

STAFF REPORT

Date: September 13, 2017

To: Mayor and City Council

Thru: Sabra Newby, City Manager

Subject: **J.1. Staff Report (For Possible Action): Discussion and potential approval of the transfer of a pawnbroker license from Horseshoe Jewelry and Loan, Gregory Landrus, 229 North Virginia Street, Reno, NV to AA Pawn, Joan Mack, 300 North Virginia Street, Reno, NV.**

From: Michael Chaump, Business Relations Manager

Summary: This is a request for approval of the transfer, change of ownership and location of an active pawnbroker license held by Horseshoe Jewelry and Loan in the downtown area to AA Pawn, co-locating with Palace Jewelry and Loan Company, 300 North Virginia Street, Reno, NV. Staff recommends approval.

Background: A pawnbroker means a person engaged, in whole or in part, in the business of loaning money on the security of pledges, deposits or other secured transactions in personal property and includes any person who allows the use of a motor vehicle or title of a motor vehicle as collateral or security on a loan, if any of the loans involve the borrower forfeiting ownership of the vehicle at the expiration of the period of redemption. Pawnbroker shall not include banks, savings banks, trust companies, savings and loan associations, thrift companies, credit unions, development corporations, mortgage companies, insurance companies or companies conducting business pursuant to Chapter 675 of NRS. (RMC 5.08.011)

To protect the city's investment in the redevelopment area and promote an attractive downtown for tourists, additional pawnbroker licenses will not be approved in the downtown area, as identified ("the downtown area") in Chapter 18.06.

All pawnbrokers in the downtown area with approved business licenses or special use permits who received those permits prior to April 30, 1992, and maintain them in good standing may relocate within the following described area subject to securing all necessary city permits:

- (a) Northern boundary: The south side of West Third Street from east line of West Street to east line of Sierra Street; thence northerly along the east line of Sierra Street to the centerline of West Fifth Street; thence easterly along the centerline of West Fifth Street to

the west line of an alley being a north/south alley lying between North Virginia Street and Center Street; thence southerly along said west line to the south line of Plaza Street; thence easterly along the south line of Plaza Street to the west line of Lake Street;

(b) Eastern boundary: The west side of Lake Street from the south line of Plaza Street to East First Street;

(c) Southern boundary: The north side of First Street from Lake Street to West Street;

(d) Western boundary: The east side of West Street from West Third Street to West First Street.

The city established a preferred ratio of pawn shops to population as the number licensed and in operation downtown in 1991, less one, divided by population, or one pawnshop per 15,500 residents. The State demographer's certified 2016 population estimate for the City of Reno is 242,158 (RMC 5.08.120).

Discussion: As of April 30, 1992, 13 pawnbroker licensees were operating, or approved for operation in the downtown area. As these businesses relocate outside of the downtown area, go out of business, or otherwise cease operation, the number of licensees allowed in the downtown shall be reduced accordingly. As of August 28, 2017, the Business License Division has 15 active pawnbroker licenses citywide, 11 are located in the downtown area (Exhibit A).

Provisions are in place to allow existing licensees located in the downtown area to sell or transfer their pawnbroker license to a different operator subject to a vote of the City Council.

Reno Municipal Code, Title 5, Section 5.08.113 states, a pawnbroker license shall be nontransferable to any other person, or place of business except by a vote of the City Council, and the filing of a new bond by the person to whom such license is or may be transferred or assigned; and it shall be unlawful for any person to do business, or attempt to do business under a license transferred to him without such consent of the City Council.

This location, 300 North Virginia Street, is zoned Mixed Use/Downtown Reno Regional Center/Entertainment District (MU/DRRC/ENT). No new pawn shops are allowed in this zoning district. However, an existing pawn shop use is in operation at this location, and there is no proposal to expand or change the existing use. In staff's opinion the current pawn shop use is considered a legally established, non-conforming use, and therefore the Council may approve the requested transfer of license at this location.

The following divisions have reviewed the business license application and recommend approval:

- Planning/Zoning Inspection: Passed/Approved
- Police Inspection: Passed/Approved

- Fire Inspection: Passed/Approved
- Council Review: Pending

Financial Implications: None at this time.

Legal Implications: Legal review completed for compliance with City procedures and Nevada Law.

Recommendation: Staff recommends approval.

Proposed Motion: I move to approve staff recommendation.

Attachments:

- Exhibit A - Active Pawn Shops (PDF)