

**Department of Community Planning and Economic Development - Planning Division  
Zoning Code Text Amendment**

**Date:** June 25, 2012

**Initiator of Amendment:** Council Member Glidden

**Date of Introduction at City Council:** August 19, 2011

**Specific Site:** Citywide

**Ward:** Citywide      **Neighborhood Organization:** Citywide

**Planning Staff and Phone:** Aly Pennucci, (612) 673-5342

**Intent of the Ordinance:** To revise the development standards regarding the spacing requirements for secondhand goods uses.

**Appropriate Section(s) of the Zoning Code:** Chapter 536: Specific Development Standards; Chapter 537, Accessory Uses and Structures

The following chapters were also introduced: Chapter 525: Administration & Enforcement; Chapter 548: Commercial Districts; and Chapter 549: Downtown Districts. However, staff is not recommending changes to these chapters as part of this amendment and therefore recommends returning them to the author.

**Background:** An ordinance amendment was introduced to the City Council on August 19, 2011, to revise the regulations for secondhand goods stores. Specifically staff was asked to review and consider revisions to the spacing requirements for this use. Secondhand Goods uses are currently permitted in all of the City's commercial districts and all of the downtown districts aside from the B4 Downtown Business District. In all districts there is a specific development standard that requires that this use be located a minimum of one thousand (1,000) feet from all existing secondhand goods stores, currency exchanges, missions and pawnshops. In addition, currency exchanges, missions, pawnshops and donation collection bins must be located a minimum of one thousand (1,000) feet from all existing secondhand goods stores. The proposed changes would eliminate any spacing requirement related to secondhand goods uses.

The proposed amendment will allow more secondhand goods uses to locate in the City of Minneapolis. In addition, the proposed amendment will streamline the approval process and reduce staff time required for zoning approval of these uses.

**Purpose for the Amendment:**

**What is the reason for the amendment?**

**What problem is the Amendment designed to solve?**

**What public purpose will be served by the amendment?**

**What problems might the amendment create?**

The purpose of the amendment is to revise the development standards regarding the spacing requirements for secondhand goods uses. This will allow more secondhand goods uses to locate in the City of Minneapolis. In addition, the proposed amendment will streamline the approval process and reduce staff time required for zoning approval of these uses.

Currently there is a specific development standard that secondhand goods uses be located a minimum of one thousand (1,000) feet from all existing secondhand goods stores, currency exchanges, missions and pawnshops. In addition, currency exchanges, missions, pawnshops and donation collection bins must be located a minimum of one thousand (1,000) feet from all existing secondhand goods stores. This requires that zoning staff maintains a list of all existing secondhand goods uses. This task is complicated because many establishments that obtain a secondhand goods license from the Business Licenses & Consumer Services Division are not considered secondhand goods for the purposes of the zoning code spacing requirement.

For example, the zoning code regulates secondhand goods and clothing consignment uses separately, and does not include a spacing requirement for clothing consignment uses, but both businesses receive the same type of business license. Another example is when secondhand goods sales are accessory to the principal use. An example of this is a bike shop that primarily sells and repairs new bicycles and accessories but also sells some used parts or bicycles as an extension of the repair services and it is only a small portion of the business. In this case the business does obtain a secondhand goods license but because it is considered accessory is not considered secondhand goods for the purposes of the zoning code spacing requirement. In addition, certain used items, such as books, magazines, post cards, postage stamps or philatelic material are exempt, in addition to establishments that are licensed as an antique dealer or precious metals dealer. All of these examples make it time consuming for staff to track and maintain an accurate list and also is difficult for business owners to understand how they will be categorized when making location decisions for a new establishment.

By removing the spacing requirement for this use and easing the requirements for these uses to locate in Minneapolis the City will further sustainability goals related to “reduce, reuse, recycle” practices. Secondhand goods establishments recover unwanted materials and divert goods from entering the waste stream. Some secondhand goods establishments also provide job-training opportunities as well as green-collar jobs. In addition, secondhand goods establishments are seeing an upsurge as people look for ways to cut household spending and reduce their impact on the environment.

Spacing requirements are typically implemented for uses that are thought of as having some objectionable characteristics that may have deleterious secondary effects on the use and enjoyment of surrounding areas. The spacing requirement is used to prevent a concentration of such uses in any one area. By removing the spacing requirement for secondhand goods uses the City would be acknowledging that the nature of this business has changed and that concerns related to impacts on surrounding areas are no longer significant. The CPED-Planning Division rarely receives complaints

regarding these uses and when complaints are received they are typically related to the spacing requirement and the challenges businesses have in locating in Minneapolis.

Some of the issues the spacing requirement was meant to mitigate are related to the size of these uses, the potential for goods to be left or discarded outside leading to overflow of materials onto surrounding areas and activity occurring outside of normal business hours and problems related to the selling of stolen goods. There are other regulatory tools in place that place limitations on the size and operations of these uses. For example, in the C1 Neighborhood Commercial District and the C3A Community Activity Center District commercial uses are limited to 4,000 square feet of gross floor area<sup>1</sup>. In addition, in the C3A district secondhand goods stores are limited to the sale of used clothing and related accessories only. This use is also subject to the enclosed building requirement that is established to limit the activity that occurs outdoors that may impact surrounding properties. The hours of operation are regulated under Title 13, Licenses and Business Regulations. In regards to concerns over the selling of stolen goods or materials obtained illegally, this use will continue to be licensed by the Business Licenses & Consumer Services Division which includes specific requirements regarding the recording and reporting of specific transactions. Staff provided a copy of the proposed amendment to Business Licenses & Consumer Services Division staff who support the proposed changes.

The proposed amendment will eliminate any spacing requirement regarding secondhand goods uses. One consequence of this is that other uses that are currently spaced from secondhand goods uses (currency exchanges, missions, pawnshops and donation collection bins) would have one element of the spacing requirement eliminated. This may open up new areas in the City where these other uses can locate; however, staff does not believe that this is reason enough to maintain the spacing requirement for secondhand goods uses. In addition, while some new areas may open, the regulations for some of these other uses, such as pawnshops, are already more restrictive in terms of what zoning districts they can locate in so the impact will be minimal. In addition, staff is currently working on a text amendment related to currency exchanges and other financial institutions and will evaluate if additional standards are needed as a consequence of this amendment.

**Timeliness:**

**Is the amendment timely?**

**Is the amendment consistent with practices in surrounding areas?**

**Are there consequences in denying this amendment?**

This amendment is part of the continual process of updating the zoning ordinance in order to improve our processes. Recently, staff has reviewed requests to locate secondhand goods establishments that could not be approved due to the spacing requirement.

Staff performed a code search to obtain information on how other cities treat secondhand goods uses. Specifically staff reviewed regulations in the following cities: Saint Paul, MN; Bloomington, MN; Rochester, MN; Pittsburgh, PA; Portland, OR; Seattle, WA; Arlington, VA; Washington DC; and Milwaukee, WI. Staff did not find another example where there is a spacing requirement for this use and in most cases found that this use is regulated the same as any other general retail sales and service

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<sup>1</sup> If parking is not located between the principal structure and the street this may be increased to 6,000 square feet; if no parking is located between the principal structure and the street AND the building is at least two stories this may be increased to 8,000 square feet.

use. Many cities rely on the business licensing regulations to militate against potential impacts, such as the resale of stolen goods.

If the proposed amendment is denied, it will continue to be difficult for these businesses to locate in Minneapolis and staff time to monitor and maintain a list of secondhand goods establishments will still be required. In addition, this regulation promotes the idea that secondhand goods are still considered a negative impact in the City.

### **Comprehensive Plan:**

#### **How will this amendment implement the Comprehensive Plan?**

The following general land use policies of the *Minneapolis Plan for Sustainable Growth* apply:

**Policy 1.1: Establish land use regulations to achieve the highest possible development standards, enhance the environment, protect public health, support a vital mix of land uses, and promote flexible approaches to carry out the comprehensive plan.**

**Policy 1.4: Develop and maintain strong and successful commercial and mixed use areas with a wide range of character and functions to serve the needs of current and future users.**

1.4.1 Support a variety of commercial districts and corridors of varying size, intensity of development, mix of uses, and market served.

**Policy 1.5: Promote growth and encourage overall city vitality by directing new commercial and mixed use development to designated corridors and districts.**

1.5.2 Facilitate the redevelopment of underutilized commercial areas by evaluating possible land use changes against potential impacts on the surrounding neighborhood.

**Policy 4.1: Support private sector growth to maintain a healthy, diverse economy.**

4.1.5 Continue to streamline City development review, permitting and licensing to make it easier to develop property in the City of Minneapolis.

**Policy 6.10: Coordinate and operate waste management programs that focus on reducing, reusing and recycling solid waste prior to disposal.**

6.10.5 Strongly emphasize and promote reduction, reuse and recycling, including the purchase of recycled materials in residential, business and industrial and government operations and building practices.

This amendment will promote business growth throughout the City, streamline approval processes and promote the reuse of materials. The proposed amendment is consistent with the above policies of the comprehensive plan.

**RECOMMENDATIONS:**

**Recommendation of the Department of Community Planning and Economic Development--  
Planning Division:**

The Department of Community Planning and Economic Development - Planning Division recommends that the City Planning Commission and City Council adopt the above findings and **approve** the zoning code text amendment, amending chapters 536 and 537. Staff further recommends that Chapters 525, 548 and 549 be **returned** to the author.

**Attachments:**

1. Ordinance amending Chapter 536, Specific Development Standards, to eliminate all spacing requirements related to secondhand goods uses.
2. Ordinance amending Chapter 537, Accessory Uses and Structures, to eliminate all spacing requirement related to secondhand goods uses.