

Staff Summary Report



Hearing Officer Hearing Date: March 4, 2008

Agenda Item Number: 7

SUBJECT: This is a public hearing for a request by **MAXIT PAWN AND RETAIL (PL080047)** located at 1845 East Broadway Road, Suite Nos. 106-113, for one (1) use permit.

DOCUMENT NAME: 20080304dssd02

PLANNED DEVELOPMENT (0406)

SUPPORTING DOCS: Yes

COMMENTS: Hold a public hearing for a request by **BROADWAY SQUARE – MAXIT PAWN AND RETAIL (PL080047)** (Brad Shain, applicant; KM Main & Lindsay LLC, property owner) located at 1845 East Broadway Road, Suite Nos. 106 – 113 in the CSS, Commercial Shopping and Services District for:

ZUP08025 Use permit to allow a pawn shop.

PREPARED BY: Shawn Daffara, Planner II (480-858-2284)

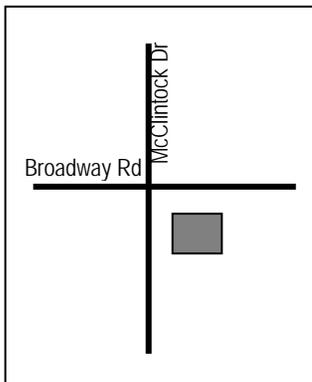
REVIEWED BY: Steve Abrahamson, Planning & Zoning Coordinator (480-350-8359) *SEA*

LEGAL REVIEW BY: N/A

FISCAL NOTE: N/A

RECOMMENDATION: Staff – Approval, subject to conditions 1-10

ADDITIONAL INFO: Maxit Pawn and Retail is requesting a use permit to allow a pawn shop that does not carry firearms or adult videos located at 1845 East Broadway Road Suite 106 in the CSS, Commercial Shopping and Services District. To date, staff has received no public input on this request. This is a commercial use and is not out of character with the area's existing retail and commercial businesses. Staff recommends approval of the use permit request with conditions.



PAGES:

1. List of Attachments
2. Comments
3. Reasons for Approval; Conditions of Approval
4. History & Facts/Description; Zoning & Development Code Reference

ATTACHMENTS:

1. Location Map(s)
2. Aerial Photo(s)
- 3-6. Letter of Intent
7. Site plan
8. Floor Plan
9. Email from Officer Roz Featherston
10. Staff Photograph(s)

COMMENTS:

Maxit Pawn and Retail is requesting a use permit to allow a pawn shop located at 1845 East Broadway Road in the CSS, Commercial Shopping and Services District. Maxit Pawn provides two types of services; first they offer 90 day loans by assessing a value on miscellaneous items and hold those items as collateral; second they offer retail sales of the pawned items in their inventory. Proposed hours of operation are Monday through Friday 10:00 AM to 7:00 PM, Saturday 10:00 AM to 6:00 PM, and Sunday 11:00 AM to 5:00 PM. The business employs 8-10 full time employees with only 3 employees working together at any given time and anticipates serving 25-30 customers per day.

Maxit Pawn has strict policies in place that excludes their stores from collecting firearms or adult movies. Pursuant to Maricopa County Police regulations, each customer is required to have an in state drivers license, is fingerprinted, and a list of the merchandise with serial numbers is electronically transmitted to the local police within 24 hours of the transaction. Tempe Police Department Officer Roz Featherston is assigned to the Police Investigation Bureau and is the primary contact for pawn businesses. Officer Featherston works with all levels of management associated with Maxit Pawn and has informed staff the company has been responsive and cooperative when contacted by Tempe Police. Maxit Pawn owns and operates 25 stores in Washington State and four (4) stores in the Phoenix metropolitan area. If approved this would be Maxit Pawn's second Tempe location. The use permit for the first location located at 2707 West Southern Avenue was approved by the Board of Adjustment (BA990298) on December 20, 1999. The city has two (2) other pawn shops, Tempe Pawn located at 234 West Southern Avenue and Arizona Firearm & Collectibles with Pawn located at 1315 West University Drive.

Since this is a commercial use and is not out of character with the areas existing retail and commercial businesses staff recommends approval of the use permit request. This company's present location in Tempe has not caused any increase in Police calls for service and they work with Tempe Police Department when suspicious items are brought in to the store. The shopping center's property management initially expressed concerns over a pawn shop in this center, but after reviewing Maxit Pawn's business and operation plans they were comfortable with this use as a potential tenant in Broadway Plaza.

To date, staff has received no public input on this request.

Use Permit

The Zoning and Development Code requires a pawn shop to obtain a use permit in the CSS, Commercial Shopping and Service District. This use permit request meets all applicable tests in the following manner:

Evaluating the use permit, the proposal appears to pass the use permit test listed below:

- a. Any significant increase in vehicular or pedestrian traffic in adjacent areas;
 - There will be no significant increase in vehicular or pedestrian traffic in adjacent areas.
- b. Nuisance arising from the emission of odor, dust, gas, noise, vibration, smoke, heat, or glare at a level exceeding that of ambient conditions;
 - This is a commercial use and should not have any associated nuisances.
- c. Contribution to the deterioration of the neighborhood or to the downgrading of property values which is in conflict with the goals, objectives or policies for rehabilitation, redevelopment or conservation as set forth in the City's adopted plans, or General Plan;
 - The proposed requested use will not contribute to neighborhood deterioration or downgrade property values;
- d. Compatibility with existing surrounding structures and uses;
 - The proposed use appears to be compatible with surrounding structures. This is an existing shopping center.

Conclusion

Staff recommends approval of use permit, subject to the conditions.

REASON(S) FOR APPROVAL:

1. The business is a general commercial use, and is compatible with the other businesses on the property and within the area.
2. No apparent nuisance resulting from noise, smoke, odor, dust, vibration, or glare.
3. No apparent hazards to persons or property from possible explosion, contamination, fire or flood.

SHOULD THE HEARING OFFICER ELECT TO TAKE AFFIRMATIVE ACTION ON THE REQUEST, THE FOLLOWING CONDITIONS OF APPROVAL SHOULD APPLY.

CONDITION(S) OF APPROVAL:

1. This use permit is valid for "Maxit Pawn and Retail" and is non-transferable. Should the business be sold, the new owners must contact the Board of Adjustment/Hearing Officer staff and apply for a new use permit.
2. All permits and clearances required by the Building Safety Division shall be obtained prior to the use permit becoming effective.
3. Within one (1) year from approval (**March 4, 2009**), the applicant shall return and meet with Development Services staff for a review of the use permit.
4. The applicant shall devise a security plan with the City of Tempe Crime Prevention Unit. Please contact Sergeant Ken Harmon at (480) 350-6217
5. If there are any complaints arising from the use permit that are verified by a consensus of the complaining party and the City Attorney's office, the use permit will be reviewed by city staff to determine the need for a public hearing to re-evaluate the appropriateness of the use permit.
6. Any expansion or intensification of the use will require a new use permit.
7. The use permit is valid for the plans as submitted within this application.
8. All rear exit doors require a lexan vision panel. Details to be approved through Building Safety Plan Review prior to issuance of building permit.
9. All doors shall have illumination to meet five (5) foot candles at the door and two (2) foot candles within a 15' radius. Details to be approved through Building Safety Plan Review.
10. All business signs shall receive a Sign Permit. Please contact Jeff Tamulevich at (480) 350-8331

HISTORY & FACTS:

April 6, 1994 BA940072: Use Permit approved for TASTE OF INDIA to allow outdoor dining.
October, 31 2007 DPR07221: Exterior modification of the BROADWAY PLAZA shopping center.

DESCRIPTION:

Owner – KM Main & Lindsay LLC
Applicant – Brad Shain
Existing Zoning – CSS, Commercial Shopping and Services District
Parcel Size – 150,141 s.f. / 3.44 acres
Total Building Area – 34,614 s.f.
Tenant Area – 6,236 s.f.
Parking Required for Tenant – 21 spaces
Parking Provided – 211 spaces

**ZONING AND
DEVELOPMENT**

CODE REFERENCE:

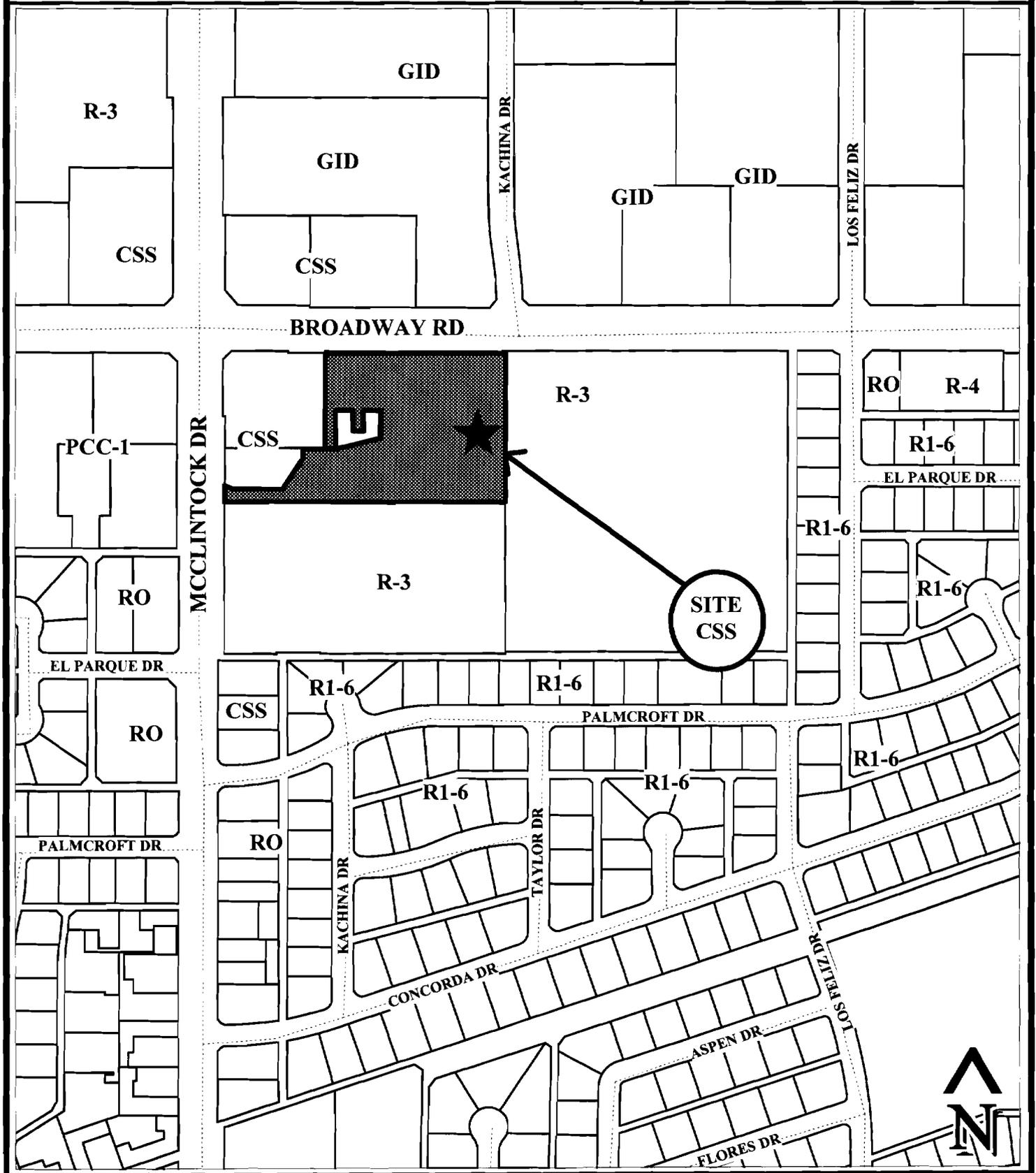
Part 3, Chapter 2, Section 3-202, Table 3-202A – Permitted Land Uses in CSS, Commercial and Shopping and Services District.

Part 6, Chapter 3, Section 6-308 – Use Permit

Part 6, Chapter 3, Section 6-313– Security Plan

BROADWAY SQUARE - MAXIT PAWN AND RETAIL

PL080047





BROADWAY SQUARE - MAXIT PAWN AND RETAIL (PL080047)



David Williams
City of Tempe
Development Services
31 East Fifth Street
Tempe, AZ 85280-5002

Dear Mr. Williams,

MaXit Financial LLC d/b/a MaXit Pawn & Retail is applying to the City of Tempe for a Use Permit to operate a pawn shop in the 1845 Broadway Road facility located on Broadway Road and McClintock Drive.

MaXit Financial LLC is a privately held entity and operates under two brand names: MaXit Pawn & Retail in Arizona and Pawn X-Change in the state of Washington. We have 25 stores in Washington and four in Arizona. Our Arizona stores are located in Mesa, Phoenix, Peoria and Tempe, and the new Tempe location at 1845 Broadway will be our 30th store.

WHAT DO WE DO?

MaXit Financial LLC is a specialty financial service and specialty retail enterprise engaged in the establishing and operating of pawnshops which advance money secured by pledged tangible personal property and sell pre-owned merchandise.

We are committed to serving people who depend on our services to meet their financial needs. With a professional staff of associates, we provide exceptional customer service to those who visit our stores. Our principal focus is simple: an uncompromising commitment to customer service, and enhancement of the pawn industry.

When building this store our management staff will work closely with the City of Tempe to ensure we are knowledgeable in its goals, objectives and policies so that we successfully avoid any conflicts. Because we invest between \$300k and \$500k to build out each store it is essential that we are compliant with all licensing, certification and/or permit requirements requested by the City of Tempe.

OPERATIONS

HOURS OF OPERATION

Normal business hours: Monday through Friday: 10:00 am to 7:00 pm
Saturday: 10:00 am to 6:00 pm
Sunday: 11:00 am to 5:00 pm

Store Closures: New Year's Day
Easter
Memorial Day
4th of July
Labor Day
Thanksgiving Day
Early closure on Christmas Eve
Christmas Day
Company picnic (on a Sunday)
Holiday party (on a Sunday)

Number of Employees: 8-10 Full Time Employees

LICENSING

We are compliant with licensing requirements in all of our existing stores and will meet any licensing, certification and/or permit requirements requested by the City of Tempe and/or Maricopa County. As a general merchandise retailer we will not cause any nuisance (odor, dust, gas, noise, vibration, smoke, heat or glare, etc.) or produce any hazardous waste of any kind.

Our facility will be compatible with the surrounding structures and retail businesses. Unlike the typical pawnshop, our stores do not have security bars on windows and doors, and we do not install concrete bollards. Sometimes we need to install a rolling gate system for enhanced security (only used during non-operating hours), but this system is typically only installed when our store is a stand-alone building.

SERVICES PROVIDED

- **90-day loans** *When a customer receives a pawn loan, they leave an item of agreed upon value as collateral in exchange for their short term cash needs. The item remains in the store until the customer either repays the original loan amount (at which time the item is returned) plus applicable fees (interest), or pays the interest and receives another 90 days, or does not come back to get the item – which can then be sold on our retail floor.*

- **Retail Services:** *Our primary focus is on consumer savings through discount pricing and like-new product selection. It is imperative that MaXit Pawn & Retail delivers the lowest possible price so that our customer will recognize our great everyday values. Our retail mix is about 70% jewelry and 30% general merchandise.*

➤ **Examples of typical merchandise we loan on:**

- Jewelry / New and Used
- Home Electronics
- Game Systems & Video Games
- Musical Instruments and Equipment
- CDs, DVD/VHS Movies
- Tools, construction & lawn equipment
- Sporting Goods
- Cameras and photographic equipment
- Small electronics, computers, printers, iPods, MP3s, etc.

Additionally, our Arizona stores offer a layaway program, gift cards and title loans.

HOW DO WE OPERATE?

The pawn industry is a highly regulated industry. Our company strictly adheres to all state laws and regulations, working closely with local police departments by providing information on all merchandise taken by us. Our objective is very simple: keep the "bad" folks out. Every time we enter into a transaction with a customer, the customer (by law) must provide a valid drivers license, passport or other federally regulated ID. Pursuant to Maricopa County's police regulations, we fingerprint each customer who transacts a loan with us. We record a complete description of merchandise accepted by us for a loan (including the serial numbers) and all of this information is electronically transmitted to the local police within 24 hours.

We have a positive relationship with the Mesa Police Department and, in fact, we have developed good relationships with the police department of every city in which we locate. If you wish to discuss our company's history and/or business practices, please contact Detective Richard Milburn (#8904) of the Mesa Police Department. His telephone number is (480) 644-3744.

No Firearms or adult movies. Strict policies are in place that excludes our employees from conducting any transactions that involve firearms or adult movies.

Store Design. Our stores are designed very much like a small "Target" retail store, featuring clean interiors, well-lit parking and exteriors, neatly arranged merchandise and well-trained staff. Our store will be located in a very large strip center taking up about 2500 sq. ft. of retail space. We do not anticipate having any significant impact on vehicular or pedestrian traffic in adjacent areas. It takes time to ramp up a new business; we anticipate servicing about 25 customers per day and have three employees on site. As provided above, our hours of operation are well within normal and acceptable retail operating hours.

Store Environment. We have worked very hard over the years to change the image of a "pawn shop." Our goal is to offer a family friendly atmosphere where folks can receive financial help if that's the service they need, or get a great value on merchandise if they're a retail customer. The company believes that by creating a more attractive atmosphere we can erase the stigma of a pawnshop and also attract a higher volume of bargain hunting consumers. In large part due to the respectful and friendly environment that we promote, our customer is very much a repeat customer and is on a first-name basis with our store associates.

WE'RE A GOOD NEIGHBOR

Our stores have a good reputation with retail neighbors and are known for our friendly, professional staff and excellent customer service. We believe that our stores provide added value by bringing jobs to the local community and providing a necessary service to area residents. Sales associates wear uniforms with our logo embroidered on the front to clearly identify them as an employee. A drug test and criminal background check is performed on each person who applies for a job in our organization before any employment offer is extended. We have been in the retail business for over 15 years and have not had any incidents of disruptive behavior or nuisance.

When approached by local establishments (such as battered women shelters, non-profits that provide services to our communities, animal organizations and school organizations) with requests for donations we do not hesitate to extend a helping hand. We've held food drives for local food banks in our stores, sponsored youth sports teams, donated merchandise to school fundraisers, supported employee causes and contributed to holiday meals for those in need. As a company, we actively promote a philosophy of giving back to our local communities and encourage our employees to identify opportunities that will help meet the needs of the communities we serve.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brad Shain', written in a cursive style.

Brad Shain
President & CEO
Maxit Financial LLC

Daffara, Shawn

From: Featherston, Roz
Sent: Monday, February 25, 2008 8:36 AM
To: Daffara, Shawn
Subject: Maxit Pawn

Shawn

Per your request I have made the following observations when dealing with Maxit Pawn.

The corporate office is responsive and cooperative when contacted. We recently changed our pawn tickets and they are now adapting their system to the new tickets.

The local district manager has asked for help to insure that they are accurately and timely in notifying the police department as required by law. The district manager has also checked back periodically to make sure they are continuing to stay in compliance and has asked if there is anything else they can do. We did request spelling and description changes for items and she contacted their computer people and a programming change was made to insure a standardized description of items.

The local manager is also usually responsive or at least cooperative. She has called several times when she or one of her staff has a problem or they have noticed a customer's transactions seem to be suspicious in nature. She will flag accounts and notify us if that customer returns to the store. She said she will not accept any items unless the "pawner" shows a working knowledge of the item; such as a laptop, the pawner has to know the password and how to operate the programs.

Maxit Pawn does not deal with guns as a pawn/trade/purchase or consignment.

I have been at the business many times. I have never noticed anyone "hanging around" the outside of the store. When the patrons business is concluded, they do not remain on the premises. There is a lot of vehicle traffic at the store and usually at least two to three customers in the store.

There has been stolen property that has been sold or pawned at the Maxit store but this is true of all pawn shops. If the store is allowed to go forward, I would request a "state of the art" surveillance system be installed.

Roz Featherston
Property/Pawn Detail
Tempe Police



MAXIT PAWN AND RETAIL

1845 E BROADWAY RD

PL080047

FRONT OF BUSINESS/TENANT SPACE