

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: July 12, 2010
	Agenda Item No. 34 Roll Call No. [Roll Call] Communication No. <u>10-448</u> Submitted by: Phillip Delafield, Director, Community Development

AGENDA HEADING:

Hearing on application from Pawn America Iowa, LLC for relief from the moratorium to allow pawn businesses at 4620 SE 14th Street and 5730 Douglas / 3709 Merle Hay Road.

SYNOPSIS:

On May 17, 2010 the City Council adopted a temporary moratorium on the establishment of a new or relocation of existing delayed deposit services businesses and pawn businesses pending the comprehensive review of the applicable regulations. The moratorium is in effect until November 9, 2010. Staff is reviewing and preparing recommendations to the Plan and Zoning Commission and City Council regarding whether additional or alternate regulation of delayed deposit services businesses and pawn businesses is needed and what the regulations should be, to prevent or minimize the detrimental impacts of such businesses upon the adjoining and neighboring properties. Since any proposed regulations may impact the locations proposed by Pawn America to varying extents, staff recommends that the City Council uphold the moratorium unless the Council determines that the application of the moratorium is causing the applicant unnecessary hardship.

FISCAL IMPACT: NONE

Amount: N/A

Funding Source: N/A

ADDITIONAL INFORMATION:

Pursuant to Roll Call 10-773 on May 17, 2010, the City Council made the following findings of fact in support of a moratorium on the establishment of new or relocation of existing delayed deposit services businesses and pawn businesses:

- The proliferation of delayed deposit services and businesses (commonly known as “payday lenders”) and pawn businesses suggests a commercial corridor and the adjoining neighborhoods are in economic and social decline, negatively impacting reinvestment, economic development efforts and property values along the corridor and the adjoining neighborhoods.
- These businesses do not create much foot traffic for adjacent businesses and a proliferation of them at particular locations can overwhelm a neighborhood and can be a disincentive for the location of other neighborhood businesses in close proximity to them.

- It is reasonable and appropriate to regulate the placement and location of delayed deposit services businesses and pawn businesses so as to avoid the clustering of such businesses and to protect the surrounding neighborhoods from distress and the appearance of commercial districts in decline and to avoid the adverse effects upon the overall business atmosphere of the City, which are likely to result from an over-concentration of such businesses within the commercial corridors.
- A temporary moratorium on the establishment of new or relocation of existing delayed deposit services businesses and pawn businesses is necessary and appropriate to prevent such businesses from locating at sites that are detrimental to the immediate area and the City as a whole, until appropriate regulations can be developed and implemented.

PREVIOUS COUNCIL ACTION(S):

Date: June 28, 2010

Roll Call Number: 10-1079 and 10-1080

Action: On continuing of public hearing on application from Pawn America Iowa, LLC for relief from the moratorium to allow pawn businesses at 4620 SE 14th Street and 5730 Douglas/3709 Merle Hay Rd. (Council Communication No. 10-415) Moved by Griess to adopt. Motion Carried 7-0. Communication from attorneys for Bankers Trust, 3905 Merle Hay Road in objection to request for Hardship Waiver. Moved by Griess to receive and file. Motion Carried 7-0.

Date: June 14, 2010

Roll Call Number: 10-956

Action: Hearing on application from Pawn America Iowa, LLC for relief from the moratorium to allow pawn businesses at 4620 SE 14th Street and 5730 Douglas / 3709 Merle Hay Road. Moved by Hensley to continue to the June 28 Council meeting at 5:00 P.M. Motion Carried 6-1. Absent: Coleman.

Date: May 17, 2010

Roll Call Number: 10-773

Action: Resolution establishing a 6-month temporary moratorium on the establishment of new or relocation of existing delayed deposit services businesses and pawn businesses, pending a comprehensive review of the applicable regulations. Moved by Meyer to adopt; to approve the findings identified in the resolution; to direct the City Manager and City Attorney to review and report on possible City regulation of the interest rates and fees imposed by pawn brokers and on ways to implement such restrictions for consideration by the City Council at its meeting on May 24th; to schedule a public hearing by the City Council to be held at its meeting on June 14, 2010, to consider applications by Pawn America Iowa LLC, and by American Pawn Stars for relief from this moratorium, provided such applications are timely received; and, to receive and file the documents submitted to the City Council during the public comment on this item. Motion Carried 6-1. Absent: Griess.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Consideration of any proposed regulations.

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