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Economic and Fiscal Impact Analysis of Act 250 Application #1R0661-18

October 22nd, 2026

PREPARED FOR

The Act 250 Review of Application #1R0661-18
Montpelier, VT

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EXECUTIVE SUMMARY

Purpose. Walmart proposes to close its 75,000-square-foot Discount store at 90 Shopping Plaza Road in downtown Rutland City and open a 180,995-square-foot Supercenter at the former Diamond Run Mall site in Rutland Town, in or about March 2028 (Act 250 Application #1R0661-18). The applicant's economic analysis (Exhibit 069a) [1] acknowledges that the City could lose as much as $4.8 million in Local Option Tax ("LOT") revenue through 2034, but does not show how that figure was calculated. This study quantifies the economic and fiscal loss to the City by using Walmart's sales records, a trip-chaining model of downtown spending, and related data, so that the Act 250 District Commission has a documented estimate.

Method. Three sequential analyses were performed. First, annual sales at the Rutland City store were estimated from Walmart's SEC filings and from economic impact studies filed for other Vermont Walmart stores. Second, the downtown spending that results from shoppers making a second stop during a Walmart trip was estimated by building a custom trip-chaining model for downtown Rutland and Rutland Plaza. Third, the City's share of LOT on both amounts was calculated for 2026 and projected for 2028 through 2037.

Findings. The results are stated in a range between lower and upper bounds.

- Store sales: $42.2 million to $49.7 million per year. The lower bound adjusts the Walmart U.S. segment figure of $662.49 per square foot to the Discount Store format; the upper bound applies the unadjusted segment figure.
- Downtown secondary spending: of 1.8 million annual visits, an estimated 434,250 include a downtown stop, generating $12.7 million in spending at an average of $29.34 per stop. At a 50 percent post-relocation reduction, $6.4 million per year is at risk, 55 percent of it within a tenth of a mile of the store. Sensitivity analysis results in a range from $1.3 million to $13.9 million.
- LOT revenue: the City's annual loss is $364,274 to $468,299 in 2026 dollars, of which Walmart store sales account for $316,500 to $372,750. The loss begins in 2028 at $398,370 to $512,131 and reaches $595,865 to $766,024 by 2037.
- Ten-year total: $4.9 million to $6.3 million over 2028 through 2037. The applicant's $4.8 million figure covers only the seven fiscal years through 2034 and is unsupported by calculations in Exhibit 069a.

Replacement of the lost revenue. The applicant treats a "zero LOT replacement" (a scenario where Walmart retail sales will not be replaced) outcome as "highly unlikely" because Rutland has an approved Tax Increment Financing ("TIF") district. This study finds that argument unsupported. TIF proceeds repay bonded debt from growth in taxable value; they do not replace sales tax revenue. TIF rule 704 states that eligible improvements "generally are the installation, new construction, or reconstruction of infrastructure that will serve a public purpose and fulfill the purpose of the District" [44, § 704]. It would take a long, connected series of related and positive economic impacts for these public improvements to result in

increased LOT revenue. Increased LOT revenue also requires numerous outside economic inputs, such as positive macroeconomic forces, supportive credit markets, rising household incomes, and increased consumer spending, to combine with the new TIF-funded infrastructure. It would therefore be nearly impossible to attribute increased LOT revenue to TIF projects alone. The Walmart parcel (ID 12536) is assessed at $15.8 million, about 17 percent of the non-residential taxable value in the district, so its departure weakens the base on which the district depends. No replacement tenant for 75,000 square feet is known, and a reuse for offices, social services, professional services, or any other uses that do not pay LOT would produce no replacement revenue. Given the percentage of business activities that do not pay LOT, a zero LOT replacement is equally as likely as a new tenant that would pay a LOT. In addition, the 434,250 annual downtown stops that Walmart generated may be lost.

Conclusion. On the evidence assembled, the closure of downtown Walmart would reduce City LOT revenue by roughly $0.4 million to $0.5 million per year beginning in 2028, rising to $0.6 million to $0.8 million by 2037, for a ten-year total of $4.9 million to $6.3 million. The applicant's figure of $4.8 million covers only the seven fiscal years through 2034, is not supported by a calculation in Exhibit 069a, and does not include lost secondary spending. Because the loss grows every year, a forecast that stops in 2034 understates the cumulative loss. The applicant's analysis fails to provide essential information or calculations on key components of economic impacts. The analysis does not:

- show how its $4.8 million figure was calculated or reconcile it with the $5.67 million total in its own Table 12;
- project the loss past seven fiscal years, although its table shows the loss growing every year, from $693,750 in 2029 to $1,195,215 in 2034;
- account for the loss of downtown spending from reduced trip chaining, an estimated 434,250 visits a year;
- account for customers being drawn away from downtown to the Route 7 store, including through a transit service that the applicant is funding;
- address other City revenue losses that result from downtown retail sales losses, such as property tax, vacancies, reductions in rent, and the TIF district's taxable base;
- explain how TIF funding would replace lost LOT revenue, when TIF repays bonded debt for infrastructure with growth in property values and the Walmart parcel is about 17 percent of the district's non-residential taxable value;
- measure the LOT revenue loss as a percentage of the budgeted LOT expenses; and
- address the risk that a decline in the value of the Walmart parcel would reduce the TIF district's increment, when the City remains liable for TIF debt if increment is insufficient for any reason, including a decrease in property value, and when the tax on the original taxable value, including the Education Fund tax, must still be paid regardless of the district's taxable value.

1. Introduction

1.1 Purpose of this Study

The purpose of this study is to estimate the economic loss to the City of Rutland that may result from the closure of the Walmart Discount store, currently located at 90 Shopping Plaza Rd[1], in Rutland's downtown Central Business District and the construction of a new Wal-Mart that is more than twice the size of the existing store outside of Rutland City along Route 7 in Rutland Town .

These findings are intended for review by the Act 250 District Commission, with respect to Application # 1R0661-18, as evidence of the economic loss to the City of Rutland that is recognized by the applicant in Exhibit 069a [1], but not calculated in the report. On page 35 of Exhibit 069a, the applicant claims that the economic loss to the City of Rutland can be "as much as $4.8 million" through 2034, however, this estimation is not clearly quantified. This study uses Walmart's retail sales records, combined with the principles of urban economics to estimate the loss of retail sales and the Local Option Tax revenue in the City of Rutland.

1.2 Proposed Project Description

1.2.1 Background: The Existing Rutland City Store

Walmart has operated a store in the City of Rutland since 1997, pursuant to Act 250 approval granted in 1996. The store occupied and expanded on a previously vacated K-Mart store, in Rutland Plaza, identified in Act 250 permit as located on Strongs Avenue [2]. No economic impact analysis was prepared in connection with the Walmart store's original opening. All parties present at the Act 250 hearing on July 8th, 1992 "agreed to waive more detailed findings" regarding all 10 criteria of Act 250. The expansion of the K-Mart store consisted of an additional 67,000 square feet. The current store is categorized by Walmart Corporation as a "Discount Store" format which is generally defined between 69,000 and 260,000 square feet and sell general merchandise and limited groceries. They are smaller than Supercenters, and excludes extensive groceries, fresh-food, large pharmacies, and garden centers (Table 1). The current store is reported to be 75,000 square feet in size [1].

[1] This property is identified in the City Grand List as property ID 12536 with an address of 101 Merchants Row.

Store Format	Minimum (sq ft)	Maximum (sq ft)	Average (sq ft)
Discount stores (general merchandise and limited grocery)	30,000	206,000	105,000
Supercenters (general merchandise and grocery)	69,000	260,000	178,000
Neighborhood markets (grocery)	28,000	65,000	42,000
Rutland City store size (sq ft)	75,000		
Rutland store as % Discount store average	71.4%		
Rutland store within Discount stores range?	Yes		

Source

[3], fiscal year 2024 Form 10-K, Item 1, Business, Walmart U.S. Segment (Omni-channel), printed page 7.

Table 1. Walmart Retail Stores by Format



Figure 1. Rutland City Walmart

1.2.2 Location: The Existing Rutland City Store

The Rutland City Walmart store is in the heart of Rutland downtown business district. It is within walking distance of 75 other businesses, 11 of them in Rutland Plaza itself, plus government office buildings, the city hall, social services agencies, theaters and museums. It is adjacent to the Amtrak train station, a bus stop, and within the City's Tax Increment Financing District (red arrow Figure 2).

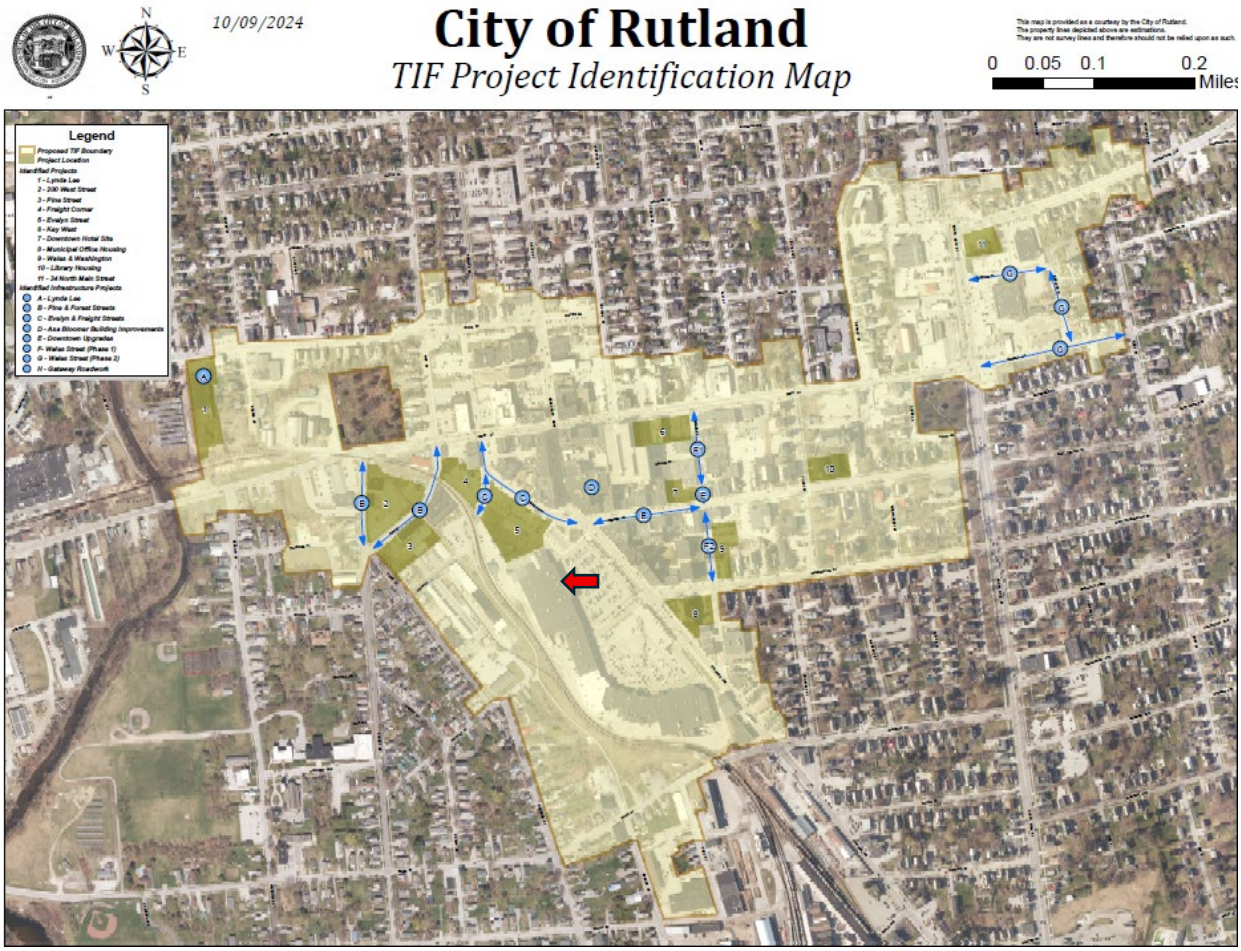

Figure 2. Rutland City TIF district

1.2.3 The Proposed Project: A New Supercenter in Rutland Town

Walmart is proposing a new supercenter on the site of the former Diamond Run Mall, at 46 Diamond Run Mall Place in the Town of Rutland. The project will more than double the size of the current City of Rutland store, at 180,995 square feet, and include a complete grocery department, a drive-through pharmacy, an optical center, and a garden center. Roughly 45 parking spaces would be set aside specifically for online grocery and e-commerce pickup orders. The existing 75,000-square-foot store is expected to remain in operation until the new location opens. Walmart supercenters typically stock approximately 140,000 distinct items. Assuming the Town does not impose its own limits on operating hours, the new location is expected to operate the same as the current location, from 7:00 a.m. to 11:00 p.m.

According to the current schedule, site work and construction are expected to finish in the first quarter of 2028, with the new store beginning operations that March, at which point the existing Rutland City location is expected to close permanently.

The Rutland downtown store employs 152 people: 8 in leadership roles, 20 in supervisory positions, and 124 hourly associates. These positions are expected to be carried over to the new supercenter. The applicant reports that the new store will add 4 leadership positions, 7 supervisory positions, and between 114 and 139 new hourly associates — a total of 125 to 150 net new positions, which are expected to be fully employed by the third year of operations.

1.2.4 Summary Table

Item	Current Store	New Store (Proposed)
Address	90 Shopping Plaza Rd, Rutland City	46 Diamond Run Mall Place, Rutland Town
Size	75,000 sq ft	180,995 sq ft
Format	Discount store	Supercenter (full grocery, drive-through pharmacy, optical center, garden center)
Employment	152 total (8 leadership, 20 supervisory, 124 hourly)	~277-302 total: all 152 current positions retained, plus 4 leadership, 7 supervisory, and 114-139 hourly (125-150 net new positions, in place by Year 3)
Site History	Opened 1997 in a building previously occupied by K-Mart (Rutland Plaza, Strongs Avenue); change of tenant.	Former Diamond Run Mall site; new construction
Current Status	Active; operating as a downtown-adjacent anchor tenant	Under Act 250 review — Application #1R0661-18
Timing	Proposed Closure, March 2028	Construction Q1 2027 – Q1 2028; proposed to open March 2028
Parking	—	~45 spaces dedicated to online grocery/e-commerce pickup
Open Hours	6:00am-11:00pm	7:00 AM - 11:00 PM (assumed)

Table 2. Comparison between the current and proposed Walmart stores Source: [1].

1.3 Qualifications of the Analyst: Michael D. Crane AICP

Michael Crane AICP is an economist and certified urban planner with 25 years of work experience in the fields of economic impact analysis, Environmental and Social Impact Assessments (ESIAs), socio-economic impact analysis, benefit/cost analysis, sustainability analysis, economic impacts of climate change, and governance capacity building in these topics. Since 1998 he has calculated the social, economic, and environmental impacts of major development projects including hydro-electric dams, highways, oil and gas extraction, seaports, and mines. In 2002, Michael established Crane Associates Inc., an award-winning consulting firm that specializes in resilient and sustainable economic development for cities and towns throughout the United States and world. He has identified untapped economic development potential for regions, cities, and companies through competitive advantage modeling, market feasibility studies, strategic development plans, economic cluster analysis, tourism growth strategies, Benefit-Cost Analysis (BCA) of infrastructure, Return on Investment (ROI) analysis of public improvements, and value-added manufacturing. Throughout his career, Michael's feasibility studies led to financing and eventually building hundreds of housing units, and

millions of square feet of commercial and industrial space. Crane Associates Inc is a Vermont registered S-corporation that has been in continuous operation since 2002. Past clients include over 100 municipal governments throughout the United States, the US State Department, the Millennium Challenge Corporation, the World Bank, the United Nations, the Abu Dhabi Urban Planning Council, the Emir of Fujairah, and national government ministries in the Middle East, Asia, Africa, Eastern Europe, and Oceania. More information on Crane Associates can be found at: www.craneassociates.us.

2. Methodology

2.1 Purpose and Organization of This Chapter

This chapter describes the data, assumptions, calculations, and verification procedures used in the three analyses presented in this report. Each analysis concerns the proposed relocation of the Walmart store located at 90 Shopping Plaza Road, Rutland City, Vermont (the "Rutland City Store"), a 75,000-square-foot Discount Store format employing approximately 152 associates, to a new Supercenter of approximately 180,995 square feet at the former Diamond Run Mall site in Rutland Town, anticipated to open in or about March 2028.

The three analyses are summarized in Table 3 and are sequential: the first establishes the scale of the store's sales; the second estimates the secondary spending at other downtown businesses that is associated with customer visits to the store; and the third projects the City's estimated loss of Local Option Tax revenue over the ten years following the anticipated relocation. Results are presented in the Findings and results section.

Analysis	Question Addressed	Principal Method
Retail sales estimate	What are the annual retail sales of the Rutland City Store?	Walmart U.S. segment sales per square foot (SEC Form 10-K), adjusted to Discount Store format using a ratio derived from an Act 250 economic impact study
Trip-chaining secondary spending	How much downtown spending is associated with multi-destination trips involving the store?	Visits × trip-chaining rate × spending per secondary stop × post-relocation reduction, allocated by distance zone
Loss forecast	How does the City's estimated annual loss of Local Option Tax revenue change over 2028–2037?	2026 low and high bounds derived from the first two analyses, escalated at the ten-year compound annual growth rate of Walmart U.S. sales per square foot (4.58 percent)

Table 3. Summary of work approach

2.2 Sources

The analyses rely on sources of record: filings made by Walmart Inc. with the U.S. Securities and Exchange Commission ("SEC"); economic impact studies, traffic studies, findings, and permits filed in Vermont Act 250 proceedings; publications of the Vermont Agency of Transportation ("VTrans"); the Institute of Transportation Engineers ("ITE") Trip Generation publications; and academic and institutional studies. National academic research on Walmart was used where it bore directly on model parameters. Inputs were checked against the source documents where those were available.

2.3 Methodology to Estimate Retail Sales at the Rutland City Store

2.3.1 SEC Filings

Net sales and retail square footage for the Walmart U.S. segment were compiled from Walmart Inc.'s Annual Reports on Form 10-K for fiscal years 2015 through 2025 (fiscal years end January 31) [3], as shown in Table 5. For each year, net sales and square footage were taken from the same segment and the same source table, so that the resulting ratio of sales to square feet is internally consistent. The compound annual growth rate ("CAGR") is computed as (ending value ÷ beginning value) ^(1 ÷ number of years) − 1 over ten, five, and three years. The average annual year-over-year change is also computed.

2.3.2 Vermont Act 250 Studies

Store-level data were collected for the other existing Walmart stores in Vermont from the permit and study record of each: Saint Albans [4], Bennington [5], Derby–Newport [6], Williston [7], and Berlin [8]. Only the Saint Albans, Bennington, and Derby records disclose sales. Williston and Berlin proceeded as amendments to existing permits and contain no sales data. The Saint Albans and Bennington studies relied on confidential Walmart data supplied to the preparers; the Derby figure is the consultant's estimate benchmarked to Walmart's reported national average per-store sales.

2.3.3 Format Adjustment

The Walmart U.S. segment figure is a blend of all store formats, in which Supercenters predominate by square footage. Discount Stores generally produce lower sales per square foot. Applying the blended figure directly to the Rutland City Store is expected to overestimate sales and therefore considered an upper bound estimate. The Saint Albans study [4] is the only Vermont record that states both a Discount Store's sales per square foot ($349.69, from estimated first-year sales of $55.95 million over 160,000 square feet) and the national average for the same year ($412.19). Their ratio, 0.8484, is used as the Discount Store adjustment factor. The Bennington and Derby stores were not used for this purpose because their studies do not state a national comparison and both stores are Supercenter format. The adjusted figure is multiplied by the store's 75,000 square feet to obtain the lower-bound estimate; the unadjusted segment figure, multiplied by the same area, gives the upper bound.

2.4 Methodology to Estimate Trip-Chaining Secondary Spending

2.4.1 Conceptual Basis

The analysis draws on four concepts from the retail-location literature:

- Cumulative attraction: states that compatible retail establishments located near one another collectively attract more customer activity than the same establishments located apart [9].

- Trip chaining: the practice of visiting two or more destinations during one outing. In traffic-engineering literature these multi-destination trips are called “diverted linked trips,” and are used to estimate additional retail stops during a trip to Walmart.
- Agglomeration spillovers: the effect on one establishment of the presence of another nearby [10].
- Distance decay: the general principle that trip chaining effects diminish with distance from the anchor. Pashigian and Gould [11] is cited as support for the proposition that anchor tenants have a measurable market value to nearby businesses which is often used in negotiating rents.

2.4.2 Model Structure

Estimated annual sales exposure in each distance zone is calculated as:

$$Ei = V \times C \times S \times R \times Zi$$

where V is annual visits to the Walmart; C is the trip-chaining rate; S is average expenditure per secondary stop; R is the proportion of chained downtown activity assumed lost after relocation; and Z is the share of chained activity allocated to zone i.

2.4.3 Visits (V)

VTrans reported roadway and driveway traffic was 6,835 vehicles per day on Strongs Avenue (2023 Annual Average Daily Traffic) [12], and 1,461 vehicles entering the Rutland Plaza entrance between 6:00 a.m. and 6:00 p.m. in a 2009 count [13]. These measures describe vehicles, not customers, cover the north entrance only, and are not specific to Walmart. They are used here as a frame of reference.

Annual visitation to Walmart was taken from mobile-location data. Brixmor Property Group reports approximately 3.5 million annual visits to Rutland Plaza [14]. A real estate offering memorandum prepared by Fisher James Capital and ParaSell, Inc. [15], for a nearby property reports approximately **1.8 million annual visits** to the Rutland Plaza Walmart and attributes the figure to Placer.ai. Because the 1.8 million figure is annual, is specific to the Walmart, and is separately identified from the plaza as a whole, it is used as V. It equals approximately 51.4 percent of the plaza-wide figure, which is retained as context. Both figures are provided by Placer.ai, a data analytics firm specializing in foot-traffic analysis [16].

2.4.4 Trip-Chaining Rate (C)

Four trip-chaining rates were identified and then averaged to find a reasonably acceptable rate of trip chaining for the Walmart downtown location. Each source measured a multi-destination or linked-trip occurrence. C is the arithmetic mean of the four: 24.1 percent (24.125 percent unrounded). The rates are listed in Table 4.

Source	Rate	Measure
Saint Albans traffic study [17], free-standing discount store (citing ITE Trip Generation Handbook [18], Table 5.2)	35%	Diverted linked trips; same format as the Rutland City Store
Saint Albans traffic study [17], shopping center (same table)	26%	Diverted linked trips; shopping-center land use
Saint Albans traffic study [17], multi-purpose trip allowance	10%	Conservative allowance applied by the study's traffic engineer
ITE Trip Generation Handbook [18], Table 7.2, internal capture (range 20%–31%)	25.5%	Midpoint of published range; trips among businesses in one complex
Arithmetic mean: (35 + 26 + 10 + 25.5) ÷ 4	**24.125%**	**Rate used in the model scenario**

Table 4. Trip-Chaining Rates

2.4.5 Expenditure per Secondary Stop (S)

S is the arithmetic mean of four published benchmarks of customer spending at businesses neighboring a primary destination: $26.73 [19] (Flint, Michigan); $25.60 [20]; $32.00 [21]; and $33.02 [22] (Mission City). The mean is $29.34. The benchmarks come from different locations, customer populations, and measurement methods. Each was checked against its original source.

2.4.6 Post-Relocation Reduction (R)

The Rutland Town site lies approximately two and one-third miles from the existing store. It is possible that all chained downtown activity would be lost; this report treats that outcome as the upper-bound assumption. Some customers of the relocated store will continue to make downtown stops at a reduced rate. In the Local Option Tax forecast (Section 2.5), the lower scenario applies the 50% reduction and the upper scenario applies a 100% reduction, the loss of all secondary spending.

2.4.7 Distance Allocation (Z)

A business inventory identified 75 businesses within walking distance of the current Walmart: 64 downtown businesses compiled from multiple sources with street addresses, and the 11 tenants of Rutland Plaza, the shopping center in which the Walmart is located, taken from the landlord's leasing page [23]. In this report, "downtown" includes Rutland Plaza. Each was assigned by street address to a proximity band, and the secondary stops were allocated among the bands on the distance-decay principle: Zone A (0–0.10 mile; 22 businesses, including all 11 Rutland Plaza tenants), 55 percent; Zone B (0.10–0.25 mile; 45 businesses), 30 percent; Zone C (0.25–0.50 mile; 6 businesses), 15 percent. Two businesses beyond 0.50 mile or of uncertain location receive no allocation. The percentages are model scenario assumptions and were not taken from a cited study. Each business receives equal weight within its zone regardless of size, so including the Rutland Plaza tenants changes how the spending at risk is distributed among businesses, not its total.

2.4.8 Calculation

The model in Section 2.4.2 is applied in sequence. Annual trip-chaining stops equal annual visits multiplied by the trip-chaining rate. Current secondary spending equals stops multiplied by

expenditure per secondary stop. Spending at risk equals current secondary spending multiplied by the post-relocation reduction and is allocated to the three proximity zones using the shares in Section 2.4.7.

A sensitivity analysis recomputes the spending at risk for each of the four trip-chaining rates in Table 4 at post-relocation reductions of 25, 50, and 75 percent, holding annual visits at 1,800,000 and expenditure per secondary stop at $29.34. The results are unweighted and are not probability-weighted forecasts.

2.5 Methodology to Estimate the Forecast of Local Option Tax Loss

The forecast is stated as a lower and an upper bound of the City's annual loss of Local Option Tax ("LOT") revenue, in 2026 dollars. Both bounds are derived from the first two analyses. The lower scenario combines format-adjusted Walmart sales with the loss of half the secondary spending base. The upper scenario combines unadjusted Walmart sales with the loss of the full base. Both scenarios assume that the store's sales leave downtown before replacement sales or recapture occur.

Walmart sales are rounded to $42.2 million and $49.7 million. The 1 percent LOT is applied to Walmart sales and to secondary spending. The City receives 75 percent of the proceeds under 24 V.S.A. § 138(d)(1) [24], effective October 1, 2025, before the collection-cost adjustment. The entire sales base is assumed taxable. The derivation is shown in Table 11.

Because the loss is not expected to begin until the relocation in 2028, each bound is first forecasted two years, from 2026 to 2028, and then for each year through 2037. The forecast uses the ten-year CAGR of Walmart U.S. sales per square foot (4.575 percent) from the Form 10-K data in Table 5. The ten-year CAGR is the most reliable growth rate and is less sensitive to single-year variations than the five-year or three-year rates.

Walmart U.S. Segment — Sales per Square Foot Trend, FY2015-FY2025

Fiscal Year	Net Sales ($M)	Retail Sq Ft (M)	Sales/SqFt ($)	YoY Sales/SqFt Change	Source 10-K
2015	288,049	680.112	$423.53		FY2017 10-K
2016	298,378	689.647	$432.65	+2.2%	FY2017 10-K
2017	307,833	699.289	$440.21	+1.7%	FY2017 10-K
2018	318,477	705.000	$451.74	+2.6%	FY2019 10-K
2019	331,666	705.000	$470.45	+4.1%	FY2019 10-K
2020	341,004	703.318	$484.85	+3.1%	FY2020 10-K
2021	369,963	703.032	$526.24	+8.5%	FY2021 10-K
2022	393,247	702.996	$559.39	+6.3%	FY2022 10-K
2023	420,553	702.000	$599.08	+7.1%	FY2025 10-K
2024	441,817	699.000	$632.07	+5.5%	FY2025 10-K
2025	462,415	698.000	$662.49	+4.8%	FY2025 10-K

Summary

10-Year CAGR (FY2015 → FY2025)	4.58%
5-Year CAGR (FY2020 → FY2025)	6.44%
3-Year CAGR (FY2022 → FY2025)	5.80%

Table 5. Walmart Sales Per SqFt 2015 to 2025

The loss in year n equals the 2026 bound × (1 + g)^(n − 2026), where g is the unrounded ten-year CAGR (4.5753 percent, reported as 4.58 percent). Calculations are carried out in unrounded form. Dollar figures are nominal and are not discounted.

3. Findings and Results

This section presents the results of the three analyses described in Methodology. Table 6 summarizes the results.

Analysis	Principal Result
Retail sales estimate	Annual sales at the Rutland City Store of $42.2 million to $49.7 million
Trip-chaining secondary spending	$12,739,809 in current annual secondary spending; $6,369,905 at risk (main scenario)
Local Option Tax loss forecast	Annual City loss of $364,274 to $468,299 in 2026 dollars; cumulative loss of $4,912,435 (low) to $6,315,258 (high) over 2028–2037

Table 6. Summary of findings

3.1 Retail Sales at the Rutland City Store

Walmart does not report sales by store or by state, and no economic impact study was prepared for the Rutland City Store. The estimate is therefore derived from Walmart's SEC filings and from economic impact studies filed for other Vermont Walmart stores. Using SEC records as a base data to estimate retail sales is a method already accepted by the applicant during previous ACT 250 permit filings [6].

3.1.1 SEC Filings

Sales per square foot of the Walmart U.S. segment rose in each of the ten year-over-year periods across the eleven fiscal years in Table 5, from $423.53 in fiscal year 2015 to $662.49 in fiscal year 2025, including fiscal year 2020 during the COVID-19 pandemic. Total retail square footage remained nearly constant, rising only 2.6 percent from 680.1 million to 698.0 million square feet, while net sales rose 60.5 percent during the same period. The growth therefore primarily reflects greater sales per unit of existing space and not an expansion of the store base. The CAGR is 4.58 percent over ten years (fiscal years 2015 to 2025), 6.44 percent over five years, and 5.80 percent over three years. The average annual year-over-year change is 4.60 percent.

3.1.2 Vermont Act 250 Studies

Table 7 presents store-level data for the five other existing Walmart stores in Vermont. Only the Saint Albans, Bennington, and Derby records disclose sales. Saint Albans is the only record that supports a Discount Store adjustment: its sales of $349.69 per square foot are 0.8484 of the national average of $412.19 for the same year.

Location	Data Year	Format	Size (Sq Ft)	Employment	Sales / Sq Ft	Implied FY2025 Sales / Sq Ft	Source
Saint Albans	2006	Discount	160,000	249	$349.69	$562.03[1]	Economic & Policy Resources, Inc. (2005); Act 250 Application No. 6F0583[4]
Bennington	2009	Discount → Supercenter (post-expansion)	112,126	225	$428.09	Not computed[2]	Kavet, Rockler & Associates, LLC (2007); Act 250 District 8[5]
Derby (Newport area)	2013	Supercenter (new construction)	160,000	260	$375.00	Not computed[2]	Northern Economic Consulting, Inc. (2014); Act 250 District 7[6]
Williston	2017	Discount + separate Sam's Club	246,013	Not disclosed	Not disclosed	N/A	Vermont Environmental Board, Findings of Fact, Application No. 4C0696-11-EB[7]
Berlin	2012	Discount → Supercenter (conversion)	93,539	Not disclosed	Not disclosed	N/A	Vermont Land Use Permit No. 5W0584-16[8]

Table 7. Existing Vermont Walmart Stores, Store-Level Data

[1] Fiscal year 2025 Walmart U.S. segment sales per square foot ($662.49) multiplied by the ratio of the store's reported sales per square foot to the national average cited in the same study.

[2] Neither study states a national sales-per-square-foot comparison, and both stores are Supercenter format.

3.1.3 Estimated Retail Sales

Table 8 applies the Discount Store adjustment to the fiscal year 2025 segment figure. Annual retail sales at the Rutland City store are estimated at $42.2 million (format-adjusted, lower bound) to $49.7 million (unadjusted national average, upper bound). Sales per employee is used as a check on square foot estimates. The format-adjusted sales per employee is approximately $277,319, based on 152 associates. This is consistent in order of magnitude with the sales per employee reported for the Saint Albans ($224,698) and Bennington ($213,333) studies, allowing for the growth in sales per square foot between the years of those studies and 2025.

Step	Operation	Result
1	Walmart U.S. segment sales per square foot, fiscal year 2025	$662.49
2	Apply Discount Store factor: $662.49 × 0.8484	$562.03 per square foot
3	Apply to store size: $562.03 × 75,000 square feet	$42,152,517 (lower bound)
4	Unadjusted national figure: $662.49 × 75,000 square feet	$49,686,426 (upper bound)

Table 8. Calculation of Estimated Retail Sales, Rutland City Store

Note: Calculations use unrounded inputs (fiscal year 2025 net sales of $462,415 million ÷ 698.0 million square feet = $662.4857 per square foot; Discount Store factor $349.69 ÷ $412.19 = 0.848371). Figures shown are rounded, so they may differ slightly from the products of the rounded values displayed.

3.2 Trip-Chaining Secondary Spending

3.2.1 Scenario Configuration

Table 9 applies the model to the inputs described in the Methodology section. Of the estimated 1,800,000 annual Walmart visits, 434,250 are estimated to include an additional downtown stop. At $29.34 per stop, current annual secondary spending is $12,739,809. After the 50 percent post-relocation reduction, $6,369,905 of annual secondary spending is at risk. By zone, about 238,838 stops are allocated to Zone A, 130,275 to Zone B, and 65,138 to Zone C. Zone A bears $3,503,448, or 55 percent, of the spending at risk. Because Zone A contains 22 businesses, the average is $159,248 of spending at risk per business.

Quantity	Formula	Result
Annual trip-chaining stops	1,800,000 × 24.125%	434,250
Current secondary spending	434,250 × $29.34	$12,739,809
Annual spending at risk	$12,739,809 × 50%	**$6,369,905**
Zone A (55%)	$12,739,809 × 55% × 50%	$3,503,448
Zone B (30%)	$12,739,809 × 30% × 50%	$1,910,971
Zone C (15%)	$12,739,809 × 15% × 50%	$955,486

Table 9. Trip-Chaining Calculation

3.2.2 Sensitivity Analysis

Table 10 presents the spending at risk for each of the four trip-chaining rates at reductions of 25, 50, and 75 percent. At the 50 percent reduction, the spending at risk ranges from $2,640,375 (10 percent rate) to $9,241,313 (35 percent rate). Across all twelve combinations, it ranges from $1,320,188 to $13,861,969. The main scenario of $6,369,905 lies in the center of this range. The results are the unweighted arithmetic range of the previously described variables.

Trip-Chaining Rate (and source)	Current Secondary Spending	At Risk: 25% Reduction	At Risk: 50% Reduction	At Risk: 75% Reduction
10% (Saint Albans, multi-purpose allowance) [17]	$5,280,750	$1,320,188	$2,640,375	$3,960,563
24.125% (average of four rates; main scenario)	$12,739,809	$3,184,952	**$6,369,905**	$9,554,857
26% (Saint Albans, shopping center)	$13,729,950	$3,432,488	$6,864,975	$10,297,463
35% (Saint Albans, free-standing discount store) [17]	$18,482,625	$4,620,656	$9,241,313	$13,861,969

Table 10. Sensitivity Analysis of Annual Spending Loss

3.3 Local Option Tax Loss Forecast

3.3.1 Annual Loss

Table 11 estimates the City's annual LOT loss in 2026 dollars. The lower bound is $364,274 and the upper bound is $468,299. Walmart sales account for $316,500 and $372,750 of these amounts, and secondary spending from trip chaining lies between $47,774 and $95,549. Using Walmart sales ($42,152,517 and $49,686,426) changes the totals to $363,918 and $468,197, a difference of 0.1 percent or less.

Component	Lower Scenario	Upper Scenario
Walmart sales (rounded)	$42,200,000	$49,700,000
Secondary spending lost (50% reduction in the lower scenario; 100% in the upper)	$6,369,905	$12,739,809
Total sales exposure	$48,569,905	$62,439,809
Gross 1 percent tax on Walmart sales	$422,000	$497,000
City share of Walmart tax (.75 percent)	$316,500	$372,750
Gross 1 percent tax on secondary spending	$63,699	$127,398
City share of secondary tax (.75 percent)	$47,774	$95,549
Total City LOT loss, 2026 dollars	$364,274	$468,299

Table 11. Derivation of Annual Local Option Tax Loss, 2026 Dollars

3.3.2 Ten-Year Forecast, 2028–2037

Table 12 forecasts each bound estimate at Walmart's 10-year CAGR of US-based retail sales/sqft (4.575%) per year from 2026. The loss begins in 2028 at $398,370 (low) to $512,131 (high) and reaches $595,865 to $766,024 by 2037. The cumulative loss over 2028–2037 is $4,912,435 at the lower bound and $6,315,258 at the upper bound.

Year	Years of Growth	Growth Factor	Low Bound	High Bound	Cumulative Low	Cumulative High
2028	2	1.0936	$398,370	$512,131	$398,370	$512,131
2029	3	1.1436	$416,597	$535,562	$814,967	$1,047,693
2030	4	1.1960	$435,657	$560,066	$1,250,624	$1,607,759
2031	5	1.2507	$455,590	$585,690	$1,706,213	$2,193,449
2032	6	1.3079	$476,434	$612,487	$2,182,647	$2,805,937
2033	7	1.3677	$498,232	$640,510	$2,680,880	$3,446,447
2034	8	1.4303	$521,028	$669,816	$3,201,908	$4,116,263
2035	9	1.4958	$544,866	$700,462	$3,746,774	$4,816,724
2036	10	1.5642	$569,796	$732,510	$4,316,569	$5,549,234
2037	11	1.6358	$595,865	$766,024	$4,912,435	$6,315,258
Total			**$4,912,435**	**$6,315,258**		

Table 12. Projected Annual City Local Option Tax Loss, 2028–2037 (nominal dollars)

4. Assessment of Impacts of the Loss of Local Option Tax on the City's Ability to Provide Municipal Services

4.1 Summary

The applicant measures the City of Rutland's Local Option Tax (LOT) loss against the City's entire municipal budget and claims that the loss does not pose an unreasonable burden on the City to provide municipal services. Their report finds the loss to be small, 2.2% to 2.6% over fiscal years 2028 through 2034 [1]. The applicant points out that City ordinance restricts LOT proceeds to three uses: a capital improvement reserve fund, reducing an underfunded pension deficit, and building or repairing City infrastructure [25]. The budget that LOT supports is therefore the capital and pension budget, not the whole operating budget. Measured against those limitations, the applicant's Table 12 shows a City LOT loss of $5.67 million over the seven years, rising to $1.20 million per year by 2034. The applicant's Table 12 shows that in 2029 the loss is $694,000. However, this amount is not a small percentage but rather, it is approximately 94% of the FY2024 allocation of estimated annual LOT receipts.

The applicant's statement that LOT has historically paid for property tax relief is infeasible with respect to the uses the City's LOT ordinance, § 9-8.9 [25], authorizes. The applicant also restates the statutory standard of 10 V.S.A. § 6086(a)(7) with the added words "essential services" and "operating budget services" which is not in the statute and uses this narrower standard in an attempt to minimize the loss.

4.2 The Applicant's Report

The applicant states that the City could lose "as much as $4.8 million" of LOT revenue through 2034, "roughly 2.2%" of the cumulative City budget, and that a one-to-one loss would be "only about 2.6%" of the City's total municipal budgets, which it estimates at $220.6 million for 2028 through 2034 [1, pp. 35–36]. It adds that LOT has not funded "essential operating services", so the loss should not create an undue burden on the City [1, p. 35]. The applicant's Table 12 shows the annual City LOT loss that underlies the 2.6% figure.

Fiscal year	2028	2029	2030	2031	2032	2033	2034	Total
Loss ($)	53,052	693,750	780,469	878,027	987,781	1,086,559	1,195,215	5,674,853

Table 13. Estimated City of Rutland Local Option Tax Loss in the Applicant's Table 12, line 33.

Source: the applicant [1], Table 12, "Local Option Taxes" row (Years 4 through 10). The total is the sum of the annual figures. $5,674,853 divided by $220.6 million is 2.6%.

4.3 LOT Restrictions

The revenue that the LOT would create is a restricted fund as directed by City ordinance 9-8.9 Local Option Tax [25]. The applicant describes the restricted uses of the City's LOT in four places [1] and summarized in *Table 14*.

Page (printed)	**Applicant's statement**	**Source of the statement**
35	LOT revenues "have historically been used for providing property tax relief, repairs for streets, paths, and sidewalks, and resources for new capital or capacity-building projects."	The applicant
35	LOT revenues "have not been used to fund the City's essential municipal operating budget services according to its own Local Option Tax receipts use policy."	The applicant
35 (footnote 26)	Proceeds "be used for any of the following: (1) Deposit in any capital improvement reserve fund established in accordance with 24 V.S.A. AA 2804; (2) Reducing the deficit in any underfunded pension; or (3) Financing the construction, reconstruction, or repair of City buildings, streets, sidewalks, or other infrastructure."	City ordinance, as quoted by the applicant
36	The City has had LOT "since its July 1, 2023 inception and they generally have not been structurally built into the City's operating budget."	The applicant
38	The lost revenue is revenue "that have historically been used for providing property tax relief and resources for new projects in the municipality."	The applicant

Table 14. The Applicant's Statements on the Uses of City LOT Revenue

Quotations are from the applicant's report [1]. "AA" appears in the report's quotation of the ordinance in place of the section symbol.

The applicant uses these statements to conclude that the loss will not burden the City's ability to provide essential municipal services. The report's footnote 26 shows what the ordinance authorizes: capital reserve, the pension deficit and infrastructure.

4.4 Incorrect Denominator

The applicant divides the loss of a restricted fund by the whole City budget, which would artificially create a small percentage. This is a misleading measurement since the entire city budget includes many expenditure line items for which LOT revenue cannot be allocated. To demonstrate a relative loss, the LOT revenue loss must be presented as a percentage of the budget of which it is part. The relevant budget items to which the LOT is restricted are the capital reserve, pension contributions, and public infrastructure. The appropriate question is: How much of these expenses was the City expecting to pay with LOT revenue in the forthcoming years? What degree will the forgone revenue, resulting from the LOT loss, negatively impact the City's pension fund, capital improvement fund?

The applicant states that LOT "[has] not been structurally built into the City's operating budget" [1, p. 36]. "Structurally built" is a judgement call that has little meaning. The city budget used LOT revenue to pay for these restricted line items. The FY 2025 audited budget shows $1,644,875 in LOT revenue [26, pp. 16, 18]. The audit shows a LOT balance transfer to a capital reserve fund [26, p. 12] and page 15 of the audit shows $2,268,320 earmarked for "Local Option Tax Eligible Expenses" [26, p. 15]. On January 21 2025, the City Alderman allocated LOT proceeds of $300,000 paving, $25,000 guardrails, $65,000 concrete and precast, and up to $350,000 to the capital reserve [27]. Considering that the LOT was audited by independent Certified Public Accountants and debated in public meetings, one might recognize it as "structurally built" within the City's budget.

The applicant's report states the loss at $4.8 million and 2.2%, but its Table 12 sums to $5.67 million, which is the 2.6% figure. The report does not explain the use of two different totals.

However, the $5.67million figure lands in the middle of our total LOT loss estimation. The applicant also states that the City's LOT has "historically been used for providing property tax relief" [1, pp. 35, 38] but provides no evidence to this effect. The ordinance quoted in footnote 26 lists the capital reserve, the pension deficit and infrastructure, not property tax relief [25]. The City has had LOT only since July 1, 2023 [1, p. 36], so "historically" covers about three years. Nonetheless, the impact of LOT loss will be felt on the future budget years, regardless of the duration of history.

4.5 A Relative Comparison

Table 15 measures the losses in the applicant's Table 12 against the funds that the LOT revenue can support. The City's audited FY2025 financial statements report Local Option Sales Taxes of $1,644,875 [26, pp. 16, 18]. The 2029 loss of $693,750, the first full year of loss reported by the applicant, is 94% of the FY2024 allocation and 42% of FY2025 audited LOT revenue. The 2034 loss of $1,195,215, the last year in Table 12 and the largest annual loss, is 73% of FY2025 audited LOT revenue.

Measure	Amount	Loss compared	Share
FY2024 allocation, Board of Aldermen, January 21, 2025 [27]	up to $740,000	$693,750 (2029 loss)	94%
FY2025 audited LOT revenue [26]	$1,644,875	$693,750 (2029 loss)	42%
FY2025 audited LOT revenue [26]	$1,644,875	$1,195,215 (2034 loss)	73%

Table 15. The Same Loss Against Different Measures

The FY2024 allocation was $300,000 for paving, $25,000 for guardrails, $65,000 for concrete and precast, and up to $350,000 for the capital reserve [27]. FY2025 audited LOT revenue is held constant across the comparison years. The Rutland Herald reported in 2023 that the City expected the tax to raise about $1.2 million a year [28].

Measured against the funds that LOT supports, the loss is substantial. By 2029 the loss is 94% of the FY2024 allocation, and by 2034 it is about 73% of estimated annual receipts. The applicant's conclusion that the loss is not an unreasonable burden is difficult to comprehend. The District Commission could find that the loss of 94% of the City's earmarked budget, occurring three years from now, is an "unreasonable burden on the ability of the local government to provide municipal or governmental services."

4.6 The Applicant's Departure from Act 250 Criteria

The applicant limits its analysis to the impact of the project on the ability of affected municipalities to provide "essential services." However, essential services are not defined by the applicant and seem to be inconsistent with the Act 250 fiscal impact analysis. For example, criterion 7 of Act 250 provides that a project "[w]ill not place an unreasonable burden on the ability of the local governments to provide municipal or governmental services" [29] and criterion 9(A) addresses the impact that a project has on the cost of "public services." The Act 250 fiscal criteria do not use the word "essential" in the context of government services. Rather, Act 250 addresses impacts on municipal or governmental services generally.

With regard to criterion 7, the applicant restates the criterion with qualifiers the Legislature did not enact. It describes Criterion 7 as concerning the ability of local governments "to provide essential municipal services to their residents" [1, p. 28]. It frames the question as an "undue burden" on the ability to provide "essential municipal services" [1, p. 28], and states that Criterion 7 "refers to an 'undue' or unreasonable burden on the ability to provide essential municipal services" [1, p. 36]. The statutory term is "unreasonable," not "undue." "Undue" is the term used in other Act 250 provisions, such as the growth criterion in § 6086(a)(9)(A) [29]. The added word does work in the applicant's analysis. It supports the statement that LOT revenues "have not been used to fund the City's essential municipal operating budget services" [1, p. 35], from which the applicant concludes that losing them cannot burden the City. Under the statute as written, the question is whether the loss places an unreasonable burden on the City's ability to provide municipal services, which include the streets, sidewalks, buildings and infrastructure that the ordinance directs LOT to fund [25].
https://legislature.vermont.gov/statutes/section/10/151/06086

5. Conclusions

Upon the closure of Walmart in downtown Rutland, in the year 2028, the City's loss of total retail sales activity, generated specifically by the Walmart store alone, is estimated at between $42.2 million and $49.7 million annually. This amount of retail spending currently supports 152 jobs plus the indirect and induced jobs, household wages and gross regional output produced by those jobs. Much of the economic and fiscal impacts that results from Walmart-generated retail spending will be transferred to the neighboring municipality, at the Diamond Run Mall, approximately 2.3 miles away. While most economic impacts are regional in nature, it is the City that will suffer the most loss among all regional municipalities due to the fact that it has the highest concentration of existing retail establishments in the region. The City is expected to lose the Local Option Tax (LOT) revenue that it has enjoyed for the past three years, which it needs to provide municipal services. The loss of LOT revenue is estimated in this report at between $398,370 and $512,131 in year 2028. This loss is expected to grow each year until such time that the sales revenue can be replaced. As of this writing, there is no replacement tenant, known to the author, that will occupy 75,000sqft of retail space. Therefore, the loss of LOT revenue is forecasted for 10 years, 2028 through 2037. The resulting loss of LOT revenue during this time is estimated to lie between $4.9million and $6.3million. The applicant recognizes that a "worst-case scenario" loss of LOT revenue to the City of Rutland can be up to $4.8 million, although, there are no calculations shown or discernable in Exhibit 069a to support this figure. In addition, the applicant's analysis does not include secondary spending through trip-chaining effect, including the loss of revenue from business being drawn away from downtown Rutland City to the new Wal-Mart in Rutland Town. We do not agree that the applicant's figure is a worst case. Its own Table 12 shows the loss growing every year through 2034, and the loss continues to grow after 2034.

5.1 TIF Funding

The applicant claims that the worst-case scenario is not likely because the City has an approved Tax Increment Financing District which is expected to incite new investment and commercial activity into the downtown. While the claim that TIF funding may encourage new private sector development may be true, making the connection that TIF funding will replace the loss of LOT revenue is flawed on many levels.

1) First, there is no guarantee that any economic activity resulting from TIF-induced development projects will generate LOT revenue. There are many types of business activities that are not required to pay LOT. In fact, many of the proposed projects in the City's TIF application, and cited in public information literature for the bond vote, are residential projects including: the Lynda Lee Dress Factory site (proposed mixed use, predominantly housing); Pine Street; Key West; Municipal Office Housing and Library Housing conversion; Washington and Wales (mixed use); and 200 West Street. Exhibit 069a only referenced one development project and coincidentally is the only development project that is strictly commercial that would pay a LOT. Nearly all other proposed projects are planned to have some amount of housing. In addition, the commercial activity that does result in any mixed-use building may sell products and services that are not subject to a Local Option Tax. Finally, it is relevant to note that with the shortage of housing facing Vermont, there is a much stronger incentive for private developers to build housing instead of commercial space.
2) Walmart is part of the counterfactual in the TIF application. Under 32 V.S.A 5404a, the Vermont Economic Progress Council (VEPC) must approve the TIF financing plan before any public vote to pledge municipal credit. The TIF District Letter of Intent was submitted by the City to VEPC on October 21st 2024. Since TIF applications are significant undertakings that require voter approval to issue bonds, the City's staff planners and leadership were evidently preparing to create a TIF district well before this date. VEPC approved the City's application in the spring of 2025, and the voters approved a $3.9million TIF bond in October 2025. Walmart's application #1R0661-18 was submitted to Act 250 District Commission on February 6, 2026, about sixteen months after the City's Letter of Intent to VEPC (October 21, 2024), and was deemed complete on July 28, 2026, nearly two years after that Letter of Intent.
3) Applicants seeking to create a TIF district must submit extensive data and information on the economic feasibility of the proposed district to produce an incremental value above the existing property tax revenue generated by the proposed district. The information supplied includes the number of parcels, the assessed values and taxable values of those parcels. The City of Rutland's TIF application included the taxable value of the parcel where Walmart is located. The City submitted their TIF application that included 380 parcels with a total assessed value of $147,119,858 (Table 16).

City of Rutland 12/23/2024						
3 -- TIF DISTRICT AND TOWNWIDE ATTRIBUTES						
		TIF District		Total City		TIF District as Percent of City
Acres	Total	149.87		4,915		3.0%
Parcels	Total	380		6,823		5.6%
Assessed Value	Total	$147,119,858		$980,714,200		15.0%
Education Taxable & Non-Taxable Value	Total	$148,423,358	% of TIF GL	$980,714,200	% of Ttl GL	15.1%
	Homestead (#)	43	11%	3,411	50%	1.3%
	Homestead ($)	$4,545,035	3%	$457,502,770	47%	1.0%
	Non-Residential (#)	303	80%	2,681	39%	11.3%
	Non-Residential ($)	$94,249,965	64%	$523,211,430	53%	18.0%
	Non-Taxable (#)	48	13%	226	3%	21.2%
	Non-Taxable ($)	$49,628,358	33.4%	$337,535,100	34%	14.7%

Table 16. City of Rutland TIF District Parcels

4) City Assessor information regarding the parcel where Walmart is located (parcel ID 12536) includes four buildings and a total of 163,322 finished square feet. At 75,000 square feet, the Walmart store is 46% of the total. The total assessed value of the parcel is $15.8million, representing 17% of the non-residential taxable value in the TIF district. The TIF application was submitted based on the assumption that the Walmart store would continue to contribute to the City's taxable revenue but with its departure it is uncertain that the revenue would be replaced by another large retailer. While TIF bond debt is repaid by only the incremental increase in taxable value, the store's departure from the TIF district poses a risk to the taxable base value that must also be collected to retain viable TIF district.
5) The counterfactual financial conditions presented at the time of the TIF district application includes the taxable value of parcel ID 12536, of which Walmart represents a significant portion. To dismiss its removal as having little negative impact because there will be forthcoming revenues from the newly approved TIF district is to ignore the fact that Walmart is fundamental to the financial viability of the district in the first place.
6) A decline in the value of the Walmart parcel would reduce the increment on which the district depends, and the risk would fall on the City. If the store closes and the building is not re-leased within a year or two at the current rent, then the value of the property would decrease based on the income method of property valuation. If that instance occurs, then the owner could file a grievance with the City and request a lower property assessment of the parcel. Because the increment is the amount by which the district's current taxable value exceeds its original taxable value, a lower assessed value on this parcel would offset the increment generated by new development elsewhere in the district. The Vermont Economic Progress Council's TIF rules provide that the original taxable value "is the base value which determines the amount of property taxes that will continue to be paid to the municipal general fund, other municipal funds, and the Education Fund each year," and that the value used to figure the tax "stays the same regardless of the status of the parcel in a future year" [44, § 901]. The original taxable value is therefore fixed. The rules calculate the increment as the tax on the current value minus the tax that would have been due "if the grand list used to compute such taxes had included only the OTV" [44, § 904]. If the district's value falls below the original taxable value, that calculation is negative, a "decrement," and no increment is available to repay debt. The tax on the original taxable value, including the Education Fund tax, must still be paid regardless of the taxable value of the district, and the municipality

collects the property taxes on all properties in the district [44, § 904(c)]. The City must tell voters that if the tax increment is insufficient to pay principal and interest on TIF debt in any year, "for whatever reason, including a decrease in property value," the municipality "shall remain liable for the full payment of the principal and interest for the term of indebtedness" [43]. The applicant's analysis does not address this risk, which was not present at the time of the TIF application but may result if Walmart departs from the district. Instead, the applicant relies on the TIF district as a replacement for lost revenue without considering that the store's departure reduces the value that supports the debt payment.

5.2 Retail for Retail Replacement

The applicant states that the loss to the City could be as much as $4.8 million in reduced LOT but claims that a "zero LOT replacement outcome is highly unlikely" because of the newly approved TIF funding. However, this appears to be an over simplified dismissal of the risks presented by Walmart's departure. Due it its size, Walmart presents unique benefits and losses and the Act 250 District Commission may consider the following:

1) Not all retailers are the same. Walmart is a $713 billion company [3] and the Rutland store generates between $42.2 million and $49.7 million in retail sales. Walmart is unlike any other "brick-and-mortar" retail establishment in terms of its volume of sales and economic impacts in the City and is likely the largest retailer in downtown Rutland. Table 17 provides a relative comparison of Walmart to the largest retailers in the country. Excluding Amazon, because it is not a brick-and-mortar store and irrelevant to this case, Costco is the second largest retailer in the United States followed by Home Depot, Kroger and Target, none of which are in the City of Rutland. Walmart's reported revenue is 2.5 times larger than the second largest retailer in the country and nearly 12 times larger than the next largest retailer in the Rutland City shopping plaza – TJ Maxx. Walmart's reported revenue is nearly 37 times greater than the neighboring discount retailer – Dollar Tree and 200 times greater than the neighboring grocery store, Market 32-Price Chopper.

Retailer or tenant	Parent company	Revenue ($ billion)	Fiscal year ended	Walmart revenue as a multiple	Store in City of Rutland?	Source
Walmart	Walmart Inc.	713.2	Jan 31, 2026	1.0	Yes	[3]
Costco	Costco Wholesale Corp.	275.2	Aug 31, 2025	2.6	No	[30], [31]
Home Depot	The Home Depot, Inc.	164.7	Feb 1, 2026	4.3	No	[32], [33]
Kroger	The Kroger Co.	147.6	Jan 31, 2026	4.8	No	[34]
Target	Target Corporation	104.8	Jan 31, 2026	6.8	No	[35], [36]
Lowe's	Lowe's Companies, Inc.	86.3	Jan 30, 2026	8.3	No	[37], [38]
T.J. Maxx	The TJX Companies, Inc.	60.4	Jan 31, 2026	11.8	Yes	[39]
Dollar Tree	Dollar Tree, Inc.	19.4	Jan 31, 2026	36.8	Yes	[40]

Retailer or tenant	Parent company	Revenue ($ billion)	Fiscal year ended	Walmart revenue as a multiple	Store in City of Rutland?	Source
Market 32 (Price Chopper)	Northeast Grocery, Inc. (private)	3.5	2019	203.8*	Yes	[41]
Planet Fitness	Planet Fitness, Inc.	1.3	Dec 31, 2025	538.6	Yes	[42]

Table 17. Walmart Revenue compared to other retailers

2) By reviewing the data in Table 17, it is possible to conclude that it would be extremely difficult or nearly impossible to replace Walmart's sales volume. It would take two-and-a-half Costco Stores or seven Target Stores to generate a similar sales per square foot impact as what the Walmart currently produces. Since sales volume is the source of the LOT revenue, then it is feasible to report that the loss of LOT revenue is not only highly likely but may be permanent. Only a similarly sized retailer would produce the similar net regional output, value added, labor income, employment, tax revenue, and property values. Many of the City's smaller retailers, within walking distance of Walmart, have benefited from the foot traffic The indirect and induced sales that results in downtown businesses cannot be replaced by a combination of smaller retailers.
3) Foot traffic. If the property owner's claim that the Rutland City Walmart generates 1.8 million visits per year is true, then this report estimates that the Walmart also generates 434,250 shoppers annually to other Rutland downtown businesses. It is "highly unlikely" that this level of foot traffic can be replaced because very few stores can generate the economic impact of a Walmart. In addition, the applicant does not account for the foot traffic moving to retail opportunities along Route 7 near the new Wal-Mart store from downtown Rutland City.
4) A "zero LOT" replacement is possible. The current landlord of the building will move forward in their best interest and fill the space accordingly. There is no guarantee that a retailer of any size will move in. There have been requests by some residents to move the library into that space. Many downtown businesses do not pay a LOT because of the services they provide including personal services (salons and studios) and medical or professional services. If the space becomes rented for offices, light manufacturing, or social service agencies or any operation that does not pay a LOT then, contrary to the applicant's claim, a "zero LOT replacement" scenario is most certainly likely.
5) There is enough evidence to allow the District Commission to consider a zero LOT replacement scenario as having at least equal probability as a scenario where the LOT revenue is replaced by another retailer.

5.3 Financial and Economic Risks Not Addressed by the Applicant

The LOT loss estimated in this report may understate the fiscal effect on the City. The trip-chaining analysis in Section 3.2 estimates that $6.4 million of annual spending at downtown businesses is at risk. If that spending does not return, some downtown businesses could see lower sales, and some could close. The effects of lower sales, increased vacancies, and lower

rents could combine to reduce City tax revenues, including property tax and the taxable base supporting the TIF district, in which the Walmart parcel alone is about 17 percent of the non-residential taxable value. Less revenue would leave less money for municipal services. The applicant's analysis does not address these effects.

The new Supercenter will sell a broader range of goods than the current Discount store, including groceries and fresh food. Downtown businesses that sell similar goods, such as markets and grocers, clothing and thrift stores, could therefore face new competition in addition to the loss of shoppers drawn by the current store. The applicant's analysis does not examine the exposure of these businesses.

The applicant has participated in a transit services agreement with the Marble Valley Regional Transit District to carry customers and workers to and from the new store, at an annual fee valued at $112,476 in the first year. Together with marketing and promotion of the service [1, p. 30]. The applicant presents this as a benefit to the region. It does not consider that the same service could make it easier for customers to travel *away* from downtown Rutland to the Route 7 store. The applicant has not assessed whether this would increase the shift of downtown shoppers to the new store, or its effect on downtown businesses and on City revenue. So, while the new Supercenter Walmart in the Diamond Run Mall will, by its sheer power of size and volume, draw shoppers away from the downtown, Walmart has decided to further exacerbate its fiscal threat to the city by funding the transportation of downtown shoppers to their new store.

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