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Merced's Wal-Mart plan updated amid worsening local economy

By SCOTT JASON

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Accentuate the positive.

Recognizing the harsh year that lies ahead, Merced's city and county leaders highlighted Wednesday the progress they're making despite the recession.

"We all know the negatives are out there," Merced City Manager John Bramble told members of the Greater Merced Chamber of Commerce. "Yes we are going to have tough times -- but we have a lot of positives."

He noted that the city, county and state are set to spend \$60 million in major projects this year. The city alone will spend \$30 million to expand the sewer plant. Phase I of the Campus Parkway, which will connect the Mission Avenue interchange to Childs Avenue, is set to begin within the next two months.

Crime also went down by 8 percent in 2008, and fire losses have steadily decreased. Besides Bramble, Merced County CEO Dee Tatum offered insight into the coming year as revenues decrease and applications for government aid increase.

Like a 600-pound gorilla in the room, however, the proposed Wal-Mart distribution center loomed over the chamber's annual State of the Community. The center promises to bring 600 full-time jobs if it opens and another 300 later.

Wal-Mart's marketing consultant, Marko Mlikotin, updated the audience on the distribution center project. "Out of all the communities that competed for this project, Wal-Mart wants to build here," he said. "It's a very desirable place for a number of reasons."

The Stop Wal-Mart Action Team asked last week for equal time to speak against the project. Citing its mission of supporting more jobs, the chamber declined the offer.

Julius Pekar, executive director of the Merced County Chamber of Commerce, pressed Bramble on whether the city remains excited about the big-box warehouse.

"If the Wal-Mart distribution center answers all of the environmental issues and the infrastructure issues, I'd imagine that the City Council would be enthusiastic about the project," Bramble said. "The City Council is enthusiastic about bringing jobs into the community. We have a lot of opportunities besides Wal-Mart."

Bramble noted that it's too early for elected leaders to support or oppose the project because the mandated environmental report hasn't yet been published. It's set to come out in the coming weeks, which kicks off the approval process.

The city's been focusing on the amenities that help lure businesses. Those include an active airport, better roads, quality health care and good schools.

This year the city will look into updating its Web site because that's one of the first ways a business evaluates a community. "It gives us an opportunity to get in the door," the city manager said.

Tatum said for 2009-2010 the county is predicting a 10 percent decline in property tax revenue -- about \$2 million. Even ag land's value, which had remained steady, has begun to drop, he said.

"We're starting to see softening in a lot of different sectors where we hadn't seen it before," Tatum said.

The county is bracing for what California's legislators do to settle the state's \$42 billion deficit estimated for the next 18 months. It's possible, he said, for the state to seize some county money, pay it back over time and leave local leaders scrambling to make ends meet.

Tatum told a story about a meeting last year with the Board of Supervisors as the county took a multimillion-dollar hit. It was devastating to watch the board, as it has done in other recessions, make the tough choices, he said.

"I think (Supervisor) Jerry O'Banion said it best: 'Welcome to the '90s,'" Tatum recalled, " 'because you are back here again.' "

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