



WORKING  
P A P E R

Printed: December 13, 1997

---

# Treatment of Accessory Uses in Land-Based Classification Standards

*by*

*Sanjay Jeer, AICP*

*November, 1997*

# Table of Contents

<b>Introduction</b> .....	<b><u>1</u></b>
<b>What is an Accessory Use?</b> .....	<b><u>1</u></b>
<b>Accessory Uses in Plans and Data Collection</b> .....	<b><u>2</u></b>
Accessory Uses in SLUCM .....	<b><u>3</u></b>
Limitations in SLUCM's Accessory Uses .....	<b><u>4</u></b>
<b>Accessory Uses in Zoning</b> .....	<b><u>5</u></b>
In Enabling Legislation, Acts, and Ordinances .....	<b><u>6</u></b>
Legal Definition of an Accessory Use .....	<b><u>6</u></b>
Principal Uses .....	<b><u>7</u></b>
Related Uses .....	<b><u>7</u></b>
Incidental Uses .....	<b><u>8</u></b>
Customarily Incidental Uses .....	<b><u>8</u></b>
Five Legal Criteria .....	<b><u>9</u></b>
Types of Zoning Issues .....	<b><u>9</u></b>
<b>Auxiliaries in SIC and NAICS</b> .....	<b><u>10</u></b>
Skewed SIC Statistics .....	<b><u>10</u></b>
Differentiating Auxiliaries in SIC .....	<b><u>11</u></b>
Auxiliaries in NAICS .....	<b><u>11</u></b>
<b>Proposal for LBCS</b> .....	<b><u>12</u></b>
Lessons from SLUCM .....	<b><u>12</u></b>
Lessons from Zoning .....	<b><u>12</u></b>
Lessons from NAICS .....	<b><u>13</u></b>
<b>Bibliography and References</b> .....	<b><u>14</u></b>

## Introduction

The notion of a stand-alone use— one use on one lot— that we are familiar with today is in fact a very recent phenomenon. Historically, multiple uses always shared a lot and sometimes the same roof. Many classes of land uses that we now set apart mingled together. Some have always coexisted with others on the same lot or structure. Dating back to colonial times and perhaps even medieval times, we know that many a occupation was based at home— craftsmen, doctors, and lawyers plied their trade right from their dwellings. Using one's home for economic enterprises was customary. It was not until the nineteenth century that factories and mass employment centers inculcated the now deeply rooted social and, subsequently, legal need to separate such activities from residential areas.

Over the years, as zoning became an acceptable means of managing nuisance concerns, communities excluded some occupations from residential areas when they were found to create substantial problems for other uses (usually, the principal residential uses nearby). Oftentimes, they also excluded residential and recreational activities from predominantly commercial or industrial areas to keep incompatible uses from mixing. Now, at the end of the twentieth century, we see a desire to mix such uses again for social and economic reasons that have led to a reevaluation of the “negative” effects of some uses. Residential uses in nonresidential areas are not only common, for example, but actively encouraged. Providing recreational facilities (both active and passive) in what is purely a business center or allowing nonresidential activity (e.g. telecommuting and the pursuit of home occupations different than the traditional home occupations like a law office, medical office, or artist studio) in residential uses have also become more commonplace. In certain situations, in fact, these changes have increased the value of the principal use.

This paper proposes a new means to classify land uses in this changing land-use dynamic. It offers a scheme to classify multiple uses sharing sites, facilities, and structures by employing common practices of land-based data collection, classification, and tabulation. Planners have traditionally treated one use as primary and the rest as accessory when uses shared the same lot, structure, or some physical unit that is smaller than the classification unit (e.g., parcel, building, or a floor of a building). Because the reasons for identifying accessory uses vary widely depending on local applications and circumstances, this paper will also examine the following:

- C applications that deal with accessory uses
- C the way those applications treat accessory uses in classifying and coding land uses
- C the ways that LBCS can standardize this process

## What is an Accessory Use?

In planning and zoning, we normally define accessory uses as those activities and land uses incidental to a primary use. They function as secondary or subordinate to a primary or major use and are identified as such in plans, maps, and zoning ordinances. The classic example of an

accessory use is a parking facility serving an office building on the same site. Terms like “auxiliary,” “ancillary,” “adjunct,” “subsidiary,” and “supplementary” are also used to define accessory uses.

#### Examples of Accessory Uses

- C Parking garages or structures with an office building
- C Valet services, office supplies store, or restaurants in an office building
- C An administration or office building on a site with a manufacturing plant
- C Home occupations in residential areas

The purpose of defining or identifying accessory uses varies by application. For land-use planning applications, defining an accessory use leads to greater accuracy in land-use designations. In zoning, identifying accessory uses allows communities to selectively permit (or to prohibit) uses associated with the principal use of the land.

Descriptions of accessory uses are typically quite exact. Zoning ordinances list them usually with the primary uses. For example, accessory uses in

residential areas list the exact businesses, home occupations, trades, size of facilities, employees allowed, etc. Seeing all sorts of nonresidential uses listed under residential uses in an accessory uses list is common. In other words, a variety of land uses that would, in other circumstances, be described as commercial, industrial, and others may appear under the broad residential category.

## Accessory Uses in Plans and Data Collection

The amount of land currently consumed by all activities appears unchanged from a planner's perspective, yet the mix and spatial distribution of that land has, in fact, changed markedly from the past. Seemingly unrelated uses and activities coexist and the traditional “one lot/one use” assumption obscures the quantities and relationships between different land uses. In many land-use inventories, therefore, designating only one land-use code to a lot is insufficient. It does not always capture all the characteristics of the use of land that planners need.

Planners have traditionally overcome this limitation by creating special land-use categories for accessory uses and mixed uses to satisfy specific regulatory or programmatic requirements. Creating separate identities for the primary use and the accessory use is not as critical for planning applications (e.g., maps, land-use inventories, etc.) as it is for zoning. Many local land-use inventories seldom tabulate accessory uses unless the community has a special interest or concern (e.g., guest rooms for rent in a tourist community, home occupations that may alter the character of the area, etc.).

Land-use inventories typically assign special codes to accessory uses. The special codes are usually one or two digits that may denote common accessory uses like parking, storage, office buildings, research and development facilities, etc. Classification schemes seldom define when such uses need separate codes for primary and accessory uses. Frequently, planners pick one code for the predominant accessory use and place all other accessory uses, even if different in

nature, in that category. For example, in a building that is primarily an office use, they code the accessory uses (restaurants, parking, valet, etc.) as retail under accessory. Yet when collecting data for residential uses, planners rarely identify the specific category of home occupation (commercial, office, etc.) unless there is a particular need.

## Accessory Uses in SLUCM

The 1965 SLUCM (Urban Renewal Administration 1965) proposed one-digit auxiliary codes for “land-use activities that are generally found separated from, but are functionally and organizationally linked to other activities.” The term “auxiliary” is used in the same sense as “accessory” and appears to have its roots in the Standard Industrial Classification’s “auxiliary industries” concept. SLUCM shows the following examples of auxiliary activities:

Code	Auxiliary Categories
0	Not an auxiliary
1	Central or administrative office
2	Sales office
3	Research and development
4	Warehousing and storage
5	Automobile parking (more than 5000 ft <sup>2</sup> or 17 parking spaces)
6	Motor vehicle garage (storage and maintenance of vehicles)
7	Steam and power plants
8-9	Open Codes

- C a warehouse operated by a retail establishment used for storage needs of the retail use and not for public storage
- C a parking area operated by a manufacturing concern for use by its own employees and not for public parking
- C an office performing management functions as part of a mining concern that has mines in several states

SLUCM proposed using one-digit codes— 1 through 7— for “significant auxiliary functions” that correspond to the list of uses provided in the manual. It also

suggested using codes 8 and 9 to distinguish additional types of uses of interest to local planning agencies. But, generally, most uses default to a “0” code to show no auxiliary uses.

The recommended coding scheme in the manual suggests that all land-use codes employ the four-digit basic activity code followed by an auxiliary code. For example, pharmaceutical preparations manufacturing (whose basic activity code is 2834) with a research and development accessory use (whose auxiliary code is 3) should use the combined activity code 2834-3.

Similarly, a retail grocery store (5410) with parking as an accessory use (5) takes the combined activity code 5410-5. The hyphenated coding schema is SLUCM’s method of dealing with other data such as:

- C ownership characteristics (public, private, etc.),
- C counting housing units for residential uses,
- C vacant floor area for nonresidential uses, and
- C farm types for agricultural uses.

The table, *Examples of Hyphenated Codes in SLUCM*, shows a few primary and auxiliary codes as well as the above mentioned attributes to illustrate this concept. SLUCM’s auxiliary codes were meant to extend the concept of accessory uses to include linking of related facilities, when needed even if they are not in physical proximity or do not share the same site or structure.

The manual illustrates the example of a warehouse for a retail establishment that is in an industrial area but serves the “parent activity” that may be located elsewhere.

Examples of Hyphenated Codes in SLUCM		
Basic Activity Code	Auxiliary Code	Combined Code
Building Construction—general contractor services—6611	Administrative office—1	6611-1
Fruits and vegetables, fresh—wholesale—5147	With Stock—0	5147-0
	Sales office—2	5147-2
Automobile Parking—4600	Not an auxiliary—0	4600-0
R&D—6391	Not an auxiliary—0	6391-0
Department stores—retail—5310	Warehousing and storage—4	5310-4
Governmental Services—executive functions—6710	Public ownership—11	6710-11
Education Services—secondary schools—6813	Public school—15	6813-15
	Private school—20	6813-20
Household Units—1100	Not an auxiliary—Total household units—Total vacancies—10-2	1100-0-10-2
Agriculture—Farms (field crops other than fiber or cash grain crops)—8130	Not an auxiliary—0	8130-0
Agriculture—Farms—81	Peanut Crops—165	81-165

The purpose of that coding was to ensure that planning studies of things like “total space use needs” could accurately track related or ancillary uses. In addition, the coding enabled planners, over time, to develop linkages between a variety of uses in the community. In turn, this monitoring allowed planners to statistically explore any changes to the amounts and proportions between major uses when planning for future uses an idea first put forth by Edward Wilkens (Wilkens 1941) and later discussed in detail by Robert Sparks (Sparks 1958).

### *Limitations in SLUCM’s Accessory Uses*

SLUCM emphasized classifying and coding each dimension or characteristic of a land use into its own scheme. The manual cautions against mixing of characteristics within one hierarchy because that will further restrict the usefulness of the data. SLUCM’s treatment of accessory uses, then, does meet the broad objectives set forth in the manual. There are, however, several other issues not addressed concerning accessory uses or that were not of concern at the time SLUCM was developed. In the main, shortcomings are:

- C Limited List of Uses: The list of accessory uses provided by SLUCM is limited. For instance, shopping malls (where hundreds of basic activity codes can qualify as either primary or accessory), a variety of “modern” home occupations, and seemingly unrelated uses together (e.g., wine and bar services in laundromats) cannot be accounted for in SLUCM’s list of accessory uses. SLUCM’s seven uses and one-digit codes served simply do not meet the demands of planners for high-quality land-use data in today’s world.
- C Mixed Uses: The classifying and coding of mixed uses is nonexistent in SLUCM. Mixed uses ushered in new methods of planning analysis that require tabulating land uses that cut across parcel boundaries and zoning districts. Moreover, identifying the primary use from

- accessory uses is futile in large-scale mixed-use centers that tightly integrate multiple land uses and activities where categories can range across retail, commercial, office, residential, and recreational uses.
- C Questions about Adjacent Uses: When a warehouse is adjacent to a retail use but on a different parcel, is it an accessory of the retail use? The intention of auxiliary coding in SLUCM was clearly not only to capture physical proximity (same parcel) but also, when necessary, link uses that may seem unrelated (different parcels) in a visual land-use inventory. The example used in the manual is a retail use, such as a pharmaceutical or a department store that has a warehouse located separately from the site of the primary use. In zoning, such distinctions become critical, and the coding system should be allow the tracking of such data. We will examine this issue in more detail in the section below on accessory uses in zoning.
- C Coding Standards: One digit coding tagged to the four-digit base code could serve as a uniform scheme for sharing land-use data, but because the uses that the codes refer to change from application to application, data may not be easily transferred between applications directly, also known as “cross-walking,” without an intermediate conversion step.

SLUCM's method of dealing with accessory uses was a viable option that served to meet the requirements of federal programs, like Section 701, that funded local land-use data collection. In contrast, instead of specifying and funding specific local tasks, federal programs now allow wide discretion to localities in such matters. Moreover, not all communities share the same land-use issues and have varying abilities to collect data about accessory uses. For those that do have that ability, however, the need to link primary and secondary uses exceeds the abilities of a simple list of uses and a one-digit coding scheme. Consequently, recommending a limited scheme severely limits those communities that need more flexibility and is onerous for those that occasionally need one or two accessory uses, but have to use an entirely different set of codes that may not be a standard.

## *Accessory Uses in Zoning*

In zoning ordinances, planners have to define accessory uses more carefully because the purpose of an ordinance is mainly restrictive; establishing the link between accessory uses and the primary use becomes critical. Because of the restrictive emphasis, zoning ordinances further qualify accessory uses according to whether they are a “convenience” and “necessity” to the principal use.

Note that the focus is at the parcel level— both for determining what the principal use is and what is accessory to it. In fact, the entire legal debate about accessory uses centers around accessory uses on the same lot because zoning ordinances always exercise control of accessory uses through the primary use. The link to primary use becomes a prerequisite to defining and controlling accessory uses. Otherwise, some prohibited or restricted uses could circumvent normal zoning regulations and qualify under the accessory use criteria. That is, a use that should

be evaluated as a primary use may be disguised as an accessory. Consequently, accessory uses in zoning, hence legal debate, always pertain to those uses that coexist with the primary use on the same lot. In contrast, some land-use inventories routinely link accessory uses to the parent use even if they do not share the same parcel.

## ***In Enabling Legislation, Acts, and Ordinances***

The earliest legislative reference to accessory uses, although indirect, is contained in the 1926 revision of The Standard State Zoning Enabling Act. In Section 3, the Act uses the phrase “peculiar suitability for particular uses” when regulating to assure property owners that zoning will be “done in a sane and practical way” instead of specifying the uses or their suitability. That was left for individual communities and zoning ordinances to establish, when called for.

Edward Bassett, in his survey of zoning's first 20 years (Bassett 1940), affirms the leniency of zoning practices as envisioned in the Act. He found these practices were most prevalent in residential zones, which allowed accessory uses in buildings by not preventing “customary practices that met with no objection from the community.” Had communities tried zoning practices that prohibited such accessory uses, Bassett professed that there would have been great opposition to zoning plans everywhere. In fact, to further protect accessory uses, several states have specific provisions in their enabling legislation to protect the “creation” of accessory uses. For instance, Vermont's statutes state that “no regulation may infringe upon the right of any resident to use a minor portion of a dwelling for an occupation that is customary in residential areas and which does not change the character thereof” (Vermont Statutes Title 24 § 4406(3)).

Enabling legislation to allow for accessory uses in nonresidential areas is less prevalent and often less clear. Because of zoning's protective nature, many ordinances ignore the issue of accessory uses in commercial uses unless the activity, structure, or some aspect of the accessory use “overshadows” the principal commercial enterprise. Both zoning ordinances and courts have used wide range of tests in reviewing limits of accessory uses.

## ***Legal Definition of an Accessory Use***

Zoning ordinances define accessory uses within the context of a principal use; namely, the accessory use must be reasonably necessary to the conduct of the principal use and related to functions of the primary use. Of course, the relationship between a principal use and an accessory use depends on the types of activities associated with the principal use. The kinds of accessory activities in residential areas vary from those in nonresidential areas, for instance.

Then there is the question of which aspects of a certain use can qualify as an accessory use because not all activities associated with the principal use automatically become accessory. Some may be part of the principal use (e.g., garages in homes or home occupations). Yet some ordinances may not allow other uses, even if part of the principal use, (e.g., a drive-through window for a restaurant), if specifically prohibited or restricted.

Zoning regulations typically qualify the relationships between primary and accessory uses on a parcel in degrees of their relatedness or associations. Legally, we can group these associations in the following types:

- C principal uses
- C related uses and activities,
- C incidental uses and activities
- C customarily incidental uses and activities

### ***Principal Uses***

Principal uses, conceptually, “naturally” include related facilities. For example, courts have routinely ruled that a parochial school is part of a church (the principal use), up to certain limits.

Confusion arises when zoning allows such related activities housed in accessory structures. Permissions for accessory structures depend largely on the particulars of the site, such as setbacks, yard requirements in zoning, configuration of other structures in relation to the accessory structure, etc. Most zoning ordinances treat accessory structures through special regulations even if a structure is for the principal use; they treat accessory structures independent of the uses. That is, an accessory structure may or may not be allowed even if the use is a valid primary or accessory use. When an accessory structure is allowed, the ordinance typically sets additional restrictions for setbacks, siting, signs, maximum lot coverage, and height limitations in addition to those that apply to the primary structure. An ordinance might also impose additional filing, site plan, and application requirements for each instance of an accessory use. That is why property owners prefer to qualify all activities and structures as part of the principal use to avoid additional reviews and restrictions that ordinances exert on accessory uses and structures.

Based on the principal use notion, a use may encompass several activities and related uses that under zoning may appear as one use. Nevertheless, in some planning applications, individual activities may have to be discernible. For example, in the case of a parochial school in a church, zoning may treat the entire use as a religious use, but some planning applications (e.g., fire and rescue, transportation, etc.) require knowing about the school functions as well as the religious use.

### ***Related Uses***

The first criterion courts have employed in determining what is a related and, therefore, accessory use is determining the specific nature of the relationship to the principal use. Courts have used a number of criteria, including:

- C Relation to ownership— home occupation by unrelated persons in a home does not constitute an accessory use even if zoning customarily allows such occupations as an accessory use (*State v. Mair*, 39 NJ Super 18, 120 A2d 487 (App Div 1956));
- C Relation to permitted uses in zoning— a business subleasing part of the structure to a use that is not allowed in that zoning district (*A. C. Nurseries, Inc. v. Brady*, 278 App Div 974, 105 NYS2d 933 (2nd Dept 1951));

- C Relation to operations of the principal use— some uses may not be “reasonably necessary” to the principal use, such as certain types of medical functions in a clinic (Porter Medical Associates Use Change Permit, 139 Vt 132, 423 A2d 491 (1980));
- C Relation to prohibited uses in zoning— ordinances routinely exclude certain uses in accessory structures even if such structures are perfectly legal, such as home occupations whose impacts the community considers a nuisance under its nuisance laws.

Whether a use is accessory or not is determined by its relationship to the principal use, and this relationship depends on criteria beyond those applied to differentiate, categorize, and tabulate land-use maps, inventories, and designations in plans. In short, what constitutes accessory is entirely dependent on local circumstances and standardizing an accessory uses list would be ineffectual because any specific list of accessory uses is going to be either too limited to encompass all permutations and combinations or too exhaustive and perhaps even rival the entire land-based classification system in the number of uses.

### *Incidental Uses*

The second criterion courts have employed is based on whether the accessory use if subordinate to the principal use, a matter often largely determined by the relative size of the accessory use. For example, a doctor's office in a residential use that occupies the entire house except for sleeping quarters in the basement does not qualify as an accessory to the residential use. Courts have also routinely used a temporal test to determine whether a use is incidental and, therefore, accessory. For instance, one court did not allow a horse stable to be constructed, refuting the contention that the stable would be a valid accessory use to a house that was to be constructed, because, without the house, the stable could not exist independently as an accessory use— the house had to be there first to make the stable a valid accessory use.

Based on the incidental use concept, a use is accessory if it is smaller in size than the primary use and cannot exist independent of the primary use. In other words, to classify and code accessory uses, planners have to know two things: the size of each use and which of the two uses came first. Again, these are factors that are beyond those normally associated with classifying land uses.

### *Customarily Incidental Uses*

The third criterion for determining a valid accessory use is loosely based on what is “customarily incidental.” If not for such loose definition, ordinances might preclude any new uses not listed in the accessory uses list. What is customarily incidental varies from place to place and can be defined by climate, demographics, and, sometimes, even neighborhoods. Some uses considered “customary” in the past are no longer so (e.g., horse stables in most residential areas). In establishing what is customarily incidental, courts have often looked at the locale and not how often such accessory uses occur in the community or in that particular zoning district. Most legal challenges about what is customarily incidental have occurred in cases about accessory uses in residential areas.

No comprehensive list of uses is bound to cover all possible combinations of primary uses and their associated customarily incidental uses. Just a perfunctory look at the range of uses that courts have ruled as accessory in various residential, commercial, agricultural, and other areas

<b>Summary of Decisions Interpreting Requirements that Accessory Uses must be "Customarily Incidental"</b>	
<b>Are Customarily Incidental</b>	<b>Not Customarily Incidental</b>
<b>Normal Conveniences</b>	
Private Garage	
<b>Recreation</b>	
Swimming Pool	Stable for Horses
Tennis Court	Rebuilding cars into racing cars
Large boathouse	Seaplane in garage near pond
Old cars, racing cars in garage	Pier near resort hotel
(Ruled both ways)	
Amateur radio tower	
Private air landing strip	
<b>Income Producing Activities</b>	
Storage of contractor tools	Kennels (up to a certain size)
	Real estate offices, beauty parlors, barber shop, insurance agency, day care center, law offices, practice of social work and psychotherapy, etc.
<b>Accessory to Multiple Dwelling</b>	
Vending machines	Dry cleaning
<b>Accessory to Agriculture</b>	
Auto racing at fairgrounds	
<b>Accessory to Community Facilities</b>	
Living quarters for employees	
<b>Accessory to Commercial Uses</b>	
Banquet hall in hotel	Travel agency in motel
Minor auto repairs and sale of autos in gas station	Used auto sales in auto repair shops
Accessory parking for supermarkets	
Meat processing in cold storage plants	

should reveal that a list of accessory uses cannot serve as a standard for even a single zoning ordinance, much less a regional or national standard.

### **Five Legal Criteria**

Based on the above degrees of association between primary and accessory uses, and from more than 200 court cases, Williams (1985) identified five criteria for accessory uses:

- C They must be related to the principal use (usually not explicitly stated in zoning ordinances, but implied).
- C They must be subordinate and clearly incidental to the principal use (almost always stated in zoning ordinances).
- C They must be customarily incidental (almost always stated in zoning ordinances).
- C They must be located on the same lot as the principal use (almost always stated in zoning ordinances) and, occasionally, must also be in the same ownership.
- C They must not alter the character of the area or be detrimental thereto (occasionally stated, and almost always implied in zoning ordinances).

## **Types of Zoning Issues**

According to Williams (1985), legal challenges to accessory uses in residential areas are likely to be based on one or more of four typical "characteristics" of such uses.

- C How close is the accessory use in nature to "an ordinary convenience of life"?
- C Is the accessory use an "income-producing" activity?
- C How close is the accessory use in nature to other "home activities," including hobbies and recreation?
- C Do the size and location of accessory buildings and structures "violate" the residential character of the neighborhood?

Of the above four, Williams identifies income-producing activities generating most legal problems— problems that planning applications have to address. The planning applications and their associated data collection methods, especially for land-use inventories, have to satisfy criteria that stretch beyond those typically employed for land-use surveys. Not all planners and jurisdictions face these problems, but the ones that do frequently fall in one of the following three types of areas according to Williams.

- C Older historic villages, where existing development patterns buffer only some portions of the community from commercial activities while the rest of the community mingles houses with places of employment.
- C Low-income urban areas, where residents work at home or operate trades that are in keeping with the community when it is associated with an ethnic minority.
- C Modern suburban developments, where densities are low, uniformly residential, and the tendency to limit income-producing activities to preserve the residential character.

## ***Auxiliaries in SIC and NAICS***

The Standard Industrial Classification's (SIC) treatment of auxiliary or ancillary activities is comparable to SLUCM's method for identifying accessory uses in some respects. Unlike SLUCM, however, SIC has two different criteria for classification (Young and Triplett 1997). Is the unit an operating subsidiary? Or is the unit an auxiliary unit.

- C Operating units mean those units that produce goods or services for sale to both the parent activity and other activities. Each operating unit takes the appropriate SIC code and may be different from its parent's SIC code. For example, SIC assigns an automotive hose and belting establishment serving an automobile assembly plant the code for rubber and plastic hose and belting industry.
- C Auxiliary units are those units that produce goods or services not intended for use outside the enterprise or parent activity. They are captive services-producing establishments (e.g., warehousing or data processing units serving a manufacturing plant).

### ***Skewed SIC Statistics***

Until recently, U. S. economic statistics were compiled using the above distinctions even when they skewed statistics because codes for operating units were based on their primary activity, but codes for auxiliaries depended on the establishments they served. Because of the way industries are built and managed, subsidiaries that produce goods are classified as operating units and those that are service-oriented are classified as auxiliary units— a practice that masks service industry statistics. For example, SIC classified a computer service center of an automobile assembly unit of an automobile producer under automobile industry. However, if the automobile producer also has a captive automotive hose and belting establishment, then SIC

classified it under rubber and plastic hose and belting industry and not in the automobile assembly industry.

Another factor that distorted auxiliary statistics was the method used to identify the parent or primary industry when establishments, especially large conglomerates, operate in several industrial sectors. Since it is impractical to assign several different industry sectors to an auxiliary, it was instead assigned a single broad SIC 2-digit code at the industry group level. For many decades, this statistical wangle did not affect the overall quality of the numbers since many conglomerates operated with high degree of autonomy at a single location. But as the trend in decentralization and globalization of industries set in, statistics about several sectors started showing acute distortions.

### ***Differentiating Auxiliaries in SIC***

An incessant limitation of the SIC method of treating auxiliaries was differentiating between operating units and auxiliary units consistently across all industrial sectors. As industries became more complex and diversified, the SIC coding added even more qualifiers. This, in turn, complicated the coding system. For example, in construction or manufacturing sectors, the numbers favor operating units. But if the activity was a warehouse or similar activity that did not produce a physical item, it was classified as auxiliary.

For some industries, auxiliary activities, such as headquarters and office buildings, were designated as operating units but classified in the industry of the operating establishment. That is why national labor statistics always show several hundred miners in Washington, D.C., even though mining in the city ceased several decades ago.

Because of these differences in defining auxiliaries between various industry groups and incremental adjustments to data collection methods, statistical inconsistencies about the economy surfaced. Production and employment statistics no longer reflected actual inputs in goods and labor. Also, due to the differences in the treatment of auxiliaries, comparable statistics (e.g., service-industry employment figures) published by the Bureau of Labor Statistics and the Census Bureau did not match.

### ***Auxiliaries in NAICS***

The North American Industrial Classification System (NAICS), successor to SIC, addressed some of the limitations in SIC's treatment of auxiliaries. Since the three countries working on NAICS (Canada, Mexico, and U.S.) agreed on the overall framework for classifying industries, the U.S. Economic Classification Policy Committee (ECPC) identified the following options:

1. Each country would continue defining and classifying auxiliary units as is their current practice— maintain the *status quo*.
2. Designate a unit as an auxiliary only when it has neither receipts nor billings.
3. Keep the current treatment but have a three-country agreement as to what activities would be considered auxiliary.
4. Keep the current treatment (as in option 3) but add a NAICS industry category for Head Offices.
5. Classify all auxiliaries and operating units on the basis of the activity performed.

After considering these options, the ECPC recommended the last option that codes both auxiliaries and operating units on the basis of the activity performed. This option would require less information, simplifies classification, and results in more consistent statistics across all the three countries. Because ownership, billing, and information about internal functioning are no longer required, classifying such units will require less information. All NAICS applications, then, can use one principle— the production-oriented concept— to identify NAICS codes and ignore other qualifiers for auxiliaries. Statistics thus generated, especially labor figures, will more closely reflect the actual state of the economy.

For data about accessory uses, similar statistical dilemmas prevail in communities that have used multiple criteria for defining an accessory use.

## *Proposal for LBCS*

From the above discussion, it is apparent that there are many issues associated with classifying accessory uses. Some are local issues that no national standard can address, but many also show problems when collecting, tabulating, and aggregating land-use data. LBCS should, at a minimum, alleviate limitations in SLUCM, avoid basic errors in classifying data at the source (i.e., at the local level), and then, if possible, adopt a national standard.

The following is a recap of the lessons we have learned about limitations from SLUCM, about the role of accessory uses in regulating land uses, and about errors in classifying from NAICS.

### *Lessons from SLUCM*

- C A list of accessory uses (like SLUCM's 10 codes) will not serve all types of communities.
- C Mixed uses require a list of uses different from the list for accessory uses.
- C Adjacency criteria (for when an use is treated as accessory) may have to be defined within the standard for a standard to be usable nationwide.
- C If every community uses a different set of accessory uses, codes cannot be uniformly maintained, thereby losing "cross-walk" capability (data cannot be easily shared between applications), without an intermediate conversion step.

### *Lessons from Zoning*

- C The definition of a principal use determines which uses are treated as accessory. Since this is determined by local zoning, definitions vary too widely to develop any uniform national standard.
- C The relationship between an accessory use and the principal use depends on criteria beyond those applied to differentiate, categorize, and tabulate land uses.
- C The relative size of a use also determines whether it is accessory. Classifying in such circumstances depend on criteria beyond the simple determination of the use.
- C A use can be accessory based on what is customarily incidental to a principal use. Zoning ordinances and courts have had a varied opinions about what is customarily incidental. Again, this criteria established a standard beyond a simple determination of the nature of the use.

### ***Lessons from NAICS***

- C Multiple qualifiers will not necessarily handle all possible circumstances for identifying, classifying, and coding of accessory uses.
- C Data classification using two sets of land uses and two sets of codes (one for primary uses and the other for accessory uses) will have inherent problems of validity, especially when numerous organizations have to collect and maintain the data.
- C Reducing the number of reasons to classify one entity using multiple classification systems will increase the likelihood of meaningful data comparability.

## ***Bibliography and References***

*A. C. Nurseries, Inc. v. Brady*, 278 App Div 974, 105 NYS2nd 933 (2nd Dept 1951).

*Porter Medical Associates Use Change Permit*, 139 Vt 132, 423 A2d 491 (1980).

*State v. Mair*, 39 NJ Super 18, 120 A2d 487 (App Div 1956).

American Planning Association. 1997. Land-Based Classification Standards. Chicago, Ill.:  
Research Department, American Planning Association.

Bassett, Edward M. 1940. *Zoning*. New York, N.Y.: Russell Sage Foundation.

Sparks, Robert. 1958. The Case for a Uniform Land Use Classification. *Journal of the American  
Institute of Planners* 24, no. 3: 174-78.

Standard State Zoning Enabling Act of 1926.

Urban Renewal Administration, Housing and Home Finance Agency & Bureau of Public Roads  
Department of Commerce. 1965. *Standard Land Use Coding Manual: A Standard System for  
Identifying and Coding Land Use Activities. (SLUCM)*. Washington, D.C.: U.S. Government  
Printing Office.

Vermont Statutes Title 24 § 4406(3).

Wilkins, Edward. 1941. The Planning Approach to Categories. *The Journal of the American Institute  
of Planners* 7, no. 3: 20-24.

Young, Paula, and Jack Triplett. 1997. The Treatment of Auxiliary Establishments in Industry  
Classification Systems. Washington, D.C.: United States Dept. of Commerce, Census  
Bureau.