

SAUCITO LAND COMPANY  
P.O. BOX 87  
MONTEREY, CA 93942

February 5, 2018

Anthony G. Davi, Sr.  
AG Davi, Ltd  
484 Washington Street  
Monterey, CA 93940

Subject: Vacant Group I spaces on Alvarado Street

Dear Anthony,

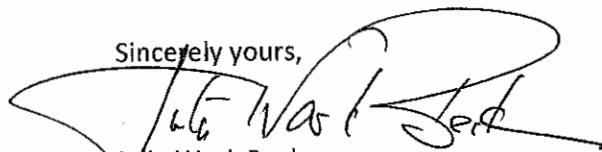
We understand that you have found a prospective tenant for one of your vacant spaces on Alvarado Street. We know that it can be challenging, to find a tenant who fits under the heading of Group I as determined by the Monterey Peninsula Water Management District (MPWMD). I think it has been well over a year that you have suffered vacancy there.

As we further understand it, your prospective tenant serves a food product, and for this reason the MPWMD finds that they do not qualify to occupy a Group I space. On the other hand, you have shared with us that the tenant does not prepare their product on-site, nor is there any significant cleaning required. We understand that they use disposable containers 100% of the time.

It would be interesting to know what amount of water use they can show, from their Santa Cruz location. If indeed their use is very low, perhaps they would be comparable to a Group I user. In that case, it might be reasonable for the MPWMD to at least consider allowing them to occupy your vacant space. I think a similar accommodation was made in the past, for the Parker-Lusseau Bakery location on Hartnell Street, where they occupied what was formerly an office space.

We wish you luck with your appeal. We support your efforts to bring quality tenants to downtown Monterey. Please feel free to share a copy of this letter of support with the MPWMD.

Sincerely yours,



Julie Work Beck  
Managing Partner

## Anthony Davi Sr

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**Subject:** FW: Juice Bar Alvarado ST. Monterey, CA AGDavi  
**Attachments:** 458 Alvarado Exterior new paint.jpg

Board of Directors of :  
Monterey Peninsula Water Management District.

Addendum to Variance Request for:  
Water Grouping Change for Juice Bar  
Property 458-460 Alvarado ST.  
Monterey, CA 93940  
Ladies and Gentlemen:

My name is Anthony G. Davi, Sr. I'm a lifelong member of the Monterey Peninsula, business owner and property owner.

I have attached a photo of a property that I own on Alvarado Street, main street downtown Monterey, which is the subject of this letter. The property consist of 2 spaces each 2,650 square feet. The property is updated with ADA rest rooms, fire sprinkler system, finished interior spaces, and earthquake retrofitted. Another words rent ready.

Unfortunately this property has been vacant since December of 2016, , as of February 1, 2018 I'm approaching 14 months of vacancy, all primarily due to the restrictive water Grouping I . The numerous inquiries that I had for the spaces were for restaurants/ food related, uses, which seems to the preferred business for Alvarado Street. Now, in addition to the loss of revenue, payment of property taxes, insurance premiums, routinely cleaning the front windows and clean up the trash left behind by homeless, I'm now facing the potential loss of property insurance coverage. Insurance carriers do not insure building with long term vacancies. My property is zoned for numerous uses, which include but not limited to all the uses permitted , in the districts grouping categories , 1, 2 & 3. By restricting my property to Group I, The use of my property has been restricted while numerous properties along Alvarado Street do not have the restriction. Alvarado Street is primary food related street.  
The allowable uses in Group I are attached for your review. Effectively my property has been devalued.

I'm sharing this so that you all can understand the sever impact of water restrictions on my, properties in a prime commercial district, a restriction that is inconsistent with the other permitted uses on Alvarado Street . Alvarado Street is an entertainment district, primary food related business, so almost all the Group uses (1,2 & 3) are appropriate or desired for Alvarado Street. This is evident by the fact that the newly established business on Alvarado St., are all food related. There is no appetite for the businesses that are allowed in Group I category.

I understand we are under pumping the Carmel River Aquaphor by 3,000 Acre Feet, so there is water available. Why cant we have some of it. With my existing water credits all that is needed is an additional .35 acre feet per space to meet your requirements, which would be ideal.

The recent request to allow a Juice Bar in one of the above spaces , 2,650 square feet was denied because staff determined it was a Group II use and my space only allows Group I uses, even though Wine Tasting , Dental and Veterinary Clinic, Supermarket, Family grocery, a Gym along with others, are permissible in Group I. We believe the Juice Bar is comparable to Wine Tasting use and that staff had the option to make that determination.

4-6

A juice bar would be desirable and complementary use on Alvarado Street. Justification for allowing the Juice Bar in one of the 2,650 Square feet spaces , is that they serve all their beverages in disposal containers, that the Juices are pre-mixed, so minimal water use, no dishwasher, no pots, pans, china, silverware, glass to clean, and etc. A very low group II water user. Staff denial letter stated concerns with tea and ice cream. Both of these are incidental ( less than 20%) to the primary business. Regarding Ice Cream, which is not a requirement and the Juice Bar on Alvarado Street, if approved, will not include ice cream. By the way there already is an Ice Cream store directly across the street from the subject space.

The Juice Bar will be a low group II water user, because they do not utilizing, pots, pans, china plates, silverware, drinking glasses, providing drinking water to patrons and so there is no, washings of pots, pans, china plates, silverware drinking and etc.

# Monterey Peninsula Water Management District

5 Harris Court, Bldg., G - P.O. Box 85 - Monterey, CA 93942-0085  
 (831) 658-5601 - Fax (831) 644-9558 - www.mpwmd.net

## NON-RESIDENTIAL WATER USE FACTORS

For Non-Residential projects, fees are computed on the anticipated water use of a project based on the development's projected capacity for water use. Any change in use from one non-residential category in one group to another non-residential category in a higher water use group, or from any category in Group III to another category in Group III, as shown on Table No. 2, shall be deemed an intensification of use requiring an expansion/extension permit, or an amended permit pursuant to District Rules. Where there is no increase in the size of a structure, a change in use from one non-residential category in Group I to another category within Group I, or a change of use from one non-residential category in Group II to another in Group II, however, shall not be deemed to cause an intensification of water use.

### Group I

**0.00007 AF/SF**

Auto Uses	Retail	Warehouse	Dental Clinic	Office	Bank	Supermarket
Church	Nail Salon	Family Grocery	Medical Clinic	Wine Tasting Room		Fast Photo
School	Gym	Veterinary Clinic	Convenience Store	Dry Cleaner (No On-site Laundry)		

### Group II

**0.0002 AF/SF**

Bakery	Catering	Coffee House	Deli	Dry Cleaner (On-Site Laundry)
Ice Cream Shop	Pizza	Bistro	Sandwich Shop	

### Group III

Assisted Living (more than 6 beds) <sup>1</sup>	0.085 AF/bed
Beauty Shop/Dog Grooming	0.0567 AF/station
Child/Dependent Adult Day Care	0.0072 AF/Person
Dormitory <sup>2</sup>	0.040 AF/Room
Laundromat	0.2 AF/Machine
Meeting Hall/Banquet Room	0.00053 AF/SF
Motel/Hotel/Bed and Breakfast:	0.1 AF/Room
w/Large Bathtub (add to room factor)	0.03 AF/Tub
Irrigated areas beyond 10 feet of any building	ETWU
Plant Nursery	0.00009 AF/SF Land Area
Public Toilets	0.058 AF/Toilet
Public Urinals	0.036 AF/Urinal
Zero Water Consumption Urinal	No value
Restaurant (including Bar/Brewpub Seats)	0.02 AF/Interior Restaurant Seat
Exterior Restaurant Seats above the "Standard Exterior Seat Allowance" <sup>3</sup>	0.01 AF/Exterior Restaurant Seat
Exterior Restaurant Seats within the "Standard Exterior Seat Allowance"	No Value
Restaurant (24-Hour & Fast Food):	0.038 AF/Interior Restaurant Seat
Self-Storage	0.0008 AF/Storage Unit
Skilled Nursing/Alzheimer's Care	0.12 AF/Bed
Spa	0.05 AF/Spa
Swimming Pool	0.02 AF/100 SF of Surface Area
Theater	0.0012 AF/Seat

**Group IV – Modified Non-Residential Uses** – Users listed in this category have reduced water Capacity from the types of uses listed in Groups I-III and have received a Water Use Credit for modifications. Please inquire for specific property information.

All new Connections – Refer to Rule 24-B, Exterior Non-Residential Water Demand Calculations.

*Note: Any Non-Residential water use which cannot be characterized by one of the use categories set forth in Table 2 shall be designated as "other" and assigned a factor which has a positive correlation to the anticipated Water Use Capacity for that Site.*

<sup>1</sup> Assisted living Dwelling Units shall be permitted as Residential uses per Table 1, Residential Fixture Unit count Values.  
<sup>2</sup> Dormitory water use at educational facilities is a Residential use although the factor is shown on Table 2  
<sup>3</sup> See Rule 21-B-1 and Rule 25.5 for information about the "Standard Exterior Seat Allowance".



December 23, 2017

Anthony Davi Sr.  
P.O. Box 1380  
Pebble Beach, CA 93953

**Subject: Request for Determination of Water Needs for Tea Zone Fruit Bar at 460 Alvarado Street, Monterey (APN: 001-572-005-000)**

Dear Mr. Davi:

This letter is in response to our meeting on December 16, 2017, where you and your client requested that MWPMD consider a proposed juice bar at 460 Alvarado, Monterey, as a Non-Residential Group I water use (MPWMD Rule 24, Table 2). The business, "Tea Zone and Fruit Bar," sells fresh brewed tea and beverages, ice cream, fresh and bottled juices, and smoothies. The arguments presented by your client to support the Group I request were that there would be minimal dishwashing as items are served in "to-go" cups, minimal water use for cleaning, and that the space available to rent is 50% larger than needed for the business.

After reviewing the information provided in the meeting, visiting a Tea Zone in the Bay Area, and reviewing similar local business type's, staff has determined that Group II use is the appropriate Water Use Factor for this business. The brewing and selling of tea, sale of ice cream, juices and smoothies are identical uses to those in the Group II category. The conservation measures discussed in the meeting are considered Best Management Practices that would be expected of any business in this category. Unfortunately, the Subject property does not have the adequate water to support this business type.

The information in this letter is based on the District's current rules and regulations. The District's Rules and Regulations are subject to revision by action of the Board of Directors. New Water Permit applications submitted to the District are subject to the rules in effect at the time the complete application is received.

If you have any questions, please call the Permit and Conservation Office at 658-5601.

Sincerely,

*Stephanie Kister*

Stephanie Kister  
Conservation Analyst

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## **Anthony Davi Sr**

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**From:** Anthony Davi Sr  
**Sent:** Thursday, January 04, 2018 4:35 PM  
**To:** Dave Stoldt  
**Subject:** Juice Bar Alvarado ST. Monterey, CA AGDavi  
**Attachments:** 458 Alvarado Exterior new paint.jpg

Dear Dave:

I have attached a photo of a property that I own on Alvarado Street, main street downtown Monterey, which is the subject of this letter.

This property has now been vacant since December of 2016, over 1 year, primarily due to the restrictive water Grouping I. Inquiries that I had were for restaurants uses, which seems to be the preferred business for Alvarado Street. Now, in addition to the loss of revenue, payment of property taxes, insurance premiums, routinely cleaning the front windows and clean up the trash left behind by homeless, I'm now facing the potential loss of property insurance coverage. Insurance carriers do not insure building with long term vacancies. My property is zoned for numerous uses that included grouping 1, 2 & 3. By restricting it to Group I, my property it has been devalued.

I'm sharing this so that you all can understand the sever impact of water restrictions on commercial properties in a prime commercial district, when the restriction is inconsistent with the market demands. Alvarado Street is an entertainment district, so almost all the Group uses are appropriate or desired. I understand we are under pumping the Carmel River Aquaphor by 3,000 Acre Feet, so the Juice Bar water use would be negatable.

The recent request to allow a Juice Bar in one of the above spaces was denied because staff determined it was a Group II use and my space only allows Group I uses, even though a Wine Tasting is permissible in Group I. I believe the Juice Bar is comparable to Wine Tasting use. A juice bar would be desirable and complementary use on Alvarado Street. Justification for allowing this use in Group I, is that they serve all their beverages in disposal containers, that the Juices are pre-mixed, so minimal water use, no dishwasher, no pots, pans, china, silverware, glass to clean, nothing comparable to Group II water user.

Group II use include:

"Bakery, Catering, Coffee House, Deli, Dry Cleaners, Ice Cream Shop, Pizza, a Bistro and Sandwich Shop", Uses, which include preparing and serving foods. Utilizing, pots, pans, china plates, silverware, drinking glasses, water service and more. All this item need to be washed, either by hand or require a dishwasher, substantially more cleaning and a great deal more water than a to-go healthy Juice Bar.

The staff denial letter focused on tea brewing, ice cream, rather than the fact that sale of Juice drinks in disposable containers is the primary business use and these others are incidentals. Also, the letter states the argument presented by my client was limited to, to-go cups, minimal water use for cleaning and space is larger than needed, the whole point of that discussion was to help staff recognize that they are not a group II water user, for all the above mentioned. The client also explained that the Juices were pre-mixed, they showed a photo of the minimal water used to clean the mixing container.

Group I use included, Supermarket, and a Gym, both of which would use more water than a Juice Bar.

Wine Tasting is allowed in Group I, a Juice Bar water use is far less than the Group II users and should qualify just as the Wine Tasting is. In recent years numerous Wine Tasting business have been allowed throughout the district, a Juice bar would be like Wine Tasting.

So, Dave, I'm wondering if you would be willing to meet with your people and reconsideration our request. Since the additional water in a Group II is only approximately .345 AF, can the district allocate additional water to this property. A positive response would eliminate the vacancy and be plus for the down town.

Respectfully Requested

Anthony G. Davi, Sr.

831-594-3284

To: Anthony Davi Sr <agsr@agdavi.com>

Subject: Water Operation on Tea Zone Business-460 Alvarado St, Monterey

Dear Stephanie,

Thank you for your letter response dated on Dec 23, 2017, regarding Tea Zone business at 460 Alvarado St, Monterey.

I understand that you went to one of the stores at Almaden Expressway, San Jose to verify the operation of business. We would like to provide you a breakdown on details of product making. The actual operation on water is not the same as it appears to be.

- Snow bubble menu including blended drinks like smoothies are made of concentrated juices, milk, nutella & cookies etc. These products do not require tap water. (45% of menu) (see attached photos)
- Smoothiy menu are made by blending all the fresh fruits with condensed milk. These products do not require tap water (25% of menu) (see attached photos)
- Tea menu including milktea, green tea, black tea are made by brewing tea from the water boiler. These products require tap water. (20% of menu) (see attached photos)
- Dessert menu are side products, such as pudding, snacks, & ice cream etc. (10% of menu). Please note that these products are not main menu. The type to serve varies depending on each individual location. They are not a must to have products.

For Monterey location, my client is totally ok without adding ice cream on the menu. They would adjust any side menu if needed to meet the guideline.

Other pre-made liquid purchased from 3rd party including:

- Hershey's chocolate syrup
- Torani syrup
- Whole milk from Fresh Bite Basket
- Soy milk from Silk
- Half & half from Food Service Direct

Given all the details of product operation, on behalf of my client, I'd appreciate your reconsideration on business group.

Please let me know if you have any question or need any further info.

Sincerely,

**Jess Flowers, PhD**  
Broker Associate  
Lic 01394528

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**Coldwell Banker**  
1045 Willo Street  
San Jose, CA 95125

408.829.1225  
[jess.flowers@cbnorcal.com](mailto:jess.flowers@cbnorcal.com)  
[www.jessflowers.com](http://www.jessflowers.com)



# REINHARDT INSURANCE

January 31, 2018

Anthony G. Davi  
A. G. Davi LTD  
P.O. Box 2350  
Monterey, CA 93940

Re: Davi Family Trust Dated 6/8/88  
458/460 Alvarado Street  
Monterey, CA 93940  
Ohio Casualty Insurance Company  
Policy #: BK0 (18) 56278184

Dear Anthony;

I want to call your attention to the Vacancy Provisions section of the above policy specifically as respects the above location.

## Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following even if they are covered Causes of Loss:
  - (a) Vandalism;
  - (b) Sprinkler leakage, unless you have protected the system against freezing;
  - (c) Building glass breakage;
  - (d) Water damage;
  - (e) Theft; or
  - (f) Attempted theft
- (2) With respect to Covered Causes of Loss other than those listed in b. (1) (a) through b. (1) (f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

The building located at 458/460 Alvarado Street, Monterey, CA 93940 is currently subject to the restrictions and penalties stated in the above provisions of your insurance policy listed above. If you have any questions about this issue please feel free to call me.

Best Regards,

  
Patrick W. Bradley

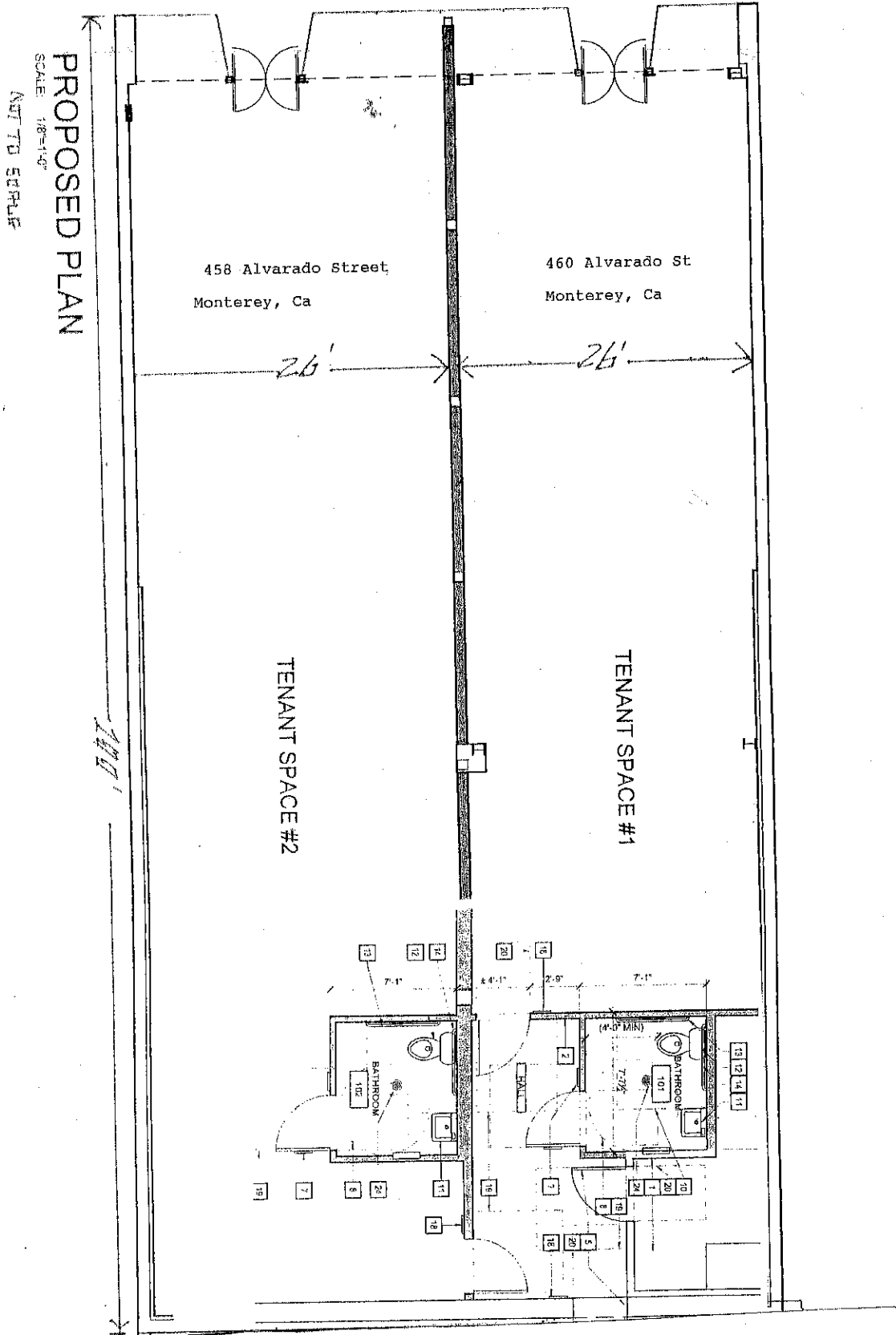
499 W. SHAW  
STE. 130  
FRESNO  
CALIFORNIA  
93704-2516  
PH. (559) 226-4700  
FAX (559) 226-2345  
CA LIC #0570767

# LEASE EXHIBIT "B"

Demised Premises located

460 ALVARADO ST SPACE #1

Schematic Location of Demised Premises  
(Not to Scale)



**DAVI INVESTMENTS**

C/O A.G. DAVI REAL ESTATE  
PO BOX 2350  
MONTEREY, CA. 93940  
(831)373-2222

Union Bank  
495 WASHINGTON ST.  
MONTEREY, CA. 93940

22640

/1220

\*\*\*\* NINE HUNDRED AND 00/100 DOLLARS

TO THE  
ORDER OF

01/22/18

\$900.00

MONTEREY PENINSULA WATER  
MANAGEMENT DISTRICT  
5 Harris Ct. Building G  
Monterey, Ca 93940



THIS DOCUMENT CONTAINS SENSITIVE INFORMATION. TOUCH OR PRESS HERE. REFINISHES AND DISAPPEARS WITH HEAT.  
⑈022640⑈ ⑆122000496⑆ 0041000 969⑈

DATE:01/22/18 CK#:22640 TOTAL:\$900.00 BANK:bank1050 - CASH BK-UNION  
PAYEE:MONTEREY PENINSULA WATER (mpwm)

Property Account	Invoice	Description	Amount
cm458 7350		Variance permit	900.00
			<hr/>
			900.00

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