

Not Ready for Wal-Mart

by Tom Angotti

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The buzz around town is that [Wal-Mart is perched to devour Gotham](#), the last big city to be attacked by the global king of discounting. Walmart is proposing a 132,000 square foot store in Rego Park, Queens and [scouring the rest of the city for giant holes to fill with its corporate flea market](#). The company calls this city of world-class sidewalk shopping “the next retail frontier.”

The reaction to Wal-Mart by **organized labor** is understandable. The company is the largest employer in the United States and the world’s biggest retailer, with annual sales of \$256 billion. While dozens of suburban-style malls have crept into the outer boroughs in the last couple of decades, Wal-Mart is known as the industry’s supreme cut-throat, the mother of all anti-union mallers. (See [Wal-Mart Watch](#)) We’ve all heard how they ban unions, cut wages, make their employees pay for their own health insurance, and drive out local businesses. According to Brian McLaughlin of the New York Central Labor Council, “[Wal-Mart has deployed ruthless intimidation tactics while driving down wages and benefits in the retail industry and beyond.](#)” Others hail the [virtues of local retailers](#) in creating viable communities.

The reaction by **community activists** is also understandable. There is fear that Wal-Mart’s bullying tactics will make it hard for neighborhoods to control their own destinies. Already groups in Queens and Brooklyn are building up the opposition army. At recent City Council hearings, some floated the idea of a [moratorium on all new superstores](#).

These reactions feed a growing concern that Gotham’s great cosmopolitan culture will disappear. “Is America’s greatest city succumbing to ‘burbism?’” wonders Jane Holtz Kay, author of Asphalt Nation. “Is the nation’s most vibrant urban nexus substituting suburban sprawl for the pulsating vitality of its neighborhoods?”

Wal-Mart Supporters

There are also many voices cheering Wal-Mart on. Most of them talk about the bargains and choices Wal-Mart offers. New Yorkers who love to shop on Orchard Street and Canal Street know what that’s all about.

Other voices welcome all superstores because they say they bring dollars into the city. The mayor and City Planning Department claim that opening the way for these giants will keep shoppers from crossing the city line to shop in Long Island and New Jersey. Never mind that corporate retailers take their profits out of the city while local retailers tend to spend them locally.

Inadequate Land Use Regulations

True, this isn’t just a Wal-Mart matter. This is especially obvious when we take a look at the regulations the city has at its disposal to deal with big box stores in general. What we find is a very weak set of land use regulations that poorly equip city government and neighborhoods to deal with big box projects. First of all, most neighborhoods don’t have any plans that show what they want preserved and developed in the future, including what kind of retail space is needed and wanted. The City Planning Department doesn’t work with neighborhoods to create positive visions of what their neighborhoods should look like, so local residents and businesses usually find themselves forced to react defensively and negatively to proposals by developers.

Secondly, the city’s zoning covering large-scale retail facilities doesn’t regulate very well the things that local neighborhoods care most about, even those who might want to welcome big retailers. In 1996, the City Planning Department proposed zoning changes loosening restrictions on the siting of big box stores, but they were turned down by the City Council. The failed zoning changes didn’t address demands from neighborhoods and professionals to tighten up the rules so that mega-stores emulate our grand tradition of downtown department stores rather than copy Minnesota’s Mall of America. It also opened up new opportunities for big box stores to go into vibrant industrial areas, drive up rents and drive out good jobs.

The main thing wrong with the zoning is that it allows developers generous amounts of parking. This guarantees that the stores will function like suburban-style malls. Traffic and air quality problems neighbors fear the most will become a reality. The mandated environmental impact studies usually lead to a few traffic management changes that only open the way for more traffic. In a city that has a great mass transit system and a relatively low level of car ownership, surely the suburban model featuring acres of asphalt doesn't belong. If Home Depot can open up a store in Manhattan without parking, it can be done in the outer boroughs too. There, developers and neighborhoods would have to come together to figure out how big retailers can fit into existing neighborhoods and act as anchors to reinforce local businesses instead of undercutting them.

Another problem with the city's zoning is that there is very little control over building design. Too many giant stores can open up in New York as-of-right, without the public review that just about every suburban store has to undergo. Superstores can assault their new neighbors with ugly, windowless concrete walls on three sides. These blank facades kill all street life, the very thing that makes New York an exciting place to be. No one has yet quantified how many suburbanites who now flock to the city on the weekends would stay home and go to their own malls if what we have to offer them is the same as they already have in their own backyards.

So maybe a moratorium is a good first step so we can have a public discussion about how to change the zoning and how to plan in the long-term. Right now, nobody's looking at the long-term. For corporations, the horizon has to be the bottom line or their stockholders would cut and run. And since global corporations have to keep growing in order to survive, they're always looking at their new markets, not the old ones. Like most corporate retail giants, Wal-Mart will cease being profitable when it runs out of choice new markets where it can expand its global network. They're finally getting around to central city markets like New York because they've run out of green fields in suburbia. But even if they can gobble all of us up, what could be next? It's hard to believe that among all its achievements Wal-Mart has discovered the formula for eternal profitability. What will happen to its elephantine consumer meccas when the next trend in retailing hits (which could be back to Main Street)? Will they go belly-up like Woolworth and A&P did in a previous shift in trends? What will happen when China starts charging more for its merchandise? When energy costs shoot up and start emptying more malls? Lots of neighborhoods may be stuck with giant sores that will be much more difficult to heal than the tiny spaces left over when little mom-and-pop operations close up because the owners move to Florida.

Stay tuned. The latest news out of Canada is that Wal-Mart is [closing down its first store ever](#) to prevent it from going union.

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