

# City of Del Mar

## Highest and Best Use Study

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### Financial Evaluation Of Potential Development Scenarios For The Existing City Hall Site

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# Approach

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1. Review prior feasibility studies (2003 and 2007)
2. Define four development prototypes with City staff
3. Research residential, commercial, and hotel markets
4. Prepare financial models to determine residual land value

# Single-Family Residential

Project Description	Number of Units	8 Units
	Average Lot Size	7,950 SF
	Average Unit Size (includes basement and garage)	5,212 SF
Financial Feasibility	Total Development Costs (excludes land)	\$1.4M/Unit
	Sales Price	\$3.6M/Unit
	<b>Residual Land Value</b>	<b>\$10.4M</b>

# Multi-Family Residential

Project Description	Number of Units	16 Units
	Average Lot Size	3,975 SF
	Average Unit Size (includes basement and garage)	2,781 SF
Financial Feasibility	Total Development Costs (excludes land)	\$774K/Unit
	Sales Price	\$2.1M/Unit
	<b>Residual Land Value</b>	<b>\$12.9M</b>

# Commercial

<b>Project Description</b>	Retail Space	19,250 SF @ 3.4 Spaces/1,000 SF
	Restaurant Space	6,694 SF @ 11.2 Spaces/1,000 SF
	Office Space	4,000 SF @ 5.0 Spaces/1,000 SF
	Parking Type	Surface, Tuck-Under
<b>Financial Feasibility</b>	Total Development Costs (excludes land)	\$427/SF GBA
	Sales Price	\$3.00 - \$5.00/SF/Month
	<b>Residual Land Value</b>	<b>\$2.2M</b>

# Hotel

Project Description	Number of Rooms	35 Rooms
	Average Room Size	600 SF
	Commercial Space / Spa	2,516 SF / 3,100 SF
	Parking Type	Subterranean
Financial Feasibility	Total Development Costs (excludes land)	\$545/SF GBA
	Average Daily Rate (ADR)	\$250
	<b>Residual Land Value</b>	<b>(\$1.6M)</b>

# HABU Summary

Ranking	Residual Land Value	
1. Multi-Family Residential	\$12.9M	\$203/SF
2. Single-Family Residential	\$10.4M	\$164/SF
3. Commercial	\$2.2M	\$33/SF
4. Hotel	(\$1.6M)	(\$24)/SF

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