

CITY OF MINNEAPOLIS

# Tobacco License Spacing

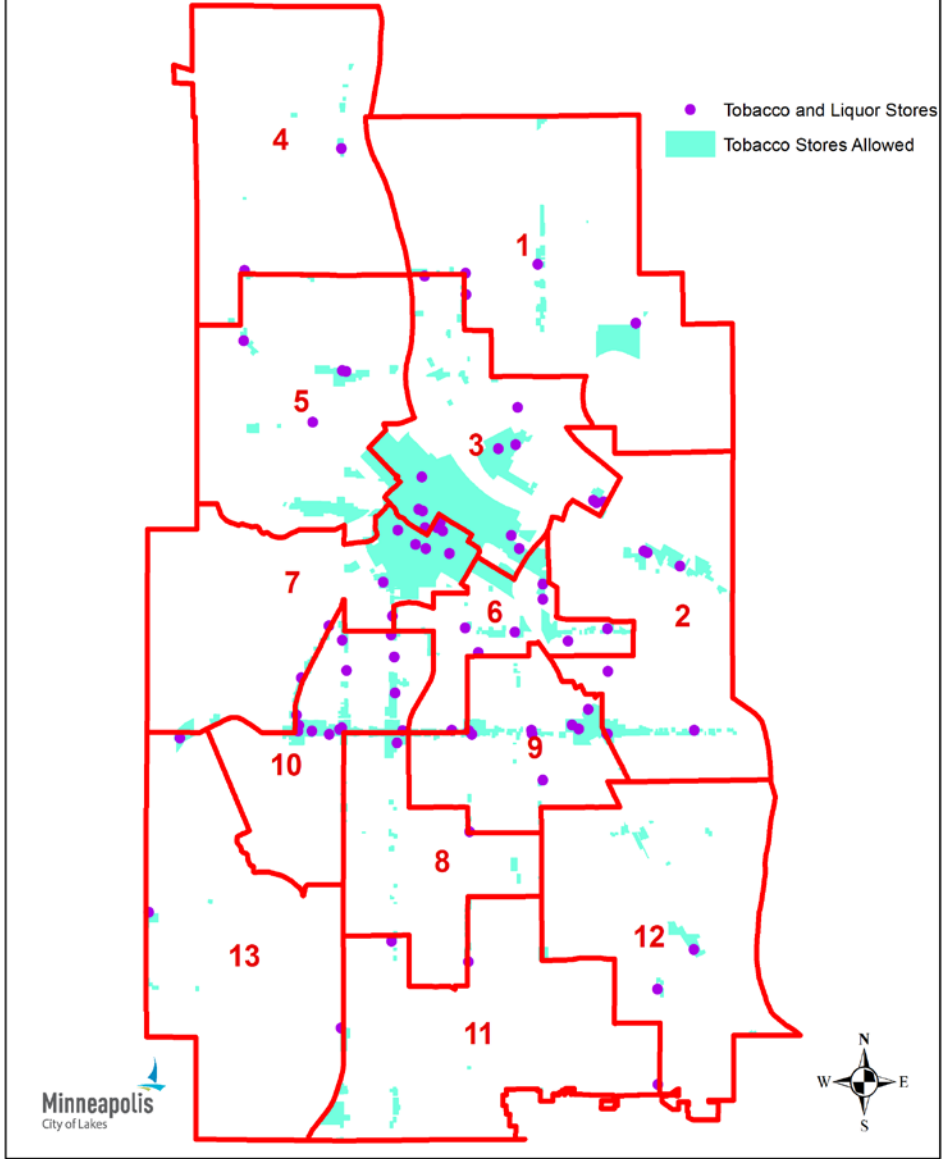
# Tobacco Shop Moratorium

- Menthol tobacco sales restriction took effect in August of 2018
- This ordinance prohibited sales of menthol tobacco in convenience stores and limited sales to adult-only tobacco products shops and liquor stores
- Many new tobacco products shops were created to allow proprietors to continue selling menthol tobacco
- In August 2018, Council Member Cano introduced a moratorium on the creation of new tobacco products shops
- CPED staff were authorized to conduct a study to address the issues that led to the adoption of the moratorium

# Consequences of the Menthol Ordinance

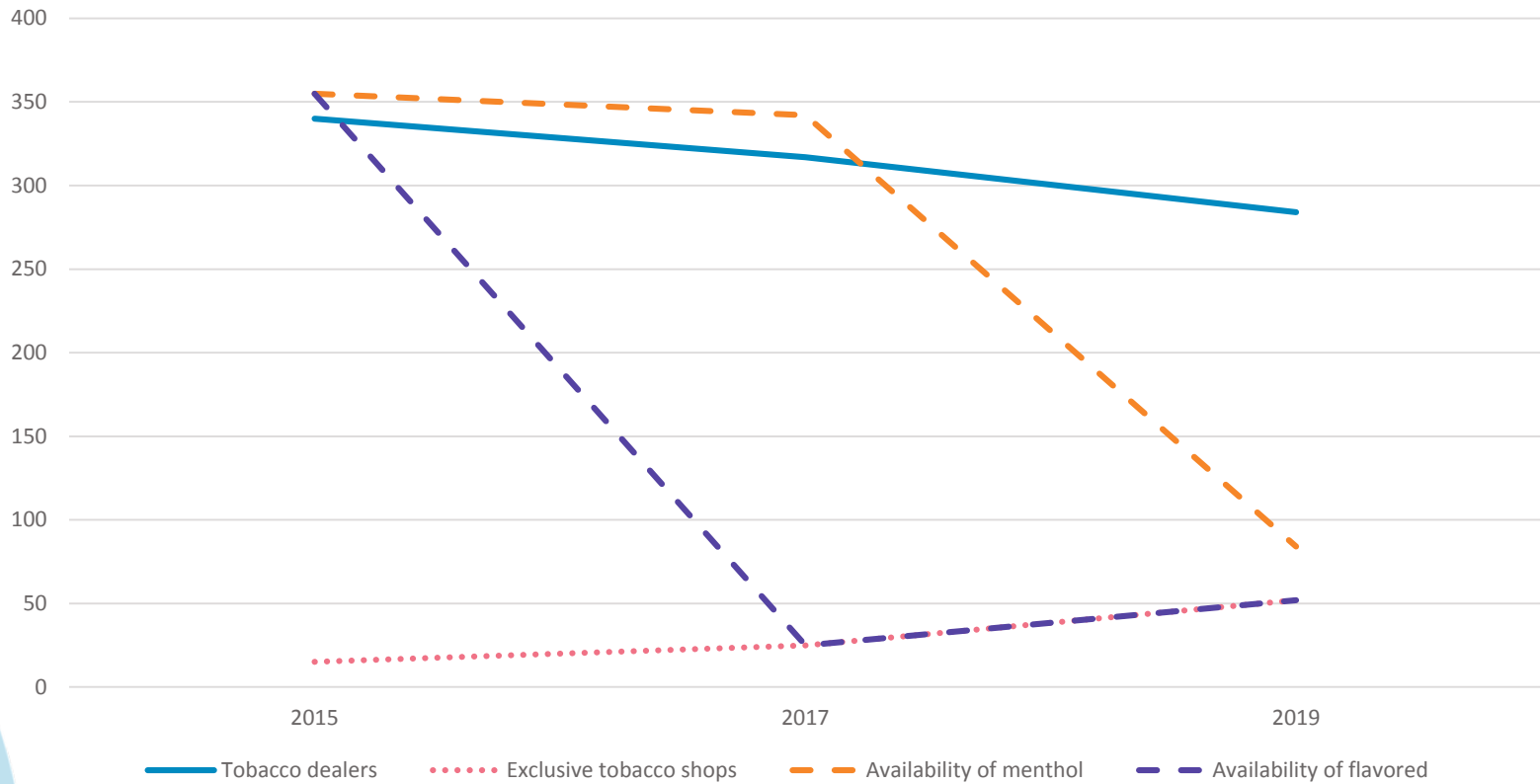
- Increase in tobacco products shops
  - The number of tobacco shops increased from 25 in 2017 to 52 today
  - In 2016, menthol tobacco was sold in 342 retail locations while today menthol tobacco is sold in 82 locations
- Increase in availability of flavored tobacco products
  - With additional tobacco products shops, flavored tobacco is available in more places
- Increase in rezoning requests in order to establish new tobacco products shops
  - Tobacco shops are not allowed in the C1 or OR zoning districts which has resulted in a number of rezoning requests

# Exclusive Tobacco Establishments and Liquor Stores



# Menthol Tobacco Availability

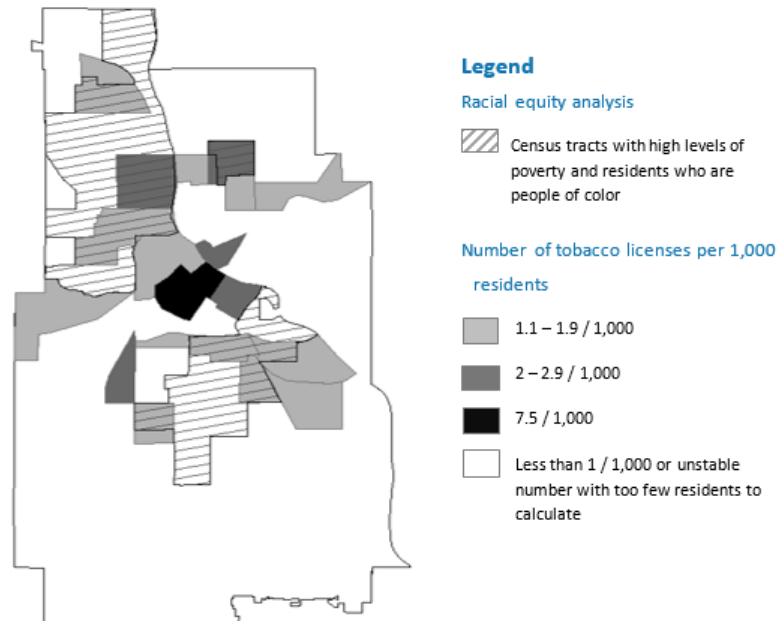
Changes in tobacco dealer types and availability of menthol and other flavored tobacco products



## Distribution of Tobacco Shops

Low income neighborhoods are more likely than higher income neighborhoods to have a higher density of tobacco dealers

Distribution of Tobacco Retailers in Minneapolis across Areas of Poverty and higher concentrations of residents of who identify as people of color



# Study

- Examined the unintended impact of the menthol ordinance
- Evaluated policy options that would help uphold the original intent of the menthol ordinance
- Peer cities research for policy options
- Outreach to convenience store owners



# Study

- Recommended strategies include the following:
  - Minimum spacing distance between tobacco products shops
  - Capping the number of tobacco licenses
  - Combination of spacing and capping
  - Eliminate all flavored tobacco sales in Minneapolis



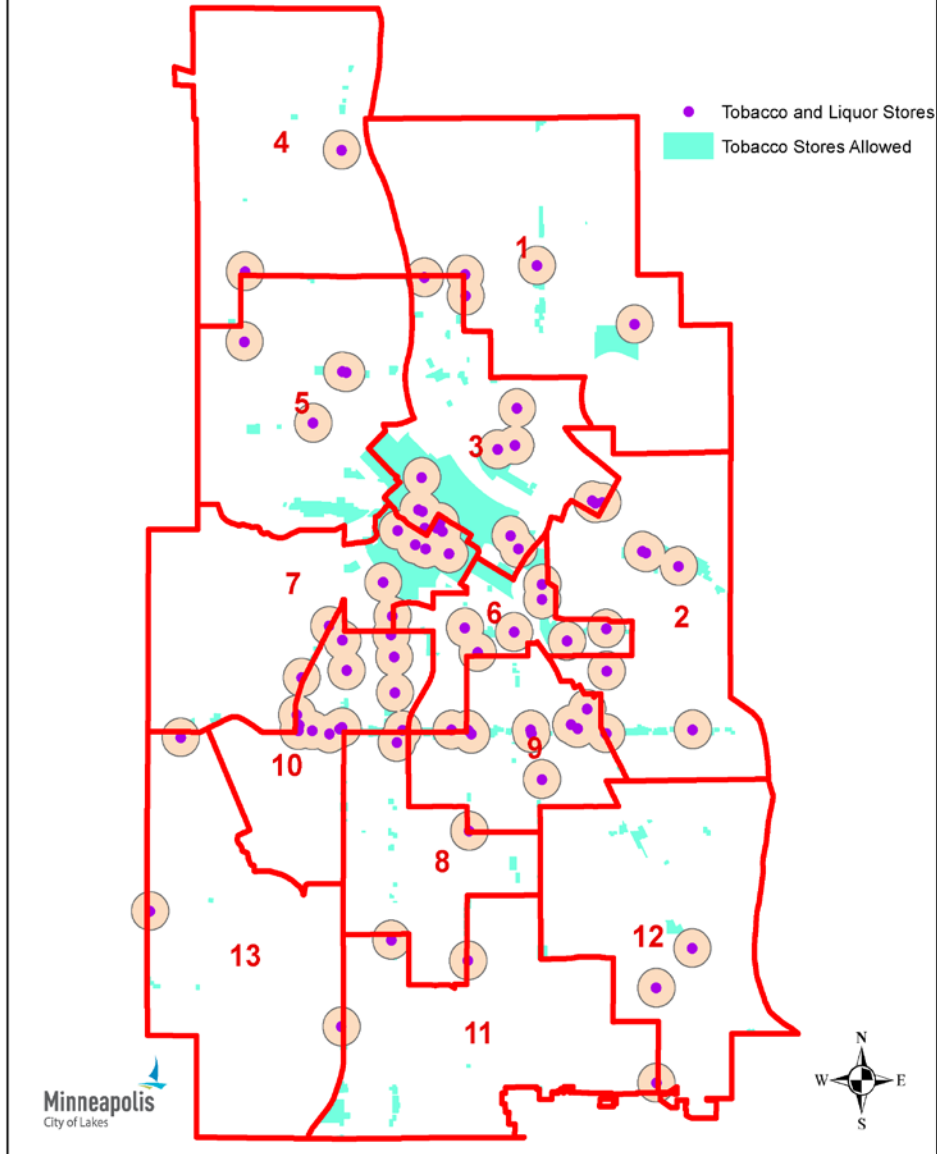
# Minimum Spacing Requirement

- Benefits
  - Prevent the further concentration of tobacco products shops in any area of the city
  - Evidence that spacing can reduce retailer density in the lowest income neighborhoods
  - Could reduce tobacco use over time since location and density of tobacco shops influence tobacco use, initiation by youth and cessation
- Challenges
  - Would require additional staff analysis for each new tobacco shop
  - Creates de facto monopolies for the owners of existing tobacco shops by eliminating nearby competition
  - Creates another level of complexity for small business owners

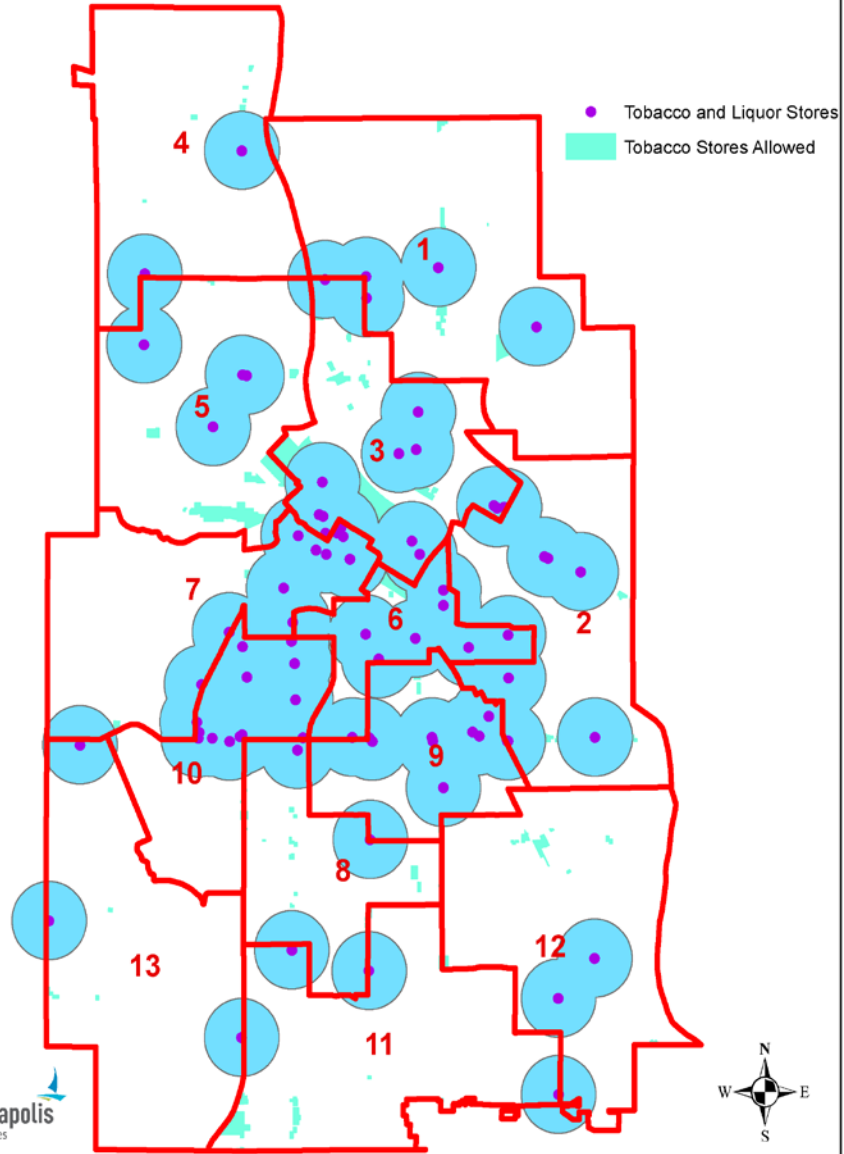
# Minimum Spacing Requirement

- Staff is recommending the adoption of an ordinance that would require a minimum spacing requirement between stores that can sell menthol tobacco, which includes tobacco products shops and liquor stores
- Maps have been created showing the locations where tobacco products shops could be established under three spacing scenarios

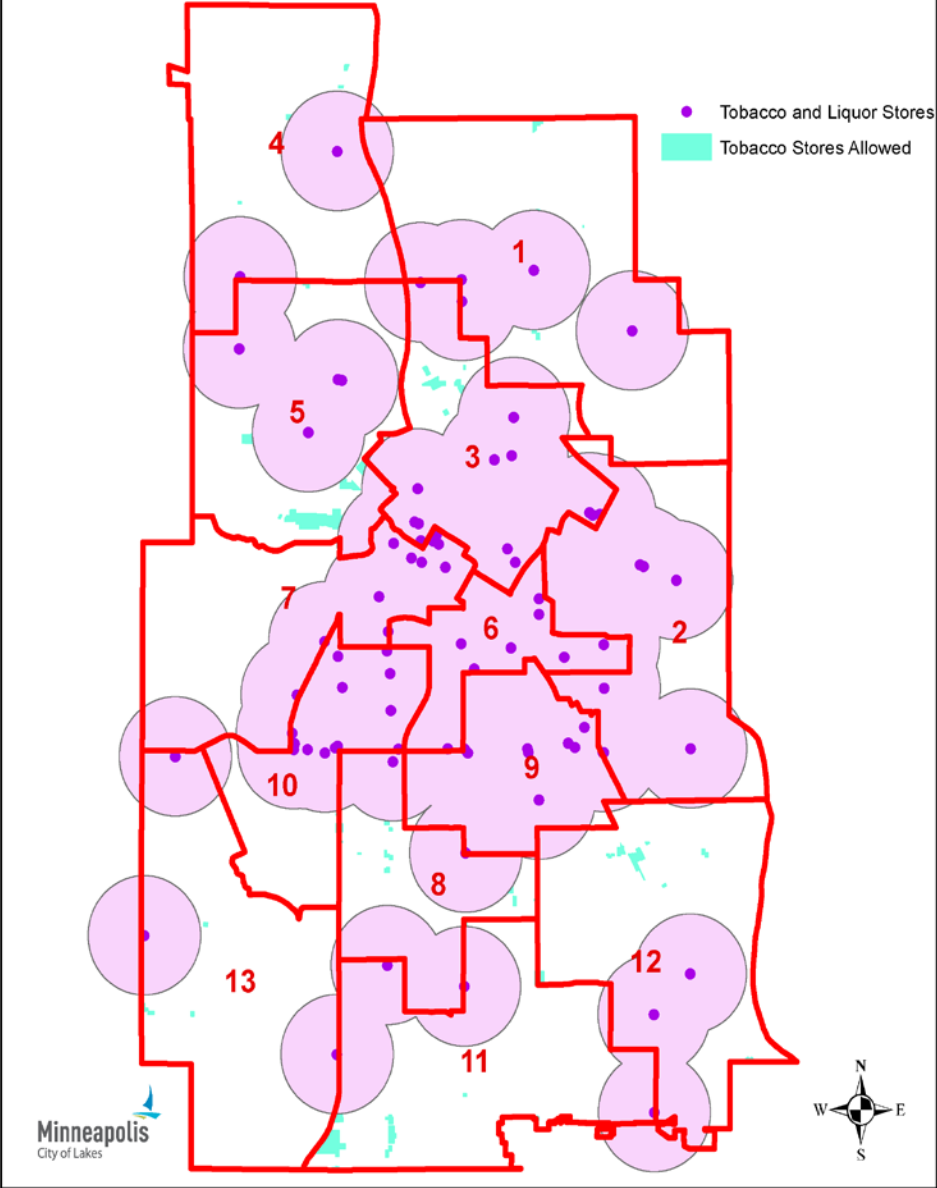
# Exclusive Tobacco Establishments and Liquor Stores with 1,000 Foot Spacing



# Exclusive Tobacco Establishments and Liquor Stores with 2,000 Foot Spacing



# Exclusive Tobacco Establishments and Liquor Stores with 3,000 Foot Spacing



# Staff Recommendation

- Staff is recommending a 2,000 foot spacing requirement between tobacco retailers that sell menthol
  - 2,000 feet is the same spacing requirement for liquor stores that has historically been used in the City of Minneapolis
  - 2,000 feet will allow for additional tobacco products shops in limited locations, preserving a business opportunity
  - The spacing requirement will prevent the concentration of tobacco products shops in any one area
  - The spacing ordinance would exempt B4 (downtown) zoning districts in the same way the liquor ordinance does