



# City of Del Mar Staff Report



TO: Honorable Mayor and City Council Members

FROM: Kathleen A. Garcia, Planning and Community Development Director  
Via Scott W. Huth, City Manager

DATE: December 1, 2014

SUBJECT: Confirmation of Descriptions of the Identified City Hall/Town Hall Development Options in Preparation for a Future Public Vote

## REQUESTED ACTION/RECOMMENDATION:

Staff recommends that the City Council receive and confirm the summary of the City Hall/Town Hall voting options, review a revised proposal from Mr. Watkins and Ms. Leeger, and provide additional staff direction as necessary.

## DISCUSSION/ANALYSIS:

On November 17, 2014, the City Council directed staff to return with a voting mechanism for three program options associated with the future redevelopment of 1050 Camino del Mar. Following the City Council meeting, local media published stories that described the options differently. Staff is returning to the City Council with a description of these three options to confirm, clarify and/or adjust the record and public perception. Staff understands the motion made by City Council on November 17, 2014 to be a vote on these three options:

### November 17, 2014 Options:

1. Civic Uses on the entire site: a 9,250 square feet (SF) City Hall, a 3,200 SF Town Hall, a 15,000 SF public plaza, and 160 parking stalls (100-stall tuck-under garage and 60-stall surface parking lot).
2. Civic Uses on half the site: a 9,250 SF City Hall, a 3,200 SF Town Hall, a 15,000 SF public plaza, and 80 tuck-under parking stalls. The remainder of the site (approximately 33,000 SF) would be reserved for a future use (to be determined).
3. Mixed-Use Plan on the entire site: a 9,250 SF City Hall, a 3,200 SF Town Hall, +25,000 SF public plaza, 9,250 SF of commercial space and 160 parking stalls (160-stall tuck-under garage). The entire site is used for a one level garage with buildings

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## City Council Action:

above on a podium. The commercial space could be phased in at a later date, if so desired.

It should be noted that all the above options have the following features:

- Each option can accommodate the Farmers Market in the public plaza.
- Each option includes parking required by the Del Mar Municipal Code for the built civic uses (51 stalls).

Staff is requesting that the City Council confirm, or adjust, the above options.

#### Revised Mixed Use:

On November 24, 2014, Mr. James Watkins and Ms. Kit Leeger submitted a proposed modification to the Mixed Use Plan, which is included as Attachment A. This modified proposal reduces the commercial space from 9,250 SF to 6,500 SF and identifies a portion of the remaining podium to be available for future uses. Because the Mixed Use Plan was originally based on the Watkins proposal, staff is requesting City Council direction to determine if the Mixed Use Plan is presented to the voters, should it be modified as stated below (revisions shown as underline):

3R. Mixed-Use Plan on the entire site: a 9,250 SF City Hall, a 3,200 SF Town Hall, +15,000 SF public plaza, 6,500 SF of commercial space, remainder of the podium to be used for future uses or additional plaza and 160 parking stalls (160-stall tuck-under garage). The entire site is used for a one level garage with buildings above on a podium. The commercial space, as well as any additional uses, could be phased in at a later date, if so desired.

Based upon City Council direction, staff will work with an election professional to develop the ballot language and voting process. Staff is currently obtaining cost estimates and completing a financial analysis of the scenarios and will return with the complete description of the ballot language and process to the City Council.

#### STAFF RECOMMENDATION:

Staff is requesting confirmation of the three options from the November 17, 2014 meeting and whether or not to modify the Mixed-Use Plan based upon the suggested language.

#### FISCAL IMPACT:

The City Hall planning effort to date is within the adopted Capital Improvement Program budget (CIP#FA01) for Fiscal Years 2013-2014 and 2014-2015 which included \$80,000 for Public Facilities planning related services and \$431,000 approved during the budget update of FY 2014-2015 on June 16, 2014.

ENVIRONMENTAL IMPACT:

In accordance with California Environmental Quality Act (CEQA) standards, facility planning is not defined as a project and is therefore exempt from the provisions of CEQA. A future development project would be subject to CEQA review.

PRIOR CITY COUNCIL REVIEW:

During the last eighteen months, the City Council has addressed the numerous topics associated with City Hall/Town Hall planning at multiple, noticed meetings.

- November 17, 2014: Review of Workshop Results and Direction for Voting Options
- October 27, 2014: City Hall/Town Hall Council Workshop #3 - Scenarios Review
- October 20, 2014: Financial Analysis of Master Planning Scenarios
- October 6, 2014: Master Planning – Mixed-Use Scenarios Review
- July 7, 2014: City Hall Mixed-Use Goals & Assessment Criteria
- June 16, 2014: Direction to prepare alternative scenarios/Master Planning Phase
- June 9, 2014: City Hall/Town Hall Council Workshop #2
- June 2, 2014: City Hall Funding Program; City Hall Sites Assessment report; Current City Hall Renovation Costs
- May 19, 2014: Highest and Best Economic Use Analysis for 1050 Camino del Mar; Public Private Partnership Overview; Opinion of Probable Construction Costs, City Financing Bond Capacity;
- May 5, 2014: City Hall Revised Schedule and Recommended Program
- April 21, 2014: City Hall Program Verification
- April 7, 2014: Community Forum
- March 17, 2014: Space Planning Verification and Cost Estimate Consultant Selection
- March 3, 2014: City Hall Planning Schedule
- February 18, 2014: Survey Results
- January 6, 2014: Draft Community Survey
- December 9, 2013: City Council Workshop Report and Next Steps
- December 2, 2013: City Council Workshop #1
- September 3, 2013: Site Selection to redevelop 1050 Camino del Mar
- July 15, 2013: Preliminary Space Needs; Priority to replace City Hall
- July 1, 2013: Goals and Criteria for Success for evaluation of Alternative Sites.
- June 17, 2013: Process for Facility Planning

ATTACHMENTS:

Attachment A – Watkins Leeger Revised Plan – November 25, 2014

JAMES M. WATKINS

INVESTMENT ANALYST

November 24, 2014

Kathy Garcia  
City of Del Mar  
1050 Camino del Mar  
Del Mar, CA 92014

Dear Kathy,

We appreciated the council's decision to place all options on a ballot for public vote. As none of the options require Measure "B", once the community has voted their choice the process can move very quickly.

We are requesting the following modifications to the plan. The modification changes the concept very little, however, we believe will be beneficial to the community for the following reasons:

The committed public plaza space is to be listed at 15,000 sf. With the additional 30,000 sf surplus surface space flexible for any future uses the public may desire, such as an art gallery, performing arts, or the historic Alvarado house.

The commercial space would be reduced from 9,550 sf to 6,500 sf by eliminating the retail portion and retaining the NE corner of CDM for a 2,000 sf neighborhood coffee shop and the SE corner of CDM for a 4,500 sf fine dining restaurant. We believe the two future restaurants are important to activate and service the public plaza as a vibrant gathering place for community interaction and special social and cultural events.

And finally showing the City Hall as one story with an option to be two stories.

These modifications provide more flexibility and do not conceptually change the plan or our vision as an efficient, affordable house for city government that is user friendly, designed around a grand public plaza that serves as a gathering space that invites and supports social interaction and provides space for multiple special community events.

Again, we commend the Council for providing the Community the opportunity to vote and look forward to a clear consensus on one of the three options.

Sincerely,



James M. Watkins



Kit Leeger, AIA

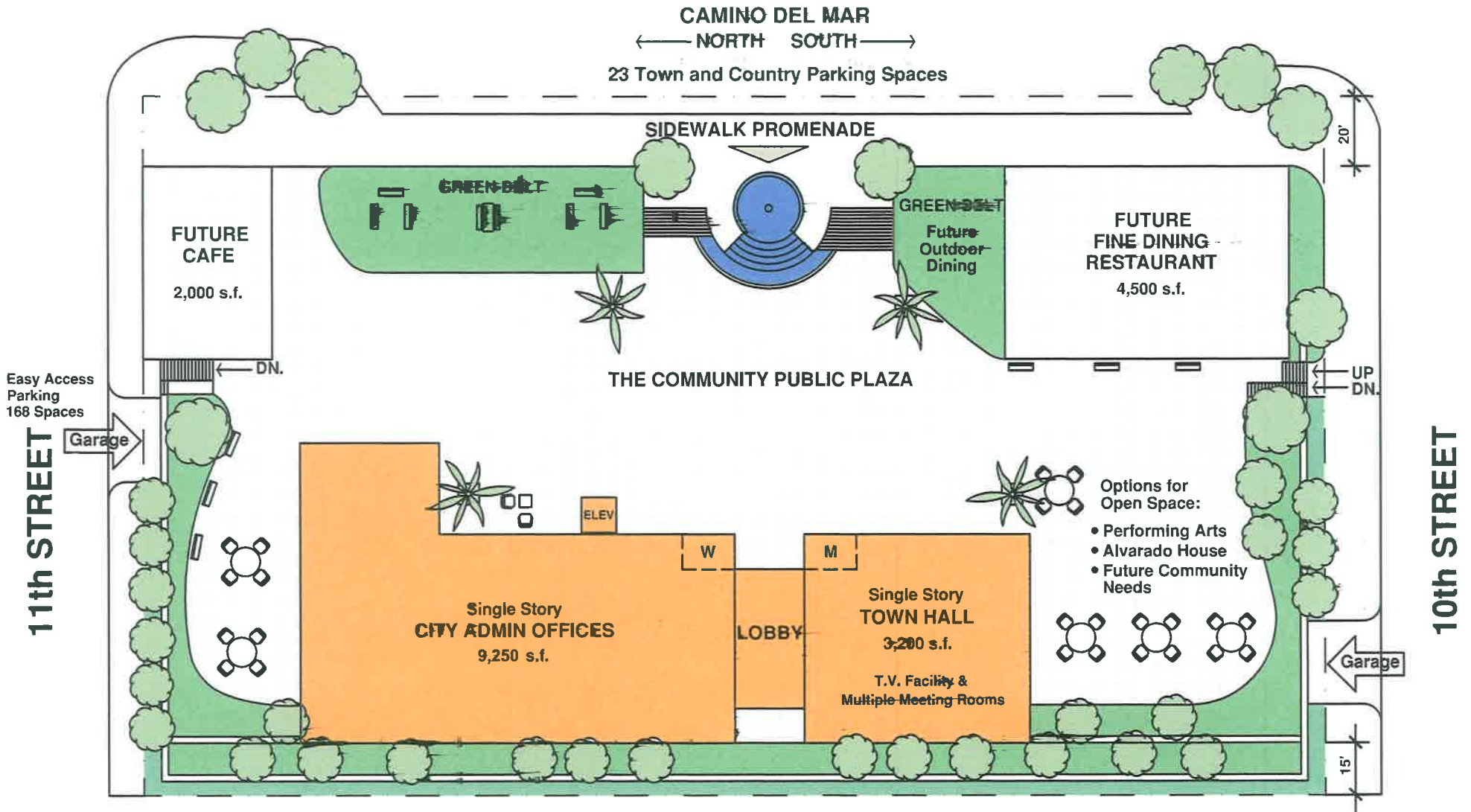
office (858) 755-3991  
fax (858) 755-8075

jimwatkins@winnerscircleresorts.com  
P.O. Box 99, Del Mar, CA 92014

Enclosures

# VILLAGE SQUARE

(A Southern Anchor for the Village)



## LEEGER - WATKINS SITE PLAN

SCALE: 1"=40'-0"  
 December 1, 2014

**DEL MAR NEW COMMUNITY CIVIC CENTER PROPOSAL  
COMPARISON of COST CIVIC ONLY PLAN "A" VS. VILLAGE SQUARE "C"**

The following is a comparison of the initial costs and to the City for Civic Only Plan "A" and Village Square Plan "C". Included in the summary is a \$1,500,000 upfront commercial fee and \$2,317,980 in revenue the City would receive from commercial in the PLAN "C" VILLAGE SQUARE proposal over 30 years.

<u>PROGRAM</u>	<u>CIVIC ONLY</u> (PLAN A)	<u>VILLAGE SQUARE</u> (PLAN C)
<u>USES</u>		
CITY HALL	9,250	9,250
TOWN HALL - DMTV	3,200	3,200
CIVIC PLAZA	15,000	15,000
SURPLUS FLEXABLE FUTURE USE SPACE		30,000
COMMERCIAL	0	6,500
<u>TOTAL PARKING</u>	160	168
REQUIRED	51	126
SURPLUS	109	42
SURPLUS (WITH U.L.I. MIXED USE)		70
<u>FINANCIAL</u>		
TOTAL DEVELOPMENT COST	\$12,414,000	\$13,731,000
COMMERCIAL FEE TO OFFSET OF COST TO CITY	\$0	\$1,500,000
TOTAL COST TO CITY	\$12,414,000	\$12,231,000
*PROJECTED INCOME FROM COMMERCIAL TO CITY 30 YRS		\$2,317,980
<u>"NET COST" TO THE CITY</u>	<u>\$12,414,000</u>	<u>\$9,914,000</u>

**\*NOTE:**

In the Village Square Plan "C" proposal the City will provide a long term lease to a qualified commercial developer for the commercial site. As such, the City takes no risk and is not in the property management business. A projected **\$77,266** in annual revenue to the City equals **\$2,317,980** over a 30 year period. There is no revenue available from the CIVIC ONLY Plan "A". The net result is a cost of **\$12,414,000** for the CIVIC PLAN "A" ONLY or **\$9,914,000** for the VILLAGE SQUARE PLAN "C".

**COMMERCIAL REVENUE FOR THE CITY**

\$77,266 per year x 30 Years (Without COLA increases) = \$2,317,980

## APPLES TO APPLES COMPARISON

(Utilizing Keyser Marston unit costs) City Plans vs Leeger/Watkins Village Square Plan

<u>CONSTRUCTION COST</u>	<u>SQ FT</u>	<u>UNIT COST</u>	<u>PLAN A CIVIC ONLY</u>	<u>PLAN C VILLAGE SQUARE</u>
CITY HALL	9,250	\$302	\$2,867,000	\$2,867,000
TOWN HALL	3,200	\$302	896,000	896,000
PARKING (SINGLE LEVEL)			3,640,000	4,536,000
SITework/PLAZA			1,052,000	1,160,000
		<b>TOTAL CONSTRUCTION COST</b>	<b>\$8,455,000</b>	<b>\$9,459,000</b>
SOFT COSTS			\$3,958,000	\$4,272,000
		<b>TOTAL PROJECT COST</b>	<b>\$12,413,000</b>	<b>\$13,731,000</b>
<u>OFFSET COST TO CITY</u>				
COMMERCIAL LEASE (UPFRONT PAYMENT)			0	1,500,000
		<b>TOTAL NET COST TO THE CITY</b>	<b>\$12,413,000</b>	<b>\$12,231,000</b>
		(EXCLUDES COMMERCIAL ANNUAL REVENUE)		

**NOTES:**

To insure an apples to apples comparison as requested by the City Council:

- The Town Hall and City Hall SQ FT are identical.
- The same Keyser Marston unit cost estimates have been utilized.

**SOURCE OF COMMERCIAL OFFSET COST**

The Commercial sites are to be leased on long term to a qualified commercial developer. Thus, the City takes no risk. The commercial developer is responsible for all their costs for operation and management and a \$1,500,000 pre-lease fee.

**NOTE:**

In addition to the above commercial pre-lease fee of \$1,500,000 cost offsets, there is an estimated \$77,266 in annual revenue to the City from the commercial components.

