

Recommended Approach to Addressing Pawn Stores

The perceptions and impacts of pawn stores are made up of social, economic and land use influences. The table below highlights the four actions that Administration recommends to manage pawn stores in Edmonton. The four actions represent a holistic approach to managing pawn stores that supports the following key outcomes:

- **Design quality** - promote attractive buildings that contribute to the surrounding area
- **Safety** - ensure the design of buildings support safe streets and neighbourhoods
- **Root causes** - address underlying stigma and social dynamics that contribute to negative perceptions of those who use or operate pawn stores
- **Process streamlining** - support an efficient and predictable development permit process.
- **Competitive Business Climate** - ensure regulations support effective market conditions and customer benefits

Table 1: Recommended Actions

1 CONTINUE TO SUPPORT FINANCIAL EMPOWERMENT PROJECTS
<p>Details Financial empowerment activities focus on increasing consumer awareness, providing financial literacy education and increasing access to safe financial products and services.</p> <p>Current initiatives underway involving the City of Edmonton include collaboration with community partners who offer financial empowerment activities that enhance the financial well being of Edmontonians. These include Empower U, You Can Benefit, the Edmonton Financial Empowerment Collaborative, and the Financial Pathways Collaborative. Another significant project is Four Directions ATB Financial. Financial literacy has also been included in the Literacy Council Initiative Work Plan (2017-2021).</p>
<p>Relationship to research findings When meeting with pawn store operators, users of pawn stores, and service providers for vulnerable populations, stakeholders highlighted the importance of financial literacy in ensuring transactions were positive for the individual, including an understanding of the terms of the contracts they sign when pawning an item. These stakeholders also raised a number of financial services that are provided by pawn stores that are otherwise unavailable for some users, such as safe storage of items and access to small amounts of credit without a bank account.</p> <p>The need for alternative financial services for those in poverty is reflected in EndPovertyEdmonton Action #16 to “expand the spectrum of financial empowerment</p>

initiatives that includes developing a benefit navigator tool, identifying alternatives to PayDay Lending and enhancing the capacity of Empower U to provide financial literacy, savings and asset building.”

Outcome addressed: Root Causes

Financial empowerment activities represent an evidence based approach to enhancing financial stability and well-being, and supporting Edmontonians to make informed choices. This approach would help to address the root causes of why some users must turn to pawn stores, and would provide alternative options for vulnerable populations to access financial services.

2 DEVELOP AN IMPROVED METHOD FOR USERS OF PAWN STORES TO REPORT BAD OPERATORS

Details

Administration can create an easy to understand reporting process for pawn stores, which would allow users to identify instances where pawn stores are not operating as they should be. Part of this action would be creating an improved internal process for complaints that has centralized tracking. Administration could then use the complaint feedback to inform bylaw enforcement investigations and Business Licence reviews to identify where business licence requirements are not being met.

Relationship to research findings

Edmonton Police Services has existing mechanisms to register complaints with the City for any pawn store operators that are not following proper practice, however members of the public were uncertain of how to register complaints. Administration heard from those who use pawn stores that there was little recourse for them if the pawn store had taken advantage of them in some way that was in contravention of existing bylaws.

Outcomes addressed: Safety and Root Causes

Consistent complaints could result in investigation by the City’s business licence team and bylaw enforcement and may lead to conditions being placed on individual businesses or revoking of a Business Licence. This could help reduce instances of bad operators. This approach would encourage safer pawn store operations and help to reduce negative stigma associated with pawn stores that may result from a minority of bad operators.

3 MAINTAIN AND STRENGTHEN INITIATIVES TO INCREASE DESIGN QUALITY IN MAIN STREET AREAS

Details

The Main Streets Overlay was introduced to Zoning Bylaw 12800 in 2017. This Overlay added a range of design regulations focused on creating vibrant and pedestrian oriented commercial shopping streets. It also includes Crime Prevention Through Environmental Design requirements to promote safe streets.

The City of Edmonton offers a matching grant for businesses investing in their properties through the Façade Improvement Program. This program creates a financial incentive for businesses to improve the appearance of their buildings.

Relationship to research findings

Planning theory has highlighted the importance of well-maintained and attractive buildings in creating welcoming urban spaces, and the importance of design in reducing opportunities for crime and increasing feelings of safety. Research also highlighted the importance of the appearance of main streets to feelings of safety and desire to visit an area.

Outcomes addressed: Safety and Design Quality

All new buildings along Edmonton's main streets, including pawn stores, will be required to be a higher design standard, and grants from the City can encourage investment in existing building to improve appearance. Pawn stores in all locations of the City will be required to consider safety considerations in the built environment.

4 AMEND ZONING BYLAW 12800 TO REMOVE REFERENCES TO PAWN STORES

Details

Administration recommends the following amendments to Zoning Bylaw 12800:

- Remove pawn stores and secondhand stores as a use class in the list of uses and in all applicable zones
- Permit pawn stores and secondhand stores under the General Retail Stores use
- Remove the pawn stores and second hand stores overlay so that notification requirements are the same for these businesses as other uses in the General Retail Stores and Professional, Financial and Offices Support Services categories

As General Retail Stores, pawn stores would generally be permitted uses in standard commercial zones and some special area zones with commercial uses.

The following existing regulations in Zoning Bylaw 12800 would still apply to pawn stores to address design and safety:

- Pawn stores located within Business Improvement Areas would continue to be subject to the design and Crime Prevention Through Environmental Design regulations of the Main Streets Overlay, which promotes high quality and safe design
- Section 58 allows Development Officers to request a Crime Prevention Through Environmental Design assessment where deemed appropriate, which could include any pawn stores not located in a Business Improvement Area

All pawn stores would continue to be subject to the Business Licence requirements related to user identification requirements, registration of users and goods, and inventory management provisions which help to mitigate risks associated with stolen goods.

Relationship to research findings

Defining pawn stores separately from other similar uses, such as retail stores or financial services, can lead to reinforcing perceptions that pawn stores are associated with unsavory activities as highlighted in the academic research and survey findings.

In reviewing recent development permit data, Administration does not anticipate a significant increase in the number of pawn stores. Furthermore, the additional locational opportunities for pawn stores may serve to reduce clustering by providing more location options for applicants looking to open a new pawn store.

Outcomes addressed: Root Causes and Process Streamlining

Removing the distinction between pawn stores and other similar uses in Zoning Bylaw 12800 would serve to reduce stigmas associated with pawn stores and recognize the service they provide to a range of users.

Including pawn stores under General Retail Stores would simplify the development permit process, helping to streamline the process for all applicants. The proposed approach is aligned with the intended outcome of the Zoning Bylaw Renewal project, which looks to provide a more user friendly bylaw with clear and enforceable regulations.

Implications of proposed Zoning Bylaw Amendments

The recommended amendments to Zoning Bylaw 12800 are highlighted in Table 2 below. In addition to the commentary above, the proposed amendments would have the following implications for the issuance of future development permits:

- Any pawn stores applications where General Retail Stores were discretionary uses, or the application had any variances to the regulations of Zoning Bylaw 12800, would continue to result in notifications being sent to surrounding property owners, Community Leagues, and Business Improvement Areas.
- Existing Direct Control provisions with General Retail Stores as a listed use that were passed since 2012 would not be able to have pawn stores or secondhand stores unless specifically listed.
- The use for secondhand stores would need to be deleted as this use would also no longer be distinguishable from general retail stores. The only distinction between general retail and secondhand stores relates to the sale of used goods. Removing this use class along with pawn stores would be consistent with the findings that there are limited identifiable land use impacts between the retail sale of second hand versus new goods.

Alternative approaches to amending Zoning Bylaw 12800 are discussed in Attachment 3 - Alternative Amendments to Zoning Bylaw 12800.

Table 2: Mark-up of Proposed Text Amendments to Support Recommended Approach to Pawn Stores

The following tables highlight the recommended amendments to Zoning Bylaw 12800, written with the following format:

Black Font Existing Text in Zoning Bylaw 12800
~~Strikethrough:~~ Proposed deletion from Zoning Bylaw 12800
Underline: Proposed addition to Zoning Bylaw 12800

<p>7.4(24) General Retail Stores means development used for the retail or consignment sale of new <u>or used</u> goods or merchandise within an enclosed building, not including the sale of gasoline, heavy agricultural and industrial equipment, alcoholic beverages, or goods sold wholesale. <u>This Uses includes Pawn Stores and secondhand stores.</u> Accessory Uses may include the assembly or repair of products sold on Site, or minor public services such as postal services or pharmacies. This Use does not include <u>the sale of construction and industrial equipment and does not include</u> Aircraft Sales/Rentals, Automotive and Minor Recreation Vehicle Sales/Rentals, Cannabis Retail Sales, Flea Market, Gas Bars, Greenhouses, Plant Nurseries and Garden Centres, Pawn Stores, Major Alcohol Sales, Minor Alcohol Sales, Major Service Stations, Minor Service Stations, Secondhand Stores, and Warehouse Sales.</p>	<p>Updating the general retail stores use to capture pawn store and secondhand stores. As highlighted, the only current distinction between General Retail and pawn store and secondhand stores is the sale of used goods.</p>
<p>7.4(42) Pawn Stores means development used to provide secured loans in exchange for goods offered as collateral, including the sale of such goods. This Use may also include the minor repair of goods sold on Site. Typical Uses include the resale of clothing, jewelry, stereos, household goods and musical instruments in pawn. This Use does not include the sale of used vehicles, recreation craft or construction and industrial equipment, and does not include Flea Markets or Secondhand Stores.</p>	<p>Pawn stores would no longer be a separate use and would instead be covered under General Retail Stores and Professional Financial and Office Support Services.</p>
<p>7(48) Secondhand Stores means development used for the retail or consignment sale of secondhand personal or household goods, including the minor repair of goods sold on Site. Typical Uses include clothing, jewelry, book and antique stores. This Use does not include the sale of used vehicles, recreation craft or construction and industrial equipment, and does not include Flea Markets or Pawn Stores.</p>	<p>Secondhand stores would no longer be a separate use and would instead be covered under General Retail Stores.</p>
<p><u>Remove Pawn Stores and Secondhand Stores from the following zones:</u></p>	<p>Removed from zones as pawn stores and secondhand stores</p>

<ul style="list-style-type: none"> • <u>910.12 (AED) - Arena & Entertainment District Zone</u> • <u>310 (CNC) Neighbourhood Convenience Commercial Zone</u> • <u>320 (CSC) Shopping Centre Zone</u> • <u>330 (CB1) Low Intensity Business Zone</u> • <u>340 (CB2) General Business Zone</u> • <u>370 (CB3) Commercial Mixed Business Zone</u> • <u>910.11 (UW) - URBAN WAREHOUSE ZONE</u> • <u>910.5 (CCA) Core Commercial Arts Zone</u> • <u>910.10 (RMU) Residential Mixed Use Zone</u> • <u>910.6 (CMU) Commercial Mixed Use Zone</u> • <u>910.7 (HA) Heritage Area Zone</u> • <u>910.9 (JAMSC) Jasper Avenue Main Street Commercial Zone</u> • <u>920.10 (TMU) Terwillegar Mixed Use Zone</u> • <u>940.6 (GVC) Griesbach Village Centre Zone</u> • <u>960.5 (CSCa) Ambleside Shopping Centre Zone</u> • <u>997.9 (BLMR) Blatchford Low to Medium Rise Residential Zone</u> 	<p>would not longer be listed uses.</p>
<p>818-Secondhand Stores And Pawn Stores Overlay</p> <p>818.1 General Purpose</p> <p>The purpose of this Overlay is to supplement the regulations of Commercial Zones regarding Secondhand Stores and Pawn Stores in order to require notification of surrounding property owners prior to the Development Officer's decision in Zones where either Secondhand Stores is or Pawn Stores are listed as a Discretionary Uses.</p> <p>818.2 Application</p> <ol style="list-style-type: none"> 1. This Overlay applies additional regulations to Secondhand Stores and Pawn Stores when contained in the underlying Commercial Zones of those lands identified in the Appendices to this Overlay. 2. Notwithstanding that a Secondhand Store or Pawn Store does not conform to this Overlay, where a Development Permit was issued for the development prior to the adoption of this Overlay, such development shall be deemed to conform to the regulations contained within this Overlay. <p>818.3 Proposed Secondhand Store or Pawn Store</p> <ol style="list-style-type: none"> 1. When the Development Officer receives a Development Permit application for Secondhand Stores or Pawn Stores and the Use is Discretionary in the underlying Zone: <ol style="list-style-type: none"> a. the Development Officer shall send notice to the 	<p>Removing this Overlay would remove the pre-application notification. Any pawn stores with variances would continue to be circulated for a 21 day notice period.</p>

<p>municipal address and assessed owners of land wholly or partly located within a distance of 60.0 m of the Site of the proposed development, and the President of each affected Community League and each Business Improvement Area Association operating within the distance described above to solicit comments on the compatibility of the proposed Use with nearby Uses;</p> <p>b. the Development Officer shall not render a decision on the Development Permit application until 21 days after notice has been sent, unless the Development Officer receives feedback from all specified recipients; and</p> <p>c. the Development Officer shall consider any comments directly related to the compatibility of the proposed use with surrounding uses when determining whether to approve the Development Permit application in accordance with Section 11.2.</p>	
<p>3.2 Provisions for existing Development Permits and Direct Control Provisions</p> <p><u><i>4. For all Direct Controls created prior to the passage of Bylaw XXXXX, General Retail Stores does not include Pawn Stores or Secondhand Stores.</i></u></p>	<p>To provide clarity to the interpretation of Direct Control Zones.</p>