



**DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES**

*Planning Division*

**m e m o r a n d u m**

**TO:** Mayor Laurel Lunt Prussing

**FROM:** Elizabeth H. Tyler, FAICP

**DATE:** December 6, 2012

**SUBJECT:** An amendment to Table V-1 of the Urbana Zoning Ordinance to permit “Pawn or Consignment Shop” in the B-3, General Business District, Urbana Zoning Administrator, applicant. (Plan Case 2192-T-12)

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**Introduction**

This memorandum is a follow-up to the November 19<sup>th</sup>, 2012 City Council meeting. At that meeting Council asked City staff to amend the draft ordinance to change the level of review for Pawn Shops. Under the original request, Table V-1, Table of Uses, of the Zoning Ordinance would have permitted “Pawn or Consignment Shop” by right in the B-3, General Business district. Currently, that use is permitted by right only in the B-4 and B-4E districts.

This memo and the attached ordinance reflect the following changes requested by City Council:

- Pawn shops are listed separately from Consignment Shops in Table V-1, Table of Uses.
- Consignment shops will continue to be allowed by right in B-4 and B-4E, and will now be allowed by right in the B-3 district.
- Pawn shops will become a Special Use in the B-3, B-4, and B-4E zoning districts.
- Staff was asked to investigate whether the approval of pawn shops as a Special Use should be subject to any standard conditions, such as review by the Chief of Police.

Concurrent with the proposed text amendment, staff is processing a Special Use Permit application to allow for expansion of the pawn shop located at 1004 W. University. The applicant is purchasing the property, and wishes to close before the end of the calendar year. This application will be heard before the Urbana Plan Commission on December 20<sup>th</sup>, 2012, and is tentatively scheduled for a special meeting of City Council on December 21<sup>st</sup>.

## Discussion

The first part of the revised ordinance splits “Pawn or Consignment Shop” into two separate uses. Pawn shops are businesses which specialize in lending relatively small sums of money on a short-term basis with the loans being secured by personal property. Once the loan is repaid the property is returned to the borrower. If the loan is not repaid according to the agreed upon terms, the pawnbroker may sell the merchandise to recoup the loan. Additionally, other customers will often sell items to pawn shops for resale without a loan being involved. Consignment shops are retail stores which display and sell merchandise owned by other parties for a portion of the sales proceeds. Consignment shops are distinct from other used merchandise stores in that they sell merchandise that they do not own. City Council has recommended to allow consignment shops by right in the B-3, B-4, and B-4E districts.

Pawnshops in Illinois are regulated by the State of Illinois Department of Financial and Professional Regulation under 205 ILCS 510 (the Pawnbroker Regulation Act). This act imposes requirements designed to protect consumers and to provide a reporting system to insure that transactions are communicated daily to local police. Following are some of the regulations in the act:

- License application and background check with the State.
- State inspections every two years.
- Limit of interest rates to three percent per month and limit of total finance charges to 20 percent of total loan amount per month.
- Disclosure of the full cost of the loan required upfront.
- Automatic 30-day extension of unpaid loans to give customers a chance to pay off loan and get their item back.
- Prohibits minors, intoxicated individuals, and anyone with a theft conviction from pawning items.
- Requirement to identify all customers wishing to pawn or sell items with state-issued photo identification or at least two forms of identification showing address.
- Option for home-rule municipalities to require stricter identification requirements of persons pawning items.
- Requirement to keep detailed records of all transactions, including customer name and address, and merchandise descriptions and serial numbers, and monetary values for police inspection for a period of three years.
- Requirement to send the county sheriff and local police a complete inventory of all items pawned in a daily report.
- Requirement to hold items pawned for 48 hours so that police can check if items are reported stolen.
- Stolen items are returned to their rightful owners at no charge.
- Video camera requirements if local law enforcement and attorneys general request it.

In light of these strict state requirements, staff recommends that standard Special Use Permit requirements concerning operations are already covered by State laws. However, the Urbana City

Council has the authority to add conditions for approval of a Special Use Permit on a case-by-case basis. This authority will ensure that any potential impacts of a pawn shop are appropriately addressed.

### Revised Text Changes

The proposed changes are listed below, using a strikethrough and underline notation system. A strikethrough is used to indicate ~~deleted language~~, while an underline is used to indicate added language.

Principal Uses	R-1	R-2	R-3	R-4	R-5	R-6	R-6B	R-7	AG	B-1	B-2	B-3	B-3U	B-4	B-4E	CCD	CRE	MOR	IN-1	IN-2	
<b>Business</b>																					
<del>Pawn or Consignment Shop</del>												<del>P</del>		<del>P</del>	<del>P</del>						
<u>Pawn Shop</u>												<u>S</u>		<u>S</u>	<u>S</u>						

The proposed changes only affect Table V-1, Table of Uses. There are no additional regulations in the Zoning Ordinance regarding pawn or consignment shops.

### Options

The Urbana City Council has the following options regarding Plan Case 2192-T-12:

- a. Approve the proposed zoning ordinance text amendment as presented herein;
- b. Approve the proposed zoning ordinance text amendment as modified by specific suggested changes; or
- c. Deny the proposed zoning ordinance text amendment.

### Recommendation

At their November 8<sup>th</sup>, 2012 meeting, the Urbana Plan Commission voted seven ayes to zero nays to forward the proposed zoning ordinance text amendment to City Council with a recommendation for **APPROVAL** as presented. On November 19<sup>th</sup>, 2012, City Council recommended specific changes to the ordinance. Staff has added those changes and recommends approval of the modified ordinance.

Prepared by:

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Jeff Engstrom, AICP  
Planner II

cc: Bruce Hunter, B & H Real Estate Ventures, LLC.  
Bob Rigdon, Gold and Diamond Exchange

**ORDINANCE NO. 2012-11-106**

An Ordinance Amending the Zoning Ordinance of the City of Urbana, Illinois  
(Revision to Table V-1 to Permit "Pawn or Consignment Shop" in the B-3,  
General Business District - Plan Case No. 2192-T-12)

WHEREAS, the City Council of the City of Urbana, Illinois adopted Ordinance #9293-124 on June 21, 1993 which adopted the 1993 Comprehensive Amendment to replace the 1979 Comprehensive Amendment to the 1950 Zoning Ordinance of the City of Urbana which is also known as the Urbana Zoning Ordinance; and,

WHEREAS, the Zoning Administrator has applied to revise Table V-1, Table of Uses in order to permit "Consignment Shop" by right in the B-3, General Business District and to permit "Pawn Shop" with a Special Use Permit in the B-3, General Business, B-4, Central Business, and B-4E, Central Business-Expansion Districts; and

WHEREAS, said text amendment is consistent with the goals and objectives of the Urbana Comprehensive Plan; and

WHEREAS, after due publication in accordance with Section XI-7 of the Urbana Zoning Ordinance and with Chapter 65, Section 11-13-14 of the Illinois Revised Statutes, the Urbana Plan Commission held a public hearing on this application at their November 8th, 2012 meeting; and

WHEREAS, the Urbana Plan Commission on November 8<sup>th</sup>, 2012 voted 7 ayes to 0 nays to forward this application to the Urbana City Council with a recommendation for approval;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, that the Urbana Zoning Ordinance shall be amended as follows:

Section 1. That Table V-1, Table of Uses, of Urbana Zoning Ordinance is hereby amended to list the following permissions for "Consignment Shop" and "Pawn Shop":

**Table V-1. Table of Uses**

Principal Uses	R-1	R-2	R-3	R-4	R-5	R-6	R-6B	R-7	AG	B-1	B-2	B-3	B-3U	B-4	B-4E	CCD	CRE	MOR	IN-1	IN-2
<b>Business</b>																				
Consignment Shop												P		P	P					
Pawn Shop												S		S	S					

Section 2. The City Clerk is directed to publish this Ordinance in pamphlet form by authority of the corporate authorities. This Ordinance shall be in full force and effect from and after its passage and publication in accordance with the terms of Chapter 65, Section 1-2-4 of the Illinois Compiled Statutes (65 ILCS 5/1-2-4).

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called of a majority of the members of the City Council of the City of Urbana, Illinois, at a regular meeting of said Council on the 17th day of December, 2012.

PASSED by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

AYES:

NAYS:

ABSTAINED:

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor

**CERTIFICATE OF PUBLICATION IN PAMPHLET FORM**

I, Phyllis D. Clark, certify that I am the duly elected and acting Municipal Clerk of the City of Urbana, Champaign County, Illinois. I certify that on the \_\_\_\_ day of \_\_\_\_\_, 2012, the corporate authorities of the City of Urbana passed and approved Ordinance No. \_\_\_\_\_, entitled "An Ordinance Amending the Zoning Ordinance of the City of Urbana, Illinois -- (Revision to Table V-1 to Permit "Pawn or Consignment Shop" in the B-3, General Business District - Plan Case No. 2192-T-12)" which provided by its terms that it should be published in pamphlet form. The pamphlet form of Ordinance No. \_\_\_\_\_, including all of its attachments, was prepared, and a copy of such Ordinance was posted in the Urbana City Building commencing on the \_\_\_\_\_ day of \_\_\_\_\_, 2012, and continuing for at least ten (10) days thereafter. Copies of such Ordinance were also available for public inspection upon request at the Office of the City Clerk.

DATED at Urbana, Illinois, this \_\_\_\_\_ day of \_\_\_\_\_, 2012.