



Oakland, Maryland

Oakland demonstrates that the arrival of Wal-Mart need not be a death knell for small, local businesses. Through the Main Street Program, Oakland works with existing business owners to prepare for the arrival of Wal-Mart. And, upon its arrival in town, civic leaders forge a unique partnership with the store's management team.

	Oakland
Population (2000)	1,930
Municipal budget (2005)	\$2.25 million ⁹⁰
Per capita income (2000)	\$16,900
Median household income (2000)	\$26,700
Poverty rate (2000)	19%
Minority population (2000)	1%
Proximity to urban center	96 miles to Pittsburgh, Pa.
Proximity to interstate highway	25 miles
Strategic approach	Entrepreneurship Downtown development Partnership development
Time frame	1998-2002

Oakland, a small town in western Maryland, prepared its downtown retail community for inevitable competition from a big-box retailer, leading to a unique partnership between Main Street retailers and the local Wal-Mart. As a result, Oakland has a thriving downtown with near-zero vacancy and the local Wal-Mart is one of the company's highest-grossing locations in the country. "Wal-Mart's arrival in Garrett County ended up being a win-win for almost everybody involved, including local retailers," said Duane Yoder of Garrett County Community Action.

The community and its history

Oakland, with a population of 1,930, is located in Garrett County among the rolling hills of rural western Maryland. Oakland's economy is rooted in traditional agriculture. From 1970 until the late 1990s, the town was in a near-constant struggle with high unemployment, which can be partially attributed to a state-mandated restriction on development. For many years, Oakland was dumping its untreated sewage into the Youghiogheny River and refused to build a treatment plant. In response, the state issued a moratorium on development. The town reached its highest unemployment level (16.5 percent) in 1995, when one of the county's largest employers, a Bausch and Lomb plant, closed and moved out of state.

⁹⁰ Interview with Duane Yoder, Garrett County Community Action.

Oakland's turnaround began in 1988 with the election of a new mayor, who orchestrated the financing and construction of a treatment plant. The state lifted its moratorium on development in the mid-1990s. In 1998, Oakland was designated as a Main Street Community.⁹¹ As part of the Main Street application process, Oakland was required to generate broad interest and support for downtown revitalization. The town organized four committees to help with the Main Street Project and filled the committees with citizen volunteers. The committees grew as volunteers encouraged friends and family to join. Oakland began making improvements in downtown buildings and restored the town's historic train station. The downtown – made up of hardware, antique and jewelry stores, pharmacies, restaurants, and beauty shops – was steadily improving. A weekly summer concert series called Wonderful Wednesday started attracting folks into downtown Oakland from all over the county and region. Downtown vitality seemed to be on the upswing. Then, one year after the Main Street program kicked off, Oakland was informed that a big-box retailer was scoping out a location in Garrett County.

The strategy

Often, Wal-Mart's arrival in small-town America is perceived as a death knell for local small businesses, especially retailers. Not so for Oakland. Oakland leveraged the mobilization that was created by the Main Street program to prepare downtown retailers for inevitable competition from Wal-Mart. The town then formed a partnership with the mega-retailer that has brought benefits to both Wal-Mart and to downtown merchants.

When leaders in Oakland started hearing the big-box rumors, they brought in several consultants from the national Main Street office to help the town think strategically about ways to maintain their steadily improving downtown. Over the next year or so, in preparation for Wal-Mart's arrival, Oakland's Main Street retailers restructured their product lines to create new niches that were unique to these local stores. For example, a 100-year-old hardware store developed an upscale electrical product line to capture market space not occupied by Wal-Mart. A local bookstore added a line of antique products that complimented the store and created a unique environment. In addition, most downtown retailers started focusing on customer service and improved their ability to order specialty products for customers.

In 2001, Wal-Mart officially announced its intention to build a store in Garrett County. Almost immediately, Oakland's Main Street director approached the store manager and asked for the company's support of Oakland's downtown development. As a result of this conversation, an innovative partnership in which Wal-Mart helps to promote downtown events was created. For example, in a promotional agreement for the town's Wonderful Wednesday concert series, Wal-Mart inserts double-sided advertisement cards in its custom-

⁹¹ The National Main Street Program, developed by the National Main Street Center of the National Trust for Historic Preservation, includes a four-point approach to downtown revitalization based on a comprehensive strategy of work, tailored to meet local needs and opportunities. For more information, see: <http://www.mainstreet.org>.

ers' bags. On one side is a promotion for Wal-Mart; on the other is an advertisement for the concert series downtown.

There have been minimal downtown vacancies since Wal-Mart's arrival. Two retailers were unable to sustain operations, but their space was quickly absorbed by new businesses. Since 2000, unemployment in Garrett County has remained at or below 5 percent, and the local Wal-Mart has become one of the highest grossing stores in the company, ranking 11th in 2005. In addition, an indirect consequence of Oakland's strategy has been the evolution of a unique partnership among eight surrounding towns, all with fewer than 500 people. The initial Main Street process and the intensive preparation for Wal-Mart brought in representatives from surrounding towns. A result of this process was an agreement to pool small-town resources across Garrett County in an effort to provide efficient public services and share staff. Each month, mayors from these towns gather to discuss issues such as garbage collection, negotiate purchases together and apply jointly for various funding streams.

What are the lessons from this story?

Big-box retail does not necessarily destroy Main Street. As big-box retailers saturate urban markets, more and more small towns are facing the prospect of competition from big-box retail. The perception is that Wal-Mart (and others) will inevitably cripple Main Street businesses, especially retail. This outcome is not inevitable, however. In the case of Oakland, the Main Street Program created capacity within the community that could be used to gain Wal-Mart's support of Oakland's improving downtown.

Community capacity-building efforts should be viewed as having usefulness beyond their immediate purpose. The Main Street Program was intended to bring prosperity and vitality to downtown Oakland by creating better streetscapes, developing community activities and promoting downtown businesses, but it was the community mobilization aspect of this program that was critical to the alliance with Wal-Mart and the coalition created among neighboring towns. Towns with scarce resources should examine existing programs to see how they might be leveraged in new ways to enhance the community.

Look for opportunity in adversity. Oakland could have pursued an expensive legal strategy of keeping Wal-Mart out of town. This approach might make sense for some small towns. By viewing the arrival of Wal-Mart as an opportunity to move local retailers up the value chain, however, Oakland created a more viable Main Street for the long term. In addition, by viewing the retailer as an ally in promoting downtown activities, Oakland was able to bring Wal-Mart on board with its agenda. Such a strategy can create a better environment for future collaboration.

Contact information

Duane Yoder

Garrett County Community Action
Oakland, Maryland
301-334-9431 ext. 152
dyoder@garrettcac.org

Cherie Ross

Garrett County Community Action,
Previously Main Street Director
Oakland, Maryland
301-334-9431
cross@garrettcac.org