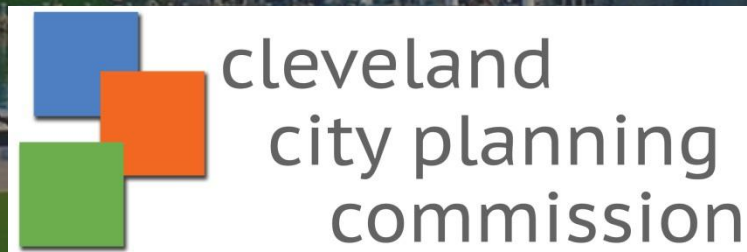


Small Box Discount Retail

DP&S

December 1, 2020



What is “Small Box Discount Retail”?

- ❖ A retail store between 3,000 and 15,000 square feet
- ❖ Dedicating less than 15% of shelf space to fresh or fresh frozen foods and produce
- ❖ Sells at retail an assortment of physical goods, products or merchandise directly to the consumer, including food or beverages for off-premise consumption, personal hygiene & health products, household goods and other consumers products that generally cost less than \$10.00.

What is “Fresh Produce and Fresh Frozen Food”?

❖ Fresh Produce: fruits and vegetables that have not been processed in any way. Does not include herbs, wild rice, dried fruits and veggies, raw nuts, popcorn, meat, cheese, eggs, seafood, etc.

❖ Fresh or Fresh Frozen Food: Food for human consumption that is in its raw state or unprocessed; food that was quickly frozen while still fresh (blanching, etc.) and no deterioration has taken place.

What is not “Small Box Discount Retail”?

- ❖ Retail stores that dedicate less than 5% of shelf space to food sales
 - ❖ Retail stores that sell gasoline or diesel fuel
 - ❖ Retail stores that contain a prescription pharmacy
- ❖ Retail stores that dedicate at least 15% of shelf space to fresh or fresh frozen foods and produce

Purpose of Legislation

- ❖ To regulate the location of small box discount retail stores for the protection of our neighborhoods from negative secondary effects created by the concentration or clustering of such businesses.
 - ❖ To avoid and reduce the overconcentration of such businesses
- ❖ To maintain the cleanliness for the health and safety of residents within our neighborhoods
- ❖ To promote and embrace new approaches in retail to provide quality goods and healthy food options that meet the needs of our residents
 - ❖ To encourage better quality, better products and better service delivery
- ❖ To create fair and equitable opportunities for both corporate and our small local mom & pop shops.

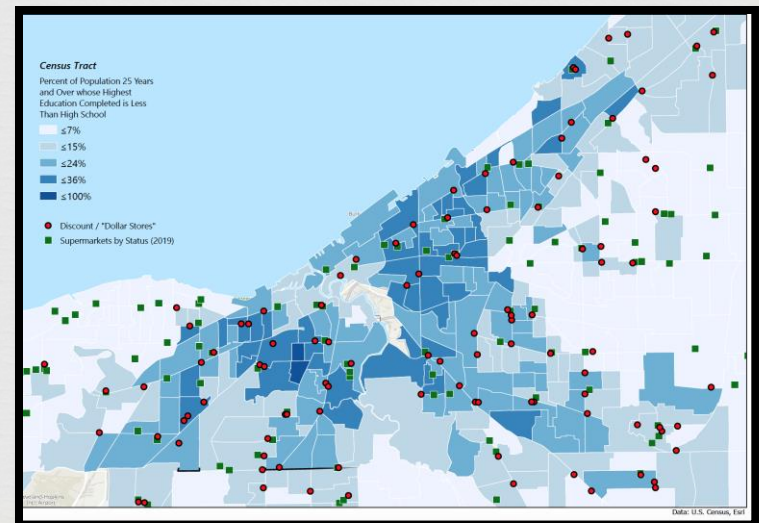
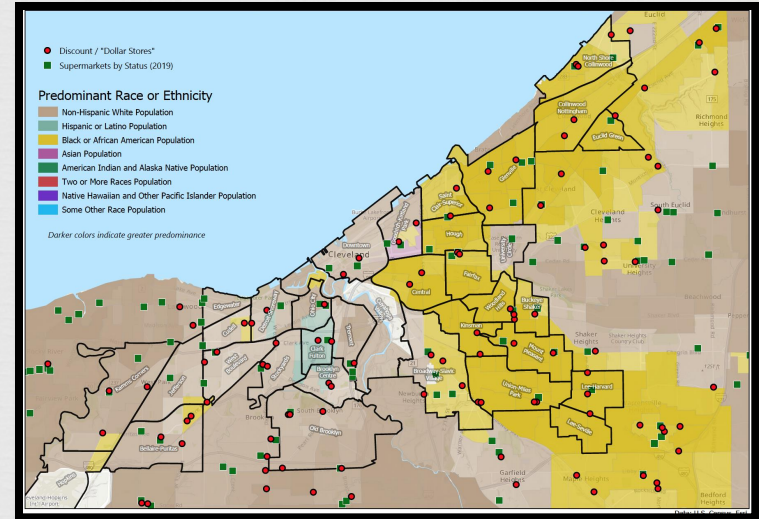
Background

- ❖ Initiated working group by Council , City Planning, and other Administrative Departments to address the oversaturation of these types of businesses and their negative secondary affects on our community.

- ❖ Research & Review of existing literature/case studies and other jurisdictions that have passed similar legislation or are dealing with similar issues. Such jurisdictions include:
 - ❖ Mesquite, TX
 - ❖ Tulsa, OK
 - ❖ Fort Worth, TX
 - ❖ New Orleans, LA
 - ❖ Suburbs of Atlanta, GA
 - ❖ Birmingham, AL
 - ❖ Baltimore, MD
 - ❖ Kansas City, MO
 - ❖ Minneapolis, MN
 - ❖ Toledo, OH

Background

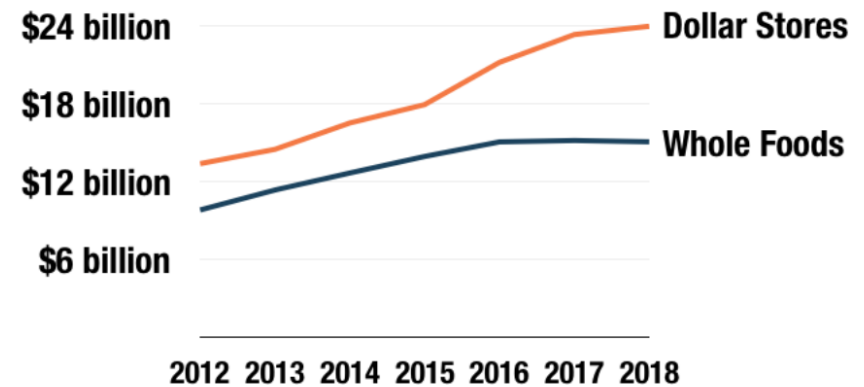
- ❖ Map Analysis of existing “small box discount retail” within the City of Cleveland & Cuyahoga County
- ❖ Analysis and review of Building & Housing complaints, & violations
- ❖ Analysis and review of public safety data at existing locations
- ❖ Moratorium on new building permits went into effect, expired November 1, 2020



Literature Review/Case Studies

- ❖ There is a proliferation of small box discount stores in urban areas, including the City of Cleveland.
- ❖ Corporate small box discount retail store chains have announced publicly - expansion plans into rural and urban low-income areas
- ❖ Corporate strategy is to saturate communities with multiple stores
 - ❖ Such retail stores sell packaged foods/products in single-serving quantities that lower the price points initially, but are more expensive per ounce
- ❖ Employ far fewer people at lower wages than grocery stores
- ❖ Maintenance/Cleanliness not a top priority as most such businesses lease space or do not have the capacity to maintain due to low employment.

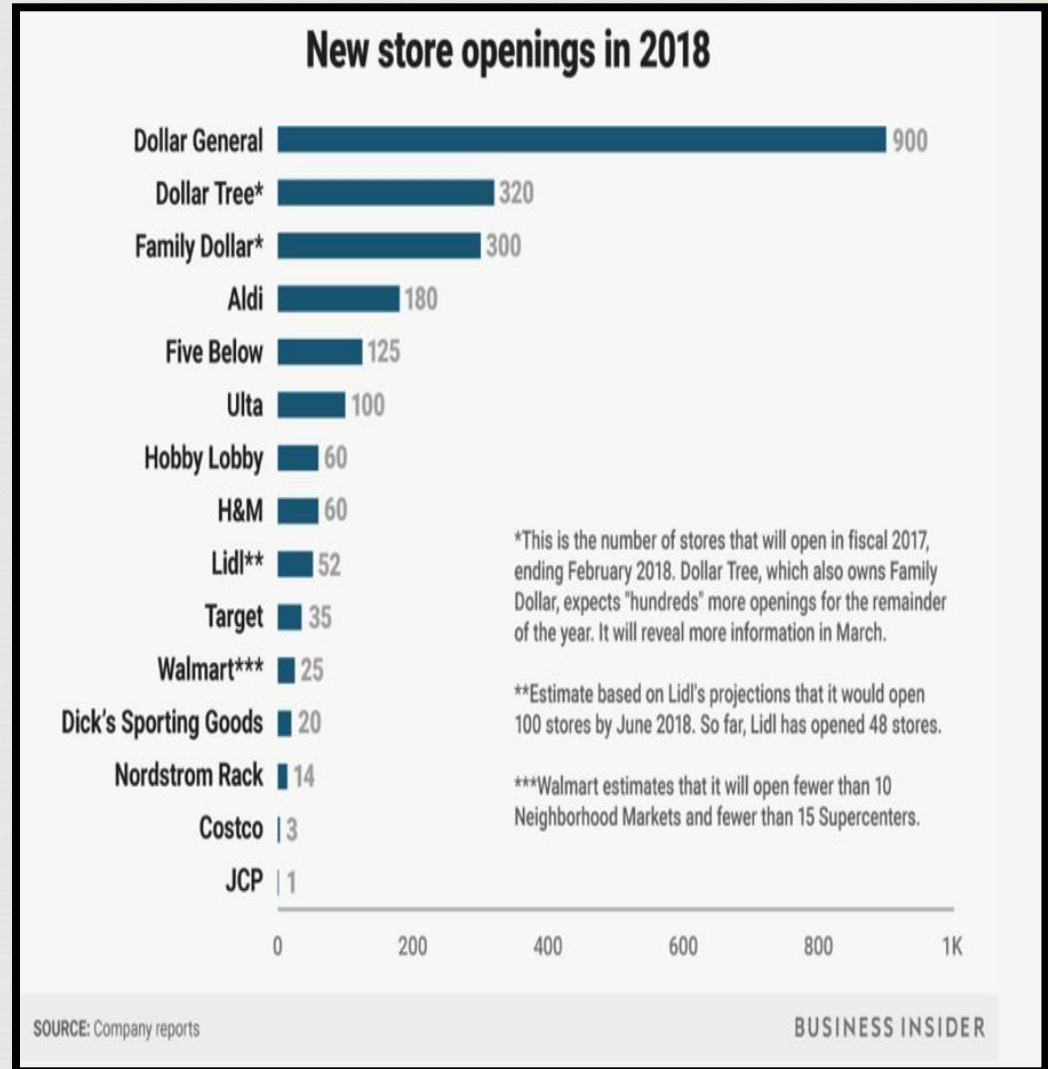
Although most dollar stores sell no fresh food and only a limited selection of packaged foods, the two major dollar chains are now feeding more Americans than Whole Foods is.



Source: Chain Store Guide | Note: "Dollar Stores" combines data from Dollar General and Dollar Tree, which owns Family Dollar

Literature Review/Case Studies

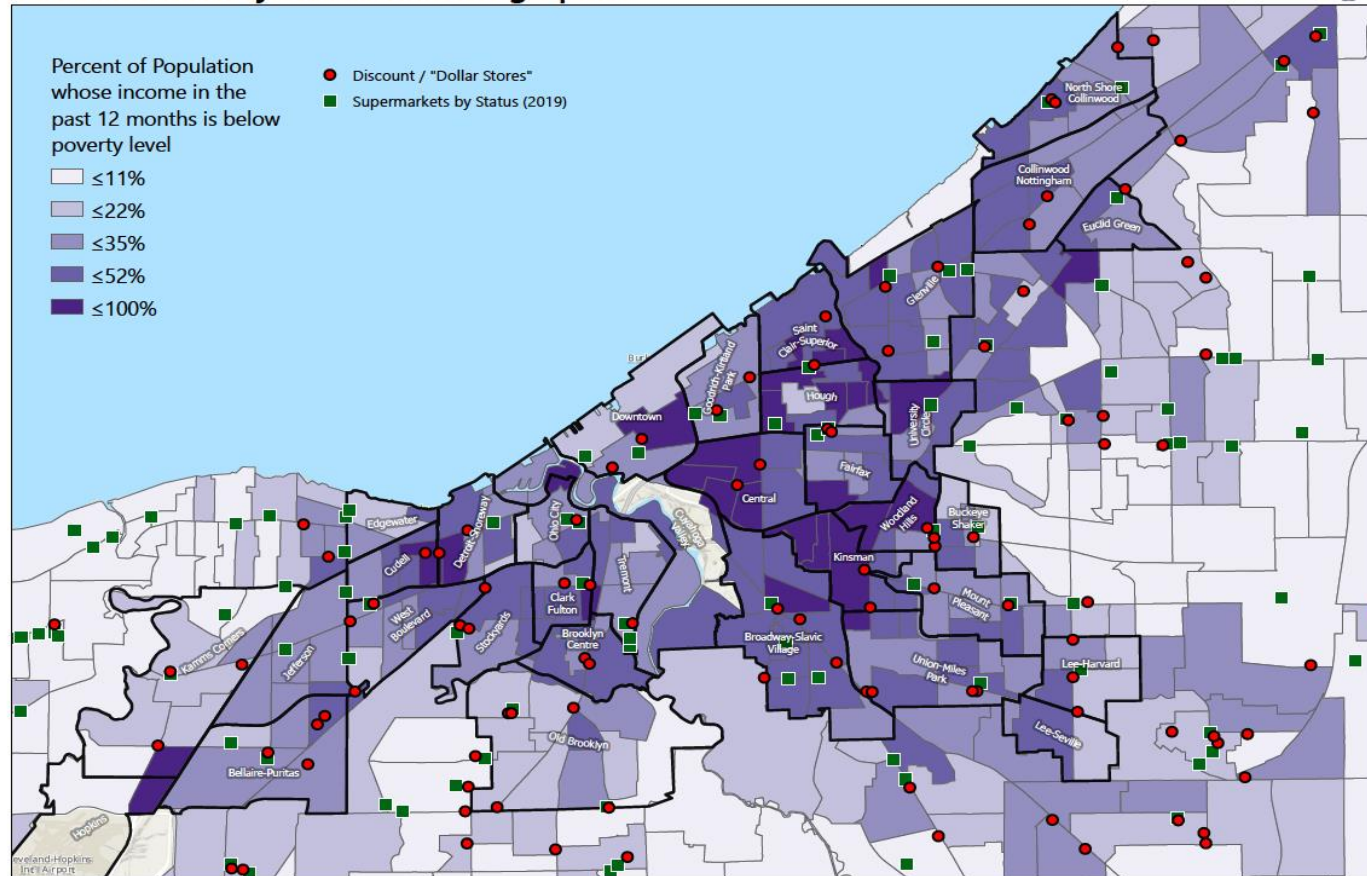
- ❖ Growing evidence that small box discount stores are not only a byproduct of economic distress, but also cause of it.
- ❖ Such saturation makes it difficult for local mom/pop shops already existing in neighborhood to stay open or prosper
- ❖ Such saturation also makes it difficult for new local grocers to open
- ❖ Profits from small box discount stores go back to corporate office, while local business profits go back to the community in which they serve
- ❖ Concerns about safety and security surrounding small box discount stores because of high incidences of crime/theft & lack of security



Local Map Analysis

Discount/ Variety Stores & Demographics

Cleveland City Planning Commission



Notice: West of Cleveland – less than or equal to 11% of population living below poverty level, and only one such small box discount retail store existing as of March 2020.

Poorer Cleveland Neighborhoods: Small box discount stores cluster in Central/Kinsman area, but also near Woodhill Estates between the Woodland Hills & Buckeye neighborhoods

Poverty: the greater the population in poverty, greater amount of small box discount stores.

Why important? Cleveland generally has more people living in poverty as a whole, than greater Cuyahoga County.

There are currently approximately 70 existing small box discount retail stores within Cleveland compared to approximately 37 existing such stores across the whole Cuyahoga County

Case studies showing that these types of stores cluster in low-income areas which is evident in our map analysis.

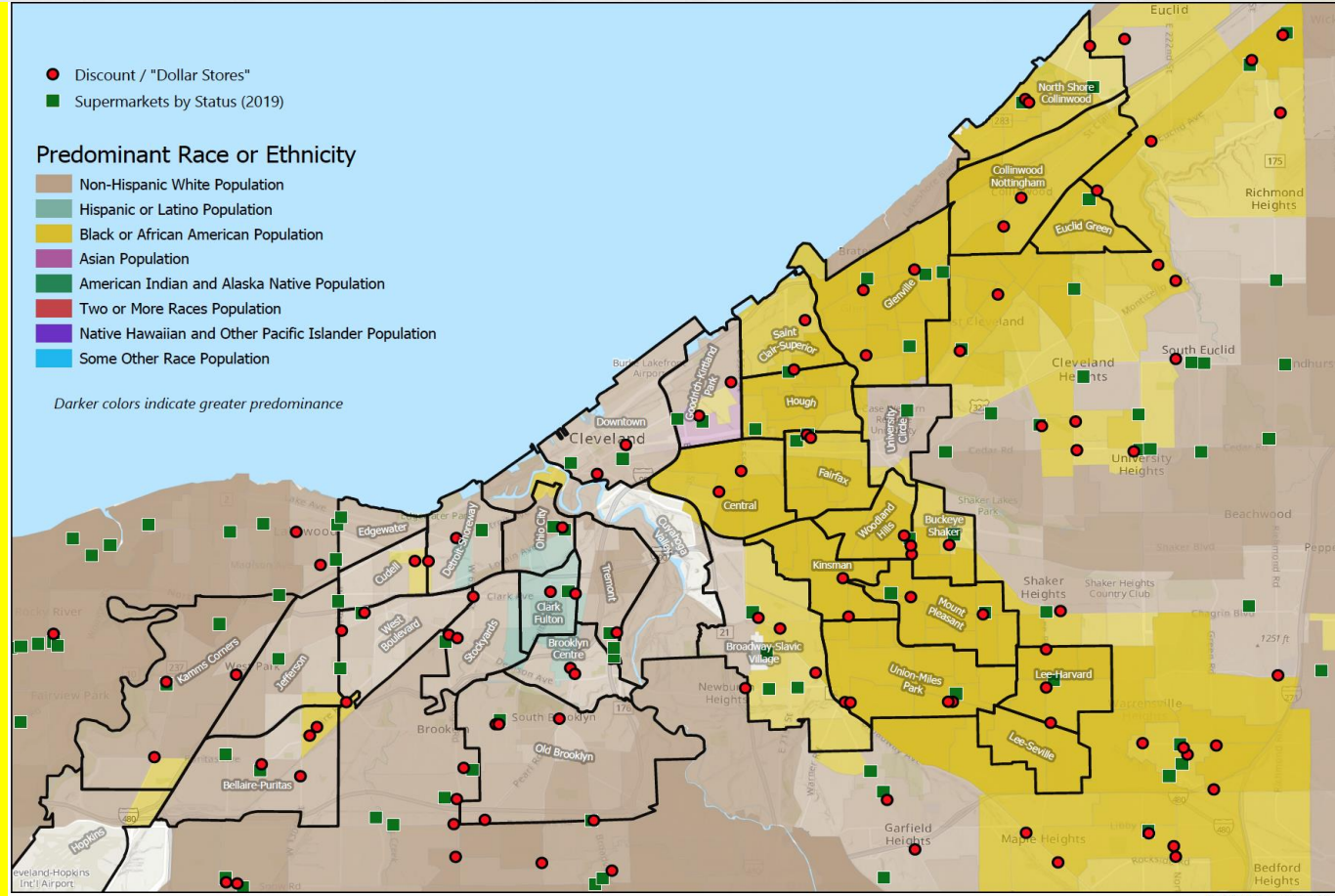
Local Map Analysis

- **Race:** Such stores cluster in our predominantly African American neighborhoods.

This applies to Cleveland and our inner ring suburbs of Warrensville Heights & Garfield Heights which are both predominantly African American.

- **Why Important:** Map also shows distribution of full-service grocery stores that sell fresh produce, meats and other items.

Analysis corroborates case studies from across the country that also have high prevalence of such stores clustering in our low income, predominantly African American neighborhoods and cities at much higher rate than non-Hispanic white and more affluent neighborhoods/towns.



Notice: In Central Neighborhood, where 52 -100% of the population lives below poverty level, you will notice 2 small box discount retail stores, but no full-service grocery stores.

In Contrast: University Circle neighborhood is predominantly non-Hispanic-White, there are more full-service grocery stores, and much less, if any small box discount retail stores

Why is this an issue?

- ❖ Health Status is linked to our social, physical and economic environments.
- ❖ Low income & our black/brown communities are more likely to be exposed to unhealthy conditions such as environmental pollution, neighborhood crime, low quality housing.
 - ❖ Small box discount retail stores continue to proliferate our low-income & predominantly African-American neighborhoods.
- ❖ Such stores' have lower quality items, items that cost much more per ounce over time, and limit access to fresh foods and a wide variety of products for our most vulnerable neighborhoods.
- ❖ Small Box Discount Retail Stores have profound impact on the health and quality of life of surrounding neighborhoods.

Community Concerns

- ❖ Loitering

- ❖ Litter

- ❖ Maintenance (inside/outside)

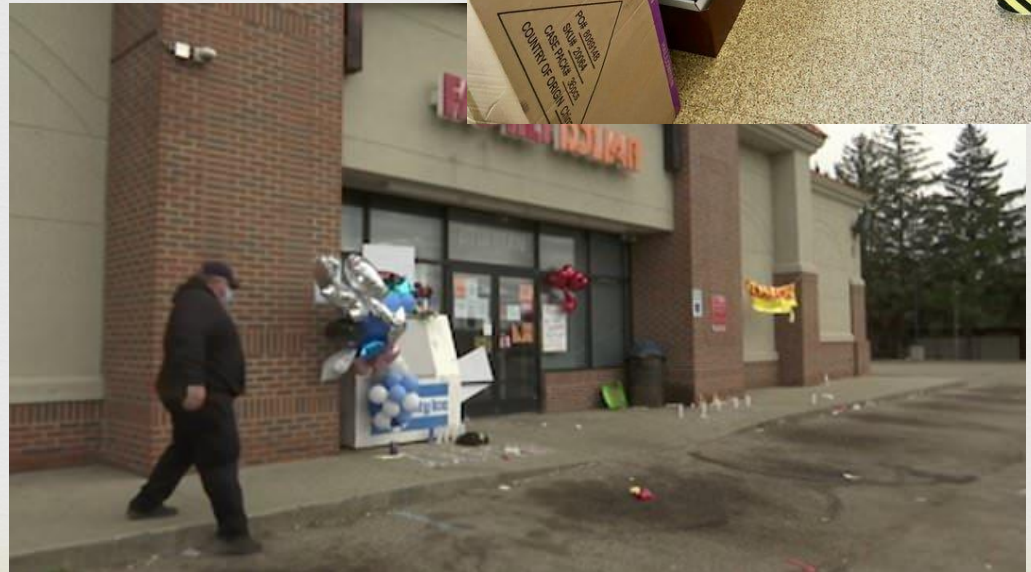
- ❖ Oversaturation (only retail option)

- ❖ Product quality (at times)

- ❖ Crime & Safety

- ❖ Such fear of safety discourages residents from walking in their communities, increases stress, and reduces opportunities for social interactions.

- ❖ Residents default to such stores as only option



New Legislation

- ❖ Implements a 2 mile (10,560 feet) spacing requirement for new use permit applications (separation requirement does not apply to existing legally established and in operation prior to effective date of ordinance).
- ❖ Requires City Planning to maintain a map of legally existing Small Box Discount Retail Store locations (precedence found in other zoning regulations - billboards)
 - ❖ Applicants shall submit a floor & shelf plan as part of building permit application
- ❖ Requires owner/operator to comply with proper premise maintenance (applies to existing and new) such as:
 - ❖ Keep exterior of site including sidewalks and tree lawns abutting property free of litter and debris
 - ❖ Provide one or more solid waste containers directly outside primary entrance (such containers should be maintained in good conditions and of suitable capacity to contain litter & debris between scheduled waste collections)

Why a Distance Buffer of 2 Miles?

- ❖ Overlays did not work well in other jurisdictions. Such stores just cluster along the border of each overlay district defeating the purpose to reduce overconcentration
- ❖ To adequately address an overconcentration issue, legislation must be city-wide.
- ❖ Due to the current amount of such stores located within .25, .5, and 1 mile as is of another small box discount retail store – a 2-mile buffer was meticulously chosen to ensure that we achieve our goals of reducing concentration, and promoting equity within our neighborhoods
- ❖ Market forces shall not govern zoning if we wish to address health/equity within our city by adopting policies that promote healthy eating, active living and safety.

Is this fad legislation or a war against dollar stores?

- ❖ Cities throughout the country and region are experiencing a proliferation of these types of stores within their own impoverished neighborhoods and black/brown communities as they are the fastest growing retail type store and are also facing the same negative secondary consequences.
- ❖ Legislation is about **corporate responsibility** & ensuring the **diverse retail options** within our neighborhoods
- ❖ Corporations that maintain their stores' appearance show respect for the communities in which they serve
- ❖ Corporations can and do offer quality retail options; they simply have not brought such offerings to our city.

Examples of Localized, Quality Corporate Retail Formats



Conclusion

- ❖ Zoning is a tool to protect the health, safety and welfare of all residents of our community
- ❖ This legislation seeks to reduce & avoid the overconcentration of small box discount retail stores and the negative secondary effects created by the existing clustering of such stores within our neighborhoods
- ❖ This legislation will promote equity and encourage healthy outcomes for City of Cleveland

Sources

- ❖ Dollar General Corporate
- ❖ Dollar Tree Corporate
- ❖ Family Dollar Corporate
- ❖ Five Below Corporate
- ❖ US Census Data
- ❖ City of Cleveland Data

- ❖ MacGillis, A (2020). “How Dollar Stores Became Magnets for Crime & Killing”. *ProPublica*. Retrieved at <https://www.propublica.org/article/how-dollar-stores-became-magnets-for-crime-and-killing>
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- ❖ Mitchell, S. & Donahue, M. (2018). “Dollar Stores Are Targeting Struggling Urban Neighborhoods and Small Towns” *Institute for Local Self Reliance (ILSR)*. Retrieved at <https://ilsr.org/dollar-stores-target-cities-towns-one-fights-back/>
- ❖ Donahue, M. (2019). “Maps Show Alarming Pattern of Dollar Stores’ Spread in U.S. Cities. Retrieved at <https://ilsr.org/dollar-stores/>
- ❖ Maantay, PHD, MUP, J. (2001). ”Zoning, Equity, and Public Health”, *American Journal for Public Health*, Vol. 91:7.
- ❖ Other jurisdictions zoning codes.

