

ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: September 12, 2011
Item No.: 9 . a

Department Approval



City Manager Approval



Item Description: Adopt an Ordinance, Chapter 311.03, Pawn Brokers related to the number of pawn brokers in the City

1 **BACKGROUND**

2 At its April 25, 2011, meeting the City Council rejected an applicant's request to operate a pawn
3 shop as a Conditional Use. Prior to voting to reject the Conditional Use there was Council and
4 public discussion surrounding pawn brokers and the potential impact on the community. Minutes
5 from this discussion have been attached to this RCA.

6 The Police Department surveyed fifty-two other Minnesota cities and found eight limit the
7 number of pawn brokers. Summary information accompanies the RCA.

8 This topic was scheduled for the City Council's August 22, 2011, meeting but was not discussed
9 due to the length of the meeting.

10 **POLICY OBJECTIVE**

11 To limit the amount of licensed pawn brokers in Roseville to one (1). The City Attorney has
12 drafted the updated ordinance which accompanies the RCA.

13 **BUDGET IMPLICATIONS**

14 There are no budgetary implications based on the proposed language.

15 **STAFF RECOMMENDATION**

16 It is recommended the Council adopt the proposed changes to Chapter 311.03 of the Roseville
17 City Code as it relates to the number of licensed pawn brokers.

18 **REQUESTED COUNCIL ACTION**

19 It is recommended the Council adopt the proposed changes to Chapter 311.03 of the Roseville
20 City Code as it relates to the number of licensed pawn brokers.

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Prepared by: Rick Mathwig, Chief of Police
Attachments: A: Draft of Updated Ordinance, 311.03
B: Summary of minutes on Conditional Use from 4/25/11 Council meeting
C: Summary information of MN cities and pawn brokers

1 City of Roseville
2 ORDINANCE NO. _____
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4 AN ORDINANCE AMENDING TITLE THREE, SECTION 311.03
5 TO LIMIT THE NUMBER OF PAWN BROKER LICENSES IN THE CITY
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7 THE CITY OF ROSEVILLE ORDAINS:
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9 SECTION 1: Title Three, Section 311.03 of the Roseville City Code is hereby amended
10 to read as follows:
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12 311.03: LICENSE REQUIRED:

13 No person shall exercise, carry on or be engaged in the trade or business of pawnbroker
14 or precious metal dealer within the City unless such person is currently licensed under
15 this section to be a pawnbroker or precious metal dealer, respectively. No more than one
16 pawn broker license shall be issued by the City at any time and priority shall be given to
17 qualified applicants for renewal of existing license.
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19 SECTION 2: Effective date. This ordinance shall take effect upon its passage and
20 publication.
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22 Passed by the City Council of the City of Roseville this _____ day of _____,
23 20____.

24 *Ordinance Amending 311.03 Limiting Number of Pawn Broker Licenses.*
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29 (SEAL)
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34 CITY OF ROSEVILLE
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36 BY: _____
37 Daniel J. Roe, Mayor
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41 ATTEST:
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44 _____
45 William J. Malinen, City Manager

1 **Consider a Resolution Denying the Request by Yellow Dog Holdings,**
2 **LLC for Approval of a Pawn Shop as a Conditional Use at 2057**
3 **Snelling Avenue**

4 Community Development Director Patrick Trudgeon provided a brief summary
5 of the request by Yellow Dog Holdings, LLC for approval of a pawn shop as a
6 CONDITIONAL USE at 2057 Snelling Avenue, recommended for DENIAL by
7 staff and unanimously by the Planning Commission at their April meeting.
8 The request was detailed in the RCA dated April 25, 2011; and referenced
9 attachments.

10 Mr. Trudgeon provided background of the 2008 application from the same
11 applicant at a different location, approximately ¼ mile from the current
12 proposed site; reviewed the public and City Council concerns, and subsequent
13 findings for DENIAL of that 2008 application; and still deemed by staff to be
14 applicable to this request. Mr. Trudgeon referenced those findings and
15 additional research completed on the adverse impacts of pawn shops to
16 neighborhoods. Mr. Trudgeon noted the City 's time spent during that
17 previous review of pawn shops; and this proposed location essentially in the
18 same area as the original 2008 application, making locational factors still
19 relevant, with an even greater impact with the proximity even closer to an
20 immediately adjacent residential neighborhood.

21 In reviewing this particular application and based on experience since pawn
22 shops had begun operating in Roseville, Mr. Trudgeon advised that the Police
23 Department estimated that 25% of the time of one police inspector was
24 required for each pawn shop, and anticipated that that time commitment
25 would only continue to grow. Mr. Trudgeon noted that the Pawn American
26 located in Roseville had increased business by 13% over the last year, and
27 assumptions were made that the growth would continue, requiring yet
28 additional time commitments from the City's Police Department. Mr.
29 Trudgeon noted the attendance of Police Chief Mathwig if the City Council
30 desired additional details.

31 Mayor Roe identified the proposed resolution as Attachment F to the packet.

32 Upon Mayor Roe's review of the audience, it was determined that the
33 applicant was not present at tonight's meeting.

34 **Public Comment**

35 Mayor Roe noted that the City Council had received public comment via e-
36 mails sent to-date; staff comments and meeting minutes, including public
37 testimony, heard at the Planning Commission meeting where this item was
38 heard; as well as personal contacts of individual Councilmembers related to
39 this issue. Taking those previous opportunities into consideration, Mayor Roe
40 expressed the City Council's willingness to hear additional comments from
41 those in attendance if they so desired; respectfully requesting that those
42 comments be brief given the remaining agenda items yet to be heard. Mayor
43 Roe encouraged representative speakers on behalf of similarly-minded groups
44 as applicable.

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Margaret (Peg) Kavanagh, 1715 W Eldridge Avenue

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Ms. Kavanagh noted her attendance in 2008 when the previous Yellow Dog Pawn Shop request was considered. Ms. Kavanagh referenced data from a leading neighborhood realtor, Mr. Bill Tellen, related to negative perceptions and impacts to property values; in addition several objective studies she'd personally researched that still used qualitative data related to perception for property values and crime from predatory lenders and fringe banking institutions and declines in area neighborhoods.

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Ms. Kavanagh encouraged the City Council to act on these findings and protect Roseville from fringe banking opportunists; and once and for all put a stop to nagging threats of another pawn shop locating in Roseville; opining that they were not harmless.

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Ms. Kavanagh provided her website and study references to City Manager Malinen.

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Kathryn Park, 2070 Midlothian

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Ms. Park noted that she was also in attendance to confront this issue for the second time in three years; opining that this was not an appropriate location on Snelling Avenue for this type of business.

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Ms. Park encouraged the City Council to consider an ordinance, modeled on that of the City of Bloomington and their related 2006/07 study, restricting pawn shops and additional safeguards through limiting pawn shops at one per 50,000 residents. Ms. Park also referenced similar research by the City of St. Louis Park and their research on the location of pawn shops. Ms. Park noted the negative impacts of current economics on housing market trends; opining that there was no need for those property values to receive an additional negative impact from locating a pawn shop adjacent to a residential neighborhood. Ms. Park noted the positive amenities of Roseville and reiterated her support for a population-based ordinance, also specifying that a pawn shop location could not be in close proximity to residential or other businesses.

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Gary Grefenberg, 91 Mid Oaks Lane

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Mr. Grefenberg emphasized that neighbors were concerned that the City Council address this issue now to avoid another proposal coming forward in another 2-3 years; and suggested the ordinance be modeled from those adopted by the City of Bloomington or the City of St. Louis Park. Mr. Grefenberg expressed his pride in neighbors doing research on other studies and other communities; and noted his personal concern with property values declining due to location of a pawn shop in the area. Mr. Grefenberg encouraged the City Council to deny the application, based on the findings outlined in the proposed ordinance that incorporated public comments heard at the most recent Planning Commission's Public Hearing, as well as that of three years ago; and represented joint efforts of staff and neighbors.

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87 Willmus moved, Johnson seconded, adoption of Resolution No. 10895
88 (Attachment F) entitled, "A Resolution DENYING an Application to Approve a
89 Pawn Shop as a Conditional Use at 2057 Snelling Avenue (PF11-005)."

90 Councilmember Johnson noted the ongoing and eminent threat to this
91 neighborhood with the application coming back for the second time in three
92 years; and personally offered his support and taking the initiative to represent
93 the neighborhood in their efforts for a City ordinance addressing pawn shops
94 in general.

95 Mayor Roe noted that the City's Police and Planning staff were already
96 undertaking such an ordinance. Mayor Roe noted that the City Council was
97 alerted to the need for such an ordinance in 2008 when the first application
98 came forward; and apologized to the public as a city leader in not taking
99 affirmative action to follow through before now.

100 **Roll Call**

101 **Ayes:** Willmus; McGehee; Johnson; and Roe.

102 **Nays:** None.

103 Mr. Trudgeon confirmed that staff and the City Attorney were currently
104 addressing ordinance, as well as licensing, issues related to pawn shops; and
105 anticipated coming to the City Council for their review and consideration in
106 the near future.

107 Mayor Roe asked that staff address both quantity and zoning issues.

108 Mr. Trudgeon noted, if applications for such a land use were kept as a
109 Conditional Use, amendment to the Zoning Code would be minor.

110 Mayor Roe asked that staff also look at other types of uses, such as adult
111 uses, as part of this review.

112 Councilmember Johnson, in recognizing that staff was already working on
113 such a revision, advised that he will not pursue this as a Councilmember-
114 initiated item later in tonight's agenda.

115 Councilmember McGehee noted the specific reference in the City of
116 Bloomington's ordinance that addressed proportions of the next populations
117 segments.

118 Mayor Roe thanked staff and the public for their interest and participation in
119 this issue.

Pawn Shops

City	No Limit	Limits	Restrictive Ordinance effectively barring pawn shops
ANDOVER		3	
ANOKA		2	
APPLE VALLEY			X
BLAINE		1	
BLOOMINGTON		1 per 50,000 pop. Per US Census	
BROOKLYN CENTER	NO		
BROOKLYN PARK	NO		
BURNSVILLE			X
CENTENNIAL LAKES	NO		
CHAMPLIN	NO		
COLUMBIA HEIGHTS	NO		
COON RAPIDS		2	
COTTAGE GROVE			X
CRYSTAL	NO		
DULUTH	NO		
EAGAN			X
EDEN PRAIRIE			X
EDINA			X
FARMINGTON	NO		
FOREST LAKE	NO		
FRIDLEY		2	
GOLDEN VALLEY			X
HASTINGS	NO		
HIBBING *			
INVER GROVE HEIGHTS	NO		
LINO LAKES			X
MAPLE GROVE			X
MAPLEWOOD		1	
MENDOTA HEIGHTS	NO		
MINNEAPOLIS	NO		
MINNETONKA			X
MOUNDS VIEW	NO		
NEW BRIGHTON	NO		
NEW HOPE *			
OAKDALE	NO		
PLYMOUTH			X
RAMSEY	NO		
RICHFIELD			X
ROBBINSDALE	NO		
ROCHESTER	NO		
ROSEMOUNT	NO		
ROSEVILLE	NO		
SOUTH ST.PAUL	NO		
SPRING LAKE PARK	NO		
ST. LOUIS PARK		2	
ST. ANTHONY	NO		
ST. CLOUD	NO		
ST. FRANCIS	NO		
ST.PAUL	NO		
STILLWATER	NO		
WAYZATA			X
WEST ST.PAUL	NO		
WOODBURY	NO		

*No ordinance addressing pawn shops