



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Planning Division

m e m o r a n d u m

TO: Urbana Plan Commission

FROM: Jeff Engstrom, AICP, Planner II

DATE: November 2, 2012

SUBJECT: Plan Case 2192-T-12: 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.

Introduction

The Zoning Administrator is requesting an amendment to Table V-1, Table of Uses, of the Zoning Ordinance in order to revise districts in which a “Pawn or Consignment Shop” is permitted. Currently, “Pawn or Consignment Shop” is a permitted use only in the B-4, Central Business and B-4E, Central Business Expansion zoning districts, where it is permitted by right. The Zoning Administrator is proposing to allow “Pawn or Consignment Shop” in the B-3, General Business district as permitted by right.

Discussion

The proposed text amendment involves two specific retail uses that involve secondhand merchandise. 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. On the other hand, 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. For example a Goodwill store sells merchandise that has been donated to the store, and a used book store sells merchandise that the store owners have purchased. In Urbana, secondhand merchandise stores do not have their own use category, but fall under the use category of the types of goods they sell.

Pawn shops and consignment stores have been gaining popularity over the last decade. This is due to both economic and cultural factors. As the national economy recovers from the recession, people have been supplementing their income by selling un-needed items. Sometimes people who cannot qualify for traditional loans will pawn items to make ends meet. Additionally, reality TV shows have brought pawnshops and secondhand sales into the mainstream. From an environmental perspective, encouraging re-use and re-sale of existing goods serves to reduce the pace of resource depletion and emissions from manufacturing new goods.

Pawnshops in Illinois are regulated by the State of Illinois Department of Financial and Professional Regulation. According to the state, as of August 2011, there were five pawn shops in Champaign County: three in Champaign, one in Rantoul, and one in Urbana. State law has strict requirements for pawn shops designed to reduce sales of stolen goods and place limits on interest charges. Pawn shops must obtain identification from anyone wishing to pawn or sell items, and must send the County Sheriff a list of all items that have been bought or pawned.

Currently, the Urbana Zoning Ordinance (Table V-1) permits pawn shops only in the B-4 (Central Business District) and B-4E (Central Business District Extended) zoning districts. Consequently, pawn shops are now only allowed in Urbana's downtown and in Schnuck's Plaza. City staff is aware of one pawn shop in the City, the Gold and Diamond Exchange (1004 West University Avenue), which is located in the B-3 district. This pawnshop has operated successfully at this location for over 25 years. The owner is now in the process of selling the store so that he can retire from the business. The future owner of the pawn shop has recently approached the City with plans to expand by 1,750 square feet. Since pawn shops are non-conforming uses in the B-3 District, the City cannot approve plans to expand the pawn shop unless the table of uses is amended as proposed. There is one known consignment shop in Urbana, Ella's Consignment Shop. This store is located in the B-4, Central Business district and will not be affected by the proposed text amendment.

In researching the proposed text amendment, staff found that other cities generally do not have a specific use category for pawn or consignment shops. Some cities do not permit them at all. Many cities, such as Champaign, treat them as a general retail use in terms of which districts they are allowed to operate in. Some cities address pawn shops separately in their city code in terms of what identification is needed to pawn an item and how long it must be held.

Because there does not appear to be a strong land use basis for restricting pawn shops to only B-4 and B-4E districts, City staff is proposing to amend the Zoning Ordinance's Table of Uses to permit pawn shops and consignment shops in the B-3 (General Business District). Pawn shops sell a variety of goods, including electronics, jewelry, musical instruments and furs. These types of goods are allowed to be sold in other districts in the City. Expanding pawn shops and consignment shops to be allowed in the B-3, General Business district will be consistent with the general retail nature of these stores and will correct a nonconforming use at the Gold and Diamond Exchange.

While staff recommends allowance of pawn and consignment shops in the B-3 district, allowing these uses in other business districts would not be appropriate. Neighborhood business districts, B-1

and B-2 are designed for businesses that provide a service to a smaller area, while pawn shops attract business from across the entire city. The other business districts in the City, B-3U and CCD, are focused on the University of Illinois area and are aimed at providing mixed-use developments, with multi-family housing and limited retail to serve residents and students. This type of development would not be consistent with pawn shops, which are generally stand-alone stores or in auto-oriented retail strips.

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
Business																				
Pawn or Consignment Shop												P		P	P					

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.

Summary of Staff Findings

1. The proposed amendment will modify Table V-1, Table of Uses in the Urbana Zoning Ordinance to allow “Pawn or Consignment Shop” as permitted by right in the B-3, General Business District.
2. The proposed amendment will allow for “Pawn or Consignment Shop” uses to expand from only being allowed in the Downtown zoning districts to areas zoned B-3 throughout the City.
3. Urbana’s only pawn shop, the Gold and Diamond Exchange, has been operating successfully for over 25 years.
4. The proposed amendment will allow for investment in and expansion of the only pawn shop in Urbana.
5. The proposed amendment is consistent with the goals and objectives of the 2005 Urbana Comprehensive Plan regarding updating various sections of the Zoning Ordinance.

6. The proposed amendment conforms to notification and other requirements for the Zoning Ordinances as required by the State Zoning Act (65 ILCS 5/11-13-14).

Options

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

- a. forward this case to City Council with a recommendation for approval as presented herein;
- b. forward this case to City Council with a recommendation for approval as modified by specific suggested changes; or
- c. forward this case to City Council with a recommendation for denial.

Staff Recommendation

Based on the evidence presented in the discussion above, and without the benefit of considering additional evidence that may be presented at the public hearing, staff recommends that the Plan Commission recommend **APPROVAL** of the proposed text amendment to the Zoning Ordinance as presented herein.

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