

GENERAL INFORMATION

Subject

- Request - Study of Small Box Discount Stores
- Applicant - Toledo City Council
One Government Center, Suite 2120
Toledo, Ohio 43604

Applicable Plans and Regulations

- Toledo Municipal Code (TMC) Part Eleven: Planning and Zoning

Case History

- M-9-20 - Study of Small Box Discount Stores, per Ord. 166-20. Staff completed a study and met with a Dollar General store executive.
- Ord. 166-20 - Declaring a Moratorium until December 31, 2020 on the review and issuance of any zoning permits, building permits, certificates of occupancy, or other licenses or permits for Small Box Discount Stores along Dorr St. between Collingwood and Parkside; and declaring an emergency.
- Ord. 060-21 - Declaring a Moratorium until June 1, 2021 on the review and issuance of any zoning permits, building permits, certificates of occupancy, or other licenses or permits for Small Box Discount Stores in the City of Toledo; and declaring an emergency.

STAFF ANALYSIS

The Toledo City Council requested a study to evaluate the proliferation of small box discount stores in the City and to assess the impact these businesses have on the neighborhoods in which they are located. This retail model is the subject of a growing body of academic literature and community research which explores the hypothesized predatory nature and negative secondary effects of small box discount stores. Staff has assessed this literature, as well as zoning code in cities addressing this issue, and proposes regulatory options to adopt in the City of Toledo.

STAFF ANALYSIS (Cont'd)*Definition of Small Box Discount Stores*

The definition of “small box discount store” varies by locale. A local policy scan conducted in 2022 documents the many ways communities define the size of this retail outlet, with definitions ranging between 3,000 to 16,000 square feet, with most definitions having a maximum square footage of 15,000 square feet (McCarthy, et al.). Another study done on the impact of dollar store expansion states that these stores are typically between 8,000 and 12,000 square feet in size (Caoui, et al., 2024). Other defining characteristics of small box discount stores include offering a range of discounted household goods (often under \$10), having minimal staffing, and avoiding the stocking of perishable food items, though this latter characteristic is beginning to change in some small box discount stores across the U.S. with questionable success, as detailed below. Many zoning codes across the U.S. with policy regarding small box discount stores exclude from their definition stores that sell gasoline or diesel, contain a prescription pharmacy, primarily sell specialty food items, or dedicate a certain percentage or square footage of floor area or shelving space to the sale of fresh and frozen fresh produce.

Currently, the Toledo Municipal Code does not have a specific use category for small box discount stores. Rather, these stores are classified under the “Retail Sales, General” use category, and are permitted in the CN, CM, CS, CR, and CD zoning districts with no use-specific standards.

Proliferation of Small Box Discount Stores

Small box discount stores are the fastest growing retail model in the U.S., both in number of stores opening and share of consumer food dollars spent (John, et al, 2023). Since 2011, the two dominant chains—Dollar General and Dollar Tree (which owns Family Dollar)—increased by about 10,000 store locations, totaling in more than 30,000 small box discount store outlets nationwide (ILSR, 2018). This number is greater than the total number of outlets comprised by the top ten grocery chains combined (McCarthy, et al, 2022), and the trajectory is expected to continue, with recent annual reports of small box discount stores reporting about 20,000 proposed additional locations (ILSR, 2018). Currently, there are fifty-two (52) small box discount stores in Toledo, with five (5) of these stores having opened between 2021 and 2024 (See Exhibit B).

As this retail model is currently permitted by right in commercially-zoned districts, it is speculated that small box discount stores may continue to capitalize on vacant commercially zoned structures throughout Toledo. Community advocates have voiced concern over the recent closing of Rite Aids throughout the City, pointing out that small box discount stores may easily move into these properly-zoned spaces with minimal permitting and site plan review necessary (See Exhibit C for the locations of closed Rite Aids). This potential outcome adds to the urgency of this study, which has identified numerous negative secondary effects of small box discount stores.

STAFF ANALYSIS (Cont'd)*Negative Secondary Effects*

According to a report from the Institute for Local Self-Reliance, small box discount stores in urban areas tend to locate in areas with few to no grocery stores (2018), capitalizing on what is described as the “retail void” (McCarthy et al., 2022). This report and additional studies also state that the small box discount store model often targets low-income minority neighborhoods, which are more likely to be labeled as “food deserts” than predominately White neighborhoods (C.R. Singleton et al., 2023).

The term “food desert” has evolved in definition over the years, but generally describes an area with few to no large full-service retailers that provide sufficient access to affordable fresh, healthy foods. The food desert phenomenon is exacerbated by the entrance of small box discount stores in a community, as it has been found that their entry is correlated with a decrease in the number of smaller independent grocers who are unable to remain afloat with the increased competition. This is an issue as consumers in low-income neighborhoods are more likely to rely on such independent grocers for food purchases due to the higher travel costs associated with reaching larger chain retail outlets (Caoui, et al., 2022). Researchers have found that having three (3) dollar stores within a 2-mile radius of each other is directly related to the loss of one (1) grocery store (Ibid). Furthermore, the entry of small box discount stores in a food desert area increases the likelihood that the area remains a food desert (Cheranides et al., 2021). See Exhibit D for a map that illustrates low income and low access areas in the City of Toledo in relation to existing small box discount stores.

These findings are cause for great concern, as living in a food desert is a social determinant of health that is related with poor dietary behavior and increased chances of developing adverse, *preventable* diet-related health conditions (C.R. Singleton et al, 2023). It has been found that small box discount store entry in a community is tied with a decrease in low-income households’ spending on produce, as well as a decrease in overall volume of produce purchased (Caoui, et al., 2022), likely due to the abovementioned closing of (and deterrence of) other retail outlets that offer more access to fresh foods and the high travel costs associate with accessing larger chain grocers.

The racial disparities that exist in dietary quality are widely documented and add to the urgency of improving the food retail environment, as it is clearly a structural factor that impacts nutritional inequities and health disparities, evident in significant racial gaps in life expectancy and other health indicators measured in our community. Statistics in the 2023 Lucas County Health Department Annual Report, for example, illustrate these disparities, sharing that Non-Hispanic Black infants are 2.8 times more likely to die in their first year than Non-Hispanic White infants—a sobering statistic that can be addressed in part by enhancing mothers’ access to quality healthy foods, including fresh fruits and vegetables.

While some small box discount stores are beginning to offer more fresh food options to respond to consumer demand, communities where this shift has taken place have documented the poor selection of perishable items provided (Interview, Smith, 2025). One explanation for the poor selection of available perishable items in small box discount stores may be inherent in the overall business model of this type of retail outlet, which employs minimal staff to oversee store locations. According to the abovementioned report from the ILSR, small box discount stores on average employ

STAFF ANALYSIS (Cont'd)

a staff of nine people, while independent grocery stores typically have a staff of fourteen people (2018). There are simply fewer staff to oversee the maintenance of a robust produce selection. Furthermore, this retail model traditionally lacks the additional logistical and physical infrastructure needed to stock and maintain a wide variety of fresh, perishable goods (Interview, Smith, 2025).

The lack of store staffing has also been documented across many cities as being related to the high theft and poor site maintenance issues often associated with small box discount stores. The previous study on this issue (M-9-20) documented the many code enforcement complaints issued on small box discount stores in Toledo over recent years, often related to garbage on the sites, overflowing dumpsters, and other maintenance issues related to these retail outlets. Such conditions negatively impact neighborhood quality of life and City efforts to enhance beautification and the overall pedestrian experience.

Additional concerns, not necessarily land use-related, include the numerous accounts of class-action lawsuits related to the poor working conditions of small box discount store staff, which furthers the argument for slowing the proliferation of this retail model and promoting alternative models that will offer enhanced job opportunities and increased capacity to be good stewards of our City's retail spaces (ILSR, 2018).

Due to the numerous negative secondary effects of small box discount stores, Staff has explored regulatory tools for this use, including exploring incentive options for these stores to provide increased access to healthy foods. Assessing all options, Staff has concluded (with input from a Senior Researcher from the ILSR) that City resources would be best spent on slowing the proliferation of small box discount stores, in unison with adopting incentive programs offered to alternative retail models to increase healthy food options via zoning reform and targeted investments in needed infrastructure. Staff therefore proposes the addition of spacing regulations for small box discount stores, detailed in Exhibit A. Based on the proposed spacing regulations, there are only two small areas where a new small box discount store could locate (See Exhibit E). Exclusions from spacing requirements will be offered to those stores that meet the criteria presented in the proposed text amendment. Additionally, to strengthen efforts and address the root issues of poor food environments, Staff is conducting research to propose healthy food incentives in a forthcoming study (M-21-24) that is exploring the adoption of a Healthy Food Overlay. This overlay would offer incentives for healthy food retailers in high-priority, historically disinvested areas throughout the City that currently lack adequate access to quality, affordable healthy food options. The below research presents peer city findings that have influenced Staff's proposal.

Regulatory Options

As a part of this study, Plan Commission staff has reviewed other Ohio cities' zoning codes and zoning codes of other communities around the United States to determine best practices for the regulation of Small Box Discount Stores. A variety of regulatory options were found. These options were then assessed with input from Senior Researcher Kennedy Smith from the Institute for Local Self-Reliance, who has extensive background in studying regulations for small box discount stores across the U.S.

STAFF ANALYSIS (Cont'd)

With research on the secondary effects of small box discount stores becoming more prevalent and better understood, cities in Ohio have begun to redefine retail stores to include specific definitions and standards for small box discount stores. Zoning codes from the following five (5) communities in Ohio that have adopted small box discount store standards were reviewed: Archbold, Akron, Brunswick, Canton, and Cleveland. Of these five (5) communities, three (3) have similar definitions and standards for small box discount stores. These definitions include a retail store with an area between 3,000 and 15,000 square feet, less than fifteen percent (15%) of shelf space dedicated to fresh or frozen foods and produce, and sells consumer products that generally cost ten dollars (\$10.00) or less. In addition, all three (3) require that all small box discount stores are spaced a minimum of two (2) miles from each other. Of the two (2) remaining communities, one has a one (1) mile spacing requirement, and the other does not have a spacing requirement; however, small box discount stores are only permitted as a conditional use.

National research found that not only are several cities across the country doing the same, some are also talking it a step further by creating Healthy Food Overlay Districts. Zoning codes were reviewed from the following four (4) communities nationwide: Birmingham, Alabama; Kansas City, Kansas; New Orleans, Louisiana; and Tulsa, Oklahoma. Of these four (4) communities, two (2) have similar standards as the communities researched in Ohio. One of these communities not only limits the spacing between small box discount stores, but also limits a store from being located within 200 feet of any property used primarily for residential uses. Both Birmingham and Tulsa have created Healthy Food Overlay Districts, in addition to spacing standards for small box discount stores. Birmingham identifies food desert areas per the United States Department of Agriculture (USDA). The Overlay District allows for diverse retail options in these areas to limit the over-concentration of Small box discount stores and to provide convenient access to fresh meats, fruits and vegetables.

Insight from Researcher Kennedy Smith

Insights gained from researching policy in other communities and seeking Researcher Kennedy Smith's input include the finding that the spacing exclusions often offered in communities' zoning codes are *not* resulting in the intended outcome of increasing access to quality fresh foods. As mentioned above, Ms. Smith has documented several cases in which small box discount stores have attempted to meet healthy food criteria but have fallen short in offering a wide selection of quality food options. When produce is offered, there is often an over-emphasis on more shelf-stable goods, such as potatoes and onions, and a notable lack of other fresh produce options like carrots and leafy greens.

Ms. Smith and staff from other communities also noted the difficulties around enforcement of healthy food shelving plans and ensuring adherence to quality and quantity requirements. Staff was thus wary of creating additional code regulations that are difficult to enforce. The proposed text amendment emphasizes the biggest takeaway from Ms. Smith—stopping the spread of small box discount stores—while also proposing a mechanism for promoting acceptable policies in a way that is enforceable with our current City staff capacity. Staff proposes utilizing the Women, Infants, & Children (WIC) program as exclusion criteria for small box discount stores, as WIC Vendors are beholden to comprehensive quality and quantity requirements for healthy food offerings, as well as state enforcement to ensure adherence.

STAFF ANALYSIS (Cont'd)*Forward Toledo Comprehensive Land Use Plan*

Forward Toledo addresses the issue of poor healthy food retail environments in multiple sections, including the goal “Historic Impact on Neighborhoods,” which details the impact historical planning policies such as redlining, highway construction, and Urban Renewal have had on deterring economic opportunity and access to resources in many Toledo neighborhoods, fueling cycles of disinvestment that persist to this day. The goal “Healthy Food Access” ties these historical policies directly to the creation of the current food retail environment, detailing how several central City neighborhoods lost major corporate supermarkets in conjunction with Suburban Sprawl and disinvestment in low-income urban neighborhoods, many of them predominately minority communities.

Strategies developed to meet these Forward Toledo goals include increasing access to healthy foods via exploring efforts to open independent grocery stores—prioritizing areas where vehicle ownership is low—and modifying zoning regulations to incentivize retail options with fresh food offerings. Strategies also emphasize addressing historical disparities and disinvestment by encouraging public investments in the most underserved areas in the City. The proposed text amendment to regulate small box discount stores, paired with the forthcoming Healthy Food Overlay, is consistent with the vision of increased equity and neighborhood access to essential resources laid out in the Forward Toledo plan.

Community Advocacy

The topic of regulating small box discount stores has been the subject of significant community advocacy in Toledo. In fact, the first moratorium on this type of retail model was spurred by advocacy efforts led by the United Pastors for Social Empowerment (UPSE), in partnership with the Fair Housing Center (FHC). These groups have brought attention to the abovementioned historical background and demographic trends of food deserts in Toledo and requested the City to study and address issues of food access and economic disinvestment. UPSE and the FHC have highlighted the inequitable healthy food landscape of many of Toledo’s neighborhoods, stating “people living in food deserts seeking healthy food options may have to take multiple buses just to access a grocery store.”

Citing the City’s previous study on this topic, these groups presented to the Housing and Community Development Committee of Council in October of 2024, calling for renewed initiatives to address food desert areas, which are served predominately by fast food restaurants, convenience stores, and small box discount stores, all of which offer few healthy, affordable food options. Together, UPSE and the FHC called for urgent action to not only stop the spread of small box discount stores that hinder local economic growth, but to create an overlay zoning district to attract investment in healthy food sources and open the market to opportunities for healthy food providers. These community partners have worked with Staff to develop the following proposed text amendment, and they have been pivotal in local efforts to create economically vibrant, equitable communities that have access to healthy food. Staff will continue to consult these collaborators as the proposal for a Healthy Food Overlay continues to evolve.

STAFF ANALYSIS (Cont'd)

Staff has also collaborated with the Lucas County Health Department in the drafting of this text amendment, receiving positive feedback on the idea to use WIC standards as the exclusion criteria for small box discount store spacing requirements. Staff will work with the Health Department moving forward to offer support to stores who rise to the occasion of becoming WIC Vendors, as well as exploring incentives to include in the forthcoming Healthy Food Overlay study. Staff recommends approval the proposed text amendment, as it aligns with the efforts of key community partners who are instrumental in advocating for and acting to enhance public health and equity outcomes in our communities.

CONCLUSION AND RECOMMENDATION

Staff recommends that the Toledo City Plan Commission recommend approval of the text amendment to TMC§1104.2600 regarding small box discount stores to the Toledo City Council for the following two (2) reasons:

1. The proposed text amendment is consistent with the Forward Toledo Comprehensive Land Use Plan and the stated purpose of this Zoning Code (TMC§1111.0506).
2. The proposed text amendment aligns with the goals of key community advocates whose work is instrumental in enhancing public health and equity outcomes.

ZONING STUDY
TOLEDO CITY PLAN COMMISSION
REF: M-6-24
DATE: April 10, 2025
TIME: 2:00 p.m.

CITY COUNCIL
ZONING AND PLANNING COMMITTEE
DATE: May 14, 2025
TIME: 4:00 p.m.

MJM/LK
Seven (7) Exhibits follow

Exhibit A
Proposed Code Additions

Chapter 1104 | Use Regulations

1. Sec. 1104.0100 | Use Table - New Use Category to be added:

Use Category	RS 12	RS 9	RS 6	RD 6	RM (all)	R MH	CN	CO	CM	CS	CR	CD	IL	IG	IP	POS	IC
Commercial Use Types																	
Small Box Discount Store	-	-	-	-	-	-	P [33]	-	P [33]	P [33]	P [33]	P [33]	-	-	-	-	-

[34] Subject to standards of Sec. 1104.2600 | Small Box Discount Stores

2. New Use Specific section to be added:

1104.2600 | Small Box Discount Stores

The following standards apply to small box discount stores with a floor area between 5,000 and 15,000 square feet.

1104.2601 Spacing Requirements

- A.** A small box discount store shall not be located within a 10,560-foot (2 mile) radius of another small box discount store.
- B.** The distances specified in this section shall be measured per TMC§1106.0208, Distances for Spacing Requirements.
- C.** The spacing requirements of this Section do not apply to small box discount stores that are authorized WIC vendors through the Ohio Department of Health.

Chapter 1116 | Terminology

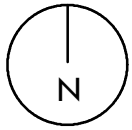
1. Sec. 1116.0200 | Use Categories - New Use Category added

1116.0246 Small Box Discount Store

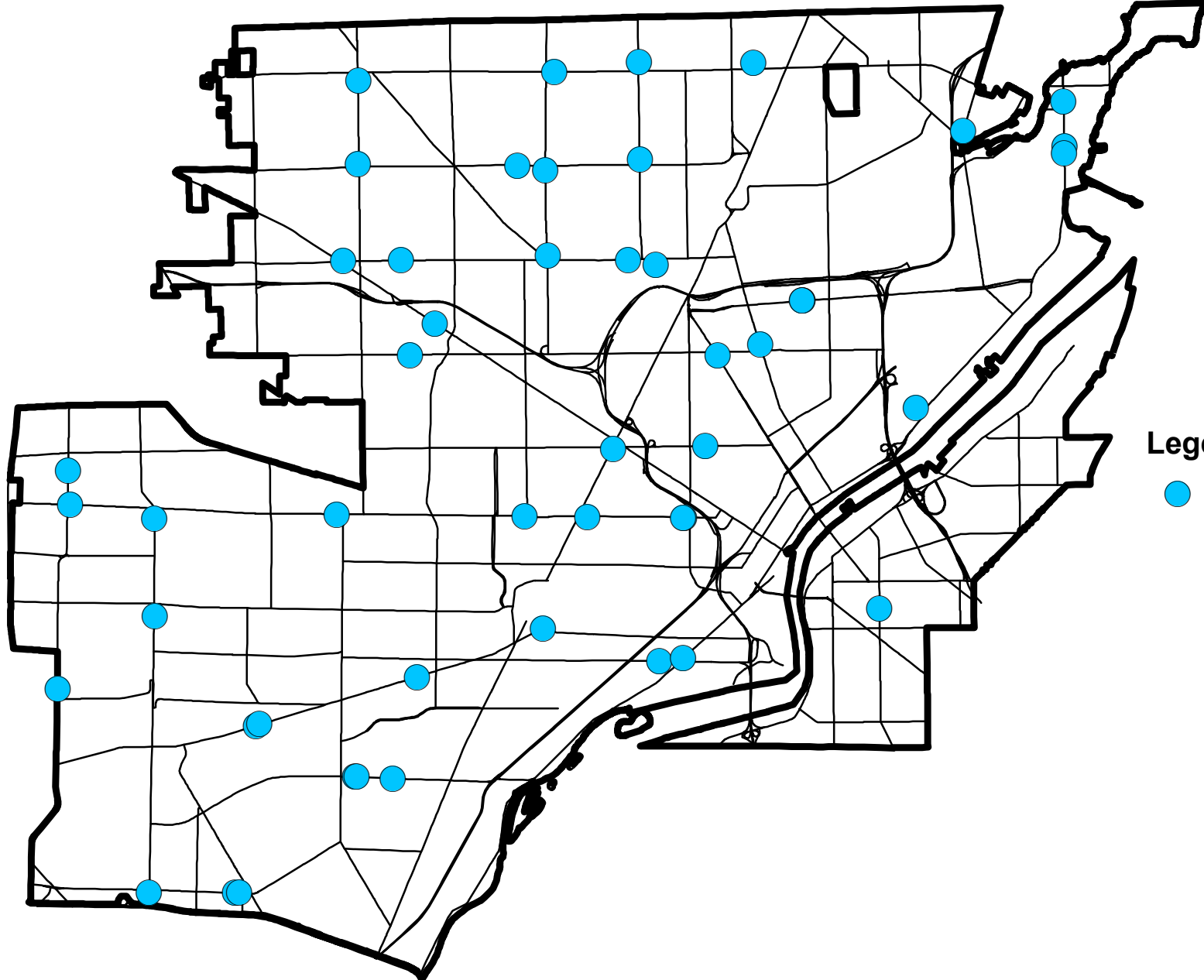
A store with a floor area between 5,000 and 15,000 square feet that offers food and/or beverages for off-premise consumption, household products, personal grooming and health products, and other consumer goods that generally less than ten dollars (\$10.00). It does not include stores that contain a prescription pharmacy, contain gasoline or diesel pumps, primarily sell specialty food items, or meet the criteria for being a certified WIC Vendor through the Ohio Department of Health.

City of Toledo


Dollar Stores



2 Miles



Legend

 Dollar Stores

16-9

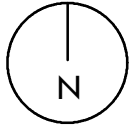


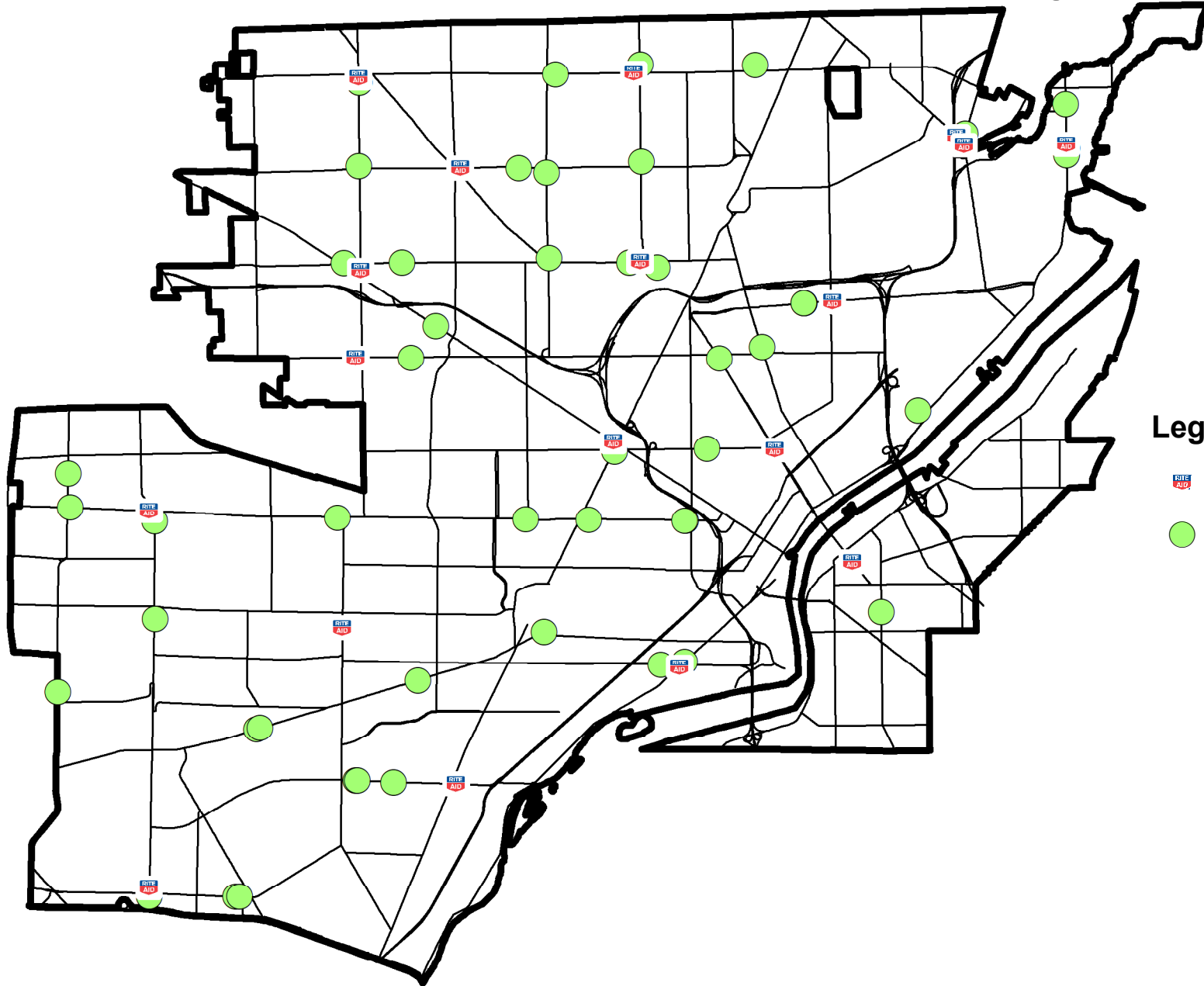
Exhibit C

City of Toledo


2 Miles

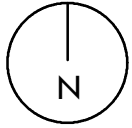
Rite Aid & Dollar Stores

16 - 10



Legend

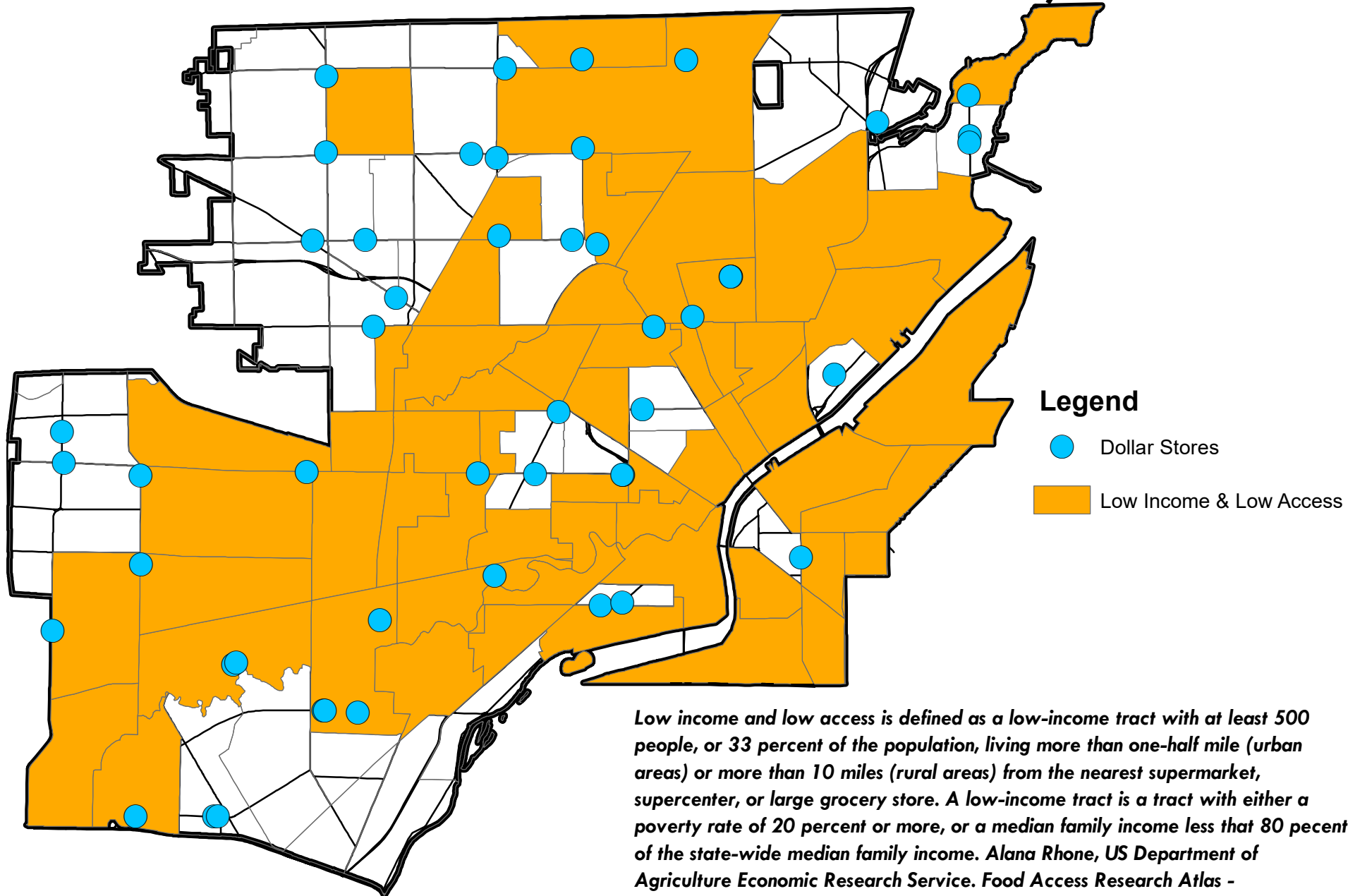
-  Rite Aid
-  Dollar Stores





2 Miles

City of Toledo

Dollar Stores & Low Income, Low Access



Legend

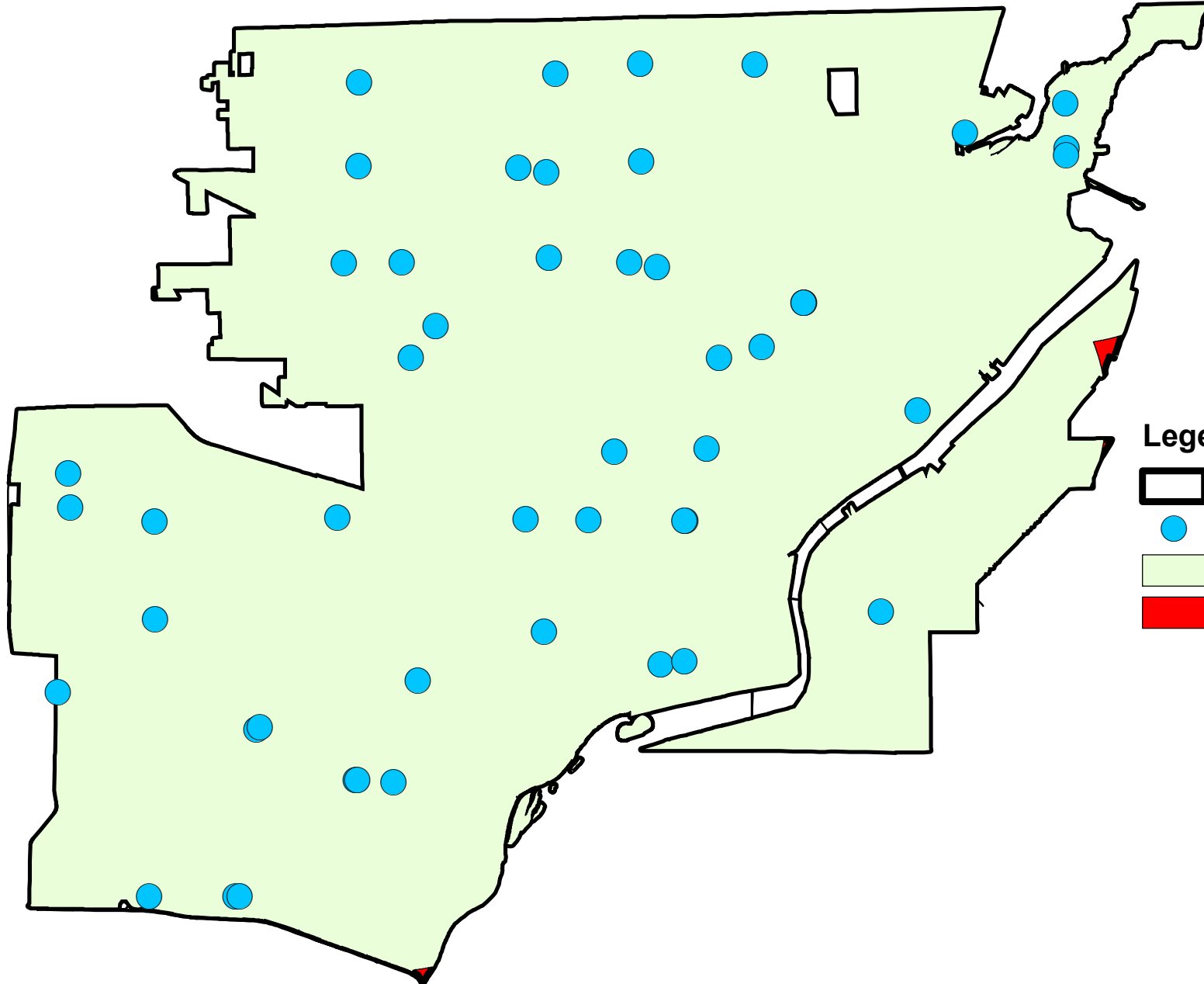
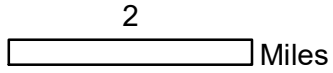
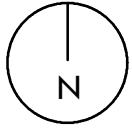
-  Dollar Stores
-  Low Income & Low Access

Low income and low access is defined as a low-income tract with at least 500 people, or 33 percent of the population, living more than one-half mile (urban areas) or more than 10 miles (rural areas) from the nearest supermarket, supercenter, or large grocery store. A low-income tract is a tract with either a poverty rate of 20 percent or more, or a median family income less than 80 percent of the state-wide median family income. Alana Rhone, US Department of Agriculture Economic Research Service. Food Access Research Atlas - Documentation: Updated: 1/5/2025. This data uses 2015 Tiger Shapefiles US Census Tracts.

16-11

City of Toledo

Dollar Stores 2 Mile Buffer



Legend

- City of Toledo Border
- Dollar Stores
- Areas within 2mi of a Dollar Store
- Available

16 - 12

Exhibit F

WIC Vendor Certification Information

Food Stocking Requirement

1. Each grocery store and grocery store applicant for a vendor contract shall at each location openly and visibly display for sale, at all times, the following minimum authorized foods in quantities, sizes, types, and brands specified in the list of minimum food stocking requirements:
 - a. Liquid cow's milk;
 - b. Grade A or grade AA white chicken eggs;
 - c. Two flavors of authorized juice;
 - d. Authorized peanut butter;
 - e. Three types of authorized cereal, one of which must be whole grain;
 - f. Authorized whole grain bread, brown rice, oatmeal, corn tortillas or whole wheat tortillas;
 - g. Authorized beans or peas;
 - h. Two types of authorized fruits;
 - i. Two types of authorized vegetables;
 - j. Authorized infant cereal;
 - k. Two types of authorized infant fruits;
 - l. Two types of authorized infant vegetables; and
 - m. Authorized infant formula.
2. Each vendor and applicant shall:
 - a. Clearly mark or post current prices, including sale prices, either on the authorized food item, on a shelf tag, or on a sign immediately next to or in front of the item.

Exhibit F (cont'd)

WIC Vendor Certification Information

- b. Ensure that authorized foods are not spoiled or defective or offered for sale after the manufacturer stated sell by, best if used by, or other date limiting the sale or use of the item, or that foods have not been recalled.
- c. Ensure that authorized foods are stored and displayed in a sanitary manner.

Exhibit G

Works Cited in Study of Small Box Discount Stores

- Caoui, E. H., Hollenbeck, B., & Osborne, M. (2022). The Impact of Dollar Store Expansion on Local Market Structure and Food Access. *SSRN Electronic Journal*.
<https://doi.org/10.2139/ssrn.4163102>
- Chenarides, L., Cho, C., Nayga, R. M., & Thomsen, M. R. (2021). Dollar stores and food deserts. *Applied Geography*, 134, 102497. <https://doi.org/10.1016/j.apgeog.2021.102497>
- McCarthy, J., Minovi, D., & Singleton, C. R. (2022). Local Measures to Curb Dollar Store Growth: A Policy Scan. *Nutrients*, 14(15), 3092–3092.
<https://doi.org/10.3390/nu14153092>
- Singleton, C., et al. (2023). Structural racism and geographic access to food retailers in the United States: A scoping review. *Elsevier*, 83(103089). *Health and Place*.
<https://doi.org/10.1016/j.healthplace.2023.103089>
- Smith, Kennedy (2018). Dollar Store Impacts. *Institute for Local Self-Reliance*
https://ilsr.org/wp-content/uploads/2018/12/Dollar_Store_Fact_Sheet.pdf
- Smith, K. (2025, January 17). *Dollar Store Regulations Research* (M. Momenee, Interviewer) [Personal communication].