



CITY of NOVI CITY COUNCIL

Agenda Item ⁷
April 9, 2012

SUBJECT: Consideration of A) whether Gold Buy and Jewelry, Inc. is a jewelry store, similar to other jewelry stores commonly found in Novi, operating in Suite D of Gateway Village and will have a clearly incidental part of that use being the pawn activity, limited to no more than 10% of overall sales, and such use is permitted in the Gateway Village pursuant to Consent Judgment dated May 16, 2001; and B) whether to grant or deny a new Pawnbroker License.

SUBMITTING DEPARTMENT: City Clerk

Obj for MC

CITY MANAGER APPROVAL:

BACKGROUND INFORMATION:

This is the first application for a Pawnbroker License by Joseph Haddad on behalf of Gold Buy and Jewelry, Inc. The business currently holds a Precious Metal and Gem Dealer Certificate of Registration with the State of Michigan. The license is not a requirement of the City's ordinances. By state statute, MCL 446.201, *et seq.*, the "chief executive officer" of a municipality must approve issuance of a Pawnbroker License. Novi has brought the issue to the City Council for the only other licensed entity in the City.

Typically, the City would evaluate this request against (among other considerations) the requirements of the zoning ordinance as a retail use. **However**, the property at issue, 41490 Grand River Avenue, Suite D, is within the Gateway Village, which is the subject of a Consent Judgment between the developer of the Village and the City of Novi. (See attached.) The Consent Judgment, at paragraph 3 (beginning on page 4), lists the land use activities that are allowed within the development. Pawnbrokers are not listed. On the other hand, Item DD lists "uses similar to those listed above" as permitted uses.

The applicant submitted information regarding the proposed business, which would allow customers to buy, sell, or trade any type of precious metal or gem, and allow customers to seek a loan in exchange for jewelry or other valuables, in addition to offering sale of jewelry to customers.

The Planning Staff has determined initially that it does not believe that the use would be permitted under the Consent Judgment. However, the decision is ultimately for the City Council, given the existence of the Judgment.

At the regular meeting of March 26, 2012, some Council members suggested that a jewelry store might fit as a use "similar to" other stores allowed in the Gateway area, and that such a business could be expected to have a limited pawnbroker element that is clearly incidental to the principal jewelry store use, possibly up to 10% of sales. An inquiry was made whether that would be in keeping with the only other Pawnbroker license held in the City, by Weinstein Jewelry located nearby on Grand River. Mr. Gary Weinstein was

contacted and he explained that approximately 3% of his overall sales are related to pawned items. Those items are kept for three months at 3% per month interest and at the end of the 3 months, a client must pay at least the 3% per month interest. If not, the items are either melted or refurbished for their showcase. The other issue was whether such pawn activity would be limited to jewelry items.

RECOMMENDED ACTION: **A)** Determination that Gold Buy and Jewelry, Inc. is (or is not) a jewelry store similar to other jewelry stores commonly found in Novi, provided that it has only a small and clearly incidental part of such use being the pawn activity related to jewelry items only, which could not exceed 10% of overall sales, with such use being permitted in the Gateway Village pursuant to Consent Judgment dated May 16, 2001; and **B)** grant or denial of a new Pawnbroker License.

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Casey				
Council Member Fischer				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Wrobel				

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