



---

DATE: November 3, 2010

TO: Chairman and Members of the Community Development Commission

FROM: Economic and Community Development Department

SUBJECT: **A RESOLUTION DENYING CONDITIONAL USE PERMIT (RCUP-10-00002) AND REGULAR COASTAL PERMIT (RRP-10-00002) FOR A PAWN SHOP LOCATED AT 205 NORTH COAST HIGHWAY – COAST JEWELRY AND MORE - APPLICANT: DAVID MUELLER**

**SYNOPSIS**

The item under consideration is a Conditional Use Permit and Regular Coastal Permit for a pawn shop located at 205 North Coast Highway. Staff is recommending that the Commission adopt a resolution of denial as attached.

**BACKGROUND**

The subject site is located at 205 North Coast Highway within the building that formerly housed the Surf & Sport, a former retail store which operated at that location from September 2003 until March of 2006. The building was purchased by David Mueller and is currently vacant.

**Land Use and Zoning:** The subject site is located within Subdistrict 1 of the "D" Downtown District. Subdistrict 1 is primarily intended to provide a commercial/retail and office complex offering a wide variety of goods and services to both the community at large and to tourists and visitors. Residential uses are encouraged when and where appropriate.

**Regular Coastal Permit:** This project is situated within the Coastal Zone and requires a Regular Coastal Permit. Under the provisions of the Local Coastal Plan the project site is designated as General Commercial. The General Commercial category allows for a variety of retail, service and office uses.

**Project Description:** The applicant is requesting approval of a pawn shop located at 205 North Coast Highway. The proposed pawn shop is 1,766 square feet in size. The applicant is proposing to sell new and used high end jewelry, watches, musical instruments and electronic equipment (no internet sales). Deliveries, service vehicles and trash pick-up will be accessed from the alley located immediately west of the building. The project proposes to renovate and modernize the existing façade. The floor plan is typical of a pawn shop with a general sales area, storage, office, and restroom. In addition,

the applicant is proposing to install 12 security cameras located throughout the shop. The proposed hours of operation are from 9:00 a.m. to 9:00 p.m. Saturday through Sunday.

The operation of the “pawn portion” of the business would include, but not necessarily, all of the following steps:

- . Check customer identification;
- . Log in information on the goods, i.e. description and serial number (if applicable);
- . Take picture of the goods;
- . Sign a loan contract with customer. The contract includes the customer thumbprint;
- . Give the money to the customer;
- . The contract is valid for 4-months. The contract can be extended an additional 4-months if the customer pays all of the interest on the initial loan.
- . The Police check the goods within 30-days against stolen property.

Regular Coastal Permit: A Regular Coastal Permit is required because the project is situated within the Coastal Zone.

**Environmental Determination:** A Certificate of Exemption has been prepared for the project. Under the provisions of the California Environmental Quality Act, the Community Development Commission will consider the exemption during its hearing on the project.

## **ANALYSIS**

Staff's analysis focused on the compatibility of the project with the existing uses of the area and the project's consistency with the underlying Redevelopment Plan, Zoning Ordinance, and the Local Coastal Program.

Redevelopment Plan: Section Two (2) of the amended Redevelopment Plan states that the City Council ensures, as far as possible, the causes of blighting conditions will be either eliminated or protected against. Staff believes that the proposed use would further the causes of blighting conditions by allowing a secondhand use within the core area of the Redevelopment Project area. This area (downtown) is over saturated with second hand dealers and pawn shops in that there are 5 (one pawn shop and 4 second hand dealers) of these businesses located within a 10-block radius of the subject site. The proposed use is inconsistent with the Redevelopment Plan in that the proposed use has the potential to spread blight and is detrimental to the surrounding neighborhood.

Conditional Use Permit: Staff has reviewed the operational characteristics for the pawn shop and believes that the proposed project will negatively impact the surrounding neighborhood. The proposed pawn shop fronts on North Coast Highway and is situated one block north of the intersection of the two major commercial corridors located within downtown area (Mission Avenue and Coast Highway 101). The proposed use, pawn shop, is inconsistent with the surrounding area land uses which are mainly service

oriented businesses, restaurants, and offices intermixed with some retail. Research has indicated that the presence of certain land uses is predictive of crime levels in the surrounding neighborhood. For example, drug markets tend to prosper at locations near pawn shops where the cash required for drug purchases can be easily obtained from stolen property. This is a major concern for staff to allow for a use associated with crime situated within a high crime area. In addition to the potential for increase of crime, staff is also concerned that the presence of a pawn shop in the downtown area will have a negative impact on the property values for both the commercial and residential properties located within the surrounding neighborhood.

The Police Department has reviewed the operational characteristics of the proposed pawn shop and has determined that they cannot support the use due to problems of increased crime located within a high crime area. The Police Department crime statistics have indicated that in calendar year 2009, criminal activity at pawn shops generated 14 arrests and resulted in the seizure or location of \$90,000 in stolen property. To date in calendar year 2010, the Police Department has made 7 arrests and has seized or located \$21,000 in stolen property. Approximately 60 reports of criminal activity associated with pawn activity have been documented this calendar year. It should be noted that this number does not include those instances where pawn shops have been listed as victims of a crime.

Pawn shops and second hand dealers require a considerable amount of time to research databases and open investigations to determine if an item is stolen property. Current staffing levels do not allow for the assignment of a full-time equivalent to pawn shop investigations. This type of investigation is ancillary in nature and detracts from other investigative functions.

Local Coastal Plan: The proposed use, pawn shop, is inconsistent with the designated General Commercial uses of the Local Coastal Plan in that second hand stores are inconsistent with a general retail use. Staff also evaluated the proposed use and existing building and its effect on public coastal views. The project proposes only a façade renovation to the existing building therefore, the project will not affect public coastal view and the subject site is not adjacent to any public coastal access; therefore, the effect will be minimal.

In conclusion, staff believes that the project does not meet the intent of the Redevelopment Plan and goals, which encourage that potential blighting conditions be eliminated. The proposed use will adversely affect the surrounding neighborhood and does not have the support from the Police Department nor the surrounding neighborhood. In addition, this area (downtown) is over saturated with similar uses in that there are 5 pawn shops and second hand dealers within 10 blocks of the subject site and the proposed use will increase crime in a high crime area. In addition, approval of a pawn shop could set precedent for other pawn shops to locate downtown.

**COMMISSION OR COMMITTEE REPORTS**

The Redevelopment Advisory Committee (RAC) reviewed the project at its October 13, 2010, meeting. The RAC voted 5-0 to support staff's recommendation of denial. The concern was expressed from members of the RAC that this particular location is the wrong area for a pawn shop.

**FISCAL IMPACT**

Not applicable.

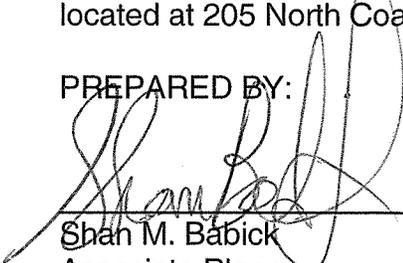
**CITY ATTORNEY'S ANALYSIS**

Pursuant to Oceanside Zoning Ordinance Article 41, Section 4102, and Public Resources Code 30200 et seq., and the City of Oceanside Local Coastal Program Land Use Plan, the Community Development Commission is authorized to hold a public hearing on this project's applications. Consideration of the project should be based on the evidence presented at the public hearing. After conducting the public hearing, the Commission shall approve, conditionally approve, or disapprove the project. The resolutions have been reviewed and approved as to form by the City Attorney.

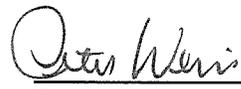
**RECOMMENDATION**

Staff recommends that the Commission adopt the resolution denying Conditional Use Permit (RCUP-10-00002) and Regular Coastal Permit (RRP-10-00002) for a pawn shop located at 205 North Coast Highway.

PREPARED BY:

  
\_\_\_\_\_  
Shan M. Babick  
Associate Planner

SUBMITTED BY:

  
\_\_\_\_\_  
Peter A. Weiss  
Executive Director

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager  
Jane McVey, Economic and Community Development Director  
Kathy Baker, Redevelopment Manager



**EXHIBITS/ATTACHMENTS**

- 1. Resolution
- 2. Site and Floor Plans
- 3. Police Memorandum
- 4. Letters
- 5. Management Plan

1 RESOLUTION NO. 10-

2 A RESOLUTION OF THE COMMUNITY DEVELOPMENT  
3 COMMISSION OF THE CITY OF OCEANSIDE DENYING  
4 CONDITIONAL USE PERMIT AND REGULAR COASTAL  
5 PERMIT FOR A PAWN SHOP LOCATED AT 205 NORTH  
6 COAST HIGHWAY- PAWN SHOP- APPLICANT: DAVID  
7 MUELLER

8 WHEREAS, on October 20, 2010, the Community Development Commission held its  
9 duly noticed public hearing, considered an application for a Conditional Use Permit (RCUP-10-  
10 00002) and Regular Coastal Permit (RRP-10-00002) for a pawn shop located at 205 North  
11 Coast Highway.

12 WHEREAS, the Redevelopment Advisory Committee (RAC) of the City of Oceanside  
13 did, at its October 13, 2010, meeting reviewed Conditional Use Permit (RCUP-10-00002), and  
14 Regular Coastal Permit (RRP-10-00002);

15 WHEREAS, a Categorical Exemption was prepared by the Resource Officer of the City  
16 of Oceanside for this application pursuant to the California Environmental Quality Act (CEQA)  
17 1970 and the State Guidelines implementing the Act. Pursuant to Section 15301 (B) of the  
18 CEQA guidelines the project is situated in an area that is not environmentally sensitive and  
19 therefore will not have a detrimental effect on the environment;

20 WHEREAS, pursuant to Oceanside Zoning Ordinance §4603, this resolution becomes  
21 effective upon its adoption.

22 NOW, THEREFORE, the Community Development Commission of the City of  
23 Oceanside does resolve as follows:

24 **For the Conditional Use Permit:**

25 1. The project is located within Subdistrict 1 of the Redevelopment Project Area as  
26 identified by Zoning Ordinance 095-006. The specific purpose for the Subdistrict is to provide a  
27 commercial/retail and office complex offering a wide variety of goods and services to both the  
28 community at large and to tourists and visitors. The proposed pawn shop is inconsistent with the  
Redevelopment Plan in that the proposed use may cause blighted conditions with the potential for  
an increase of crime and therefore cause a detrimental effect to the surrounding neighborhood. In  
addition, the surrounding area is over saturated with pawn shops and secondhand dealers in that  
there are 5 of these businesses within a 10-block radius of the subject site.

1           2.     The proposed pawn shop is inconsistent with the General Plan and the  
2 Redevelopment Plan. In addition, the business operation has the potential to increase crime and  
3 therefore the proposed use will constitute a public nuisance and be a detriment to neighboring  
4 persons, property, improvements or the general welfare of the City. There is an over saturation of  
5 pawn shops and secondhand dealers within the vicinity of the subject site. There are 5 pawn shops  
6 and/or second hand dealers within a 10-block radius of the subject site. Studies have indicated that  
7 the presence of certain land uses is predictive of crime levels in the surrounding neighborhood.  
8 Drug markets tend to prosper at locations near pawn shops where the cash required for drug  
9 purchases can be easily obtained from stolen property. The proposed pawn shop is also situated  
10 within an area (downtown) of high crime. In addition to the potential for increase of crime, the  
11 presence of a pawn shop will have a negative impact on the property values for both the  
12 commercial and residential properties located within the surrounding neighborhood. Finally,  
13 pawn shops and second hand dealers require constant monitoring from the Police Department  
14 which is a drain on their fiscal resources.

15           3.     The proposed pawn shop is inconsistent with the provisions of the Zoning  
16 Ordinance.

17 **For the Regular Coastal Permit:**

18           1.     The granting of the Regular Coastal Permit is not consistent with the policies and  
19 objectives act of the California Coastal Act of 1976 in that, the proposed pawn shop is  
20 inconsistent with the general retail land use.

21           2.     The proposed project is consistent with the policies of the Local Coastal Program  
22 as implemented through the City Zoning Ordinance in that the proposed project does not  
23 increase the building size and therefore will not affect any public coastal views.

24 ///////////////  
25 ///////////////  
26 ///////////////  
27 ///////////////  
28 ///////////////

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

3. The proposed project will not obstruct any existing or planned public beach access; therefore, the project is in conformance with the policies of Chapter 3 of the Coastal Act.

SECTION 1. That Conditional Use Permit (RCUP-10-00002) and Regular Coastal Permit (RRP-10-00002) are hereby denied.

PASSED AND ADOPTED by the Oceanside Community Development Commission of the City of Oceanside this \_\_\_ day of \_\_\_\_\_ 2010 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

APPROVED AS TO FORM:  
OFFICE OF THE CITY ATTORNEY  
by *John Shell*  
General Counsel









**Memorandum**  
**INVESTIGATIONS DIVISION**  
**GENERAL INVESTIGATIONS**

**To:** Shan Babick  
Planning Department

**From:** Reginald Grigsby, Captain *RA 662*  
Investigations Division

**Date:** June 29, 2010

**Re:** Pawn Shop application

---

We oppose the application of this business located at 205 North Coast Highway.

To whom it may concern;

Regarding David Mueller, I would like to extend this letter of reference regarding business that he may be conducting with your city. I have been a police officer for 16 years now and have known Mr. Mueller for about 12 years. I met him while working as a law enforcement officer and at the time, Mr. Mueller was the owner and operator of a pawn shop.

Mr. Mueller has always demonstrated a willingness to cooperate with law enforcement and has helped in solving cases regarding theft, burglary. He has extended his courtesy by allowing law enforcement officers to openly look into his operation and has reported to law enforcement when he feels that something is wrong with a given transaction.

He has contributed to the city he does business in by upgrading or improving the business which, in turn, makes the business area more attractive and pleasant for people to visit and helps to reduce blight.

If you have any questions, please feel free to contact me.

Respectfully,

A handwritten signature in black ink, appearing to read "Robert Merritt". The signature is stylized with a large "R" and "M".

Detective Robert Merritt  
Banning Police Department  
125 E. Ramsey  
Banning, Ca 92220  
(951) 849 1196 Desk  
(951) 830 9191 Cell

This is a letter of recommendation for David Mueller.

I met David Mueller in 1992 during the investigation of a residential burglary. He owned one of the local pawn shops in the City of Fontana. At this time I was new in law enforcement and was involved in the investigation of a residential burglary that had several high value jewelry items stolen. This was the third pawn shop that I had stopped at trying to gather information from the owners to notify them of the stolen jewelry and to see if they had any similar jewelry turned in. The first two pawn shop owners were very resistant in providing information and were reluctant to offer police assistance. I was very surprised meeting David because he was exactly the opposite. David showed me how his pawn shop received all of the loans and buys over the last three days to include how they gather proper identification from persons making the pawn. During this meeting and subsequent meetings a friendship was started.

I have now known David Mueller for 18 years. I have watched him expand his business dealings to include a second pawn shop in San Bernardino and a stone yard in Yucaipa. From 1992 to present I have assisted detectives and officers from Rialto, San Bernardino, and Fontana Police Department in contacting David Mueller to assist on property theft crimes. On more than just a few occasions he has provided valuable information leading to the arrest and identification of suspects.

David Mueller has also donated money, on several occasions, to the Rialto K9 Association and Rialto Police Explorers allowing them to go to outside competitions and special events that they would have not been able to do without the assistance of these donations.

Knowing David over the last eighteen years I have witnessed his integrity and character as a professional businessman and as a friend. David is a very enterprising individual that works extremely hard to create a better community. He has always been more than willing to assist law enforcement in any way possible.

David Mueller and I have become close friends over the years and I can strongly support this letter of recommendation. I am currently a Sergeant and have been a police officer over 18 years.



Nicholas Borchard  
18790 Munsee Rd.  
Apple Valley CA 92307  
(cell) 909-644-3184

To Whom It May Concern:

This letter is a letter of recommendation for David Mueller.

I met David in 1997, when he gave me a job working at his pawnshop in Fontana (Fontana Jewelry and Loan). I was an 18-year-old kid trying to get hired as a Firefighter at that time. I worked for David for three years and changed my career goals at least that many times.

I worked for David in many capacities including store manager. David has a strong moral character and he demands the same of his employees. He has no tolerance for employees who make unethical decisions and will not hesitate to terminate their employment if needed.

I have personally returned stolen property to victims at a business expense to David because it was the right thing to do. I recall people bringing us cookies and treats because we were diligent in keeping an eye out for stolen property and suspicious people. David works closely with local law enforcement to keep his stores reputation clean.

While employed by David I testified in court on more than one occasion, which led to the incarceration of suspects for possession of stolen property and burglary. I left the pawnshop business in 2000 for a career in law enforcement I have been a Deputy Sheriff ever since. I give David credit for where I am today. His business will be an asset to your community.



Evan Roberts  
34573 Crenshaw St  
Beaumont Ca 92223  
Cell: 909-578-5314

**BLACKBURN ASSOCIATES**

6473 Seaport Place  
Carlsbad, California 92011  
(760) 431-5550  
Fax (760) 431-5011

**Keith Blackburn**

July 5, 2010

City of Oceanside  
Planning/ Business Licenses  
300 N. Coast Hwy  
Oceanside, CA

RE: Character Reference for Jason Lambert

I'm writing this letter supporting Jason Lambert and his efforts to open a pawn brokerage in Oceanside.

As a retired police officer, I am aware of the concerns a city may have regarding pawn brokerage businesses. In this case, I have been personal friends with Jason for over seven years and I know his character. I am completely comfortable with Jason's business ethics and his ability to manage a business of this type.

Please call me if you would like to discuss Jason's qualifications in more details.

Sincerely,

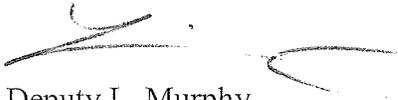
A handwritten signature in black ink, appearing to read 'K. Blackburn', with a long horizontal flourish extending to the right.

Keith Blackburn  
760-431-5550

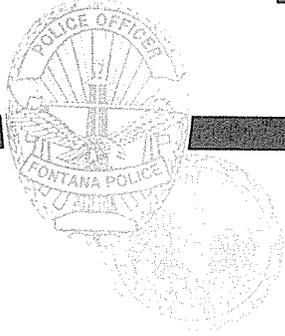
To whom this may concern,

My name is Lionel Murphy and I a Deputy Sheriff with the Riverside County Sheriff's Department. I have known David Mueller for approximately three years now and in that I have had an opportunity to work with him, on a business level, in both his pawn shop and other business dealings. Two things that I have learned about David, is that he is a man of integrity and professionalism. David is loyal to the communities that he serves and this has been shown through his many donations and fundraisers. David is an upstanding citizen and he would be an asset to any community.

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Murphy', with a long horizontal stroke extending to the right.

Deputy L. Murphy  
Riverside County Sheriff's Department



# Fontana Police Department

17005 Upland Avenue • Fontana, CA 92335

(909) 350-7740

Rodney G Jones  
Chief of Police

To Whom It May Concern:

June 28, 2010

This letter is in reference to Fontana Jewelry and Loan located at 8510 Sierra Ave, Fontana, CA. I am currently the lieutenant in charge of the Investigations Bureau for the Fontana Police Department. In my years of experience in dealing with this business they have always cooperated with any investigation and have fully complied with city codes in reference to their licensing.

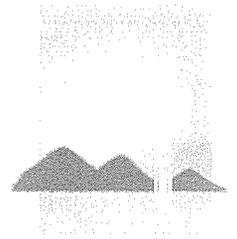
The managers at this location are cooperative, professional and on numerous occasions have called the police department to alert us to suspicious activity. I have personally seen the manager turn away business when they couldn't verify the ownership on merchandise of a suspicious nature.

If you have any questions in relation to this business please feel free to contact me at (909) 350-7707.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Weissmann", is written over a horizontal line.

Mark Weissmann  
Lieutenant



Council Member John B. Roberts

---

April 21, 2008

TO WHOM IT MAY CONCERN:

This is a letter of reference for David Mueller who is the owner of one of our most successful businesses in our downtown area. Although the "Pawn Shop" label has a negative connotation, Dave's shop's are more like going to a Target. They are very bright and very well maintained.

This last Saturday we had the grand opening of our new 65 million dollar, 93,000 square foot regional library in our downtown and the opening was attended by 20,000 people. I tell you this to let you know that we have a very vibrant downtown and we are proud of our business owners like Dave who make it very successful.

Please feel free to contact me if you need any further information.

John B. Roberts, Council Member  
CITY OF FONTANA  
8353 Sierra Ave.  
Fontana, CA 92335  
Cell: 909-721-2796

# COAST JEWELRY & MORE

## Security & Management Plan

### **Intent and Scope**

This management plan is intended to provide a description of the use and operation of the business at 205 N. Coast Hwy. Oceanside, CA 92054.

### **Uses**

The business will sell retail goods and buy and sell used goods. In addition we will offer collateral loans.

### **Hours of Operation**

Hours of operation are from 9:00am to 9:00pm Sunday thru Saturday.

### **Lighting**

Standard lighting is provided immediately outside the front door premises.

### **Operations for Business Security**

1. The employees of the business will be taught security protocol and all management will have extensive security training.
2. All business employees staffing the premises shall be at least 18 years of age.
3. All patrons are required to enter the premises via the primary front entrance doors facing North Coast Hwy.
4. The business management or staff patrol the entrance and exit areas to prevent loitering and assure the security of its customers.
5. Any graffiti painted or marked upon the exterior premises shall be removed or painted over within 24 hours of either discovery or notification, which is ever earlier. The repainted area shall be consistent in color with the general surrounding color.
6. Video cameras and internet monitoring of the interior or exterior of the premises shall be maintained by the operators and made available to the Oceanside Police Department. Camera locations are subject to the review and approval of the Oceanside Police Department.

7. An alarm system shall be installed. The back door shall be kept closed at all times.
8. The plan shall be maintained on file with the Chief of Police and the Redevelopment Director. Any changes to the Security Management Plan shall be at the discretion of the Chief of Police and must be authorized by the Redevelopment Director.

#### **Cooperation with Local Authorities and Law Enforcement Agencies**

Coast Jewelry & More intends to fully cooperate with all law enforcement agencies, especially the Oceanside Police Department. We will provide a partnership to prevent crime, avoid noise and other disturbances and intends to serve as a facility to assist law enforcement in safeguarding the citizens of Oceanside and other communities.

Respectfully submitted,

Jason Lambert

Manager

205 N. Coast Hwy.

Oceanside, CA 92054

(760) 954-5821

CITY OF OCEANSIDE  
PLANNING DEPARTMENT

## NOTICE OF EXEMPTION

TO: X RECORDER/COUNTY CLERK  
COUNTY OF SAN DIEGO  
P.O. BOX 1750  
SAN DIEGO, CA 92112-4147

PROJECT TITLE AND FILE NUMBER:

CONDITIONAL USE PERMIT (RCUP-10-00002) AND REGULAR COASTAL PERMIT (RRP-10-00002) FOR A PAWN SHOP LOCATED AT 205 NORTH COAST HIGHWAY

PROJECT LOCATION - SPECIFIC:  
205 North Coast Highway

PROJECT LOCATION - GENERAL:  
Mission and Coast Highway

REGULAR COASTAL PERMIT (RRP-10-00002)  
CONDITIONAL USE PERMIT (RCUP-10-00002)

DESCRIPTION OF NATURE, PURPOSE AND BENEFICIARIES OF PROJECT:  
For a pawn shop located at 205 North Coast Highway.

NAME OF PUBLIC AGENCY APPROVING PROJECT:

City of Oceanside

NAME OF PERSON(S) OR AGENCY CARRYING OUT PROJECT:

Jason Lambert  
4009 Layang Circle #B  
Carlsbad, CA 92008  
(760) 954-5821

Exempt Status per the Guidelines to Implement the California Environmental Quality Act (CEQA)  
(Public Resources Code Section 21000 et. al.):

NOT SUBJECT TO CEQA PER THE GENERAL RULE, SECTION 15061(B)(3)

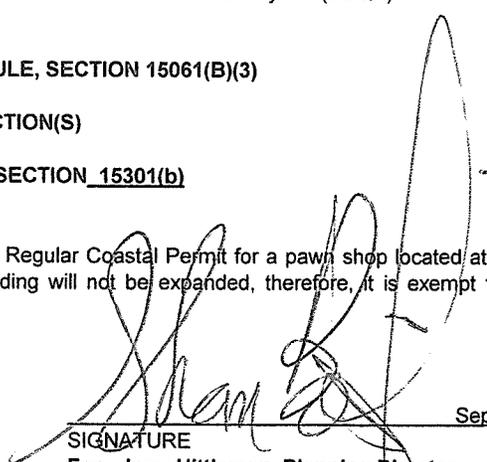
STATUTORY EXEMPTION PER ARTICLE 18, SECTION(S)

CATEGORICAL EXEMPTION PER ARTICLE 19, SECTION 15301(b)

REASONS WHY PROJECT IS EXEMPT:

The proposed project is a Condition Use Permit and Regular Coastal Permit for a pawn shop located at 205 North Coast Highway. The subject site is an existing building and the building will not be expanded, therefore, it is exempt from environmental review.

Contact Person: Shan Babick, Associate Planner

  
SIGNATURE

September 23, 2010

DATE

For: Jerry Hittleman, Planning Director

CITY HALL, 300 NORTH COAST HIGHWAY, OCEANSIDE CA 92054, TELEPHONE (760) 435-3354, FAX (760) 722-1057