

## GENERAL INFORMATION

Applicant: City of Bloomington

Request: City Code Amendment to allow pawn shops as a conditional use in the B-4 Zoning District

## CHRONOLOGY

Planning Commission:	11/02/2023	Public hearing held
City Council:	12/04/2023	Public hearing scheduled

## DEADLINE FOR AGENCY ACTION

<b>Applicable Deadline:</b>	Agency Action Deadline waived by Applicant
Newspaper Notification:	Confirmed (11/23/23 Sun Current – 10-day notice)

## STAFF CONTACT

Thomas Ramler-Olson, Planner  
Phone: (952) 563-8928  
E-mail: [tramlrolson@BloomingtonMN.gov](mailto:tramlrolson@BloomingtonMN.gov)

## PROPOSAL

At the direction of the City Council, planning staff propose amending City Code § 21.209(d) per **Exhibit A**, which would allow pawn shops as a conditional use in the Neighborhood Commercial Center (B-4) Zoning District, where they are currently prohibited.

## BACKGROUND

The following information guided the staff's recommendation and provides important context for consideration of the proposal.

**Pawn Shops**

The following definitions are found in § 14.288:

Pawn shop – the location at which or the premises in which a pawnbroker regularly conducts business.

Pawnbroker – a person engaged in whole or in part in the business of lending money on the security of pledged goods left in pawn or in the business of purchasing tangible personal property to be left in pawn on the condition that it may be redeemed or repurchased by the seller for a fixed price within a fixed period of time.

The pawn shop use is defined similarly in the zoning code (§ 19.03) as follows:

Pawn shop – any business establishment operated by a pawnbroker as defined in Chapter 14 of this code, in which pawn transactions take place.

The table in § 21.209(d) categorizes a pawn shop use as retail.

Rules and regulations governing the establishment and licensing of pawn shops are found in Division M of Chapter 14 of the City Code. Of that division, § 14.295(d)(4) (**Exhibit B**) restricts the amount of licenses that may be issued to one per 50,000 inhabitants residing in the City. This standard was approved in 2007, along with others, as part of an ordinance amendment. Consideration of that amendment spanned two meetings, one on April 23, 2007 and the other on May 7, 2007. The minutes from those meetings are attached as **Exhibits C and D**. The minutes show that the amendment was proposed to strengthen existing regulations that address the issue of stolen goods that are sold to pawn shops. Staff spoke with the Police Department about the proposed amendment making pawn shops a conditional use in the B-4 district, and they did not express any concerns.

Presently, two pawn shops are in Bloomington: Pawn America at 8650 Lyndale Avenue South and maX-it-Pawn at 9432 Lyndale Avenue South. Based on the pawn shop license restriction described in §14.295(d)(4), the current population of Bloomington would not allow an additional establishment. However, minutes from the public hearing dated April 23, 2007, noted that the City Council “could amend the ordinance to allow more pawnbroker licenses if the City ends up turning businesses away.” It must be noted that irrespective of what zoning districts allow pawn shops, the licensing provisions that significantly limit the quantity of these businesses are separate and distinct from the zoning provisions and will continue to have greater influence over the expansion or existence of pawn shops in Bloomington.

**Lyndale Avenue Suburban Retrofit Plan**

On April 5, 2021, the City of Bloomington adopted the Lyndale Avenue Suburban Retrofit Plan (“Retrofit Plan”). This plan is extensive, but essentially, its purpose is to guide and shape Lyndale Ave into a vibrant multimodal corridor lined by a mix of residential, commercial, and public amenities. The Retrofit Plan directed the City to complete a list of actions to meet its vision. One of those actions was the rezoning of a group of parcels along or near Lyndale Ave from B-2 (General

Commercial) to B-4 (Neighborhood Commercial Center). That action is discussed in greater detail below.

#### **B-4 Zoning District**

The B-4 District is defined in § 21.204.03, which describes it as designed to provide for neighborhood-scale commercial and residential mixed uses configured in a pedestrian-friendly manner. Its provisions are intended to do the following:

- Promote an attractive streetscape through building placement and design;
- Restrict incompatible uses, including gas stations, auto repair, and car washes;
- Ensure development is easily accessible by foot or bicycle;
- Reduce the visual impact of parked vehicles by requiring the placement of vehicle parking areas to the side or rear of buildings;
- Create opportunities for residential uses when mixed with commercial uses; and
- Promote a balance of retail, service, dining, medical office, and residential uses which serve and complement surrounding neighborhoods.

#### **Lyndale Rezonings**

As mentioned above, one action prioritized in the Retrofit Plan was the rezoning of specific lots on or near Lyndale Ave from B-2 to B-4. The 28 lots that were rezoned (shown in **Exhibit E**) are concentrated near Lyndale Ave's intersections with W 86<sup>th</sup> Street and W 98<sup>th</sup> Street. The City Council approved this proposal (Case # PL2023-106) on September 18, 2023. Minutes from this meeting are shown in **Exhibit F**.

Based on its description provided above, the B-4 District prohibits many auto-oriented uses, since they conflict with a pedestrian-friendly development pattern. The B-4 District also prohibits pawn shops, a conditional use permitted in the B-2 District and present on one of the 28 parcels that was rezoned at the September 18, 2023 City Council meeting. The rezoning of that lot, occupied by Pawn America and located at 8650 Lyndale Ave S, to B-4 made it a legally non-conforming use.

This matter was brought to the City's attention at the August 17, 2023, Planning Commission meeting by representatives of Pawn America, who were concerned about the future legal non-conforming status of their property. They spoke about how the rezoning might impair their ability to redevelop or expand the lot in a manner consistent with the Retrofit Plan, even though any plans for redevelopment are not currently under consideration by the property owner. Minutes from that Planning Commission meeting are shown on **Exhibit G**. After the Planning Commission meeting, staff met with Pawn America to work through possible solutions. In a letter addressed to the City Council for consideration at the September 18, 2023 meeting, Pawn America requested that the City amend the city code, specifically the district use table in § 21.209(d), to allow pawn shops that were established prior to September 19, 2023, as a conditional use in the B-4 District. The City Council then directed staff to study this issue and draft a proposed amendment to the B-4 District for consideration at a future public hearing.

## ANALYSIS

### **Compatibility between pawn shops and the B-4 District**

Staff reviewed minutes from the public hearings held over four City Council meetings in 2006 considering the establishment of the B-4 District. Those minutes did not show any discussion of pawn shops and the reasoning behind their exclusion from B-4. However, it is noteworthy that the B-4 zoning district was created prior to the pawn shop licensing amendments that occurred in 2007, which added the restriction on the number of pawn licenses to one per 50,000 residents. As such, limiting the zoning district to where these uses could occur may have been a means to restrict the expansion of the use prior to the licensing requirements that currently exist in code fulfilling that purpose. It is also important to note that the two existing pawn shops in existence in 2006, were both zoned B-2.

As stated previously, the intent of the B-4 District includes restricting incompatible auto-oriented uses and promoting a balance of retail, service, dining, medical office, and residential uses. After comparing this intent statement with “pawn shop” as a use, staff sees no incompatibility and no reason to exclude pawn shops from B-4. A pawn shop is not an auto-oriented use and is similar to standard retail businesses from a land use characteristics perspective. Within the City’s use table (§ 21.209(d)), the pawn shop use is listed underneath the broader use category of Retail Sales and Services. As such, the city code already recognized pawn shops as a form of retail use. The characteristics that distinguish pawn shops from standard retail use are addressed through the licensing provisions in Chapter 14 of the City Code.

### **Compatibility between pawn shops and the Retrofit Plan**

The Retrofit Plan also does not discuss any conflicts specifically related to pawn shops with its goals, nor are pawn shops mentioned at all, including in the public engagement materials reviewed by staff. Retail is an important component of the use mix the plan encourages. Staff believe that pawn shops would be an acceptable use within the B-4 District and along Lyndale Avenue as envisioned by the Retrofit Plan.

## PUBLIC CORRESPONDENCE

Staff received one comment on October 30, 2023, concerning the proposed amendment, which came from Pawn America and is attached as **Exhibit H**. In that letter, Pawn America endorses the proposed amendment and encourages the Planning Commission to recommend the City Council approve it.

## PLANNING COMMISSION REVIEW

The Planning Commission held a public hearing to consider the proposed amendment at their November 2, 2023 meeting. One person, representing Pawn America, spoke in favor of the proposed amendment. During that meeting, members of the Planning Commission voiced questions and comments related to the restrictions on the number and size of pawn shops within city code.

After questions and discussion, the Planning Commission disagreed with staff's interpretation of the appropriateness of pawn shops within the area defined by the Lyndale Retrofit Plan and their compatibility with the B-4 District. Ultimately, the Planning Commission voted to not recommend to allow pawn shops in the B-4 zoning district as a conditional use (Vote: 4-2). Two members of the Planning Commission were supportive of the City initiated ordinance. The full details of the Planning Commission public hearing and discussion can be found in the attached meeting minutes.

## **RECOMMENDATION**

The Planning Commission recommends denial of an ordinance amending the City Code to allow pawn shops as a conditional use in the B-4 District through the following motion:

Motion by \_\_\_\_\_, seconded by \_\_\_\_\_, in Case #PL2023-170, I move to not adopt Ordinance No. 2023-\_\_\_\_\_, AN ORDINANCE AMENDING CHAPTER 21 OF CITY CODE PER EXHIBIT A, ALLOWING PAWN SHOPS AS A CONDITIONAL USE IN THE NEIGHBORHOOD COMMERCIAL CENTER (B-4) ZONING DISTRICT.

Should the City Council decide to follow the staff recommendation in this case to adopt an ordinance allowing pawn shops as a conditional use in the B-4 zoning district, staff recommends the following motion:

Motion by \_\_\_\_\_, seconded by \_\_\_\_\_, in Case #PL2023-170, I move to adopt Ordinance No. 2023-\_\_\_\_\_, AN ORDINANCE AMENDING CHAPTER 21 OF CITY CODE PER EXHIBIT A, ALLOWING PAWN SHOPS AS A CONDITIONAL USE IN THE NEIGHBORHOOD COMMERCIAL CENTER (B-4) ZONING DISTRICT.

If the City Council adopts the ordinance designating pawn shops as a conditional use in the B-4 zoning district, staff recommends authorization of summary publication of the ordinance through the following motion:

Motion by \_\_\_\_\_, seconded by \_\_\_\_\_ to adopt Resolution No. 2023-\_\_\_\_\_ authorizing summary publication of Ordinance No. 2023-\_\_\_\_\_, AN ORDINANCE AMENDING CHAPTER 21 OF CITY CODE PER EXHIBIT A, ALLOWING PAWN SHOPS AS A CONDITIONAL USE IN THE NEIGHBORHOOD COMMERCIAL CENTER (B-4) ZONING DISTRICT.