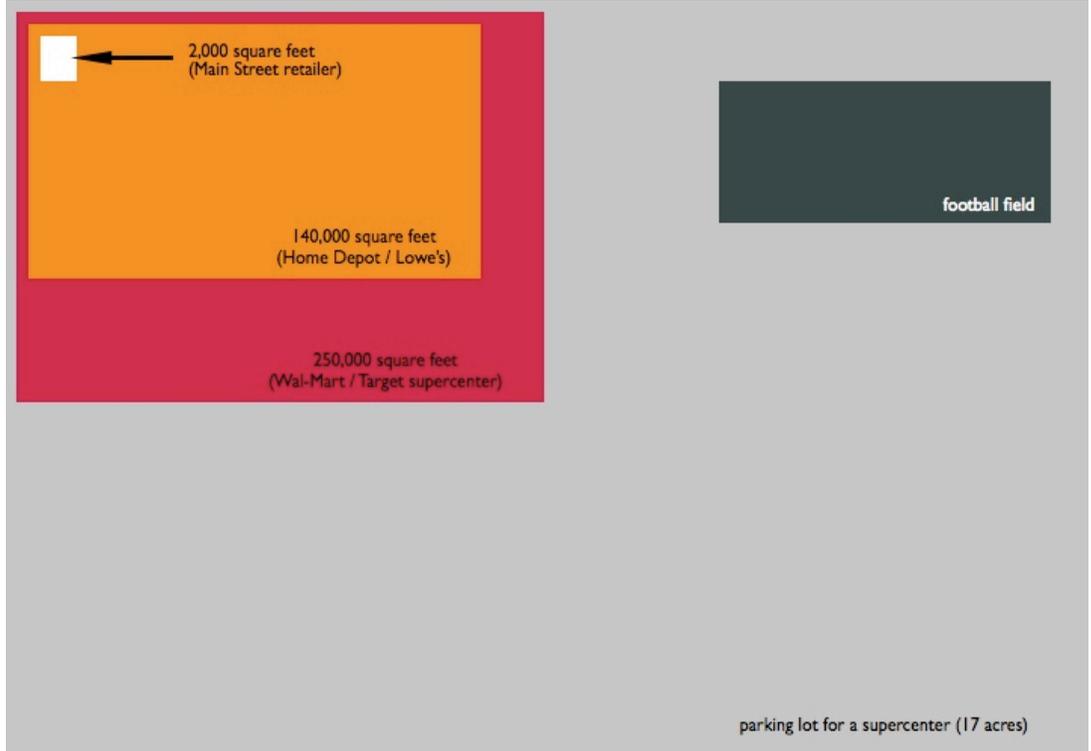


# How Big is Too Big?



A typical Wal-Mart or Target supercenter, with its parking lot, occupies an area equal to more than a dozen football fields. Since 1990, retail development in the U.S. has consumed about 500,000 acres, or 780 square miles—more than half the size of Rhode Island.



Wal-Mart, Target, Home Depot, Lowe's, and other retailers build stores that are several acres in size. Their parking lots are even larger, typically occupying a land area three times the size of the store itself.

And the big boxes keep getting bigger. Wal-Mart, for example, has been closing its superstores and building supercenters, which are about twice as large on average (100,000 vs. 200,000 square feet) and include a full supermarket.

## Bigger Stores, Bigger Impacts

Many of the negative impacts that big-box retailers have on communities and local economies are directly related to the size of their stores:

*Diminished competition*—The bigger the store, the bigger the bite it will take out of the local economy. Wal-Mart's U.S. stores, for example, annually average \$418 sales per square foot (Wal-Mart 2005 Annual

Report), meaning a 200,000-square-foot supercenter is designed to capture \$84 million each year. Most communities, even fast-growing areas, cannot absorb a store of that scale without severe revenue losses to existing businesses, including both locally owned stores and competing supermarkets and shopping centers.

As these businesses contract and close, residents are left with fewer choices and less competition. Some towns and neighborhoods now depend on a single big-box store for certain goods. Evidence suggests that these retailers may raise prices once they attain a dominant market position.

*Heavier Traffic*—The larger the store, the larger the geographic region from which it pulls customers and the higher the traffic counts. A 200,000-square-foot superstore typically generates more than 10,000 car trips on weekdays and more on Saturdays. (See our Impact of Big-Box Stores on Traffic fact sheet.)

## BIGBOXTOOLKIT

A project of the Institute for Local Self-Reliance

[www.bigboxtoolkit.com](http://www.bigboxtoolkit.com)



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*Excessive land consumption*—While neighborhood and downtown business districts, with their multi-story buildings and reduced need for parking, are relatively efficient users of land, big-box retailers are bulldozing vast tracks of field, forest, and farm land.

Retail chains have been consuming land at about ten times the rate of growth in consumer spending. Since 1990, some 500,000 acres—an area more than half the size of Rhode Island—has been developed for retail, mostly big-box stores.

*Spoiled local character*—Massive big-box stores surrounded by asphalt are out of proportion with the scale of traditional commercial districts and residential neighborhoods, fueling sprawl and undermining the character of our cities, towns, and rural areas.

### **Solution: Store Size Caps**

Dozens of cities and towns have enacted local zoning ordinances that prohibit stores over a certain size. Examples include:

- Ashland, Oregon—Limits retail stores to no more than 45,000 square feet.
- Ravalli County, Montana—Caps stores at 60,000 square feet.
- Madison, Wisconsin—Restricts retail buildings to a footprint of 100,000 square feet.
- Damariscotta, Maine—Bars stores over 35,000 square feet.

Store size caps prevent the many negative impacts of big-box development, such as increased traffic and over-burdened public infrastructure. They help to maintain the vitality of local business districts and protect the character of the community by ensuring that new development is at a scale in keeping with existing buildings.

Store size caps are not discriminatory. They do not ban retailers such as Home Depot and Target. Rather, they mandate that those companies build stores that are an appropriate size for the community.

Store size caps are legal. Through their land use zoning ordinances, cities have long had the power to control the scale of development by, for example, limiting building heights or setting minimum house lot sizes. Store size caps are a recent variation on these types of regulations and have been validated by the courts as a legitimate use of municipal authority.



*Store size cap ordinances foster small-scale, walkable business districts.*

Communities consider many factors in deciding what's an appropriate size limit for retail stores. Here are some useful reference points:

- Average Rite Aid: 13,000 sq. ft.
- Average Barnes & Noble: 25,000 sq. ft.
- Average Best Buy: 37,000 sq. ft.
- Supermarkets: range from 10,000 to 90,000 sq. ft. and average 44,000 sq. ft.
- Football field: 57,000 sq. ft.
- Average Home Depot (including garden area): 128,000 sq. ft.
- Wal-Mart supercenters: range from 99,000 to 250,000 sq. ft. and average 187,000 sq. ft.

For examples of size cap ordinances, see: <http://www.newrules.org/retail/size.html>