



PLANNING COMMISSION AGENDA REPORT

VII.4

MEETING DATE: OCTOBER 27, 2008

ITEM NUMBER:

**SUBJECT: PLANNING APPLICATION PA-08-27
1808 AND 1872 NEWPORT BOULEVARD**

DATE: OCTOBER 16, 2008

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

PROJECT DESCRIPTION

The applicant is requesting approval of a conditional use permit to allow ancillary (i.e., incidental) pawnbroker services for two separate jewelry store locations on Newport Boulevard, both of which are named Estate Watch Jewelry & Loan.

APPLICANT

The applicant is Jeff Schechter, representing Kathleen Lockhart and Michael Hughes, the property owners.

RECOMMENDATION

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

Handwritten signature of Mel Lee in black ink.

MEL LEE, AICP
Senior Planner

Handwritten signature of Kimberly Brandt in black ink.

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."¹ 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 pawnbroker shops in the City, five of which predate the 1998 Zoning Code requirement for a CUP and are legal nonconforming. The pawnbroker that established after 1998 is Estate Watch Jewelry & Loan at 1808 Newport Boulevard (see discussion below).

Proposed Applications

The requested CUP is for ancillary (i.e., incidental) pawnbroker services in conjunction with two separate jewelry and watch stores on Newport Boulevard. Both are operated by the applicant and have the same business name (Estate Watch Jewelry & Loan – see Attachment 2 for the applicant's description of the business). The properties are located on the east side of Newport Boulevard within the City's Downtown Redevelopment Project Area:

- 1808 Newport Boulevard – Estate Watch Jewelry & Loan. The applicant obtained a pawnbroker's license for this location in 2006; however, Planning staff did not receive notice of the issuance of the pawnbroker license at that time, so the applicant was unaware of the CUP requirement. Approval of this application will rectify the situation.
- 1872 Newport Boulevard – Estate Watch Jewelry & Loan. The applicant recently applied for a pawnbroker's license for this new location.

In order to streamline the CUP process, staff allowed the applicant to apply for both locations under one application.

Additionally, there are two similar establishments within the immediate area:

- 1836 Newport Boulevard – Coast Jewelry & Loan. The pawnbroker operation at this store predates the CUP requirement and is legal nonconforming.
- 1860 Newport Boulevard – Newport Watch & Jewelry. The applicant recently applied for a pawnbroker's license for this new location, necessitating approval of

¹ California Financial Code Section 21000.

a separate conditional use permit which is also scheduled for Commission action on October 27, 2008 (PA-08-24).

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, Estate Watch Jewelry & Loan 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 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 remains 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.

Staff is conducting an inventory of all business signs along Newport Boulevard, including window signs and banners for the businesses that are part of this application, and will be working with Code Enforcement to obtain compliance with signs that do not conform to code.

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 request approval of a pawnbroker's license from Police Department for 1872 Newport Boulevard; or
2. Deny the use. If the use is denied, the applicant cannot have ancillary pawnbroker services at these locations or obtain a pawnbroker's license for 1872 Newport

Boulevard. The applicant would also need to surrender the pawnbroker's license for 1808 Newport Boulevard, but is still able to have regular sales of watch and jewelry items at both locations. The applicant could not submit a request for substantially the same use for six months.

CONCLUSION

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

- 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)

Jack Schechter
Estate Watch, Jewelry & Loan
1872 Newport Boulevard
Costa Mesa, CA 92627

Kathleen Lockhart
1420 Newporter Way
Newport Beach, CA 92660

Michael Hughes
187 North 100 West
St. George, UT 84770

File: 102708PA0827	Date: 101608	Time: 11:30 a.m.
--------------------	--------------	------------------

ATTACHMENT 1

RESOLUTION NO. PC-08-

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA APPROVING PLANNING APPLICATION PA-08-27

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

WHEREAS, an application was filed by Jack Schechter, authorized agent for Kathleen Lockhart and Michael Hughes, requesting approval of a conditional use permit to allow ancillary (i.e., incidental) pawnbroker services for two separate jewelry store locations, located at 1808 and 1872 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-08-27 with respect to both properties 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 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.

Donn Hall, Chair
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, the pawnbroker services will be ancillary to the primary watch and jewelry retail business and the conditions will ensure compatibility 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-08-27**

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

WHEREAS, an application was filed by Jack Schechter, authorized agent for Kathleen Lockhart and Michael Hughes, requesting approval of a conditional use permit to allow ancillary (i.e., incidental) pawnbroker services for two separate jewelry store locations, located at 1808 and 1872 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-08-27 with respect to the properties described above.

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

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-08-27. 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.

ATTACHMENT 2

To: City of Costa Mesa
Development Services Department
77 Fair Drive
Costa Mesa, CA 92628
(714) 754-5245

From: Jack Schechter
Estate Watch, Jewelry & Loan
1872 Newport Blvd.
Costa Mesa, CA 92627
(949) 645-0488

Re: Conditional Use Permit Application for both:

1808 Newport Blvd.
Costa Mesa, CA 92627

&

1872 Newport Blvd.
Costa Mesa, CA 92627

Proposed
Use:

Estate Watch Jewelry & Loan (EWJ) has been in the business of buying and selling fine pre-owned watches and jewelry since 2004. EWJ moved from Newport Beach to 1808 Newport Blvd in Costa Mesa in February of 2006. In April of 2006 EWJ applied for and was issued a pawnbrokers license by the Costa Mesa Police Department and the Department of Justice. EWJ has been making loans at 1808 Newport Blvd since that time.

EWJ conducts business in a similar manner to both Winston's Jewelers at 1775 Newport Blvd as well as Coast Jewelry & Loan at 1836 Newport Blvd.

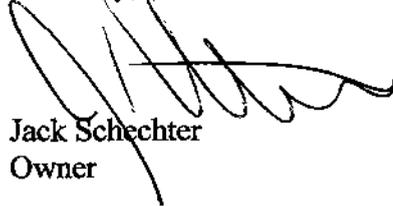
In September of this year EWJ proudly opened its second location at 1872 Newport Blvd. in Costa Mesa. While applying for a pawnbroker's license for this second location it was brought to our attention that a conditional use permit is required to sell second hand goods and that such a permit should have been required for our first location.

At the request of the Costa Mesa City Planning Department EWJ is applying for a conditional use permit for both locations so that we can lawfully sell second hand items that we either purchase from customers or that remain from defaulted loans. **These items will be restricted to pre-owned watches and fine jewelry only and will be tastefully displayed in our indoor luxury showrooms.**

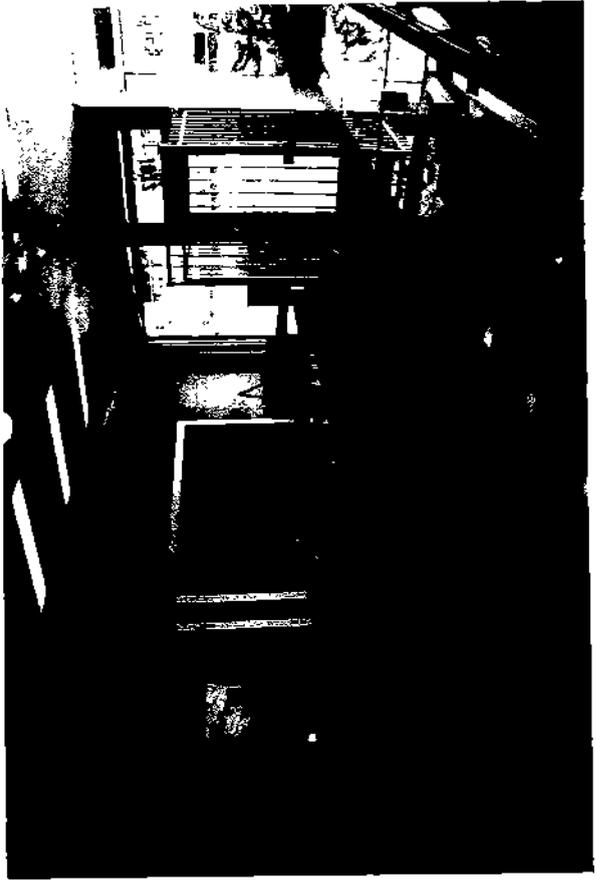
Please take note of the enclosed pictures that demonstrate our very tasteful approach to selling. We also encourage any of the committee members to visit either showroom. We are confident that EWJ is appropriately representing the city of Costa Mesa with a respectable image.

EWJ is very pleased to be operating both of our locations in the city of Costa Mesa and we're pleased to comply with any and all requirements. Your prompt response to our application concerning this matter is greatly appreciated.

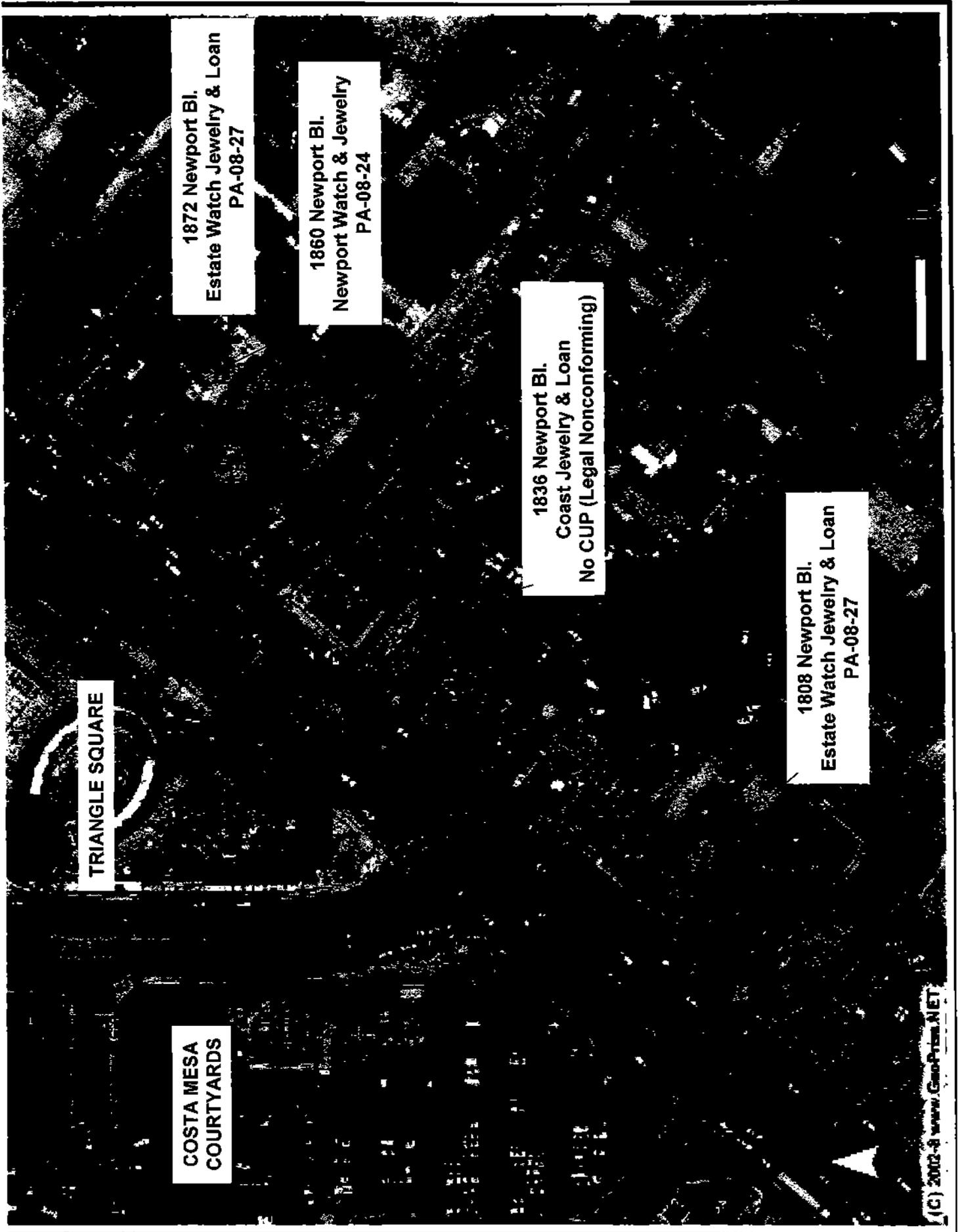
Sincerely,

A handwritten signature in black ink, appearing to read 'Jack Schechter', written over a horizontal line.

Jack Schechter
Owner



ATTACHMENT 3



TRIANGLE SQUARE

COSTA MESA
COURTYARDS

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

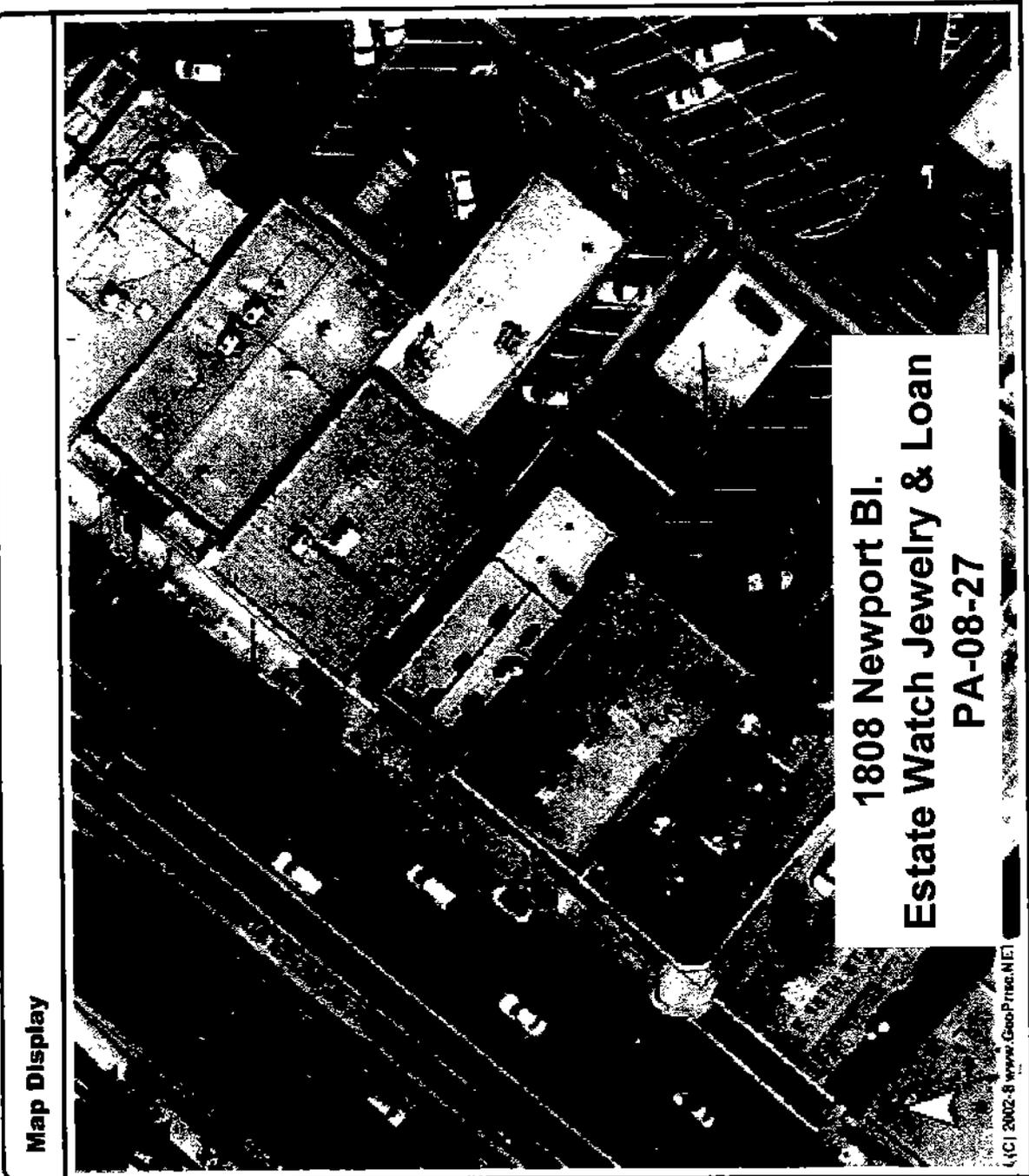
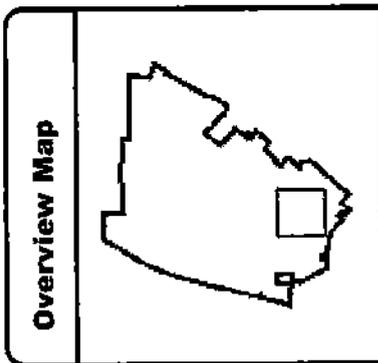
1860 Newport Bl.
Newport Watch & Jewelry
PA-08-24

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

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

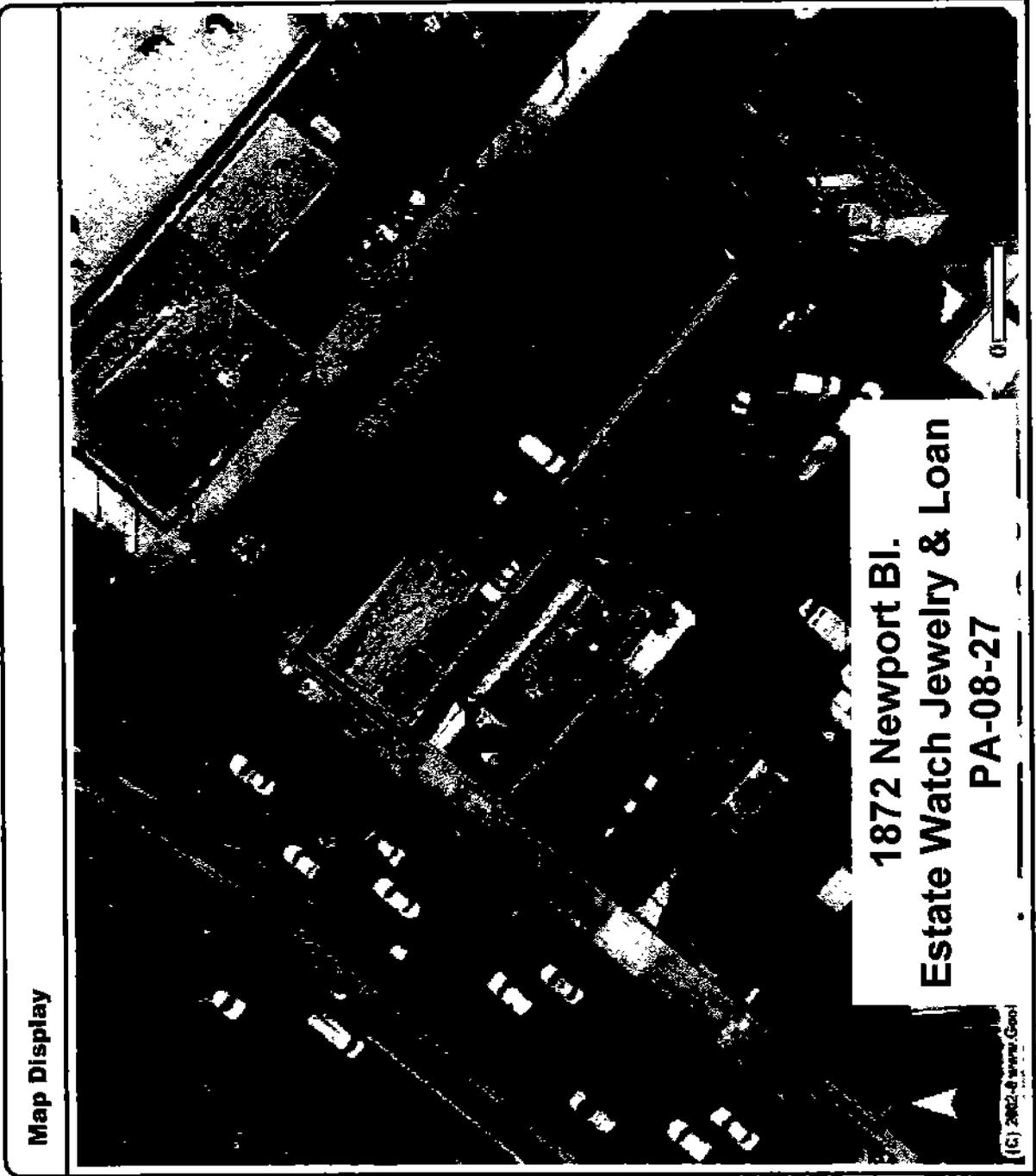
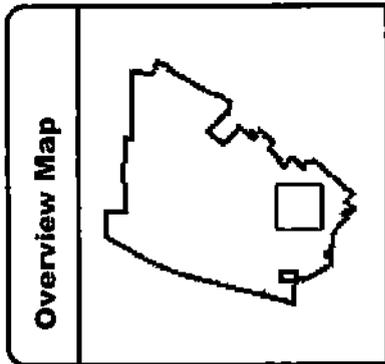
City of Costa Mesa

CITY OF COSTA MESA - [Created: 10/9/2008 7:53:19 AM] [Scale: 57.2] [Page: 8.5 x 11 / Landscape]



Legend

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



Legend

Street Names	Parcels
Street Centerlines	ROW
Parcel Lines	Polygon
Level1 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)



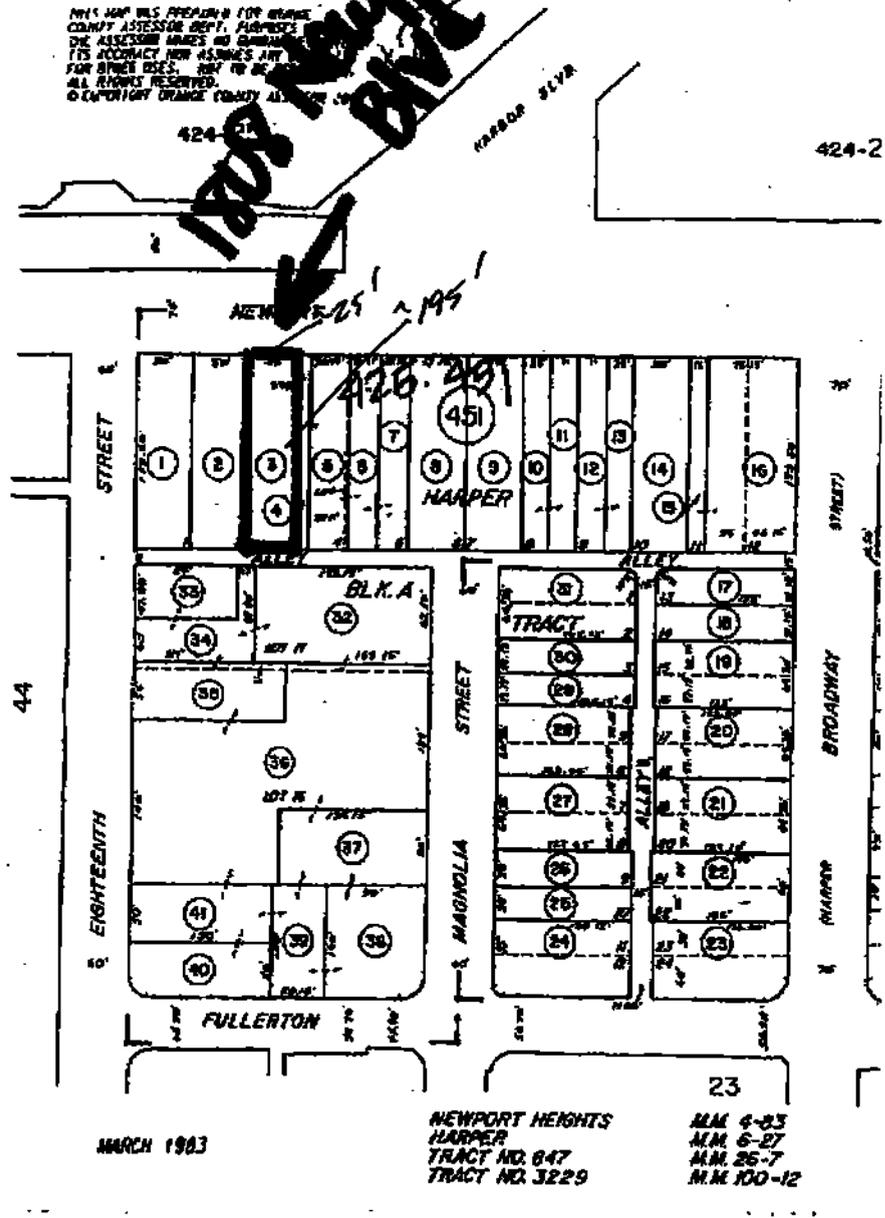
1872 Newport Bl.
Estate Watch Jewelry & Loan
PA-08-27

ESTATE WATCH JEWELRY & LOAN
 1608 NEWPORT BLVD.
 COSTA MESA, CA 92627
 MACK SCHEICARER
 (714) 912-6567

SITE PLAN

THIS MAP WAS PREPARED FOR ORANGE
 COUNTY ASSESSOR DEPT. PURPOSES
 BY THE ASSESSOR'S MAPS AND SURVEY
 DIVISION. THE ASSUMPTIONS MADE
 IN THIS MAP ARE NOT TO BE USED
 FOR OTHER PURPOSES. ALL RIGHTS RESERVED.
 © COPYRIGHT ORANGE COUNTY ASSESSOR DEPT.

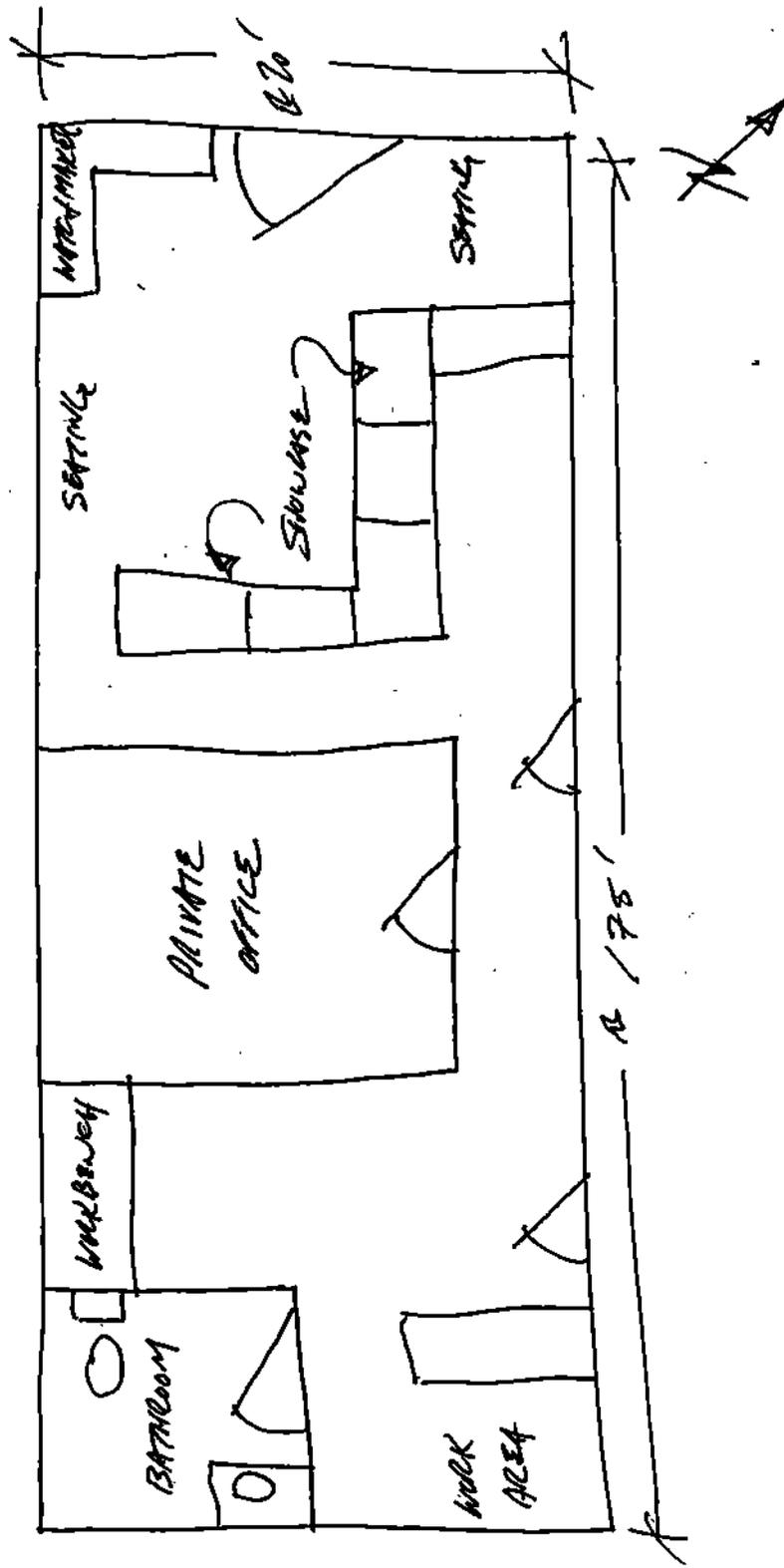
1608 NEWPORT BLVD
 NEWPORT BLVD 195'

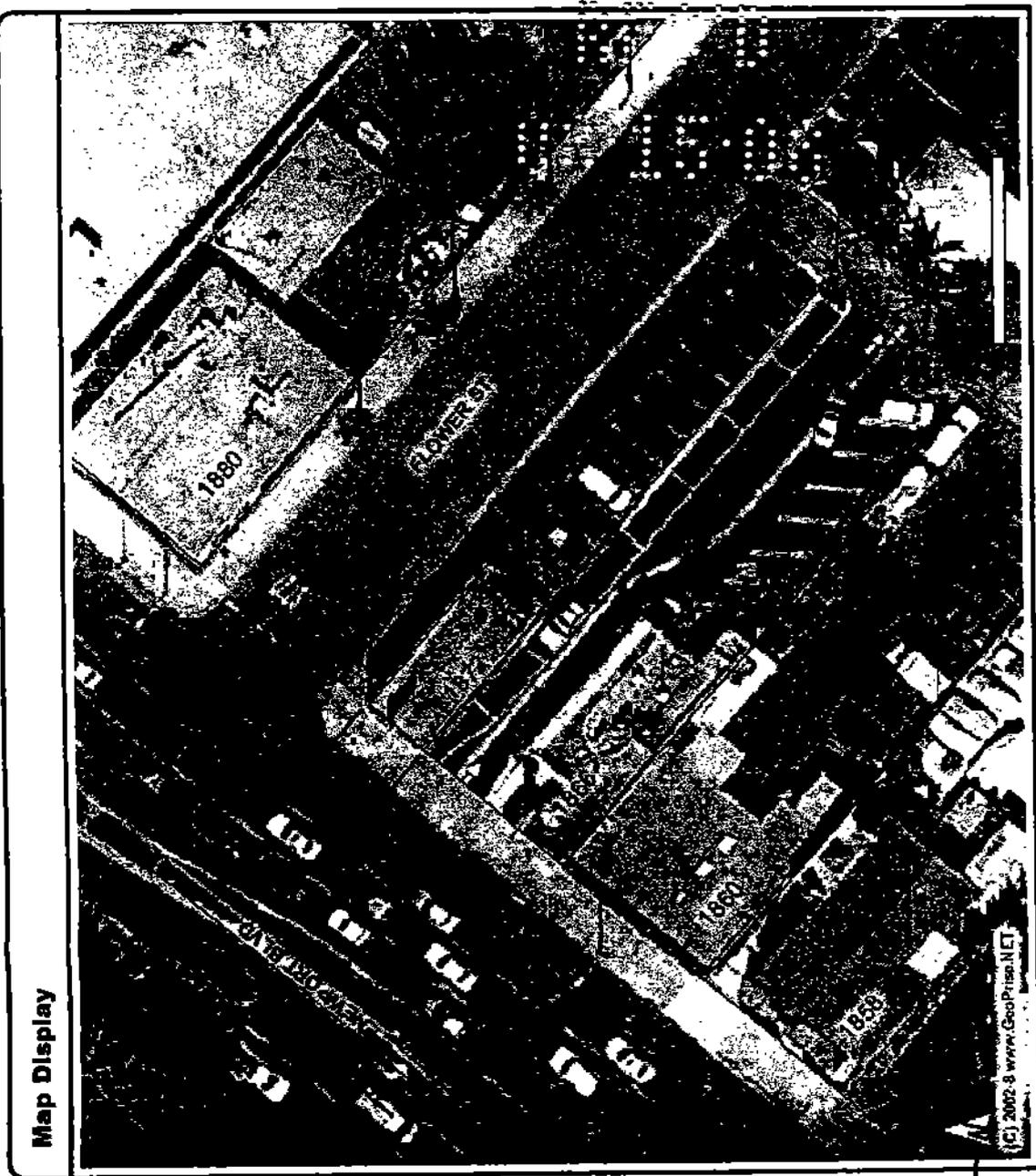
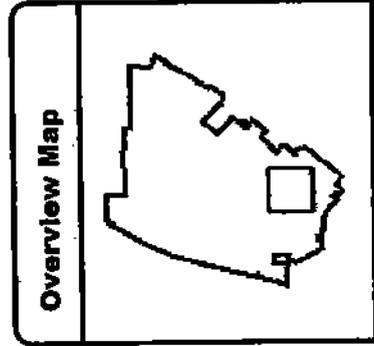


ATTACHMENT 4

ESTATE WATCH JEWELRY & COIN
1501 NEWBOLT BLVD.
COSTA MESA, CA 92627
MARK SCHNECHTER
(714) 412-6567

FLOOR PLAN





Legend

Address Large	Primary
Address Points	SECONDARY
Freeway	Waterway
Roads	Lines
Collector	Hydrology
Major	Channels
Interpart	Street
BLVD	Names
(cont)	

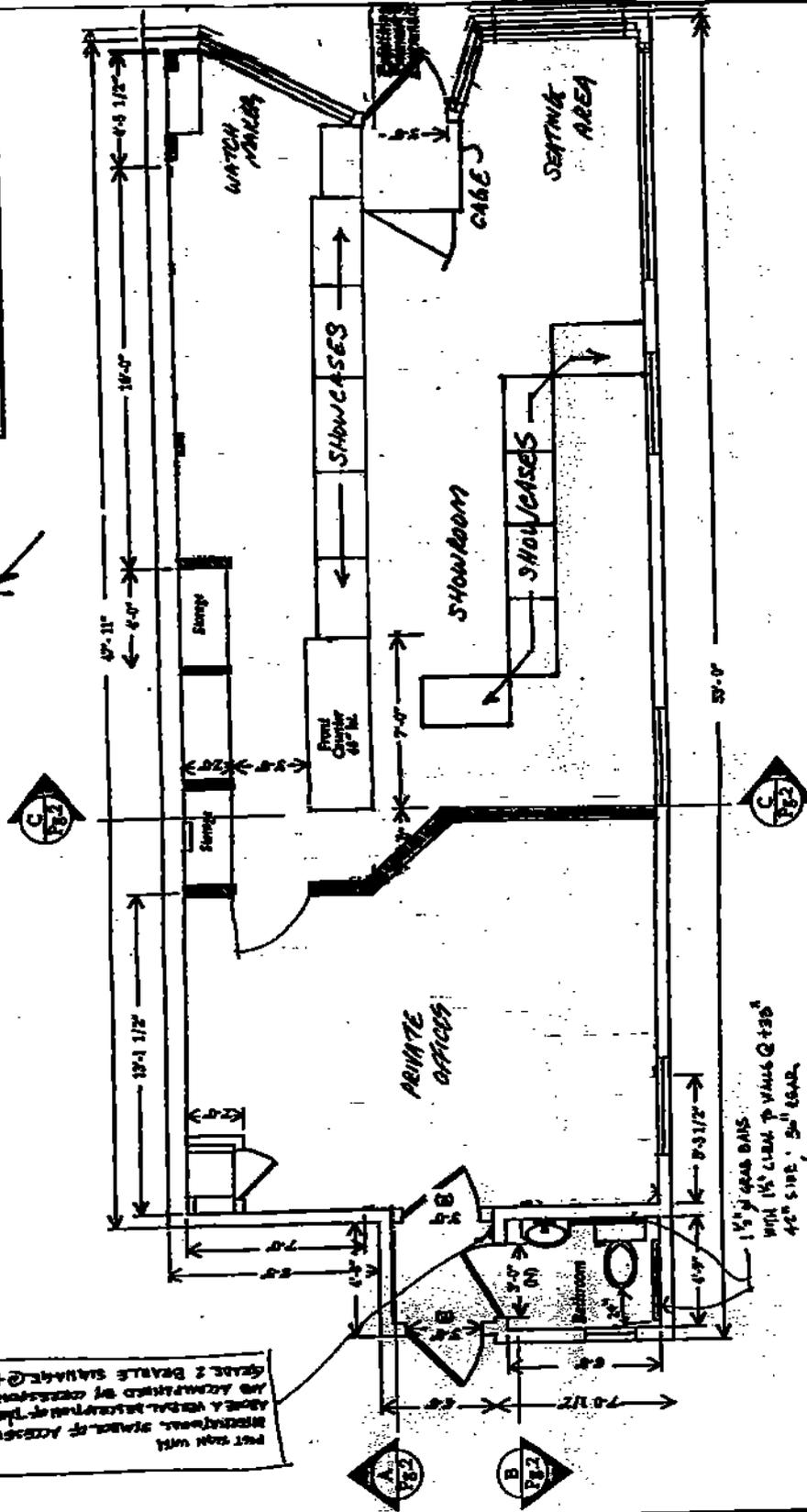
- 11 STALLS (1 HOVA)
- 9' x 18'
- 12' OF MANEUVERING SPACE BEHIND STALLS
- 8' TO SIDE OF (HOVA) NORTH

Floor Plan

Part sign with
 individual signs of accessory
 above a window, located at the rear
 and approved by contractor's
 sign & beards sign (4' x 6')

WALL LEGEND

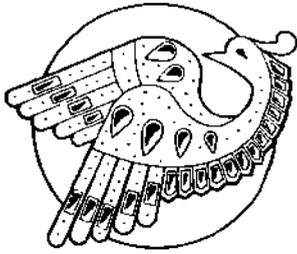
- Existing Wall
- Full Height Partition
- Low Height Partition



Location of Proposed Project:
 1872 Newport Blvd.
 Costa Mesa, CA. 92627

Proposed Tenant Improvement For:
 ESTATE WATCH JEWELRY & LOAN COSTA MESA, CA 92627
 Contact: MARK SCHECHTER (714) 412-6567

Scale 1/8" = 1'



Coast Jewelry & Loan

OCT 23 2008

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

October 22, 2008

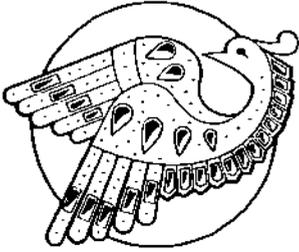
Ms. Minoo Ashabi, AIA
City of Costa Mesa
Development Services Department
77 Fair Drive
P.O. Box 1200
Costa Mesa, CA 92628

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

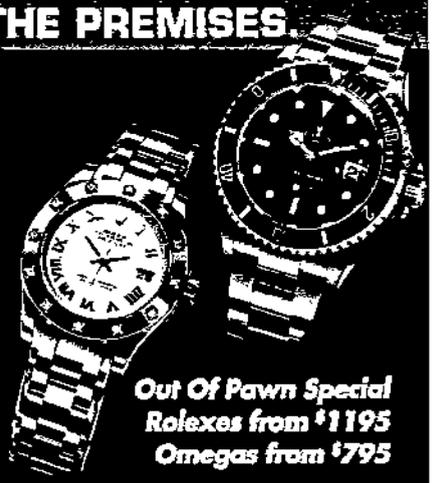
1860 NEWPORT BLVD., COSTA MESA, CA 92663

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!

WE REPAIR: All Types of Jewelry On-Site
WE SPECIALIZE: In Pre-Owned Rolex Watches



JACK SCHECHTER, OWNER

www.RolexCertified.com

Call Jack Schechter TODAY at 933-3733!

WATCH REPAIRS
ON-SITE
ROLEX SPECIAL
\$199 PARTS NOT INCLUDED

Complete Overhaul with Refinish

INSTANT CASH - We Want Your Diamonds & Gold

ESTATE WATCH JEWELRY & LOAN

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



**Woodco Investment
Company, Inc.**

www.woodcoinv.com

VII.4
PA-08-27

RECEIVED
CITY OF COSTA MESA

OCT 20 2008

OCTOBER 17TH, 2008

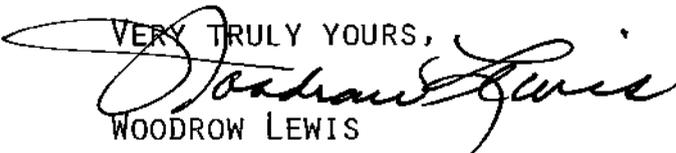
CITY OF COSTA MESA
P.O. BOX 1200
COSTA MESA, CALIF. 92628 1200

RE: PLANNING APPL. PA 09 17

PAWN SHOPS ALONG NEWPORT BLVD. REALLY ARE NOT AN ASSET.
SORT OF GIVES THE NEIGHBORHOOD A SEEDY ATMOSPHERE.
LIKE THE "DOWN AND OUTS" OR SOMEONE WHO'S GOING TO
"HOCK HIS SHIRT" SHOWS UP AT PLACES LIKE THIS. SAME
STORY AS TO A BURGLAR WHO'LL 'HOCK' IT FOR ANY PRICE.

WE'RE NOT FOR IT IN ANY MANNER.

VERY TRULY YOURS,


WOODROW LEWIS

VII.4
PA-08-27

RECEIVED
CITY OF COSTA MESA

OCT 20 2008

OFFICIAL CITY NOTICE

The Costa Mesa Planning Commission will hold a public hearing at City Hall, 77 Fair Drive, Costa Mesa, California at 6:30 p.m. or as soon as possible thereafter on Monday, October 27, 2008:

Planning Application PA-08-27, for Jack Schechter, authorized agent for Kathleen Lockhart and Michael Hughes, for a conditional use permit to allow ancillary pawn broker services at a watch and jewelry store, at two separate locations, located at 1808 and 1872 Newport Blvd., in a C2 zone. Environmental determination: exempt.

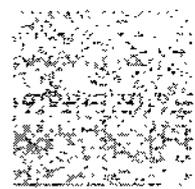
Do Not Want
If you challenge this action in court, you may be limited to raising only those issues you or someone else raised at the public hearing held October 27, 2008 and described in this notice, or in written correspondence delivered to the Planning Commission at, or prior to the public hearing.

G. LEWIS

Planning Division phone number (714) 754-5245



City of Costa Mesa
P.O. Box 1200
Costa Mesa, CA 92628-1200



Postage
\$00.279
NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

425 452 06
WOODCO INVESTMENT CO INC
PO Box 2286
Newport Beach CA 92659

OCT 16 2008

Official Notice
Affects Your Property
PLEASE READ!

