

Store Size Caps

Dozens of communities, recognizing that their local economies can absorb only so much new retail without causing numerous existing businesses to close, have enacted zoning rules that prohibit stores over a certain size. Store size caps help to sustain the vitality of small-scale, pedestrian-oriented business districts, which in turn nurture local business development. Store size caps prevent the many negative impacts of big box development, such as increased traffic congestion and over-burdened public infrastructure, and they protect the character of the community by ensuring that new development is at a scale in keeping with existing buildings.

Store size caps keep out some national retailers that refuse to build outlets smaller than their standard formats. Others will opt to comply with community's size limit by designing smaller stores.

What constitutes an appropriate upper limit for the size of retail stores depends on many factors, including the size of the town, the scale of its existing buildings, and its long-term goals with regard to retail development. Some communities have banned only the biggest of the big boxes. Belfast, Maine, for example, caps stores at 75,000 square feet. Others, like Hailey, Idaho, and Ashland, Oregon, have chosen much smaller limits (36,000 and 45,000 square feet). (For a visual illustration of various store sizes, see [How Big is Too Big?](#))

Like all zoning laws, size caps can apply to the entire city or just a to particular neighborhood. San Francisco, for example, bars new stores larger than 4,000 square feet from locating in certain neighborhoods. In the West, some counties have adopted store size caps to keep big box retailers from building in unincorporated areas beyond city boundaries. Outside of the United State, where land use policy is typically set at the national, rather than local, level, some countries, including Ireland and Norway, have adopted nationwide store size caps.

In some cases retailers have tried to get around a size cap by building two or more adjacent stores (see "[Wal-Mart Tries to Skirt Maryland Size Cap Law](#)"). Communities can avoid this by structuring the definitions within their ordinances to treat retailers occupying multiple buildings as a single retail use subject to the cap. For example, see [Hailey, ID](#); [Santa Fe, NM](#); [Agoura Hills, CA](#); [Talbot County, MD](#) and [Tuolumne County, CA](#)

RULES:

NEIGHBORHOOD

Brookside - Kansas City, MO

In November 2000, the Kansas City Council voted to approve two new ordinances that will protect the Brookside neighborhood from large-scale, suburban-style chain store development. The first creates the Brookside Business District as a special zoning district, with its own rules and requirements. The second restricts retail uses in the area to

10,000 square feet, except for grocery stores, which may be as large as 25,000 square feet; prohibits drive-through restaurants and other rules.

North Beach - San Francisco, CA

In response to San Francisco residents' and merchants' concerns, including increased traffic congestion, proliferation of food service uses, the loss of neighborhood-oriented businesses and changes in the local neighborhood character, the City and County of San Francisco created Neighborhood Commercial Individual Area Districts (NCDs) in 1987. These NCDs were established in many San Francisco neighborhoods, including North Beach. Part of the NCD rules relate to limiting large retail outlets.

CITYWIDE

Agoura Hills, CA

In 2002, voters in Agoura Hills, a community 20 miles north of Los Angeles, adopted a measure limiting stores to no more than 60,000 square feet. Note that the ordinance's definitions are designed to prevent retailers from evading the size cap by building two or more adjacent stores.

Ashland, OR

Ashland, a town of 17,000 in southern Oregon, has a citywide ordinance limiting retail stores to no more than 45,000 square feet.

Belfast, ME

In 2001, after Wal-Mart optioned land on the outskirts of Belfast, Maine, a community of 6,500 in the fast-growing midcoast region, the city council adopted a temporary moratorium on large stores and placed an initiative permanently banning stores over 75,000 square feet on the ballot.

Bennington, VT

In January 2005, the town of Bennington, home to 9,200 people and located in the southwest corner of Vermont, enacted the following ordinance. It bans stores over 75,000 square feet in one commercial district and 50,000 square feet in the rest of the town. It requires proposals for stores over 30,000 square feet to submit to a community impact review conducted by an independent consultant chosen by the city. The cost of the review is to be paid by the developer.

Boxborough, MA

At their town hall meeting in March 2000, residents of Boxborough voted to limit the size of new retail development to 25,000 square feet. The measure required a two-thirds margin to pass. It was unanimously recommended by the Board of Selectmen.

Bozeman, MT

In February 2003, the city of Bozeman, Montana, enacted an ordinance limiting retail stores to no more than 75,000 square feet. The measure makes permanent a temporary moratorium on construction of large retail stores adopted in 2002.

Charlevoix, MI

The city enacted a measure that caps stores at 45,000 square feet, which is about 20 percent smaller than a football field and about one-quarter the size of a typical Wal-Mart supercenter. The adjacent township of Charlevoix adopted an ordinance limiting stores to no more than 90,000 square feet and those over 50,000 square feet are additionally required to undergo market feasibility and traffic impact studies, and include a plan for reusing the building should the retailer vacate the space.

Easton, MD

Prompted by several applications for retail development in excess of 500,000 square feet, larger than anything anticipated by the town's existing Comprehensive Plan, the Easton Town Council enacted a temporary moratorium on new "big box" retail stores in September 1999. In March 2000, the Town Council adopted an ordinance which prohibits retail stores larger than 65,000 square feet and bars the Board of Zoning Appeals from granting a variance to allow a larger store.

Hailey, ID

Hailey, Idaho, limits the floor area of retail and wholesale businesses to no more than 36,000 square feet in the town's business and limited business zones and 25,000 square feet in other industrial and commercial zones. hopping centers with multiple tenants are allowed up to 72,000 square feet in the business zone, 36,000 square feet in the limited business zone, and 25,000 square feet in other industrial and commercial zones.

Homer, AK

After two years of consideration---including a review by a city council-appointed task force, numerous public hearings, and a voter referendum---the city of Homer, Alaska, has capped the size of retail stores at 25,000-45,000 square feet and adopted a community impact review process for proposed retail developments over 15,000 square feet.

Madison, Wisconsin

In April 2005, Madison, WI, adopted a big-box ordinance that imposes some limits on the size of retail stores, but it is quite permissive compared to other examples on this site. The ordinance limits retail buildings to a footprint of no more than 100,000 square feet, which is about the same land area as two football fields. Because the limit is on the footprint of the building, rather than the gross leasable area of the store, the rules allow stores to be larger provided they are multi-story.

Mt. Shasta, California

In March 2005, the City Council of Mount Shasta, California, voted 3-2 to enact the following ordinance, which caps stores at 50,000 square feet and requires proposals for stores over 20,000 square feet to undergo an economic impact review and obtain a conditional use permit.

North Elba (Village of Lake Placid), NY

Residents of North Elba, New York spent five years trying to stop Wal-Mart from erecting an 80,000 square foot store within their town. The town's planning board rejected the retailer's plans in January 1996. The planning board was sued by Wal-Mart, which claimed its decision was unsubstantiated, arbitrary and capricious. A New York

appellate court upheld the planning board decision. The ordeal prompted the community to enact a size ordinance limiting single retail stores to 40,000 square feet and capping shopping centers at 68,000 square feet.

Northampton, MA

In May 2002, the Northampton City Council enacted ordinances prohibiting retail stores larger than 90,000 square feet, and requiring that developers proposing stores larger than 20,000 square feet either construct pedestrian-friendly, two-story buildings contiguous to the street or pay a \$5 per square foot mitigation fee. The fee will be used to fund economic development activities designed to offset the impact of retail sprawl on downtown businesses.

Rockville, MD

In August 2000, the city of Rockville enacted the following ordinance, which bans stores over 65,000 square feet and requires those over 25,000 square feet to comply with design and siting guidelines.

Santa Fe, NM

In July 2001, the city of Santa Fe, New Mexico, adopted the following ordinance prohibiting retail stores larger than 150,000 square feet and requiring stores over 30,000 square feet to comply with architectural and site design standards.

Skaneateles, NY

After three consecutive six-month building moratoria in response to a proposal to construct a 150,000 square foot shopping center, this small town of 7,500 people adopted a comprehensive town plan which included a zoning restriction limiting retail stores to no more than 45,000 square feet and shopping center sites to no more than 15 acres.

Taos, NM

In September 1999, the town of Taos enacted an ordinance restricting construction of large retail stores. The measure bans new stores that exceed 80,000 square feet and requires developers to obtain a special permit to build stores over 30,000 square feet.

Walpole, NH

On March 14, 2000, the residents of Walpole voted 3 to 1 to enact a 40,000 square foot size limit on new retail stores and restaurants. The new law was adopted following attempts by Wal-Mart to build in the community in 1999. The retailer withdrew in response to strong opposition from residents.

Warwick, NY

The town of Warwick, New York, a rural community about one hour north of Manhattan, enacted a new Comprehensive Plan in 1999 and a new Zoning Code in early 2002. The Comprehensive Plan calls for supporting "small, locally owned businesses and retail centers. The Zoning Code bars stores over 60,000 square feet and shopping centers with multiple stores that together exceed 80,000 square feet.

Westford, MA

Even though Westford, MA beat back a Wal-Mart in 1994, the Town Meeting soon after

added future protection by prohibiting the building of large retail developments (over 60,000 sq. ft.) and making it harder to build 30,000 - 60,000 sq. ft. developments by requiring that they apply for special permits, allowing time for citizen input and review by planning boards.

Other Examples

See some other examples of retail business size limitations.

COUNTY

Coconino County, Arizona (Flagstaff)

In August 2001, the Coconino County Board of Supervisors adopted the following ordinance, which prohibits retail stores larger than 70,000 square feet and requires a conditional use permit for those larger than 25,000 square feet.

Ravalli County, MT

In April 2006, the Ravalli County Commission unanimously adopted an ordinance limiting stores to no more than 60,000 square feet. The ordinance is an interim measure that will remain in effect for one year while the community works on a permanent ordinance.

Talbot County, MD

In 2003, the Talbot County Council enacted an ordinance barring stores over 65,000 square feet from locating in any area of the county outside of the boundaries of incorporated cities and towns. Lowe's, a national home improvement chain, gathered signatures to force a ballot referendum on the size cap in November 2004. But voters upheld the cap in a 53 to 47 percent vote.

Tuolumne County, CA

In January 2004, the Tuolumne County Board of Supervisors voted unanimously to ban retail outlets over 60,000 square feet (about half the size of the average Home Depot store).

INTERNATIONAL

Ireland

In 1998, the Irish government enacted a temporary cap on the size of retail stores. The policy was made permanent in 2001. The law restricts stores in the Dublin area to 3,500 square meters (38,000 sq. ft.) and applies a 3,000 square meter (32,000 sq. ft.) limit to the rest of the country. The policy also requires that retail stores be located in town centers whenever possible.

Norway

Many countries have taken steps to limit or bar large-scale retail stores and malls, particularly in areas outside of city centers. The intent of these laws is to protect existing local retail districts and to prevent urban sprawl and automobile dependency. A Norwegian law enacted in January 1999, placed a five year moratorium on the construction of retail centers larger than 3000 square meters (32,300 square feet).

More:

- **How Big is Too Big?** - Visual illustration of different store sizes, ranging from Main Street retailers to supercenters. Download as a one-page flyer for distribution.
- **Protecting Locally Owned Retail: Planning Tools for Curbing Chains and Nurturing Homegrown Businesses [PDF]** by Stacy Mitchell, Main Street News, February 2004. (c)National Main Street Center, National Trust for Historic Preservation. All rights reserved.

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