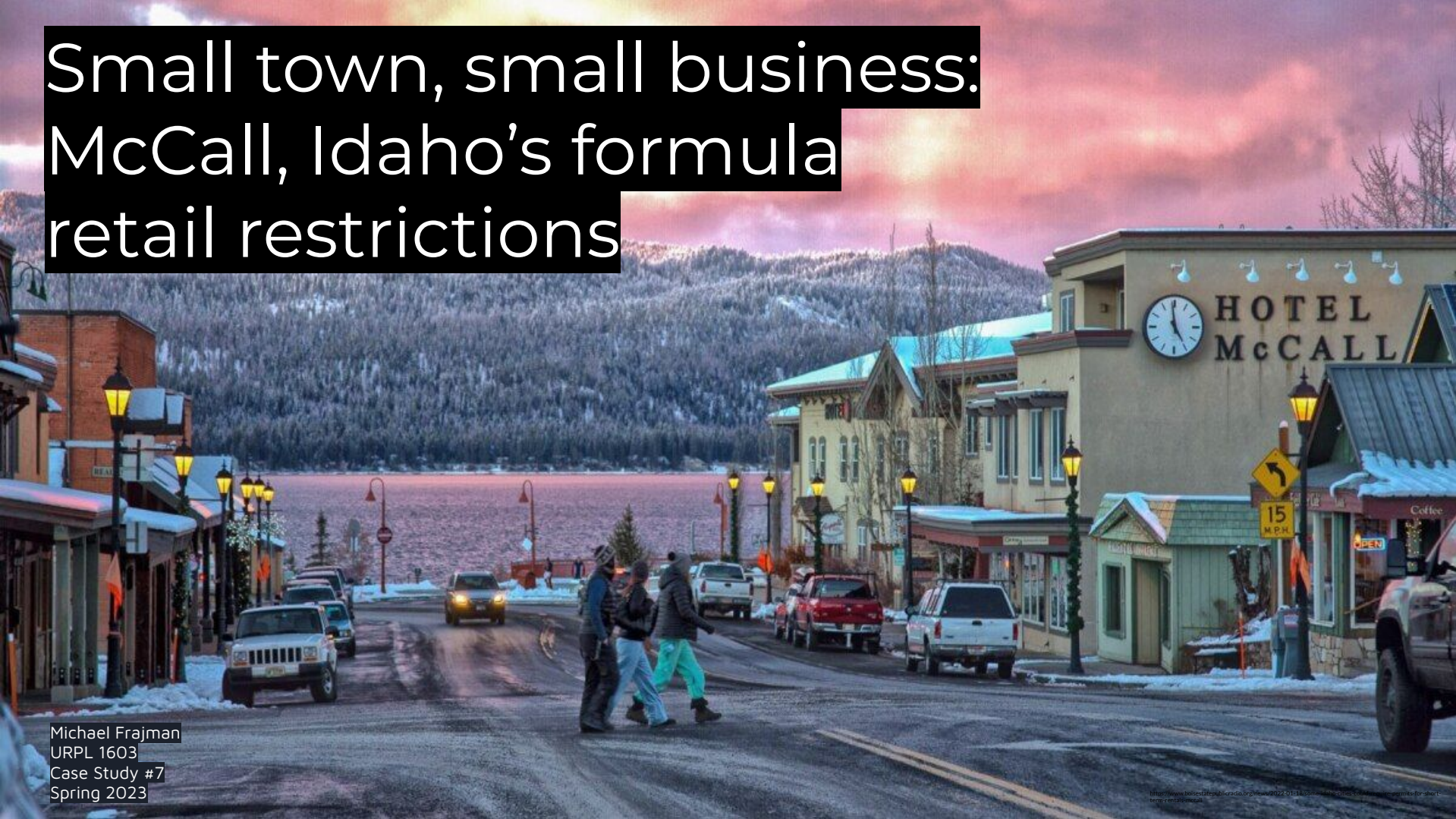


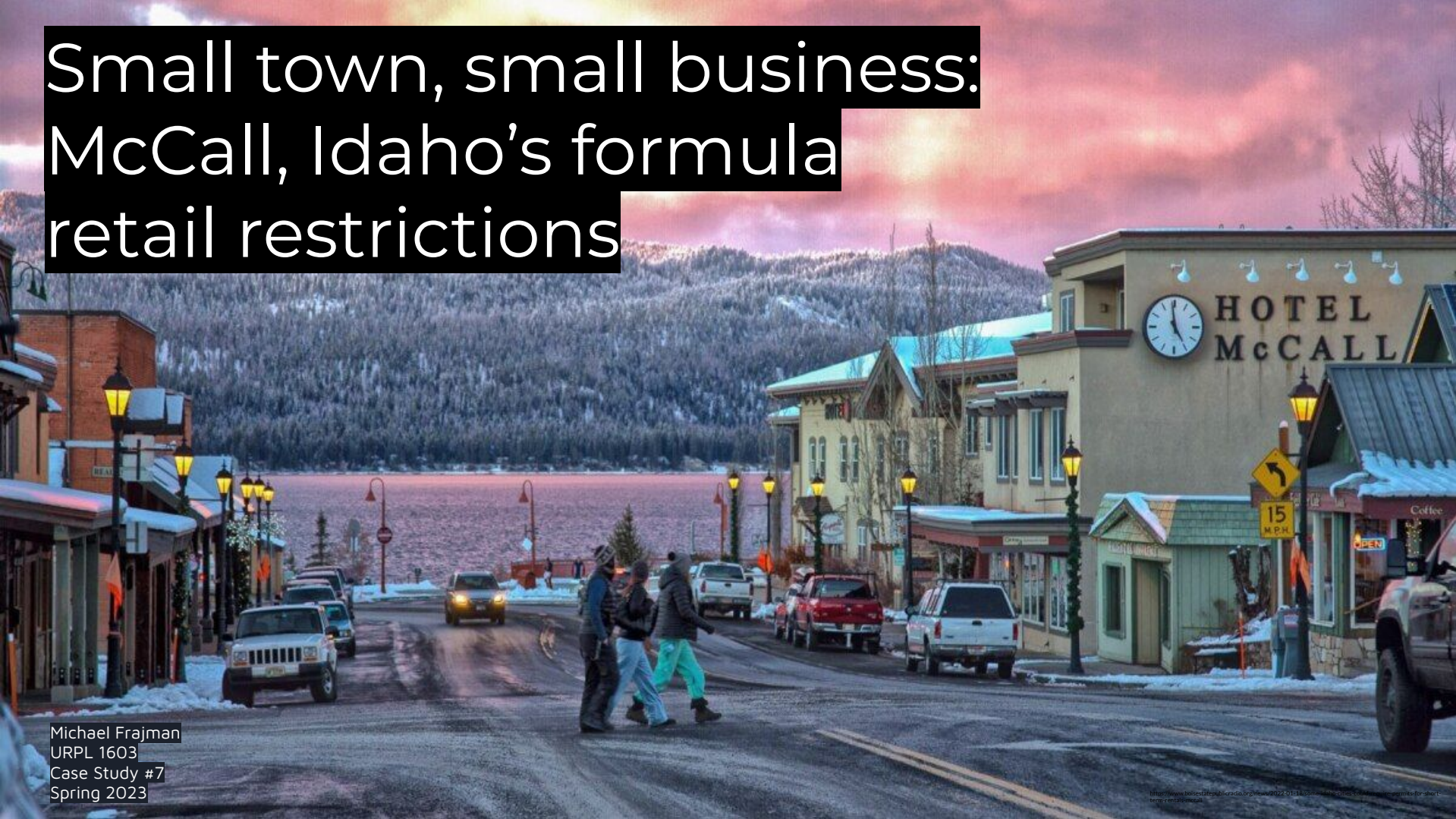
Small town, small business: McCall, Idaho's formula retail restrictions



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<https://www.hotelcallidaho.com/gradeschool/2022/01/14/2022-mc-call-idaho-s-small-town-formula-for-short-term-retail-restriction/>

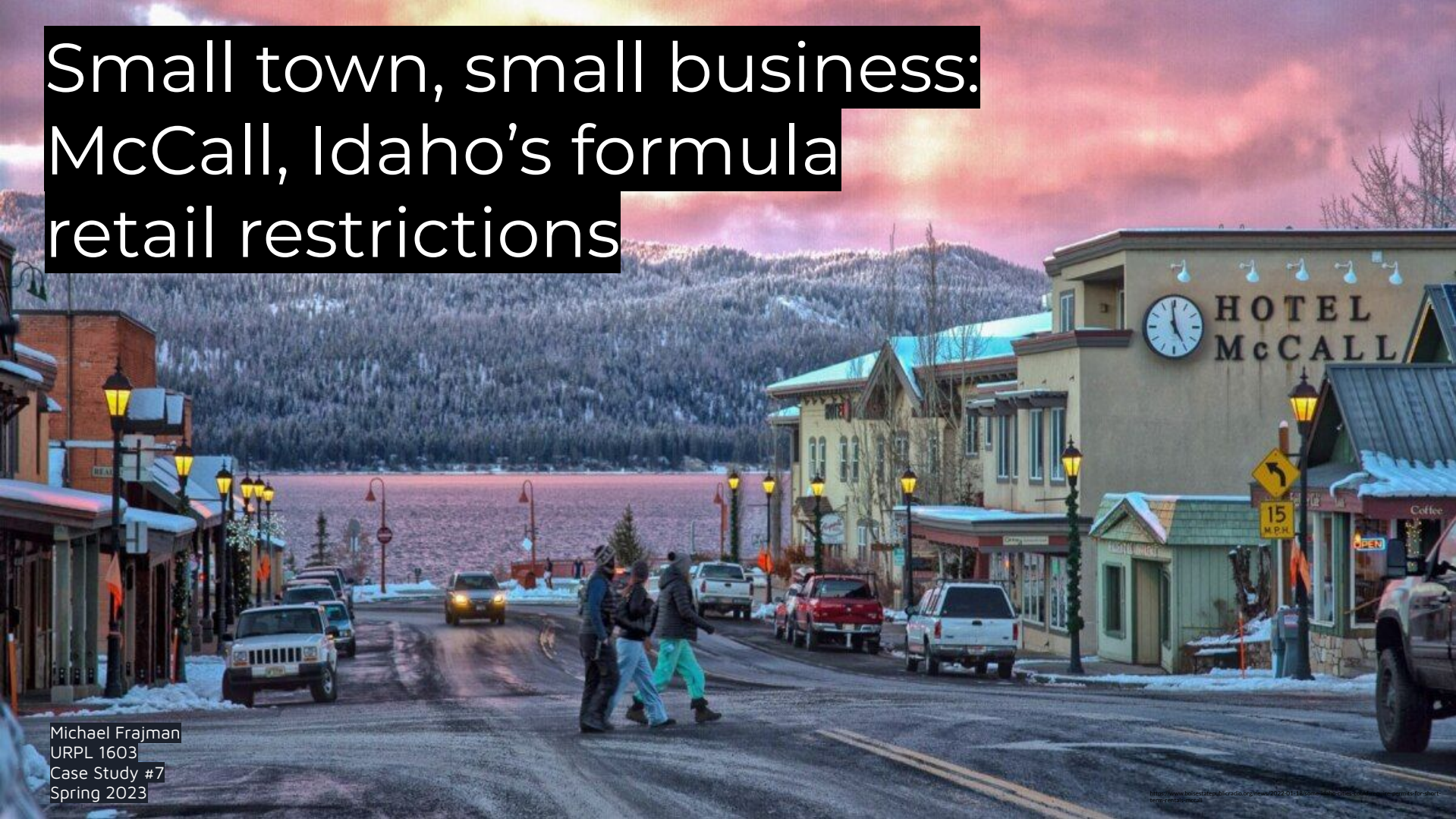
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McCall, Idaho?

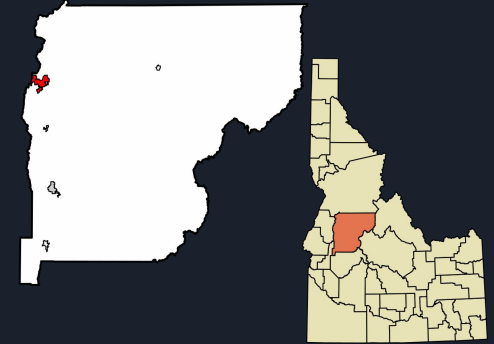
- Small lakeside resort town in north west Idaho, skiing in winter
- About 110 miles north of Boise
- Small but growing population

2000: 2092

2010: 2991

2020: 3688

- Population can increase 3 fold in summer months/vacation season
- Could the permanent population continue to grow or even accelerate in growth due to COVID?
- Large concentration of retail around a main street running along the lake shore

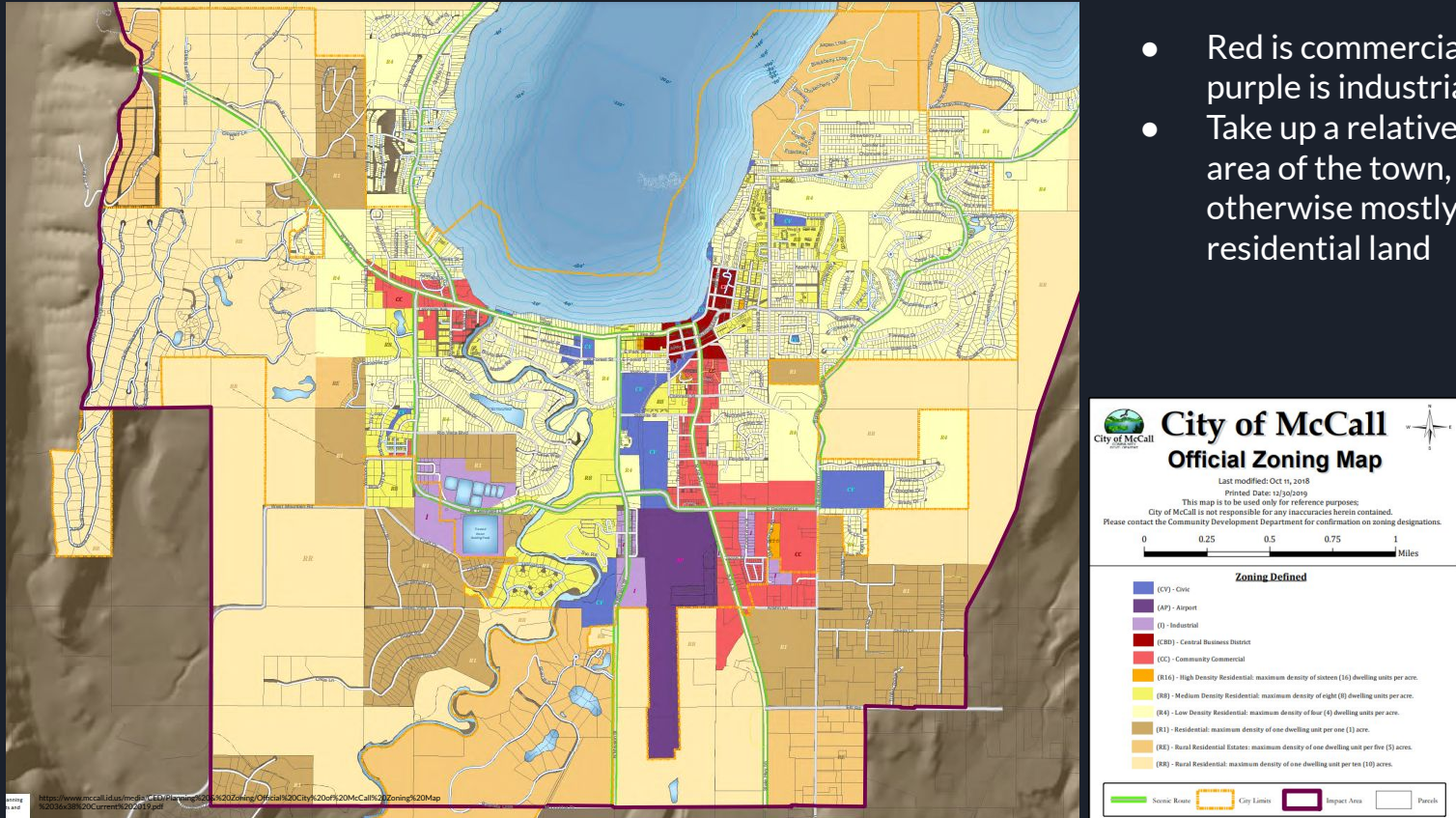


https://en.wikipedia.org/wiki/McCall,_Idaho#/media/File:Valley_County,_Idaho,_Injury_risk_and_Driver_license_area_McCall_Highlighted_1048790.jpg



Zoning map of McCall

- Red is commercial, purple is industrial
- Take up a relatively small area of the town, otherwise mostly residential land



Why regulate formula business in McCall?

- Formula business can be any business with multiple locations with identical formatting, not necessarily just national retail chains
- Protect against identity loss in town with large tourist influx
- Possibly also appeal to tourists with more unique, “authentic” identity
- Help the local population establish/maintain businesses
- Promote local businesses which may be more committed to staying in the community and creating more stable jobs, even if not as many as a chain business
- In 2006, McCall decided based on these motivations to limit formula businesses and retail



The ordinance

- The ordinances themselves are fairly brief and are listed under the city's planning regulations
- The laws limit formula restaurants and retail to a certain percentage of the overall number of businesses in the town except for businesses that are grandfathered, gas stations and grocery stores
- Law applies town-wide
- Applicants vetted during permitting process

RESTAURANT: A place of business which sells or serves food products and beverages for consumption on the premises, with a building consisting of a permanent structure that is fully enclosed with a roof and walls, and where incidental dining may be permitted out of doors on a patio, deck or terrace integrated into the building design.

RESTAURANT, FORMULA: An eating establishment devoted to the preparation and offering of food and beverages for sale to the public for consumption either on or off the premises which, by contractual or other arrangement, established or recognized business practice, or membership affiliation, maintains any of the following:

- (A) Business name common to more than five (5) similar businesses located elsewhere;
- (B) Standardized menus, ingredients, food preparation, uniforms, or other standardized features common to more than five (5) restaurants located elsewhere;
- (C) Interior decor common to more than five (5) similar businesses located elsewhere;
- (D) Architecture or exterior signs common to more than five (5) similar businesses located elsewhere;
- (E) Use of trademark or logo common to more than five (5) similar businesses located elsewhere (but not including logos or trademarks used by Chambers of Commerce, Better Business Bureaus, or indicating a rating organization including, but not limited to, AAA, Mobile or Michelin); or
- (F) A name, appearance, or food presentation format which causes it to be substantially identical to more than five (5) restaurants within or outside Valley County.

Provided, an eating establishment which has commonality with another restaurant or business in a manner which is described in subsection (A), (B), (C), (D), (E) or (F) of this definition shall not be considered a "restaurant, formula" under this chapter if the commonality is shared with five (5) or fewer other restaurants or businesses.

RETAIL BUSINESS: A business which sells goods to the public at a price normally greater than the wholesale price.

RETAIL, FORMULA: A retail, service retail, vending service retail, or restaurant business (including fast food and coffee shops) that is required by contractual or other arrangement to maintain standardized services, merchandise, menus, ingredients, food preparation, uniforms, decor, logos, architecture, signs, or similar features.

3.8.17: RESTAURANT, FORMULA LIMITATION:

Restaurants, formula as defined in chapter 2 of this title, are limited to no more than ten percent (10%) of the total number of restaurants in McCall and area of city impact. (Ord. 821, 2-23-2006, eff. 3-16-2006)

3.8.18: RETAIL, FORMULA BUSINESS LIMITATION:

"Retail, formula" businesses, as defined in chapter 2 of this title, are limited to no more than ten percent (10%) of the total of like businesses in McCall and the area of city impact. "Like businesses" in this context are those which have substantially the same product offering, such as food stores, furniture stores, auto parts stores, etc., and is not the total quantity of all categories of like businesses. Service stations and supermarkets are not subject to this restriction; provided, that these uses are not combined with formula restaurants or other formula retail with a different product offering. (Ord. 821, 2-23-2006, eff. 3-16-2006)



Effects of the ordinance

- Precise data is not readily available
- McCall published data related to total number of businesses around 2017 (shown on right) but does not distinguish which are formula retail
- A small chain supermarket recently opened in the town (Dec 2022) but these types of stores are exempt from the law
- Allowing chain grocery stores may help to keep prices of necessities down
- The town had seen an increase in tax revenue from retail and lodging during COVID due to tourism, if there are more locally owned retail and hospitality businesses then the law would be effective in bringing in new value for locals (tax rate remained unchanged)
- Law does not seem to interfere with lives of locals by blocking all chain retail, tourism remains steady, town seems to be gaining revenue



INDUSTRY DATA:

Top job sectors:

Accommodation & Food Services (694 positions at 57 establishments)

Healthcare (663 positions at 80 establishments)

Other services--repair, personal care, laundry, religious, etc. (618 positions at 42 establishments)

Average # of employees/business: 1-4

Total employees: 1,822 people working 4,069 positions

Total # of businesses: 496 businesses

Top employers: Brundage Mountain | City of McCall | McCall-Donnelly School District | Shore Lodge | St. Luke's Hospital | US Forest Service

<https://www.mccall.id.us/media/CED/Community%20Stats%20Final.jpg>

McCall summer street (retail) LOT

	June	July	August	Summer total
2019	\$255,465	\$293,877	\$262,015	\$811,357
2020	\$262,519	\$294,640	\$268,101	\$825,260

<https://boisedev.com/news/2020/10/06/mccall-idaho-lot/>

Summer lodging LOT

	June	July	August	Summer total
2019	\$87,224	\$102,472	\$89,369	\$279,065
2020	\$92,491	\$105,196	\$92,993	\$290,680

<https://boisedev.com/news/2020/10/06/mccall-idaho-lot/>



References

- Images without a directly cited source are screenshots from Google Maps Streetview
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