

District 1 Environmental Commission
Home Depot Hearing, April 4, 2000

Comments offered by
Matthew Sternberg, Exec. Dir.
Rutland Redevelopment Authority

The primary issue for city government, and the one relevant to Act 250, is the impact on the City's ability to provide services. We need to determine if the proposed project will reduce the tax base or add demand for services to the point where the City cannot reasonably respond.

We believe this project will not have a significant adverse effect.

We don't discount the process of economic research. Studies are useful in analyzing finite aspects of the project but tend to be limited by the parameters of the model being used. Aspects that are difficult to measure are customer preference and response, which are hard to quantify, and other competitors' responses. Our job is to synthesize study information into our empirical knowledge and make a judgement call.

Our experience here in Rutland, although admittedly not backed by quantitative analysis, indicates that the growth of major retailing has been good for the community. Critics predicted Diamond Run Mall would destroy other local retail, especially downtown. The opposite has been the case. Numerous stores like Price Chopper and TJ Maxx, the specialty stores in the historic district, and entertainment uses like Movieplex 9 and the Paramount, all prospered as Rutlanders gained access to expanded retailing and complementary services. The addition of Wal-Mart was the last of several major improvements made possible by the enhanced competitive climate. The truth is, Diamond Run Mall changed consumer behavior, keeping a greater share of shopper dollars local, and got the public in the habit of shopping in the Rutland area again. That needed to happen before we could rebuild the downtown retail base.

The home improvement market has different players but we see no reason to believe the market dynamics will be significantly different. Our experience indicates that a major upgrade in retail offerings will have a long-term beneficial effect. Any short-term effects are best addressed by market positioning, not by deterring investment in newer styles of retailing and customer preferences. We appreciate the issues raised by the studies, but feel they do not tell the whole story.