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A birthday cake for Wal-Mart Supercenter
Good financial news near store's one-year anniversary
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One year after the opening of the Wal-Mart Supercenter in American Canyon, business is good for the retail giant according to store manager Mike Sellick.

"We've exceeded all our (sales) goals," Sellick said last week.

Mayor Leon Garcia pointed to the burgeoning growth of retail in American Canyon, and associated sales tax revenue, as a big reason for the city's financial stability.

"It's huge," Garcia said of the store's economic impact. "Development of Napa Junction took off, consequently we're on an even keel. We're on sound footing as a result."

A quarterly economic update presented at Tuesday's City Council meeting confirmed that retail is now the city's biggest sales tax generator, a fact city officials credit to the retail sales at Napa Junction. Retail sales tax revenue has increased dramatically in the first quarter for 2008, the city reported. The report shows that while sales tax revenue is down across the state and in the Bay Area, it is up more than 33 percent in American Canyon.

Property tax is the city's number one generator of revenue, providing more than 50 percent of the general fund and sales tax is the second largest single contributor at 15 percent. For fiscal year 2008-09, property taxes are budgeted at \$7.4 million, according to the report, while sales tax is slated at \$2.2 million.

The 187,000 square-foot Wal-Mart store opened its doors on Sept. 19 last year after nearly three years of legal wrangling by opponents who sought to block the store from opening. Critics claimed the non-union retailer underpays employees and doesn't provide health care benefits.

At the time of the opening, Sellick said Supercenter stores in Gilroy and Stockton generated \$50 million and \$160 million in sales volume. The average "basket ring" for a regular Wal-Mart was \$30-\$40 with the average Superstore receipt expected to be higher, Sellick said. It was estimated that the store would bring in \$600,000 in sales tax revenue annually for the city. The city gets 1 percent of the sales tax revenue it generates.

"Traffic," said Garcia when asked if the retail activity had a downside. But Garcia said that of the 50-60,000 cars that pass through American Canyon traffic generated by the stores in Napa Junction were not that significant.

"All those cars headed north at 8:00 a.m. and south at 5:00 p.m. are not Wal-Mart shoppers," he said. "Those are commuters."

Garcia said the city's good financial situation was due to decisions made at the right time.

"While I would like to say it was quality of leadership," said Garcia, "I have to say that the timing was right for the community; it was the right window for retail."

On Tuesday, city staff said the new retail sales tax helps American Canyon weather the current economic downturn.

The city now wants to focus its efforts to complete the re-approve plans for the third phase of Napa Junction. The city's approvals of the third phase of Napa Junction two years ago were voided this summer after a Napa County Superior Court judge ruled that the city violated state environmental laws when it approved the project.

The city also wants to annex land north of the city, under the memorandum of understanding between the city and Napa County that was signed Tuesday.

City staff will also meet with representatives of the city of Benicia, which has the highest sales tax revenues per capita in the region, to see if American Canyon can benefit by adopting any of that city's practices.

Eagle Staff Reporter Kerana Todorov contributed to this story.