

Cuyahoga Falls City Council
Minutes of the Planning & Zoning Committee Meeting
December 3, 2007

Members: Kathy Hummel, Chair
Tim Gorbach
Ken Barnhart

Mrs. Hummel called the meeting to order at 6:20 p.m. All members were present.

The minutes of the October 15, 2007 and November 19, 2007 Committee meetings were approved as submitted.

Legislation Held:

None

Legislation Considered:

Temp. Ord. B-112

Sub. Temp. Ord. B-112

An ordinance amending Table 1131-1 of the General Development Code and declaring an emergency.

Mr. Guerra stated the Planning Commission reviewed where the change was to be made. They have recommended it would be better to add it to Table 1131-1 which is a general table describing uses for each zoning rather than inserting it into the specific section.

Mr. Walters asked if this could be challenged and whether the City would prevail if it were. Mr. Arrington stated it could be challenged but could not say whether the City would prevail. Anyone can challenge an ordinance at any time so there is nothing special here. The law assumes a zoning law is valid. If it was challenged, the ordinance would be evaluated along with the typical zoning laws. He did extensive research and did not find any cases in which payday lending loans were challenged. We are not the only municipality who has done this.

Mrs. Hummel announced that there were discussions the previous week and indicated that anyone who had new information regarding the ordinance should come forward.

Hugh Utterback, P.O. Box 228, Canal Fulton stated he owns two payday lending businesses in Stark County. He saw the article in *The Beacon Journal* and was concerned about what is going on. It did not appear from the article that anyone spoke on behalf of payday lending so he decided to attend this meeting. He then read a letter he had written to the Mayor and Council members pleading his case to encourage Council to vote down the ordinance.

Mrs. Hummel thanked him for his comments. She stated Council is attempting to regulate additional businesses of this sort from coming into the community and that this legislation will not impact those actively in business now. She stated in 1996, there were three stores in Summit County. Now there are 65. Council is just trying to regulate the number. Mr. Utterback stated he understood that but he was concerned about the public's liberty. He feels the number of cash advance stores will regulate themselves like convenience stores. He is concerned about Council's discussion about agreeing with the Catholic

Coalition. The decision will ultimately be made in Columbus by the State Legislature. If Council supports this, it will be limiting free enterprise. It concerns him that government could be limiting some rights, freedom and liberty. He invited anyone to visit his stores and talk to employees and customers.

C.J. Raines, 540 E. Portage Trail, stated she is in support of Mr. Allio and the Coalition. She had borrowed from a payday lender and suffered through repaying her loan. \$15 fee on a \$100 loan is highway robbery. Payday lending appeals to those who are not the most responsible with money and those who do not have money. Most responsible people do not borrow from payday lenders. It is just a way to get those who do not have it to borrow and struggle to pay it back. She would like to see them wiped off the face of the earth.

Brian Carbaugh, 2039 Ohio Avenue, stated he and his wife bought their first home two years ago and were drawn to the Falls by comments from its residents. Everyone who lived in the Falls sung its praises and after two years, they agree. However, about a year ago, they noticed an increase in crime near their home. They also noticed that the incidents were preceded by the opening of a Cashland about .2 mi. from their home. There is another one in the plaza next to a liquor store. He feels that businesses like this are very predatory in nature and that they are not ethical. They prey on a certain segment of society who cannot get loans from regular financial lenders. He thinks City Council and others should ask what they are trying to attract to the City. He supports Council in this effort and wanted to let Council know his neighbors do too.

Ed Davidian, 1819 Beacon Hill, stated it is his hope that City Council goes to the next step by putting payday lenders out of business and opening a credit union to provide short term loans for people. San Francisco did it and has almost eliminated payday lending. Cuyahoga Falls should establish a City credit union at a lower interest rate than the .391% charged by payday lenders. He said you only have to look to the foreclosure rate to see the financial state people are in. He appreciates the stand that Council and Administration are taking. 28 communities have banned these businesses entirely and others are taking the next step.

Mrs. Klinger stated there was an article in September that was written by a payday loan store manager. The writer stated their bonuses were based on the number of customer accounts. A \$900 loan would result in \$14,997 in fees over six years for a borrower. The writer felt bad making hard lives even harder. She felt the article speaks for itself.

Mr. Barnhart thanked Mr. Davidian for his comments and also thanked Mrs. Klinger for bringing this legislation forward. He is not only in support of it but would be proud to set his name as co-sponsor.

Mr. Mader stated he agreed with Mr. Utterback that this issue would be addressed in Columbus, and he believes the City has an opportunity to take and follow through in passing this legislation in sending Columbus a message. If we are the first, he applauds us for doing so. These high interest rates put people in jeopardy. He also would like to be a co-sponsor.

The Committee recommended bringing out Temp. Ord. B-112 for approval.

The meeting adjourned at 6:50 p.m.