



# **PLANNING COMMISSION AGENDA REPORT**

VII.3

MEETING DATE: OCTOBER 27, 2008

ITEM NUMBER:

**SUBJECT: PLANNING APPLICATION PA-08-24  
1860 NEWPORT BOULEVARD**

**DATE: OCTOBER 16, 2008**

**FOR FURTHER INFORMATION CONTACT: MEL LEE, AICP, SENIOR PLANNER  
(714) 754-5611**

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## **PROJECT DESCRIPTION**

The applicant is requesting approval of a conditional use permit to allow ancillary (i.e., incidental) pawnbroker services for a watch and jewelry store named Newport Watch and Jewelry Center.

## **APPLICANT**

The applicant is Scott Mitchum, representing Murray Seidner, the owner of the property.

## **RECOMMENDATION**

Approve by adoption of Planning Commission resolution, subject to conditions of approval.

MEL LEE, AICP  
Senior Planner

KIMBERLY BRANDT, AICP  
Asst. Development Services Director

## **BACKGROUND AND ANALYSIS**

### **Pawnbrokers - City and State Code Requirements**

Since 1998, the City's Zoning Code has required a conditional use permit (CUP) for pawnbroker services. A pawnbroker is defined under State law as a business that "receives goods, including motor vehicles, in pledge as security for a loan."<sup>1</sup> Typically, a written contract is prepared between the pawnbroker and the borrower for the loan in exchange for an item or items. After the pawnbroker issues the loan, the item(s) are placed in storage, and the borrower is given a specific period of time, usually four months, to repay the loan. If the loan is not repaid within the specified time period, the borrower is notified that the item(s) become the legal property of the pawnbroker and can be sold. A pawnbroker's license, which is reviewed and approved by the Police Department, is required in addition to a City business license.

There are currently six licensed pawnbrokers in the City, five of which predate the 1998 Zoning Code requirement for a CUP and are legal nonconforming.

### **Proposed Applications**

The requested CUP is for ancillary pawnbroker services in conjunction with a jewelry and watch store (see Attachment 2 for the applicant's description of the business). The property is located on the east side of Newport Boulevard within the City's Downtown Redevelopment Project Area. The building recently underwent a substantial exterior renovation and Planning staff gave approval for the applicant to operate a jewelry store. Subsequently, the applicant applied to the Police Department for a pawnbroker's license, necessitating approval of a conditional use permit.

Additionally, there are three similar establishments in the immediate area:

- 1836 Newport Boulevard – Coast Jewelry & Loan. The pawnbroker operation at this store predates the 1998 Zoning Code requirement for a CUP and is legal nonconforming.
- 1808 and 1872 Newport Boulevard – Estate Watch Jewelry & Loan. Approval of a CUP is being requested for a pawnbroker's license for these two locations, which is also scheduled for Commission action on October 27, 2008 (PA-08-27).

Attachment 3 depicts the location of the above properties and surrounding areas.

A typical concern with pawn shops, pawnbroker services, and second-hand stores is they may give the appearance of blight and deteriorated retail conditions. However, Newport Watch & Jewelry is operated like a traditional jewelry store; that is, as a showroom with display cases of items for sale. Customer traffic for pawnbroker/loan services is expected to be minimal because the minimum loan amount provided by the

<sup>1</sup> California Financial Code Section 21000.

applicant is \$2,500.00. Since the pawnbroker services are ancillary to the primary use (retail sale of watches and jewelry), staff does not believe there will be an adverse impact on surrounding uses.

To ensure the use is compatible with the surrounding area, staff is recommending the following condition of approval (Attachment 1):

2. Pawnbroker services shall be limited to watches and jewelry only.

### **ENVIRONMENTAL DETERMINATION**

The use is exempt from the provisions of the California Environmental Quality Act (CEQA) Section 15301 for Existing Facilities.

### **GENERAL PLAN AND REDEVELOPMENT PLAN CONFORMITY**

General Plan Objective LU-1F encourages standards that minimize blighting influences of stable neighborhoods. The nature of the proposed use, i.e., ancillary pawnbroker services, with the recommended conditions of approval, has the necessary standards to minimize blighting influences to the surrounding area and is, therefore, consistent with the General Plan and Redevelopment Plan.

### **ALTERNATIVES**

The Commission has the following alternatives:

1. Approve the use with the recommended conditions of approval to ensure the use does not adversely impact adjacent properties; the applicant may then seek approval of a pawnbroker's license from the Police Department; or
2. Deny the use. If the use is denied, the applicant cannot have ancillary pawnbroker services at this location or obtain a pawnbroker's license. However, the applicant would be able to have regular sales of watch and jewelry items. The applicant could not submit a request for substantially the same use for six months.

### **CONCLUSION**

It is staff's opinion that the proposed project, as conditioned, will be compatible with the uses in the surrounding area. Therefore, staff recommends approval of the use.

- Attachments:
1. Draft Planning Commission Resolutions (Approval and Denial)  
Exhibit "A" (Findings)  
Exhibit "B" - Draft Conditions of Approval
  2. Applicant's Description of the Use
  3. Location Maps
  4. Plans

cc: Deputy City Manager - Dev. Svs. Director  
Deputy City Attorney

City Engineer  
Fire Protection Analyst  
Staff (4)  
File (2)

Scott Mitchum  
Newport Watch and Jewelry Center  
2633 W. Coast Highway  
Newport Beach, CA 92663

Murray Seidner  
1949 Auto Center Drive  
Glendora, CA 91740

File: 102708PA0824	Date: 101608	Time: 11:45 a.m.
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# ATTACHMENT 1

## RESOLUTION NO. PC-08-

### A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA APPROVING PLANNING APPLICATION PA-08-24

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

WHEREAS, an application was filed by Scott Mitchum, authorized agent for Murray Seidner, requesting approval of a conditional use permit to allow ancillary (i.e., incidental) pawnbroker services for a watch and jewelry store located at 1860 Newport Boulevard in a C2 zone; and

WHEREAS, a duly noticed public hearing was held by the Planning Commission on October 27, 2008; and

BE IT RESOLVED that, based on the evidence in the record and the findings contained in Exhibit "A", the Planning Commission hereby **APPROVES** PA-08-24 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-08-24 and upon applicant's compliance with each and all of the conditions contained in Exhibit "B" as well as with 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.

**PASSED AND ADOPTED this 27th day of October, 2008.**

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Donn Hall, Chair  
Costa Mesa Planning Commission

STATE OF CALIFORNIA )  
 )ss  
COUNTY OF ORANGE )

I, Kimberly Brandt, secretary to the Planning Commission of the City of Costa Mesa, do hereby certify that the foregoing Resolution was passed and adopted at a meeting of the City of Costa Mesa Planning Commission held on October 27, 2008, by the following votes:

- AYES: COMMISSIONERS
- NOES: COMMISSIONERS
- ABSENT: COMMISSIONERS
- ABSTAIN: COMMISSIONERS

\_\_\_\_\_  
Secretary, Costa Mesa  
Planning Commission

**EXHIBIT "A"**

**FINDINGS (APPROVAL)**

- A. The proposed project complies with Costa Mesa Municipal Code Section 13-29(e) because:
  - 1. A compatible and harmonious relationship exists between the proposed use and existing buildings, site development, and uses on surrounding properties.
  - 2. The proposed use will comply with the performance standards as prescribed in the Zoning Code.
  - 3. The proposed use is consistent with the General Plan and Redevelopment Plan.
  - 4. The cumulative effect of all the planning applications have been considered.
  
- B. The information presented substantially complies with Costa Mesa Municipal Code Section 13-29(g)(2) with regard to the conditional use permit in that the proposed use is substantially compatible with developments in the same general area. Granting the conditional use permit will not be materially detrimental to the health, safety, and general welfare of the public or otherwise injurious to properties or improvements within the immediate neighborhood. Specifically, pawnbroker services will be ancillary to the primary jewelry and watch retail business and the conditions of approval will ensure the use is compatible with the intent of the City's Zoning Code and the surrounding neighborhood.
  
- C. The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA Guidelines; and the City's environmental procedures, and has been found to be exempt from CEQA per Section 15301 for Existing Facilities.
  
- 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**

- Plng.
1. The use shall be limited to the type of operation described in this staff report. i.e., a jewelry store with ancillary pawnbroker services. Any change in the operational characteristics shall require approval of an amendment to the conditional use permit, subject to Planning Commission approval.
  2. Pawnbroker services shall be limited watches and jewelry only.
  3. Except as permitted by the City of Costa Mesa Municipal Code for temporary window signs, windows shall not be blocked or obscured.

**RESOLUTION NO. PC-08-**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE  
CITY OF COSTA MESA DENYING PLANNING APPLICATION  
PA-08-24**

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

WHEREAS, an application was filed by Scott Mitchum, authorized agent for Murray Seidner, requesting approval of a conditional use permit to allow ancillary (i.e., incidental) pawnbroker services for a watch and jewelry store located at 1860 Newport Boulevard in a C2 zone; and

WHEREAS, a duly noticed public hearing was held by the Planning Commission on October 27, 2008; and

BE IT RESOLVED that, based on the evidence in the record and the findings contained in Exhibit "A", and subject to the conditions contained in Exhibit "B", the Planning Commission hereby **DENIES** PA-08-24 with respect to the property described above.

**PASSED AND ADOPTED this 27th day of October, 2008.**

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Donn Hall, 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 use is not consistent with the General Plan.
- B. The information presented does not comply with Costa Mesa Municipal Code Section 13-29(g)(2) with regard to the conditional use permit in that the proposed use is not compatible with developments in the same general area. Granting the conditional use permit will be materially detrimental to the health, safety, and general welfare of the public or otherwise injurious to properties or improvements within the immediate neighborhood.
- C. The Costa Mesa Planning Commission has denied Planning Application PA-08-24. 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 XII, Article 3, Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.

**NEWPORT WATCH & JEWELRY CENTER**

2633 W. Coast Highway  
Newport Beach, CA 92663  
949-673-3888

September 10, 2009

**ATTACHMENT 2**

Ms. Minoo Ashabi, AIA  
Senior Planner  
**The City of Costa Mesa**  
Development Services Department  
77 Fair Drive, P.O. Box 1200  
Costa Mesa, CA 92628

**Original Hand Delivered**

RECEIVED  
CITY OF COSTA MESA  
DEVELOPMENT SERVICES DEPARTMENT

SEP 11 2008

RE: Application 08-24  
1860 Newport Boulevard, California 92627

Dear Ms. Minoo:

This letter will provide some additional information requested to hopefully complete our application for the conditional use permit for our project designated for 1860 Newport Blvd. Costa Mesa, CA. 92627.

- Newport Watch & Jewelry Center;
- Business Operations: Retail Watch & Jewelry Sales, trades and purchases from the public, And also collateral loans on luxury jewelry & watch related items (minimum loan \$2,500). Our business represents approximately 80% retail sales and 20% collateral loans and purchases.
- PLEASE NOTE: This is NOT a "typical" pawn shop.  
The primary function of our financial institution is to enable our customers, and members of the surrounding communities, the opportunity to acquire a cash loan for emergency expenses (i.e. medical, unexpected occurrences) in the same day.

Our investment in the property and renovation is approximately \$2 million dollars. Our business will include, but is not limited to, three offices, a jewelry design and repair area, a watch repair service area, and 45 lineal feet of display cases.

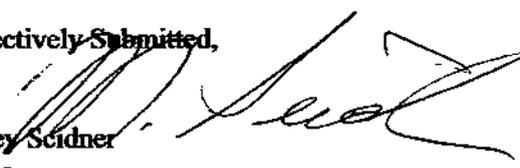
Newport Watch & Jewelry will employ an average of five (5) full time local employees. We have been in business in Newport Beach for seven years.

Customers will be able to enter from the front and rear, with handicapped access and parking will be available in the back parking area.

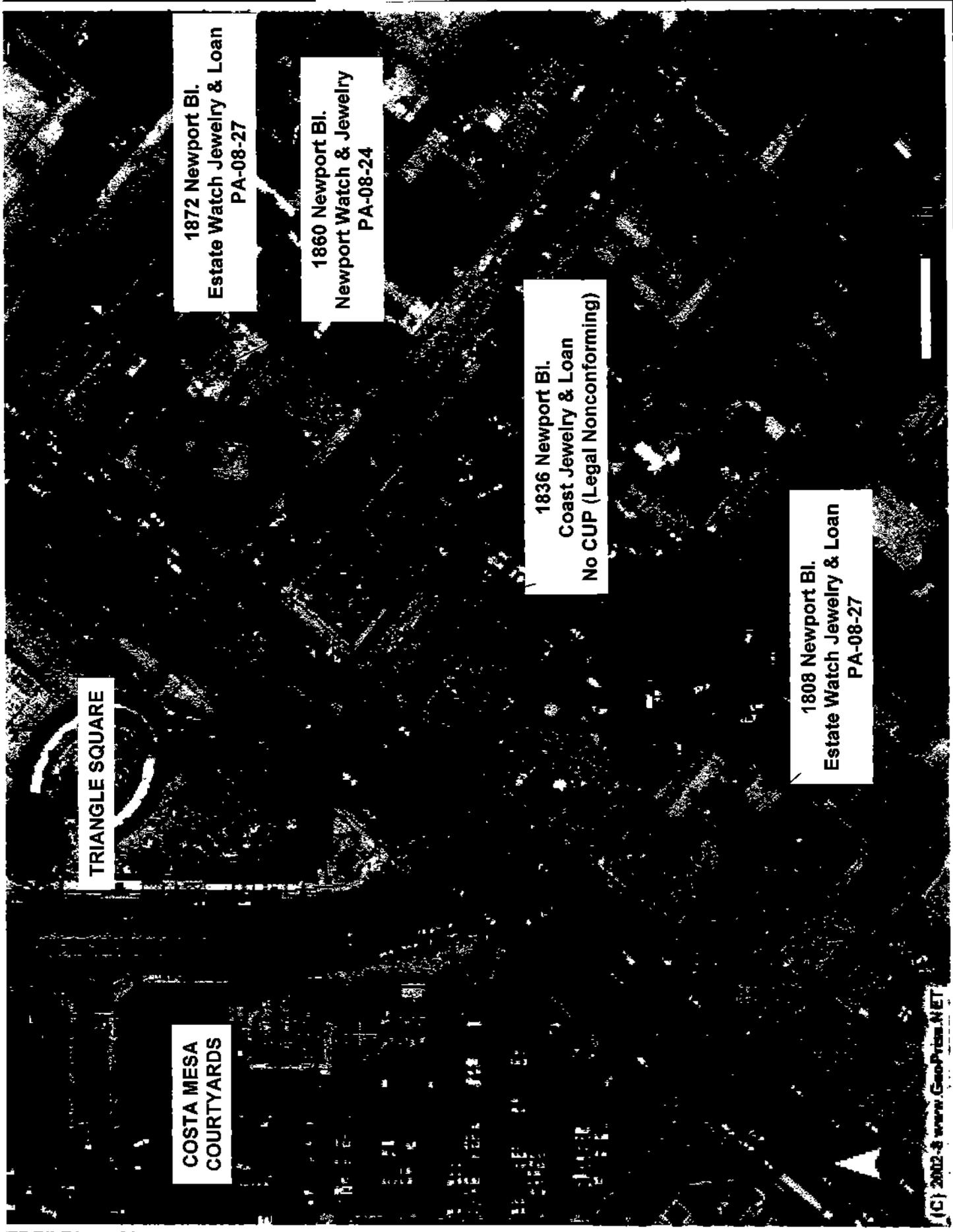
We currently own and operate Newport Watch & Jewelry Center, 2633 W. Coast Hwy. Newport Beach, CA 92663.

Seller's Permit No. EAA 100-807120; Pawn Broker License No. 3014-0985

Respectively Submitted,

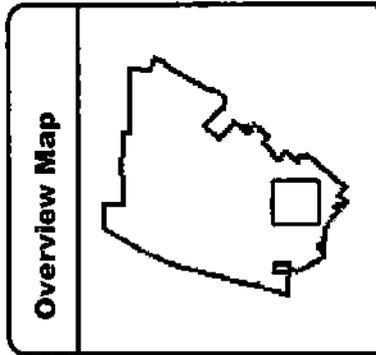
  
Murrey Scidner  
Owner

# ATTACHMENT 3



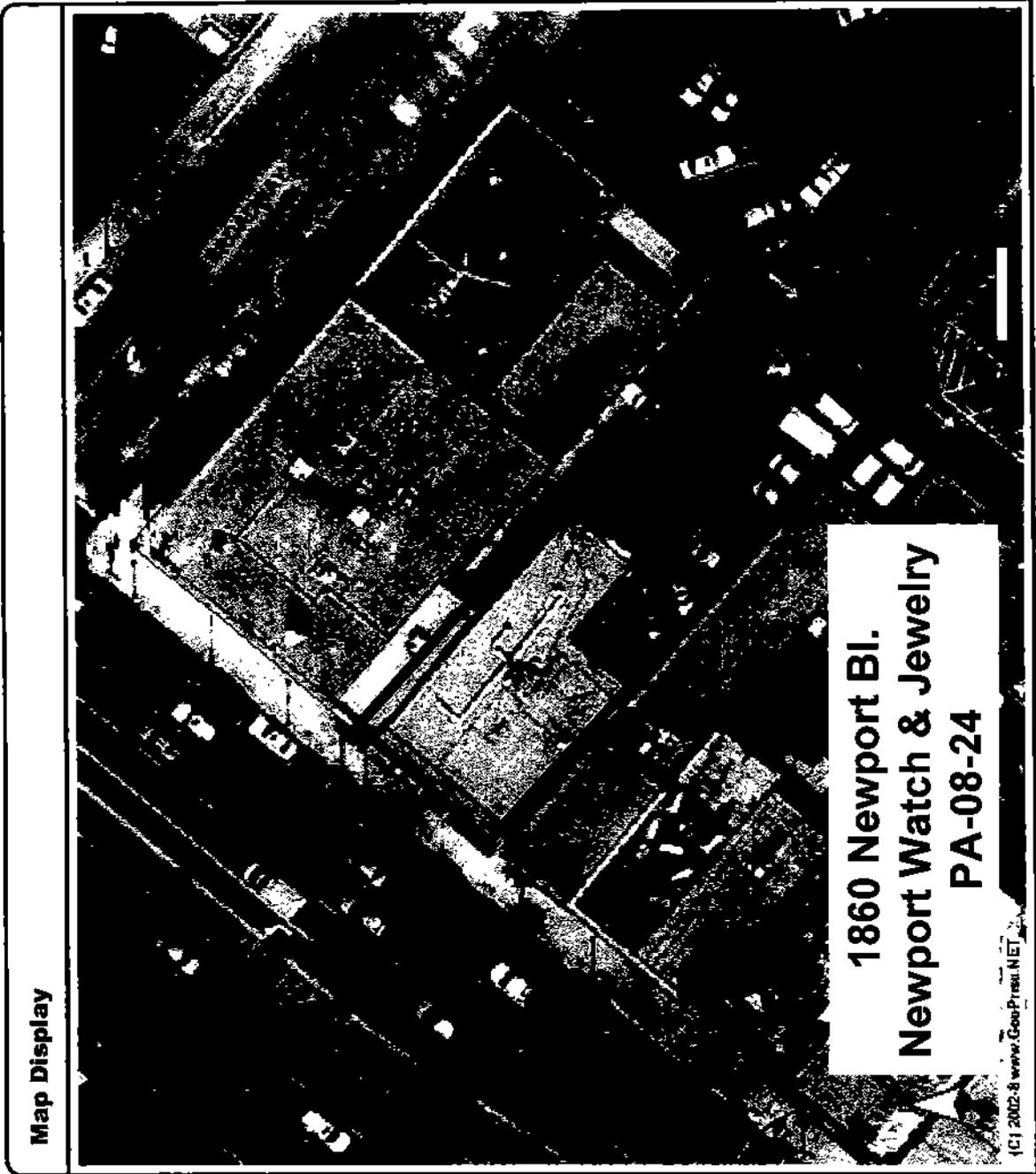
**City of Costa Mesa**

CITY OF COSTA MESA - [Created: 10/9/2008 7:54:47 AM] [Scale: 57.2] [Page: 8.5 x 11 / Landscape]



**Legend**

Street Names	Parcels
Street Centerlines	ROW
Parcel Lines	Polygons
Level 1 Ortho Photo	





1808 Newport Bl.  
Estate Watch Jewelry & Loan  
PA-08-27



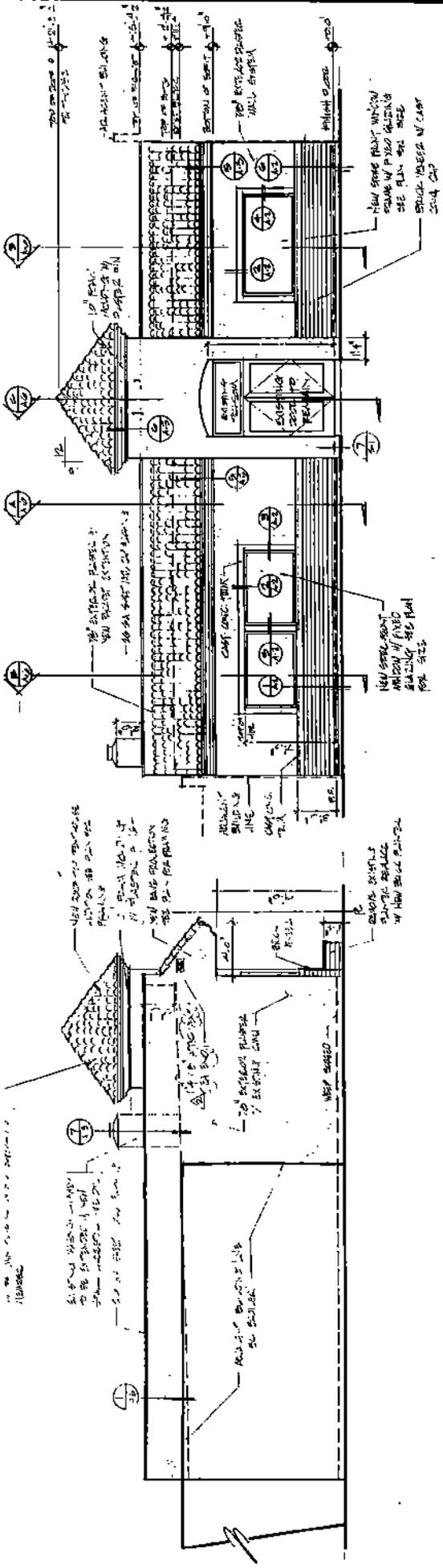
1860 Newport Bl.  
Newport Watch & Jewelry  
PA-08-24



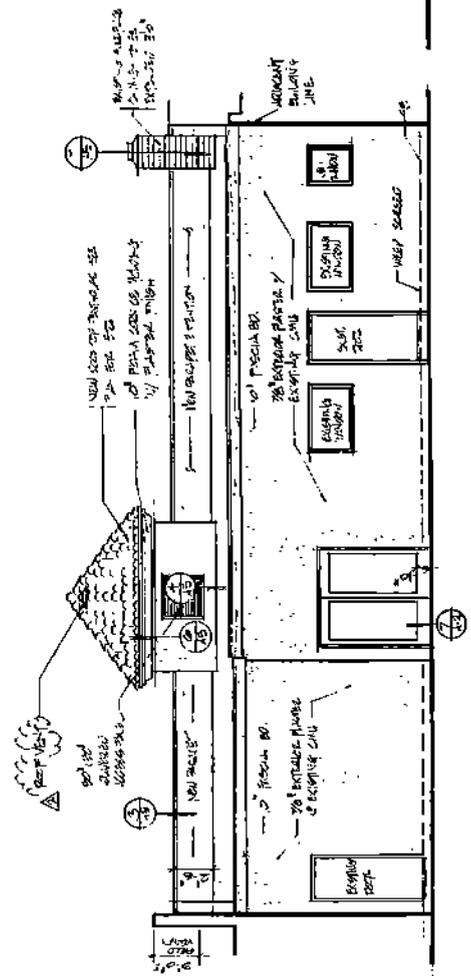
1836 Newport Bl.  
Coast Jewelry & Loan  
No CUP (Legal Nonconforming)



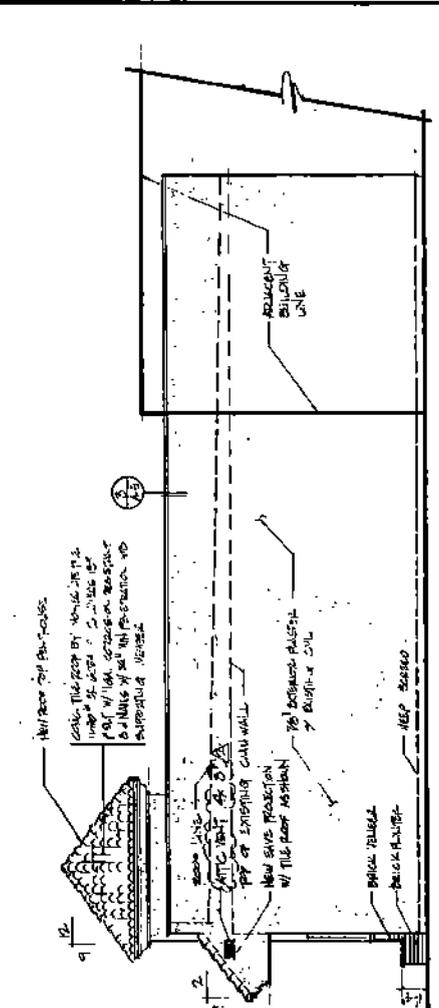
1872 Newport Bl.  
Estate Watch Jewelry & Loan  
PA-08-27



FRONT ELEVATION



SIDE ELEVATION

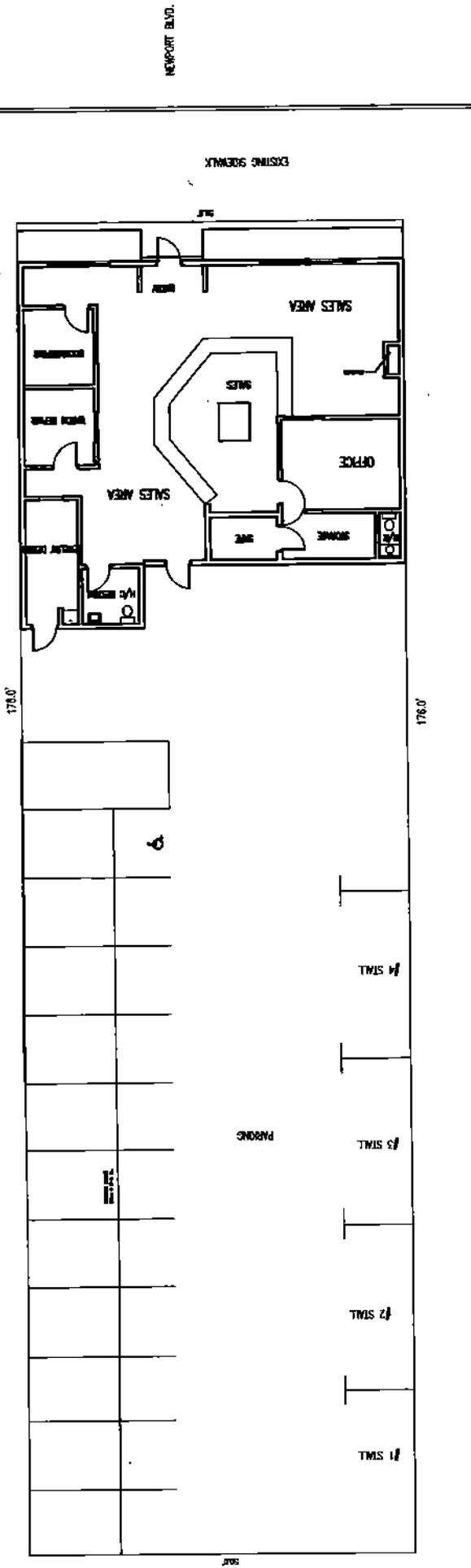


REAR ELEVATION

ATTACHMENT 4

REAR ELEVATION

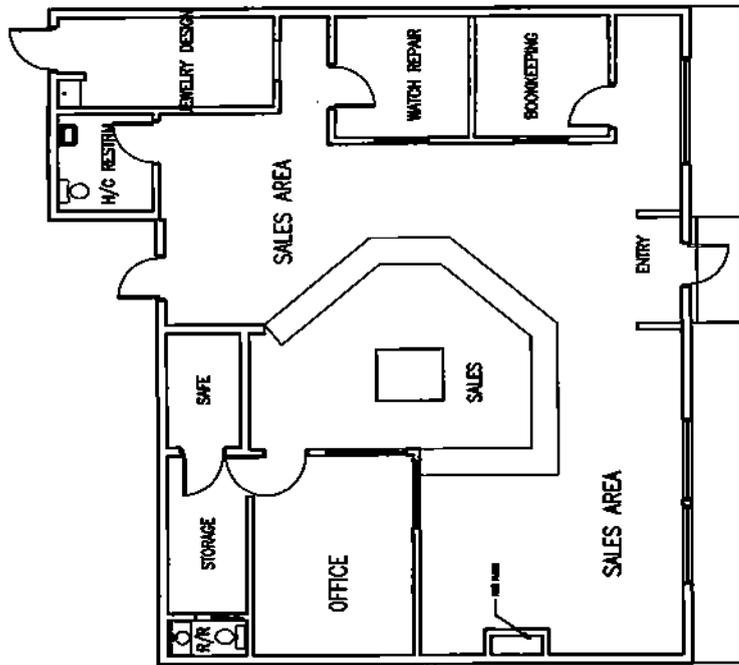
SEP 11 2008



NEWPORT WATCH & JEWELRY CENTER 1860 NEWPORT BLVD. COSTA MESA CA. 92627

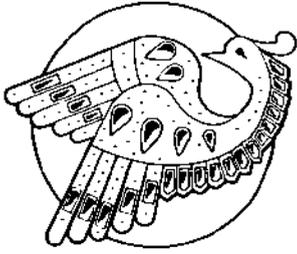
PA.08.24

SEP 11 2008



NEWPORT WATCH & JEWELRY CENTER 1860 NEWPORT BLVD. COSTA MESA CA. 92627

PA.08.24



## Coast Jewelry & Loan

OCT 23 2008

VII. 3  
PA-08-24  
and  
VII. 4  
PA-08-27

October 22, 2008

Ms. Minoo Ashabi, AIA  
City of Costa Mesa  
Development Services Department  
77 Fair Drive  
P.O. Box 1200  
Costa Mesa, CA 92628

RE: Planning Application PA 08-24 and Planning Application PA 08-27

Dear Ms. Ashabi:

With regards to the above referenced planning applications, I oppose both for the following reasons:

1. At the present time, Costa Mesa supports 8 or more pawnshops, more than any neighboring city; and I would suggest, a higher percentage than Los Angeles, based on population. To support approval of 3 additional pawn operations, Costa Mesa would need a 40 percent population increase. The 2000 census figure was 108,724 and Money Magazine is currently 109,800, which represents only an increase in population of approximately 1 percent for 2008.
2. Both applicants stated in their applications, "loans of \$2,500 and above." Most, if not all, currently operating pawnbrokers in Costa Mesa do this at the present time, so there is no public benefit. One of the enclosed ads states that they offer loans of \$500 and above; therefore the \$2,500 figure is questionable.
3. Increasing the number of pawnshops by 3, or 40 percent of total allowed operations, would translate into 40 percent more police enforcement and paperwork for City personnel handling pawn operations.
4. To concentrate 4 pawn operations in 2 blocks of zoning district classified as Commercial would create a Los Angeles jewelry trade building mentality, along with additional protection problems, and bringing about a competitive atmosphere, thereby necessitating pawnbrokers to consider operating "24/7" to exist.



## Coast Jewelry & Loan

Ms. Minoo Ashabi

October 22, 2008

Page 2

5. The \$2,500 and above loan amount is an interesting figure. As a point of information, according to California Financial Codes, a broker is legally allowed to charge "whatever the customer can handle" as on this loan amount, the interest is negotiable. Both applicants, however, have stated in their applications that these are the only types of loans they will be providing—why?.
6. Both applicants state their applications to be "ancillary to their jewelry sales." This is false since both have opened 2 stores, pawn at both, heavily advertise "loans," and promote the premise of "we loan more" or "largest collateral lender."
7. As owner of Coast Jewelry & Loan since 1995, a pawnbroker with a family business since 1950 in Orange County, licensed and bonded in 2 states, former Collateral Loan Association Director; there is no additional need for a grand total of 11 pawnshops in Costa Mesa, or 1 per 10,000 population.

If this area is slated for redevelopment, or further development, I do not believe additional pawnshops will facilitate that end. I appreciate your consideration of the above stated information.

**COAST JEWELRY & LOAN**

Donald J. Klein



# GRAND OPENING!

NEW LOCATION: 1860 NEWPORT BLVD., COSTA MESA, CA

## FINE WATCHES & JEWELRY

BOUGHT & SOLD

Cash for:

Diamonds · Rolex · Patek Phillippe  
Signed Cartier, Tiffany & Co., Harry Winston  
Coins, Sterling Flatware · etc.

30 Years in the Jewelry Business  
Largest Collateral Lender in Orange County

\$500 and Up

On-Site Full Service Watch Repair

Rolex Special - Complete Service \$295

**WE BUY, BUY, BUY! \* RECORD HIGH PRICES PAID \* CASH FOR GOLD**

## NEWPORT WATCH & JEWELRY CENTER

1860 NEWPORT BLVD., COSTA MESA, CA 92663

949.673.3888 | 949.903.1698

**WE HAVE A CUSTOM DESIGN JEWELER ON THE PREMISES.**



# Estate Watch Jewelry & Loan



**WE MAKE:** Collateral Loans  
\$2,500.00 to \$100,000.00  
Instant Cash!

**Out Of Pawn Special**  
Rolexes from \$1195  
Omegas from \$795

"Alfredo" THE WATCHMAKER,  
formerly at Charles Barr Jewelers,  
is now part of our team

**WE BUY:** All Jewelry & Scrap Gold

**WE SELL:** Premium Watches,  
Gold, Jewelry and Diamonds!

**WATCH REPAIRS**  
-ON-SITE-

**ROLEX SPECIAL**  
**\$199** PARTS NOT INCLUDED

**WE REPAIR:** All Types of Jewelry On-Site

**WE SPECIALIZE:** In Pre-Owned Rolex Watches

Complete Overhaul with Refinish

**INSTANT CASH - We Want Your Diamonds & Gold**



Call Jack Schechter TODAY at 933-3733!

## ESTATE WATCH JEWELRY & LOAN

1872 Newport Blvd., Costa Mesa 949.645.0488 1808 Newport Blvd., Costa Mesa