



Public Hearing Item 11:
Consider Appeal of Determination of Water Needs for Tea Zone &
Fruit Bar at 460 Alvarado Street, Monterey
(APN: 001-572-029)

Appeal of Staff Determination

- Board appealed staff's determination that a Tea Zone & Fruit Bar business should be classified as a Non-Residential Group II use
- Rule 71 allows the Board to set a matter for hearing as an appeal
 - Heard and determined in the same manner as other appeals taken pursuant to Rule 70
- The Board must consider the record and such additional evidence as may be offered, and must find whether, in its opinion, staff erred in classifying Tea Zone as Group II

Tea Zone & Juice Bar

- Tea Zone & Juice Bar operates five stores in San Jose, Mountain View and Santa Cruz
- Menu varies between stores
- Primarily a beverage business, offering teas, milk teas, flavored snow bubble drinks, fruit and fruit/yogurt smoothies, specialty coffees, icys and flavored Italian sodas
- Tea Zone also sells puddings, waffles, taiyaki (fish shaped sandwiches), fried foods, ice cream, and macarons
- Considering Monterey Alvarado Street location

Staff Consideration

- Fall 2017: Staff discussed the Group II classification for teas, drinks and juices with the property owner
 - Rental space was formerly retail (Group I)
 - Group II use will require water from City of Monterey
 - City has no water available
- December 16, 2017: Staff met with the property owner and representatives of the business
 - Applicant/owner alleged that this tea & juice bar should be Group I due to minimal dishwashing, “to-go” cups, minimal use for cleaning, and space for rent is 50% larger than needed for the business

Water Permit Process

- Rule 24 explains methodology for determining Water Use Capacity. This was explained to applicant
 - “Water Use Capacity” shall mean the maximum potential water use which theoretically may occur, based on average water use data for similar structures and uses in the Monterey Peninsula region
- Water Use Capacity is estimated using the Water Use Factors from Table 2: Non-Residential Water Use Factors
- Water Use Capacity is determined using the factor that is closest to the type of proposed use (“identical or similar to”)

Non-Residential Group II vs Group I

- Uses in Non-Residential Group II generally are businesses that prepare and sell food and/or beverages primarily for take-out and that use disposable packaging/tableware
- Table II lists examples such as bakery, pizza, coffee house, ice cream shop, catering, deli, sandwich shop, bar, etc.
- Uses in the Non-Residential Group I are typically low water uses such as retail, offices, churches, clinics, etc.

Staff Determination

- Staff offered to visit a Tea Zone & Juice Bar before written determination
- Visited the Almaden (San Jose) store and conducted extensive internet research
- Water is used for tea/coffee, ice making (used in many drinks), preparation of fresh fruit and boba, cleaning (counters, mixers, containers, fruit cutter, utensils, coffee/tea makers, floors, tables, etc.), and hand washing and toilet flushing
- Staff's determination was Group II was most similar
 - Similar to Jamba Juice (Monterey), Juice & Java (Pacific Grove), The Press Club (Seaside)

Tea Zone & Fruit Bar



Tea Zone & Fruit Bar



2018 Proposal

- Since the staff decision in December 2017, the applicant has proposed some modifications to their business practices
 - They have indicated they will not sell ice cream
 - Many products contain ice
 - Won't install an ice machine at the Monterey location
 - Will transport ice from the Santa Cruz store
- Representations by the business operator, however, cannot bind the applicant or any other successor occupant
- Non-Residential Best Management Practices are required by Rule 42

Staff Recommendation

- The Board should make a determination whether the proposed business was placed in the proper Non-Residential Water Use category, and provide direction to staff as to findings in support of the Board's determination
- The Board of Directors may affirm, reverse, or modify the action appealed as it deems just and equitable
- The following points are provided for discussion
 - If the staff determination is vacated, any other similar Group II use can occupy this Site without obtaining a Water Permit/Allocation
 - If the staff determination is vacated, staff will be compelled to consider and approve similar Group II uses as Group I uses
 - All Non-Residential businesses are required to adhere to Best Management Practices

Staff reports, ordinances and presentation materials can be found on the District's website at:

www.mpwmd.net

PowerPoint presentations will be posted on the website the day after the meeting