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Keeping Durango's Locally Rooted Economy on Track

Time to engage our Main Street Community *dérailleur*
and Stop the Wall Street Economic *dérailer*

*What image of itself, does Durango sow?
While corporate mega-forces gather to invade
And colonize our local economy – did you not know?
It's a real issue for us now, which we dare not evade.*

*Have you not engaged what we all treasure?
With family and friends, every season of the year?
Real wealth we all share, but so hard to measure
What is it about Durango, that makes it so dear?*

*Wall Street corporations, pursue heartless phantom wealth
They include big box stores, that focus on extracting local money
Regardless of local impact, for absentee owners of stealth
So they end up eroding real wealth – our Main Street economy.*

*What sustains our community, is caring community itself
Central to a vibrant future, let's honor our local business owners
Whether a business large like a train; or focused on one's health
They are engaged with our future – as job creators, citizen leaders... and of course donors.*

www.KeepDurangoLocal.com

See our new First Amendment Local Democracy reporting publication:

THE Unheard HERALD

Serving the heart of Durango Colorado

First edition: April 7th, 2012

Feature article exposé: “City Council transfers sovereign decision rights
regarding Big Box Stores to Ute Tribe Corporation”

by Root Routledge



Durango's Future: Whose vision is prevailing?

Does your vision count? Step forward and take charge of your future

Contrary to popular political rhetoric, leadership isn't about imposing one's personal plan, or special interests they represent, or favored pet projects on a community from the top, even if they hold formal positional power in public management or elected representation. Neither is it about testing the political winds with a survey and simply following the ill-informed crowd. Leadership is about understanding and internalizing the values that make up the character of our community; understanding what enhances those values and nurtures them for a healthy future for ourselves and those of future generations — our children and their children's children. Leadership is about caring enough to learn and know what is detrimental to our community and negatively impacts the viability of our community's future; not merely some pseudo-balanced collection of solicited opinions reported in the local newspaper, with some editorial spin on the headline that trivializes a potentially hot issue. Leadership then comes down to picking up the responsibility of informing and educating the people about possible directions our community might take and the potential benefits and risks associated with them, and why one path is worse and another is better. And finally, leadership is about encouraging community members to be actively engaged with the future of their own community and democratically bubble up their own vision *as a community*.

One doesn't have to see themselves as part of a group of "community activists" on behalf of their community in order to support their community; that is, engaging in direct vigorous action, say, although that is often needed and suits the passionate caring concern of many, but may be a bit much for others. Yet community membership should engender a feeling of belonging and a sense of responsibility for community, each of us carrying a bit of the leadership mantle; and that can be expressed in many ways. One way is through community groups focused on particular interests of concern: a dog park or river trail for example, or in this case a big box invasion. Or it may involve communing with fellowship groups such as your local church, and people at gathering places like farmers' market, coffee gatherings, movie discussion groups, even simply with neighbors and friends, where open discussion of shared concerns about the wellbeing and future of our broader community is encouraged and supported. One may be moved to step forward more publicly as a "community advocate" expressing support, urging and pleading in favor of their community's health and wellbeing in the face of opposition or someone else's plans that risk taking our community down a harmful path. One can support a cause by signing a petition; one can publicly uphold our community values when they are under attack with letters to the editor or commenting in public meetings, say; one can be a champion for a community cause in the face of injustice... there are lots of ways to be engaged in our community and its future.

Let us not shirk our responsibility as community members, lest we simply hand over our future to a public official or someone else who, however personally committed to belief in *their* own vision, has the power to effect a future that could be detrimental to our interests in the short term; and especially in the long run where bigger ramifications come into play. A case in point is the recent La Plata County Planning Commission attack on a future vision that bubbled up from hundreds of hours of public involvement. Don't give up; that *public* comprehensive plan document is there waiting for future leadership to simply dust it off and bring it forward.

Wall Street corporate big box stores are now breathing down our necks. Do you understand the implications for our community regarding these retail clear cutters? Your community needs you to step forward now and be heard.

Like a freight train on the loose — Wall Street corporate box stores seem unstoppable

Wall Street big box stores in Durango's future?

There have been scant few articles in our local paper that have surfaced concern about the coming invasion and colonization of our local community and our locally rooted economy by more and more outside **big box stores**; which are merely the manifestation of expansion plans of **Wall Street corporations** to grow more money for absentee owners (more on that below). A search of recent editions of *The Durango Herald* finds nine articles (there are more if one includes Pagosa Springs and similar concerns they're raising) over the past year that mention the possibility, if not inevitability, of more big box stores as simply the path to the future that the **City of Durango** is on. This is how it evolves when a public is disengaged for whatever reason; waking up one day to see the face of their community forever changed. *Someone has a vision for Durango's future; but whom?* It's as if we suddenly find ourselves floating down some river with no paddle or even an actively discussed decision whether or not to be on that river.

Nowhere is such a big box store mega-retail vision for our future questioned; nowhere is its potential impact on the very nature and health of our community examined, whether it be our environmental, social or local economic health. We see quoted, "the City is hoping/planning..." etc; but no where is the question asked: *Just whose vision is this, anyway?*¹

A big box store vision for Durango is indeed guiding Durango's future!

What we find are statements that reflect either city management's vision, or that of some property owner/developer. But what do *we the people of Durango* want? Here's a sampling: "City and county officials have decided to move forward... for more box stores, possibly including a Target. The city is hoping to at least land one big box. We've heard from our community [Is this BS? who? when? how? where was it reported?] that they'd like to have a Target in this town. ... Before 2008, we didn't need to actively seek out revenue for local communities; but the economic downturn changed that... It's an investment in the future." [City

¹ I gathered all the relevant quotes here to document the flavor of how this issue has been portrayed to the public over the past year. Rather than trying to tie specific quotes to each *Herald* article in a scholarly way, I will simply list them all here. [Attributable sources are in square brackets; as are any comments I make about the quote]:

Feb 10, 2011. "A Target in Grandview? Could be"

Mar 16, 2011. "City Council candidates get down to business"

Mar 17, 2011. "City Council candidates share common vision"

Aug 10, 2011. "Guess who's coming to the Durango Mall?"

Aug 30, 2011. "Durango may be step closer to Target store"

Sep 7, 2011. "Annexation, LPEA: Council wants to hear from residents [about...] potential Target"

Nov 30, 2011. "Developer could help attract big-box retailers to Grandview"

Dec 27, 2011. "Box stores stir hopes, fears"

Jan 11, 2012. "City Hall could be collateral for new road"

and county officials] “Yes, Target really wants to locate a store here in Durango... Durango is one step closer to landing Target... [We] hope to recruit a grocery store to anchor a shopping center... with a Target as part of the retail mix. [Greg Hoch, director of planning and community development for Durango] “[We] hope to coax Target to build a new store... [Ron LeBlanc, city manager] does not think Durango can convince Whole Foods to come here. We just don’t have a big enough population base, and we already have good organic food stores here.” [Durango City officials; Ron LeBlanc, City manager] — [But what? We would sacrifice our locally owned such natural food stores *if we could* ‘convince an organic food corporate chain store’ to come here? Where is the community ‘vision’ behind such statements of callous disregard for our locally owned businesses — Nature’s Oasis, built from the ground up over the past 19 years by Jeff Watson’s family and Durango Natural Foods co-op owned by community stakeholders for decades... is it simply ‘plug-and-play’ mega-corporation chains at the whim of the city manager?] “Durango City Council could enter into an agreement with a private developer [the Southern Ute Tribe]... and open up the area for the commercial development of big box retailers such as Target, Best Buy or Sports Authority.”

What are we told to believe about benefits and impacts? (without thinking)

Regarding potential benefits and impacts of more big box stores, we are served up a continual, often incongruent, ration of unsubstantiated claims and favorable, but trite and inane platitudes; all of which represent mere unquestioned opinions, like a poll of city officials as if their opinions in-and-of-themselves carry the weight and legitimacy of fact and proper analysis. The city manager and similar leaning councilors and staff offer statements that themselves fly in the face of what is known from more formal research studies across the nation, yet somehow Durango is supposedly immune from broader patterns (more on that below). All that a more interested *Herald* journalist has to ask is: “Where did you get that? Based on what?” But instead here’s the pabulum we get for the disengaged reader (ever boiled down to a “they say” story) regarding our future:

Story telling: “Don’t you worry about it; it’s all good and won’t hurt us.”

“These new retail opportunities will not take away from businesses on Main Avenue... the goal is primarily to stop revenue leakage... This will not compete with our downtown area.” [Christina Thompson, City Councilor] “We need to develop Durango’s economy to provide higher-paying jobs... and continue implementing sustainable practices... big box stores, like Wal-Mart and Target, ultimately help small Main Avenue retailers by drawing more shoppers and diners to downtown and boosting sales-tax revenue... Retail leakage is very harmful... [the four] City Council candidates [for our recent election] share a common vision... that a Target store would be good for Durango... all agreeing with the need for smart growth initiatives... it can be a net positive.” [general agreement among election candidates] “[The new box store T.J. Maxx, which specializes in clothing and home décor at a discount] will provide La Plata County with more clothing options... The big picture is that [this one] and any other stores similar to it will help prevent retail leakage; I think it just helps keep money local... it will encourage local stores to remain competitive and reinvent their products... It won’t hurt local business and will bring in more revenue. I think local businesses are all going to benefit from the synergy.” [Jack Llewellyn, executive director of Durango Chamber of Commerce, and Mike Stratton, a Denver lobbyist for one of the chains] “Councilors recognize that many local businesses would feel threatened by the arrival of major retailers. Rather than fear a ‘cannibalization’ effect... the big

boxes would help grow the local market... For every dollar spent in the new big boxes, an economic rollover effect could create four additional dollars for the community... A big demand exists for increased shopping options.” [Ron LeBlanc, City manager; Sweetie Marbury, City Councilor]² “Because [her] preference is to shop at Target, she applauds efforts by the city to attract more big box stores.” [local shopper expressing shopping convenience] “Ultimately, balance has to be found between giving families more options to buy school clothes for kids at a Target without cannibalizing independent businesses. There’s room for new businesses... Durango will always have some market leakage. We live here for the beauty and the special unique place that Durango is. It’s not because we can buy everything we could possibly want in Durango.” [Christina Rinderle, Durango city mayor] “City officials expected that established stores would lose some business to the new retailers, but they predicted the older stores would adapt to the new competition. They might offer different product lines, for instance, because ‘you don’t stand in front of a freight train.’” [City officials; Doug Lyon, Durango City Councilor]

What do we actually know? Has anyone analyzed this on behalf of our community; is there *any* research data presented?

Occasionally, some actual data is shared, as well as the value of locally owned stores being uniquely different and more engaged in the success and vitality of their local communities: “If consumers crave more choice, local shop owners dread the thought of competing with big chains that can undercut their prices and drive them out of business. Durango would soon lose its distinctive character and begin to look like every other town in America with predictable and identical chain stores, which would hurt tourism... I am a pro-small business person. I think the more you can spend locally, the more money will stick around locally. Even if a large box store employs a lot of people, the money still goes somewhere else... Independently owned stores are vested in their communities. We’re paying taxes. We have kids in schools. We’re all locals. It is important to us to support other locally owned businesses. It’s not uncommon for us to refer customers to other [locally owned stores] in town if we don’t have what they’re looking for. We compete by offering specialized service to our customers, being the kind of place where patrons can get [merchandise] recommendations based on their tastes. If consumers complain that downtown has become too specialized or expensive, it’s because they cannot compete otherwise with the big boxes... Local consumers don’t mind driving to Farmington for big box shopping if it means they can keep Durango’s small town flavor.” [local retail business owners] “People wouldn’t want to come here for the strip malls... Studies show that for every \$100 spent at a locally owned independent store, \$68 stays in the community; but at the national chain stores, only \$43 stays in the locale where it was spent.” [LeeAnn Vallejos, managing director of Local First, which supports locally owned businesses]

² In personal communication via phone and email with me, when pressed on this ‘4x economic rollover’ claim, made multiple times, and where he got it, LeBlanc backed away from it, saying it was “incorrect.” Yet he refuses to state where he ever got that idea and the 4x number; to the date of this paper, his claim is still left as the public media perception.

There is a “leakage” report; but no consideration of impacts from more box stores

City officials now come armed with their consultant's “market analysis and leakage report³,” and claim “Durango will more than survive the next generation of big box stores to come to town... The market place is big enough to accommodate new stores... The local population already is spending enough money to justify new stores. The problem is that they're not spending their money locally. [The EPS] study estimates that Durango and the county of La Plata loses as much as \$40 million a year as residents go elsewhere for discounts and department store style shopping... So [we] see new box stores as a way to recapture some of the \$40 million the county is already losing. The economy would expand as a result.” [City officials] “Durango might get a supermarket; we will get a big retailer. We'll probably get an electronics store, a sports store. The new employees of these stores would spend their paychecks locally, going downtown for a cheeseburger and a microbrew, for example. The economic impact of the \$40 million has the potential to grow to \$160 million. For every dollar spent, it is going to spin through the community four times. Right now that dollar is being spent in Farmington... There would be some ‘cannibalization’ as existing stores would lose business to the newer stores. This, of course, would cut into the community's overall economic gains, but on balance, Durango would still come out ahead. It's beyond our ability to measure the net effect, but we know it's all plus.” [Ron LeBlanc, Durango city manager]

And then there's these claims from an earlier article about Walmart and its nationwide remodel push (“Walmart shows off remodel,” *Durango Herald*, 5/26/2010): “The hue and cry regarding Walmart's entry into town [12 years ago] has proved much ado about nothing... Walmart did not appear to have any negative effect on downtown businesses. Up until last year, sales-tax collections in the Central Business District remained strong. There wasn't any appreciable decline you could attribute to Walmart.” [Bob Ledger, former Durango City manager] [There is no formal study and nothing stated of turnover rate, empty store fronts, or local owners and their retail composition who have gone out of business; which if one has lived here and walked Main Avenue over the past 12 years, have certainly been part of our local business dynamics. It begs for something more serious in terms of facts and analysis.]

Where is the big box store vision's center of gravity?

Durango City Manager, Ron LeBlanc:

As noted in the previous section, there are all kinds of “claims” dutifully expressed by public officials in the local public media. It begs a central political question: *So where is this big box store vision for Durango coming from; and what is the big driver behind it?* From all indications, this appears to be the pet project of city manager, Ron LeBlanc, and his personal vision for Durango's future; in conjunction with the Crader family property owners (160 acres) and the Southern Ute Tribe Growth Fund, who is under contract with the Craders to buy the first phase property (37 acres) and develop it — contingent upon the City's participation (annexation with

³ Economic & Planning Systems, Inc. (Andy Knudtsen and David Schwartz, senior planners). Oct 14, 2011. “City of Durango and La Plata County Retail Market Analysis.” EPS #21873. [also referred to in the body of this paper as, “EPS leakage report”]

infrastructure development). Durango City meeting minutes over time continually refer only to four stakeholders: the City, Country, Craders, and Tribe — the Durango public doesn't seem to factor in as a stakeholder.

Most of the arguments expressed relate directly to the potential of capturing more city revenue for the city budget. LeBlanc has already engaged Target via a presentation by their corporate business-expansion functionaries in a webinar for city staff, where according to LeBlanc Target expressed its expectations (the Target Corporation has over 1750 store locations and is looking to add another 250 or so per year — as nice as that particular team of expansion functionaries might be doing their job, they are not “Target Corporation.” But nothing at all has been made public about this meeting via the *Herald*... either that the meeting occurred or what its content was. When I found out about it and asked him about it on the phone, and explored it in later mail exchange (with multiple interested parties in the email cc), LeBlanc stated⁴, that: “City staff did participate in a webinar with Target. It was very informative and we learned quite a lot about what Target looks for when assessing potential sites for new store locations. Durango is a community that interests Target.”

I guess we should all feel flattered that this giant corporation Target “is interested in us;” because in publicly quoted statements, expressions like “hope to coax... hope to recruit... land a Target” are repeated over and over in a coveting sense for the apparent beneficence of a Wall Street corporation's presence in our community. LeBlanc also defensively claimed that asking questions about what expectations Target has expressed and Durango may be entertaining is tantamount to “allegations that the City is considering tax incentives for Target...” My questions regarding this topic, as I explained to him on the phone and in the email exchange, were based on the norm of big box store corporation behavior across the country and thus are reasonable and prudent to explore with the city manager of Durango. LeBlanc vigorously denied any “backroom deals” (his words) were contemplated or discussed: “Let me be perfectly clear, the City is not now, nor has ever during my tenure, offered any tax abatements or tax incentives to any retailers or any other employer for that matter. It has never come up for discussion at the staff level and the City Council has never instructed me to pursue that method.” Yet, the picture is somewhat different if the question were focused on the developer (more on this below). So then, let the public in on exactly what the Target Corporation functionaries expressed as its corporate expectations, which in turn might relate to what the property developer expects.

In the public media the entire question of big box stores is positioned as “sort of just rolling along under its own momentum, with general agreement” and any in-depth discussion of how it might relate to a vision for Durango's future and where that is based is either avoided or pooh-poohed in a trivializing way; including the need for any analysis of impacts. “So don't you worry about it or even give it another thought, Durango; we've got it all under control,” is the perception that becomes established. The only thing closely related was the headline spin that positioned the issue in emotional terms: “Box stores stir hopes, fears: Shoppers weigh lower prices against charm of Durango” (*Durango Herald*, 12/27/2011). This isn't about “hopes and fears” and “shopper's mere preferences for lower prices,” nor is it trivially about “the charm of Durango.” It's about the centrality of public discourse on a vision for our Durango community future; and a rigorous examination of potential impacts on vibrancy and future of our locally

⁴ Personal communication, email exchange dated January 12-13, 2012.

owned retail businesses — our “Main Street” economy — and none of this has happened. What this is actually about is a “new economy” thinking that factors in the larger context of our future, versus an “old economy” paradigm running on remote control, which I demonstrate below.

All we get in the local media are unsubstantiated claims by public officials that we should simply accept as true facts — to think critically about it, one needs to be able to discriminate between opinions and an argument based on facts. We need to get beyond this amorphous façade, that makes it seem an impenetrable “done deal” in the eyes of the public, in order to politically challenge the source of the pressure to develop Durango in this way — *Who and where is it coming from?* Whether the big box store vision is a personal ambition of Ron LeBlanc in his role as city manager; or whether he is “carry water” for the potential developer, the Southern Ute Growth Fund, is a question that should be explored publicly in depth. But regardless, clearly LeBlanc is carrying the energy behind it. In his own words (in the email exchange) he states his “belief,” ever unsubstantiated as are his “no or little impact” claims in the newspaper, which after employing a bogus 4x economic rollover factor expanding the claimed potential economic benefits from \$40 million to \$160 million, puts in question the veracity of anything he merely “claims”: “It is possible for local business to ‘peacefully co-exist’ with major retailers and that is the path we have embarked upon.” Is this just chaff cover to cheaply deflect discriminating inquiry; or a complete lack of understanding of business competition dynamics between small locally owned retail businesses and Wall Street corporate giants — whose box stores in study after study across the nation behave more like retail clear cutters?

The elected City Councilors, of course, are tasked with evaluating plans put forward by city management. Hopefully they care enough to elicit and incorporate a broader range of perspectives, information sources and analysis when considering such big decisions; something well beyond individual ideologically based leanings, simple beliefs, and the unsubstantiated claims of the city manager. But if the public doesn’t speak up, this is all they go by. The EPS leakage report authors were not tasked by the City management to do any impact analysis (why not?); it was all focused on identifying “how much money we’re losing” that the City could recover and how to fund the infrastructure road to service the development.⁵ Our elected City Council representatives are the city officials who should be responsive to *public* pressure; but other than, “Hey; the meetings are public and open to anyone,” they have made no formal effort to solicit that input. Unless you’re a public meeting junky, you’re simply out in the cold on this. *Where is the momentum and pressure for this big box store vision coming from currently?*

⁵ I have studied all four EPS reports thoroughly, which are very professional and well written reports. However, whereas most numbers in the reports have sources fully cited, I have raised concerns about the specific column of numbers (Table 5, column c, of the EPS leakage report) that identifies the core numbers behind the claimed leakage percentages and dollar figures (leading directly to the \$40 million figure so often quoted), because the source and methodology behind them are undocumented in the report, beyond a single phrase in the report body “...percentages of expenditures in each category are *estimated*...” (emphasis added). I have subsequently spent very informative time on the phone with the EPS authors, Andy Knudtsen and David Schwartz, to understand their methodology and background behind the entire report and specifically that mystery column. The bottom line is that these “estimated” percentages and the subsequent estimated leakage dollars are their “best shot” coming at the difficult estimation question from various angles, yet it must be acknowledged they are fraught with some unknown degree of uncertainty. Hence, the ubiquitously touted \$40 million annual leakage figure needs to be treated with a sober measure of uncertainty — we don’t really know what the bounds on that number are with any degree of confidence we can identify. Nonetheless, the challenge to the big box store development does not depend on this uncertainty and will take that number as a given.

Southern Ute Tribe: The property buyer and developer

The Southern Ute Tribe, by historical geographical circumstance, has found itself in possession of rich oil and gas fields under its vast reservation. Any local person paying attention over the years knows that the Southern Ute leadership has made wise decisions to purchase all mineral rights and create its own natural resource development organizations to exploit this mineral wealth. In addition it has a thriving casino and lodging business; all of which have brought great monetary wealth to the Tribe in the multiple billions of dollars. Again, it wisely has created a professional management organization, the “Growth Fund,” to manage these funds for maximum benefit to the Tribe. With its funds, the Tribe has made investments in technology firms around the country, even internationally, in energy and private equity investments, and in real estate acquisition, construction and development, including locally in the Durango area — specifically, the Three Springs development where the box store issue manifests on the ground. They are under contract to purchase the first phase development property from the Crader family (37 of their 160 contiguous acres), contingent upon the City of Durango’s support.

The Tribe has done many good things for our area, including jointly with the Crader family donating land for the Mercy Hospital complex (something to that effect in my memory, without searching out the details), from which these probing questions are not intended to detract. The crucial question in terms of the pressure behind this box store vision, however, is whether this Growth Fund’s management decision making focuses on what is in the interest of our Durango community, taking into account a community vision and impacts throughout our community and its locally rooted economy (if so, how and when has it looked at that?). Or, is it merely what is in the interest of maximizing returns to the Crader family and the Growth Fund’s monetary growth, ala Wall Street phantom wealth thinking. This may undergird the pressure for expansion of a corporate box store colonization of our local economy vis-à-vis a retail shopping strip-mall development on the edge of town. This project is not merely about one or two additional box stores; it forever opens the door to a future major shopping mall complex on the rest of the acreage. Is it purely the revenue return to its Growth Fund that would manifest to the Tribe’s development organization from big box stores? Or, is the Tribe’s leadership open to a more holistic and comprehensive examination of what’s best for Durango’s future and what the community envisions for itself? That is, is it simply based on the presumption that an ever expanding box store retail haven for shopping convenience is in Durango’s best interest as well as the Tribe’s monetary growth interest; or does a more native indigenous focus on local community factor in at all — supporting, encouraging and strengthening local community, its social and ecological environment, and the locally owned small businesses that constitute its “Main Street” economy. The Tribe needs to be publicly pressed on this because the economy of the nation is shifting due to many factors, not the least of which is climate change and what is driving it.

Does the Tribal leadership simply assume that box stores are in everyone’s interest without any thought, with Durango city management on board to push that theme forward? *Where is this vision for Durango’s future coming from and what is its impact on the vibrancy, resiliency and sustainability of our local environment, social capital, and especially our local economy that is grounded in local business ownership actively engaged in the management of its own capital — as opposed to absentee Wall Street corporation owners who are in no way related to the health of our community beyond what market share they can control and dominate, and maximizing the subsequent revenue extracted (their legal corporate fiduciary responsibility)?*

From the Growth Fund website, we know that the Tribe is a huge player in the region: “The Southern Ute Indian Tribe of southwest Colorado has parlayed control of its natural resource production and extraction into one of the most sophisticated and aggressive financial plans among Native American tribes. The Tribe, the largest employer in La Plata County, Colorado, has teams of professionals serving both Southern Ute Tribal government and Growth Fund operations.”

The Growth Funds Real Estate Group consists of three wholly-owned corporation entities: GF Properties Group (“acquires and manages investment properties”); GF Development Group (“acquires land for development and engages in real estate investment, planning, development, and management activities... involving the full range of development activities from entitlements to physical development, vertical construction, marketing and sales”); and Tierra Group (“commercial construction and home building company of the Growth Fund’s Real Estate Group... it’s largest current project is construction at Three Springs, a master planned community that was recently annexed by the City of Durango” — the current annexation issue is an infill). In deed, the Tribe appears to be very well managed professionally and good neighbors of La Plata County and Durango. Without detracting from that at all, however; what needs examination regarding the box store vision is its focus. The mission statement of the Growth Fund is:

“...to provide economic prosperity for the Southern Ute Indian Tribe by managing the Tribe’s businesses effectively, building new businesses prudently, and investing its money wisely. We provide analysis and advice to the Tribal Council on the Tribe’s businesses and financial affairs, and we provide the day to day executive management of the Tribe’s business enterprises.”

The Tribe’s economic strategy and financial plan is to “optimize available investment resources to provide for the long-term security of the Tribe and the Tribal Membership.” Just as with corporate charters and their economic planning; the Tribe does not include any statements about the long-term viability of Durango’s local economy and the vibrancy and community embedded in locally rooted ownership of Durango’s “Main Street” business community. To swamp our local economy with corporate box store retail domination is completely consistent with the vision they have for themselves.

Summary of the current prevailing vision

As one City Council member, FLC Business professor and new Dean of the Business School Doug Lyon framed it (implying there is nothing you can do about it, people, so simply accept it and get out of the way): There is a freight train barreling through Durango’s business community and local economy and “you don’t stand in front of a freight train.” This statement is not based on any analysis whatsoever; nor any apparent awareness of the new local living economy paradigm that is sweeping across communities all over America. It represents the unthinking ideology of autistic economics and pure market fundamentalism that dominates corporate America. “Free market capitalism,” and its associates “free enterprise” and “privatization,” are code words for unconstrained corporatism and total deregulation; they have nothing to do with real market economies, as envisioned by Adam Smith, which are local living economies based on local ownership and owner-engaged management of their businesses.

The freight train metaphor, however, is a pretty good characterization of what we are facing: By its massive size and momentum it appears unstoppable; it will dominate our local business scene and crush anything that stands in its way; and it holds the potential of ending up a train wreck that could severely damage, if not wipe out, local business owners and the vibrancy and sustainability of our locally rooted economy. Contrary to the business professor's implications, we can, however, decide not to let that large-gauge freight train come through our town by simply not laying the tracks for it.

This freight train comes in the form of large multinational retail corporations that manifest on the ground in communities around the country and world as what we call "big box retail stores." They are the tail end of a massive transnational supply chain pipeline, which typically begins with low-wage, poor working conditions, sweatshop manufacture of low quality goods in Asia or Latin America with minimal or no environmental constraints; adds in lengthy global and national transportation propelled by carbon-based fuels; and fans out to end consumer box stores through high-volume large-scale distribution networks — all of which create huge economies of scale and hence extreme pricing advantages, while externalizing social and environmental costs along the way (never factored in to local decision making thought processes), including massive amounts of atmospheric carbon dioxide, as part of the "cheap" merchandise for your shopping convenience. As such, the end-of-the-line box stores are the expansion of a Wall Street dominated globalized economy and all that goes with that. These giant corporations have as their central focus growing ever more money for absentee owners and corporate executives. These beneficiaries have no connection to our community or concern for its health and wellbeing. By law, their corporate fiduciary responsibility is purely and simply to maximize its monetary financial returns for their owners and executives. That is something quite different from local business owners (whether or not they structure themselves as sole proprietors, partnerships, or corporations), who are members of our community and are actively and personally engaged in community relationships and the direct management of the capital resources and activities of their businesses.

To frame the presence of these multinational corporate giants and their influence as merely "new retail store business competition" that locally owned "old store" businesses must get better at competing with, and hence portray this as part of the capitalist ideology we believe in, is absurd. It is akin to putting the Denver Broncos on the field with the Durango High School football team and saying: "it's a capitalist competition and they just have to fight it out, may the best competitor win."

In reality, of course, it's like the colonial past where imperial countries, via their corporations, invaded, co-opted and colonized local communities and their pre-existing living working economies in order to extract all the wealth they could by exploiting their dominance through corporations so massive and powerful they could not be stopped by local communities. Thus they rolled over anything related to the common good and viable future for the local people and their economy, leaving destruction and devastation of livelihoods in their wake. All the while, they tout their presence as "beneficial" in terms of "creating jobs" and spending in the local economy — jobs at unlivable wages where workers had no say, no rights and no benefits; "new jobs" that wiped out existing jobs. Local living economies were unequal in every way.

The arguments in favor for a vision of a box store invasion of Durango are positioned as if people are just dumping \$40 million a year into the Animas River and that all we need to do is to

“coax” the salvation of some Wall Street corporations to come in with their large nets and trap as much of that “lost” money as they can at the town boundaries. The only consideration is how much of the “lost money” can be recovered, while providing ever more shopping convenience and choice. There is no consideration whatsoever on how much of our already local fish population they will trap in addition, and extract and remove it from our economy. No one has any idea of the “shake out” that will occur within our community as our local economy gets swamped with multinational corporate domination, generating or replacing low-wage jobs while all professional level jobs remain outsourced; whether there is some saturation level (how long has the Durango Mall struggled to fill its vacant retail space?); and how longtime local business will struggle and which longtime local owners will be left. It’s much more than a sales-tax revenue balance. It is ill-thought out bad policy for our community and we need to fight it.

Old Economic Paradigm: Growth is our vision; growth is forever

Manifesting on a local level

The old economic paradigm, the one most politicians from national to local unquestioningly hold to (in fact, even given its recent monumental failure, you never see mention of a new economic paradigm from politicians), is exemplified by a statement from the EPS leakage report and the *Herald’s* reporting on its subsequent presentation to the City Council:

“Given the current concept to develop a Target... the sales flow analysis indicates that the market *could support* 107,000 square feet of floor area... In addition to this base figure, growth in Total Personal Income [forecasted population growth x estimated per capita income growth] *could support* an additional 36,000 square feet by 2015... a store in the range of 120,000 to 150,000 square feet is reasonable... Based on ‘conservative’ economic projections, La Plata County *could easily support* five to six additional Walmart-sized stores in the next 20 years.” [emphasis added to highlight the concept of “*could support*”]

Whether or not it “could” is separate from whether or not it “should.” Embedded in the EPS statements is the presumptuous notion of implicitly offering up an explicit vision for Durango, without a second thought or contemplation of the broader context or other implications and impacts (City management did not task them to do that), let alone the desires and wishes of a community for its own future. **The explicit vision and purpose for Durango’s future from this kind of rote analysis, narrow statements and single-minded thinking becomes this:**

Old Economic Paradigm Vision for Durango: The purpose of Durango is to “support” as large a box store invasion and colonization of its local economy as economically possible on behalf of multinational Wall Street big box store corporations, for the benefit of maximizing financial returns to their absentee owners and executives.

If you don’t think that the driving force of market domination isn’t the goal of big box retailers, regardless of their impact on local businesses, you simply are not informed about what is happening across this country. Target is a Walmart competitor in a corporate battle to divide up the lion’s share of the retail planet amongst themselves. They couldn’t care less what happens to local economies, as long as their corporate market share increases. Walmart’s business model,

for example, intends to dominate the retail food business everywhere, as noted in this December 12, 2011 article:

“Eaters beware: Walmart is taking over our food system”⁶

In just a few short years, Walmart has become the most powerful force in our food system, more dominant than Monsanto, Kraft, or Tyson.

It was only 23 years ago that Walmart opened its first supercenter, a store with a full supermarket inside. By 1998 [Walmart opened July 15, 1998 in Durango, sprawling across 180,000 sq ft] it was still a relatively modest player with 441 supercenters and about 6 percent of U.S. grocery sales. Last year, as its supercenter count climbed above 3,000, Walmart captured 25 percent of the \$550 billion Americans spent on groceries. As astonishing as Walmart's national market share is, in many parts of the country the chain is even more dominant. In 29 metro markets, it accounts for more than 50 percent of grocery sales. Seeking an even bigger piece of the pie, Walmart is campaigning to blanket New York, Chicago, Washington, D.C., and other big cities with its stores.

Further, regarding its pressure on other local stores in Durango, Walmart recently doubled the size of its electronics department and expanded its pet supplies department and now offers “Durango” branded sweatshirts, tee-shirts and other souvenirs. Their merchandise lines have no bounds. Do you think Walmart corporate could care less what locally owned businesses it wipes out as it expands its lines of merchandise “to compete” with local businesses? How many locally owned businesses already offer these kinds merchandise in Durango?

At our existing Durango Mall, T.J. Maxx is helping to fill its persistent vacancy (a positive development), accompanying the other two national chain department and clothing stores already there (Beall's and JC Penny) as well as national specialty clothing stores (Maurices, Vanity, and others that carry specialty or sports clothing lines like Zumiez and NFL Store). That's just the Durango Mall, where there has been lots of turnover; there are of course many small locally owned clothing and accessory stores throughout our community. So, why are city officials touting the need for another humongous big box clothing store, electronics store and sporting goods store... along with another grocery store... at a new shopping mall complex just three or so miles from downtown? *Whose vision is this and how dare they claim to know and understand the implications of complex market dynamics on our existing community so well that they can simply assure the community “it'll all be okay” with empty platitudes?*

Corporate Dominance

The *authentic* Tea Party — anti-corporate domination of local economies and anti-globalization⁷:

When the historical facts of the Boston Tea Party are fully revealed, we find that it was this giant corporation, its colonization and domination that was really behind what led to the

⁶ <http://grist.org/food/2011-12-30-eaters-beware-walmart-is-taking-over-our-food-system/> (accessed 1/24/2012)

⁷ This fascinating account of what the Boston Tea Party was really about is given by Thom Hartmann in his 2002 book, *Unequal Protection: The Rise of Corporate Dominance and the Theft of Human Rights*. Rodale Press. Hartmann draws this economics-driven view of American history based on various original documents and one of the nation's earliest history books, which contains the only actual first-person account by someone who had actually been alive and participated in the Boston Tea Party and subsequent American Revolution.

American Revolution. This land was staked out from the Atlantic to the Mississippi, 19 years before the first Pilgrims arrived, by what was then the world's largest transnational corporation, the East India Company, which Queen Elizabeth granted a corporate charter on December 31, 1600. The Pilgrims arrived in America aboard a boat they chartered from the East India Company. America was one of the East India Company's major international bases of operations and it largely dominated and took control of North America through the 1600s and early 1700s. Its corporate influence was pervasive. In fact, 100 years before Betsy Ross was born (by well-known legend, the lady who put together the first American flag), the flag of the East India Company was made up of 13 horizontal red and white alternating bars, with a blue field in the upper left-hand corner with the Union Jack in it.

The East India Company set a precedent that multinational corporations follow to this day: They lobbied for laws that would make it easy for them to put their small business competitors out of business; increasing the company's power and influence and reducing its competition and barriers to international trade. This included the Tea Act of 1773. Many people today think the Tea Act was simply an increase in the taxes on tea paid by American colonists. Instead, its purpose was to give the East India Company full and unlimited access to the American tea trade, and exempt the company from having to pay taxes to its home country Britain on tea exported to the colonies, along with a tax refund on the vast inventory they were unable to sell. One purpose was to increase the profitability of the company to its stockholders, and to help the company drive its colonial small business competitors out of business. Due to its dominance in the market, the company was able to lower its tea prices to undercut the prices of the small local importers and the local mom-and-pop tea merchants and tea houses in every town in America.

Of course, this infuriated the independence-minded locals, who didn't want to have their local economies being used as a profit center for the multinational East India Company corporation. They resented their small businesses still having to pay the higher, pre-Tea Act taxes without having any say or vote in the matter (hence the cry of "no taxation without representation!"). The 1773 Tea Act was a legislative maneuver to help this corporation dump excess stocks on the American colonies. It was this anti-globalization agenda of the American revolutionaries that led to the infamous "Boston Tea Party" in 1773, Hartmann writes, against the corporation that had first founded, owned, ruled, and settled the original colonies. And it continued after the Revolutionary War with such flare-ups as the trade ward between 1812 and 1814, as the highly competitive corporation tried to continue monopolistic trading of clothing, silks, coffee, earthenware, cocoa, and spices in the U.S.

Contrary to our contemporary political "Tea Party" ideology that confounds independence with their anti-government/corporate privatization agenda and rightwing social ideology; "the Boston Tea Party," Hartmann writes, was the "final straw" culminating from "resistance that was organizing and growing... [as the] citizens of the colonies were preparing to throw off one of the corporations that had determined nearly every aspect of their lives through its economic and political power. They were planning to destroy the goods of the world's largest multinational corporation, intimidate its employees, and face down the guns of the government that supported it... The Boston Tea Party resembled in many ways the growing modern-day protests against transnational corporations and small-town efforts to protect themselves from chain-store retailers or factory farms. With few exceptions, the Tea Party's participants thought of themselves as protesters against the actions of the multinational East India Company and the government that

‘unfairly’ represented, supported, and served the company while not representing or serving the residents.” (p54-56)

Business friendly? What’s that mean?

There’s an analytical fallacy that pervades our political discourse and is perpetuated by ideological propaganda. Rightwing politicians smile and nod approvingly when something is described as “business friendly.” This is a meaningless phrase, because the proper distinction isn’t between “business friendly” and “not business friendly” with all they want to toss in that later bucket.

The proper distinction to understand what is happening to our economy and our country is “large and concentrated corporations” versus “small and local businesses.” These are usually conflated together as if they are the same. Local rural conservatives typically think they are helping local businesses if they promote corporate-friendly policy and legislation; a disastrous misperception and confusion. These entity types are distinctly different, operate in different contexts with different goals, have different operating dynamics, and impact our democracy, local and national economy in different ways.

It is not about “big government” (bad) versus “business and privatization” (good). It is about who controls government: “corporate money” versus “government of the people, by the people and for the people.” That is the framing that needs to come to the fore if we have any hope of a viable future for people and this planet.

[UNFINISHED SECTION, LEFT WANTING FEBRUARY 6TH, 2012]

New Economic Paradigm: Locally rooted businesses owned and managed by local owners and entrepreneurs

[UNFINISHED SECTION, LEFT WANTING FEBRUARY 6TH, 2012]

[This is left as a homework assignment. Search it out, find out what’s going on in the world and how it relates to Durango.]

Reading includes such insightful resources as:

David Korten. 2009 (new edition 2011). *Agenda for a New Economy: From Phantom Wealth to Real Wealth*. Berrett-Koehler Publishers, San Francisco.

Raj Patel. 2009. *The Value of Nothing: How to Reshape Market Society and Redefine Democracy*. Picador, New York.

Robert Reich. 2010. *Aftershock: The Next Economy & America’s Future*. Vintage Books, New York.

Get started with this excellent summary report by the New Economy Working Group:

David Korten (primary author). 2011. *How to Liberate America from Wall Street Rule*, 41p.

Durango’s future and what to do about it

[UNFINISHED SECTION, LEFT WANTING FEBRUARY 6TH, 2012]