

SUBSTITUTE NO. 1 TO ORD. 25-045

AN ORDINANCE TO ENACT A TEMPORARY MORATORIUM ON THE ISSUANCE OF NEW BUSINESS LICENSES FOR NEW CONVENIENCE STORES WITHIN THE CITY PENDING COMPLETION OF AN EQUITY IMPACT ASSESSMENT

**Rev. 1
#0098**

Sponsor:

**Council
Member
Darby**

**Co-
Sponsor(s):
Council
Member
Cabrera**

WHEREAS, City Council is empowered by the City Charter to enact legislation that preserves, protects, and promotes the general health, safety, and welfare of the residents of the City of Wilmington; and

WHEREAS, City Council has observed a proliferation of convenience stores, particularly in low-income and minority neighborhoods; and

WHEREAS, Section 5-78 of the City Code defines convenience stores as “businesses which are classified ... as ‘retailers-edible’ and whose business is primarily composed of off-premises consumption of goods, take-out service or delivery service.”

WHEREAS, the residents of these neighborhoods have repeatedly expressed concern over the disproportionate presence of convenience stores that offer limited healthy food options and intoxicating substances contribute to poor public health outcomes, and often operate without meaningful community engagement; and

WHEREAS, there is growing evidence that the oversaturation of convenience stores, many of which sell processed and unhealthy foods, tobacco, and lottery tickets, contribute to the perpetuation of food deserts, public safety concerns, and economic disinvestment in Black and Brown communities; and

WHEREAS, in residential districts, including R-3 and R-5-A-1 districts, the use of a corner property as a convenience store is generally not a use permitted as a matter of right, but instead, such use must be approved by the zoning board of adjustment at a public hearing; and

WHEREAS, in commercial districts, the use of a corner property for convenience stores is generally a use permitted as a matter of right, and therefore, public notice and hearing is not required to open in these districts; and

WHEREAS, City Council believes that an equity impact assessment should be conducted by the Department of Land Use and Planning that identifies the areas in the City with an oversaturation of convenience stores, the impact on public health, public safety, and local economic development, and any community interest in alternative retail businesses, including grocery stores, food co-ops, and culturally relevant businesses; and

WHEREAS, the equity impact assessment can then be utilized to prepare amendments to the zoning code that, among other things, require public notice and community input before any new convenience store may open in the City (including both commercial and residential districts), establish buffer zones and/or caps on the number of convenience stores per neighborhood or section of the City, and prioritize businesses that support food sovereignty, health equity, and neighborhood revitalization; and

WHEREAS, City Council finds that a temporary moratorium on the establishment of new convenience stores in the City is necessary and appropriate to provide time for the Department of Land Use and Planning to complete an equity impact assessment; and

WHEREAS, the implementation of a temporary moratorium does not constitute a Constitutional violation nor does it conflict with or exceed the City's legal authority.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON
HEREBY ORDAINS:**

SECTION 1. Temporary Moratorium Established. A temporary moratorium is hereby established on the issuance of any new business licenses for corner properties, as

defined in the City Code. During the period in which the moratorium is in effect, the zoning board of adjustment shall not consider any application for permission to establish a new corner property, or any application or request for a variance or special exception to establish a new corner property, unless the applicant can show undue hardship.

SECTION 2. Equity Impact Analysis. The Department of Land Use and Planning is hereby ordered to perform an equity impact assessment. At minimum, the assessment shall identify the areas in the City with an oversaturation of corner properties, the impact of corner properties on public health, public safety, and local economic development, and any community interest in alternative retail businesses.

SECTION 2. Effective Period of Temporary Moratorium. The temporary moratorium set forth in Section 1 shall become effective on the date that the Mayor signs this Ordinance and shall last for twelve (12) months or until such time an equity impact assessment is completed by the Department of Land Use and Planning, whichever occurs first, unless this City Council repeals this moratorium earlier.

SECTION 3. Effective Date. This Ordinance shall become effective upon its passage by City Council and approval by the Mayor.

First Reading.....August 28, 2025

Second Reading.....August 28, 2025

Third Reading.....

Passed by the City Council,

President of City Council

ATTEST: _____

City Clerk

Approved this ____ day of ____, 2025

Mayor

SYNOPSIS: This Ordinance issues a temporary moratorium on the establishment of new convenience stores in the city. The moratorium will be in effect until such time an equity impact assessment has been completed by the Department of Land Use and Planning, unless repealed by City Council. During the period in which the moratorium is in effect, the zoning board of adjustment shall not consider any application for permission, variance, or special exception for the establishment of a new corner property. The zoning board of adjustment may consider applications for a hardship exception to the moratorium.

FISCAL IMPACT: The Office of Management and Budget (OMB) has reviewed and analyzed the proposed ordinance establishing a temporary moratorium on the issuance of new business licenses for corner properties pending completion of an equity impact assessment by the Department of Land Use and Planning.

While the ordinance does not create an ongoing City program, it does impose a significant analytical requirement on the Department of Land Use and Planning. The ordinance directs the Department to conduct a citywide equity impact assessment examining the concentration of corner properties, impacts on public health and public safety, neighborhood economic conditions, and community interest in alternative retail uses. This effort would involve research, data collection and analysis, mapping, community engagement, and preparation of a formal report to inform potential future zoning code amendments.

The Director of Land Use and Planning has advised that completion of a comprehensive equity impact assessment of this scope would require specialized technical expertise beyond current in-house capacity. As a result, the Department anticipates the need for professional consulting services at an estimated cost of up to \$250,000. These costs would be one-time in nature and associated solely with completion of the required assessment. To the extent existing staff support the project, other planning activities may be delayed or reprioritized during the study period.

The temporary moratorium on new corner property business licenses is not expected to have a direct expenditure impact. While there could be a short-term reduction in business license fee revenue, any such impact is expected to be de minimis.

Overall, the fiscal impact of this ordinance is expected to be primarily one-time, with potential costs of up to \$250,000 associated with the required equity impact assessment, and no significant ongoing fiscal impact anticipated from the moratorium provision itself.