

**ORDINANCE
CITY OF SAINT PAUL, MINNESOTA**

Presented by _____

An ordinance amending Legislative Code Chapters 65 and 66,
adding a new use, alternative financial establishment, deleting a
use, currency exchange, setting standards and conditions,
amending the standards and conditions for pawn shops, and
identifying use districts where alternative financial establishments
are permitted

WHEREAS, City Council Resolution 09-1349, adopted December 9, 2009, and City Council Ordinance 09-1386, adopted January 13, 2010, enacted a moratorium on the establishment of any new currency exchanges or industrial loan and thrifts in the City based upon the Council's findings and rationale for the moratorium: that businesses that cash negotiable instruments for a fee are being established within existing businesses, including pawn shops, and are therefore locating where they would not otherwise be permitted by the City as a conditional or permitted use; that these new businesses have been established and operated where they would not otherwise be permitted under the City's present zoning regulations under the auspices of a certificate of authorization issued by the State of Minnesota to operate a business known as an "industrial loan and thrift; that these certificates of authorization are being used as a subterfuge to establish what are, in fact, currency exchanges; that the state-issued certificates further permit these businesses to make secured and unsecured consumer loans, including "pay day" loans; that businesses established in this manner are contrary to the zoning code and detrimental to the public health, welfare, and safety; and that the City's zoning regulations for these types of businesses and pawn shops are not coordinated; and

WHEREAS, Resolution 09-1349 and Ordinance 09-1386 directed the Saint Paul Planning and Economic Development (PED) department to conduct a study of the effectiveness of current zoning regulations regarding these uses before December 8, 2010 when the moratorium is set to expire; and

WHEREAS, the requested study has been prepared by staff, and the Planning Commission has reviewed the study and report regarding the current regulation of currency exchanges in §65.512 as well as other similar types of uses as required by Minnesota Statutes Chapter 462 Subd. 4; and

WHEREAS, a public hearing before the City Council having been conducted on October 20, 2010, at which all interested parties were given an opportunity to be heard, the Council having considered all the facts and recommendations concerning the amendments; NOW THEREFORE,

THE COUNCIL OF THE CITY OF SAINT PAUL DOES HEREBY ORDAIN:

Section 1

That Legislative Code Chapter 65 Zoning Code entitled "Land Use Definitions and Development Standards" is hereby amended as follows:

Sec. 65.512 65.511. Currency Exchange Alternative financial establishment.

~~Currency Exchange, as defined in Minnesota Statutes section 53A.01, means any person, except a bank, trust company, savings bank, savings and loan association, credit union, or industrial loan and thrift company, engaged in the business of cashing checks, drafts, money orders or travelers' checks for a fee. A person, firm, association, corporation or partnership~~

engaged in the business or service of check-cashing or making loans to be repaid in one lump sum or in installments over a set period of time, either collateralized or not, for which there is a fee or service charge, or interest received, including but not limited to loans collateralized by personal check, payroll check, wage assignment or personal property title, or collateralized with the promise to relinquish possession of any personal property upon default. Alternative financial establishment includes but is not limited to consumer small loan companies, currency exchanges, industrial loan and thrifts, and regulated loan companies, as defined and licensed by the Minnesota Department of Commerce. Alternative financial establishment does not include federal or state chartered banks, credit unions, or savings banks, nor does it "Currency Exchange" does not include a person, firm, association, corporation or partnership that provides the service of cashing checks, drafts, money orders, or travelers' checks for a fee, incidental to the person's primary business; if and the charge for cashing a check or draft does not exceed one dollar (\$1.00) or one (1) percent of the value of the check or draft, whichever is greater.

Standards and conditions:

- (a) ~~The currency exchange alternative financial establishment business~~ shall be located at least one hundred ~~fifty (150) (100)~~ feet from any lot in a residential district or lot occupied with a one-, two-, or multiple-family dwelling, measured in a straight line from the closest point of the building in which the business is or is to be located to the closest point of the residential property line.
- (b) No alternative financial establishment shall be located within (2,640) feet of another alternative financial establishment, measured from the nearest building wall of the existing establishment to the nearest building wall of the proposed use, or if there is no building, to the nearest lot line of the proposed use.
- (c) No alternative financial establishment shall be located within (1320) feet of any pawnshop, measured from the nearest building wall of the existing establishment to the nearest building wall of the proposed use, or if there is no building, to the nearest lot line of the proposed use.

Sec. ~~65.511~~ 65.512. Business sales and services.

Sec. 65.531. Pawn shop

- (c) No pawn shop shall be located within (1320) feet of any alternative financial establishment, measured from the nearest building wall of the existing establishment to the nearest building wall of the proposed use, or if there is no building, to the nearest lot line of the proposed use.

Section 2

That Legislative Code Chapter 66 Zoning Code – "Zoning District Uses, Density and Dimensional Standards" is hereby amended as follows:

Table 66.421. Principal Uses in Business Districts

Use	OS	B1	BC	B2	B3	B4	B5	Development standards
...								
Retail Sales and Services								

General retail		P	P	P	P	P	P	
<u>Alternative financial establishment</u>					<u>C</u>	<u>P</u>	<u>P</u>	✓
Bank, credit union	P	P	P	P	P	P	P	
Business sales and services					P	P	P	
<u>Currency exchange</u>					<u>C</u>	<u>P</u>	<u>P</u>	✓

Table 66.521. Principal Uses in Industrial Districts

Use	IR	I1	I2	I3	Development Standards
Retail Sales and Services					
General retail	P	P	P		
Alternative financial establishment		C	P		✓
Bank, credit union	P	P	P		
Business sales and services	P	P	P		
<u>Currency exchange</u>		<u>P</u>	<u>P</u>		✓

Section 3

That the basis for this ordinance shall be for the reasons originally set forth in Council File No's 09-1349 and 09-1386 as well as the staff report and the report of the planning commission, all of which are incorporated herein by reference but omitted for the purpose of brevity.

Section 4

This ordinance shall become effective thirty (30) days after its passage, approval, and publication.

	Yeas	Nays	Absent
Bostrom			
Carter			
Harris			
Helgen			
Lantry			
Stark			
Thune			

Requested by Department of:

Planning and Economic Development

By: _____

Form Approved by City Attorney

By: _____

Adopted by Council: Date _____

Adoption Certified by Council Secretary

By: _____

Approved by Mayor: Date _____

By: _____

Form Approved by Mayor for Submission to Council

By: _____