

APPROVED MINUTES
WATKINS CITY COUNCIL
PUBLIC HEARING
JULY 24, 2024

Mayor Rowan called the public hearing to order at 7:01 p.m. at Watkins Village Hall.

PRESENT: Mayor Chris Rowan, Marc Wirz, Brenda Carlson, Sue Unterberger, Tootz Tschumperlin

MEMBERS ABSENT: None

Others: Paul Abdo, Mary Lou Kerber, Mary Ellen Richter, Deputy Clerk Sarah Jacobsen-Krone, Clerk Deb Kramer, and others.

Mayor Rowan stated the purpose of this hearing is to gather information to consider regulation of small box discount stores. The city adopted a one-year moratorium on small box discount stores January 11th to allow time to study and research the nature and scope of possible measures of mitigation and regulation of small box discount stores. This is a hearing only. There will be no action taken by the council.

Paul Abdo, of Abdo Markethouse, stated he was trying to purchase property in the city to build a Dollar General store. He noted they looked at city code, Zoning Ordinance, setbacks and felt it was an allowable use. He noted architects contacted the city about building requirements. When they applied for the permit, they found out a moratorium was put in place. He attended the June city council meeting to explain the intent of the project and requested a meeting to come to a resolution. He has been building stores since about 1999. This would be his 80th or 90th store between Dollar General and Family Dollar and O'Reilly Auto Parts. The Abdo family would own the building. They would not be selling it off.

Mayor Rowan opened the floor for public comment.

Colleen Rosenow with the Watkins Chamber noted neighboring towns have lost their local businesses when Dollar General came in. She felt the existing businesses meet the needs here and there wasn't a need in Watkins for a Dollar General.

Jeanne Marquette noted she moved to Watkins in October and is very happy with the small-town feeling. She noted taxes are high and new business would help but felt we have what we need here. She noted there is a need for more industry and skilled labor. She didn't think Watkins needed a Dollar General taking away from its mom-and-pop shops.

Ron Molitor noted Watkins is a fortunate small town having a hardware store and grocery store, and Mies Outland. One person working in a store doesn't help the town. There's a store 5 miles away; why 3 in a row. He felt a Dollar General wouldn't help Watkins.

Brad Rosenow, owner of Mafia Customs, asked how many from Dollar General will show up when the bad stuff happens. He noted Black Rock and Van Guard investors are not family owners. Dollar General's Better Business Bureau rating is 1.1. Brad noted the loss of the hardware store would be very bad for the town.

Abdo noted Dollar General is a publicly traded company. Black Rock is a big investor. He noted he is not trying to take away from a small town and guessed most people won't even shop there. They would be getting the highway traffic. Dollar General is not a hardware store or grocery store. They are trying to bridge a gap between Walmart, Target and Walgreens. This would be a \$2 million building. They would employ 2 people full-time and offer benefits. He stated Dollar General isn't going to affect local businesses. He noted the history of hardware and grocery stores closing down is not from Dollar General. He noted you couldn't shop at Dollar General for those things.

Melissa Jensen asked if was true that Dollar General has a class action lawsuit against them for overpricing. Abdo noted he was not aware of this. He would need more context. Melissa asked about OSHA violations. Abdo noted his business is on the construction and development side. Abdo noted he would develop and own the property.

Connie Mathies asked if 4 or 5 stores were shut down because persons couldn't get through the aisles. Abdo replied that if it wasn't his store, he wouldn't know. Abdo again noted a Dollar General doesn't take away from the grocery store. It doesn't sell hardware stuff. Connie asked why he needs one here when there's one 5 miles away and another 7 miles away.

Stephanie Eder noted a Dollar General wasn't needed here.

Jerene Herzing noted J & R Market to a major risk to buy the grocery store. She questioned how 3 Dollar General Stores in the area could be supported. Abdo noted based on metrics and facts, the store wouldn't be empty. He noted people don't have to shop there.

Jeff Babbitt, owner/operator of J & R Family Market, noted as of May 2024 across the US, Dollar General has more than 18,000 stores. Jeff noted that was more than Target, Walmart and Starbucks combined. Watkins doesn't need one. Abdo noted he is building and developing and he would have the mortgage on the building. Jeff noted a study found food is what customers buy most often in Dollar General stores. There are countless examples of small stores being closed up. Jeff noted the services his store offers to the community and surrounding communities. They provide food for funerals in three communities. He delivers milk to Hilltop Health Care Center and Garden View because they cannot get deliveries from Kemps. Jeff brings groceries to the doors of residents at St. Anthony Manor. They are behind the scenes for a lot of events. Jeff asked how many services Dollar General will provide after his store closes. Jeff noted the Kimball Dollar General store now has meat and milk. Jeff noted people can choose to go the local grocery store or drive to Dollar General.

Jeff read a letter written by Rebecca Langer. She noted a Dollar General would diminish the lively hoods of stores here. Her letter also noted how Dollar General stores have faced numerous complaints on pricing. Rebecca urged the council to consider the impact of allowing a Dollar General.

Abdo stated it was pretty clear how the community feels. He stated the parcel of land is zoned commercial, he is not asking for any land use variance or assistance from the city. He noted if the community doesn't want to shop there, they don't need to. He noted there are really no mechanics to say he can't build it. He asked if the city was going to put a moratorium on others. Abdo noted there have been dozens of stores built and have closed some. Abdo noted he is paying 2 ½ times what the property is worth. Abdo doesn't believe the city didn't know about his plans and preemptively put on a moratorium.

Councilor Carlson noted per the 10th Amendment, the council has a right to protect its citizens. Abdo noted that isn't applicable.

Randy Kramer felt the city should have a Dollar General store. He asked why the city put a moratorium on when he's building in a commercial zone. Randy asked if the city has to know what the use of a building will be. Randy doesn't think Watkins will get businesses, there's not enough workforce. Randy questioned if it was legal to deny the permit and noted everyone has competition.

Abdo noted it is ultimately a council decision. He noted it's zoned commercial and he's not asking for anything. The city is putting a moratorium on one use.

Mike Reikofski noted he worked for almost 20 years for a big box retailer. He felt if a small box discount store comes here then big box stores will want to come. He feels lots of the younger generation has moved here to get away from the cities and big box stores.

Joe Kuechle noted Abdo keeps bringing up moratoriums. Joe noted lots of towns use moratoriums. Joe used cannabis as an example. Lots of cities have put a moratorium on cannabis to allow time to study it. He asked why Dollar General wasn't here to answer questions. Abdo noted their application is per the zoning and ordinance put in place. There were no ordinances for cannabis in place so that is needed. Abdo stated this property is zoned commercial. The architect called, the city said it was zoned commercial and then put a moratorium into effect.

Joe noted Dollar General's don't put any money back into the community. Abdo asked if anyone ever asked Dollar General. Abdo noted you don't shop there if you don't want to.

Sue Wolcott noted she has lived in the area for 6 years and moved from Belgrade. There was a Dollar General in Belgrade and she was on the EDA when they came to Belgrade. She noted they won't be part of the community. They wouldn't allow posters to be hung in the Belgrade store at the time she was there. The grocery store there closed and the hardware store struggled. She noted property can be rezoned.

Abdo noted the services businesses offer in town are not what Dollar General offers. He noted there is nothing to lose.

Michelle Ugstad noted the council has a decision to make. She noted there are ways to protect the community legally; make it so Dollar General is no longer interested in Watkins. There are creative ways to control.

Councilor Carlson read a letter from Fred Struzyk, president of Hilltop Health Care Center. Fred's letter noted the impact a Dollar General would have on his business if it would force the local stores to close up and the impact on the small businesses in the city.

Mary Ellen Richter noted she and her mother own the property that Abdo would build the store on. She noted people don't have to shop there. She noted everything being said tonight is proving the public's point that you need other places. Dollar General statistics support that travelers are their main business. Dollar General isn't going to deliver milk or sell turkeys. They are not taking income from your business.

Abdo thanked everyone for coming and appreciated all the comments. Dollar General operates the store. He builds the store. He noted again that nobody needs to buy from Dollar General if they don't want to. They will employ 2 people with wages from \$50,000 to \$75,000/year. Abdo noted there was no communication about a moratorium. He has \$100,000 into the project. He noted his request is abiding with the Zoning Ordinance.

Motion by Wirz to close the comment period, seconded by Carlson. Motion carried.

MOTION BY UNTERBERGER TO ADJOURN THE HEARING, SECONDED BY WIRZ. MOTION CARRIED.

Adjourned at 8:20 p.m.

Submitted by

Deb Kramer
Clerk

ATTEST:

Chris Rowan, Mayor