

**First Reading: February 10, 2015**  
**Second Reading: February 17, 2015**

ORDINANCE NO. 12911

AN ORDINANCE TO AMEND CHATTANOOGA CITY CODE, PART II, CHAPTER 38, ZONING ORDINANCE, ARTICLE II, SECTION 38-2, DEFINITIONS AND ARTICLE V, DIVISION 13, SECTION 38-185; DIVISION 14, SECTION 38-205; DIVISION 15, SECTION 38-224; DIVISION 16, SECTION 38-246, USES PERMITTED AS SPECIAL EXCEPTIONS BY THE CITY COUNCIL; DIVISION 17, SECTION 38-266, PROHIBITED USES AND STRUCTURES; AND ARTICLE V, DIVISION 18, SECTION 38-289, USES WHICH REQUIRE A SPECIAL PERMIT; AND ARTICLE V, DIVISION 19, SECTION 38-303, USES PERMITTED AS SPECIAL EXCEPTIONS BY THE CITY COUNCIL; AND ARTICLE V, DIVISION 9, SECTION 38-125, PROHIBITED USES AND STRUCTURES; AND ARTICLE V, DIVISION 10, SECTION 38-134, GENERAL FUNCTION (PERMITTED USES); AND ARTICLE VI, DIVISION 2, SECTION 38-529, SPECIAL EXCEPTION PERMIT FOR ALTERNATIVE FINANCIAL SERVICES ESTABLISHMENT.

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**WHEREAS**, pursuant to Title 45 of *Tennessee Code Annotated*, certain rules and regulations governing financial institutions have been established which regulate pawnbrokers, title pledge lenders, deferred presentment services, check cashers, and other similar uses which are considered as non-banking institutions; and

**WHEREAS**, the Regional Planning Agency completed a study of alternative financial services and referred a Planning Commission resolution at the request of City Council in 2006; and

**WHEREAS**, the study noted that efforts to promote economic revitalization through diversification of land uses in certain areas may be impeded by the clustering of certain alternative financial services; and

**WHEREAS**, the office of the City Mayor has requested the assistance of the City Attorney and Regional Planning Agency to review and update the 2006 Planning Commission resolution for City Council adoption by ordinance; and

**WHEREAS**, it is the determination of the Chattanooga City Council that the following uses should require a Special Exceptions Permit within the allowed zones; and

SECTION 1. BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, that Chattanooga City Code, Part II, Chapter 38, Zoning Ordinance, Article II, Section 38-2, Definitions, be amended by adding a new definition in alphabetical order as follows:

“Alternative Financial Service” means establishments that are:

- (a) not licensed by an appropriate state or federal agency as a bank, savings and loan association, or credit union, industrial loan and thrift offices, insurance premium finance companies, or mortgage companies;
- (b) regulated by the Tennessee Department of Financial Institutions; and
- (c) categorized for purposes of this Ordinance as:
  - 1) “Pawnbrokers” as defined at T.C.A. § 45-6-203; or
  - 2) “Title Pledge Lenders” as defined at T.C.A. § 45-15-103; or
  - 3) “Deferred Presentment Services” as defined at T.C.A. § 45-17-102; or
  - 4) “Check Cashers” as defined at T.C.A. § 45-18-102 except that Check Cashers do not include Check Cashers exempt from state regulation pursuant to T.C.A. § 45-18-103, or

- 5) any combination of Alternative Financial Services which include, but are not limited to, "Pawnbrokers", "Title Pledge Lenders", "Deferred Presentment Services" and/or "Check Cashers" as defined herein.

SECTION 2. BE IT FURTHER ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, that Chattanooga City Code, Part II, Chapter 38, Zoning Ordinance, Article V, Division 13, C-2 Convenience Commercial Zone, Section 38-185, Uses permitted as special exceptions by the City Council, be amended by adding a new subsection (4) Alternative Financial Services.

SECTION 3. BE IT FURTHER ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, that Chattanooga City Code, Part II, Chapter 38, Zoning Ordinance, Article V, Division 14, UGC Urban General Commercial Zone, Section 38-205, Uses permitted as special exceptions by the City Council, be amended by striking the section and inserting in lieu thereof the following:

- (1) The following uses may be permitted as special exceptions by the City Council as authorized by Tennessee Code Annotated, 57-3-208 and Chattanooga City Code, Part II, sections 5-101 through 5-126:
  - (a) Liquor stores;
  - (b) Wineries, including vineyards, processing, bottling and sales facilities; and
  - (c) Alcohol Distillery, Small to the UGC Urban General Commercial Zone.
- (2) Alternative Financial Services.

SECTION 4. BE IT FURTHER ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, that Chattanooga City Code, Part II, Chapter 38, Zoning Ordinance, Article V, Division 15, C-3 Central Business Zone, Section 38-224, Uses permitted as special exceptions by the City Council, be amended by adding a new subsection (3) Alternative Financial Services.

SECTION 5. BE IT FURTHER ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, that Chattanooga City Code, Part II, Chapter 38, Zoning Ordinance, Article V, Division 16, C-4 Planned Commerce Center Zone, Section 38-246, Uses permitted as special exceptions by the City Council, be amended by adding a new subsection (3) Alternative Financial Services.

SECTION 6. BE IT FURTHER ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, that Chattanooga City Code, Part II, Chapter 38, Zoning Ordinance, Article V, Division 17, C-5 Neighborhood Commercial Zone, Section 38-266, Prohibited uses and structures, be amended by adding a new subsection (9), renumbering old subsection (9) and adding subsection (10) as follows:

- (9) Alternative Financial Services.
- (10) In general, any use or structure not of a nature permitted under “Principal Uses Permitted” and “Permitted Accessory Uses and Structures” above.

SECTION 7. BE IT FURTHER ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, that Chattanooga City Code, Part II, Chapter 38, Zoning Ordinance, Article V, Division 18, C-7 North Shore Commercial/Mixed Use Zone, Section 38-289, Uses which require a special permit, be amended by striking subsection (2) and inserting in lieu thereof the following:

- (2) City Council.
  - (a) The following uses in this zone shall require a special permit from the City Council as authorized by Tennessee Code Annotated, 57-3-208 and Chattanooga City Code, Part II, Sections 5-101-126:
    - (i) Liquor Stores
  - (b) Alternative Financial Services.

SECTION 8. BE IT FURTHER ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, that Chattanooga City Code, Part II, Chapter 38, Zoning Ordinance, Article V, Division 19, M-1 Manufacturing Zone, Section 38-303, Uses permitted as special exceptions by the City Council, be amended by adding a new subsection (5) Alternative Financial Services.

SECTION 9. BE IT FURTHER ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, that Chattanooga City Code, Part II, Chapter 38, Zoning Ordinance, Article V, Division 9, R-4 Special Zone, be amended by adding a new Section 38-125, Prohibited uses and structure as follows:

Alternative Financial Services are found to be not in keeping with the Special Zone and is therefore specifically prohibited within any R-4 Special Zone.

SECTION 10. BE IT FURTHER ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, that Chattanooga City Code, Part II, Chapter 38, Zoning Ordinance, Article V, Division 10, MXU Use Zone, Section 38-134, General Function (Permitted Uses) by striking subsection (7) and inserting in lieu thereof the following:

- (7) Prohibited Uses: Manufacturing Facilities, Warehouses and Mini-Warehouses, Adult-Oriented Establishments, Vehicle Sales or Vehicle Repair Facilities, Fuel Service Stations, Convenience Markets, Outdoor Commercial Storage, Alternative Financial Services, Outdoor Display or Sales. Signage-Signs not relating to identification of or direction to premises and occupants, or to products sold or services rendered on the premises are prohibited.

SECTION 11. BE IT FURTHER ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, that Chattanooga City Code, Part II, Chapter 38, Zoning Ordinance, Article VI, Division 2, Section 38-529, Special Exception

Permit for Alternative Financial Services Establishment be amended by adding a new Section 38-529 as follows:

(1) Intent:

The Special Exceptions Permit for an Alternative Financial Services Establishment is intended to establish reasonable regulations in order to minimize the impact or characteristics of such special use on the community adjacent to and surrounding such use and to assure and maintain the public safety and welfare.

(2) Permit Approval and Transferability:

Chattanooga City Council approval of the Special Exceptions Permit shall be issued for the specific site location and/or address of the proposed Alternative Financial Services Establishment under review. The Special Exceptions Permit is non-transferable to another site, property or location.

(3) Application Procedure:

- (a) The applicant shall apply for a Special Exceptions Permit which shall be issued by the City Council. The applicant shall apply to the City Council through the Chattanooga-Hamilton County Regional Planning Agency.
- (b) The applicant for this permit shall submit to the Chattanooga-Hamilton County Regional Planning Agency a site plan and a vicinity map showing the property, which is the site of the proposed Alternative Financial Services Establishment and all parcels of property within a fifteen hundred foot (1,500') radius. The vicinity map shall show the distance from the proposed Alternative Financial Services Establishment to the nearest property being used as an Alternative Financial Service Establishment and to the nearest residential zoned property. Distances are to be measured from property line to property line.
- (c) The application will be placed on the City Council agenda no less than thirty (30) days from the initial application for the permit with the Regional Planning Agency.
- (d) Regional Planning Agency will contact the City Attorney's Office for the date of the City Council meeting that the Special Exceptions Permit will be placed on the agenda.

- (e) The applicant will be given notification sign(s) for placement on the property at least seven (7) days before the City Council meeting advertising of the date and time of the scheduled public hearing.
- (f) Regional Planning Agency will send a notice of the public hearing held by the City Council by regular mail to each property owner(s) within a minimum of 500' radius from the property line of the proposed Alternative Financial Service Establishment. Notification letters will be mailed at least seven (7) days prior to the public hearing by the City Council.

(4) Minimum Development Requirements:

- (a) No Alternative Financial Services Establishment shall be located within 1,320 feet of any other Alternative Financial Services Establishment, with the interval distance to be measured from property line to property line
- (b) No Alternative Financial Services Establishment shall be located within 500 feet of any residential zoned property, with the interval distance to be measured from property line to property line.
- (c) The City Council, if the Special Exceptions Permit request is approved, may require additional conditions that must be met by the applicant.

SECTION 12. BE IT FURTHER ORDAINED, that if any provision of this Ordinance be declared unconstitutional or otherwise invalid by the judgment of decree of any court or competent jurisdiction, such unconstitutionality of invalidity shall not affect any remaining provisions of this Ordinance.

SECTION 13. BE IT FURTHER ORDAINED, That this Ordinance shall take effect immediately upon passage on second reading.

Passed on second and final reading: February 17, 2015

  
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CHAIRPERSON  
APPROVED:  DISAPPROVED:

  
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MAYOR

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