




# City of Gainesville

Office of the City  
Manager

## City Manager Memorandum No. 200004 (Revised)

To: The Honorable Mayor and City Commissioners  
From: Lee R. Feldman, ICMA-CM, City Manager   
Date: February 25, 2020  
Re: Small-box Discount Retailer Restrictions

Efforts to expand healthy food options within communities have led to cities around the country exploring regulatory options to reduce the proliferation of “small-box discount retailers” which tend to lack fresh food choices and can negatively impact rural and low-income communities that may struggle to support full service grocery stores. These types of regulations may or may not be needed or applied city-wide. The USDA has identified geographical areas with a substantial number or share of residents with low levels of access to retail outlets selling healthy and affordable foods (see attached USDA map for identified areas within the City of Gainesville). Further research could lead to the identification of areas that may benefit from additional regulations. Moving forward, the following considerations will need to be addressed in considering this type of ordinance.

### **Purpose of the regulation**

A clearly stated purpose is imperative in order to successfully regulate these types of stores. For example, an ordinance passed by the City of Tulsa, OK states the purpose as a means to encourage a greater diversity in retail options and convenient access to fresh meats, fruits and vegetables. It should be noted that offering incentives for local grocers (or grocery stores in general), in addition to community gardens and other similar uses may be necessary in order to successfully address this issue.

### **Defining “small-box discount retailers”**

There are a number of ways that these types of stores can be defined. A clear definition is needed in order to avoid the unintended consequence of limiting other retail stores. Small-box discount retailers are defined as “small box discount stores”, which typically encompass retail sales uses with a floor area less than 12,000 square feet that offer for sale a combination and variety of convenience and consumer shopping goods and continuously offer a majority of the items in their inventory for sale at a price less than \$10.00 per item. Consideration should be given to providing for exemptions.

### **Regulatory options**

Three general categories of regulations have been identified in researching existing ordinances aimed at addressing this issue:

- Formula business restrictions – Restrictions that limit or require conditions for formula or chain retailers that have standardized services and methods of operation. These restrictions are generally not able to be applied specifically to small-box discount retailers but rather cover any type of formula based business (e.g. fast-food chains). (Examples: San Francisco, CA and Jersey City, NJ)
- Special Use Permit – Requires special approval by a reviewing board. Clearly defined standards for the use would be necessary in order to evaluate proposals. If treated as a special use in Gainesville, the City Plan Board would make the final decision on all proposals. (Example: Mendocino County, CA)
- Operational regulations – Options include requiring stores to provide a minimum amount of fresh produce (% or square feet of floor space) at each location (Examples: Mesquite, TX)
- Dispersal restrictions – To avoid over-concentration, this type of regulation specifies a minimum distance requirement for the location of new discount stores. (Examples: Mesquite, TX and Tulsa, OK)

### **Recommendation**

The City Commission provide direction to the City Manager to begin drafting regulations establishing a minimum separation distance between small-box discount retailers for Plan Board and City Commission consideration as described in this memo.

#### Attachments:

1. USDA Gainesville Map, 12/23/2019
2. Small-box Discount Retailer Map, 12/26/2019

cc: Andrew Persons, Interim Director, Department of Doing  
Nicolle Shalley, City Attorney