

City Council Meeting  
Council Chambers at City Hall

1. Call To Order/Roll Call/Pledge Of Allegiance

1.A. Agenda

Documents:

[1. PRELIMINARY AGENDA 2020-11-04.DOCX.PDF](#)

2. Resolution 2020-122 Deny Application For A Zoning Text Amendment To Establish Minimum Separation Requirements For Pawn Shops

Documents:

[2. MEMO - RESOLUTION 2020-122\\_MEMO\\_ZTA\\_PAWN\\_SHOP\\_SEPERATION.PDF](#)

3. Adjournment (The Council May Meet As A Group For Dinner)

NOTE:

Closed Captioning of Council meetings available on FCTV.

Please contact the City Administrator's Office if you need special accommodations related to a disability while attending the City Council meeting.



**Minn. Stat. § 13D.021 – Meeting by Telephone or Other Electronic Means; Conditions -**  
Minn. Stat. § 13D.021 provides that a meeting of a public body may be conducted via telephone or other electronic means if meeting in a public location is not practical or prudent because of a health pandemic or declared emergency.

## SPECIAL CITY COUNCIL MEETING

**COUNCIL CHAMBERS      WEDNESDAY, NOVEMBER 4, 2020      6:00 PM**

### AGENDA

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THE FARIBAULT CITY COUNCIL HAS RESUMED MEETING IN PERSON.  
ATTENDEES WILL BE REQUIRED TO PRACTICE SOCIAL DISTANCING AND WEAR FACE COVERINGS (MASKS) WHILE AT CITY HALL IN ACCORDANCE WITH THE REQUIREMENTS OF EMERGENCY EXECUTIVE ORDER 20-81 ISSUED BY GOVERNOR WALZ ON JULY 22, 2020.

A ZOOM MEETING WILL ALSO BE AVAILABLE:  
CALL IN NUMBER: 1 312 626 6799; MEETING ID: 898 4821 6131

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1. Call to Order/Roll Call/Pledge of Allegiance
2. Resolution 2020-122 Deny Application for a Zoning Text Amendment to Establish Minimum Separation Requirements for Pawn Shops
3. Adjournment  
*(The Council may meet as a group for dinner)*

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## Request for Council Action

**TO:** Mayor and City Council

**THROUGH:** Tim Murray, City Administrator  
Deanna Kuennen, C&ED Director

**FROM:** Peter Waldock, AICP, Planning Coordinator

**MEETING DATE:** November 4, 2020

**SUBJECT:** Resolution 2020-122 Deny Application for a Zoning Text Amendment to Establish Minimum Separation Requirements for Pawn Shops

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### **Background:**

Frank Marzario (the "Applicant"), owner of Pawn Minnesota at 230 Central Avenue, has applied for a zoning text amendment to establish a 3000-foot separation between pawn shops in the city. The ordinance if approved would prevent more than one pawn shop downtown and would limit the number of pawn shops in the city to 11 or 12 according to an estimate by City Staff. The applicant states that the intent of the application is to prevent a concentration of pawn shops in close proximity to each other. He noted other cities regulate the number of pawn shops licensed to operate within their jurisdiction and a couple of other cities regulate separation between them.

In 2018 the City Council approved Ordinance 2018-11 to establish Pawn Shop / Pawn Broker License Requirements and Automated Pawn System (APS) Compliance. APS will allow the Police Department to better regulate current and future pawn businesses, decrease and stabilize costs associated with the regulation of this industry, and increase identification of criminal activities through the timely collection and sharing of pawn transaction information.

As part of the City Council discussions of the pawn shop ordinance, the City Council agreed to consider a minimum separation requirement for pawn shop businesses in the city. Such an ordinance will limit the total number of pawn shops that can operate in the city and prevent a concentration of such businesses in one area of the city. Ultimately the City Council did not adopt the proposed zoning text amendment at the time (in 2018) to establish a 1-mile separation radius.

On August 3, 2020, the Planning Commission after proper notice, held a public hearing to consider the most recent zoning text amendment application from the Applicant. No one from the public spoke regarding this matter. City Staff received no comments from the public. The Planning Commission discussed the background of this request including the 2018 application for the separation requirement. In 2018, the Planning Commission had recommended against the separation ordinance finding that it was too restrictive and would limit competition, preferring a free market approach in the community.

In discussing the current application, the Planning Commission found that adding a separation requirement in the zoning ordinance would add complexity by having separate regulations apart from the recent pawn shop licensing ordinance (approved in 2018). The Planning Commission found that pawn shop separation requirements are a City Council Policy Decision, and would best be established in the pawn shop licensing ordinance and not in the zoning ordinance. The Planning Commission by a vote of 4-0 voted to recommend denial of the zoning text amendment application based on the finding that the separation requirement would add complexity if placed in the zoning ordinance.

The City Council at its meeting of August 12, 2020 considered the Planning Commission recommendation to deny the request. The City Council tabled the matter and the City extended the review period an additional 60 days to November 9, 2020 to allow discussion of establishing a separation requirement in the pawn shop licensing code instead of the zoning regulations.

The City Council discussed the matter at Joint Council Committee meeting on September 15, 2020 after which an ordinance was presented at the September 22, 2020 City Council meeting to amend Chapter 14 of the City Code regarding pawn shop licensing to establish a 3000-foot separation in this Chapter of the Code instead of the Unified Development Ordinance (zoning regulations).

The matter was tabled and for further discussion after legal concerns were raised about the establishing this requirement in chapter of the City Code of Ordinance suggesting that the separation requirement may be better placed in the zoning regulations. The City Council referred the matter back to the Joint Council Committee of October 6, 2020. Staff was asked to bring this back for consideration as an amendment to Unified Development Ordinance as development standard for pawn shop uses.

On October 13, 2020 the City Council by a 4-3 vote passed the first reading of Ordinance 2020-15 amend the Unified Development Ordinance to establish a 3000-foot separation between pawn shops as a development standard. On October 27, 2020 the City Council by a 3-4 vote failed to pass the second reading of this ordinance.

As a result of this outcome and the various alternative ordinance amendments considered by the Planning Commission and City Council, Staff determined that the application for a zoning text amendment to establish a 3000-foot separation between pawn shop businesses remains unresolved. For this reason, staff has updated the prior resolution for denial and is recommending the City Council pass the resolution in order to resolve the zoning application and the various proposed ordinance amendments within the 120-day review period.

**Recommendation:**

Adopt Resolution 2020-122 to Deny the Application for a Zoning Text Amendment to Establish Minimum Separation Requirements for Pawn Shops

**Attachments:**

- Resolution 2020-122

## **CITY OF FARIBAULT**

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### **RESOLUTION #2020-122**

#### **DENY APPLICATION FOR A ZONING TEXT AMENDMENT TO ESTABLISH MINIMUM SEPARATION REQUIREMENTS FOR PAWN SHOPS**

**WHEREAS**, On July 9, 2020, Frank Marzario, owner of Pawn Minnesota (Applicant), submitted an application requesting approval of a zoning text amendment to establish development standards that require a three-thousand (3000) foot minimum separation between pawn shops in the City; and

**WHEREAS**, City Staff completed a review of said application for a zoning text amendment and made a report (ZTA 18-2020) to the Planning Commission, a copy of which has been presented to the City Council on August 12, 2020; and

**WHEREAS**, the Planning Commission, on the 3<sup>rd</sup> day of August 2020, following proper notice, held a public hearing regarding the Applicant's request, and following said public hearing recommended that the City Council deny the Applicant's request based on the following findings:

Finding 1:

The Planning Commission finds that establishing a separation requirement in the zoning ordinance (part of the Unified Development Ordinance) would add a second, separate ordinance regulating pawn shops administered by two different City departments which adds complexity. The Planning Commission therefor finds that the best place to regulate the separation between pawn shops is as a part of the licensing requirements rather than within the zoning ordinance as part of the Unified Development Regulations.

Finding 2:

In 2018 the Planning Commission found that a similar proposal to establish a minimum separation requirement for Pawn Shops is not consistent with the Land Use Plan guidelines to attract and grow businesses in the City the application appeared to be for the benefit of one business owner in the City and this initial finding of the Planning Commission has not changed with the current application.

;and

**WHEREAS**, at a public meeting on August 12, 2020, the City Council considered the Applicant's request and the recommendation of the Planning Commission and tabled action on the matter to consider placing the separation requirement in the City Pawn Shop Licensing Ordinance instead of the Unified Development Ordinance and extended the application review period to November 9, 2020; and

**WHEREAS**, the City Council considered this matter at Joint Council Committee meeting on September 15, 2020 and directed Staff to prepare an ordinance amendment to Chapter 14 of Code of Ordinances regarding Pawn Shop Licensing requirements for the purpose of establishing a minimum separation requirement of 3000 feet as requested by the applicant; and

**WHEREAS**, on September 22, 2020 the City Council considered the proposed ordinance amending Chapter 14 of the City Code of Ordinance to establish the proposed pawn shop separation requirement, but was advised that there were potential legal and practical concerns with this approach and the matter was tabled for further discussion at the Joint Council Committee meeting of October 6, 2020; and

**WHEREAS**, on October 13, 2020 after a discussion of various approaches and concerns related to this proposal, the City Council by a 4-3 vote, approved the first reading of Ordinance 2020-15 to Amend Section 7-30 of the Unified Development Ordinance to add a Separation Requirement for Pawnbrokers; and

**WHEREAS**, on October 27, 2020 the City Council by a 3-4 vote, failed to pass the ordinance on second reading; and

**WHEREAS**, various iterations of the Applicant's proposed zoning text amendment involving a three-thousand (3000) foot separation between pawn shop businesses and uses in the City have been drafted, reviewed and considered by the City Council and Planning Commission as referenced above, and

**WHEREAS**, the City Council desires to definitively act on all such proposed zoning text amendment iterations involving a three-thousand (3000) foot separation between pawn shop businesses and uses in the City.

**NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Faribault as follows:

**Section 1. City Council Findings for Denial.** The City Council hereby makes the following findings for denial of the Applicant's application for a zoning text amendment to establish a three-thousand (3000) foot separation between pawn shop businesses and uses in the City.

- A. The requested zoning text amendment is not consistent with a core value listed of the City's 2040 Comprehensive Plan which is to remove barriers for all businesses to succeed.
- B. The requested zoning text amendment appears to be for benefit of only the Applicant and not a benefit for the entire community and there may be better official controls and regulations for properly regulating pawn shops in the City.

**Section 2. Denial of Requested Zoning Text Amendment.** The City Council of the City of Faribault therefor denies the Applicant's request for a for a zoning text amendment to establish a three-thousand (3000) foot separation between pawn shop businesses in the City including all ordinance formulations as drafted, presented, reviewed and considered by the City Council and Planning Commission.

**Section 3. Authorized Actions of the City.** The Mayor, City Administrator, City Staff, and the City's Consultants are hereby authorized and directed to take any additional steps and actions necessary or convenient in order to accomplish the intent of this resolution.

**Section 4. Effective Date.** This resolution shall become effective immediately upon its passage and execution without publication.

**Date Adopted:** November 4, 2020

**Faribault City Council**

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Kevin F. Voracek, Mayor

**ATTEST:**

Timothy C. Murray, City Administrator