

memorandum

DATE: July 11, 2025

TO: Lathrup Village Planning Commission

FROM: Jill Bahm & Eric Pietsch, Giffels Webster

SUBJECT: Zoning Amendment – Small Box Retail Discount Store

Previous Discussions

At the June 17, 2025, meeting, the Planning Commission held a public hearing for the public to comment on the proposed ordinance amendment that addresses small box retail discount stores as a permitted use in the city. Upon discussing the proposed amendment, the Planning Commission supported removing the requirement of dedicating a minimum of 15% of floor area or shelf space to fresh foods and vegetables. Under the special land use Section 4.23, criterion 4 allows for the Planning Commission to consider any amount of floor area to be dedicated to fresh produce, meat, and dairy products. The commissioners also addressed the comments from the public hearing to say that the purpose of this ordinance amendment is to limit the proliferation of this type of use within the community.

At the May 20, 2025, meeting, the Planning Commission discussed the proposed ordinance amendment language as well as the research provided in the planner's memo pertaining to establishing limitations to small box retail discount stores in the community. Due to the findings that there is no shortage of accessible dollar stores in the surrounding area, the Planning Commission moved to establish a public hearing to consider the proposed amendment, as written, at the June 17th meeting.

The remainder of this memo is provided as background.

Introduction

What prompted this amendment?

At the March 17, 2025 meeting, the Lathrup Village City Council resolved to impose a 180-day moratorium on accepting any applications to locate small box discount retail stores within the city and that the Planning Commission shall not process any applications for such uses during the moratorium period. In recognition that chain dollar stores are rapidly expanding, there is an inherent need to study the issue in order to ensure consistent, cohesive, and sensible land use and development in the city, including responding to the local needs and goals of the Master Plan. As part of the resolution, the City Planner, City Attorney, and City Administrative Staff are tasked to propose language to be presented for a public hearing to the Planning Commission and ultimately to the City Council to define what a small box discount retail store may consist of, to propose which zoning district(s) that such use should be located within, whether such use shall be a permitted or special land use within the applicable zoning district, and to propose regulations managing the concentration of such businesses.

Why is there concern?

Research has found that one of the most serious problems for a community's economic health is the impact of small box discount retail stores on existing businesses and, in particular, their impact on grocery stores. Most chain dollar stores stock only a limited selection of fresh or frozen vegetables, fruits, or meats. Even

those that offer an expanded selection of fresh food, like DG Market and Dollar Tree Plus!, still provide only a fraction of the fresh food that a grocery store of comparable size offers. Yet, in both urban neighborhoods and small towns, these chains are opening stores at such a density that they crowd out full-service grocery stores and make it nearly impossible for new ones to open. A [2022 study by UCLA and the University of Toronto](#) found that if there are three chain dollar stores within a two-mile radius of one another, a full-service grocery store there will likely close.¹

Current Ordinance

The ordinance does not include any provisions for small box retail discount stores, more commonly referred to as dollar stores, nor does it define a term, or related term.

Of all the zoning districts in Lathrup Village, the Commercial Vehicular district is the most appropriate to consider including small box retail uses. Data shows that small box discount retail stores are becoming uses that oversaturate local markets and that communities throughout the country are taking precautionary measures in order to ensure their presence, or overabundance, does not negatively impact quality of life, public health, safety, and welfare. As a built-out community, Lathrup Village is well positioned to amend its zoning ordinance in order to address these uses in a manner that is fitting for the residents of the community.

Considerations

What are the appropriate options for small box retail discount stores?

Permit as a special land use in the CV -Commercial Vehicular district.

Considering the “Intent” statements of the Commercial Vehicular, Mixed Use, and Village Center districts in the zoning code, the intent of the Commercial Vehicular district is most fitting as it pertains to small box retail discount store uses. It states the CV district’s intent is *“to provide automobile-oriented commercial uses that typically create higher trip generation along major intersections within the city, where potential adverse impacts on adjacent uses may be minimized.”* These areas are limited to Southfield Road at 12 Mile Road and Southfield Road at 11 Mile Road / I-696.

Given the 1.5 square mile city of Lathrup Village is entirely surrounded by the city of Southfield, we recommend consistency with the zoning standards set forth in the city of Southfield, beginning with the definition, as written below.

Article 2. Definitions.

Small Box Retail Discount Store. A retail store with a floor area ranging from 5,000-15,000 square feet that offers for sale an assortment of physical goods, products or merchandise directly to the consumer, including food or beverages for off-premises consumption, household products, personal grooming and health products and other consumer goods, with the majority of items being offered for sale at lower than the typical market price. Small box discount stores do not include retail stores that: contain a prescription pharmacy; sell gasoline or diesel fuel; primarily sell specialty food items (e.g. meat, seafood, cheese, or oils and vinegars); or dedicate at least 15% of floor area or shelf space to fresh foods and vegetables.

Article 3. Zoning Districts.

Small box retail discount stores may be permitted in the CV -Commercial Vehicular zoning district, subject to special land use approval. Proposed special land uses require a full site plan review for consideration by the Planning Commission, a public notice for a public hearing, and ultimately, approval by the City Council.

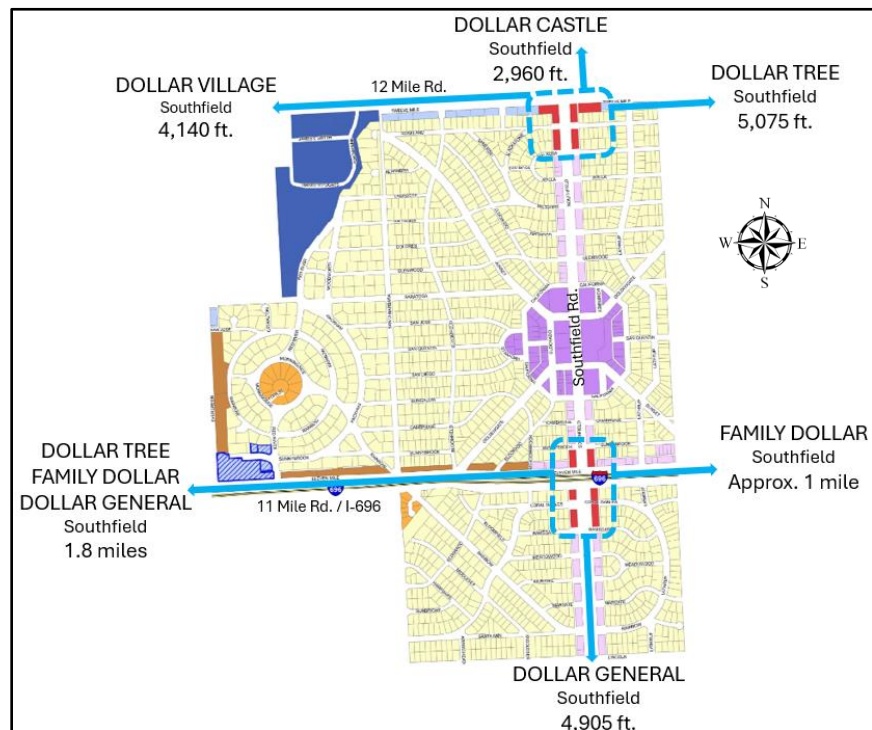
Article 4. Use Standards. A small box retail discount store cannot be located any nearer than 1 mile (5,280 feet) to any other small box retail location. Establishing this type of requirement is considered a “dispersal standard”.

Our research finds small box retail discount stores exist within less than a mile from the Commercial Vehicular zoning districts in Lathrup Village. Unless any of the outlying, existing stores become permanently closed, applying this standard would restrict small box retail discount stores to limited parcels within the CV district near Southfield Road and I-696. The map in Figure 1, on the page below, shows approximate distances from the CV districts to the nearest small box retail discount stores, all of which are located in the neighboring city of Southfield.

When reviewing a request for a Special Use Permit, the Planning Commission shall consider all of the following;

- 1) Whether the small box retail discount store will have a detrimental impact on the development of grocery stores and other businesses that sell fresh and healthy food items in the area to be served by the proposed use.
- 2) The availability of healthy food options in the area of the proposed use, including the proximity of full-service grocery stores within one mile of the proposed use, and effect of the use on the retail food environment.
- 3) A Special Land Use approved under this section must stipulate that a minimum of 15 percent of the floor area of the variety/small box store must be dedicated to fresh produce, meat, and dairy products.

FIG. 1. Nearest small box retail discount store from the CV -Commercial Vehicular zoning districts in Lathrup Village. Parcels zoned as CV are highlighted in red.



This criterion reduces the parcels eligible for special land use allowance of small box retail discount stores to those along Southfield Road, within the blocks between 11 Mile Road and Sunnybrook Avenue, north of I-696. These sites are shown in the images below.



NW Corner of Southfield & 11 Mile Road



NE Corner of Southfield & 11 Mile Road

For comparison, hours of operation for small box retail discount stores in Southfield are limited to 8:00 a.m. to 10:00 p.m.

Per Section 4.7 of the zoning code, businesses in Lathrup Village are permitted to operate between the hours of 7:00 a.m. and 11:00 p.m. We recommend these hours remain consistent when applied to small box retail discount stores, unless the Planning Commission suggests otherwise.

Article 5. Site Development Standards.

No change to these standards is proposed. Off-street parking requirements for small box retail discount stores would align with the current retail use standards, and would be as follows:

- 1 space for every 200 square feet of usable floor area. Store sizes ranging from 5,000 to 15,000 square feet would generate a parking requirement of about 25 spaces minimum to 75 spaces maximum. Section 5.13.14.C.iv. Business and Commercial Uses (retail).

What does the Master Plan say?

Vision, Goals, & Objectives

What do we want and why?

- Thriving local businesses
- Employed workforce
- A convenient selection of goods and services
- A diverse tax base with a resilient economy
- Provide meaningful, well-paying jobs for residents
- Provide entry-level jobs for younger residents
- Offer access to local goods and services for residents

Future Land Use

Commercial Vehicular

- The intent of the Commercial Vehicular category is to serve transient customers, creating a higher trip generation to the commercial site. These areas are located along Southfield Road at the intersections of 11 Mile Road and 12 Mile Road. The uses envisioned within this land use class would include retail, restaurant, service businesses such as banks, professional offices, and gas stations.

Mixed Use

- The blocks north of the Village Center and blocks south of 11 Mile Road are designated mixed use, to be redeveloped with residential, office, and “lower trip-generation retail businesses.” Most of the Southfield Road Corridor, except the Village Center and mile road intersections, are designated as Mixed Use.
 - The context of the physical layout and intent of the Mixed-Use district is not conducive to accommodating small box retail establishments.

Village Center

- The Village Center establishes a concentrated area for commercial and civic activities. It is envisioned that there will be a mix of public and private property, including residential, office, retail, restaurant, entertainment, gathering spaces, and recreation areas. The final configuration of Southfield Road will dictate the size and development footprint of the area. It is anticipated that the internal road network will be developed to continue the alley system and the conceptual “Park Street Promenade.” The current civic facilities are intended to remain in the Village Center area but may be leveraged or reconfigured to accommodate the redevelopment as envisioned for a vibrant, compact, pedestrian-oriented downtown area.
 - Given the amount of parking required for small box retail stores, as well as the intended compact, pedestrian-oriented goals of the district, the Master Plan does not support these types of uses in the Village Center district.

Commercial Corridors / Downtown Plan

- The Lathrup Village Downtown Development Authority (DDA) includes all parcels zoned CV - Commercial Vehicular. The market study of the Master Plan reports, *while there does not seem to be a demand for additional retail goods and related service space, there is the potential to capture exported space in “Food,” “General Merchandise,” and “Miscellaneous” retail that includes operations such as Barber/Beauty salons, Book Stores, Florist/ Nurseries, Paper/Paper Products, and Gifts and Novelties. The catalytic activity and focus could be on specialty food activity.*
- Recommendations of the market study generally do not lend support for small box retail discount stores. Recommendations such as, but not limited to the following:
 - Continue to enhance the walkability of the city and its neighborhoods
 - Expand specialty food opportunities beyond a traditional farmers’ market
 - Utilize first floor spaces for year-around and seasonal pop-up retail, and co-working activities
 - Expand community activity space for arts, culture, and educational training.

Summary / Recommendation

The neighboring city of Southfield adopted restrictions limiting the location of small box discount retail stores in 2021. As an enclave surrounded entirely by Southfield, these restrictions would be reasonably effective if extended into the city of Lathrup Village. A combination of restricting small box discount retail stores to be no less than 1 mile from each other and allowing for the permitting of them as special land uses within the Commercial Vehicular district only, significantly limits where this type of use could be permitted within a city of such small stature. Our analysis finds that small box discount retail stores exist in close proximity to all city boundaries of Lathrup Village, and as a result, satisfy the demand for one or more stores in a 1-to-2 mile distance. In one instance, there are currently three independent stores at the intersection of 11 Mile and Lahser Roads to the west: Family Dollar, Dollar Tree, and Dollar General. The context of the built environment along the commercial corridors in Lathrup Village, coupled with the intentions of non-residential zoning districts, and the community’s Comprehensive Plan, result in a recommendation that any development application for a small box discount retail store be restricted to the Commercial Vehicular district as a special land use, subject to the review and consideration of the Planning Commission and City Council, with solicited input from the public.

Amend Section 2.2.: Definitions to add:

Small Box Retail Discount Store. A retail store with a floor area ranging from 5,000-15,000 square feet that offers for sale an assortment of physical goods, products or merchandise directly to the consumer, including food or beverages for off-premises consumption, household products, personal grooming and health products and other consumer goods, with the majority of items being offered for sale at lower than the typical market price. Small box discount stores do not include retail stores that: contain a prescription pharmacy; sell gasoline or diesel fuel; or primarily sell specialty food items (e.g. meat, seafood, cheese, or oils and vinegars).

Amend Section 3, Zoning Districts, to add Small Box Retail Discount Store as a special land use in the CV -Commercial Vehicular Zoning District.

Section 3.1.6.C.xiii. Small Box Retail Discount Store

Amend Section 4, Use Standards, to add a new standard:

Section 4.23. Small Box Retail Discount Store. When permitted as a special land use, the Planning Commission shall consider all of the following:

1. A small box retail discount store shall not be located any nearer than 1 mile (5,280 feet) to any other small box retail location.
2. Whether the small box retail discount store will have a detrimental impact on the development of grocery stores and other businesses that sell fresh and healthy food items in the area to be served by the proposed uses.
3. The availability of healthy food options in the area of the proposed use, including the proximity of full-service grocery stores within one mile of the proposed use, and effect of the use on the retail food environment.
4. A Special Land Use approved under this section must stipulate that a minimum percentage of the floor area of the variety/small box store must be dedicated to fresh produce, meat, and dairy products.