




MEMORANDUM

DATE: April 15, 2020
TO: Land Use Committee
FROM: Colin Tarbert, President and CEO 
POSITION: Support (with Amendments)
SUBJECT: Council Bill 19-0449 – Zoning – Use Regulations Neighborhood Commercial Establishments

INTRODUCTION

The Baltimore Development Corporation (BDC) is reporting on City Council Bill 19-0449 introduced by Councilmember Clarke, President Scott, and Councilmembers Henry, Cohen, Dorsey, Burnett, and Reisinger.

PURPOSE

For the purpose of prohibiting the sale of tobacco products and electronic smoking devices, accessories, and related products by a retail goods establishment that is a neighborhood commercial establishment.

BRIEF HISTORY

The Neighborhood Commercial Establishment zoning category was created as part of the comprehensive zoning rewrite that went into effect in 2017. Its creation was meant to allow for the presence of small, neighborhood serving commercial uses in buildings that had a traditional commercial use (i.e. a corner store) but were zoned to a residential use. Within the zoning code itself, there are two types of retail uses: “Retail Goods Establishments” and “Retail Goods Establishments – No Alcoholic Beverage.” BDC shares the concern of the Planning Department’s staff report, that this bill may inadvertently create a new zoning category or reference a zoning category that does not exist. The Planning Staff Report does outline a number of amendment possibilities that will resolve this issue.

Beyond the specific zoning use question, the larger purpose of the bill is to prohibit tobacco and related products from being sold at stores that exist in residential neighborhoods. A strong public health case can be made that this is good policy, and we would look to the Health Department to validate that assumption. BDC is concerned that the net effect of this bill is that some existing neighborhood stores will go out of business. Tobacco and related products often serve two purposes for a store: it provides a higher profit margin than typical food items, and it serves to bring people into the store, where they may make other purchases, ideally of similar high-margin items that could include soda and snack foods, but also things like laundry detergent and other household products. If tobacco products are eliminated, BDC expects that the overall profitability of stores will decrease and that some stores may go out of business, or reduce their offerings of high-overhead or low-margin products to compensate. This could include items that require refrigeration, have short shelf lives, or take up large amounts of shelf space and sell at a low cost (e.g. toilet paper). As counterintuitive as it may seem, it is possible that a particular corner store’s ability to provide certain household necessities to a neighborhood is contingent, in some cases, on its ability to sell tobacco and related products.

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FISCAL IMPACT

None

AGENCY POSITION

The Baltimore Development Corporation **Supports** City Council Bill 19-0449 **with amendments** identified as appropriate by the Planning department to resolve conflicts within the zoning code, and subject to our preceding comments for the City Council to weigh when considering the larger public costs and benefits of this legislation.

If you have any questions, please do not hesitate to contact Kimberly Clark at 410-837-9305 or kclark@baltimoredevelopment.com.

cc: Nicholas Blendy

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