



Editorial Comment

OFFICE OF COUNCILMEMBER

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Wal-Mart Hills or Ocean View Hills?

The actual cost for area residents of the market giant WalMart run much deeper than the average consumer catches sight of. Just like most of you, I work long hours. I am the main bread winner in my household with a stay-at-home wife and four children under the age of 6. So, please understand that I do appreciate lower retail prices, but as an elected decision maker, it is my duty to evaluate the much larger picture.

Fact: WalMart's second top selling store nationwide is in San Diego. As a matter of fact, it lies within my district. WalMart is located at 710 Dennery Road, just off of Palm Avenue and east of Interstate 805. Interestingly enough, it is situated on a parcel that was originally zoned for residential purposes. After initial project enhancements the property was amended to be zoned neighborhood serving retail, and today it is categorized regional serving retail. This was mainly due to Wal-Mart's proximity to the border resulting in a huge influx of south-of-the-border customers. This unplanned increase in consumers has caused an enormous bottleneck to traffic both on the freeway as well as in the neighborhood streets; thereby negatively affecting the quality of life to nearby residents. This WalMart's residual effects now require improvements to the area freeway, its' off ramps and nearby neighborhood streets. The estimated cost for these unexpected improvements is at \$42 million and growing. Unfortunately, these traffic impacts were not accurately foreseen, and the Otay Mesa community's facilities financing plan now must reflect this high cost.

I discovered this \$42 million shortfall when City staff recommended \$4 million of FBA monies be allocated for the "unplanned" freeway improvements. This large number alarmed me because I knew the City was short on cash to purchase and build neighborhood parks and a fire station that my constituents routinely and rightly inquire about. With very limited funds, only one or the other could be provided. I thought it was strange to allocate the money to enhance a relatively new interchange rather than build a

park or fire station. However, I soon learned the City and CalTrans have a legally binding agreement that compels the City to begin constructing each phase of the interchange based on the average daily trips to the Palm Promenade, where Wal-Mart is located. This agreement is well and good, except the devil, as always, is in the details: The proximity of this Wal-Mart to Mexican consumers was not thoroughly considered and now San Diegans must pay significantly for WalMart's low-prices and international appeal.

Due to WalMart's retail success, these freeway and street improvements are critical. But, how do we pay for them? The answer given to me by City staff is to increase developer fees. Bottom line, who really bears the burden of paying for these unexpected improvements? Sadly, it dwindles right down to those citizens purchasing homes in the Otay Mesa area. Regional housing developers will find it necessary to integrate these additional costs into the purchase price of their homes. In the end, potential home buyers face the situation where homeownership is unreachable and the creation of affordable homes is unattainable.

The current estimated cost of \$42 million is the result of a typical-sized WalMart retail establishment of 120,000 square feet. Imagine what the impact would be with the creation of a WalMart Super center consisting of 250,000 square feet. The corporate gurus at WalMart intend to convert the existing store into such a monster in the Otay Mesa area. With the current cost of living in our state, do you honestly think that I should let this corporate giant proceed with its endeavor in the name of capitalism and lower prices at the expense of local San Diegans?

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