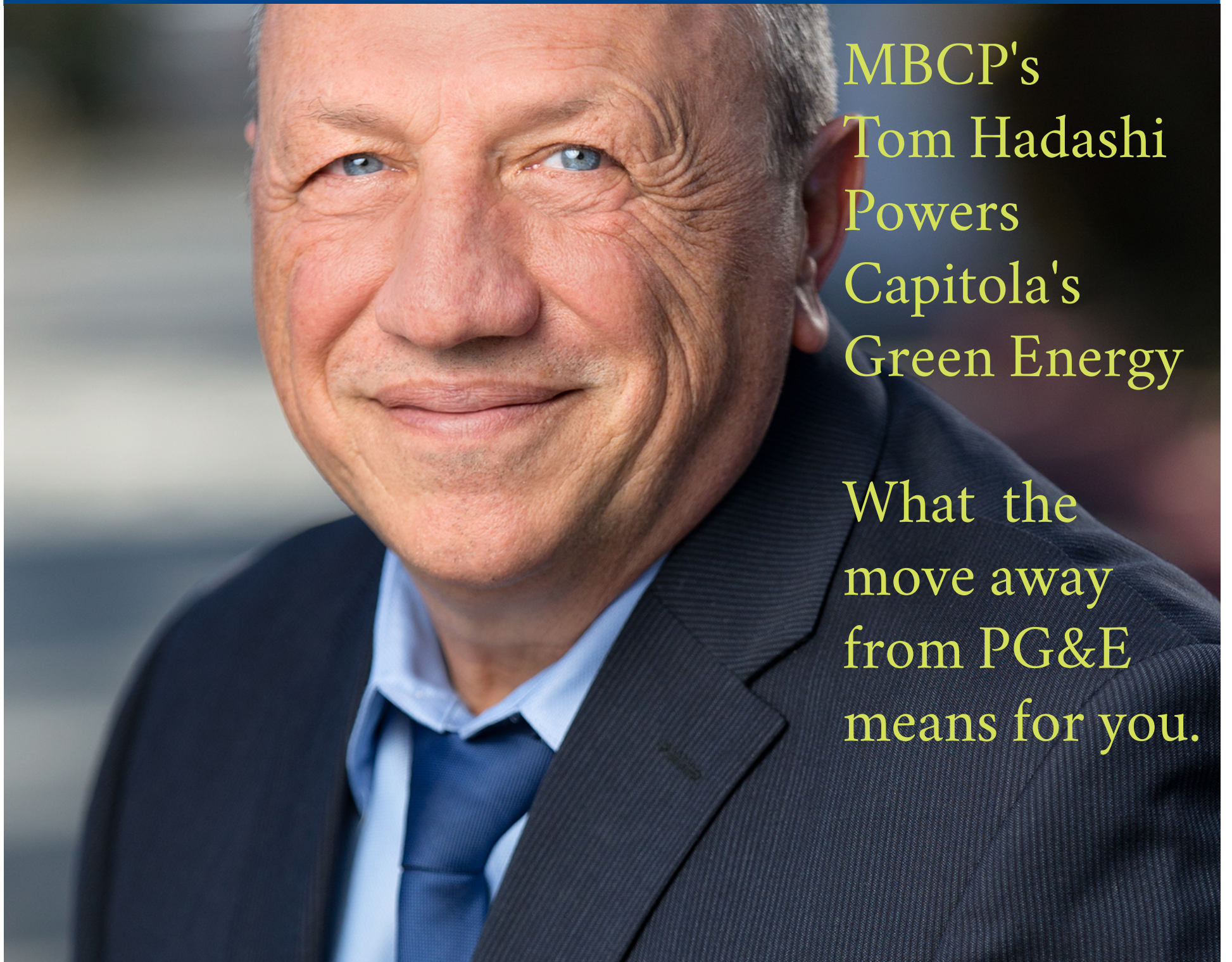


CAPITOLA Advocate



Vol 2 No 2 *Essential News for Residents, Business and Property Owners* March - April 2018



MBCP's
Tom Hadashi
Powers
Capitola's
Green Energy

What the
move away
from PG&E
means for you.

The Village Beat

Capitola Hotel up for sale
page 2



Flip Property \$800k profit

Page 5



Jewel Box Traffic Fiasco

Page 9



The Mall Sales Tax Loss

page 7



Renewable Energy is now available in Capitola and the Monterey Bay area through MBCP. The Advocate plugs into the source

Tom Habashi is Monterey Bay Community Power’s first chief executive officer. As CEO, Mr. Habashi oversees and directs MBCP’s strategic plan, implementation, operations, regulatory affairs and communications and outreach. Prior to joining MBCP, Mr. Habashi served as chief executive officer at Silicon Valley Clean Energy, a community choice energy public agency serving customers in Santa Clara County. Prior to that, Mr. Habashi spent 30 years serving community-owned utilities in Burbank, Palo Alto and Roseville, California, where his responsibilities included managing a wide range of energy sector activities including energy acquisition, rate development, finance, supply distribution and customer programs.



The Village Beat

Owners Corrie and Jeff Sid of the Capitola Hotel brought the building and the business to a level expected in Carmel. From its total remake, to its added amenities including wine tasting, Lorrie, enhanced every part of the hotel possible. It has truly become a showcase for the Village and we hope hope any new owners maintain the level of excellence..

Capitola Hotel up for Sale



The Capitola Hotel is listed for sale at \$3,500,000. The current owers Corrie and Jeff Sid improved the neglected hotel up to Carmel standards. The award winning hotel is a showpiece in the Village and a favorite of guests.

CAPITOLA
Advocate

The Capitola Advocate is a publication specific to Capitola. The content is intended to provide and keep residents, business owners and property owners informed of decisions and developments in the City. Published the first week of every other month.

Publisher Bob Edgren
The Capitola Advocate.
1840 41st Ave.,
Suite 103 - 163 Capitola, CA 95010
info@TheCapitolaAdvocate.com
www.TheCapitolaAdvocate.com
\$35/Year subscription

Bringing experience from Silicon Valley, Tom Hadashi directs the new regional green energy firm Monterey Bay Community Power. CEO Hadashi answers questions from the Advocate

Q: To clarify the basics, MBCP intends to only provide electrical energy, and PG&E will continue to provide gas. PG&E will also control the delivery of electrical through their power electric grid system. PG&E will also do the billing with MBCP charges. All Correct?

A: Yes, that is correct. Monterey Bay Community Power works in partnership with PG&E. MBCP assumes responsibility for electric power procurement and purchases clean, carbon-free electricity for homes and businesses in the tri-county area (except King City and Del Rey Oaks). However, PG&E continues to provide customer billing, receives payments, performs power line maintenance, resolves outages and remains responsible for all gas services.

Q: The recent and continuing California fires may find PG&E culpable and responsible for this crisis. How will this impact MBCP? Will we see an increase in rates from PG&E passed on to MBCP?

A: PG&E's culpability, or lack thereof, has no impact on MBCP or its cost to provide service to the MBCP community

Q: In the event PG&E files bankruptcy, how will this impact MBCP and our rates?

A: If PG&E filed for bankruptcy, another utility would take over its operations. MBCP was formed expressly to be the lowest cost provider of electricity, and that would not change.

Q: Your first enrollment forms will be coming out this January. Will there be live representatives to answer any customer questions?

A: Yes, customers can call 1-888-909-MBCP starting in the first week of January with any questions. The enrollment schedule is for nonresidential customers to be enrolled in March, with residential customers enrolled in July. All customers will receive a mailed notice 60 days and 30 days before enrollment, and 30 days and 60 days after enrollment.

Q: Will MBCP offer discounts for medical and/or low-income customers?

A: CARE, FERA and Medical Baseline will continue to receive the same discounts as they do currently, whether they enrolled in the MBCP or opt out. Note that Medical Baseline customers are also exempted from PG&E's exit fee, resulting in a significant discount for them as MBCP customers. MBCP offers customers the opportunity to select the MBshare service offering, which enables customers to direct their annual rebate to support local nonprofits dedicated to climate change-related programs and programs that benefit low-income residents. Additional MBCP programs that focus on low-income customers may be developed in the future.

Q: At this point, is there a projected percentage savings or higher expense for a typical household with MBCP?

A: Monterey Bay Community Power was created to offer three key benefits: reduction in greenhouse gas emissions, lower cost to customers and investment in our local community. In 2018 our customers will save a minimum of 3% in the form of a rebate. In 2019, we hope to be able to offer higher rebates.

Q: Will MBCP have "tiered" rates for excessive use, or will charges be on a flat line?

A: Monterey Bay Community Power's

rate schedules are designed to parallel PG&E generation rate schedules.

Q: What type of pricing structure does MBCP offer? Do you have a fixed rate plan? A variable rate plan? What are the differences?

A: See previous answer

Q: What are options for contract lengths?

A: There are no contract lengths. There is no fee to opt-out before enrollment or within 60 days after MBCP service starts. After that time, there is a one-time administrative fee of \$5 per residential and \$25 per commercial account.

Q: What happens at the end of the contract term?

A: There is no contract term.

Q: Is there a penalty to terminate the contract early?

A: There is no contract term and customers may to opt-out within 60 days after MBCP service starts. After that time, there is a one-time administrative fee of \$5 per residential and \$25 per commercial account.

Q: Can MBCP guarantee there will not be any brown outs?

A: MBCP is responsible only for procuring electric power for our customers. PG&E will continue to be responsible for transmissio,delivery, and maintenance.

Q: Could you explain "Behind the Meter"?

A: This is a term used for on-site generation installed on the customer side of the meter.

Q: What is and how would, "Community Shared Power", work in an area like Capitola?

A: Community shared power describes a program that some load serving entities have adopted to allow members of the community to acquire electricity from resources build locally generally at higher rates. MBCP will examine the viability of this and other programs in the next 6-9 months

Q: Regarding providing power for the growing electric vehicles, (recharging stations), will that be something MBCP will be involved in and if so how?

A: Not all of our rates are set, and we are considering special electric vehicle (EV) charging rates which may be available by summer 2018. In addition, MBCP may initiate incentive programs for electric vehicle charging at some point in the future.

Q: Would it be fair to say that MBCP is basically a broker of energy? That MBCP does not own but has relations with electrical energy producing sources, and purchases that energy for a coordinated distribution to the MBCP area?

A: Yes, for the time being, that's correct.

Q: At this point in the process, who would be the leading source providers by name, and who would be a biggest electrical supplier category for MBCP by percentage? Wind? Solar? Bio, Other?

A: MBCP will source 100% of electricity from carbon-free sources. About 70% of our portfolio is large hydropower. Hydropower is the cheapest carbon-free energy available, which lets us offer lower cost to our customers even in our first months of operation, while quickly paying back our startup loan financing. Our suppliers currently under contract are Exelon Generation Company, LLC ("Constellation"), Powerex Corp. ("Powerex"), Tenaska Power Services Co. ("Tenaska"), TransAlta, Shell Energy North America (US) L.P. ("Shell"), Morgan Stanley and Direct Energy.

Q: Does MBCP refer to green energy suppliers as vendors or partners?

A: We refer to them as "suppliers."

Q: Currently, is there enough green energy suppliers to keep costs competitive? For example, does MBCP purchase electricity produced by wind from more than one company?

Cont on page 4

Monterey Bay Community Power

Cont from page 3

A: Yes, we chose to contract with multiple companies so that we can get the best prices.

Q: Does MBCP have an arrangement to purchase electricity from PG&E?

A: Not currently, however, we are working with PG&E on an enabling agreement to do so.

Q: Is MBCP investing in any electrical producing companies like wind farms or solar?

A: We currently negotiating with solar and wind developers to acquire sufficient energy to meet roughly 20% of the region’s demand. Contract execution is expected in February or March 2018.

Q: Who owns the companies or parts thereof that produce electrical energy purchased by MBCP?

A: See answer to the question about the leading providers.

Q: Are any of the firms selling electrical energy to MBCP owned whole or in part by PG&E, or the major oil companies?

A: See answer above

Q: Are any of the green energy firms MBCP will purchase energy from in whole or part foreign owned?

A: See answer above

Q: Which green energy sources show the biggest growth potential?

A: They all do! We are seeing more utility-scale solar farms being planned and built around the world, which is one exciting area of growth. The most important factor for solar and other weather-dependent forms of renewable generation is energy storage. We need to be able to use the

energy that we generated at high noon after the sun goes down. We’re expecting exciting progress on the energy storage front in the coming years.

Q: Could an investor group or individual start up a wind farm and sell electricity to MBCP?

A: Certainly. Our goal is to provide carbon-free electricity at the lowest cost to our customers.

Q: For people or businesses that already have solar energy systems, how will they interface or be effected with MBCP?

A: MBCP does not interrupt the use of owned systems. Residents with solar panels who are net users will receive electric generation at MBCP rates. Residents who generate excess power will be able to sell their excess energy back to MBCP at retail rates.

Q: Is MBCP a home solar program killer or promoter? Would it still be beneficial for a homeowner or business to install solar or would just switching to MBCP be a better financial choice?

A: The answer to this question depends on the size of the system being built and the price that home owners will pay for the system. Generally, it would be best for home owner to size the system to produce equal or less than anticipated consumption

Q: It is stated that MBCP may be offering low or zero interest loans for solar programs on residential and businesses. If so, how soon will that happen and how would that work?

A: At this time, MBCP does not offer loans, though that could be considered in the future.

Q: Many rooftops are inadequate to carry solar panels. Are there any other solar collecting devices or more advanced panels coming out in the near future, or ultralight panels?

A: Advancement in solar technology is continuing on a fast track. Timing

as to when to enter that market should be carefully analyzed by homeowners prior to making the investment.

Q: Hydro Electric power is a renewable green energy source. Despite the fact that the member counties have mountains with seasonal mass rainfall, this energy source is not listed. Is there a reason hydro is not considered?

A: Hydro electric power is carbon-free, though “large hydro” (facilities that are over 30MW) is not counted as a renewable energy source for California’s “renewable portfolio standard.”

Q: How big a factor is energy storage in the MBCP program? Do you foresee a day in the near future where battery technology will be advanced to play a significant role in renewables?

A: Yes, battery storage and other forms of energy storage like pumping for hydroelectric generation are crucial for the future of renewable energy. MBCP has a preference for solar generators that include on-site storage. Right now, electricity needs to be used as soon as it’s generated. Affordable, large-scale energy storage is the solution, and advances in storage technology could change the game for renewable generation.

Q: Presumably, the most ideal energy is one that delivers electricity 24/7. Wind may come close to that but there has been significant advances in wave, tide and ocean current energy models. Since the MBCP communities are located along the Pacific Ocean, has MBCP looked into this potential source of energy? Are any future possibilities considered with ocean power?

A: MBCP supports the development of new sources of renewable energy. We will be open to procuring electricity from new sources and balancing that idea with the need to ensure the lowest cost possible for our customers.

.Q: Will employees of MBCP be labor organized? Like unions or CalPERS?

A: MBCP is not a CalPERS organization. At this time MBCP employees are not unionized. There are neither efforts to unionize nor any prohibition against it.

Q: Could employees of MBCP go on strike?

A: MBCP fully respects the full rights of its employees.

Q: As far as employees of MBCP and PG&E, how do the two salary/packages compare?

A: As public employees, MBCP salaries are disclosed to our governing boards and by extension to the public. PG&E salaries are not disclosed, so we cannot make that comparison.

Q: Will we see a significant layoff of PG&E employees as a result of MBCP and other independent green energy groups?

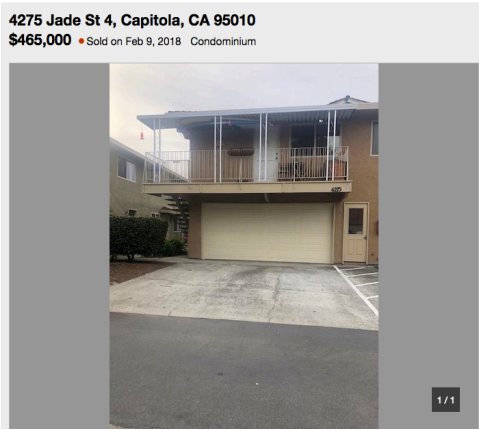
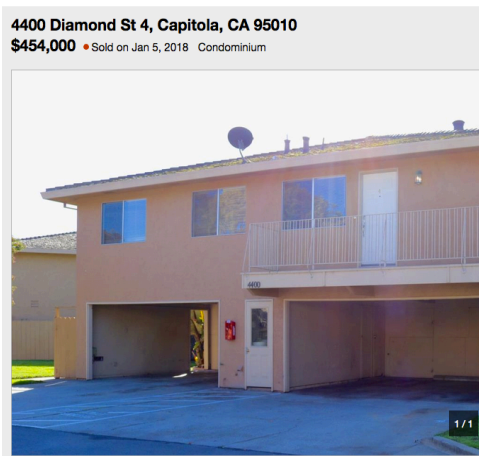
A: PG&E will continue to provide all electric transmission/delivery, maintenance, customer service and gas delivery. MBCP is partnering with PG&E to serve our customers. We will also be partnering with local, independent energy organizations to increase energy efficiency and use of carbon-free power.

Q: Is there anything else you would like to add?

A: MBCP will receive zero taxpayer funds. The organization will be self-funded through revenue generated by ratepayers. Additional revenue that would be considered as profit for PG&E will not go to shareholders; instead, those revenues will be reinvested in our local community. Oversight and governance is provided by local representatives through MBCP’s Policy and Operations Boards, the business of which is conducted in public under the provisions of the Brown Act that requires transparency and accountability through open government. We’re excited about the opportunity to engage with our community to reduce greenhouse gas emissions, lower costs for customers and increase local investment.

Capitola Shores condos approaching the half million mark

Often considered affordable housing in Capitola, the Capitola Shores condos selling prices are nearing the half million dollar mark. Six of the units sales recently ranged from \$450K to \$475K. Capitola Shores is a condo project built in 1971. It hosts one of the few swimming pools in Capitola, has large lawn areas, 4 units per building, and walking distance to 41st Ave., Jade Street park and the beach



Flip of the year? \$845,000 Profit!

New owners of 207 Oakland Ave. aim for a whopping gross profit of \$845,000 in 4 months

It goes without saying that some Capitola property sales have gone through the roof. But many eyes are on 207 Oakland Ave, where the new buyers of five months, have listed the property at a \$845,000 profit. This would set a new record in Capitola. New paint, new flooring and new appliances would make it quite a flip, and probably set a new pace of buy and sell.

For any property in Capitola, 207 Oakland has an eceptional large lot of Depot Hill maintains it's status as the best place i Capitola to live, primarily because of its secluded neighborhood with only one entrance and exit. Unlike areas like the Jewel Box and the Avenues, there is no commute traffic to contend with. The sleepy laid back neighborhood is reminiscent of how Capitola was 40 years ago.

Advertise in the Capitola Advocate

Reach a targeted audience with the Capitola Advocate. Investors, Business Owners, PropertyOwners, Residents. for rate information email info@theCapitolaAdvocate.com

207 Oakland Ave, Capitola, CA 95010

\$1,550,000 • Sold on Nov 16, 2017 Residential Income

2,700

Sq Ft

5,619

Sq Ft Lot

1938

Yr Built

Share

Favorite

Contact Agent

Victor Borelli

Victoria Properties

License #: 01070031

Phone: (408) 781-7087

Listing Agent

Full Name *

Email Address *

Phone Number *

Phone Number *

207 Oakland Ave 1, Capitola, CA 95010

\$2,395,000 • Active Residential

2,685

Sq Ft

5,619

Sq Ft Lot

1938

Yr Built

Share

Favorite

Contact Agent

Chuck Oliver

David Lyng Real Estate

License #: 00867633

Phone: (408) 499-9900

Listing Agent

Full Name *

Email Address *

Phone Number *

Council opens Pandora's Box while trying to solve the Jewel Box traffic

They did it again. Another SIP (Self Inflicted Problem). Without requesting a comprehensive study, Capitola Council made a decision on traffic problems in the Jewel Box favoring Topaz residents. The shortsightedness cost nearly a full Council meeting, and will cost taxpayers more in hiring a professional road engineer firm, and further burden public works that is already buried in a number of projects.

Dozens of Jewel Box residents showed up at the February 23 City Council meeting to air frustrations at the previous Council decision to address Topaz residence's complaints about excessive and speeding traffic on their street. It was an hour and a half of apologies, as residents from both Topaz and other Jewel Box streets, vented their diverse opinions, and dismay.

At a previous Council meeting, a vote was made for "option 4", which called for a series of diverters on 47th Ave. This did not sit well with other Jewel box residents who immediately realized the inconvenience would make their lives miserable.

The Council's failine to take more time to really study the problem and imposing a not well thought out solution, created a small civil war between Topaz and other Jewel Box residents. The result was a flood of emails and letters to the mayor and Council, prompting the second meeting with a record number of attendees not seen since the skate park debate of Monterey Ave, another Council vote foopah that caused neighborhood dissent and an expensive lawsuit.

The result was a vote to abandon the previous vote for "option 4", and in addition to the costs noted above, hold a public hearing(s) for more discourse. All this will cost taxpayers money and time when there are other issues just as important or more important than Jewel box traffic. There seems to be



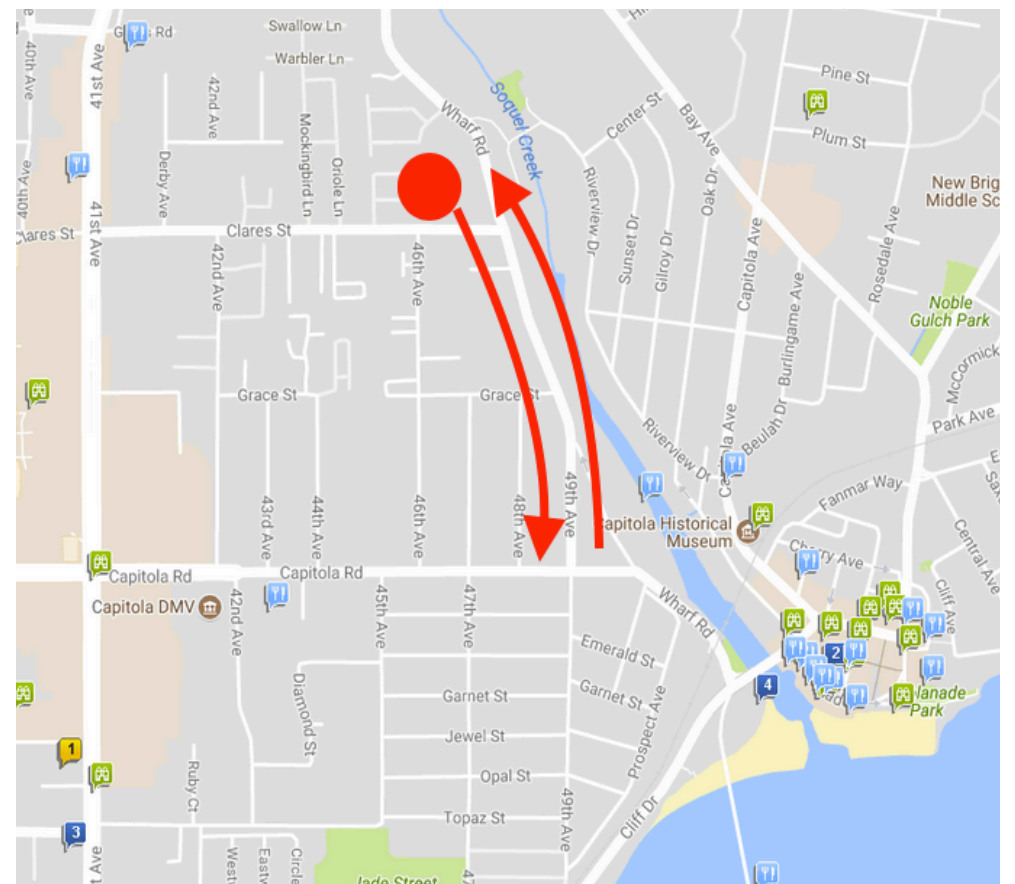
TRAFFIC CALMING ALTERNATIVE: DIAGONAL ROAD CLOSURE ON 47TH



no simple solution to traffic in the Jewel box or as far as that goes, other areas of Capitola effected by excessive traffic.

The elephant in the room may well be the proposed new library on Wharf Road that connects directly into 49th and the Jewel Box. Expecting to draw hundreds of people a day from around the County, the new library will significantly increase traffic in the Jewel box. This comes from the consulting firm, Common Sense. By how much will traffic increase? We don't know because there was never an environmental impact report or thorough traffic study ordered.. This is the question residents and homeowners in the Jewel box should be asking, Real estate agents should also note this to potential buyers as additional traffic on streets never meant to be "feeder" streets, will negatively effect values, something that should bring all Jewel box residents together and not fight one another.

The City came up with "option 4" to appease Topaz residents and homeowners, which consisted of diversion designs on 47th Ave. intersections. But other Jewel box neighbors but the brakes on it and in reverse.



The new library will be bringing in more than 500 people from the County everyday. The Library will be on Wharf Road, which feeds directly into 49th and the Jewel box.

The Mall - City in danger of losing vital tax revenue

The public presentation on January 27. put on by the new mall owners Merlone Geier was an eye opener for many. It was a pretty full house at Jade Street center. Attendees were surprised to learn that Merlone Geier did not own the entire mall, but actually less than half. In addition, there is a complex contract between eight different independent owners creating hurdles for any significant changes.

Merlone Geier have no set plans for the future of the mall, just a floating menu of options. But that doesn't stop a dying mall, where vacancies are mounting. Unfortunately, their typical venture is to incorporate housing into their projects which brings no sales tax revenue to the city.

Merlone Geier does not appear to be doing any aggressive marketing to popular retailers to fill the many empty store spaces.

Some people have asked why can't we have a mall like Monterey's Del Monte Center with successful and trendy tenants like Chicos, Banana Republic, Williams Sonoma, California Pizza Kitchen, Century Theatres, Hollister, and PF Chaings to name a few.

The answer may well be in the fact that it's not Merlone Geier's ambition to develop a mall, but build easy cash flow money for them with apartments. Such a direction would be foolhardy on the part of the city, cutting out the vital retail tax revenue that Capitola city thrives on.



The most recent retail casualty at the Capitola Mall is Sports Fever. Located near the main entrance,

Melone Geier is is a real estate mall.

developer, not a shopping center firm. They have some seven regional shopping centers on the West Coast, whereas the former owner, the Macerich company has over 50 nationwide. Consequently, the former owners have much stronger ties to retail firms, and leverage to develop a

Visionary city council people and Capitols, need to think for the future. That means income and revenue from sales tax and transient tax. Building apartments would be the fiscal wrong direction for the future. A hotel yes, but not apartments.

The last of the Marie Calenders Building, makes way for the Olive Garden

The charming Marie Calenders building sat vacant for about five years. It has been leased to the Olive Garden. Some people thought the building should have been saved as it reflected a Capitola look, with its multiple angle roofs, cozy cottage feeling. The new Olive Garden will have a Tuscany look. This property is one of 8 independently owned properties of the Capitola Mall group.

Marie Calenders is not the only chain restaurant to close on the mall property. Red Lobster closed about 20 years ago in the now Takara Sushi location.

Wendy's closed and was replaced by Five Guys Burgers. McDonalds was in the mall food court but left. The presence of the new Olive Garden could not come at a better time as Capitola Mall is struggling under the new ownership of Merlone Geier.



There was some concern regarding the destruction and leveling of the charming Marie Calenders building. Whatever the case, it's gone as were the breakfasts and pies five years ago. Soon, the Olive Garden will be presenting their family style Italian cuisine.



Monterey Bay Community Power

Local Choice • Clean Energy • Economic Vitality

YOUR NEW ELECTRICITY PROVIDER

Community-owned, carbon-free electricity for Monterey, Santa Cruz and San Benito Counties, with net revenues reinvested in the tri-county region

3% REBATE FOR MBCP CUSTOMERS!



YOU'RE IN. No action needed!

Look forward to a **3% rebate** on the total electric generation cost from MBCP.



Choose to donate your rebate to fund local programs serving low-income rate payers and/or GHG reduction efforts.



Choose to donate your rebate to fund local renewable energy projects.

MBCP offers three key benefits: reduction in greenhouse gas emissions, lower cost to customers and investment in our local community.

No Shareholders • Public Accountability • Balanced Priorities

Nonresidential customers are enrolled in March,
and residential customers will be enrolled in July.

MBCommunityPower.org   

Opt out anytime and return to PG&E. Details at mbcommunitypower.org