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To: City Council
From: Austin Colson, Director – Community & Economic Development/DDA Director
Date: July 21, 2025
RE: Zoning Amendment to Limit Small Box Discount Retail Stores

Purpose

This memo requests that the City Council adopt the ordinance amendment recommended by the Planning Commission to regulate and limit small-box discount retail (“dollar”) stores in Lathrup Village.

Background

Council Moratorium: On March 17, 2025, the Council imposed a 180-day moratorium on accepting applications for new small-box discount retail stores (Resolution 2025-09) to allow time for study and ordinance development.

Staff Assignment: The moratorium resolution tasked staff, City Planning Consultant, and the City Attorney to draft language defining small-box discount stores, appropriate zoning districts, and concentration controls.

Planning Commission Review: Following research into the impact of dollar stores on local grocery options and community character, the Planning Commission held a first reading of the proposed ordinance change during a public hearing on June 17, 2025, and unanimously supported the proposed amendment language with a vote on July 15, 2025.

Summary of Key Provisions

Definition: Establishes “Small Box Retail Discount Store” as a 5,000–15,000 sq ft retail use selling primarily low-priced general merchandise, with exclusions for fuel, pharmacies, and specialty food outlets.

Zoning District: Permits the use only as a Special Land Use in the Commercial Vehicular (CV) district, ensuring full site-plan review and public hearing.

Dispersal Standard: Requires a minimum 1-mile separation between any two small-box discount stores to prevent market saturation.

Healthy Food Criterion: Stipulates that any approved store dedicate a floor-area minimum (e.g., 15%) to fresh produce, meat, and dairy, supporting local food access goals.

Planning Commission Findings

Economic Health: Research indicates over-concentration of dollar stores can accelerate closure of full-service grocers, reducing fresh-food access.

Master Plan Alignment: The amendment supports the Master Plan's vision for a diverse retail mix, pedestrian-oriented districts, and resilient local economy.

Consistency with Peer Communities: Surrounding municipalities have successfully implemented similar dispersal and use standards to preserve community character.

Adoption of this amendment will ensure balanced retail growth, protect local grocery offerings, and uphold the community character envisioned by our Master Plan.

Suggested Motion: " I move to accept the Planning Commission's recommendation for special -land -use review of small -box discount stores in the Commercial Vehicular district."