



01/20/2022

RE: Small Box Discount Stores in Cleveland, OH – Ord.
816-2020

Small Box Discount Stores – Response & Map Analysis

Overview

This legislation implements a two (2) mile (10,560 feet) spacing requirement for new use permit applications for Small Box Discount Retail Store and requires all new and existing owner/operators to comply with proper premise maintenance regulations. This proposed legislation is the result of an initiative of Councilman Griffin and various City Departments in preventing the proliferation of small box stores in neighborhoods. In addition, it allows the ability to outline fair and equitable policies to regulate the location of small box discount retail stores for the purpose of protecting neighborhoods from negative secondary effects created by the concentration or clustering of such businesses. Furthermore, the regulations are established to avoid and reduce over- concentration and to maintain cleanliness for the health and safety of residents within our neighborhoods while promoting equity and encouraging healthy outcomes for the City of Cleveland.

1) What has the planning department found in terms of clustering of Dollar Trees, Dollar Generals, Family Dollars, and other similar stores?

With respect to the map illustrations, we must be mindful of the proliferation that is occurring. How much is enough? Cleveland is clearly oversaturated in comparison to the rest of the county. See below explanations associated with each map illustration.

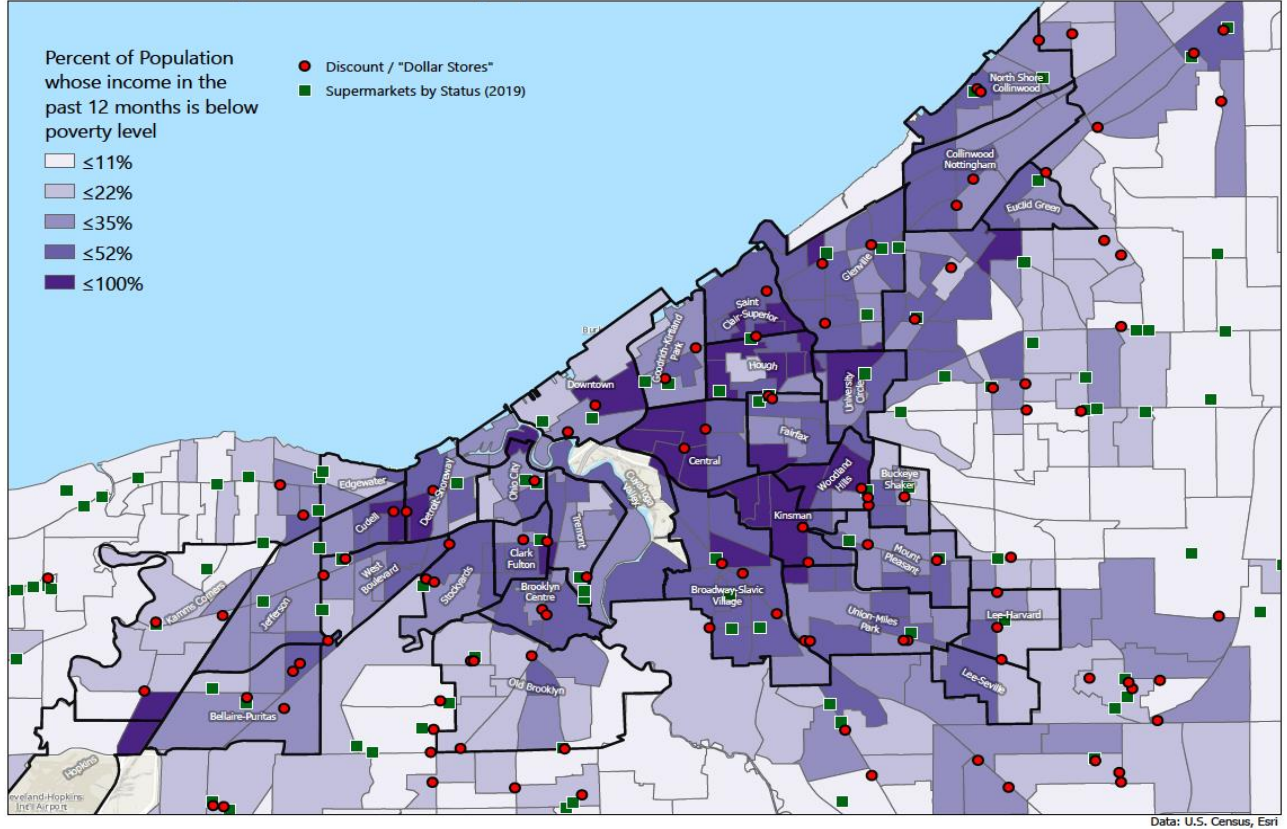
Poverty: the greater the population that is in poverty – there is greater amount of small box discount stores. This is telling as Cleveland generally has more people living in poverty as a whole than greater Cuyahoga County – which would account for why there are approximately 70 existing small box discount stores within Cleveland proper compared to approximately 37 existing such stores in Cuyahoga County as a whole. Many case studies show that these types of stores cluster in low-income areas which is evident in our map analysis. You will also notice that west of Cleveland – less than or equal to 11% of the population is living below the poverty level and there is only one such store existing as of March 2020. When looking at some of the poorer neighborhoods, you will notice – small box discount stores cluster in the Central/Kinsman area but also near Woodhill Estates between the Woodland Hills & Buckeye Neighborhoods.



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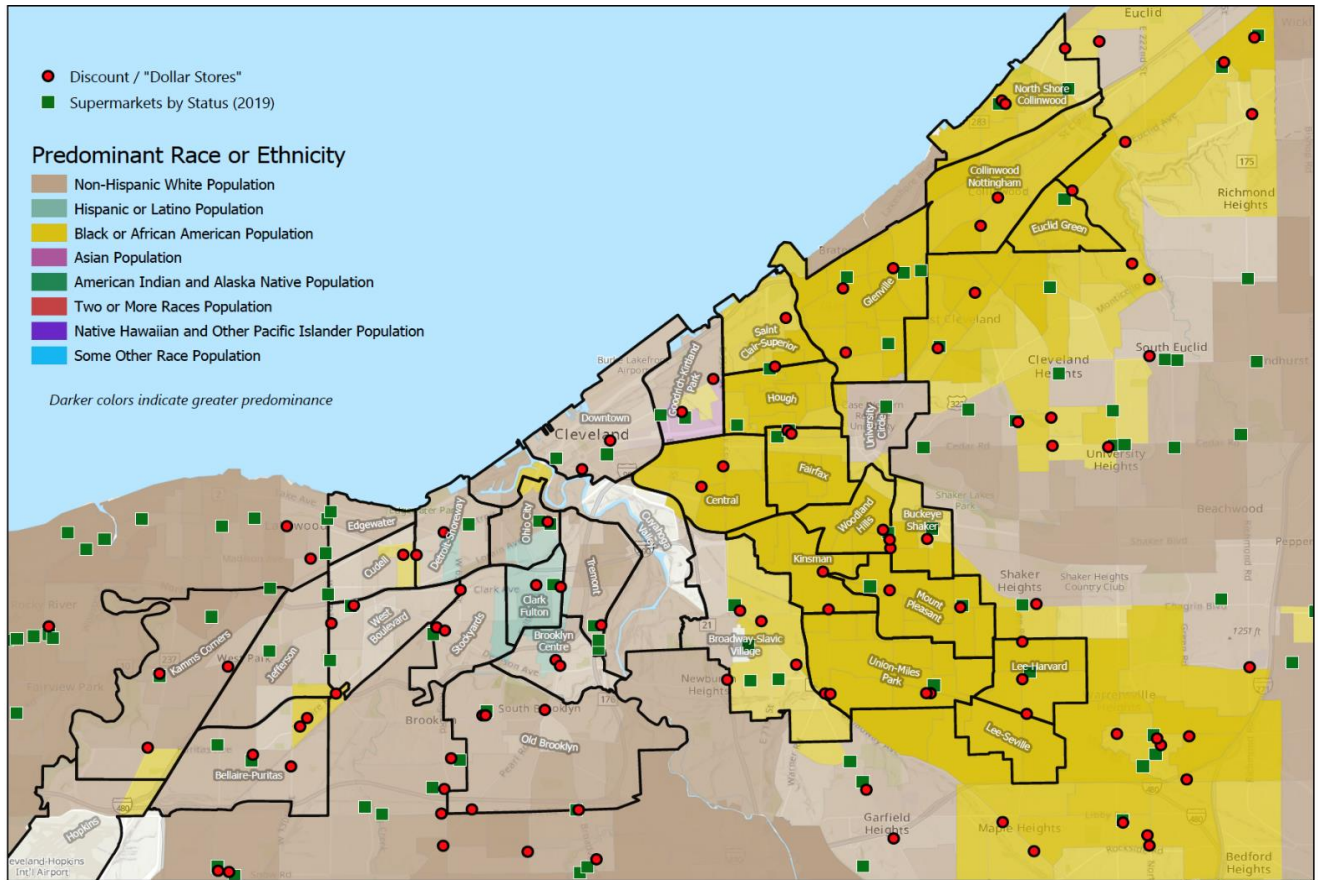
Discount/ Variety Stores & Demographics

Cleveland City Planning Commission





Race: This map shows that small box discount stores cluster in our predominantly African American neighborhoods. This applies to the City of Cleveland as well as our close inner ring suburbs of Warrensville Heights & Garfield Heights which both are predominantly African American.





This map also shows the distribution of full-service grocery stores or supermarkets that sell fresh produce, meats, and other items. In the Central Neighborhood – a predominantly African American and where 52 to 100% of the population lives below the poverty level, you will notice there are two small box discount stores, and no full-service grocery stores. In contrast, the University Circle neighborhood is predominantly non-Hispanic white and has one full-service grocery store and no small box discount stores. You will also notice that across the City of Cleveland and Cuyahoga County – where population is predominantly non-Hispanic white – there are far *more* full-service grocery stores and much less, if any small box discount stores.

This analysis corroborates case studies from across the country from places like New Orleans, Houston, Mesquite, Birmingham, Tulsa, Chicago and others that also have a high prevalence of small box discount stores that cluster in our low-income and predominantly African American neighborhoods and cities at a much higher rate than our non-Hispanic white and more affluent neighborhoods and towns.

2) Why is that an issue?

Part of Planning and Zoning is to address quality of life issues. Research shows that health status is inextricably linked to our social, economic, and physical environments. Low income communities and our black and brown communities are more likely to be exposed to unhealthy conditions such as environmental pollution, neighborhood crime, low quality housing, and high concentrations of small box discount retail stores. Small box discount stores continue to proliferate our predominantly African American and low-income neighborhoods.

Research has shown that this is the typical business model of these types of stores while also demonstrating that saturating these types of stores within our neighborhoods makes it impossible for local existing grocery stores to compete and stay open, or for new grocers to open a store and prosper. Small Box Discount Stores usually have less than 15% of their shelf space devoted to fresh produce and generally a limited selection of processed foods. Such proliferation of small box discount stores limit access to fresh foods and a variety of products for our most vulnerable neighborhoods.

Overall, small box discount retailers have a profound influence on the quality of life of their surrounding neighborhoods. The links between land use and health are certain. There is no doubt that small box discount stores cluster in our predominantly African American and low-income neighborhoods. As planners, we must not allow “market forces” to govern zoning or planning if we wish to address health and equity within our city by adopting policies that promote healthy eating, active living, and safety.



3) What complaints generally come in from these stores? Loitering, litter, maintenance, oversaturation in poor communities, product quality in some cases.

4) Is there a particular example you can give of a problematic store? Why is it problematic?

The small box discount store that comes up often in city complaints is one of the stores in the Buckeye Neighborhood. The store located at Buckeye and East 130th is in the vicinity of where the City is focusing efforts around neighborhood redevelopment as part of the Neighborhood Transformation Initiative. The conditions on the site were a concern for many residents. The business failed to comply with approved plans and required numerous follow ups due to complaints raised regarding site conditions.

5) Absent these stores, what could go in these places?

To be clear, these stores are obviously not absent, they are very present. As we move forward with reinvestment in our communities, creating options for retail and working to provide fresh food options to residents will be important. Land opportunities exist in many of these districts and create an opportunity to embrace new approaches to provide quality goods that meet the needs of residents. Food co-ops and other models have been tested in other Cities. In addition, there are examples of stores in other parts of the country where dollar store chains have set good examples. One example is in Nashville Georgia where Dollar General has introduced the **Dollar General Market** concept. This is a full-service grocery store that provides quality fruits vegetables and other goods typically found in dollar stores. These types of models have not been introduced to our market in Cleveland although there is a known need for quality products. Why haven't these chains presented this concept here locally? I point this out because they can deliver a better product to our community. However, they will only do the bare minimum. We are demanding better quality, better products, and better service delivery. We do not believe it is fair or equitable to continue allowing an oversaturation of the same type of facilities. These stores can do better than what they have done previously to meet the needs of our communities.

Below is an example of **Dollar General Markets**: if dollars stores are going to serve our community there is a certain level of product, investment, and quality needed. We must demand better with this level of quality and product mix there could be fewer, yet they can better serve the needs of the community. It is a pure case of quality over quantity.



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6) Do you have an example of a business who felt crowded out because these stores were so close?

It's not about other businesses feeling crowded out. It is about too much of a particular use that has produced unintended consequences in neighborhoods. Land resources in business districts should be utilized for a combination of corporate and small mom and pop startups. The oversaturation of specific chains limits options for smaller mom and pop retail stores. Although we welcome investment in our city we must ensure that we are creating fair and equitable opportunities for both corporate and small local entrepreneurs.

7) Is there interest from grocery stores or other places that sell fresh food that have been pulled back from their inquiries because of the dollar stores?

There are several issues that prevent full-service grocery stores from locating in certain communities, crime, population, density, income, etc. There are however examples of residents defaulting to dollar stores as their only option. Dollar Stores should not be the only option in a neighborhood.



In addition to proliferation, small box discount stores generally sell packaged foods and other goods in single-serve quantities that have lower initial price points but are more expensive per ounce. Over time, consumers will spend much more money on lower quality products than what they can generally buy from a full-service grocery store or other wholesale store. Small box discount stores also generally employ fewer people at lower wages than most full-service grocery stores and profits go back to the corporation, whereas local business profits go back into the community in which they are located. Furthermore, some small box discount stores contribute to local residents' fear of safety by being a source of trash, loitering, or graffiti – which can damage health further by discouraging residents from walking in their communities, increase safety-related stress or reduce opportunities for social interactions.

8) Has the city consulted any other jurisdictions during this review? If so, which ones?

Research and review of other policies in other cities include: Mesquite, TX, Tulsa, OK Fort Worth, TX, New Orleans, Suburbs of Atlanta, GA; Birmingham, AL, Baltimore, MD, Kansas City, MO, & Minneapolis, MN.

9) What other issues surround them that I may not have covered?

We have positive examples of dollar store corporations that are good actors who maintain their stores, provide quality customer service, and provide local jobs. Stores such as Dollar General



who typically provides a quality operation and ensures that the physical presence of their stores are aesthetically pleasing which indicates a respect for the community. When there are other organizations who may allow their operations to suffer as they increase in volume. **This legislation is about corporate responsibly more than just ensuring that there is the right balance of retail options in our neighborhoods.** These organizations must treat our neighborhoods like they matter. We will ensure that this occurs through our regulations and through advocacy as it is necessary. We simply want to ensure that these establishments honor our residents.

The argument for these organizations will be income and poverty and that there is a need for discount products. Just because there is a need, does not mean that the community should accept anything. Particularly when it comes to the quality of the goods, service delivery, and quality of the physical investments in our neighborhoods. That is exploitation.

The bottom line is that we do not need to have multiple Dollar Stores in every area within the City. They are “part” of our retail mix. They however should not be perceived as what retail is in our neighborhoods.

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