

City of Lathrup Village
27400 Southfield Road
Lathrup Village, MI 48076
www.lathrupvillage.org | (248) 557-2600

TO: Mayor & City Council
FROM: Mike Greene – City Administrator
DATE: February 24, 2025
RE: Study Session

Fiscal Year 2025-26 Council/Budget Goals

The purpose of this discussion item is for the Council to kick-start their discussion of what they wish to achieve in the next fiscal year. Enclosed in your packet are the Fiscal Year 2024-25 council/budget goals that were approved last year to assist with the discussion.

There was a budget public input meeting that took place on February 18th, 2025, from 5:30 PM to 7:00 PM for members of the community to share their thoughts on items for next year's budget. A summary of that meeting is enclosed for your records.

Store Uses Limitations

At the last City Council Study Session, certain members requested information regarding the prohibition of or limitation on the number of payday check cashing businesses and dollar store businesses.

Cities across the country have made zoning changes to prevent or limit the opening of dollar stores within their boundaries. Most have started with moratoriums before the specifics of regulation are determined by the local governing body. The City Attorney has found less information related to payday check cashing businesses, but the same principles of regulation could apply to both types of businesses. Approaches for such business regulations include:

1. Formula business restrictions place limits on chain stores in general, including dollar stores, while fostering a balanced mix of local businesses. These regulations limit formula or chain retailers that have standardized services, methods of operation, and other features. In 2024, for instance, the town of Joseph, Oregon adopted a formula business ordinance, partly to help protect against dollar store proliferation. Some communities have achieved a similar outcome by limiting the number of business licenses available for different types of businesses. Forest Park, Georgia, for example, issues business licenses for a maximum of three dollar stores, with a provision that it will issue one additional license for every 5,000 new residents beyond 30,000.
2. Dispersal ordinances specifically target dollar stores. Dispersal ordinances (also called minimum-distance ordinances) set limits on how close to an existing dollar store a new one can be developed (typically requiring a minimum distance of one to five miles). Such regulations take into consideration the existing concentration of dollar stores within a neighborhood or city and help prevent these chains from choking out existing grocery stores and making it difficult or impossible for new ones to take root and grow.
3. Healthy food overlay zones improve access to healthy food. In 2018, for example, the city of Tulsa, Okla. amended its zoning code by creating an overlay district that encourages the development of healthy food stores in north Tulsa in large part by requiring at least one mile between new dollar stores and existing ones.
4. Conditional uses: Some communities have made dollar stores a "conditional use," requiring them to meet certain conditions, such as not having a negative impact on existing food stores or devoting a certain minimum amount of shelf space or square footage to fresh food, to receive a development permit.
5. "Police powers": Civic leaders in at least two communities — Newton County, Georgia and Tangipahoa Parish, Louisiana — have used their broad police powers to reject dollar store development proposals because of the chains' negative impacts on the health, safety, and welfare of community residents.

Michigan communities that have instituted restrictions include:

1. East Jordan — One-mile separation requirement, plus a Special Use Permit, based on the potential detrimental impact of the proposed store on existing food stores and the availability of healthy food options.

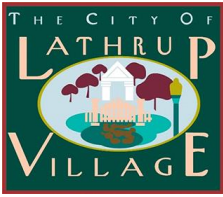
Kelly Garrett
Mayor

Bruce Kantor
Mayor Pro-Tem

Jalen Jennings
Council Member

Dalton Barksdale
Council Member

Jason Hammond
Council Member



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2. Melvindale — Adopted a dollar store dispersal ordinance in November 2019, with a half-mile separation requirement; the ordinance also requires that 15 percent of the floor area must be dedicated to fresh produce, dairy, and meat products, and it makes dollar store development a conditional use, dependent on whether the proposed store is likely to have a detrimental impact on the development of grocery stores and other stores offering healthy food.
3. Southfield— Following a 180-day dollar store development moratorium in 2020, the city adopted a dollar store dispersal ordinance the following year, with a one-mile separation requirement and a limit on store operating hours.
4. Detroit – City Council members have expressed a desire to limit and institute a moratorium on dollar stores, but I don't believe official action has been taken yet.

Not every attempted restriction has been successful, though. Nottawa Township opposed a rezoning proposal that would have allowed a Dollar General store to be located in the municipality. Dollar General subsequently sued the Township and prevailed, and the store was opened in 2023.

Accordingly, corporate opposition may arise, so care must be taken to institute justifiable restrictions.

Congressional Directed Spending Requests

It's that short window of the year when our congressional representatives are accepting requests to be included in the FY 26 Congressionally Directed Spending (CDS) Program. Similar to last year, the staff is seeking input from the City Council on any projects you may want to be considered by our congressional representatives. All submittals will be sent through Congresswoman Tlaib & Senator Peters's offices. Enclosed in your packet are example projects that were approved for funding over the past couple of years. REMINDER – Submittals do not guarantee funding, and if awarded, the City will most likely be required to match at minimum 20% of the total project cost.

Below are example projects the staff is considering for submittals. There are only certain categories that projects may qualify for, so each idea presented may not meet the CDS program requirements.

- Department of Public Services Building Replacement – Estimated Cost \$1.75M
- Eldorado Watermain Replacement – Estimated Cost \$970K
- Sanitary CCTV (~57,000 linear feet) – Estimated Cost \$350K

The deadline for all FY26 requests through Senator Peters office is March 17, requests through Congresswoman Tlaib's office are TBD.

PA 33 Special Assessment District

During the February 24, Regular Meeting, the City Council will hold its first public hearing regarding Public Act 33 and establish a special assessment district for the purpose of levying an assessment throughout the entire community to assist with covering the cost of operating/contracting for police and fire services.

The purpose of this discussion is to address any initial questions regarding this regular meeting agenda item.