



PLANNING COMMISSION AGENDA REPORT

MEETING DATE: JUNE 22, 2015

ITEM NUMBER:

PH-1

SUBJECT: AMENDMENT TO PLANNING APPLICATION PA-08-27: REMOVAL OF LIMITATIONS ON PAWN BROKERAGE INVENTORY AND LOAN SERVICES AT 1872 NEWPORT BOULEVARD

DATE: JUNE 12, 2015

FROM: PLANNING DIVISION / DEVELOPMENT SERVICES DEPARTMENT

PRESENTATION BY: CHELSEA CRAGER, ASSISTANT PLANNER

**FOR FURTHER INFORMATION CONTACT: CHELSEA CRAGER (714) 754-5609
chelsea.crager@costamesaca.gov**

DESCRIPTION

The proposed request is an amendment to Planning Application PA-08-27, an existing conditional use permit for a jewelry store at 1872 Newport Boulevard (Jewelry-N-Loan). The existing CUP required that jewelry sales be the primary business but allowed ancillary pawn brokerage and loan services. The applicant is requesting the removal of limitations to the pawned inventory and loan services by the **deletion** of two conditions of approval (below):

- Pawnbroker services shall be limited to watches and jewelry only.
- No loans less than \$2,500 shall be permitted.

APPLICANT

Dan Stansell is the authorized agent for the property owner, Coastline Equity, Inc.

RECOMMENDATION

Deny the amendment request to entirely delete the two specified conditions, by adoption of Planning Commission resolution.

BACKGROUND

Project Site/Environs

The project site is located on the southeast corner of Newport Boulevard and Flower Street on a 3,546 square foot lot, with the building frontage facing Newport Boulevard and vehicle access from Flower Street. It is zoned C2 (General Commercial) with a General Plan land use designation of General Commercial. The site is developed with one single-story building and 11 parking spaces. The building is 1,012 square feet.

The subject property is abutting C2 zones to the north and south, which contain commercial uses. To the west across Newport Boulevard is The Triangle retail center, zoned PDC (Planned Development Commercial) and to the east across a public alley are residential uses, zoned R2-HD (Multi-Family Residential, High Density).

Pawn broker services require a conditional use permit (CUP) in the C2 zone.

Previous Entitlement

On October 27, 2008, Planning Commission approved Conditional Use Permit PA-08-27, allowing for two existing watch and jewelry stores at 1808 Newport Boulevard and 1827 Newport Boulevard, both named Estate Watch Jewelry and Loan, to add ancillary pawnbroker services. The business at 1808 Newport Boulevard has since stopped operating, and therefore the conditional use permit was revoked for this location.

Intent of the Conditions of Approval

The staff report for the original CUP states that there was a concern that pawn shops, pawnbroker services, and second-hand stores may give the appearance of blight and deteriorated retail conditions. To address this concern and ensure compatibility with the surrounding area, a condition of approval was included limiting pawnbroker services to jewelry and watches only. A condition of approval setting a minimum loan amount of \$2,500 was included as a justification for approval as it was expected that customer traffic to the pawnbroker/loan aspect of the business would be limited by the condition, thereby maintaining the store primarily as a jewelry and watch retail store. The Police Department was supportive of regulations for pawn shops.

ANALYSIS

Project Description

The applicant proposes amending the previously approved conditional use permit to remove the following conditions of approval:

- Pawnbroker services shall be limited to watches and jewelry only.
- No loans less than \$2,500 shall be permitted.

Expansion of Eligible Items to be pawned

The applicant would like a greater array of items to be eligible to be pawned. The applicant provided a more extensive list of items to be included in pawnbroker services, which includes luxury items. Specifically, the list includes:

- Jewelry
- Watches
- Loose gemstones
- Precious metals
- Items containing gemstones and/or precious metals
- Coins and currency
- Art
- Memorabilia
- Designer handbags
- Crystal
- Rare collectibles
- Antiques
- Individual items with a fair market value of \$5,000 or more

The applicant believes that the above list of items are appropriate additions to the items eligible for pawnbroker services at the subject property because they are luxury items. The applicant also states that there are several pawn brokers operating in the City without a restriction on items eligible for pawn.

Increased Loan Services by Eliminating Loan Minimums

The applicant also requests that there be no minimum loan amount. The applicant believes that the pawn brokers operating in the City without the minimum loan restriction creates inequitable competition for his business. The applicant also states that because pawnbroker services are restricted by a minimum loan amount, this encourages customers with items valued less than the \$2,500 minimum to sell the item. Additionally, the applicant states that the minimum loan amount encourages customers to take out larger loans than necessary.

Parking

The property currently is developed with 11 parking spaces for 1,012 square feet of building area. Code required parking for a retail use is 4 spaces per 1,000 square feet of floor area, with a minimum requirement of 6 spaces. Therefore, there is no shortage of parking at the subject property.

Security Improvements

The applicant has provided a list of security measures (See Attachment 2) taken at the subject property, including:

- Installation of 27 surveillance cameras covering the interior and exterior of the building, with 6 months of stored footage
- An armed security guard on the premises during operating hours
- Installation of an alarm system

These security measures are included as conditions of approval to ensure that they remain in place.

Code Enforcement History

The jewelry store and pawn broker services have been operating with a conditional use permit at the property since 2008. Since that time, there have been 18 code enforcement cases opened at the property, 16 of which were for signs. In the past four years, there has been one code enforcement case opened on the property, which was for illegal portable signs. All code enforcements cases have been closed with the last case being filed in March 20X15 for portable signs.

Denial of CUP Amendment Request

Staff recommends that the request to remove these conditions be **denied** based on:

- The retail sales of jewelry and watches is intended to be the primary business.
- The original intent of the conditions is to discourage blight and deterioration from proliferation of pawn shops;
- Increased crime may be associated with the ability to pawn a great variety of stolen items without being traced and with ease.

The following pawn brokers are currently operating in the City of Costa Mesa:

Site Address	PA Number	Business Name	Limitation on Types of Items to be Pawned	Minimum Loan Amount
1860 Newport Boulevard	PA-08-24	Newport Watch and Jewelry Center	Watches and jewelry only	\$1,000
1836 Newport Boulevard	N/A (Legal nonconforming)	Coast Jewelry and Loan	No Restrictions	No Restrictions
780 W 19 th Street	N/A (Legal nonconforming)	AA Cash for Gold	No Restrictions	No Restrictions
710 W 19 th Street	N/A (Legal nonconforming)	Rio's Jewelry and Loan	No Restrictions	No Restrictions
Subject Application: 1872 Newport Boulevard	PA-08-27	Jewelry-N-Loan (Subject Property)	Watches and jewelry only	\$2,500

Of the four operating pawn brokers in the City, three are legal nonconforming without conditional use permits, and two are subject to conditional use permits. The site at 1860 Newport Boulevard was granted a conditional use permit in 2008 to provide ancillary pawn broker services to a watch and jewelry store, similar to the subject property. This property also had a minimum loan amount of \$2,500, however in 2009 the City Council

approved an amendment to the CUP, lowering the minimum loan amount to \$1,000 due to the economic climate at the time. The minutes from this meeting are attached as Attachment 3.

- The original CUP ensures that the retail sales of jewelry/watches be the primary business.

Staff recommends that the request to completely remove the conditions of approval be denied because the intent of those conditions was to ensure that the retail sales of jewelry items be the primary business. Pawn brokerage and loan services were required to be ancillary to the retail sales of jewelry/watches.

- The CUP establishes appropriate conditions of approval to prevent blighted conditions.

The staff report for the original CUP states that there was a concern that pawn shops, pawnbroker services, and second-hand stores may give the appearance of blight and deteriorated retail conditions. To address this concern and ensure compatibility with the surrounding area, a condition of approval was included limiting pawnbroker services to jewelry and watches only.

A condition of approval setting a minimum loan amount of \$2,500 was included as a justification for approval as it was expected that customer traffic to the pawnbroker/loan aspect of the business would be limited by the condition, thereby maintaining the store primarily as a jewelry and watch retail store.

- The Police Department provided feedback regarding increased criminal activity due to the sale of unlimited pawn items.

Planning staff consulted the Costa Mesa Police Department, who expressed concern that expanding the list of items eligible for pawnbroker services may increase criminal activities associated with stolen goods, as these types of items are often sold on the pawn market. The Police Department indicated that it is difficult to trace and recover stolen goods offered in pawn shops.

- Granting the amendment to the CUP creates an intensity which is not in accordance with the General Plan.

Lowering the minimum loan amount and increasing the items eligible for pawn broker services may substantially increase the use or intensity beyond what was previously permitted as a jewelry and watch store, with ancillary pawn brokerage services.

If Approved, Staff Recommends Modified Conditions Only

Staff recommends that the request be denied and that the CUP not be modified. However, if the Planning Commission is supportive of the request to a certain extent, staff recommends that the conditions be modified rather than completely removed.

With regard to the loan amount, the existing CUP for another business at 1860 Newport Boulevard (Newport Watch & Jewelry) specifies a minimum loan amount of \$1,000. Planning Commission may lower the loan amount from \$2,500 to \$1,000 for the subject business. However, it should be noted that the CUP for Newport Watch & Jewelry limits pawn brokerage services to jewelry and watches only.

With regard to the goods eligible for pawn brokerage, Planning Commission may consider a limited allowance for the following additional items:

- Loose Gemstones
- Precious Metals
- Art
- Antiques

Thus, if the amendment request is supported, conditions may be modified as follows:

- No loans less than ~~\$2,500~~ **\$1,000** shall be permitted.
- Pawnbroker services shall be limited to ~~watches and jewelry only~~ **jewelry, watches, loose gemstones, precious metals, art, and antiques.**

The applicant has submitted a security plan for the property, which includes cameras covering the interior and exterior of the building with 6 months of stored video footage, a hired armed security guard on the premises during operating hours, and an alarm system. Conditions of approval have been included to ensure that these security measures remain in place.

GENERAL PLAN CONFORMANCE

As conditioned, the proposed project is in conformance with the 2000 General Plan. The Commercial Residential land use designation is intended to permit a wide range of commercial uses. As conditioned, the proposed project is compatible with surrounding uses.

ENVIRONMENTAL DETERMINATION

If approved, the project is exempt from the provisions of the California Environmental Quality Act under Section 15301 (Class 1), Existing Facilities. This exemption applies to the operation of existing public or private structures involving negligible or no expansion of use.

PUBLIC NOTICE

Pursuant to Title 13, Section 13-29(d), of the Costa Mesa Municipal Code, three types of public notification have been completed no less than 10 days prior to the date of the public hearing:

1. Mailed Notice. A public notice was mailed to all property owners within a 500-foot radius of the project site. The required notice radius is measured from the external boundaries of the property. (See attached Notification Radius Map)
2. On-site posting. A public notice was posted on each street frontage of the project site.
3. Newspaper publication. A public notice was published once in the Daily Pilot newspaper.

ALTERNATIVES

The Planning Commission has the following alternative to the staff recommendation for modified conditions:

1. Deny the proposal. No changes to the conditions of approval shall be allowed.
2. Approve modified conditions. If the Planning Commission believes that the findings to support a modification to the conditional use permit can be made, Planning Commission may approve modified conditions. A resolution to approve amended conditions is attached.

CONCLUSION

Staff recommends that the request to remove these conditions be **denied** based on:

- The retail sales of jewelry and watches is intended to be the primary business.
- The original intent of the conditions is to discourage blight and deterioration from proliferation of pawn shops;
- Increased crime may be associated with the ability to pawn a great variety of stolen items without being traced and with ease.



CHELSEA CRAGER
Assistant Planner



CLAIRE FLYNN, AICP
Assistant Director of Development
Services

- Attachments:
1. Draft Planning Commission Resolutions and Exhibits
 2. Applicant's Project Description
 3. City Council Minutes from Public Hearing ZA-09-05
 4. Location and Zoning Maps
 5. Photographs of Existing Site
 6. Notification Radius Map
 7. Proposed Concept Plans

Distribution:

Director of Economic & Development Services/Deputy CEO
Assistant Development Services Director
Senior Deputy City Attorney
Public Services Director
City Engineer
Transportation Services Manager
Fire Protection Analyst
File (2)

Dan Stansell
9440 Santa Monica Boulevard, Suite 301
Beverly Hills, CA 90210

Coastline Equity, Inc.
24564 Hawthorne Boulevard, Suite 201
Torrance, CA 90505

RESOLUTION NO. PC-15-

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA DENYING PLANNING APPLICATION PA-08-27 A1 FOR PROPERTY LOCATED AT 1872 NEWPORT BOULEVARD

THE PLANNING COMMISSION OF THE CITY OF COSTA MESA HEREBY RESOLVES AS FOLLOWS:

WHEREAS, an application was filed by Dan Stansell, as the authorized agent on behalf of the property owner, Coastline Equity, Inc., with respect to the real property located at 1872 Newport Boulevard;

WHEREAS, the proposed project involves an amendment to a conditional use permit for a jewelry shop with pawn broker services at 1872 Newport Boulevard (Jewelry-N-Loan) to lower the minimum loan amount and to allow pawn broker services for a more extensive list of items. The existing jewelry store and pawn broker service is located in a 1,012 square foot building. The applicant is requesting the removal of limitations to the pawned inventory and loan services by the deletion of two conditions of approval (below):

- Pawnbroker services shall be limited to watches and jewelry only.
- No loans less than \$2,500 shall be permitted.

WHEREAS, a duly noticed public hearing held by the Planning Commission on June 22, 2015 with all persons having the opportunity to speak for and against the proposal.

BE IT RESOLVED that, based on the evidence in the record and the findings contained in Exhibit A, the Planning Commission hereby **DENIES** Planning Application PA-08-27 A1 with respect to the property described above.

PASSED AND ADOPTED THIS 22nd DAY OF JUNE, 2015.

Robert L. Dickson, Jr., Chair
Costa Mesa Planning Commission

EXHIBIT A

FINDINGS (DENIAL)

- A. The proposed project does not comply with Costa Mesa Municipal Code Section 13-29(e) because:
1. A compatible and harmonious relationship does not exist between the proposed use and existing buildings, site development, and uses on surrounding properties.
 2. The proposed project does not comply with the performance standards as prescribed in the Zoning Code.
 3. The proposed project is not consistent with the General Plan or Zoning Code.
- B. The proposed project does not comply with Costa Mesa Municipal Code Section Code Section 13-29(g)(1) because:
- The proposed use is not substantially compatible with developments in the same general area and would be materially detrimental to other properties within the area because:
 - The retail sales of jewelry and watches is intended to be the primary business.
 - The original intent of the conditions is to discourage blight and deterioration from proliferation of pawn shops.
 - Increased crime may be associated with the ability to pawn a great variety of stolen items without being traced and with ease.
 - Granting the amendment to the conditional use permit will be materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood.
 - Granting the amendment to the conditional use permit will allow a use, density, or intensity which is not in accordance with the General Plan designation and any applicable specific plan for the property.
 - The original CUP ensures that the retail sales of jewelry/watches be the primary business. Pawn brokerage and loan services were required to be ancillary to the retail sales of jewelry/watches.
 - The CUP establishes appropriate conditions of approval to prevent blighted conditions. The staff report for the original CUP states that there was a concern that pawn shops, pawnbroker services, and second-hand stores may give the appearance of blight and deteriorated retail conditions. To address this concern and ensure compatibility with the surrounding area, a condition of approval was included limiting pawnbroker services to jewelry and watches only.

A condition of approval setting a minimum loan amount of \$2,500 was included as a justification for approval as it was expected that customer traffic to the pawnbroker/loan aspect of the business would be limited by the condition, thereby maintaining the store primarily as a jewelry and watch retail store.

Planning staff consulted the Costa Mesa Police Department, who expressed concern that expanding the list of items eligible for pawnbroker services may increase criminal activities associated with stolen goods, as these types of items are often sold on the pawn market. The Police Department indicated that it is difficult to trace and recover stolen goods offered in pawn shops.

Lowering the minimum loan amount and increasing the items eligible for pawn broker services may substantially increase the use or intensity beyond what was previously permitted as a jewelry and watch store, with ancillary pawn brokerage services.

- C. The Costa Mesa Planning Commission has denied Planning Application PA-08-27 A1. Pursuant to Public Resources Code Section 21080(b)(5) and CEQA Guidelines Section 15270(a) CEQA does not apply to this project because it has been rejected and will not be carried out.
- D. The project is exempt from Chapter IX, Article 11, Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.

RESOLUTION NO. PC-15-

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA APPROVING CERTAIN AMENDED CONDITIONS FOR PLANNING APPLICATION PA-08-27 A1 A CONDITIONAL USE PERMIT FOR A PAWN BROKER LOCATED AT 1872 NEWPORT BOULEVARD

THE PLANNING COMMISSION OF THE CITY OF COSTA MESA HEREBY RESOLVES AS FOLLOWS:

WHEREAS, an application was filed by Dan Stansell, as the authorized agent on behalf of the property owner, Coastline Equity, Inc., with respect to the real property located at 1872 Newport Boulevard;

WHEREAS, the proposed project involves an amendment to a conditional use permit for a jewelry shop with pawn broker services at 1872 Newport Boulevard (Jewelry-N-Loan) to lower the minimum loan amount and to allow pawn broker services for a more extensive list of items. The existing jewelry store and pawn broker service is located in a 1,012 square foot building. The applicant is requesting the removal of limitations to the pawned inventory and loan services by the deletion of two conditions of approval (below):

- Pawnbroker services shall be limited to watches and jewelry only.
- No loans less than \$2,500 shall be permitted.

WHEREAS, the project was reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA), The State CEQA Guidelines, and the City of Costa Mesa Environmental Guidelines; and the project was determined to be exempt from further CEQA analysis under Section 15301 for Existing Facilities;

WHEREAS, a duly noticed public hearing held by the Planning Commission on June 22, 2015 with all persons having the opportunity to speak for and against the proposal;

BE IT RESOLVED that, based on the evidence in the record and the findings contained in Exhibit A, and subject to the conditions of approval contained within Exhibit

B, the Planning Commission hereby approves certain modified conditions for Planning Application PA-08-27 A1 with respect to the property described above.

BE IT FURTHER RESOLVED that the Costa Mesa Planning Commission does hereby find and determine that adoption of this Resolution is expressly predicated upon the activity as described in the staff report for Planning Application PA-08-27 A1 and upon applicant's compliance with each and all of the conditions in Exhibit B, and compliance of all applicable federal, state, and local laws. Any approval granted by this resolution shall be subject to review, modification or revocation if there is a material change that occurs in the operation, or if the applicant fails to comply with any of the conditions of approval.

BE IT FURTHER RESOLVED that if any section, division, sentence, clause, phrase or portion of this resolution, or the documents in the record in support of this resolution, are for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions.

PASSED AND ADOPTED THIS 22nd DAY OF JUNE, 2015.

Robert L. Dickson, Jr., Chair
Costa Mesa Planning Commission

EXHIBIT A

FINDINGS (APPROVAL)

- A. The information presented substantially complies with Costa Mesa Municipal Code Section 13-29(g)(2) in that:

Finding: The proposed use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area.

Facts in Support of Finding: The use, as conditioned, is not anticipated to have any negative effects on the surrounding properties, and is compatible with the surrounding commercial uses. No noise impacts to the nearby residential properties are anticipated due to the nature of the business. The parking demand of the proposed use is compatible with parking demand existing at the subject property. No security impacts are anticipated due to included conditions of approval requiring surveillance cameras, an alarm system, and an armed guard on the premises during operating hours.

Finding: Granting the conditional use permit will not be materially detrimental to the health, safety, and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood.

Facts in Support of Finding: The use, as conditioned, will not be materially detrimental to the health, safety, or general welfare of the public in that security measures will be in place.

The project is conditioned to maintain the security measures currently in place and described in the attached security plan submitted by the applicant. These security measures include:

- Installation of 27 surveillance cameras covering the interior and exterior of the building, with 6 months of stored footage
- An armed security guard on the premises during operating hours
- Installation of an alarm system

Finding: Granting the conditional use permit will not allow a use, density, or intensity which is not in accordance with the General Plan designation and any applicable specific plan for the property.

Facts in Support of Finding: The project is consistent with the General Plan land use designation of General Commercial, intended to permit a wide range of commercial uses.

Granting the modification to the CUP for the jewelry stop and pawnbroker services shall not allow a use, density, or intensity which is not in accordance with the General Plan. The shop has been in operation with a CUP since 2008, and the proposed modification to the CUP will not substantially increase the use or intensity of the store.

- B. The information presented substantially complies with Costa Mesa Municipal Code section 13-29(e) because:
- a. The proposed development and use is compatible and harmonious with uses both on site as well as those on surrounding properties. The project is conditioned to minimize any security impacts to nearby residential and commercial uses.
 - b. Safety and compatibility of the design of the parking areas, landscaping, luminaries, and other site features including functional aspects of the site development such as automobile and pedestrian circulation have been considered. The proposed use will be conditioned to maintain all security measures currently in place, and has sufficient parking for the proposed use.
 - c. The project, as conditioned, is consistent with the General Plan. The project is consistent with the General Plan land use designation of General Commercial. This designation is intended to permit a wide range of commercial uses to serve local and regional needs and should be insulated from sensitive uses through buffers or onsite mitigation measures. The proposed project will prevent security impacts to surrounding residential and commercial uses through onsite security measures.
 - d. The proposed use is compliant with performance standards as prescribed in the Zoning Code. The proposed swim school will be conditioned to operate as described in the submitted business description and is compliant with Zoning Code.
 - e. The planning application is for a project-specific case and does not establish a precedent for future development. Approval will apply to this project-specific locations. Conditions have been included that are specific to the proposed project.
- C. The project is exempt from the provisions of the California Environmental Quality Act under Section 15301 (Class 1) for Existing Facilities. Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond what that existing at the time of the lead agency's determination. Because the modification to the CUP at the project site will not include a major alteration or expansion to the existing facility, the project qualifies for this exemption.
- D. The project is exempt from Chapter XII, Article 3, Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.

EXHIBIT B

CONDITIONS OF APPROVAL

[*As modified pursuant to Amendment No. 1 to PA-08-27 on June 22, 2015]

- Plng.
1. The use shall be limited to the type of operation described in this staff report: a jewelry store with ancillary pawn broker services. Any significant change in the operational characteristics will require approval of an amendment to the conditional use permit, subject to Planning Commission approval. The Development Services Director shall make a determination that certain changes could be approved at a staff level.
 2. The applicant shall defend, indemnify, and hold harmless the City, its elected and appointed officials, agents, officers and employees from any claim, action, or proceeding (collectively referred to as "proceeding") brought against the City, its elected and appointed officials, agents, officers or employees arising out of, or which are in any way related to, the applicant's project, or any approvals granted by City related to the applicant's project. The indemnification shall include, but not be limited to, damages, fees and/or costs awarded against the City, if any, and cost of suit, attorney's fees, and other costs, liabilities and expenses incurred in connection with such proceeding whether incurred by the applicant, the City and/or the parties initiating or bringing such proceeding. This indemnity provision shall include the applicant's obligation to indemnify the City for all the City's costs, fees, and damages that the City incurs in enforcing the indemnification provisions set forth in this section. City shall have the right to choose its own legal counsel to represent the City's interests, and applicant shall indemnify City for all such costs incurred by City.
 3. If construction is proposed, the conditions of approval, code requirements, and special district requirements of PA-08-27 A1 shall be blueprinted on the face of the site plan as part of the plan check submittal package.
 4. The applicant shall contact the Planning Division to arrange a Planning inspection of the site upon completion of all site improvements and prior to final approval of any building permits for interior building improvements. This inspection is to confirm that the conditions of approval and Code requirements have been satisfied.
 5. A copy of the conditions of approval for the conditional use permit must be kept on premises and presented to any authorized City official upon request. New business/property owners shall be notified of conditions of approval upon transfer of business or ownership of land.
 6. New tenant signage shall comply with the City's Sign Code.
 7. The business shall be conducted, at all times, in a manner that will allow the quiet enjoyment of the surrounding neighborhood. The applicant and/or business owner shall institute whatever security and operational measures are necessary to comply with this requirement.

8. The conditional use permit herein approved shall be valid until revoked, but shall expire upon discontinuance of the activity authorized hereby for a period of 180 days or more. The conditional use permit may be referred to the Planning Commission for modification or revocation at any time if the conditions of approval have not been complied with, if the use is being operated in violation of applicable laws or ordinances, or if, in the opinion of the Director of Economic & Development Services/Deputy CEO or his designee, any of the findings upon which the approval was based are no longer applicable.
9. As required by Conditional Use Permit PA-08-27 A1, except as permitted by the City of Costa Mesa Municipal Code for temporary window signs, windows shall not be blocked or obscured.
10. ***No loans less than \$1,000 shall be permitted.**
11. ***Pawnbroker services shall be limited to luxury items, including: jewelry, watches, loose gemstones, precious metals, art, and antiques.**
12. Pawnbroker services further shall not be permitted for sports equipment, lawn equipment, clothing, household goods, electronics, or any other item not specifically permitted in Condition of Approval Number 11.
13. Security measures described in the security plan shall be maintained, including:
 - Installation of 27 surveillance cameras covering the interior and exterior of the building, with 6 months of stored footage
 - An armed security guard on the premises during operating hours
 - Installation of an alarm system

Jewelry-N-Loan
1872 Newport Blvd.
Costa Mesa, CA 92627

May 26, 2015

City of Costa Mesa
Planning Department
77 Fair Drive
Costa Mesa, CA 92628-1200

**RE: 1872 Newport Blvd. ("Premises")
Amendment of Conditional Use Permit PA-08-27 granted Oct. 30, 2008 ("CUP")**

Ms. Crager,

This communication is meant to supplement my letter to Ms. Minoo Ashabi dated March 10, 2015 wherein I requested an amendment to the CUP referenced above. Our purchase of Jack's Jewelry-N-Loan is now complete and we have begun renovations to the Premises in keeping with our high standards of operation. You may find the security measures we've undertaken to be of interest in connection with our request. In that regard, we have:

1. Installed 27 surveillance cameras covering the entirety of the interior of the Premises as well as the exterior of the building. It is our intention to store a minimum of 6 months of footage for review should the need arise.
2. Contracted with Exclusive Protection Inc. for a professionally licensed armed security guard to remain on the Premises during operating hours.
3. Installed a state of the art alarm system that is continually monitored and periodically tested by Bay Alarm via redundant communication methods. This system has been certified by Underwriters Laboratories, which is a third party company that verifies that it has been installed and will be maintained, tested and monitored according to the latest applicable codes and standards.

I hope this proves helpful. Please let me know should you have any questions.

Kind regards,



Dan Stansell
Chief Operating Officer

March 11, 2015

City of Costa Mesa
Planning Department
77 Fair Drive
Costa Mesa, CA 92628-1200

**RE: 1872 Newport Blvd. ("Premises")
Amendment of Conditional Use Permit PA-08-27 granted Oct. 30, 2008 ("CUP")**

Ms. Ashabi,

I appreciate your reviewing this letter, written for the purpose of requesting an amendment to the CUP for the above referenced Premises.

The principals of Beverly Loan Company (www.beverlyloan.com), an upscale collateral lender in Beverly Hills, are in the process of purchasing a licensed pawnshop, Jack's Jewelry N Loan, located at 1872 Newport Blvd. This particular pawn shop is subject to a CUP that has two concerning restrictions:

1. *Pawnbroker services shall be limited to watches and jewelry only.*
2. *No loans less than \$2,500.00 shall be permitted.*

We ask that both of these restrictions be eliminated. Their removal is substantially compatible with other uses permitted in the general area. Further, their removal would not in any way be detrimental to other properties in the area and would, in fact, be advantageous to residents of Costa Mesa. This is true for several reasons, including the following:

1. There are currently three pawnbrokers (including the applicant) in operation within 450 feet of the Premises. The removal of the restrictions above would not increase the number of pawnbrokers operating in the area. The number of pawn shops would remain status quo.
2. It is our understanding that the other two existing pawnbrokers located at 1836 Newport Blvd. and 1860 Newport Blvd. do not operate under the restrictions as listed above. It is inequitable that all pawn shops within a small trade area do not operate under the same

restrictions. And, to the extent customers visiting the Premises seek loans against alternative collateral or in amounts of less than \$2,500, those customers can easily (and often do) walk 450 feet to a pawnshop that is able to provide those services. Given this, the restrictions often do not serve to limit these transactions in the general area; they just prohibit them from occurring at the Premises.

3. The purchase and sale of items is not limited to jewelry and watches; only the origination of pawn loans against such items is limited. As such, a customer seeking to sell a gold coin could do so, but a customer seeking to loan against that very coin would be denied. This does not serve to limit transactions in lower amounts or against alternative personal property from occurring – it simply forces the customer to sell their item rather than obtain a loan. Further, borrowers often have a sentimental attachment to their items of personal property, and it is inappropriate to force them to part with such items forever if all they require is a short term loan.
4. The purchase and sale of items is not limited to amounts of \$2,500 or less; only the origination of pawn loans in lesser amounts is limited. As such, a customer seeking to sell a diamond ring valued at \$2,000, \$1,000, \$500 or even \$50 could do so, but a customer seeking to loan against that very same gold chain would be denied access to short term credit. Again, this does not serve to limit transactions from occurring, it simply forces the customer to sell their item rather than obtain a pawn loan, no matter if their item is sentimental in nature and they would like the opportunity to redeem it.
5. Many customers simply do not require a loan of \$2,500 or more. A borrower may have a watch worth \$10,000, but only need a loan of \$500. The restrictions often force such customers to borrow more than they require, encouraging irresponsible lending and borrowing.
6. Potential borrowers are unaware of the restrictions, making them ineffective. A passing customer has no way of knowing that they will be unable to obtain a loan against fine art, for example, or in an amount of less than \$2,500, so the restrictions do not serve to deter such customers from visiting the Premises. These customers will inevitably visit with the intent of obtaining loan, but find themselves: a) obliged to sell their item, b) forced to visit a neighboring pawn shop that is not subject to the restrictions; or c) denied access to short term credit entirely.
7. To the extent the restrictions are intended to prohibit the operation of a pawn shop featuring items such as lawn mowers and power tools, they are unnecessary. Only luxury items such as designer handbags, coins, contemporary art, one-of-a-kind memorabilia, rare collectibles and antiques will complement the primary use of the Premises as a jewelry store, just as is the case at our Beverly Hills location. And, as a practical matter, there is little difference between loaning against a loose diamond (non-jewelry) and loaning against a diamond mounted in a ring (jewelry).
8. Finally, access to pawn loans at all levels and against various types of collateral allows Costa Mesa residents access to non-recourse short term credit. Pawn shops do not check credit or negatively affect credit should the borrower choose not to repay the loan. We

are responsible lenders and would be an enormous benefit to the community.

Please rest assured that we intend to operate Jack's Jewelry N Loan with the same high level of professionalism and integrity that we have maintained at Beverly Loan since 1938. We are the premier collateral lenders in the United States and look forward to making our unparalleled services available to all residents of Costa Mesa.

Thank you for your consideration. We look forward to your questions and comments.

Kind regards,

A handwritten signature in black ink, appearing to read "Dan Stansell", with a long horizontal flourish extending to the right.

Dan Stansell

Chief Operating Officer

ATTACHMENT 3

system, and traffic circulation improvements.

MOTION: Adopt Resolution No. 09-23 modifying the Planning Commission's decision based upon findings established in Exhibit "A" and subject to conditions of approval in Exhibit "B".

Moved by Council Member Gary Monahan, seconded by Mayor Pro Tem Wendy Leece.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece, Council Member Eric R. Bever, Council Member Gary Monahan

Noes: None.

Absent: Council Member Katrina Foley

RECESS: The Mayor declared the meeting recessed at 7:35 p.m.

AFTER RECESS: The Mayor reconvened the meeting at 7:52 p.m.

3. PUBLIC HEARING: Appeal of the Planning Commission's determination regarding Zoning Application ZA-09-05, for Scott Mitchum, authorized agent for Murray Seidner, for an amendment to the condition of approval for PA-08-24 to reduce customer loan amounts from \$2500.00 to \$500.00 for ancillary pawnbroker services, located at 1860 Newport Boulevard in C2 zone (General Business District). Environmental determination: exempt.

Senior Planner Mel Lee presented the staff report and responded to questions from the City Council.

Murray Seidner, property owner, Costa Mesa, commented on business transactions and the impact of the economy on his business and encouraged the Council to approve reducing customer loan amounts to \$500.

Jim Caviola, Attorney for Mr. Seidner, encouraged the reductions in the loan amount noting the current conditions of the economy. He requested that the condition be approved in order for the company to continue in business.

Beth Refakes, Costa Mesa, expressed concern on the amount of pawn shops on Newport Boulevard and questioned if the other existing pawn shops had the same loan condition.

In reference to a question from the Mayor the Senior Planner advised that there was one remaining jewelry store with the condition of approval for a \$2,500 loan amount limit.

MOTION: Modify the Planning Commission's decision in respect to condition number four that would allow a decrease in the minimum loan

amount from \$2,500 to \$500.

Moved by Mayor Pro Tem Wendy Leece. Motion died for lack of second.

The Mayor noted his concern of the amount of pawn shops in the area and expressed his support in upholding the Planning Commission's decision to deny the applicant's request.

Mayor Pro Tem Leece felt that there was a need for such a business given the current economy and resubmitted her motion.

MOTION: Adopted Resolution No. 09-24 modifying the Planning Commission's decision based upon findings established in Exhibit "A" and modification of conditions of approval numbers four to read as follows:

1. No loans less than \$750 shall be permitted.

Moved by Mayor Pro Tem Wendy Leece, seconded by Council Member Eric Bever.

Council Member Bever requesting that the motion be amended for the customer loan amount to be no less than \$1,000. Mayor Pro Tem Leece agreed. The motion restated.

MOTION: Adopted Resolution No. 09-24, modifying the Planning Commission's decision based upon findings established in Exhibit "A" and modification of conditions of approval numbers four to read as follows:

1. No loans less than \$1,000 shall be permitted.

Moved by Mayor Pro Tem Wendy Leece, seconded by Council Member Eric R. Bever.

SUBSTITUTE MOTION: Adopt a resolution to uphold the Planning Commission's decision.

Moved by Mayor Allan R. Mansoor. Motion died for lack of second.

The motion carried by the following roll call vote:

Ayes: Mayor Pro Tem Wendy Leece, Council Member Eric R. Bever,
Council Member Gary Monahan

Noes: Mayor Allan R. Mansoor

Absent: Council Member Katrina Foley

The Mayor announced that Public Hearing Item Nos. 4 and 5 would be addressed collectively.

Overview Map



Legend

- | | | | |
|----------------|-----------------|--------------------|------------------------------|
| Address Points | Roads Collector | Major Newport BLVD | SECONDARY Hydrology Channels |
| Freeway | Freeway (cont) | Primary (cont) | |

Map Display

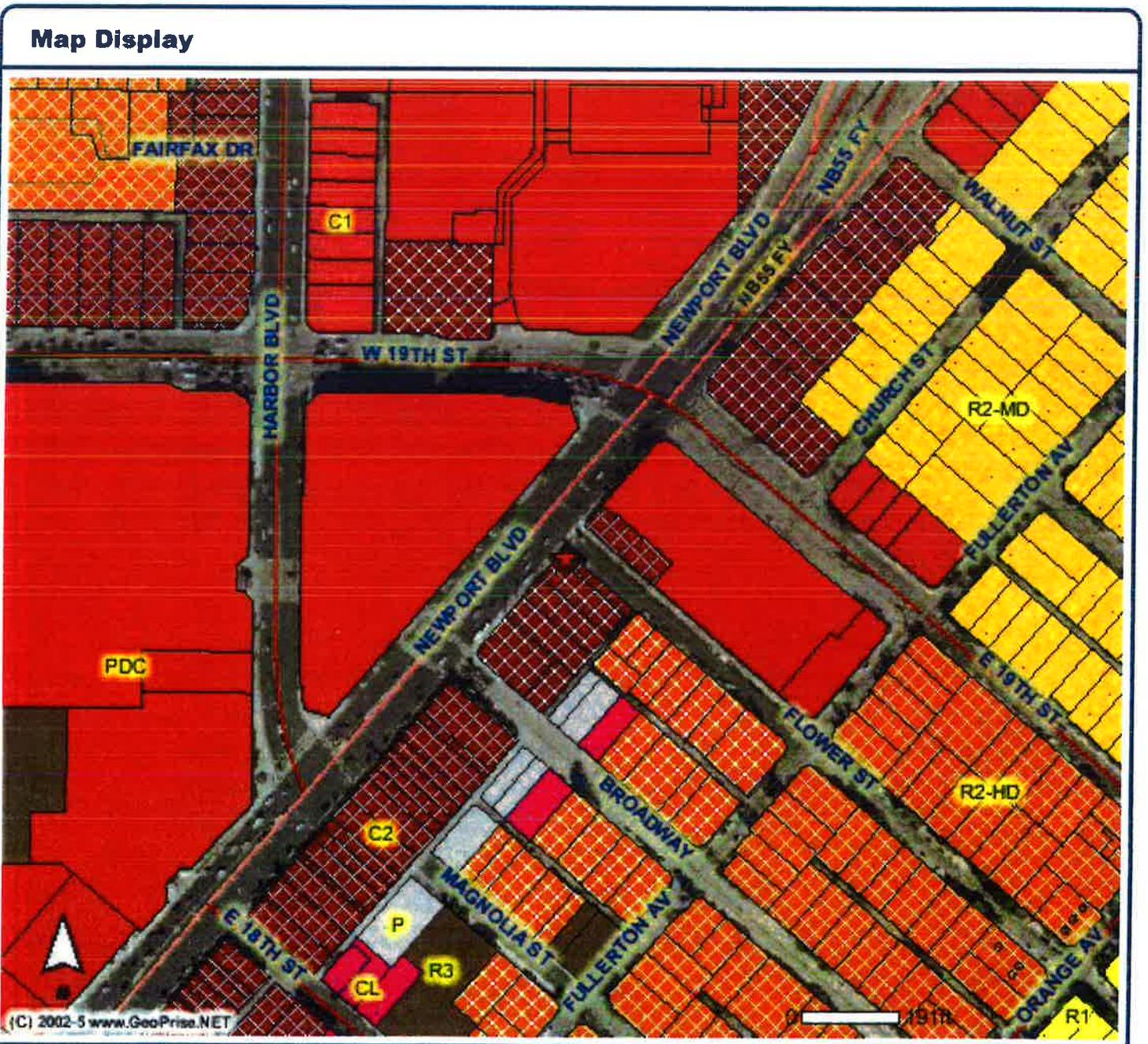


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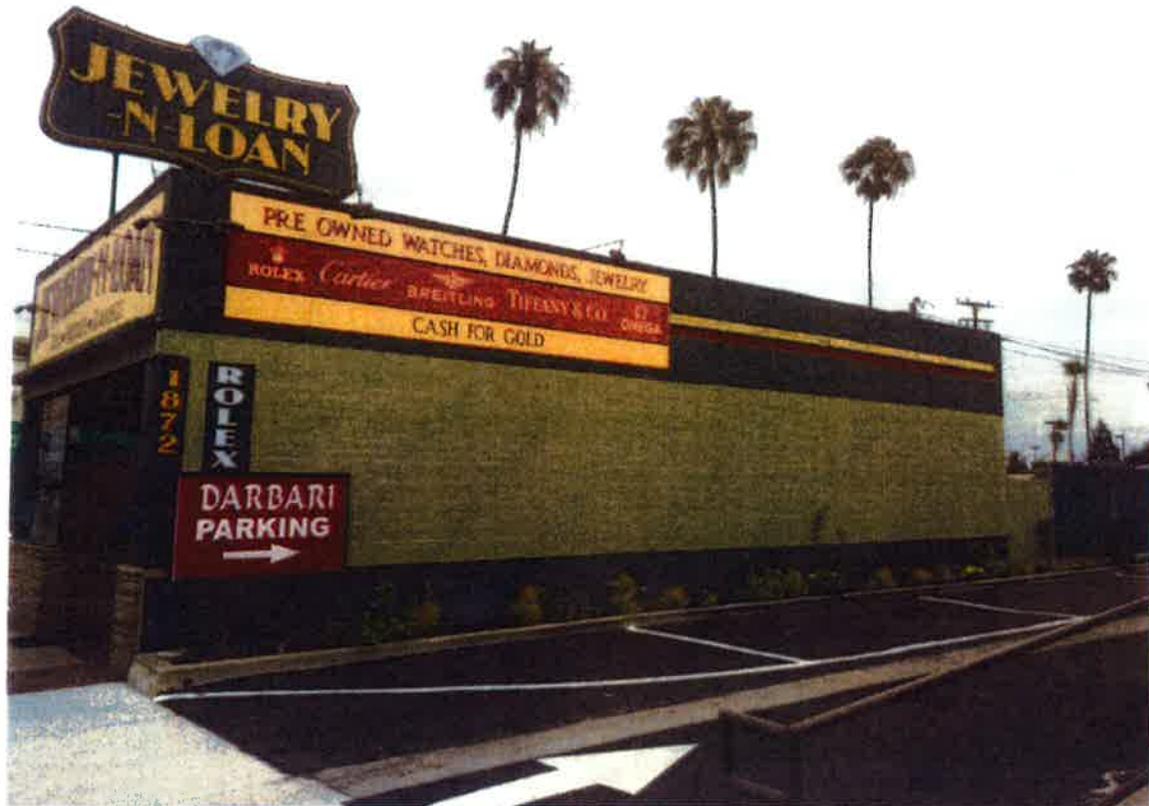
Legend

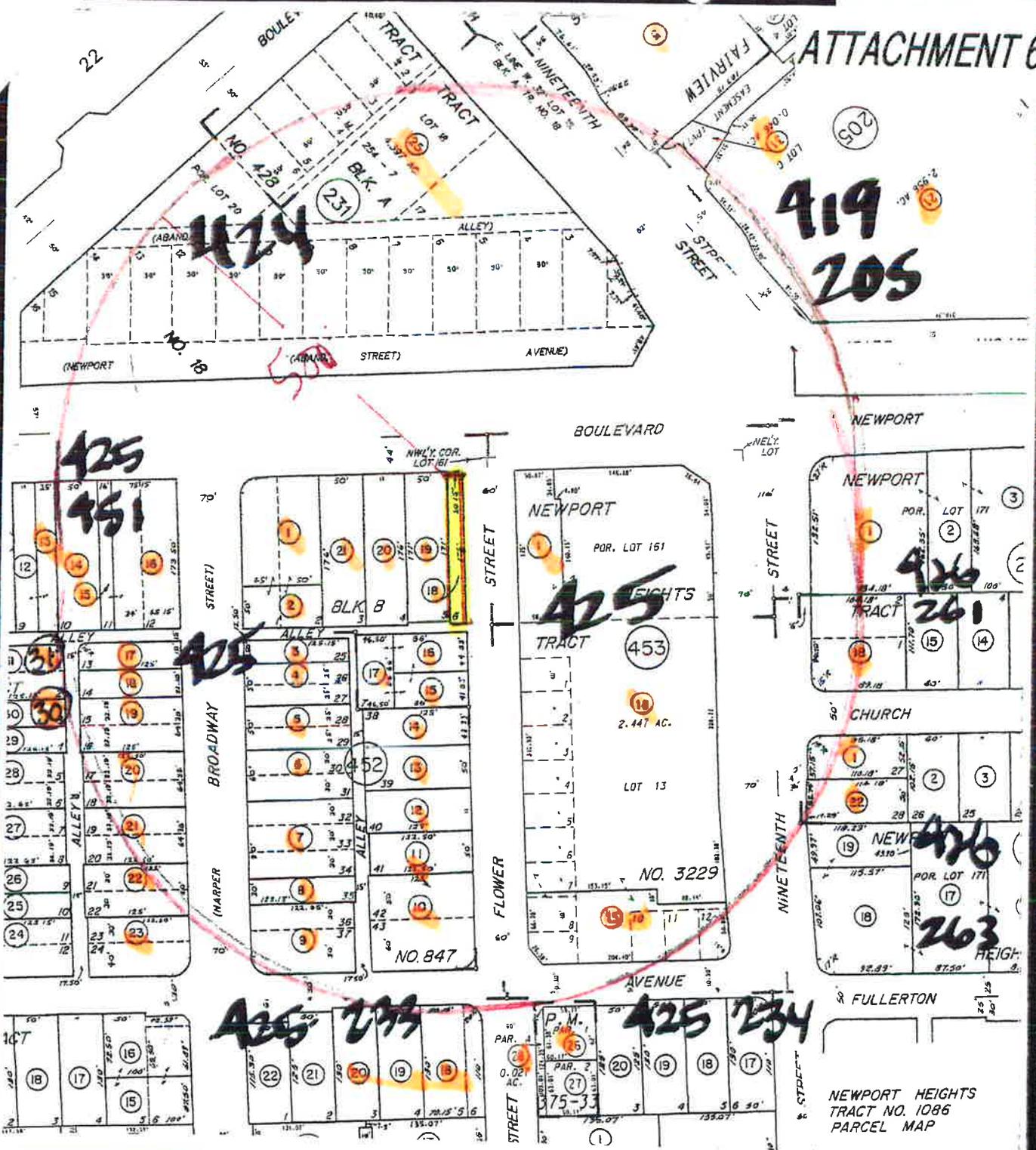
Address Points	Collector	SECONDARY	Street Centerlines
Freeway	Freeway	Hydrology	Parcel Lines
Roads (cont)	Major Newport BLVD	Channels	City Boundary
	Primary (cont)	Street Names	











Map Preparer:
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 949 494 6105
 susancaseinc@yahoo.com

FILE # 151715
 1872 NEWPORT BLVD
 COSTA MESA CA
 MARCH 16 2015
 500' OWNERS
 425 452 18

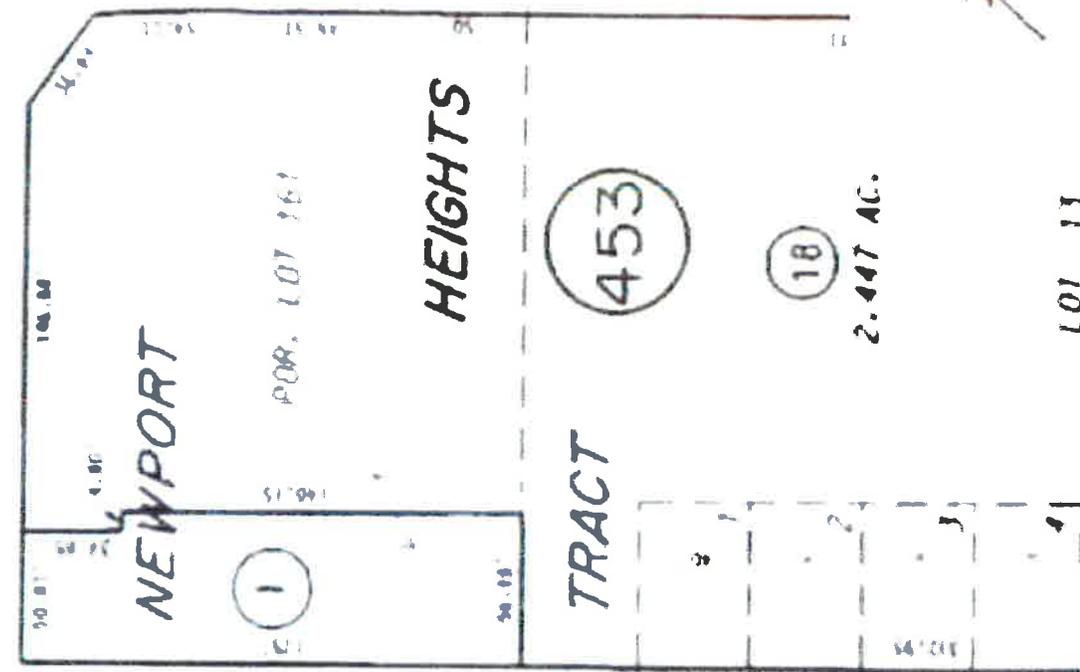
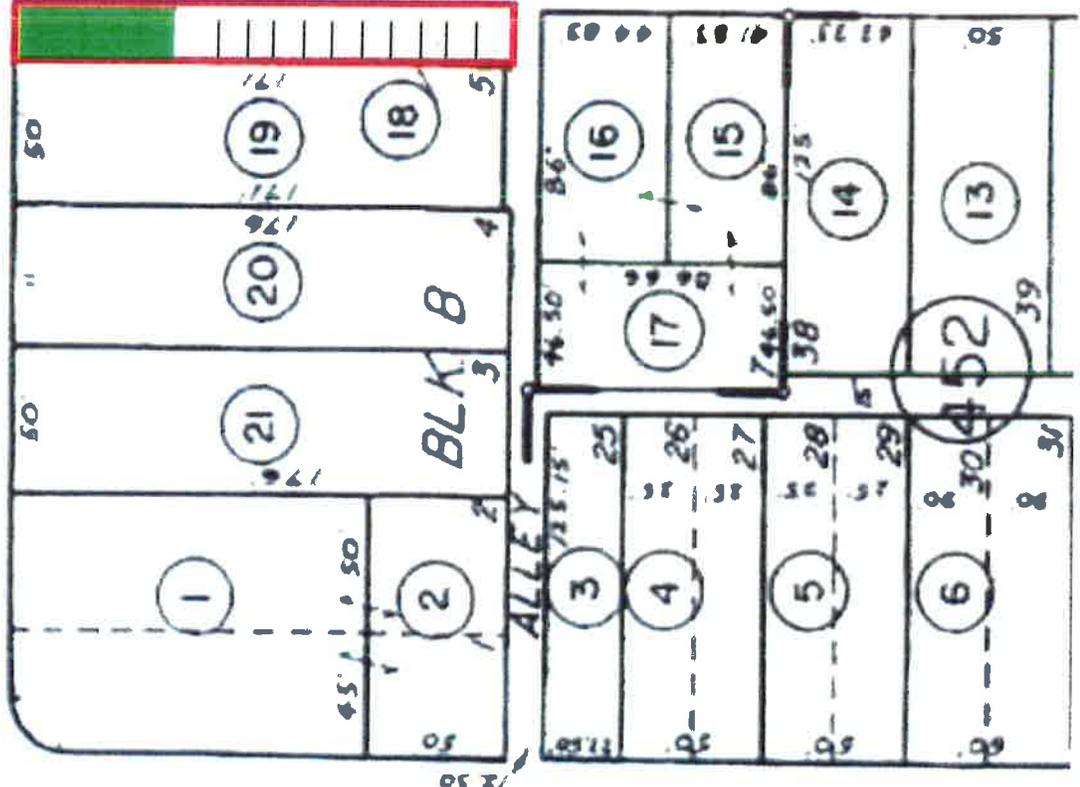

 NORTH

NEWPORT

BOULEVARD

NWLY. COR
LOT 161

NELY
LOT



64.30 | 64.20 | 62.10 | 62.10 | 173.50

(HARPER BROADWAY STREET)

-5L-

70

FLOWER STREET

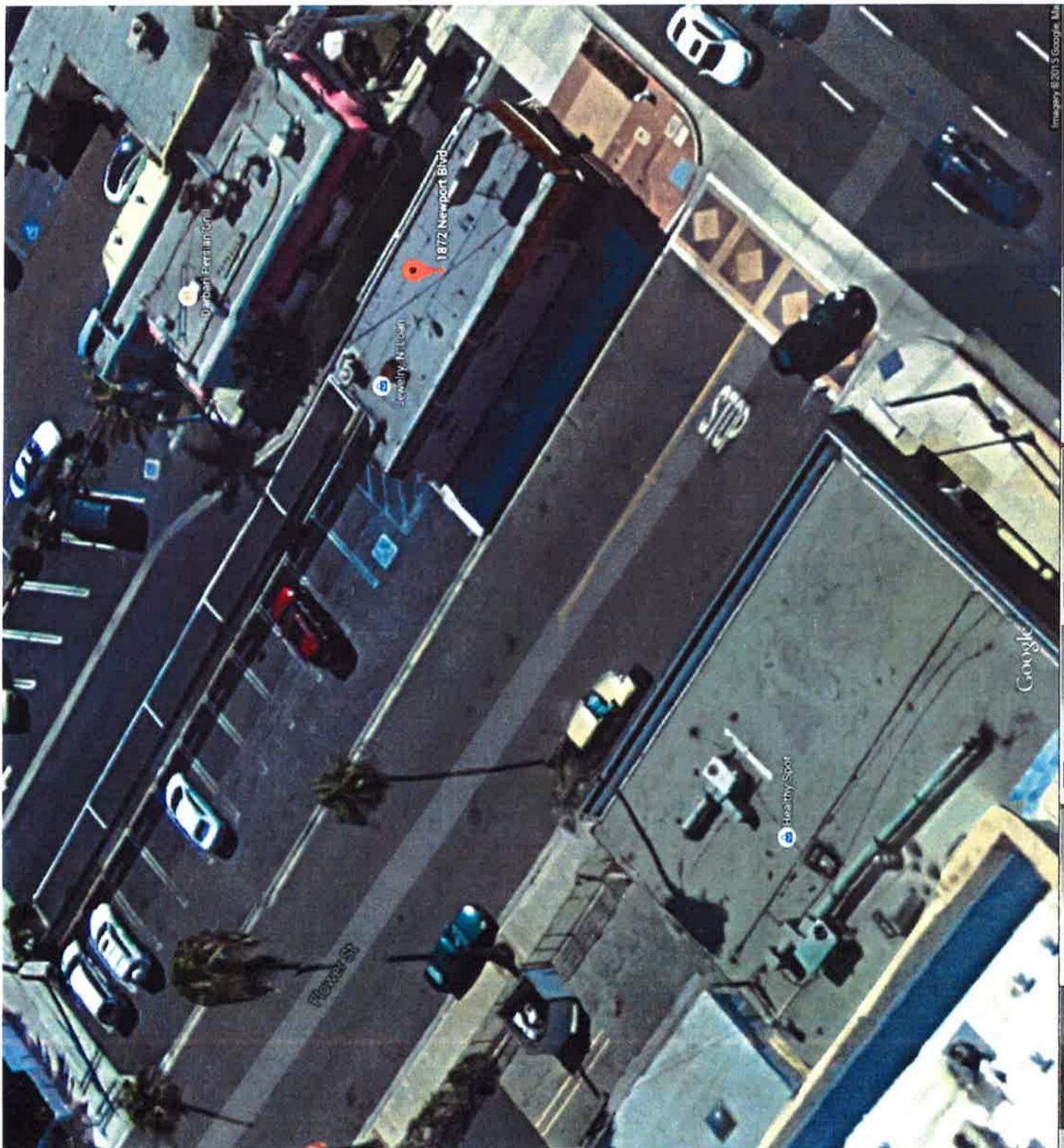
60

NINETEENTH STREET

70

LOT 13





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