



Memorandum

To: Mayor Nelson and Members of the City Council
Chair Hansen and Members of the Planning Commission

From: Daniel R. Buchholtz, MMC, Administrator, Clerk/Treasurer

Date: June 8, 2022

Subject: Used Car Sales Ordinance

Mayor Nelson requested that the ordinance expanding car sales in the I-1 district be added to the joint Planning Commission/City Council work session on Monday, June 13. He requested a history of used car regulation be included with the packet. This memo will attempt to provide that history.

Used car dealerships were permitted as a conditional use in all of the City's commercial zoning districts.

Regulation of used car dealerships began on May 2, 1988, when the first used car dealership licensing ordinance approved. The license fee was \$100. After that time, there was discussion at the City Council about further restricting used car dealerships, particularly on properties abutting residential zoning districts. However, no action was taken on that matter.

In 1989, the City issued 5 used car dealership licenses. That number increased to 12 in 2011.

On May 2, 2011, the City Council instituted a moratorium on used car sales lots to study the zoning code as it relates to the impact of used car sales business within the City. This moratorium was in response to the fact a CUP application was made for a 13th dealership. While that car dealership was approved, an ordinance was adopted on November 7, 2011 that amended the zoning code to limit used car dealerships to only the C-2 zoning district by conditional use permit. The licensing ordinance was also amended to prohibit used car dealerships on premises located within 500 feet of any other new or used car dealership or auto or marine leasing or rental facility.

The Zoning Code was further amended in 2015 to codify the 500 foot setback into the zoning code use table in addition to the licensing ordinance, as well as to establish performance standards for used car lots. Those performance standards are listed below:

Auto and marine; sales, leasing and rental.

1. The use shall be served by a major collector or higher classification of roadway.
2. An open-aired used auto and marine sales or rental lot as a stand-alone business is prohibited.

3. Used automobiles may be sold or rented as a stand-alone business if the used vehicles and associated business are contained within a building.
4. Used automobiles may not be sold accessory to businesses other than new car dealerships. Outdoor vehicle display for used vehicles shall be limited to 30% of the total outdoor display area for a new car dealership. The display area shall be defined as the total number of parking spaces devoted to the sale of new vehicles only, not including the required off-street parking spaces needed for the public and employees.
5. Outdoor vehicle display areas within the public right-of-way are prohibited.
6. All areas on which motor vehicles are stored or displayed must be paved with concrete or a bituminous surface. No display, sale or storage of automobiles or other vehicles are permitted on landscaped areas.
7. Outdoor vehicle display shall be in an orderly fashion, with access aisles provided as needed. Outdoor vehicle display shall not reduce the amount of off-street parking provided on-site, below the level required for the principal use. The outdoor storage of inoperable, junk vehicles and vehicles with expired tabs is prohibited.
8. Music or amplified sounds shall not be audible from adjacent residential properties.
9. An appropriate transition area between the use and adjacent property shall be provided by landscaping, screening or other site improvements consistent with the character of the neighborhood.
10. Fuel pumps for the purpose of retail sale and dispensing of fuel to the general public shall be prohibited. If the use included dispensing of fuel for automobiles maintained on-site, the use shall employ best management practices regarding the venting of odors, gas and fumes. Such vents shall be directed away from residential uses. All storage tanks shall be equipped with vapor-tight fittings to eliminate the escape of gas vapors.

In 2022, the City has 8 licensed used car dealerships.

Tint Pros, LLC has submitted an application for an amendment to Appendix D of the Zoning Code (the I-1 use table in Section 16.64.040(C)) to permit car sales in the I-1 district so long as they are stored inside a building. This would be the first expansion of car sales in the Zoning Code in over 34 years.

The question to be discussed today is the same question that was first discussed in 1988: how many car dealerships are appropriate within the City? What are the best locations in the City for used car dealerships? What are appropriate performance standards for used car dealerships?

The joint work session is a good time to review these questions and provide staff direction on how to proceed with these questions, as well as to discuss the proposed ordinance amending the use table to allow car sales in the I-1 Zoning District.

If you have any questions, please don't hesitate to contact me at 763-784-6491.