

# Ordinance No. 411-2019

## AN EMERGENCY ORDINANCE

Establishing a moratorium on the review and issuance of zoning permits, certificates of occupancy and other license or permit applications for small box discount stores.

Council Member Griffin

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WHEREAS, “small box discount stores” means a retail store of between 3,000 and 15,000 square feet that sells at retail, directly to the consumer, a limited assortment of physical goods, products, or merchandise, personal grooming and health products, household goods, and other consumer products, including food or beverages for off-premise consumption, that generally cost less than \$10 dollars or cost 20% - 40% lower than the same types of goods, products and merchandise sold at grocery or drug stores; and

WHEREAS, there is a proliferation of small box discount stores such as Dollar Tree, Family Dollar (owned by Dollar Tree) and Dollar General in urban areas including the City of Cleveland, where Family Dollar currently operates 34 stores; and

WHEREAS, despite Family Dollar’s recent announcement that it will close stores in 2019, Dollar General and other small box discount stores still plan to expand in small towns and urban areas where they cater to low and middle income customers looking for discounted goods and where there are often no neighborhood grocery stores; in fact, Dollar General has announced that it will open 975 new stores in the United States this year; and

WHEREAS, Dollar Tree and Dollar General have more stores than the following biggest U.S. retailers - Walmart, Kroger, Target, Costco, Home Depot, CVS and Walgreens – combined; and

WHEREAS, although small box discount stores may fill a need in places that lack basic retail services, the growing evidence is that small box discount stores are not only a byproduct of economic distress – they are a cause of it; and

WHEREAS, small box discount stores’ strategy of saturating communities with multiple stores makes it impossible for local grocery stores to stay open, if they are already in a neighborhood, or for new local grocers to open a store and prosper; and

WHEREAS, there is usually less than 15% of shelf space devoted to fresh produce in small box discount stores and most have only a limited selection of processed foods; and

WHEREAS, small box discount stores sell packaged foods in single-serving quantities that have lower price points, but are in actuality more expensive per ounce; and

WHEREAS, small box discount stores employ fewer people at lower wages than grocery stores, often face class-action lawsuits for violating fair labor standards and lean heavily on taxpayers to subsidize their employees’ healthcare; and

WHEREAS, profits from small box discount stores go back to their corporate office, while local business profits go back to the community in which they serve; and

WHEREAS, there are concerns about safety and security surrounding small box discount stores because of the often high incidences of crime and theft in and around them, often due to their lack of security; and

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WHEREAS, “small box discount stores” as defined above does not include stores that dedicate less than 5% of shelf space to food sales, sell gasoline or diesel fuel, contain a prescription pharmacy, or dedicate at least 15% of shelf space to fresh foods and produce; and

WHEREAS, this ordinance constitutes an emergency measure for the immediate preservation of the public peace, property, health, safety, or welfare in that a moratorium on the review and issuance of zoning permits, certificates of occupancy and other license or permit applications for small box discount stores is necessary while the City considers reasonable restrictions and regulations for such stores in the City; now, therefore,

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CLEVELAND:**

**Section 1.** That, for the reasons stated in the preamble, this Council establishes a moratorium on the review and issuance of zoning permits, certificates of occupancy and other license or permit applications for small box discount stores until December 31, 2020 or until such time as the City has established regulations regarding review and issuance of small box discount stores, whichever is earlier.

**Section 2.** That this ordinance is hereby declared to be an emergency measure and, provided it receives the affirmative vote of two-thirds of all the members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

BG:rns  
4/1/19

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REPORT  
after Second Reading

Council Member Griffin

## **AN EMERGENCY ORDINANCE**

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**READ FIRST TIME on APRIL 1, 2019**  
and referred to DIRECTORS of Building and Housing,  
City Planning Commission, Finance, Law;  
COMMITTEES on Development Planning and Sustainability, Finance

REPORTS

CITY CLERK

READ SECOND TIME

CITY CLERK

READ THIRD TIME

PRESIDENT

CITY CLERK

APPROVED

MAYOR

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PASSAGE RECOMMENDED BY  
COMMITTEE ON  
DEVELOPMENT, PLANNING AND  
SUSTAINABILITY

FILED WITH COMMITTEE

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PASSAGE RECOMMENDED BY  
COMMITTEE ON  
FINANCE

FILED WITH COMMITTEE

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