

A NOTE TO RETAILERS AND RETAIL DEVELOPERS ON GOVERNOR BROWN'S VETO OF THE SUPERSTORE LAW

Did you know that California's legislature wants to make it more difficult to open a "superstore?" The legislature passed Senate Bill 469, known as the "Superstore Ban," requiring retail developers to conduct an economic analysis if proposing a superstore, and imposing a statewide limitation on such developments. The Governor vetoed the bill on October 9, stating, "This bill would add yet another layer of review to an already cumbersome process."

Several local communities have already imposed their own limitations or bans on superstores, however, and it's likely that we'll see a version of SB 469 again. Here is a bit more background on this bill.

What is a superstore? A retailer or retailers under one roof with more than 90,000 square feet where 10% of the sales area sells nontaxable goods, but not a club store. In other words, a superstore is a super-Wal-Mart or Target.

What sort of economic analysis was sought in SB 469? Measuring the impact within the superstore's area (not just its city) upon other retailers, retail vacancies, employment, wages, infrastructure, traffic, and housing.

Who supported SB 469? Small business associations and some unions.

Who opposed SB 469? Retail developers and the International Council of Shopping Centers.

Is this new? Sort of. Some communities have outright bans on superstores. And, EIRs for large-scale retail development generally contain an analysis of economic impact on, say, downtown retailers. SB 469 expanded the breadth of the EIR analysis.

SB 469 pitted large retailers against small retailers. While it's not clear who, if anyone, would benefit from SB 469, the tension between large and small retailers remains.

For more information, please contact **Sblend A. Sblendorio**.

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Primary Contact

- Sblend A. Sblendorio