opening of the Supercenter as compared to the *Taxable Retail Sales* of the year prior to the opening. Moreover, city-wide *Taxable Retail Sales* have continued to increase in each subsequent year in all communities that have had Wal-Mart Supercenters for multiple years.
- Increases of city-wide *Taxable Retail Sales* one year after the opening of the Wal-Mart Supercenter averaged over \$79 million compared to the year prior to the

opening for all communities (21 Supercenters). *Taxable Retail Sales* increases averaged 15.0% for all cities.

- Increases of city-wide *Taxable Retail Sales* two years after the opening of the Wal-Mart Supercenter averaged nearly \$123.9 million compared to the year prior to the opening for all locations opened more than one year (10 Supercenters). *Taxable Retail Sales* increases after two years averaged over 25.9% for the ten cities.
- Increases of city-wide *Taxable Retail Sales* three years after the opening of the Wal-Mart Supercenter averaged over \$206.2 million compared to the year prior to the opening for all locations opened for more than two years (3 Supercenters). *Taxable Retail Sales* increases after three years averaged over 39.6% for the three cities.
- Taxable sales for *Other Retail Outlets* (including restaurants and bars, building materials and farm implements, auto dealers and supply, and service stations) also increased in each community following the opening of Wal-Mart Supercenters. These increases averaged over \$72 million compared to the year prior to the opening for all locations with available data (15 Supercenters). This was an average increase of 10.5% for each city.
- Increases of taxable retail sales for *Other Retail Outlets* two years after the opening of the Wal-Mart Supercenter averaged over \$124.1 million compared to the year prior to the opening for all locations (with available data) opened more than one year (7 Supercenters). This was an average increase of 16.8% for each

city. Increases of taxable retail sales for *Other Retail Outlets* three years after the opening averaged over \$204 million (3 locations), with an average increase of 30.4% per city.

- When combined, city-wide *Taxable Retail Sales* and *Other Retail Outlets* (“total taxable retail sales”) one year after the opening of the Wal-Mart Supercenter increased by an average of \$157 million when compared to the year prior to the opening (15 Supercenter locations). The total taxable retail sales increased even more dramatically after two years to an average of \$271.6 million per city (7 Supercenter locations). After three years, total taxable retail sales increased even further to an average of \$410.3 million per city (3 locations).
- In 18 of 21 communities, the number of *Retail Business Permits* increased in the year following the opening of the Wal-Mart Supercenter when compared with the year prior to the opening. The average increase in the number of Retail Business Permits was 32.7 per community. Slight declines occurred in Gilroy (from 516 to 508), Palm Desert (from 1446 to 1388), and Palm Springs (from 881 to 803). However, these were offset in those communities by sizable gains in *Retail Business Permits* two years following the opening of the Wal-Mart Supercenter—Gilroy (up to 517), and Palm Springs (up to 840).
- In 9 of 10 communities, the number of *Retail Business Permits* increased two years following the opening of the Wal-Mart Supercenter when compared with the year prior to the opening. The average increase was 65.8 Retail Business Permits per city. This is double the increase after only one year and reflects a total increase of 658 new *Retail Business Permits* across 10 cities and an average

increase of 8.2% per city. Additionally, the number of *Retail Business Permits* increased three years following the opening in all three communities, nearly doubling again to an average of 130.3 *Retail Business Permits* per city or a 15.7% increase.

- Regardless of population, all California communities which opened a Wal-Mart Supercenter also enjoyed sizeable gains in city-wide *Taxable Retail Sales*. Cities with populations over 50,000 had an average increase of nearly \$91 million; cities with populations under 50,000 had an average increase of more than \$64.2 million; and cities with populations under 25,000 had an average increase of more than \$34.4 million.
- Central Valley and Imperial Valley communities, where economic growth is historically the slowest in the state, experienced strong city-wide *Taxable Retail Sales* gains after the opening of Wal-Mart Supercenters. From the north to the south through the Central Valley, Anderson has seen an increase of \$51.2 million or 37%; Marysville—\$8.9 million or 6.6%; Yuba City—\$35.2 million or 7.9%; Dixon—\$27.8 million or 17.4%; Stockton—\$122.3 million or 21.4%; Dinuba—\$49.9 million or 12.8%; and Hanford—\$32.4 million or 10%. In addition, the Imperial Valley cities of Calexico and El Centro have seen increases of \$38.5 million or 18.4% and \$61.8 million or 16.1% respectively. Just as impressive, all of the aforementioned communities also experienced a gain in the number of *Retail Business Permits* over this same period.

Based upon our analysis of the available data and information, we believe that the presence of Wal-Mart Supercenters across California has provided various positive

economic benefits to their local economies. City-wide *Taxable Retail Sales* have increased, often dramatically, in every California community where Wal-Mart has opened a Supercenter. In addition, these increases in *Taxable Retail Sales* were not solely the result of Wal-Mart's presence, but also the result of other new businesses opening in the same communities. Furthermore, the opening of Wal-Mart Supercenters also enhanced the taxable sales of *Other Retail Outlets* such as restaurants, auto dealers, and service stations. Thus, increased retail traffic brought on by the opening of Wal-Mart Supercenters appears to have resulted in sizable sales gains for other related service providers.

In addition, the benefits of the greater *Taxable Retail Sales* were not limited to metropolitan or suburban communities. Economically challenged rural areas such as the Central Valley and Imperial Valley both experienced strong increases in *Taxable Retail Sales* and in the number of *Retail Business Permits* after the opening of Wal-Mart Supercenters in their communities. In sum, the presence of Wal-Mart Supercenters in any California community appears to enhance the local community as it relates to increased *Taxable Retail Sales* and increased numbers of *Retail Business Permits*.



## I. Introduction<sup>1</sup>

In this report, we provide a comparative analysis of the changes in the local *Taxable Retail Sales* and the *Retail Business Permits* for each community that Wal-Mart has opened a Supercenter in California. To this end, we first provide a general perspective on Wal-Mart's operations in the state of California.

As of August 2008, Wal-Mart has 32 Supercenters, 139 Discount Stores, 36 Sam's Clubs, and 7 distribution centers in California.<sup>2</sup> As of September 2008, the total number of Wal-Mart associates (employees) in California is 72,893, with an average hourly wage of \$11.38 for regular full-time associates. In its Fiscal Year 2008 (February 1, 2007 – January 31, 2008), Wal-Mart Stores, Inc. spent \$26,667,718,003 for merchandise and services with 3,743 suppliers in the state of California, supporting 249,175 supplier jobs.<sup>3</sup> The sales tax collected on behalf of the state of California by Wal-Mart amounts to more than \$831.5 million, and Wal-Mart itself paid more than \$147.4 million in state and local taxes to the state of California and other various local governments.

## II. Objective of Report

The objective of this report is to identify, quantify, and analyze changes to the city-wide *Taxable Retail Sales* and *Retail Business Permits* in California communities where Wal-Mart has opened new Supercenters or expanded an existing Wal-Mart Discount Store into a Supercenter. The information generated by this analysis demonstrates positive measures of the value as well as potential public benefits to

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<sup>1</sup> This section is based on the California section at WalMartFacts.com (<http://walmartstores.com/FactsNews/StateByState/State.aspx?id=5>), downloaded October 28, 2009

<sup>2</sup> The average size of a Supercenter is 185,000 sq. ft., about 80% larger than the average size of a Discount Store. A Supercenter provides, on average, 142,000 items about 18% higher than a discount store.

<sup>3</sup> Supplier figures are provided by Dun & Bradstreet.

stakeholders and municipal leaders of the presence of Wal-Mart Supercenters within their communities across California.

### III. Major Findings

- In every city where Wal-Mart has opened a Supercenter in California, the city-wide *Taxable Retail Sales* (including only the sales from apparel stores, general merchandise stores, grocery stores, home furnishing and appliance stores, and other retail stores<sup>4</sup>) have increased in the year following the opening of the Supercenter as compared to the *Taxable Retail Sales* of the year prior to the opening. Moreover, *Taxable Retail Sales* have continued to increase in each subsequent year in all communities that have had Wal-Mart Supercenters for multiple years.
- Increases of city-wide *Taxable Retail Sales* one year after the opening of the Wal-Mart Supercenter averaged over \$79 million compared to the year prior to the opening for all communities (21 Supercenters). *Taxable Retail Sales* increases averaged 15.0%.
- Increases of city-wide *Taxable Retail Sales* two years after the opening of the Wal-Mart Supercenter averaged nearly \$123.9 million compared to the year prior to the opening for all locations opened more than one year (10 Supercenters).

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<sup>4</sup> These are five categories of retail businesses that the California Board of Equalization provides quarterly and annual reports on the value of taxable retail sales. We chose these categories for analysis since they most closely correlate with the types of retail items sold in Wal-Mart Supercenters.

*Taxable Retail Sales* increases after two years averaged over 25.9% for the ten cities.

- Increases of city-wide *Taxable Retail Sales* three years after the opening of the Wal-Mart Supercenter averaged over \$206.2 million compared to the year prior to the opening for all locations opened for more than two years (3 Supercenters). *Taxable Retail Sales* increases after three years averaged over 39.6% for the three cities.
- Taxable retail sales for *Other Retail Outlets* (including only the sales from restaurants and bars, building materials and farm implements, auto dealers and supply, and service stations<sup>5</sup>) also increased in each community following the opening of Wal-Mart Supercenters. These increases averaged over \$72 million compared to the year prior to the opening for all locations with available data (15 Supercenters). This was an average increase of 10.5% for each city.
- Increases of taxable retail sales for *Other Retail Outlets* two years after the opening of the Wal-Mart Supercenter averaged over \$124.1 million compared to the year prior to the opening for all locations (with available data) opened more than one year (7 Supercenters). This was an average increase of 16.8% for each city. Increases of taxable retail sales for *Other Retail Outlets* three years after the opening averaged over \$204 million (3 locations), with an average increase of 30.4% per city.

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<sup>5</sup> These are four additional categories of retail businesses that the California Board of Equalization provides quarterly and annual reports on the value of taxable retail sales. Taxable retail sales data for *Other Retail Outlets* was only available from the Board of Equalization for 15 cities, including Calexico, Chino, El Centro, Gilroy, Hanford, Hemet, La Quinta, Palm Desert, Palmdale, Rosemead, Roseville, Sacramento, Santa Clarita, Stockton, and Yuba City.

- When combined, city-wide *Taxable Retail Sales* and *Other Retail Outlets* (“total taxable retail sales”) one year after the opening of the Wal-Mart Supercenter increased by an average of \$157 million when compared to the year prior to the opening (15 Supercenter locations). The total taxable retail sales increased even more dramatically after two years to an average of \$271.6 million per city (7 Supercenter locations). After three years, total taxable retail sales increased even further to an average of \$410.3 million per city (3 locations).
- In 18 of 21 communities, the number of *Retail Business Permits* increased in the year following the opening of the Wal-Mart Supercenter when compared with the year prior to the opening. The average increase in the number of *Retail Business Permits* was 32.7 per community. Slight declines occurred in Gilroy (from 516 to 508), Palm Desert (from 1446 to 1388), and Palm Springs (from 881 to 803). However, these were offset in those communities by sizable gains in *Retail Business Permits* two years following the opening of the Wal-Mart Supercenter—Gilroy (up to 517), and Palm Springs (up to 840)<sup>6</sup>.
- In 9 of 10 communities, the number of *Retail Business Permits* increased two years following the opening of the Wal-Mart Supercenter when compared with the year prior to the opening. The average increase was 65.8 *Retail Business Permits* per city. This is double the increase after only one year and reflects a total increase of 658 new *Retail Business Permits* across 10 cities and an average increase of 8.2% per city. Additionally, the number of *Retail Business Permits*

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<sup>6</sup> Since the Wal-Mart Supercenter in Palm Desert was opened in 2006, there is insufficient data on *Retail Business Permits* two years after the opening for this location.

increased three years following the opening in all three communities, nearly doubling again to an average of 130.3 *Retail Business Permits* per city or a 15.7% increase.

- Regardless of population, all California communities which opened a Wal-Mart Supercenter enjoyed sizeable gains in city-wide *Taxable Retail Sales*. Cities with populations over 50,000 had an average increase of nearly \$91 million; cities with populations under 50,000 had an average increase of more than \$64.2 million; and cities with populations under 25,000 had an average increase of more than \$34.4 million.
- Central Valley and Imperial Valley communities, where economic growth is historically the slowest in the state, experienced strong city-wide *Taxable Retail Sales* gains after the opening of Wal-Mart Supercenters. From the north to the south through the Central Valley, Anderson has seen an increase of \$51.2 million or 37%; Marysville—\$8.9 million or 6.6%; Yuba City—\$35.2 million or 7.9%; Dixon—\$27.8 million or 17.4%; Stockton—\$122.3 million or 21.4%; Dinuba—\$49.9 million or 12.8%; and Hanford—\$32.4 million or 10%. In addition, the Imperial Valley cities of Calexico and El Centro have seen increases of \$38.5 million or 18.4% and \$61.8 million or 16.1% respectively. Just as impressive, all of the aforementioned communities also experienced an increase in the number of *Retail Business Permits* over this same period.

## IV. Methodology

### A. Design

Identification and quantification of *Taxable Retail Sales* and *Retail Business Permits* for specific California cities was accomplished by analyzing detailed data provided by the California Board of Equalization in quarterly and annual reports and further compiled in the *California Retail Survey, 2008 Edition*, published by the Eureka Group (“Survey”). More specifically, the Survey provides detailed reports on each of California’s 58 counties and 272 of the largest cities. The Survey also provides summary coverage on 210 smaller cities across the state. Retail sales data contain eleven years of sales data for up to 45 individual retail store categories. In addition to historical sales and outlet trend data, the Survey also includes a wide range of statistical measurements that evaluate past performance of individual markets and the prospects for future growth. Data was available for all 21 California cities analyzed in this report, except where noted. Moreover, we also relied upon the most up-to-date California population statistics as provided by the California Department of Finance’s City/County Population Estimates with Annual Percentage Change for January 1, 2008.<sup>7</sup>

In order to best utilize the available data from the Survey, we determined that a comparative analysis of historical data was warranted. First, we identified the opening dates for each of the 21 Wal-Mart Supercenters analyzed in this report. Second, we reviewed and compiled the *Taxable Retail Sales* and *Retail Business*

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<sup>7</sup> [http://www.dof.ca.gov/research/demographic/reports/estimates/e-1\\_2006-07/documents/E-1table.xls](http://www.dof.ca.gov/research/demographic/reports/estimates/e-1_2006-07/documents/E-1table.xls), downloaded 10/29/2008

*Permits* data from the one year prior to the opening of each Supercenter. Third, we reviewed and compiled the *Taxable Retail Sales* and *Retail Business Permits* data from the year(s) after the opening of the Supercenter. Finally, we compared and analyzed this year-over-year data to come up with our results to determine the impacts upon each community.

## **B. Scope of Analysis**

As of the date of the writing of this report, local *Taxable Retail Sales* and *Retail Business Permits* data for California was available through the end of 2007. Therefore, the comparative analysis includes only 21 of 32 communities in California where Wal-Mart has opened or expanded Supercenters. These include the cities of Anderson, Beaumont, Calexico, Chino, Dinuba, Dixon, El Centro, Gilroy, Hanford, Hemet, La Quinta, Marysville, Palm Desert, Palm Springs, Palmdale, Rosemead, Roseville, Sacramento, Santa Clarita, Stockton, and Yuba City. The remaining 11 Wal-Mart Supercenters in California were opened in 2007 or later.

## **C. Data**

As outlined above, we relied upon historical data regarding *Taxable Retail Sales* and *Retail Business Permits* as compiled in the Survey. Since the first Wal-Mart Supercenters were built in California in 2004, we analyzed data starting in 2003 and ending in 2007. The Survey defines *Taxable Retail Sales* as those sales that include all retail transactions subject to California's sales tax. The Survey defines *Retail Business Permits* as any licensed business establishment that is

engaged to some degree in the sale of goods at retail, either from a storefront location, or mail order. Individual store locations that are part of a multi-store chain are each counted as individual retail outlets.

For the purposes of this comparative analysis and review, we identified the most appropriate individual retail store categories which best correlate with the items sold in a Wal-Mart Supercenter. These categories include Apparel stores; General Merchandise stores; Grocery stores; Home Furnishings and Appliance stores; and Other Retail stores. The Survey defines these as follows:

Apparel stores—includes outlets primarily engaged in the retail sale of new clothing and accessories.

General Merchandise stores—includes larger scale retailers, offering a broad range of consumer goods, including apparel for all ages, furniture and home furnishings, electric appliances, jewelry, and personal care products.

Grocery stores—includes food stores offering a wide range of grocery products, but do not also offer liquor for retail sale. However, many do sell a range of beer and wine beverages.

Home Furnishings and Appliance stores—includes retailers such as furniture, floor covering, curtain and upholstery, lighting and lamps, household appliances, consumer electronics, computers and software, and radio and other audio equipment.



Other Retail stores—includes gifts, art supplies, sporting goods, florists, photo equipment and supplies, musical instruments, stationary and books, jewelry, office and school supplies, and other specialties.

For additional comparative analysis, we also reviewed the data from *Other Retail Outlets* to determine the impact of the opening of a Wal-Mart Supercenter on these types of stores. Data for *Other Retail Outlets* was only available for the 272 largest cities in California. Therefore, only 15 of the 21 cities are analyzed in this study. *Other Retail Outlets* include Restaurants and Bars, Building Materials and Farm Implement stores, Auto Dealers and Supply stores, and Service Stations. The Survey defines these as follows:

Restaurants and Bars—includes eating places and bars offering a full-range of alcoholic beverages (beer, wine, and/or spirits) for on-premises consumption, and eating places that do not offer any type of alcoholic beverage, such as fast-food restaurants, ice cream shops, lunchrooms and cafeterias, and pizza restaurants.

Building Materials and Farm Implement store—includes lumber and building material stores, hardware stores, plumbing and electrical supply stores, paint, glass, and wallpaper outlets, farming/gardening supply stores, and farm equipment/implement and related supply stores.

Auto Dealers and Supplies—includes retailers that are predominantly involved in the sale of new and used automobiles, automobile parts and repair, and automobile parts and supplies.

Service Stations—includes retailers primarily engaged in the sale of gasoline and/or diesel fuel, auto parts and repair service, and a limited line of packaged and prepared convenience food.

## V. Results of Analysis

### A. Changes in Taxable Retail Sales and Retail Business Permits after One Year

In every city where Wal-Mart has opened a Supercenter in California, the city-wide *Taxable Retail Sales* have increased in the year following the opening of the Supercenter as compared to the city-wide *Taxable Retail Sales* of the year prior to the opening. Taxable sales for *Other Retail Outlets* also increased in each community following the opening of Wal-Mart Supercenters. In 18 of 21 communities, the number of *Retail Business Permits* increased in the year following the opening of the Wal-Mart Supercenter when compared with the year prior to the opening.

The results of our analysis of the changes in *Taxable Retail Sales* and *Retail Business Permits* as the result of the opening of a Wal-Mart Supercenter are presented in the Tables below and the details of the calculations are fully presented in Appendices A and B.

**TABLE 1**  
**CHANGES IN TAXABLE RETAIL SALES AND RETAIL BUSINESS**  
**PERMITS AFTER ONE YEAR (21 CITIES)**

City	Year Opened	Taxable Retail Sales Year Prior (\$000)	Taxable Retail Sales Year After (\$000)	Difference in Taxable Retail Sales (\$000)	Retail Permits Year Prior	Retail Permits Year After	Difference in Retail Permits
Anderson	2006	110,108 ('05)	161,263 ('07)	51,155	228 ('05)	230 ('07)	2
Beaumont	2006	137,595 ('05)	249,970 ('07)	112,375	360 ('05)	375 ('07)	15
Calexico	2005	209,086 ('04)	247,556 ('06)	38,470	1122 ('04)	1276 ('06)	154
Chino	2006	529,510 ('05)	584,790 ('07)	55,280	624 ('05)	669 ('07)	45
Dinuba	2006	170,608 ('05)	220,464 ('07)	49,856	173 ('05)	189 ('07)	16
Dixon	2005	159,319 ('04)	187,097 ('06)	27,778	189 ('04)	196 ('06)	7
El Centro	2006	384,067 ('05)	445,847 ('07)	61,780	353 ('05)	360 ('07)	7
Gilroy	2005	468,711 ('04)	558,486 ('06)	89,775	516 ('04)	508 ('06)	-8
Hanford	2006	323,568 ('05)	355,911 ('07)	32,343	422 ('05)	422 ('07)	0
Hemet	2004	284,158 ('03)	345,048 ('05)	60,890	452 ('03)	563 ('05)	111
La Quinta	2004	127,508 ('03)	265,583 ('05)	137,075	211 ('03)	312 ('05)	101
Marysville	2005	134,220 ('04)	143,132 ('06)	8,912	253 ('04)	267 ('06)	14
Palm Desert	2006	1,011,750 ('05)	1,046,665 ('07)	34,915	1446 ('05)	1388 ('07)	-58
Palm Springs	2005	194,817 ('04)	330,017 ('06)	135,200	881 ('04)	803 ('06)	-78
Palmdale	2005	652,514 ('04)	781,256 ('06)	128,742	1012 ('04)	1094 ('06)	82
Rosemead	2006	148,641 ('05)	148,662 ('07)	21	160 ('05)	228 ('07)	68
Roseville	2005	1,398,008 ('04)	1,525,211 ('06)	127,203	1561 ('04)	1625 ('06)	64
Sacramento	2006	2,091,995 ('05)	2,214,249 ('07)	122,254	3724 ('05)	3788 ('07)	64
Santa Clarita	2006	946,934 ('05)	1,050,176 ('07)	103,242	2518 ('05)	2572 ('07)	54
Stockton	2004	1,150,032 ('03)	1,395,756 ('05)	245,724	1829 ('03)	1848 ('05)	19
Yuba City	2006	443,893 ('05)	479,893 ('07)	35,222	515 ('05)	523 ('07)	8
<b>TOTAL CHANGE</b>				1,659,212			687
<b>AVERAGE CHANGE</b>				<b>\$79,010</b>			<b>32.7</b>

**Table 1** highlights the changes in *Taxable Retail Sales* and *Retail Sales Permits* one year after the opening of a Wal-Mart Supercenter. The average change in *Taxable Retail Sales* from the year prior to the opening to the year after the opening is \$79,010,000 per city. The average change in the number of *Retail Sales Permits* is 32.7 permits per city.

**TABLE 2  
CHANGES IN TAXABLE RETAIL SALES IN OTHER RETAIL  
OUTLETS (15 CITIES)**

City	Year Opened	Taxable Retail Sales Other Outlets Year Prior (\$000)	Taxable Retail Sales Other Outlets Year After (\$000)	Difference in Taxable Retail Sales Other Outlets (\$000)
Calexico	2005	149,895 ('04)	161,299 ('06)	11,404
Chino	2006	405,580 ('05)	412,829 ('07)	7,249
El Centro	2006	337,208 ('05)	375,905 ('07)	38,697
Gilroy	2005	496,410 ('04)	513,994 ('06)	17,584
Hanford	2006	271,616 ('05)	281,556 ('07)	9,940
Hemet	2004	401,389 ('03)	562,080 ('05)	160,691
La Quinta	2004	249,358 ('03)	337,527 ('05)	88,169
Palm Desert	2006	305,587 ('05)	362,170 ('07)	56,583
Palmdale	2005	649,629 ('04)	698,543 ('06)	48,914
Rosemead	2006	117,817 ('05)	119,299 ('07)	1,482
Roseville	2005	1,857,362 ('04)	2,006,830 ('06)	149,468
Sacramento	2006	1,947,786 ('05)	2,034,250 ('07)	86,464
Santa Clarita	2006	1,339,344 ('05)	1,436,893 ('07)	97,549
Stockton	2004	1,361,242 ('03)	1,652,249 ('05)	291,007
Yuba City	2006	384,068 ('05)	399,260 ('07)	15,192
<b>TOTAL CHANGE</b>				1,080,393
<b>AVERAGE CHANGE</b>				<b>\$72,026</b>

**Table 2** highlights the changes in *Taxable Retail Sales of Other Retail Outlets* one year after the opening of a Wal-Mart Supercenter. The average change in *Taxable Retail Sales of Other Retail Outlets* from the year prior to the opening to the year after the opening is \$72,026,000 per city.

## B. Changes in Taxable Retail Sales and Retail Sales Permits after Multiple Years

In those cities where Wal-Mart has opened a Supercenter in California and been open for more than one year, the city-wide *Taxable Retail Sales* have increased in all years following the opening of the Supercenter as compared to the city-wide *Taxable Retail Sales* of the year prior to the opening.

**TABLE 3**  
**CHANGES IN TAXABLE RETAIL SALES AND RETAIL BUSINESS PERMITS**  
**AFTER TWO YEARS (10 CITIES)**

City	Year Opened	Taxable Retail Sales Year Prior (\$000)	Taxable Retail Sales Two Years After (\$000)	Difference in Taxable Retail Sales (\$000)	Retail Permits Year Prior	Retail Permits Two Years After	Difference in Retail Permits
Calexico	2005	209,086	263,031	53,945	1122	1290	168
Dixon	2005	159,319	207,303	47,984	189	204	15
Gilroy	2005	468,711	573,039	104,328	516	517	1
Hemet	2004	284,158	368,938	84,780	452	552	100
La Quinta	2004	127,508	317,312	189,804	211	427	216
Marysville	2005	134,220	145,851	11,631	253	263	10
Palm Springs	2005	194,817	341,704	146,887	881	840	-41
Palmdale	2005	652,514	808,576	156,062	1012	1100	88
Roseville	2005	1,398,008	1,562,397	164,389	1561	1643	82
Stockton	2004	1,150,032	1,428,887	278,855	1829	1848	19
<b>TOTAL CHANGE</b>				1,238,665			658
<b>AVERAGE CHANGE</b>				<b>\$123,866</b>			<b>65.8</b>

**Table 3** highlights the changes in *Taxable Retail Sales* and *Retail Business Permits* two years after the opening of a Wal-Mart Supercenter. The average change in *Taxable Retail Sales* from the year prior to the opening to two years after the opening is \$123,866,000 per city. The average growth in the number of *Retail Business Permits* is 65.8 permits per city.

**TABLE 4**  
**CHANGES IN TAXABLE RETAIL SALES AND RETAIL BUSINESS PERMITS**  
**AFTER TWO YEARS (3 CITIES)**

City	Year Opened	Taxable Retail Sales Year Prior (\$000)	Taxable Retail Sales Three Years After (\$000)	Difference in Taxable Retail Sales (\$000)	Retail Permits Year Prior	Retail Permits Three Years After	Difference in Retail Permits
Hemet	2004	284,158	381,898	97,740	452	569	117
La Quinta	2004	127,508	333,451	205,943	211	446	235
Stockton	2004	1,150,032	1,465,076	315,044	1,829	1,868	39
<b>TOTAL CHANGE</b>				618,727			391
<b>AVERAGE CHANGE</b>				<b>\$206,242</b>			<b>130.3</b>

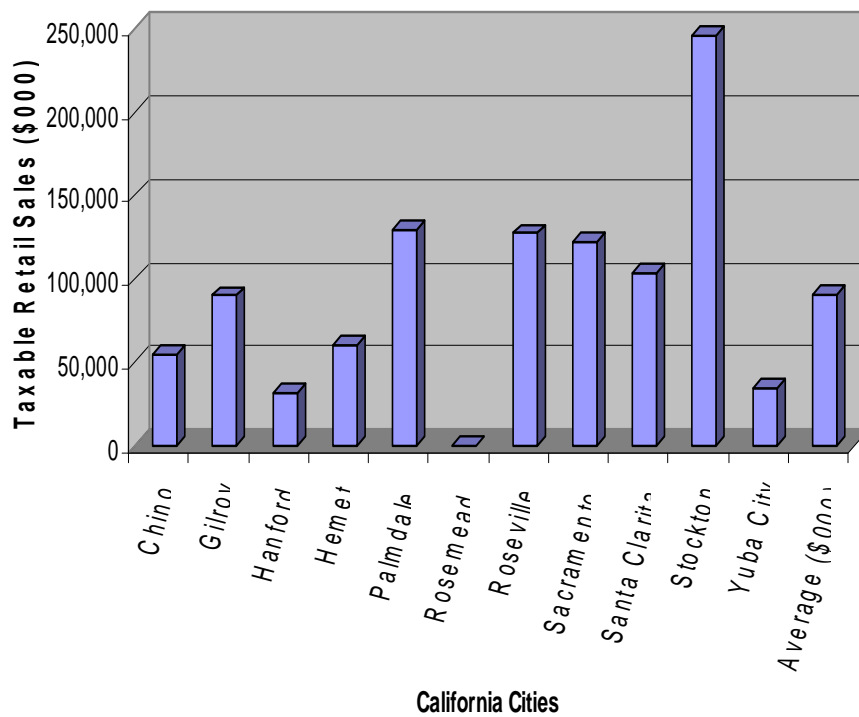
**Table 4** highlights the changes in *Taxable Retail Sales* and *Retail Business Permits* three years after the opening of a Wal-Mart Supercenter. The average change in *Taxable Retail Sales* from the year prior to the opening to three years after the opening is \$206,242,000 per city. The average growth in the number of *Retail Business Permits* is 130.3 permits per city.

### C. Changes in Taxable Retail Sales by Population

Regardless of population, all California communities with Wal-Mart Supercenters have enjoyed sizeable gains in city-wide *Taxable Retail Sales*. Cities with populations over 50,000 had an average increase of nearly **\$91 million** (TABLE 5); cities with populations under 50,000 had an average increase of more than **\$64.2 million** (TABLE 6); and cities with populations under 25,000 had an average increase of more than **\$34.4 million** (TABLE 7).

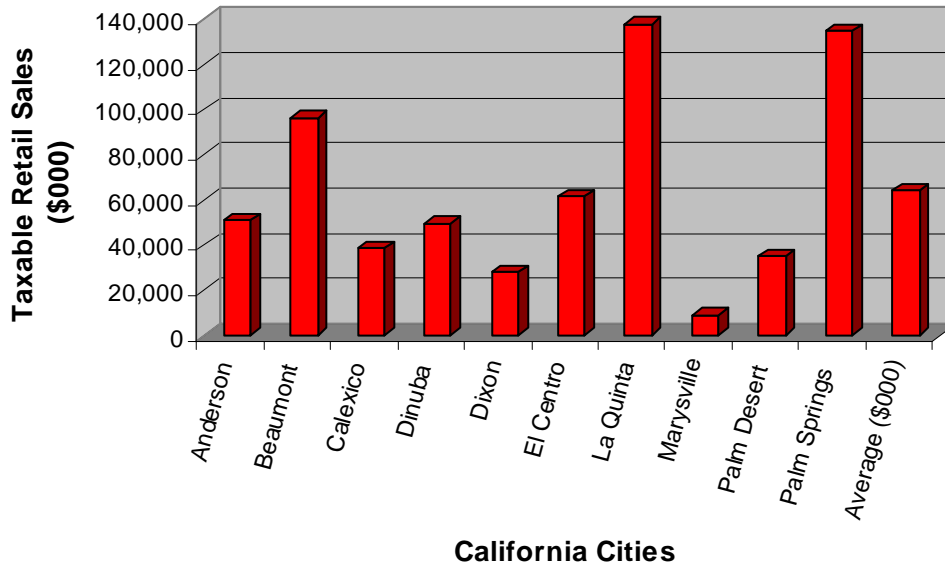
**TABLE 5**

**Difference in Taxable Retail Sales for Cities with Population greater than 50,000**



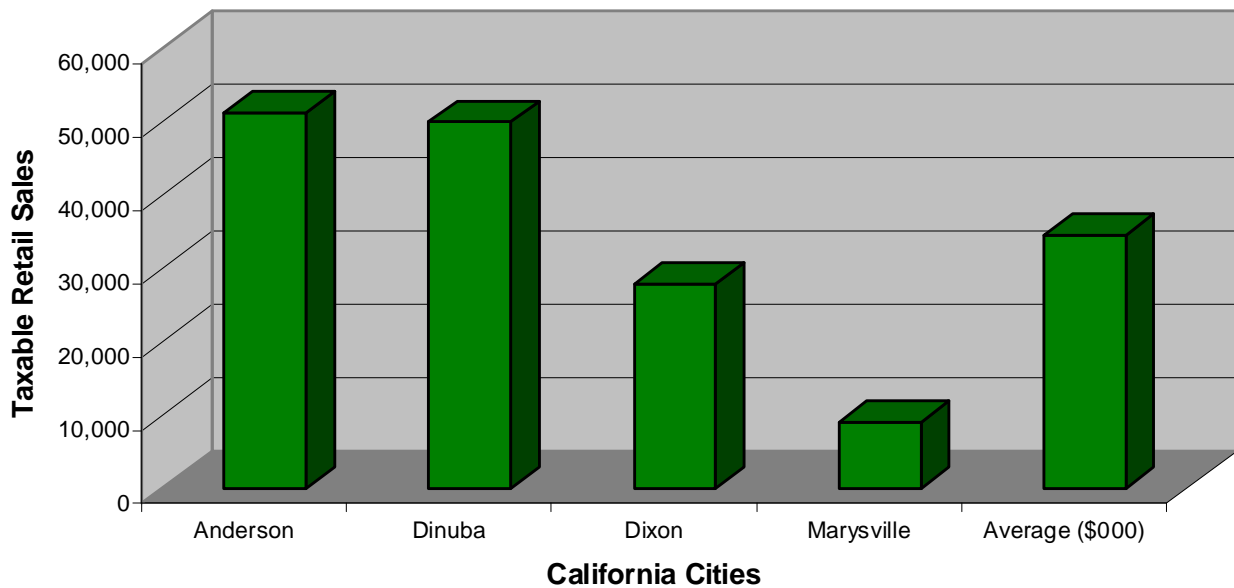
**TABLE 6**

**Difference in Taxable Retail Sales for Cities with Population less than 50,000**



**TABLE 7**

**Difference in Taxable Retail Sales for Cities with Populations less than 25,000**





## VI. Summary of Analysis

Based upon our analysis of the available data and information, we believe that the presence of Wal-Mart Supercenters across California has provided various positive economic benefits to their local economies. City-wide *Taxable Retail Sales* have increased, often dramatically, in every California community where Wal-Mart has opened a Supercenter. In addition, these increases in *Taxable Retail Sales* were not solely the result of Wal-Mart's presence, but also the result of other new businesses opening in the same communities. Furthermore, the opening of Wal-Mart Supercenters also enhanced the taxable sales of *Other Retail Outlets* such as restaurants, auto dealers, and service stations. Thus, increased retail traffic brought on by the opening of Wal-Mart Supercenters appears to have resulted in sizable sales gains for other related service providers.

In addition, the benefits of the greater city-wide *Taxable Retail Sales* were not limited to metropolitan or suburban communities. Economically challenged rural areas such as the Central Valley and Imperial Valley both experienced strong increases in *Taxable Retail Sales* and in the number of retail business permits after the opening of Wal-Mart Supercenters in their communities. In sum, the presence of Wal-Mart Supercenters in any California community appears to enhance the local community as it relates to increased *Taxable Retail Sales* and increased numbers of *Retail Business Permits*.

## Appendix A

Taxable Sales Data: <http://boe.ca.gov/news/tsalescont.htm> and *California Retail Survey, 2008 Edition, by the Eureka Group*

Population Data: [http://www.dof.ca.gov/research/demographic/reports/estimates/e-1\\_2006-07/documents/E-1table.xls](http://www.dof.ca.gov/research/demographic/reports/estimates/e-1_2006-07/documents/E-1table.xls)

Year prior to opening

% Change

Year after opening

City	County	Current Population (1/1/2008)	Expansion Date	2003* Retail Sales (\$000)	2004* Retail Sales (\$000)	2005* Retail Sales (\$000)	2006* Retail Sales (\$000)	2007* Retail Sales (\$000)	% Change from year prior to year after*	% Change from year prior to 2 years after*	% Change from year prior to 3 years after*	Retail Permit 2003	Retail Permit 2004	Retail Permit 2005	Retail Permit 2006	Retail Permit 2007	% Change in Sales Permits	Yr. over yr change in Sales Permits
Anderson	Shasta	10,579	6/14/2006	94,953	103,366	110,108	144,891	161,263	37.0			200	222	228	234	230	0.9	2
Beaumont	Riverside	31,477	3/22/2006	91,465	112,214	137,595	205,062	249,970	70.2			245	291	360	354	375	4.2	15
Calexico	Imperial	38,733	5/25/2005	202,929	209,086	227,090	247,556	263,031	18.4	25.8		1060	1122	1176	1276	1290	13.7	154
Chino	San Bernardino	82,670	8/23/2006	498,415	503,276	529,510	564,772	584,790	10.4			499	563	624	654	669	7.2	45
Dinuba	Tulare	20,993	5/3/2006	123,611	134,567	170,608	195,447	220,464	12.8			161	177	173	183	189	9.2	16
Dixon	Solano	17,577	11/2/2005	122,770	159,319	175,615	187,097	207,303	17.4	30.1		171	189	181	196	204	3.7	7
El Centro	Imperial	43,316	1/27/2006	267,387	300,868	384,067	421,640	445,847	16.1			266	269	353	357	360	2.0	7
Gilroy	Santa Clara	51,173	9/28/2005	370,942	468,711	532,237	558,486	573,039	19.2	22.3		498	516	516	508	517	-1.6	-8
Hanford	Kings	51,965	5/17/2006	265,944	283,515	323,568	347,443	355,911	10.0			400	410	422	412	422	0.0	0
Hemet	Riverside	74,185	10/27/2004	284,158	422,654	345,048	368,938	381,898	21.4	29.8	34.4	452	554	563	552	569	24.6	111
La Quinta	Riverside	42,958	3/3/2004	127,508	197,175	265,583	317,312	333,451	108.3	148.6	161.5	211	313	312	427	446	47.9	101
Marysville	Yuba	12,719	11/2/2005	n/a	134,220	143,668	143,132	145,851	6.6	8.7		n/a	253	247	267	263	5.5	14
Palm Desert	Riverside	50,907	6/28/2006	847,644	940,613	1,011,750	1,021,333	1,046,665	3.5			1266	1401	1446	1376	1388	-4.0	-58
Palm Springs	Riverside	47,251	10/26/2005	181,721	194,817	222,683	330,017	341,704	69.4	75.4		844	881	902	803	840	-8.9	-78
Palmdale	Los Angeles	147,897	8/31/2005 8/29/2007 E	544,080	652,514	735,772	781,256	808,576	19.7	23.9		942	1012	1104	1094	1100	8.1	82
Rosemead	Los Angeles	57,422	9/13/2006	132,069	141,763	148,641	139,863	148,662	0.0			n/a	n/a	160	n/a	228	42.5	68
Roseville	Placer	109,154	11/2/2005	1,210,821	1,398,008	1,498,463	1,525,211	1,562,397	9.1	11.6		1360	1561	1623	1625	1643	4.1	64
Sacramento	Sacramento	475,743	5/17/2006	1,937,945	1,984,564	2,091,995	2,138,603	2,214,249	5.8			3390	3562	3724	3758	3788	1.7	64
Santa Clarita	Los Angeles	177,045	1/27/2006	796,756	881,587	946,934	1,014,504	1,050,176	10.9			2103	2321	2518	2500	2572	2.1	54
Stockton	San Joaquin	289,927	10/20/2004	1,150,032	1,271,053	1,395,756	1,428,887	1,465,076	21.4	24.2	27.4	1829	1962	1848	1848	1868	1.0	19
Yuba City	Sutter	63,338	1/31/2006	381,009	400,170	443,893	462,833	479,115	7.9			478	496	515	515	523	1.6	8

AVG. CHANGE

15.0%

25.9%

39.6%

3.8%

32.7

\*These figures include only Taxable Retail Sales for Apparel stores, General Merchandise stores, Grocery stores, Home Furnishings and Appliance stores, and Other Retail stores.

## Appendix B

City	2003# Other Retail Sales (\$000)	2004# Other Retail Sales (\$000)	2005# Other Retail Sales (\$000)	2006# Other Retail Sales (\$000)	2007# Other Retail Sales (\$000)	Difference after one year (\$000)	Difference after two years (\$000)	Difference after three years (\$000)	Difference after 1 year total Taxable Retail Sales(\$000), excluding #
Calexico		149,895		161,299	170,313	11,404	20,418		38,470
Chino			405,580		412,829	7,249			55,280
El Centro			337,208		375,905	38,697			61,780
Gilroy		496,410		513,994	530,577	17,584	34,167		89,775
Hanford			271,616		281,556	9,940			32,343
Hemet	401,389		562,080	576,474	596,306	160,691	175,085	194,917	60,890
La Quinta	249,358		337,527	351,698	368,421	88,169	102,340	119,063	138,075
Palm Desert			305,587		362,170	56,583			34,915
Palmdale		649,629		698,543	723,642	48,914	74,013		128,742
Rosemead			117,817		119,299	1,482			21
Roseville		1,857,362		2,006,830	2,069,812	149,468	212,450		127,203
Sacramento			1,947,786		2,034,250	86,464			122,254
Santa Clarita			1,339,344		1,436,893	97,549			103,242
Stockton	1,361,242		1,652,249	1,611,898	1,659,469	291,007	250,656	298,227	245,724
Yuba City			384,068		399,260	15,192			35,222
<b>TOTAL</b>						1,080,393	869,129	612,207	1,273,936
<b>AVG. CHANGE (\$000)</b>						<u>72,026</u>	<u>124,161</u>	<u>204,069</u>	<u>84,929</u>

#These figures include only Taxable Retail Sales for Other Outlets--Restaurants and Bars, Building Materials and Farm Implements, Auto Dealers and Supply, and Service Stations.