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To: City Council

From: Austin Colson, Director – Community & Economic Development/DDA Director

Date: July 21, 2025

RE: Planning Commission–Recommended Zoning Amendment for Money Service Businesses

Purpose

This memo requests that the City Council adopt the ordinance amendment recommended by the Planning Commission to define, regulate, and limit “money service businesses” (e.g., check-cashing, payday lending) within Lathrup Village.

Background

Council Moratorium: On March 17, 2025, the Council enacted a 180-day moratorium on accepting any applications for new money service businesses, directing the Planning Commission to study and draft appropriate zoning regulations during that period

Staff Assignment: The moratorium resolution tasked staff, City Planning Consultant, and City Attorney to draft language defining small-box discount stores, appropriate zoning districts, and concentration controls.

Planning Commission Review: Following research into the impact of money service businesses on the financial welfare of residents and community wellbeing, the Planning Commission held a first reading of the proposed ordinance change during a public hearing on June 17, 2025, and unanimously supported the proposed amendment language with a vote on July 15, 2025.

Summary of Key Provisions

Definition: Establishes “Money Service Business” as a non-bank financial institution whose primary function is check-cashing, currency exchange, payday lending, or similar services.

Zoning District: Permits Money Service Businesses only in the Commercial Vehicular (CV) district—and only by Special Land Use approval—prohibiting them in all other districts.

Dispersal Standard: Requires a minimum 1-mile separation between any two money service businesses; existing locations closer than this remain legally nonconforming until one closes or relocates.

Use Standards: Demonstrate no adverse impacts on adjacent residences or businesses. Implement security recommendations from the Lathrup Village Police Department.

Site Development & Parking: Aligns parking ratio with professional offices (1 space per 275 sq ft) and requires full site-plan review

Operating Hours: Proposed reduction from standard commercial hours (7 a.m.–11 p.m.) to 8 a.m.–7 p.m., matching typical industry practice.

Planning Commission Findings

Community Welfare: High fees and predatory lending models can harm low-income residents and drain local economies.

Master Plan Consistency: Aligns with goals to ensure a diverse mix of services, healthy local commerce, and safe pedestrian environments.

Peer Precedent: Neighboring municipalities have successfully used dispersal and special-use requirements to balance access and neighborhood character.

Adoption of this amendment will allow for measured provision of money service businesses—ensuring necessary access while protecting community character and financial health.

Suggested Motion: " I move to accept the Planning Commission's recommendation to permit Money Service Businesses only as a Special Land Use in the Commercial Vehicular (CV) district."