

## PROTOTYPE ANALYSIS

To assess the feasibility of new development, the prototype analysis evaluates simulated development pro-formas for projects that could be located on the "opportunity sites" that have been identified within the study area. The results of these simulations identify a set (or sets) of conditions under which a project would be attractive to a potential developer. Factors include:

- Construction costs
- Sale prices/rents
- Profit requirements
- Land costs

This information provides insight into the likelihood that new development or redevelopment should be expected in the absence of public sector involvement; alternatively, it indicates the magnitude of public sector participation that would be required to stimulate development activity.

A development prototype is assumed to be feasible if - after all revenues and all costs other than land acquisition are considered - it generates a land value, or "land budget," that is equal to or greater than the market price for land in the general vicinity of the site.

### Summary of Findings

Four prototype projects were studied in the report. The following is a summary of findings for each site.

- Northwest Corner of Texas and Pennsylvania: The prototype designed for **Site 1** (townhouses and stacked townhouses, overall density of 26 units per acre) is most likely to be feasible if the units can be sold for at least \$490,000. This price is between 25 and 30 percent higher than the base case price of \$385,000 (\$275 per square foot) tested in this analysis.
- Downtown - Texas Street: The prototype designed for **Site 2** (townhouses and live/work units, overall density of 25.4 units per acre) would be feasible if the live/work units could be sold for \$665,000 and the townhouse units for \$560,000. These prices are between 25 and 30 percent higher than the base case prices of \$522,500 and \$440,000 (\$275 per square foot) tested in this analysis.
- North Texas Street (across from FoodMaxx): The prototype designed for **Site 3** (service commercial buildings for auto services or similar uses) would be feasible only as a rental project, and only with rents as high as \$1.33 per square foot per month (\$16 per square foot per year) for the front (single-tenant) building and \$0.90 per square foot per month (\$10.80 per square foot per year) for the rear (multi-tenant) building.
- North Texas Street (north of Tabor): The prototype designed for **Site 4** (townhouses, townhouses with flats above, and stacked flats; some parking in a garage with open space on a podium covering the garage, overall density of 32.6 units per acre, plus some retail space) would be feasible if the non-stacked townhouses could be sold for as much as \$560,000 (\$350 per square foot) and the other types of units (townhouses with flats above and stacked flats) could be sold

for as much as \$420,000 (\$350 per square foot). These prices are between 25 and 30 percent higher than the base case prices of \$440,000 and \$330,000, respectively (\$275 per square foot), used in this analysis.

Joe Lucchio, Principal Planner  
Dept. of Community Development  
City of Fairfield  
1000 Webster Street  
Fairfield, CA 94533  
(707) 428-7647  
(707) 580-4687 cell