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Technical Assistance to Suisun PDA: Final Report

November 6, 2012





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November 6, 2012

Therese M. Trivedi, Program Manager
Transportation for Livable Communities, Station Area and Land Use Planning
Metropolitan Transportation Commission
101 Eighth Street
Oakland, CA 94607

Dear Ms. Trivedi:

On behalf of The Planning Center | DC&E and BAE Urban Economics, we are pleased to submit this Final Report for the Technical Assistance to the City of Suisun City Priority Development Area (PDA).

Our work has helped City decisionmakers and staff to consider refined planning, land use regulations, and strategies that are appropriate for the Suisun City PDA. At the time of the adoption of the Suisun City Downtown Specific Plan in 1999, transit-oriented development (TOD) was already a major policy focus. However, the City had not yet integrated its land use planning for the PDA area with current ABAG/MTC policy directions.

The City of Suisun City faces the clear challenge of encouraging development which achieves multiple policy goals within the PDA, including increased livability, economic development, and strengthening of fiscal revenues to the City's General Fund. The fiscal concerns are especially critical to the City due to its small size and challenges in providing municipal services in an era of rising costs and declining revenues.

The enclosed report summarizes the steps taken to fulfill the grant requirements for Technical Assistance for Suisun City's PDA.

Please let us know if you have any questions or comments regarding this submittal.

Sincerely,

Bruce Brubaker, Associate Principal
The Planning Center | DC&E

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INTRODUCTION

Study Purpose

The City of Suisun City requested technical assistance from the Metropolitan Transportation Commission (MTC) through its Focus grant program, to formulate feasible development concepts for key catalyst sites in the City's Priority Development Area (PDA). Specifically, Suisun City had previously prepared a Specific Plan for the Downtown, including the PDA area (1999) and was in the process of considering updating its General Plan including land use designations for the PDA. Although the City has experienced substantial new development in downtown following adoption of the Specific Plan, recent development activity had stalled, due to the economic downturn and other factors. Moreover, the City of Suisun City has substantial vacant and/or underutilized parcels within its PDA, positioning it to potentially lead local economic recovery through new mixed-use, transit-oriented projects.

These factors led the City to request technical assistance from MTC, building on prior studies and plans, as well as prior success in the downtown. The City's grant application stated that this technical assistance would help attract new mixed-use and residential development to the downtown, as well as support economic development of Suisun in a transit-oriented manner. The grant application requested the following technical assistance steps:

1. Explore demographic and market trends in the PDA
2. Identify current market support for owner-occupied residential, retail, and service commercial uses
3. Identify factors affecting feasibility of PDA development
4. Test development feasibility and return on private investment, including scale, density, and location factors
5. Explore stakeholder concerns regarding new development in the PDA
6. Recommend next steps including analysis of infrastructure, low-impact development guidelines, and development/design standards (as relevant)

SUMMARY OF STUDY PROCESS AND FINDINGS

Overview of Study Process

In early 2011, the City received approval for its grant and was provided with the services of The Planning Center/DC&E and BAE Urban Economics, one of the consultant teams approved by MTC to provide land planning and real estate economics services. The consultant team met with City staff and MTC representatives, and formulated the following scope of services:

- Start-Up and Review of Background Materials
- Conduct Market Analysis and Overview of Feasibility Factors
- Formulate Development Concepts and Conduct Prototype Financial Testing
- Outreach to Developer Community (e.g., Developer Panel)
- Prepare Technical Report

The study process was unique in that it was predicated on direct outreach to the development community through a midway developer panel. This panel was intended to both market the focus sites in the PDA, as well as the PDA overall, while also obtaining direct developer input to create feasible development concepts and “next steps” to implement development.

Summary of Market Analysis Report

The consultant team prepared a Market Analysis for the project, finalized in January, 2012. The Market Analysis Report, included herein as Appendix 1, identified near-term support for multifamily ownership units, market rate senior housing, specialty retail, and limited new office space, along with potential strong demand for a small upscale hotel and destination restaurant targeting Napa Valley gateway travelers.

Findings

The Market Analysis report, provided as Appendix 1, indicates that during the next 10 to 15 years, downtown Suisun City will likely sustain market support for several key new retailers including a specialty grocer, a drugstore, two to four or more restaurants, and other small shops specializing in home furnishings, apparel, etc. This retail finding was based on analysis of current retail leakage and downtown’s specialization in providing unique retail that does not directly compete with the large array of nearby shopping in Fairfield. The finding also recognizes that the City of Suisun City’s planned new WalMart store will likely reduce downtown retail demand to some extent.

The Market Analysis also identified a relatively strong demand for market-rate housing, including senior housing products serving local residents as they age in place, and potentially attracting Travis Air Force Base retirees seeking a small-town, walkable environment. In

particular, the independent living combined with assisted living product type, which enables residents to live in small apartments with on-site services, was identified as having strong potential fit with the sites under study in downtown Suisun.

The demand for office space was concluded to be somewhat limited for the next 10 to 15 years, given the small market and outsize competition from facilities in nearby Fairfield and elsewhere in Solano County. Demand for small professional offices, particularly for legal and professional services related to the Bay Area – Sacramento corridor and taking advantage of the rail services, were identified as a strong market segment that could be attracted to downtown Suisun.

Finally, although not initially scoped in the grant application, the concept of a small boutique hotel serving a more upscale market segment than the newly-developed Hampton Inn, at the Suisun waterfront near downtown, was assessed. If combined with a destination restaurant and event venue, this concept was identified as likely market-supportable over the next decade.

Summary of Preliminary Site Development Concepts

Next, City staff and the consultant team reviewed nine potential development sites, and selected three sites for further development-concept formulation and financial analysis. The sites selected are shown in Appendix 2. Preliminary site development concepts were formulated for each site, also shown in Appendix 2. These concepts were formulated in concert with city staff, and were specifically conceived to emphasize retail in keeping with the City's fiscal policies, as well as limit height to no more than three stories, and accommodate most parking in inexpensive surface parking lots. This last decision was made to offset the expense of structured parking, but was also impacted by the need to meet relatively high parking requirements.

During this part of the process, it became apparent that several City policies and standards posed challenges to achieving contemporary and market-supportable mixed-use development. These included a City policy regarding revenue generation of land uses, in order to support General Fund revenues and fiscal needs. This adopted policy requires that projects needing a General Plan amendment and rezoning of commercial zoned lands to other uses shall demonstrate net fiscal impacts will be equal to or more positive than retail uses. Few other uses can compete with local sales taxes, meaning that this policy discourages residential, office, and other uses for development within the PDA and throughout Suisun City. In addition, City policies regarding limited density and relatively high parking requirements worked to discourage transit-oriented development; these policies also impact financial feasibility due to provision of expensive structured parking once certain density thresholds were analyzed.

BAE then developed preliminary financial pro formas to test the financial viability of the three preliminary site concepts. However, initial analysis showed that these concepts would have a difficult time achieving financial viability, due to the high cost of land and development, particularly when considering the relatively low market rate rents for commercial uses in Suisun. Exceptions to these findings were market-rate condominiums, which had experienced relatively strong sale prices until the market decline; these uses may recover in the next few years and again support land and development costs in downtown. A small boutique hotel with a destination restaurant along the waterfront, would achieve financial feasibility if the right concept were developed to achieve sufficient room rate revenue. Highway-oriented retail on the large 30 acre site was more financially challenging, given market and financial dynamics. Senior assisted living could work financially, if either parking requirements were reduced and/or height limits relaxed.

These pro formas were prepared as part of the subsequent developer panel event; however, due to the lack of clear financial feasibility and the issues presented by current City policies that impacted feasibility (by emphasizing retail space), the pro formas were not completed for presentation purposes. Instead, the developer panel was convened in order to obtain critique and commentary on the PDA's sites, suggested uses, and development concepts in order to brainstorm more integrated mixed-use projects what may also achieve City fiscal goals in other ways (e.g., through hotel taxes, property taxes, or indirect stimulus of existing retail spending)..

Summary of Developer Panel

The developer panel was convened on March 21, 2012. Panel participants included several notable Bay Area urban infill/TOD companies. A summary of panel notes is included as Appendix 3.

The event commenced with introductory remarks by the Community Development Department and the consultant team. The summary slide show (see Appendix 2) was presented, including discussion of Suisun's market strengths, future market potential of the PDA, and the preliminary development concepts on the three downtown PDA sites.

The responses of the panel to Suisun's PDA and the preliminary development concepts were interesting. All panel participants noted the local ambiance of the waterfront, the historic and walkable "bones" of downtown Suisun, and recent City successes in encouraging mixed-use development at an appropriate scale. At the same time, to varying degrees, panel participants tried to shift the discussion away from retail space, due to the perceived lack of support, especially given the pending development of the new Suisun WalMart and other competing retail nodes. All participants said instead, Suisun should focus on its uniqueness downtown, and let that uniqueness drive the overall quality of life which will repay in fiscal revenues over time. All panel participants were also excited to learn that the two waterfront sites (combined

for purposes of preliminary design concepts), were owned by the City and could be leveraged to support expensive mixed-use development.

All participants discussed the need for more flexible design and density in the PDA. For example, while a three-story perceived limit on height may make sense, many projects developed elsewhere in smaller communities had four-story and higher components which remained context-sensitive through good design. In these environments, perhaps even more critically than in larger urban settings, the need to maximize transit ridership, overall functionality, and financial considerations have led to creative mixed-use concepts which may exceed three stories but do not “feel” out of context.

Another notable theme emerged. One panel participant develops urban-scale independent/assisted living projects for seniors (e.g., AgeSong). This developer talked about some new thinking among aging specialists and city planners to retrofit neighborhoods for seniors, with better pedestrian walkways, enhanced disabled accommodations, and city-scale universal design. This movement is gaining across the US, and this developer envisioned the Suisun PDA as having the right ingredients to become a leader in senior retrofit. He also encouraged out-of-the-box thinking about mixing non-traditional uses together, such as the boutique hotel and the senior living project, on the waterfront parcels. He envisioned some options for shared food services, shared parking, and shared concierge services.

All panel participants concluded that the Suisun PDA needed a more context-sensitive design approach, while maximizing urban infill and TOD principles for sustainable development such as reduced parking infrastructure, enhanced walkability, and creative mixed-use.

Summary of Context-Sensitive Design Case Studies

The findings of the developer panel resulted in a shift in subsequent scope of work by the consultant team. Instead of completing the preliminary concept designs and feasibility testing under current City policies and perceptions of appropriate development along a suburban model, the consultant team shifted towards preparing a visual presentation of context-sensitive design examples from around the Bay Area’s other smaller communities.

This presentation was structured to educate and broaden discussion among Suisun’s elected officials, and to reflect the comments received by the developer panel. The presentation is included herein as Appendix 4.

This presentation was made to Suisun Planning Commission on September 25, 2012. The context sensitive projects were considered carefully by Planning Commissioners. There was interest in accommodating development similar to the presented examples, and further revisiting Suisun’s PDA development policies to emphasize design and creative mixed-use.

APPENDICES

APPENDIX 1: MARKET ANALYSIS REPORT

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Market Analysis for Suisun City Priority Development Area

Prepared for: City of Suisun City

January, 2012



bae urban economics

January 31, 2012

Ms. April Wooden
Community Development Director
701 Civic Center Boulevard
Suisun City, CA 94585

Dear Ms. Wooden:

We are pleased to provide this Market Analysis for the Suisun City Priority Development Area (PDA). This report represents the completion of Deliverables #2 and #3 for the MTC grant award to the City of Suisun City for an Implementation Strategy for the Suisun City PDA.

Please note that although this report was finalized in January, 2012, most of the analysis was conducted in an earlier time period, during Spring and Summer of 2011. We do not anticipate the findings from the 2011 analysis to change as of the time of this report's publication.

It has truly been a pleasure working with you and your staff. We look forward to analyzing the selected PDA sites for new development feasibility, and the convening of the Developer Panel to generate interest in Suisun's downtown PDA sites.

Please let us know if you have any questions or comments.

Sincerely,



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INTRODUCTION

Suisun City, located at the intersection of I-80 and Highway 12 in southern Solano County, is a small incorporated community offering a rich history and a scenic, water-oriented ambiance. The City is served by Amtrak rail service, with a conveniently-located historic train station adjacent to downtown.

Metropolitan Transportation Commission (MTC), the Bay Area's regional transportation planning agency, provides support to communities with designated Priority Development Areas (PDAs), which are transit-oriented development (TOD) areas located at selected transit stations. Downtown Suisun City's rail station and the surrounding roughly ½ mile is a Priority Development Area, and the City of Suisun City has received an MTC grant to provide technical assistance for implementation of TOD. This Market Analysis sets the stage for implementation strategic planning.

Overview of Market Analysis

This report analyzes demographic trends and assesses market conditions for housing, retail, office, and hotel uses. This report also includes a summary of interviews with stakeholders conducted to obtain an initial sense of recent market demand experience in the Study Area. The report concludes with an estimate of potential capturable demand for housing, office, retail, and hotel uses within the Study Area for the next 20 years.

Definition of Market Area

Study Area

The Study Area for this project is shown in Appendix A to this memorandum. As shown, the Study Area encompasses the Downtown core of Suisun City, including its waterfront and central business district, along with the areas immediately adjacent to, and walkable from, the Amtrak Station. To analyze demographic and economic trends, the Study Area has been further defined using Census Block Groups (see Appendix A).

In order to assess market demand and implementation of a transit-oriented development strategy for the Study Area, a larger market area for each potential land use was also defined. The population and employment of the central core of Suisun City, on its own, will not support or maximize potential development; additional visitors, workers, and others will need to be attracted to the Study area to realize full potential. Thus, this report sets the stage for implementation by defining a larger market area from which demand for most uses under consideration might be drawn. The Market Area for this analysis is defined as a combination of the incorporated areas of the City of Suisun City and the City of Fairfield.

POPULATION AND HOUSEHOLD TRENDS

This chapter provides an overview of the Study Area’s demographic trends, compared to Suisun City, Solano County, and the Bay Area region. The analysis also includes the Market Area (Suisun City and Fairfield) from which most market demand for PDA uses will be drawn.

Population and Household Growth

In 2010, the Study Area contained an estimated 2,549 residents living in 955 households, which is just less than 10 percent of the population of Suisun City (estimated at 27,357 residents living in 8,434 households in 2010). Between 2000 and 2010, the Study Area grew more slowly than Suisun City, the Market Area, the County, or the region. Population in the Study Area grew only 1.3 percent during the period, despite the availability of developable sites. In contrast, Suisun City population increased by 4.7 percent. In the larger Suisun City/Fairfield Market Area, population increased by 9.0 percent, outpacing growth in the Bay Area region. Household growth rates followed a similar pattern, although the Study Area had a slightly greater increase in households than population, reflecting a decrease in average household size.

Table 1: Population and Household Trends, 2000-2010

Population	2000	2010	% Change
Study Area (a)	2,516	2,549	1.3%
City of Suisun City	26,118	27,357	4.7%
Market Area (b)	122,296	133,326	9.0%
Solano County	394,542	418,180	6.0%
Bay Area (c)	6,783,760	7,232,120	6.6%
Households			
Study Area (a)	924	955	3.4%
City of Suisun City	7,987	8,434	5.6%
Market Area (b)	38,857	42,478	9.3%
Solano County	130,403	137,634	5.5%
Bay Area (c)	2,466,019	2,595,596	5.3%
Average Household Size			
Study Area (a)	2.72	2.67	
City of Suisun City	3.26	3.23	
Market Area (b)	3.04	3.03	
Solano County	2.90	2.92	
Bay Area (c)	2.69	2.73	

Notes:

(a) The Study Area consists of block groups 1, 2, 3, and 4 located in census tract 2527.02.

(b) The Market Area is defined as the combination of the City of Suisun City and the City of Fairfield.

(c) The Bay Area consists of the Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.

Sources: Claritas, 2010; BAE, 2011.

Age of Residents

In 2010, the Study Area's age distribution followed a similar pattern to the City and Market Area, although the Study Area had a slightly greater concentration of children under 18. Conversely, the Study Area had a low concentration of seniors over age 65 compared to the County and the region, suggesting potential for senior housing, which would also benefit from access to transit and urban services.

Table 2: Age Distribution, 2010

Age Cohort	Study Area (a)	City of Suisun City	Market Area (b)	Solano County	Bay Area (c)
Under 18	30.3%	28.0%	26.9%	25.1%	22.7%
18-24	8.8%	10.1%	11.0%	10.1%	8.8%
25-34	13.5%	13.2%	13.5%	13.5%	12.9%
35-44	14.0%	13.5%	13.2%	13.4%	15.5%
45-54	12.9%	15.7%	14.5%	14.9%	15.4%
55-64	10.7%	11.3%	10.3%	11.5%	12.1%
65-84	8.9%	7.4%	9.1%	10.0%	10.7%
Over 85	0.8%	0.9%	1.3%	1.6%	1.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Population Under 18	30.3%	28.0%	26.9%	25.1%	22.7%
Population 65 and Over	9.7%	8.2%	10.5%	11.6%	12.6%
Median Age	33.1	34.0	33.0	36.0	38.6

Notes:

(a) The Study Area consists of block groups 1, 2, 3, and 4 located in census tract 2527.0

(b) The Market Area is defined as the combination of the City of Suisun City and the City of Fairfield.

(c) The Bay Area consists of the Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.

Sources: Claritas, 2010; BAE, 2011.

Household Composition and Tenure

Estimates of household composition indicate that the Study Area has a profile more similar to the Bay Area as a whole than to the City of Suisun City or the Market Area. In keeping with smaller average household sizes, the Study Area contains fewer households with related individuals (e.g., “family” households) than its comparison geographies, with just less than 65 percent of Study Area households in this category. This finding suggests that the Study Area may have an opportunity to broaden its appeal to slightly larger households, to reflect the demographic pattern prevalent in Suisun City and the Market Area.

Table 3: Household Composition, 2010

Household Type	Study Area (a)	City of Suisun City	Market Area (b)	Solano County	Bay Area (c)
Non-Family Households	35.4%	19.3%	21.7%	25.3%	35.3%
Single Person	29.0%	14.5%	16.5%	19.4%	25.6%
2+ Persons	6.4%	4.8%	5.2%	5.9%	9.7%
Family Households (d)	64.6%	80.7%	78.3%	74.7%	64.7%
<i>Married Couple</i>	42.3%	61.1%	58.3%	55.0%	49.1%
With Children	19.5%	32.2%	28.3%	25.5%	22.8%
Without Children	22.8%	28.9%	30.0%	29.5%	26.3%
<i>Other Family</i>	22.3%	19.6%	20.0%	19.8%	15.6%
With Children	13.5%	11.6%	11.6%	11.1%	7.7%
Without Children	8.8%	8.0%	8.5%	8.7%	7.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Average Household Size	2.67	3.23	3.03	2.92	2.73

Notes:

(a) The Study Area consists of block groups 1, 2, 3, and 4 located in census tract 2527.02.

(b) The Market Area is defined as the combination of the City of Suisun City and the City of Fairfield.

(c) The Bay Area consists of the Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.

(d) A family is a group of two people or more related by birth, marriage, or adoption and residing together.

Sources: Claritas, 2010; BAE, 2011.

Household tenure in the Study Area has remained relatively constant during the past decade, reflecting a pattern more similar to the Bay Area than Suisun City or the Market Area. The Study Area has a substantially higher proportion of renter households (53 percent) than its comparison geographies, creating a much different tenure pattern than for Suisun City overall (26 percent renter households), or the Market Area (38 percent renter households). This finding suggests that the Study Area development strategy may want to target additional ownership housing units, in order to diversify the demographic profile.

Table 4: Household Tenure, 2000 and 2010

Household Tenure	2000		2010	
	Owner	Renter	Owner	Renter
Study Area (a)				
Number	437	487	450	505
% Total	47.3%	52.7%	47.1%	52.9%
City of Suisun City				
Number	5,882	2,105	6,158	2,276
% Total	73.6%	26.4%	73.0%	27.0%
Market Area (b)				
Number	24,297	14,560	26,864	15,614
% Total	62.5%	37.5%	63.2%	36.8%
Solano County				
Number	84,994	45,409	89,178	48,456
% Total	65.2%	34.8%	64.8%	35.2%
Bay Area (c)				
Number	1,423,958	1,042,061	1,528,013	1,067,583
% Total	57.7%	42.3%	58.9%	41.1%

Notes:

(a) The Study Area consists of block groups 1, 2, 3, and 4 located in census tract 2527.02.

(b) The Market Area is defined as the combination of the City of Suisun City and the City of Fairfield.

(c) The Bay Area consists of the Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.

Sources: Claritas, 2010; BAE, 2011.

Household Income Distribution

Household income for the Study Area shows a markedly lower median (\$54,000) compared to the relatively high \$80,700 for Suisun City as a whole. In fact, Suisun City overall has a substantially higher median household income than the Market Area, the County, or the region.

In terms of household income distribution, the Study Area has a relatively high concentration of lower income households, with almost 32 percent of its households earning less than \$35,000 in 2010. At the other end of the spectrum, especially for household incomes above \$100,000, the Study Area has a lower proportion than the comparison geographies. These findings suggest that the Study Area, with its transit, view, and open space amenities, may be ready to attract higher income households present elsewhere in City and throughout the Market Area.

Table 5: Household Income, 2010

Income Category	Study Area (a)	City of Suisun City	Market Area (b)	Solano County	Bay Area (c)
Less than \$15,000	13.7%	4.9%	6.3%	6.7%	7.6%
\$15,000-\$24,999	8.6%	4.1%	6.5%	6.7%	6.0%
\$25,000-\$34,999	9.4%	5.3%	8.1%	7.8%	6.5%
\$35,000-\$49,999	15.7%	10.2%	12.8%	12.4%	10.6%
\$50,000-\$74,999	15.5%	20.7%	20.4%	20.0%	17.0%
\$75,000-\$99,999	12.9%	21.2%	16.5%	16.2%	14.2%
\$100,000-\$149,999	16.5%	23.7%	19.0%	19.1%	18.9%
\$150,000-\$199,999	3.5%	6.9%	6.4%	7.0%	8.6%
\$200,000 or more	<u>4.2%</u>	<u>3.0%</u>	<u>3.9%</u>	<u>4.2%</u>	<u>10.5%</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Median HH Income	\$54,195	\$80,709	\$69,889	\$70,508	\$78,981

Notes:

(a) The Study Area consists of block groups 1, 2, 3, and 4 located in census tract 2527.0.

(b) The Market Area is defined as the combination of the City of Suisun City and the City of Fairfield.

(c) The Bay Area consists of the Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.

Sources: Claritas, 2010; BAE, 2011.

Educational Attainment

The level of educational attainment among residents over age 25 in the Study Area, City, Market Area and County, all tend to be lower than for the region. In the Study Area, just over 15 percent of residents have attained a bachelor's degree or higher, the lowest level of attainment among all of the geographies. For Suisun City, 19 percent have attained a bachelor's degree or higher, while in the Market area and the County, the rate is 22 to 24 percent. In contrast, for the region as a whole, more than 41 percent of the population has a bachelor's degree or higher. At the other end of the spectrum, the Study Area has a high concentration of residents with limited education, with 24 percent of its adult residents not graduating from high school. This relatively low educational attainment among the Study Area residents likely explains much of the lower household incomes described previously.

Table 6: Educational Attainment, Adult Population Age 25+, 2010

Educational Attainment	Study Area (a)	City of Suisun City	Market Area (b)	Solano County	Bay Area (c)
Less than 9th Grade	12.5%	6.8%	6.3%	6.8%	7.3%
Some High School, No Diploma	11.3%	6.4%	6.9%	7.8%	6.3%
High School Graduate	27.3%	25.3%	24.3%	24.2%	18.4%
Some College, No Degree	28.0%	29.5%	29.2%	26.9%	19.3%
Associate Degree	5.8%	13.1%	10.9%	10.6%	7.4%
Bachelor's Degree	7.4%	14.9%	16.2%	16.9%	24.8%
Graduate/Professional Degree	7.8%	4.0%	6.2%	6.7%	16.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Population with College Degree	21.0%	32.0%	33.3%	34.3%	48.7%

Notes:

(a) The Study Area consists of block groups 1, 2, 3, and 4 located in census tract 2527.02.

(b) The Market Area is defined as the combination of the City of Suisun City and the City of Fairfield

(c) The Bay Area consists of the Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.

Sources: Claritas, 2010; BAE, 2011.

Commute Patterns

The most recent complete data regarding commute patterns of residents in a geography to their jobs, and of workers in a location from their place of residence, is found in 2000 Census data as shown below.

In 2000, 827 residents of the Study Area worked, and most of these commuted to jobs elsewhere in Solano County (56 percent). Another nearly 36 percent of residents worked outside of Solano County. Only 71 residents of the Study Area also worked in the Study Area.

The Study Area had 931 jobs, with over 80 percent of these workers commuting in from elsewhere in Solano County.

Table 7: Commuter Flow, 2000

Suisun City Residents' Place of Work		
Place of Work	Number of Workers	% Total
In Study Area	71	8.6%
Elsewhere in Solano County	461	55.7%
All Other Locations	295	35.7%
Total	827	100.0%

Suisun City Job Holders' Place of Residence		
Place of Residence	Number of Workers	% Total
In Study Area	71	7.6%
Elsewhere in Solano County	751	80.4%
All Other Locations	112	12.0%
Total	934	100.0%

Sources: Census Transportation Planning Package, 2000; BAE, 2011.

It is interesting to note that in 2000, the Study Area had just over a 1:1 ratio of jobs to households, with 934 jobs to 924 households (see Table 1). This suggests that a policy direction for the Study area would be to better match the type of housing to the jobs, to reduce out-commuting and translate the jobs/housing balance into a jobs/housing match. Further analysis of the composition of jobs in Suisun City by North American Industrial Classification (NAIC) would be needed to accomplish this process.

ECONOMIC TRENDS

Taxable Retail Sales

Total Taxable Sales (Retail and Business-to-Business)

For this report, specific data for the Study Area was obtained to compare taxable sales trends (including retail and B2B sales) with Suisun City and Solano County¹. Data has also been adjusted for inflation to 2009 dollars, in order to uncover trends in “real” dollar terms unaffected by inflation.

This trend data shows several interesting patterns. The Study Area experienced declining taxable sales over the period, dropping further on an inflation-adjusted basis than for the City overall (or the County). Moreover, the Study Area’s share of Suisun City total sales has also declined over the decade, dropping from 13.3 percent of total City in 2001 to just 11.1 percent in 2009. However, Suisun City overall, after declining its capture of total Market Area sales during the middle of the decade, has regained its market share in the 2008 and 2009 periods.

Table 8: Total Taxable Sales, 2000-2009 (a) (b)

(in 2009 dollars)

Year	Study Area (b)	City of Suisun City	Study Area Capture of Suisun City	Market Area (c)	Suisun City Capture of Market Area	Solano County
2000	NA	\$104,629	NA	\$1,711,114	6.1%	\$5,508,826
2001	\$13,044	\$98,197	13.3%	\$1,733,503	5.7%	\$5,610,843
2002	\$12,524	\$91,494	13.7%	\$1,749,116	5.2%	\$5,903,034
2003	\$13,433	\$90,327	14.9%	\$1,801,267	5.0%	\$6,100,054
2004	\$13,045	\$95,265	13.7%	\$1,855,369	5.1%	\$6,493,268
2005	\$11,717	\$99,861	11.7%	\$1,902,477	5.2%	\$6,683,478
2006	\$11,971	\$97,385	12.3%	\$1,853,717	5.3%	\$6,921,853
2007	\$10,682	\$92,686	11.5%	\$1,763,886	5.3%	\$6,520,376
2008	\$10,191	\$92,456	11.0%	\$1,553,822	6.0%	\$6,076,609
2009	\$9,020	\$81,060	11.1%	\$1,309,142	6.2%	\$5,319,472
Avg. Annual % Growth	-4.5%	-2.8%		-2.9%		-0.4%

Notes:

(a) All figures are in 2009 dollars.

(b) The Study Area consists of all business located in downtown Suisun City.

(c) The Market Area is defined as the combination of the City of Suisun City and the City of Fairfield.

Sources: State Board of Equalization, 001-2010; HdL; BAE, 2011.

¹ Due to confidentiality issues, only total taxable sales including retail and B2B can be shown in this report for the Study Area.

The taxable sales data shown above is analyzed below in a per-capita basis; this additional analysis is helpful to uncover changes in sales totals which may be due just to population growth in the geography under consideration. Again, all sales data have been adjusted for inflation to 2009 dollars.

This analysis also shows several interesting patterns. Here, the rate of decline for the period in the Study Area remained relatively similar to the prior analysis; however, Suisun City overall, the Market Area, and the County all declined more rapidly on a per-capita basis, meaning that even as population grew, the per-person sales dropped more rapidly than total sales. Another interesting trend is that the Study Area on a per-capita basis captured more sales than overall in Suisun City; this finding is affected by the relatively small resident population in the Study Area, compared to its daytime and visitor populations. Also interestingly, on a per capita basis, Suisun City captured a much larger share of the Market Area, meaning that if measured by residents, Suisun City is not leaking sales as dramatically as the total sales data in the prior table seems to suggest. Nevertheless, these comparisons underscore the leakage that occurs in Suisun City, with more than 70 percent of potential sales per capita occurring outside of Suisun City.

Table 9: Taxable Sales Per Capita (a) (b)

(in 2009 dollars)

Year	Study Area (c)	City of Suisun City	Study Area Capture of Suisun City	Market Area (d)	Suisun City Capture of Market Area	Solano County
2000	NA	\$4,006	NA	\$13,992	28.6%	\$13,963
2001	\$5,178	\$3,742	138.4%	\$14,048	26.6%	\$14,136
2002	\$4,965	\$3,470	143.1%	\$14,049	24.7%	\$14,785
2003	\$5,318	\$3,410	156.0%	\$14,341	23.8%	\$15,188
2004	\$5,158	\$3,580	144.1%	\$14,643	24.4%	\$16,073
2005	\$4,627	\$3,735	123.9%	\$14,885	25.1%	\$16,447
2006	\$4,721	\$3,625	130.2%	\$14,379	25.2%	\$16,935
2007	\$4,207	\$3,435	122.5%	\$13,567	25.3%	\$15,861
2008	\$4,008	\$3,410	117.5%	\$11,850	28.8%	\$14,697
2009	\$3,543	\$2,977	119.0%	\$9,901	30.1%	\$12,793
Avg. Annual % Growth	-4.6%	-3.2%		-3.8%		-1.0%

(a) All figures are in 2009 dollars.

(b) Per capita figures are based on population estimates for each year by geography.

Population estimates for each year are based on pro rating growth between 2000 and 2010 to each year during the period.

(c) The Study Area consists of all business located in downtown Suisun City.

(c) The Market Area is defined as the combination of the City of Suisun City and the City of Fairfield.

Sources: State Board of Equalization, 001-2010; HdL; BAE, 2011.

The table below provides an in-depth look at the composition of taxable retail sales in Suisun City and comparison geographies (this data does not include B2B since that is not the focus of this study). It should be noted that due to confidentiality rules from the State Board of Equalization, some of Suisun City's categories are suppressed and instead included with "other."

On a per-capita basis, Suisun City falls well below the levels in each category, with the exception of gas stations. In total, Suisun City's total per-capita sales in 2009, roughly \$2,800, was dramatically lower than Solano County (\$8,100) or the Bay Area (\$9,100), indicating substantial leakage of potential sales to other areas of the Market Area and beyond. Further analysis of potential additional sales that could be captured in Suisun City is shown at the end of this report in the Demand Estimate chapter.

Table 10: Detail for Suisun City Taxable Retail Sales, 2009 (a)

(in 2009 dollars)

Retail Category	Suisun City (b)		Solano County		Bay Area (c)	
	Sales	Percent	Sales	Percent	Sales	Percent
Motor Vehicle and Parts Dealers	\$86	3.1%	\$1,188	14.7%	\$1,192	13.1%
Home Furnishings and Appliance Stores	(b)	NA	\$476	5.9%	\$729	8.0%
Bldg. Matrl. and Garden Equip. & Supplies	\$221	7.9%	\$588	7.3%	\$712	7.8%
Food and Beverage Stores	\$346	12.4%	\$522	6.5%	\$646	7.1%
Gasoline Stations	\$1,062	38.1%	\$1,185	14.7%	\$994	10.9%
Clothing & Clothing Accessories Stores	(b)	NA	\$778	9.6%	\$852	9.4%
General Merchandise Stores	(b)	NA	\$1,465	18.2%	\$1,197	13.2%
Food Services and Drinking Places	\$687	24.6%	\$1,069	13.2%	\$1,575	17.3%
Other Retail Group (b)	<u>\$387</u>	<u>13.9%</u>	<u>\$796</u>	<u>9.9%</u>	<u>\$1,193</u>	<u>13.1%</u>
Total Retail and Food Services	\$2,789	100.0%	\$8,068	100.0%	\$9,090	100.0%

Notes:

(a) Per capita figures are based on population estimate for 2009 derived by pro rating population growth between 2000 and 2010.

(b) The State Board of Equalization (SBOE) does not release total sales in some retail categories because their publication would result in the disclosure of confidential information. All confidential sales are included in Other Retail.

(c) The Bay Area consists of the Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.

Sources: SBOE, 2010; BAE, 2011.

Real Estate Market Conditions

For-Sale Residential

For this study, data regarding recent home sales in the Market Area were compiled from DataQuick, which in turn collects data from the County Assessor. As shown below, for the period roughly corresponding with the 1st Quarter 2011, sales for single family units in the Market Area had a median price of \$186,350. Condominiums in the Market Area had a median sale price of just \$80,400.

Table 11: Sale Price Distribution, Market Area, 1st Q 2011 (a)

Single-Family Residences	Number of Units Sold			Total	% Total
	2 BRs	3 BRs	4+ BRs		
Less than \$100,000	6	31	2	39	6.4%
\$100,000-\$149,999	5	91	38	134	22.0%
\$150,000-\$199,999	10	81	67	158	25.9%
\$200,000-\$249,999	1	52	39	92	15.1%
\$250,000-\$299,999	3	22	44	69	11.3%
\$300,000-\$399,999	2	20	51	73	12.0%
\$400,000-\$499,999	0	4	20	24	3.9%
\$500,000 or more	0	7	14	21	3.4%
Total	27	308	275	610	100.0%
Median Sale Price	\$155,000	\$163,250	\$239,980	\$186,350	
Average Sale Price	\$161,281	\$191,375	\$265,945	\$223,661	
Average Size (sf)	1,144	1,490	2,149	1,772	
Average Price/sf	\$141	\$128	\$124	\$126	
Condos					
Less than \$50,000	11	2	0	13	27.7%
\$50,000-\$99,999	13	4	0	17	36.2%
\$100,000-\$149,999	4	4	0	8	17.0%
\$150,000-\$199,999	0	3	0	3	6.4%
\$200,000-\$299,999	0	2	0	2	4.3%
\$300,000 or more	3	1	0	4	8.5%
Total	31	16	0	47	100.0%
Median Sale Price	\$65,610	\$118,250	N/A	\$80,403	
Average Sale Price	\$92,773	\$139,580	N/A	\$108,707	
Average Size (sf)	1,092	1,425	N/A	1,206	
Average Price/sf	\$85	\$98	N/A	\$90	

Note:

(a) Consists of all full and verified sales of single-family residences and condos in Fairfield and Suisun City between 12/15/2010 and 3/15/2011.

Sources: DataQuick; BAE, 2011.

While these figures are lower than median prices in the inner Bay Area, they reflect the relative affordability of housing in Solano County, which is considered an attractive aspect of the Market Area housing market for many market segments.

The sale price data shown above was also affected by the high rate of foreclosure detailed below. Measuring just the notices of sale, the last step in the foreclosure process, Suisun City and Solano County had a very high rate of foreclosure activity relative to the region. Suisun City experienced a rate of over 90 foreclosure notices of sale per 1,000 owner-occupied units and Solano had a rate of 72 per 1,000, while in the Bay Area overall this rate was just 36 per 1,000. However, it should be noted that the number of filings in Suisun City, the County, and the Bay Area (first step in process) slowed between 2009 and 2010, portending a slowing of last-step actual foreclosure sales in coming months.

Table 12: Foreclosure Filings, 2008-2010

Total Filings			
Year	City of Suisun City	Solano County	Bay Area (a)
2008	1,434	15,119	117,854
2009	1,372	15,811	133,246
2010	1,096	12,825	109,812
Notices of Default			
Year	City of Suisun City	Solano County	Bay Area (a)
2008	752	8,142	65,415
2009	767	8,885	77,458
2010	537	6,403	55,006
Notices of Sale			
Year	City of Suisun City	Solano County	Bay Area (a)
2008	682	6,977	52,439
2009	605	6,926	55,788
2010	559	6,422	54,806
Rate of Foreclosure, 2010 (b)	90.8	72.0	35.9

Notes:

(a) The Bay Area consists of the Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.

(b) The rate of foreclosure is measured by the number of notices of sale per 1,000 owner-occupied housing units.

Sources: ForeclosureRadar; BAE, 2011.

Rental Residential Conditions

An analysis of rental housing properties with 50 or more units in the Market Area, as summarized below, indicates that while average rents rose by nearly three percent between 2005 and 2008, they have since fallen by almost five percent, causing a net decline in rents over the past five years. However, the vacancy rate fell about two percentage points over the same time period, dropping as low as five percent in 2008, thus providing some benefit to rental property owners.

Table 13: Rental Housing Market Overview, 4th Quarter 2010 (a)

Current Market Overview (4Q 2010)

Unit Type	Number of Units	Avg. Size (sf)	Avg. Rent	Avg. Rent/sf
Studio	52	473	\$784	\$1.66
1BR/1BA	1,108	737	\$990	\$1.34
1BR/1.5BA	18	974	\$1,118	\$1.15
2BR/1BA	928	880	\$1,007	\$1.14
2BR/1.5BA	34	965	\$1,161	\$1.20
2BR/2BA	752	1,100	\$1,375	\$1.25
2BR TH	38	1,056	\$945	\$0.89
3BR/2BA	24	1,488	\$2,004	\$1.35
3BR TH	8	1,041	\$1,201	\$1.15
Total	2,962	884	\$1,100	\$1.24

Average Rent History

Unit Type	2005	2008	2005-2008		2008-2010	
			% Change	2010	% Change	
Studio	\$772	\$803	4.0%	\$788	-1.9%	
1BR/1BA	\$1,043	\$1,067	2.3%	\$997	-6.6%	
2BR/1BA	\$1,029	\$1,069	3.9%	\$1,005	-6.0%	
2BR/2BA	\$1,349	\$1,390	3.0%	\$1,338	-3.7%	
2BR TH	\$1,017	\$1,025	0.8%	\$922	-10.0%	
3BR/2BA	\$1,897	\$1,897	0.0%	\$1,912	0.8%	
Total	\$1,127	\$1,155	2.5%	\$1,100	-4.8%	

Average Occupancy and Vacancy Rates

Year	Avg. Occupancy	Avg. Vacancy
2005	90.7%	9.3%
2006	92.4%	7.6%
2007	93.8%	6.2%
2008	95.0%	5.0%
2009	93.8%	6.2%
2010	93.0%	7.0%

Note:

(a) Data captures rental housing complexes with more than 50 units in the City of Suisun City and the City of Fairfield.

Sources: RealFacts; BAE, 2011.

To gain a more in-depth understanding of new rental properties, BAE identified three properties built in Fairfield during the past 10 years (no new rental projects were identified in Suisun City). BAE interviewed the property manager of each development, with data shown in the following table.

Newer rental properties tend to exhibit occupancy rates in excess of 96 percent, several percentage points above the Market Area overall rate. While one property, Bridgeport Ranch, is experiencing a

lower level of occupancy, the property manager indicates that this phenomenon is seasonal, and that it is common for tenants to want to wait until the summer to move in. At the same time, she reported that it is a “leasing market” due to the ongoing effects of foreclosure in the area. Bridgeport abuts two ownership housing developments that, according to the property manager, have experienced a high rate of foreclosure, causing small families who want to stay in the neighborhood to migrate to her development. The property managers for the other two developments indicate that they have strong demand for units when they become available.

Rents in the three projects range from \$1,150 to \$1,375 for one-bedroom units, \$1,300 to \$1,550 for two-bedroom units, and \$1,700 to \$1,825 for three-bedroom units. Comparing these ranges to the average rents listed in the Market Area rental overview reveals that one-bedroom units and two-bedroom/one-bath units in newer complexes rent for more than \$250 above the average market rate. While two-bedroom/two-bath units also rent above the average, the difference is less pronounced.

These higher rates for the newer projects are also partially attributable to the fact that all three complexes feature full amenity packages that include a pool, spa, fitness center, playground, business center, clubhouse, and covered parking. Apartments come standard with full-size washers and dryers, dishwashers, garbage disposals, and, in some cases, fireplaces and balconies.

Table 14: Performance of Rental Housing Development Built Since 2000, March 2011

Name/Address Stories/Year Built	Unit Type	Num.	Num. Vacant	Size (sf)		Rent		\$/sf		Parking	Amenities
				Low	High	Low	High	Low	High		
Rolling Oaks Apts. 3700 Lyon Rd., Fairfield 3 stories, built 2001 	1BR/1BA	136	3	740	932	\$1,245	\$1,370	\$1.47	\$1.68	Covered parking	Pool, spa/sauna, fitness center, playground, clubhouse, business center, basketball court, racquet ball, night patrol, central heat/air, dishwasher, disposal, washer/dryer in unit
	2BR/2BA	140	7	1,136	1,240	\$1,380	\$1,450	\$1.17	\$1.21	1 space/unit	
	3BR/2BA	16	1	1,390	1,390	\$1,705	\$1,705	\$1.23	\$1.23	Included	
	Total	292	11								
Occupancy rate	96%		No incentives offered (a) No trouble renting vacant units								
Bridgeport Ranch 450 Pittman Rd., Fairfield 3 stories, built 2002 	1BR/1BA	120	8	805	1,079	\$1,140	\$1,375	\$1.27	\$1.42	Covered parking	Pool, spa, fitness center, playground, clubhouse, business center, BBQ, ceiling fans, fireplace, dishwasher, disposal, washer/dryer in unit, patio/balcony/deck
	2BR/1BA	24	5	1,051	1,051	\$1,285	\$1,445	\$1.22	\$1.37	1 carport/unit	
	2BR/2BA	48	2	1,151	1,171	\$1,480	\$1,710	\$1.29	\$1.46	Included	
	Total	192	15								
Occupancy rate	92%		No incentives offered (a) Families facing foreclosure at adjacent ownership communities provide strong demand; tenants with more flexibility are waiting for summer to move								
Corporate units, military personnel, small families											
Park Crossing Apts. 2100 W. Texas St., Fairfield 3 stories, built 2004 	1BR/1BA	72	2	790	790	\$1,165	\$1,213	\$1.47	\$1.54	Covered parking	Pool, spa, fitness center, playground, clubhouse, business center, gated, media room, billiards, ceiling fans, fireplaces, avail., electronic alarm, washer/dryer in unit, patio/balcony
	2BR/1BA	24	0	932	932	\$1,328	\$1,328	\$1.42	\$1.42	1 space/unit	
	2BR/2BA	96	4	1,136	1,240	\$1,393	\$1,557	\$1.23	\$1.26	Included	
	3BR/2BA	8	0	1,454	1,454	\$1,814	\$1,834	\$1.25	\$1.26	Surface parking	
Total	200	6								First come/first serve	
Occupancy rate	97%		No incentives offered (a) No trouble renting vacant units								

Note:

(a) All properties surveyed have switched to revenue management software that dictates pricing on a rolling basis based on real-time analytics of property performance. Use of this software precludes the ability of property managers to offer incentives.

Source: BAE, March 2011.

Office

A survey of office asking rents in the Market Area indicates that Suisun City garners higher rents than central Fairfield. As of March 2011, asking rents in Suisun City ranged from \$1.33 to \$1.95 per square foot, while they ranged from \$0.83 to \$1.35 in central Fairfield (actual asking rents may differ due to tenant-borne costs not included in the base rent). Available office space in Suisun City was split between small, historic properties in the Study Area and Class A mixed-use or dedicated office buildings built within the past two decades. In central Fairfield, older professional buildings and low-rise commercial space made up the bulk of available supply.

Table 15: Current Office Vacancies, March 2011

Name/Address	Available Space (sf)	Building Size (sf)	Vac. Rate	Asking Rent (\$/sf) Lease Type	Year Built	Details
In PDA						
One Harbor Center 	1,080 unit 1,451 unit <u>1,978 unit</u> 4,509 total	50,000	9%	Rent negotiable Full service	2001	Class A building w/ view s of harbor & Delta; Amtrak & restaurants w ithin w alking distance
Harbor Square 700 Main St. 	524 unit 678 unit 1,143 unit 1,533 unit <u>5,246 unit</u> 9,124 total	39,214	23%	\$1.95 full service	2009	Class A building in Waterfront District; exterior landscaped courtyard w / fireplace; tenant improvements to suit; Amtrak & restaurants w ithin w alking distance
Lawler House 718 Main St. 	238 unit 414 unit <u>438 unit</u> 1,090 total	3,938	27%	\$1.60 type unspecified \$1.41 type unspecified \$1.41 type unspecified	1979 rehab	Historic home relocated to Waterfront District; Amtrak & restaurants w ithin w alking distance
400 California St. 	1,500 unit	7,000	21%	\$1.33 industrial gross	2004 rehab	Historic building in Waterfront District; four individual offices w / full kitchen; Amtrak & restaurants w ithin w alking distance
Elsewhere in Suisun City						
300 Railroad Ave. 	1,581 unit	1,581	100%	\$1.58 type unspecified	2003	Class A building w / reception area & 6 private offices
333 Sunset Ave. 	9,000 suite 720 min. divisible	72,000	13%	Rent negotiable Full service	1994	Class A building w / atrium; high parking ratio (5 spaces: 1,000 sf); full-service bank on ground floor

Table 15: Current Office Vacancies, March 2011 (continued)

Name/Address	Available Space (sf)	Building Size (sf)	Vac. Rate	Asking Rent (\$/sf) Lease Type	Year Built	Details
In Central Fairfield						
711 Jefferson St. 	1,700 unit	17,417	10%	Rent negotiable Lease type unspecified	2005	Diagonal from County offices w / high foot traffic
1049 Union Ave. 	1,200 unit <u>1,310 unit</u> 2,510 total	6,750	37%	\$1.15 industrial gross	1980	Class B professional building; County offices and downtown amenities within walking distance
1000 Texas St. 	450 unit <u>700 unit</u> 1,150 total	8,575	13%	\$1.25 industrial gross	1980	Class B building; County offices & downtown amenities within walking distance; new carpets & paint
Empire Prof. Building 744 Empire St. 	465 unit 1,182 unit <u>1,273 unit</u> 2,920 total	19,492	15%	\$1.35 full service	N/A	County offices & downtown amenities within walking distance
817-827 Missouri St. 	830 unit	4,500	18%	\$0.96 industrial gross	N/A	Suite contains several private offices, kitchenette & bathroom; County offices & downtown amenities within walking distance
601 Madison St. 	1,800 unit	5,000	36%	\$0.83 industrial gross	N/A	Class B building; County offices & downtown amenities within walking distance

Sources: LoopNet; BAE, March 2011.

Retail

Retail activity within Suisun City is split between two principal districts, the Downtown Study Area and Sunset Avenue to the east. The majority of retail sales in Suisun City occur in two neighborhood shopping centers located at the intersection of Highway 12 and Sunset Avenue. The Heritage Park Shopping Center, with a total of approximately 167,000 square feet, is anchored by a Raley's grocery store; other tenants include a Dollar Tree, several restaurants, and a Shell station. Across the street, the Sunset Shopping Center, with approximately 85,000 square feet, is anchored by a Rite Aid and features restaurants, personal service businesses, and two additional gas stations. A former Albertson's in the Sunset Shopping Center is currently being converted to an In-Shape Health Club. The Sunset Avenue retail node also contains a row of fast-food restaurants located across Highway 12 that may be expanded into an enlarged shopping center when the market can support it.

Downtown retail is located along a seven-block stretch of Main Street running from the Amtrak Station in the north to Morgan Street in the south. Locally-owned restaurants, bars, and salons comprise the majority of retail establishments along the corridor. Main Street has seen new development and business attraction within the past few years, including Pane e Vino, a midscale Italian restaurant adjacent to the Amtrak Station; and 700 Main Street, a two-story, mixed-use development with new restaurants and a café/coffee roaster on the ground floor and public sector offices above. One block to the east, additional restaurants extend the Downtown dining district to Kellogg Street. Downtown also features two outlying retail areas. The first—located along Benton Ct. parallel to the train tracks—houses automotive repair, light industrial uses, and social services. The second—Marina Center—is an aging commercial center accessed via Lotz Way and Highway 12 eastbound. The Center is tenanted primarily by small restaurants, social service organizations, and a highly successful Asian supermarket. This center is currently being redeveloped and repositioned in order to attract higher-rent tenants.

Retail sales in Suisun City are constrained by the larger concentration of shopping facilities to the north and west in the nearby City of Fairfield, which has a large volume of retail activity spanning several formats. Independent and small-format stores are located along North Texas Street., an aging commercial corridor that runs between Downtown Fairfield and I-80. Newer shopping centers have been developed along North Texas near the Interstate, including a WalMart Supercenter, and Target, Home Depot, and Costco are all located elsewhere in the City. Finally, Fairfield is home to the regional Westfield Solano Mall and ancillary retail, which is anchored by Best Buy, Macy's, JC Penney, and Sears and features a 16-screen IMAX cinema.

As shown in the following table, Suisun City features higher retail asking rents than central Fairfield. As of March 2011, asking rents in Suisun City ranged from \$1.25 to \$1.75 per square foot triple net, excluding one outlying strip center with drastically reduced rates. In contrast, rents in central Fairfield hovered consistently between \$0.70 and \$1.00 (actual asking rents may differ due to tenant-borne costs not included in the base rent). Retail vacancies in Suisun City were located in large shopping centers and the mixed-use development at 700 Main Street., while vacancies in central Fairfield consisted primarily of one-story commercial storefronts.

Table 16: Current Retail Vacancies, March 2011

Name/Address	Available Space (sf)	Building Size (sf)	Vac. Rate	Asking Rent (\$/sf) Lease Type	Year Built	Details
In PDA						
Harbor Square 700 Main St. 	1,000 unit 2,200 unit <u>3,300 unit</u> 6,500 total	18,462	35%	\$1.75 NNN	2009	Mixed-use building located in Waterfront District; free parking; exterior landscaped courtyard w / fireplace
Elsewhere in Suisun City						
Sunset Shopping Center 121 Sunset Ave. 	1,335 unit 1,400 unit <u>1,850 unit</u> 4,585 total	85,238	5%	\$1.25-\$1.50 NNN	N/A	Neighborhood center w / highway visibility; anchored by Rite Aid
Heritage Park Shopping Center 250 Sunset Ave. 	1,108 unit 1,300 unit 1,400 unit 2,680 unit 2,695 unit 4,901 unit <u>16,000 unit</u> 30,084 total	167,000	18%	\$1.25 NNN	1989	Neighborhood center w / highway visibility; anchored by Raley's
Shops at Suisun 1240 Anderson Dr. 	1,400 unit	5,575	25%	\$0.50 NNN	2005	Strip commercial across highway from 2 anchored centers

Table 16: Current Retail Vacancies, March 2011 (continued)

Name/Address	Available Space (sf)	Building Size (sf)	Vacancy Rate	Asking Rent (\$/sf) Lease Type	Year Built	Details
In Central Fairfield						
735 Texas St. 	8,500 unit w / option to divide	10,500	81%	\$0.75 industrial gross	N/A	Located on main downtown street close to County offices
832 Texas St. 	3,200 unit	3,200	100%	\$0.70 industrial gross	N/A	Located on main downtown street close to County offices; back parking lot with delivery door
838 Texas St. 	2,000 unit	2,000	100%	\$0.75 industrial gross	N/A	Located on main downtown street close to County offices; currently undergoing interior & exterior renovation
902 Texas St. 	1,950 unit	10,000	20%	\$0.90 industrial gross	1960	Located on main downtown street close to County offices
710 Madison St. 	1,400 unit	4,200	33%	\$1.00 industrial gross	N/A	Located off of main downtown street close to County offices

Sources: LoopNet; BAE, March 2011.

Hotel

The table below presents a comparison between hotel performance in the Market Area and the entire Napa Valley Region. The latter area consists of Napa, Solano, and Sonoma Counties, and can be considered the effective hotel market for the North Bay's famous Wine Country. The Market Area encompasses nearly 1,500 hotel rooms in 21 properties, while the Napa Region contains nearly ten times as many rooms, or 15,000, in 231 properties.

This comparison shows that while the average daily rate (ADR) is consistently lower in the Market Area, the difference in annual revenue per available room (RevPAR) is far less pronounced. This is a product of the relatively drastic changes in occupancy experienced by Napa Region hotels throughout the year due to the fact that they cater more exclusively to Wine Country, which is in full-swing June through October. For example, in 2010, the ADR in the Market Area was \$55 lower than in the Napa Region, while RevPAR was only \$31 lower. This is because, despite charging higher rates year round, hotels in the Napa Region see their occupancy drop below those in the Market Area during the winter, causing the difference in RevPAR to shrink as small as \$5 in January 2011.

The Study Area may present an opportunity for additional hotel development to serve the Napa and Sonoma Wine Country market segments at a significantly lower price point than central Wine Country properties.

Table 17: Comparative Hotel Market Overview – Suisun City/Fairfield Market Area (a) (b)

Historic Overview (2005-2010)

Year	Occupancy Rate			Average Daily Rate			RevPAR (c)			Room Demand (d)		
	Market		Napa	Market		Napa	Market		Napa	Market		Napa
	Area (a)	Reg. (b)	Diff.	Area (a)	Reg. (b)	Diff.	Area (a)	Reg. (b)	Diff.	Area (a)	Reg. (b)	% Share
2005	61.5%	63.0%	-1.5%	\$73	\$109	-\$37	\$45	\$69	-\$24	264,461	2,995,231	8.8%
2006	60.2%	63.7%	-3.5%	\$77	\$118	-\$41	\$46	\$75	-\$29	253,436	3,047,181	8.3%
2007	57.6%	62.5%	-4.8%	\$79	\$128	-\$48	\$46	\$80	-\$34	262,148	3,067,134	8.5%
2008	57.2%	60.1%	-2.9%	\$81	\$134	-\$54	\$46	\$81	-\$35	286,246	3,058,254	9.4%
2009	55.7%	54.7%	1.1%	\$73	\$120	-\$48	\$40	\$66	-\$25	284,322	2,912,237	9.8%
2010	59.4%	58.2%	1.2%	\$70	\$125	-\$55	\$42	\$73	-\$31	310,629	3,155,628	9.8%

Current Market Overview (March 2010-Feb. 2011)

Month	Occupancy Rate			Average Daily Rate			RevPAR (c)			Room Demand (d)		
	Market		Napa	Market		Napa	Market		Napa	Market		Napa
	Area (a)	Reg. (b)	Diff.	Area (a)	Reg. (b)	Diff.	Area (a)	Reg. (b)	Diff.	Area (a)	Reg. (b)	% Share
Mar-10	54.5%	52.5%	1.9%	\$65	\$102	-\$36	\$36	\$53	-\$18	23,190	241,078	9.6%
Apr-10	58.6%	56.8%	1.8%	\$68	\$116	-\$48	\$40	\$66	-\$26	24,121	252,242	9.6%
May-10	60.7%	61.4%	-0.6%	\$71	\$129	-\$58	\$43	\$79	-\$36	25,841	281,540	9.2%
Jun-10	67.2%	66.2%	1.0%	\$75	\$132	-\$56	\$51	\$87	-\$36	29,718	295,802	10.0%
Jul-10	70.3%	70.9%	-0.6%	\$73	\$135	-\$61	\$52	\$96	-\$44	32,122	327,416	9.8%
Aug-10	67.6%	69.4%	-1.7%	\$73	\$140	-\$67	\$49	\$97	-\$48	30,908	320,287	9.7%
Sep-10	65.8%	69.0%	-3.2%	\$74	\$146	-\$71	\$49	\$100	-\$52	29,108	308,451	9.4%
Oct-10	63.3%	67.1%	-3.9%	\$71	\$152	-\$82	\$45	\$102	-\$57	28,902	309,925	9.3%
Nov-10	53.7%	54.4%	-0.7%	\$68	\$119	-\$52	\$36	\$65	-\$29	23,755	243,175	9.8%
Dec-10	47.5%	43.6%	3.9%	\$63	\$100	-\$37	\$30	\$43	-\$14	21,724	201,346	10.8%
Jan-11	60.9%	47.1%	13.8%	\$64	\$94	-\$29	\$39	\$44	-\$5	27,811	217,311	12.8%
Feb-11	57.3%	51.6%	5.7%	\$65	\$102	-\$37	\$37	\$53	-\$15	23,644	215,203	11.0%

Daily Averages (e)

Day of Week	Occupancy Rate			Average Daily Rate			RevPAR (c)		
	Market		Napa	Market		Napa	Market		Napa
	Area (a)	Reg. (b)	Diff.	Area (a)	Reg. (b)	Diff.	Area (a)	Reg. (b)	Diff.
Sunday	48.0%	46.7%	1.3%	\$70	\$121	-\$51	\$33	\$56	-\$23
Monday	55.5%	51.1%	4.4%	\$74	\$116	-\$42	\$41	\$59	-\$18
Tuesday	59.4%	54.9%	4.4%	\$75	\$116	-\$41	\$45	\$64	-\$19
Wednesday	60.4%	56.8%	3.7%	\$75	\$118	-\$43	\$45	\$67	-\$22
Thursday	58.6%	58.0%	0.6%	\$73	\$123	-\$50	\$43	\$71	-\$29
Friday	62.6%	65.7%	-3.1%	\$73	\$138	-\$66	\$45	\$91	-\$45
Saturday	63.5%	70.0%	-6.5%	\$75	\$143	-\$69	\$47	\$100	-\$53
Total	58.3%	58.3%	0.0%	\$73	\$126	-\$53	\$43	\$73	-\$30

Notes:

- (a) The Market Area is defined as the combination of the City of Suisun City and the City of Fairfield.
- (b) The Napa Region consists of the Counties Napa, Solano, and Sonoma.
- (c) RevPAR, or Revenue per Available Room, is calculated by dividing total room revenue by the total supply of rooms for a given period. Occupancy Rate multiplied by the Average Daily Rate (ADR) will closely approximate RevPAR.
- (d) Room Demand represents the number of rooms sold over the course of a given time period, excluding complimentary rooms.
- (e) Daily Averages calculated over the last three years, from March 2008 to Feb. 2011.

Sources: Smith Travel Research; BAE, March 2011.

STAKEHOLDER INTERVIEWS

BAE interviewed the owners or representatives of four recently-opened businesses or recently completed development projects in the Study Area, as well as the sponsor of one project currently underway. The purpose of this on-the-ground assessment was to ascertain opportunities envisioned by business and property owners/developers, and to identify barriers or challenges to achieving this vision.

Eco-Delight Coffee/Bendig-Moran Roasting, LLC

Bendig-Moran is a vertically integrated, specialty coffee distributor that aims to connect plantations in Central America and the Caribbean to cafés in Northern California. At the center of this operation is Eco-Delight Coffee located at 700 Main St, where the company not only roasts the imported beans and distributes them to coffee sellers, but also operates a retail café, marketing its product to local consumers.

Bendig-Moran began searching for a foothold in Northern California in 2009 after determining through internal research that area residents spend more money on specialty coffee per capita than anywhere else in the country. In addition, the company was attracted to the Bay Area's reputation as an "open-minded" place where entrepreneurs may pioneer new products and habits before exporting them nationally. Within the Bay Area, however, the company found that the San Francisco-Oakland metro area was glutted with large, established roasters. As a result, it began to look for locations in Solano County, which could provide access to markets in Sacramento and San Jose, as well as San Francisco-Oakland.

The company explored options in Dixon, Fairfield, Vacaville, and Suisun City, and found that public officials in Suisun City were enthusiastic about the idea of a downtown coffee roaster. Officials in Vacaville, for example—concerned that the roasting smell would create a "nuisance"—required Bendig-Moran to conduct an environmental assessment analysis prior to granting approvals. In addition, Suisun City provided tenant improvement funds to improve Eco-Delight's storefront.

At present, Eco-Delight is the only café selling specialty coffee south of Highway 12. This competitive advantage also attracted Bendig-Moran to locate in downtown Suisun City. The owner reports that even though he would like increased pedestrian traffic on Main Street, Eco-Delight has already built a strong base of loyal customers among those who live and work in the Study Area, including tenants who work upstairs for the Social Security Administration. On weekends, the café draws customers from as far away as Rio Vista and Vacaville.

Moving forward, the company hopes to expand its wholesale operation and is exploring ways to raise the necessary working capital. In addition, it is considering ways to expand its café business by offering lunch options—which have been requested by nearby office workers—and capturing customers from the high volume of commuter traffic travelling west on Highway 12 each morning.

The company is currently in conversation with the City to establish a sign that will signal Eco-Delight's location to commuters.

Pane e Vino Restaurant

Pane e Vino is a family-owned, authentic Italian restaurant located adjacent to the Amtrak Station. After opening several successful restaurants in Europe, the husband and wife co-owners returned to the United States and began searching for a place to raise both a family and a new venture. Suisun City's Waterfront District caught their eye because it reminded them of Italy's coastal towns. Moreover, they saw the potential to capture a strong market share by providing the only upscale, authentic Italian cuisine within a wide radius, and one of the only upscale dining options downtown.

The owners report that the City was instrumental in getting Pane e Vino off the ground. By providing political support, the City helped the restaurant obtain all of the necessary licenses and approvals in an expedited manner (the restaurant opened only one month after the lease was signed). The owners were also encouraged by the flexibility of the landlord, who prorated a portion of the tenant improvement costs over the first six months of the lease.

Pane e Vino owners consider local business people, office workers, commuters, and their families as their primary market. By positioning their restaurant as slightly more upscale than existing restaurants, they have successfully captured catering contracts with office tenants in both the Study Area and downtown Fairfield. While direct commuter traffic accounts for less than 20 percent of revenue, the restaurant has successfully leveraged its visibility with commuters to capture family-oriented business on the weekends. Most of these families live in the Study Area and other parts of Suisun City south of Highway 12.

The owners report a key challenge to their new location, however. Due to direct proximity to the Amtrak Station, the owners believe that they are impacted by the Study Area's transient population, which has the potential to undermine the image of downtown Suisun City as a family- and business-friendly place. They hope that the City works to find a way of providing services to those in need that benefits both the individuals and businesses that co-exist downtown.

Marina Center

Marina Center is an aging retail outlet located between Highway 12 and Lotz Way in the Study Area. Pellarin Enterprises bought the property three years ago and is currently repositioning it through phased improvements. The company has 30 years of experience developing and managing office, retail, and mixed-use projects in northern California. Recently, Pellarin has redeveloped and re-tenanted three underutilized shopping centers similar to Marina Center.

The company purchased the property at the height of the residential bubble, when Fairfield and Suisun City seemed primed to add thousands of new households. While residential expansion has since slowed, the developer feels that as one of the last underutilized properties within the Waterfront District, Marina Center stands to increase in value through redevelopment. He aims to

unlock this potential by making key physical improvements and managing the tenant mix more strategically.

To date, Pellarin has worked to not only preserve those tenants that contribute to the vitality of the center, but also grow them into larger spaces. Taking the approach of a “mentor,” the developer has strengthened users by rearranging them to create synergies, helping them enhance their presentation, and making property-wide improvements. For example, he has moved all churches and non-profit office tenants to the two structures along Alder Street on the northwestern portion of the site. This has freed up space along Lotz Way to locate two anchor tenants in the large corner spaces, tied together by several small restaurants.

The developer acknowledges that Marina Center is a “second-tier” retail outlet, hampered by the fact that there is no left-turn entrance from Highway 12. Customers need to know how to get to the center in order to shop there. As such, he plans to cultivate independently owned tenants with dedicated customer bases—such as an existing Asian market, which has a loyal following—in order to support revenues. He does not intend to compete with newer retail outlets anchored by chain stores. At present, the asking rent at Marina Center is positioned at the low end of competitive retail supply, at \$1.25 per square foot triple net, in order to attract small, neighborhood- and convenience-oriented shops. Additionally, the developer is offering tenants finished ceilings with new lighting and HVAC equipment, ADA-compliant bathrooms, and finished floors—an improvement incentive package worth around \$20 per square foot.

One key to this repositioning strategy will be to tie Marina Center physically and aesthetically to the rest of the downtown redevelopment area. Pellarin plans to renovate the façades to match the style of the Waterfront District and add towers to the top of each corner space, signaling the center and its offerings to people on Lotz Way. The developer feels that the City can contribute to this effort by completing improvements to the public right of way along Lotz in order to make it more pedestrian friendly. In addition, he hopes that City will seek to expedite the redevelopment of the community garden site to the west in order to further strengthen Marina Center’s connection to the fabric of downtown.

Hampton Inn and Suites Suisun City Waterfront

The Hampton Inn and Suites is a franchise-owned hotel located in the Study Area just off Highway 12, facing the Suisun Channel. Opened in October 2009 as Suisun City’s only operating hotel, the Inn has enjoyed strong occupancy performance over the past two years. Hampton Inn’s General Manager reports that he is budgeting for an average occupancy rate of 62% over the hotel’s second full year of operation, which is slightly above market, though he expects to exceed this target. Business and leisure travelers each comprise around 40 percent of room demand, while military service / reservists associated with nearby Travis Air Force Base (and their families) make up the remaining 20 percent.

The General Manager attributes the hotel’s above-average performance to three factors: it is the newest product in a market that has not experienced much new hotel development, his staff works

hard to maintain a high guest satisfaction index; and the hotel's location is superior to competitor sites in Fairfield. He reports that visitors find the hotel's waterfront location—which offers views of Mount Diablo and access to nearby, independently-owned restaurants—to be a significant draw. Recently, a major corporate client shifted all of its room-stays from Fairfield to the Hampton Inn because the waterfront provides a more lively destination.

In addition, the Hampton Inn is well-positioned to capture peripheral demand from Napa Valley wine tourists who are seeking lower-cost rooms than the premium rates typically found within Napa Valley. Suisun City's location on Highway 12 offers relatively convenient access to Napa Valley's southern gateway. However, the General Manager reports that this target marketing is complicated by the lack of knowledge about Suisun City, and the lack of Wine Country imagery in the hotel's name. Other marketing challenges cited by the General Manager include Suisun City's relatively remote location, and its lack of visibility from I- 80.

To this end, he hopes that the Hampton Inn can partner with the City and other downtown merchants to collectively market the Waterfront District as the premier tourism location in Solano County, one linked to nearby attractions in Napa. He envisions the Waterfront as a place where people can enjoy local dining, retail, and scenery, all from within walking distance of the Hampton Inn. One outcome of this unified effort could be to use the District's strength in certain sectors—such as hospitality and dining—in order to further develop supporting activities, such as retail. Moving forward, he feels that increased retail and entertainment options will be critical in supporting tourism development by offering visitors more to do and see downtown.

DEMAND ESTIMATES FOR NEW DEVELOPMENT

This chapter provides rough estimates of potential demand for new development in the Study Area, which in turn, is focused on urban transit-oriented product types. It is important to note that these demand estimates do not represent demand citywide, but just demand that could be captured in the relatively small Study Area.

Housing Demand in Study Area

To estimate potential housing demand in the Study Area, projections for new household growth in the Market Area were first analyzed. The table below provides population and household growth projections from the Association of Bay Area Governments (ABAG). As indicated, Suisun City is expected to grow substantially faster than the Market Area or County between 2010 and 2025, signaling potentially strong demand for new housing, retail, office, and hotel development in the Study Area. Between 2010 and 2025, Suisun City will add 3,200 new residents, a 10.7 percent increase. Similarly, ABAG projects that the number of households in Suisun City will grow by 1,050, an 11.5 percent increase over 2010.

Table 18: Projected Population and Household Growth, 2010-2025

Population	2010 (a)	2015	2020	2025	Change 2010-2025	% Change 2010-2025
City of Suisun City (a)	29,800	30,800	31,800	33,000	3,200	10.7%
Market Area (b)	143,700	148,800	153,000	157,200	13,500	9.4%
Solano County	443,100	458,500	472,100	484,600	41,500	9.4%
Bay Area (c)	7,341,700	7,677,500	8,018,000	8,364,900	1,023,200	13.9%
Households						
City of Suisun City (a)	9,170	9,500	9,850	10,220	1,050	11.5%
Market Area (b)	46,140	47,530	48,780	50,160	4,020	8.7%
Solano County	148,160	152,730	157,280	161,940	13,780	9.3%
Bay Area (c)	2,667,340	2,784,690	2,911,000	3,039,910	372,570	14.0%

Notes:

ABAG projections for 2010 may differ from Claritas projections used elsewhere in this document due to methodological differences.

a) Includes the City of Suisun City and its sphere of influence.

b) Includes the Cities of Suisun City and Fairfield and both of their spheres of influence.

c) The Bay Area consists of the Counties of Alameda Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.

Sources: ABAG, 2009; BAE, 2011.

These projections form the basis of estimates of new housing demand in the Study Area. The Market Area is expected to add 4,020 new households between 2010 and 2025. For the Study Area, a conservative estimate of capture of this larger-area growth would mirror current proportions of Study Area housing units to the Market Area, a small 2.2 percent capture rate. This scenario yields demand for 93 units, including a five percent vacancy allowance in supply to accommodate housing turnover.

However, due to the combination of Suisun City’s developable sites in the Study Area with downtown convenience and water views, along with changing housing preferences in the Bay Area to seek more transit-oriented locations, it is very likely that Suisun City will capture a larger share of new Market Area housing demand than it has historically. The analysis assumes a tripling in the low historic capture, to 6.6 percent in this likely “strong market demand” scenario. This method yields 279 units in the next 15 years.

Finally, the analysis includes an In-Fill scenario, which would involve capturing all of Suisun City’s new household growth plus allowance for supply vacancy (five percent), in the Study Area. Many of Suisun City’s land use policies, currently under consideration as part of the General Plan Update, point in this direction, mirroring broader regional policy directions to locate much of the region’s new growth within PDAs. In this scenario, the Study Area would capture all of the City’s new growth, translating to 25 percent of Market Area capture. It is likely that this scenario would only be fully realized by coordinating local and regional land use policies, along with a sustained City promotional effort to spark developer and housing consumer interest.

Table 19: Estimate of New Housing Unit Demand in Study Area, 2010 - 2025

	<u>Conservative</u>	<u>Strong</u>	<u>In-Fill</u>
New Households in Market Area (a)	4,020	4,020	4,020
Capture Rate in Study Area (b)	2.2%	6.6%	25.0%
New Housing Units in Study Area (c)	93	279	1,055
<i>For-Sale Housing</i>	44	131	497
<i>Rental Housing</i>	49	147	558

Notes:

- a) The Market Area consists of the Cities of Fairfield and Suisun City and their respective Spheres of Influence. See ABAG projections table for source of new households in Market Area.
- b) Percentage of new households in the Market Area that can be captured in Study Area assuming market patterns and public policy interventions.
 Conservative scenario = current percent of Market Area households in Study Area.
 Strong scenario = triple the historic rate of capture in Study Area, which fits shifting demand towards TOD units.
 In-Fill scenario = total growth in Suisun shifted to Study Area (see ABAG projects)
 All estimates also include allowance for vacancy of 5%.
- c) Tenure of new housing demand based on current Suisun City tenure rates:

Ownership tenure	47%
Renter tenure	53%

Sources: ABAG, 2009; Claritas, 2010; BAE, 2011.

Recommended Residential Product Types

In order to capture a sizable share of the City's projected housing demand, residential product types in the Study Area should be targeted to those households most likely to be attracted to the emerging character of downtown Suisun City and the transit accessibility provided by the Amtrak station. These amenities are likely to be especially attractive to both small commuter households and senior residents from the Market Area.

Townhouses and Multifamily Units for Small Commuter Households

Suisun City is well positioned as a center point between Sacramento and the Bay Area, with the Capitol Corridor train serving as a commuter link to each region. The City's Downtown provides an ideal location for households seeking neighborhood dining, entertainment, and personal service outlets in addition to accessibility to employment locations in the Bay Area and the Sacramento region. However, the existing housing stock in the City consists of predominantly single family units, providing few options for small households desiring an urban setting and a more compact housing type. As a result, recommended residential product types in the Study Area include townhouse and stacked flat units to serve working-age commuter households seeking the neighborhood and transit amenities available in downtown Suisun City.

Senior Housing

Senior households are also anticipated to generate strong housing demand in the Study Area. Active seniors living in the Market Area often seek to sell their larger single family homes to reduce living expenses while at the same time desire to "age in place" near friends and familiar surroundings. These smaller households can often be better served by multifamily housing units, particularly in developments that are located near transit and retail facilities. In addition, retired personnel formerly associated with Travis Air Force Base are likely to generate demand for housing in the Study Area due to their desire to remain proximate to on-base discounted grocery shopping and medical services.

The *Draft Senior Housing Feasibility Study Phase I: Needs and Market Analysis*, commissioned by Suisun City and conducted by Principle Valuation in March 2011, assessed the market for senior housing within the Study Area. The Study determined that the senior housing market is undersupplied in Suisun City, and could probably support 365 independent living units and 331 senior apartment units by 2015. As defined in the Study, both independent living units and senior apartments would serve a relatively independent senior population, with independent living facilities typically providing meals and social activities that are not typically provided in senior apartments. While the Study does not develop a specific demand estimate for assisted living units, it notes that the assisted living sector is a segment of the senior housing market that is anticipated to experience an increase in demand in the near future. The Study recommends building a large project, including all types of senior housing, from independent living to assisted living, similar to Rossmoor in Walnut Creek. However, this scale of project is not suitable for the sites in the PDA.

Recommended senior housing types for the Study Area include both independent and assisted living units. An independent living development would consist of age-restricted apartments with or without

on-site dining and social services, attracting active seniors. In contrast to large retirement communities available elsewhere in Solano County, which offer suburban-style units in a golf course setting, independent living in the Study Area would provide a more compact, urban village setting with stores and restaurants within walking distance, and would therefore appeal to a different segment of the retiree population. In addition to providing housing, an independent living development would place potential clientele within close proximity to businesses in the Study Area, boosting activity in Suisun City's emerging Downtown.

Assisted living developments offer more comprehensive services, serving aging populations in need of assistance with daily activities such as bathing, dressing, medications, and mobility. Assisted living projects contain small residential units, typically without full kitchens, and are fully wheelchair-accessible. These units also have call buttons in every room, and nursing stations are scattered throughout the complex to provide immediate care. AgeSong at Bayside Park in Emeryville, CA, provides an example of an attractive urban assisted living complex in a four-story configuration (with podium parking).

Office Space Demand in Study Area

The Suisun City Study Area is well positioned to capture larger office space users over the next 15 years, especially due to the presence of the Amtrak station. As shown, the Suisun City Station of the Capitol Corridor service provides a convenient mid-point between Sacramento and the populous East Bay/San Jose portions of the route, offering a strong amenity for companies interested in attracting workers as well as transit service between other branch of main offices.

In addition to the transit feature, central Suisun City offers developable sites, water amenities, and convenient access to surrounding area populations, leading to potential smaller office space user demand as well. Professionals serving the Fairfield/Suisun City market area, such as attorneys, medical practitioners, and consultants, all typically seek office space with nice amenities, small floorplans, and locations convenient to their place of residence.



The following table shows a summary of the demand estimate findings for the Study Area for future office space. As shown, depending on the assumptions applied to Study Area capture of potential Market Area office space demand, the Study Area will support between 39,000 and 185,000 square feet of new office space in the next 15 years. The higher end of this range would be achievable if strong policies are implemented to direct all office-based development into Priority Development Areas (PDAs) in the Market Area; even in this scenario, due to two additional PDAs in Fairfield, it is likely that Suisun City will not be able to capture more than 15 percent of office growth in the Market Area by 2025.

Table 20: Estimate of New Office Space Demand in Study Area 2010 - 2025

	Office Demand Sectors (a)			Total
	Financial & Prof. Svcs.	Health, Ed., Rec, Svcs.	Other	
Market Area Office Space Demand 2010-2025				
New Jobs in Office Space (b)	1,185	2,394	3,136	6,715 jobs
Supportable Office Space (sq. ft.) (c)	325,812	658,383	862,511	1,846,706 sq. ft.
Study Area Office Space Demand 2010-2025				
<u>Historic Capture Rate (d)</u>				
New Jobs in Office Space (b)	25	51	66	142 jobs
Supportable Office Space (sq. ft.) (c)	6,877	13,897	18,206	38,981 sq. ft.
<u>Strong Market Demand (d)</u>				
New Jobs in Office Space (b)	75	151	198	423 jobs
Supportable Office Space (sq. ft.) (c)	20,526	41,478	54,338	116,342 sq. ft.
<u>In-Fill Only (d)</u>				
New Jobs in Office Space (b)	118	239	314	672 jobs
Supportable Office Space (sq. ft.) (c)	32,581	65,838	86,251	184,671 sq. ft.

a) See Appendix B for estimate of Office Demand Sectors (from ABAG)

b) Percent of Sector needing office space (from BLS national data, see App. B)

Financial & Prof. Svcs.	74%
Health, Ed. & Rec. Svcs.	38%
Other	53%

c) Space per new job = 250 sq. ft.

Plus add'l space to allow for vacancy 10% (25 sq. ft.)

d) Conservative Study Area capture rate based on 2000 capture rate by Study Area

Jobs in Study Area (2000)	934
Jobs in Fairfield/Suisun City (2000)	44,248
Study Area Capture Rate	2.1%

Strong Market Demand (triple conservative rate) = 6.3%

In-Fill Only - assumes all office dev occurs in PDAs (Fairfield also has 2 PDAs) 10.0%

Retail Demand in Study Area

As described in the Economic Trends chapter, Suisun City experiences substantial retail sales leakage, primarily due to the larger shopping nodes in Fairfield. Shifting these shopping patterns for the Study Area will be challenging, given the freeway orientation and larger local population and employee base in Fairfield.

It should be noted that Suisun City has attracted several proposed new retail and mixed-use developments, including a Wal-Mart Supercenter, the Gentry-Suisun Project, and a retail development project on the “30-acre site” within Suisun’s PDA.

The Wal-Mart Supercenter has been proposed for a site at the intersection of Highway 12 and Walters Road, approximately three miles east of Suisun City’s PDA. This project was initially proposed to include a 215,000 square foot Wal-Mart Supercenter, a gas station, and an 8,000-square foot building suitable for a restaurant or another use. The Gentry-Suisun Project, located west of the PDA within the City’s sphere of influence, would consist of 360 residential units and 721,000 square feet of retail, including a big box store. The 30-acre site is located within Suisun City’s PDA directly north of Highway 12 and is the largest developable site within City limits. The City ran an RFQ process and selected a developer for the 30-acre site, but the status of this project is uncertain. The General Plan Update currently underway is structured to ensure that the 30-acre site retains its flexibility in terms of long-term use, capitalizing on the site’s visibility from the highway as well as providing for taxable sales revenue to the City.

Due to the above significant Suisun City retail projects anticipated by the City, this report limits the estimate of additional retail demand to the type of retail space that would complement Downtown’s retail mix as a local specialty shopping and restaurant location, rather than a region-serving destination like the Wal-Mart project.

Suisun City, and particularly the Study Area, has been under-served by retail space relative to its own local residential and employment base. The following table translates store categories from the prior table, which offer potential for attraction in the Study Area, into a leakage calculation. Building on this leakage of potential sales to local residents, the additional capture of leaking sales is estimated. Next, a portion of citywide additional capturable sales is allocated to the Study Area, and converted to supportable new retail square feet that could be developed in the Study Area. It should be noted that due to data suppression anomalies, some of these capture rates for the Study area have been estimated on a very conservative basis, in two ways. Some sales not shown in the suppressed data do already occur in Suisun City. Moreover, additional residential development, from the larger projects outlined above, as well as potentially on PDA sites, are not factored into the leakage and supportable square feet estimates.

Table 21: Estimate of Capturable Local Retail Demand in Study Area (Per Current Leakage)

	Suisun City Sales Per Capita (a)	Marke Area Sales Per Capita (a)	% Leakage	Additional Capture in Suisun (c)	Additional Sales in Suisun (d)	Portion of Suisun Sales Capturable in Study Area (e)	Sales Capturable in Study Area	Study Area Supportable New Sq. Ft. (f)
Home Furnishings	(b)	\$476	NA	40%	\$ 5,187,961	25%	\$ 1,296,990	4,323
Food and Beverage Stores								
Taxable	\$346	\$522	34%	15%	\$ 2,132,073	20%	\$ 426,415	4,264
Non-Taxable							\$ 1,279,244	6,396
Total Food and Beverage							\$ 1,705,658	10,660
Clothing & Clothing Accessories Stores	(b)	\$778	NA	25%	\$ 5,296,779	50%	\$ 2,648,389	10,594
General Merchandise (inc. Drugstores)	(b)	\$1,465	NA	15%	\$ 5,984,278	40%	\$ 2,393,711	7,365
Food Services & Drinking Places	\$687	\$1,069	36%	20%	\$ 5,821,485	50%	\$ 2,910,743	14,554
Other Retail Group (b)	\$387	\$796	51%	20%	\$ 4,333,943	20%	\$ 866,789	3,852
Total							\$11,822,280	51,349

Notes:

(a) Based on prior table. Some categories not appropriate for Study Area are not shown.

(b) The State Board of Equalization (SBOE) does not release total sales in some retail categories because their publication would result in the disclosure of confidential information. All confidential sales are included in Other Retail.

Due to data suppression, additional sales in these categories is purposefully conservative, since some sales already occur in Suisun but can not be shown.

(d) Population of Suisun in 2009, used to estimated additional sales in Sui: 27,233 residents

(e) Based on BAE experience.

(f) Sales per Square Foot by Category

Home Furnishings and Appliance Stores	\$ 300 per sq. ft.
Food and Beverage Stores (taxable sales)	\$ 100 per sq. ft.
Food and Beverage Sores (non-taxable sales)	\$ 200 per sq. ft.
Ratio of taxable to total food and bev	33%
Clothing & Clothing Accessories Stores	\$ 250 per sq. ft.
General Merchandise (inc. Drugstores)	\$ 325 per sq. ft.
Food Services and Drinking Places	\$ 200 per sq. ft.
Other Retail Group (b)	\$ 225 per sq. ft.

(due to data suppression placing missing sales in this category, additional capture and sales, supportable sq. ft in Study area is purposefully conservative since some sales already occur in Suisun but can not be shown.

Sources: SBOE, 2010; BAE, 2011.

Thus, it is estimated that the Study Area could support an additional approximately 50,000 square feet of retail per current leakage. It is also likely that small amounts of additional sales would also occur from small population and job growth as estimated in the prior sections of this Study (not reflected in the table).

The following table translates these new capturable sales into new supportable retail space will likely be developed and the typical minimum store sizes which will need to be supported to realize this estimated space.

Table 22: Minimum Store Sizes and Likely Development Patterns for New Local-Serving Retail in PDA

	Study Area Supportable New Sq. Ft.	Comments
Home Furnishings	4,323	Likely ground floor of mixed-use downtown, 1 - 2 small specialty
Food and Beverage Stores		
Taxable	4,264	
Non-Taxable	6,396	
Total Food and Beverage	10,660	This would only support a small specialty food store, and should inc. prepared food.
Clothing & Clothing Accessories Stores	10,594	Likely ground floor of mixed-use downtown, 2 to 3 stores.
General Merchandise (inc. Drugstores)	7,365	Almost sufficient to support a new drugstore downtown. Additional support from growth and freeway traffic makes a drugstore likely supportable on a freeway-visible site in the PDA.
Food Services & Drinking Places	14,554	This is 2 to 4 restaurants / bars, low number if higher end restaurant can be attracted.
Other Retail Group (b)	3,852	Likely ground floor of mixed-use downtown, 1 - 2 small specialty
Total	51,349	

Hotel Demand in Study Area

Hotel demand in the Study Area is not estimated quantitatively for this Report, due to the relatively small household and employment growth forecasts and the lack of highway visibility. Moreover, the Hampton Inn, while exceeding its own occupancy forecasts, is still estimating occupancies below the level that hotels typically need to achieve to sustain profitability (roughly 68 percent occupancy); an additional hotel falling within a similar price point would likely impact this anchor land use.

It should be noted that many smaller communities in scenic areas of the Bay Area have attracted hotel operators of various types, including variations in lodging such as bed & breakfasts, luxury tent camping, and small extended-stay properties. The Hampton Inn has demonstrated that lodging in Suisun City can also attract Napa Valley visitors seeking a lower price point than available in Napa Valley.

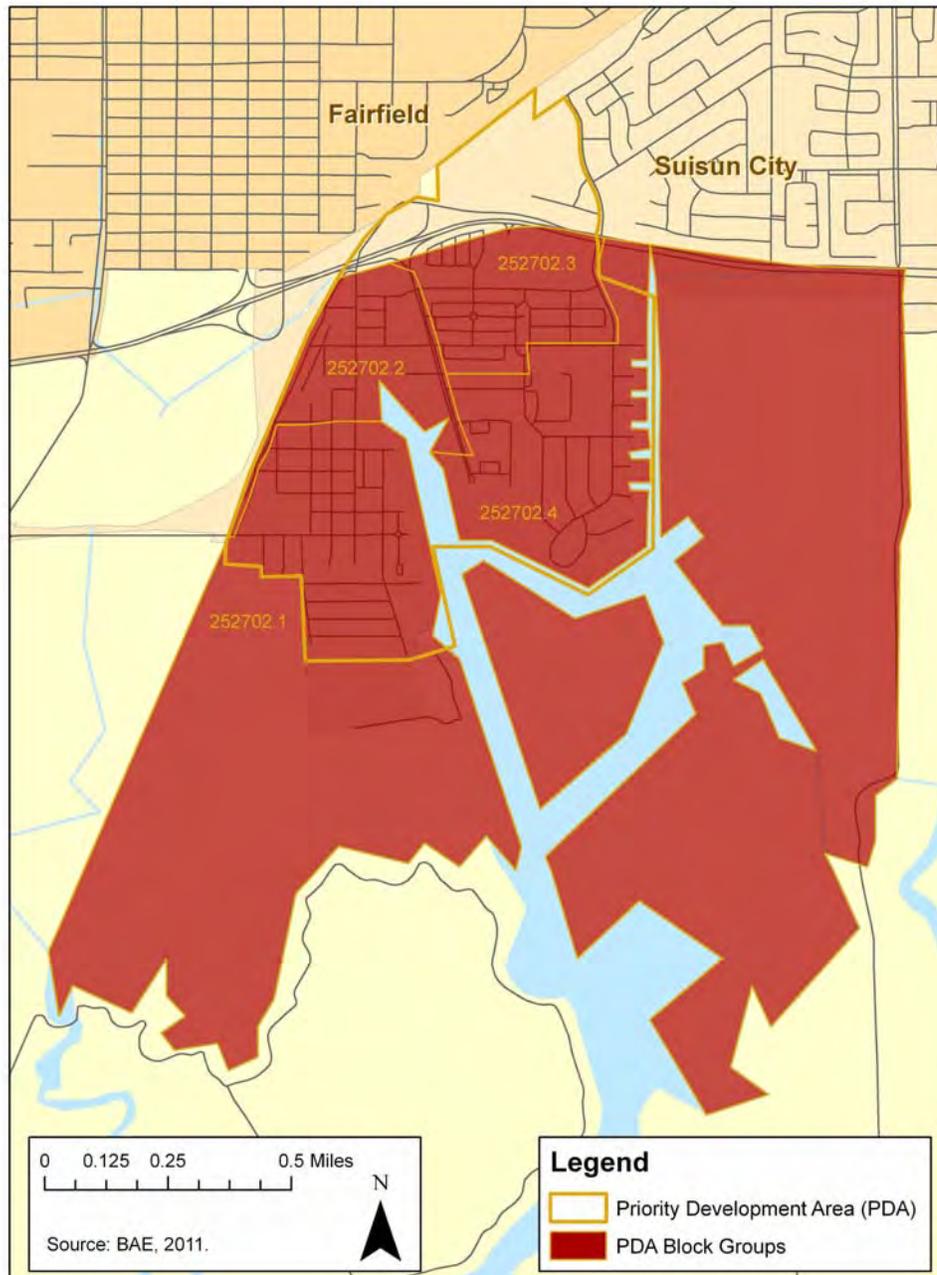
In some smaller communities, the hotel room demand driver has been the attraction of a high-quality restaurateur, who is then able to attract overnight guests due to the visibility and cache of the restaurant. This combination restaurant and small lodging facility may be sustainable in the Study Area, particularly because of its ambiance and unique waterfront amenities. Combining this concept with a Wine County orientation could change the prospects for a higher price-point lodging facility overnight, but it will require a unique approach with a destination chef anchoring the project.

Two hotels in Healdsburg, the Hotel Healdsburg and its sister property the H2, exemplify this concept. Both are small boutique hotel properties (55 rooms at the Hotel Healdsburg and 35 rooms at the H2) offering luxury accommodations and a high-quality restaurant in the Sonoma Valley wine country. The H2 Hotel is LEED gold certified and includes bike rentals as part of its comprehensive amenity package. These hotels could serve as a prototype for a small, upscale hotel in Suisun City's Downtown. Along with other visitors seeking luxury accommodations, this hotel could attract wine country tourists, particularly if rooms are offered at more affordable rates than those available in the Napa and Sonoma Valleys.

In addition, although not analyzed directly for this Report, the extended stay (e.g., Residence Inn) concept has been identified in other Solano County locations as under-represented. Nearby communities with larger business parks (e.g., Fairfield), the potential to attract I-80 travelers, and Suisun City's location vis-à-vis Napa Valley may support a small (e.g., 30 room) extended stay project. Although extended stay hotels typically contain at least 90 rooms, some hotel brands operate smaller extended stay hotels. For example, Hawthorn Suites, an upscale extended stay hotel chain, operates eight hotel properties in California, seven of which range in size from 50 to 75 rooms.

It is therefore recommended that the site planning to be conducted in the next stage of the Study incorporate a site for a small restaurant/lodging or extended stay facility, strategically located with water views and direct access to historic Downtown.

APPENDIX A: STUDY AREA AND ASSOCIATED BLOCK GROUPS



APPENDIX B: SUPPORTING DATA FOR EMPLOYMENT FORECASTS

Employment By Sector, Market Area Projections 2010 - 2025

Industry Sector	2010 (b)	2015	2020	2025	Change 2010-2025
Agriculture & Natural Resources	310	330	340	330	6.5%
Manufacturing, Transport. & Wholesale Trade	7,130	7,340	7,840	8,260	15.8%
Retail Trade	6,120	7,270	7,050	7,910	29.2%
Financial & Professional Services	6,810	7,180	8,120	8,420	23.6%
Health, Education & Recreational Services	15,880	17,980	20,090	22,240	40.1%
Other	13,930	15,650	17,980	19,880	42.7%
Total	50,180	55,750	61,420	67,040	33.6%

Notes:

(a) Includes the Cities of Fairfield and Suisun City and their respective Spheres of Influence.

(b) Estimates for 2010 listed here differ from those listed elsewhere in this document due to methodological differences.

Sources: ABAG, 2009; BAE, 2011.

National Data for Workers with Office Occupations (2010)

Office Demand Sectors (b)	Workers with Office Occupations (in 1,000s) (a)				Total Office	Total Jobs	Percent Office
	Mgmt., Bus. & Financial	Prof. & Related	Sales & Related (c)	Office & Admin. Support (d)			
Financial & Prof. Svcs.	5,243	6,027	2,114	7,899	21,282	28,920	74%
Information	368	1,018	319	606	2,311	2,997	77%
Finance & Insurance	1,823	477	718	2,897	5,914	6,015	98%
Real Estate	304	56	220	467	1,047	2,130	49%
Prof., Scientific & Tech. Svcs.	1,545	3,571	333	1,811	7,260	7,830	93%
Management	674	372	78	514	1,638	1,895	86%
Admin. & Support Svcs.	528	534	446	1,604	3,112	8,054	39%
Health, Ed. & Rec. Svcs.	2,583	10,176	172	5,628	18,559	49,303	38%
Ed. Svcs. (e)	863	1,255	21	1,508	3,647	13,471	27%
Health Care	806	7,326	28	2,667	10,828	16,845	64%
Arts, Entertainment & Rec. Svcs.	105	233	24	183	546	1,970	28%
Accom. & Food Svcs.	328	25	25	412	790	11,489	7%
Other Svcs.	480	1,336	74	858	2,748	5,528	50%
Other	1,676	2,410	24	1,710	5,819	11,039	53%
Government	1,676	2,410	24	1,710	5,819	11,039	53%

Notes:

(a) Figures represent those workers laboring within a given industry who perform occupations that typically require office space. Jobs in the following occupations are excluded: Service; Farming, Fishing & Forestry; Construction & Extraction; Production; Installation, Maintenance & Repair; and Transportation & Material Moving.

(b) This analysis is limited only to those industry sectors that tend to drive demand for office space, as categorized by ABAG for sub-county places. Jobs in the following sectors are excluded: Agriculture & Natural Resources; Manufacturing, Transportation & Wholesale Trade; and Retail Trade.

(c) Sales & Related Occupations excludes retail sales workers and their managers, who drive demand for retail space.

(d) Office & Administrative Support Occupations excludes material recording, scheduling, dispatching, and distributing workers, who drive demand for warehouse space.

(e) Within Educational Services, jobs in education, training, and libraries are excluded from Professional & Related Occupations, as they tend to drive demand for specialty facilities.

Sources: US Bureau of Labor Statistics, BAE, 2011

APPENDIX 2: PRELIMINARY DEVELOPMENT CONCEPTS



Suisun Priority Development Area Development Concepts

DC&E/The Planning Center
bae urban economics

Developer Panel, March 21, 2012

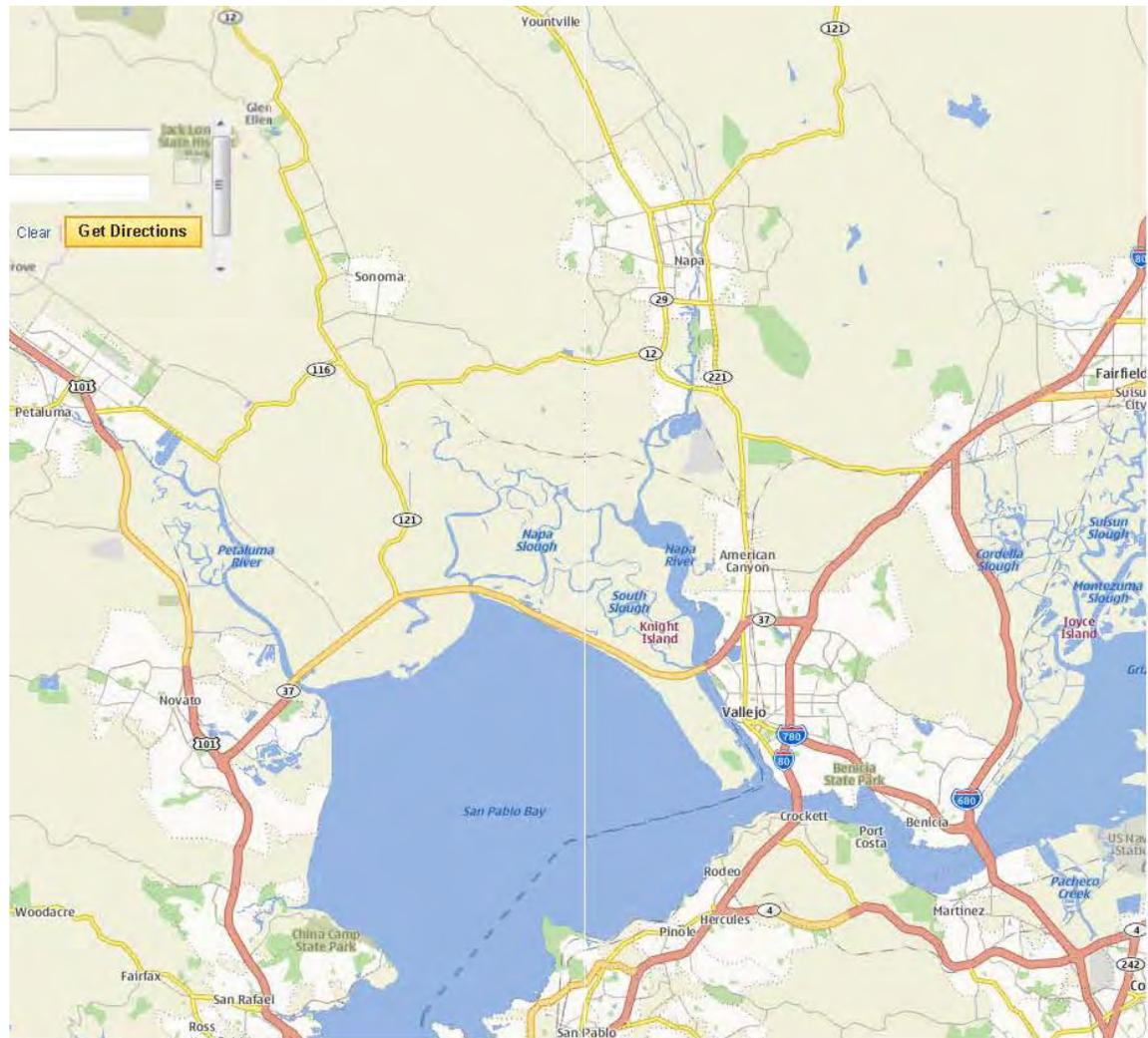
Overview

- ❑ **Demographic & Economic Trends**
- ❑ **Current Real Estate Market Conditions**
- ❑ **Challenges & Opportunities**
- ❑ **Site Development Concepts**
- ❑ **Discussion**

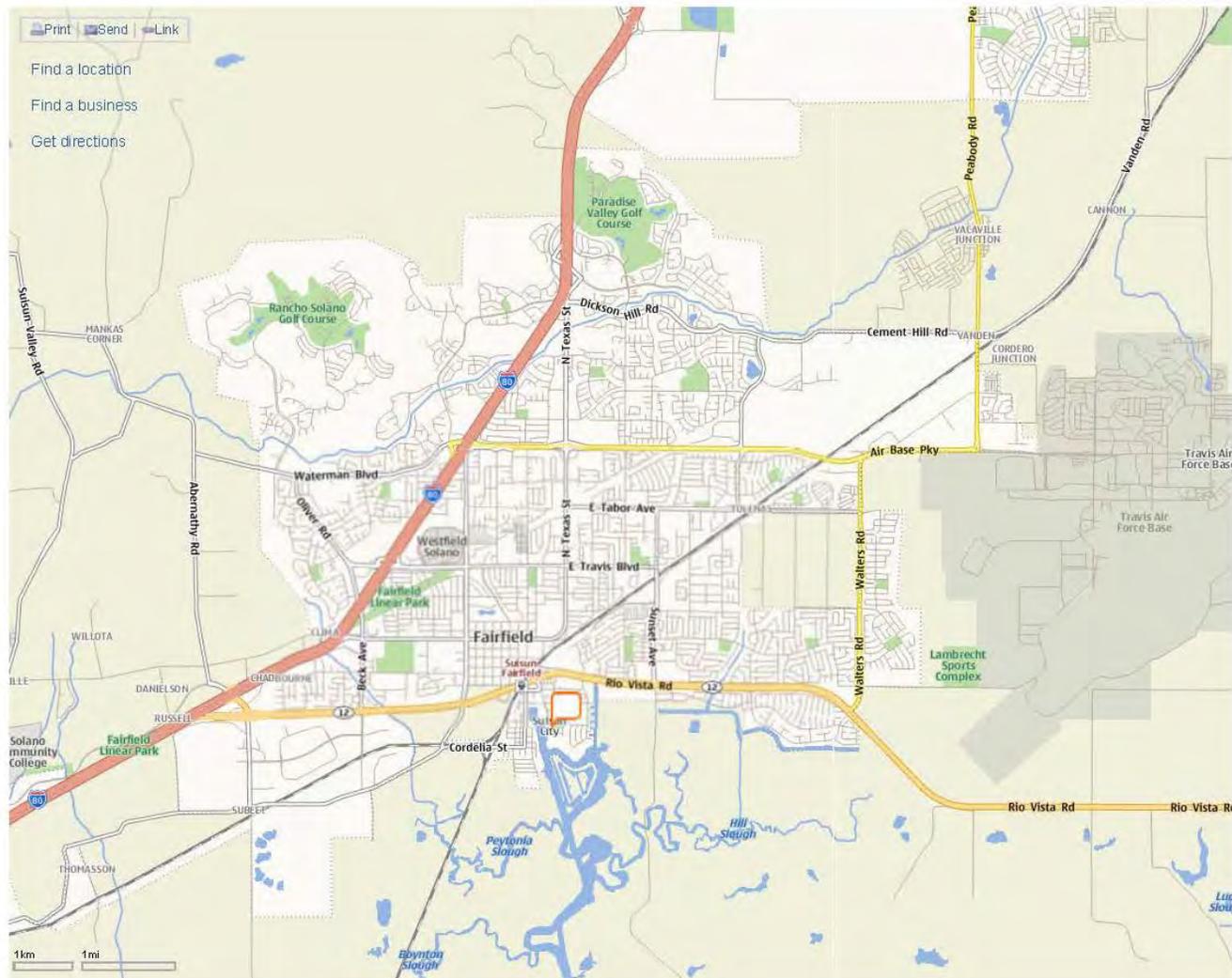


Regional Context

- ❑ Suisun located due south of Fairfield
- ❑ Suisun accessible from I-80 via Highway 12
- ❑ Roughly 30 minute drive from Suisun to Napa City



Fairfield and Travis AFB Context



Demographic Trends

- ❑ **Population in Study Area, Suisun, Market Area all grew from 2000 – 2010**
- ❑ **Suisun has just over 8,400 households (2010)**
- ❑ **Study Area has just under 1,000 households (2010)**
- ❑ **Study Area has small average household sizes, similar to Bay Area (2010)**
 - 2.67 Study Area vs. 3.23 for Suisun City
 - Bay Area = 2.73 persons/HH

Table 1: Population and Household Trends, 2000-2010

<u>Population</u>	<u>2000</u>	<u>2010</u>	<u>% Change</u>
Study Area (a)	2,516	2,549	1.3%
City of Suisun City	26,118	27,357	4.7%
Market Area (b)	122,296	133,326	9.0%
Solano County	394,542	418,180	6.0%
Bay Area (c)	6,783,760	7,232,120	6.6%
Households			
Study Area (a)	924	955	3.4%
City of Suisun City	7,987	8,434	5.6%
Market Area (b)	38,857	42,478	9.3%
Solano County	130,403	137,634	5.5%
Bay Area (c)	2,466,019	2,595,596	5.3%
Average Household Size			
Study Area (a)	2.72	2.67	
City of Suisun City	3.26	3.23	
Market Area (b)	3.04	3.03	
Solano County	2.90	2.92	
Bay Area (c)	2.69	2.73	

Notes:

(a) The Study Area consists of block groups 1, 2, 3, and 4 located in census tract 2527.02.

(b) The Market Area is defined as the combination of the City of Suisun City and the City of Fairfield.

(c) The Bay Area consists of the Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.

Sources: Claritas, 2010; BAE, 2011.

Demographic Trends

□ Household Incomes

- Suisun has high median household income
 - Per capita = \$25,000
- Study Area has lower incomes than Suisun
 - Per capita = \$20,300

□ Homeownership Rates

- Suisun has high ownership rate = 73%
- Study area has lower ownership rate = 47%

Table 5: Household Income, 2010

Income Category	Study Area (a)	City of Suisun City	Market Area (b)	Solano County	Bay Area (c)
Less than \$15,000	13.7%	4.9%	6.3%	6.7%	7.6%
\$15,000-\$24,999	8.6%	4.1%	6.5%	6.7%	6.0%
\$25,000-\$34,999	9.4%	5.3%	8.1%	7.8%	6.5%
\$35,000-\$49,999	15.7%	10.2%	12.8%	12.4%	10.6%
\$50,000-\$74,999	15.5%	20.7%	20.4%	20.0%	17.0%
\$75,000-\$99,999	12.9%	21.2%	16.5%	16.2%	14.2%
\$100,000-\$149,999	16.5%	23.7%	19.0%	19.1%	18.9%
\$150,000-\$199,999	3.5%	6.9%	6.4%	7.0%	8.6%
\$200,000 or more	4.2%	3.0%	3.9%	4.2%	10.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Median HH Income	\$54,195	\$80,709	\$69,889	\$70,508	\$78,981

Notes:

(a) The Study Area consists of block groups 1, 2, 3, and 4 located in census tract 2527.0.

(b) The Market Area is defined as the combination of the City of Suisun City and the City of Fairfield.

(c) The Bay Area consists of the Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.

Sources: Claritas, 2010; BAE, 2011.

Market Demand in Study Area 2010 – 2025

❑ **Retail and Restaurants:**

- 1 specialty grocer
- 1 drugstore
- 2 to 4+ restaurants
- Other small shops (home furnishings, apparel, other specialty)

❑ **Housing**

- Demand for 280 to 1,000+ housing units in Study Area
- Senior housing – high proportion of owner 55-64 year olds, also Travis AFB retirees

❑ **Office**

- 39,000 to 185,000 sf in Study Area
- Some demand for small professional offices

❑ **Boutique Hotel**

- Gateway to Wine Country, complement to Hampton Inn

Challenges and Opportunities

□ **Central Suisun Opportunities:**

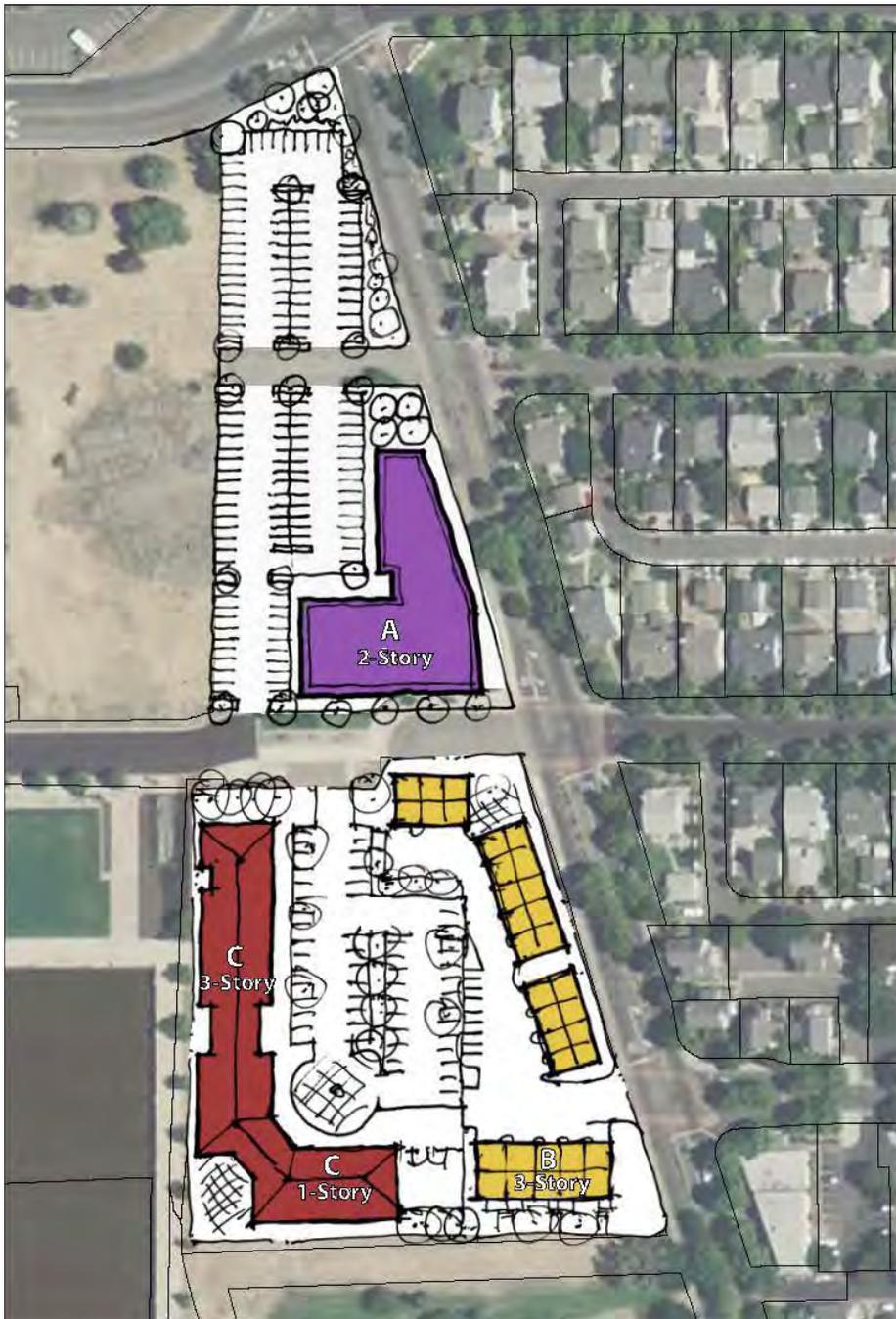
- Waterfront and historic ambiance
- Emerging downtown retailers
- Developable sites (inc. city-owned waterfront site)
- Good auto access to region, good pedestrian access to surrounding neighborhoods
- Amtrak Station has strong commuter draw
- Small city with committed electeds and staff

□ **Challenges:**

- Suisun City is strongly driven by fiscally-positive development projects; need tax revenues to provide municipal services
- Several other large-format retail projects on the boards in Suisun (> 950,000 sf in Walmart, Gentry-Suisun, and PDA 30 acre site)
- Large Fairfield market area and other redevelopment initiatives take regional focus away from Suisun

Site Location Map





Waterfront Site Test Fit

Total Site Area: 5.07 acres

Building A: 2-Story Office

Floor 1:	20,000 gsf Office
Floor 2:	20,000 gsf Office
Total:	40,000 gsf

Parking: 160 surface spaces @ 4/1000 sf
(meets parking requirements of 4/1000)

Building B: 3-Story Townhomes with Tuck Under Parking

Dwelling Units: 17 units

Parking: 1 space per unit + 8 guest spaces

Building C: 1 and 3-Story Restaurant/Hotel

Total: 39,000 gsf (26,000 sf hotel (lobby service, meeting space, rooms, circulation + 5,000 sf restaurant + 8,000 sf conference area)

Rooms total: 40

Parking: 61 surface spaces
(meets parking requirements of 4/1000 for restaurant + 1/room)



Date: 3.13.2012

Senior Housing Site Test Fit

Total Site Area: 9.07 acres

Building A1: 2-Story Mixed-Use

Floor 1:	10,000 gsf Retail 6,000 gsf Office
Floor 2:	16,000 gsf Office
Total:	32,000 gsf

Building A2: 1-Story Pure Retail

Total:	28,000 gsf
--------	------------

Parking (A1 and A2): 250 total surface spaces @ 4/1000 sf

Building B: 2 and 3-Story Assisted Living

	34,000 gsf Assisted Living (60%) (68 units at 500sf/unit)
	22,000 gsf Common Facilities (40%)
Total:	56,000 gsf

Parking: 12 surface spaces for employees
9 visitor spaces

Building C: 2 and 3-Story Senior Housing

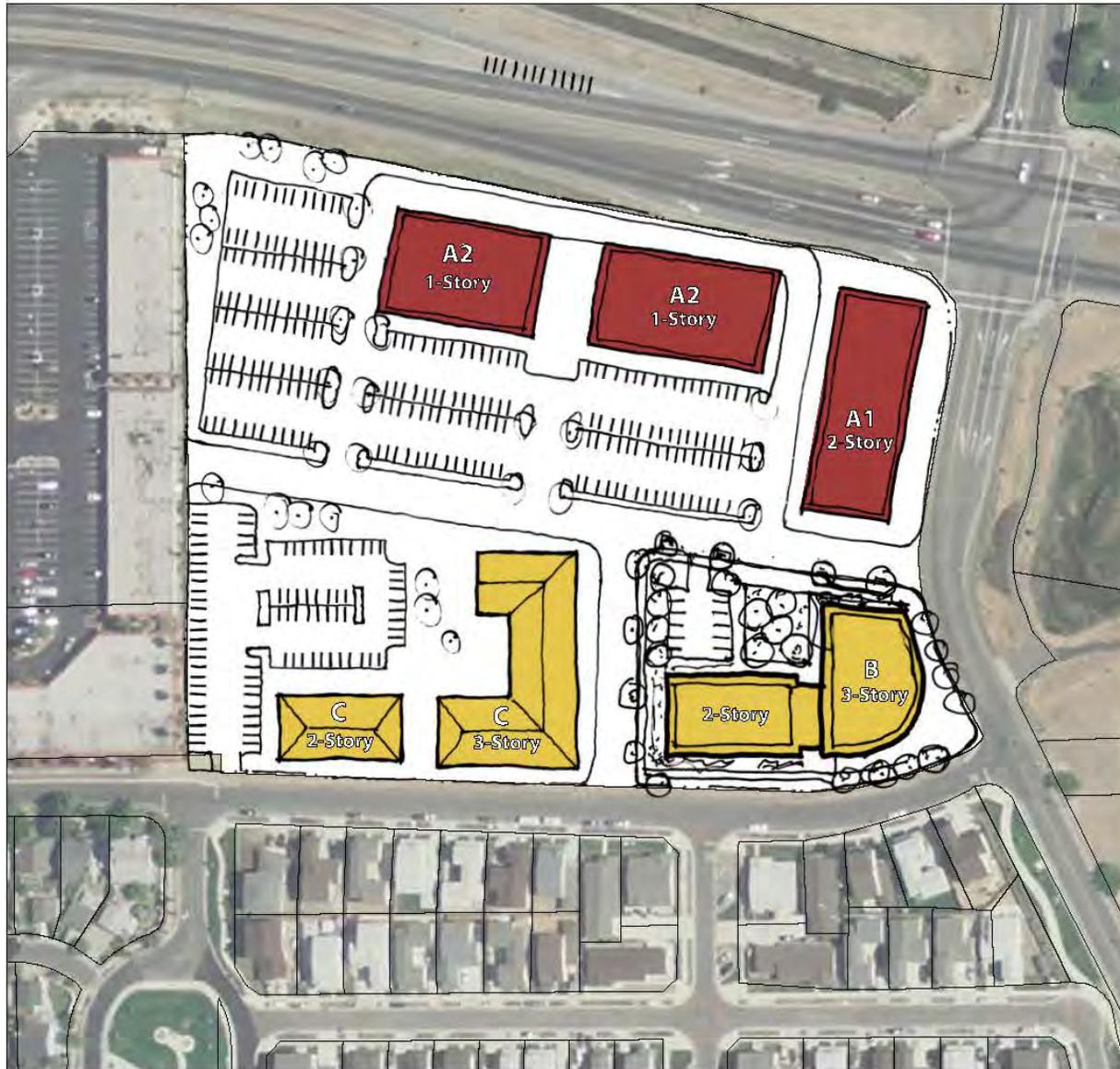
Total:	64,000 gsf
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Common
Open Space: 6,000 sf

Units Total: 54 (@ 1200 gsf per unit)

Parking: 81 surface spaces @ 1.5/unit

Additional
Street Parking: 35 parallel spaces



Date: 3.13.2012

Discussion Questions

□ Waterfront Site

- Do uses and scale make sense?
- How to best orient hotel and housing to maximize project values and PDA revitalization?
- What can City do to make this project happen?
- Note: preliminary pro formas indicate positive (but low) residual land values after developer profit; could work due to City ownership of site

□ Senior Housing + Retail Site

- Do the uses and scale make sense?
- Discussion of drugstore and relationship to other Suisun retail
- How can both independent senior and assisted living senior components best be configured to attract developer (s)?
- What can City do to make this project happen?
- Note: preliminary pro formas indicate \$0 land values after developer profit
 - Issue mostly with senior rental housing and assisted living

APPENDIX 3: SUMMARY OF DEVELOPER PANEL 3-21-12

MEMORANDUM

To: April Wooden, Community Development Director, City of Suisun City
From: BAE
Re: Summary of Developer Panel, March 21st, 2012

A developer panel was convened on March 21, 2012 as part of the Suisun PDA Technical Assistance grant. BAE invited panel members and facilitated the discussion, with support from TPC/DC&E.

Participants were selected and invited based on their development and business model, focusing on urban infill and TOD. Participants included:

- Ben Golvin, Equity Community Builders
- David Greensfelder, Greensfelder Retail and Land Use Consulting
- Nader Shabahangi, AgeSong
- Steve Lawton, Main Street Property Services

In addition, representatives of a local developer group with experience in downtown Suisun and party to an expired development solicitation by the now-dissolved Suisun Redevelopment Agency were also present (Mike Rice & Frank Marinello, Main Street West Partners). Other audience members included representatives from MTC and Suisun City staff.

Plans were presented for conceptual development projects on sites in Suisun City's Priority Development Area (PDA): one located on Civic Center Boulevard adjacent to the City's waterfront (waterfront sites) and one located along Highway 12 with Lotz Way to the South (Highway 12 site). Proposed uses for the combined waterfront sites consisted of office, townhomes, and a hotel with a restaurant. Proposed uses for the Highway 12 site consisted of retail, office, and senior housing. Panel participants felt that the waterfront site is a key site for many reasons. For example, the site is well located, it is owned by the City, and it reinforces current and prior efforts to attract people to the City's downtown and completes the City's waterfront. Since this was seen as a key site, participants expressed that it needs to be carefully designed to set the tone for walkable densities, in part by providing a reduced amount of parking. This site is believed to be a high priority for immediate development, and likely would attract private partners to create a workable catalyst project.

San Francisco
1285 66th Street
Emeryville, CA 94608
510.547.9380

Sacramento
803 2nd St. Suite A
Davis, CA 95616
530.750.2195

Los Angeles
5405 Wilshire Blvd., Suite 291
Los Angeles, CA 90036
213.471.2666

Washington DC
1346 U St. NW, Suite 403
Washington, DC 20009
202.588.8945

New York City
121 West 27th St., Suite 705
New York, NY 10001
212.683.4486

Feedback on Combined Waterfront Sites

Participants expressed the view that the combined waterfront sites provide an opportunity to extend Main Street to the other side of the waterfront, and that development on the sites must be done with consideration for how it will tie into other activity Downtown. Much of Downtown Suisun City consists of walkable neighborhoods and emphasizes downtown as a destination, and the waterfront site was seen as a prime parcel that should be developed in such a way as to reinforce these strengths, by limiting the amount of parking on the site and connecting it to the Downtown. In general, participants did not feel that the site was a prime location for office development, given the large amount of existing office vacancy in the area.

Nader Shabahangi from AgeSong expressed that the waterfront sites would be ideal for senior housing. Shabahangi stated that, by supporting the development of senior housing in this location, rather than elsewhere in the Suisun, the City can demonstrate that it is integrating seniors into the community. Additionally, Shabahangi reported that senior housing is often compatible with entertainment uses, such as those found downtown, because people living in senior housing frequently want to be in neighborhoods where there is some activity. Senior housing was also said to work well in conjunction with a hotel, but to be slightly less compatible with retail uses.

Panel participants emphasized that the existing retail development Downtown consists primarily of specialty retail, which attracts discretionary income spent during discretionary time. Participants felt that the waterfront site is in a difficult location for retail because it is not at a crossroads, and that a key element in developing retail on the waterfront site will be to make it appealing as a place to spend discretionary income and time.

Highway 12 Site

Similar to the waterfront sites, the Highway 12 site was seen as a prime parcel that should be connected to the activity Downtown. Panel participant suggested that this could be done in part by integrating the site into the City's bicycle and pedestrian system and limiting parking on the site. The Highway 12 site was thought to be an ideal site for highway commercial use, but less suitable for neighborhood-serving retail. David Greensfelder from Greensfelder Retail and Land Use Consulting stated that there are not enough people in the PDA to support a drug or grocery store, and that these uses would need to also attract customers from other areas if they were to locate on the Highway 12 parcel.

Panel participants suggested splitting the Highway 12 site into two sites, developed with retail and housing. Residential uses were recommended for the southern end of the site, facing the

San Francisco

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510.547.9380

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Los Angeles, CA 90036
213.471.2666

Washington DC

1346 U St. NW, Suite 403
Washington, DC 20009
202.588.8945

New York City

121 West 27th St., Suite 705
New York, NY 10001
212.683.4486

existing residential neighborhood, and retail was recommended on the northern half of the site, with Highway 12 frontage.

Specific Comments

Nader: Consider the waterfront (WF) site for senior housing instead of the Highway 12 site. The City can demonstrate that Suisun City has an idea of doing senior housing differently, integration of elders into the community. 95% of senior housing residents come from within 5 miles.

61 parking spaces – lots of parking on a prime site.

Integration of independent seniors with others who are less independent leads to less anxiety among the independent seniors. If people know they are going to be segregated once they become less independent, it causes all kinds of issues.

Currently legislation is in process to make assisted living reimbursable through MediCare. Right now, only skilled nursing is reimbursable. Senior housing would work fine with hotel, not quite as well with retail.

Ben: Suisun City is an example of what housing downtown can look like. There's lots of attention to making it walkable, making downtown a destination. The City should be reinforcing the strength of what's here. But then, there's so much parking – by Amtrak, for the Hampton hotel, the office building. This seems contrary to building on the strength of the downtown's walkability. There's already a lot of parking. This is an opportunity to extend Main St onto the other side of the slough.

HWY 12 site needs to be integrated into bike/ped system.

David Greensfelder: Retail – there's a difference b/t commodity vs. specialty (specialty involves discretionary income, spent during discretionary time). Sunset Ave has commodity. Specialty is downtown. Question is how you activate WF site. HWY 12 site is a retail site. HWY commercial, but not neighborhood serving. How do you make WF interesting for discretionary time & income? Get people to come around the corner (of the slough). HWY 12 could be seen as 2 sites – retail & housing.

Steve: WF site is difficult for retail. Not a crossroads location.

San Francisco

1285 66th Street
Emeryville, CA 94608
510.547.9380

Sacramento

803 2nd St. Suite A
Davis, CA 95616
530.750.2195

Los Angeles

5405 Wilshire Blvd., Suite 291
Los Angeles, CA 90036
213.471.2666

Washington DC

1346 U St. NW, Suite 403
Washington, DC 20009
202.588.8945

New York City

121 West 27th St., Suite 705
New York, NY 10001
212.683.4486

bae urban economics

Senior housing is not in conflict with noisy uses, e.g. entertainment. People want something to look at, activity.

Mike Rice: BCDC will not go for this plan for WF site. Issues with access, view sheds, etc. Hotel will have to move back from water. Too much parking, emphasis on the car. These are the City's 2 prime parcels, and we're covering them with parking. Lots of vacant retail and lots of office space vacant. Highest and best use is not office.

David: mix of uses benefits the site.

Adding more boating slips? How to tie into other activity downtown?

Nader: Become avant garde community that takes care of the baby boomers. Senior housing will never be empty.

April: destination tourism for disabled, e.g. docks with accessibility.

David: not enough people in PDA for drug or grocery. Would need to draw from other areas. HWY 12 site with residential & retail – residential on southern end of site, line up streets with existing grid, going into the retail portion on northern half of site, similar to El Cerrito Plaza.

Jason: Question is, what does density look like in suburbs?

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APPENDIX 4: CASE STUDIES FOR CONTEXT-SENSITIVE DEVELOPMENT



Suisun Priority Development Area:
Summary of Technical Assistance & Case Studies for
Context Sensitive Development

PDA Technical Assistance: Development Feasibility Study

- **TPC/DC&E and BAE engaged to provide technical assistance to Suisun to advance attraction of new development to the PDA**
 - Market analysis
 - Identify near-term development sites
 - Provide conceptual site plans to illustrate development-ready projects
 - Test sites and concepts with active mixed-use and downtown developers
- **This summary presentation shows case study examples of mixed-use PDA development projects that are:**
 - Market-feasible
 - Context-sensitive
 - Achieve both PDA goals and City fiscal objectives for increased tax revenues

Summary of Study Findings

□ Market Demand to 2020:

- **Retail Demand** - 1 specialty grocer, 1 drugstore, 2 to 4+ restaurants, other small shops (home furnishings, apparel, other specialty)
- **Housing Demand** - 280 to 1,000+ housing units in Study Area
- **Active Senior Housing Demand** – PDA has strong potential, offers unique and walkable downtown site attractive to area residents and Travis retirees
 - Also strong site for senior assisted living (near relatives, pedestrian location)
- **Office Demand** - 39,000 to 185,000 sf in Study Area, need for small professional offices
- **Boutique Hotel Demand** – Potential for small, attractive hotel, complement to Hampton Inn, would bring strong destination restaurant

□ Sites Analysis Findings

- Identified 3 sites for further conceptual site planning and developer feedback
- Challenge of current parking requirements and retail fiscal policies constrain financial feasibility to developers



0 500 1,000 Feet

Developer Panel Recommendations

- ❑ **Focus** on waterfront site, considered as excellent development opportunity for mixed-use, hotel, and/or senior housing
- ❑ **Leverage** key city-owned parcel to create signature project
- ❑ **Reinforce long-term citywide retail demand** through PDA development strategy to create and build a downtown destination
- ❑ **Adjust local policies** to encourage projects with less parking, more pedestrian-orientation to create unique waterfront downtown identify
- ❑ **Explore context-sensitive mixed-use projects** that create small-town downtown destinations and achieve PDA intensification and City fiscal goals

Case Studies for Context-Sensitive Development



❑ **Mixed-use**

- Rohnert Park City Center
- Downtown Benicia Harbor Walk

❑ **Residential**

- Petaluma Avenue Homes, Sebastopol
- Anchor Cove, Richmond
- North Richmond Senior Housing

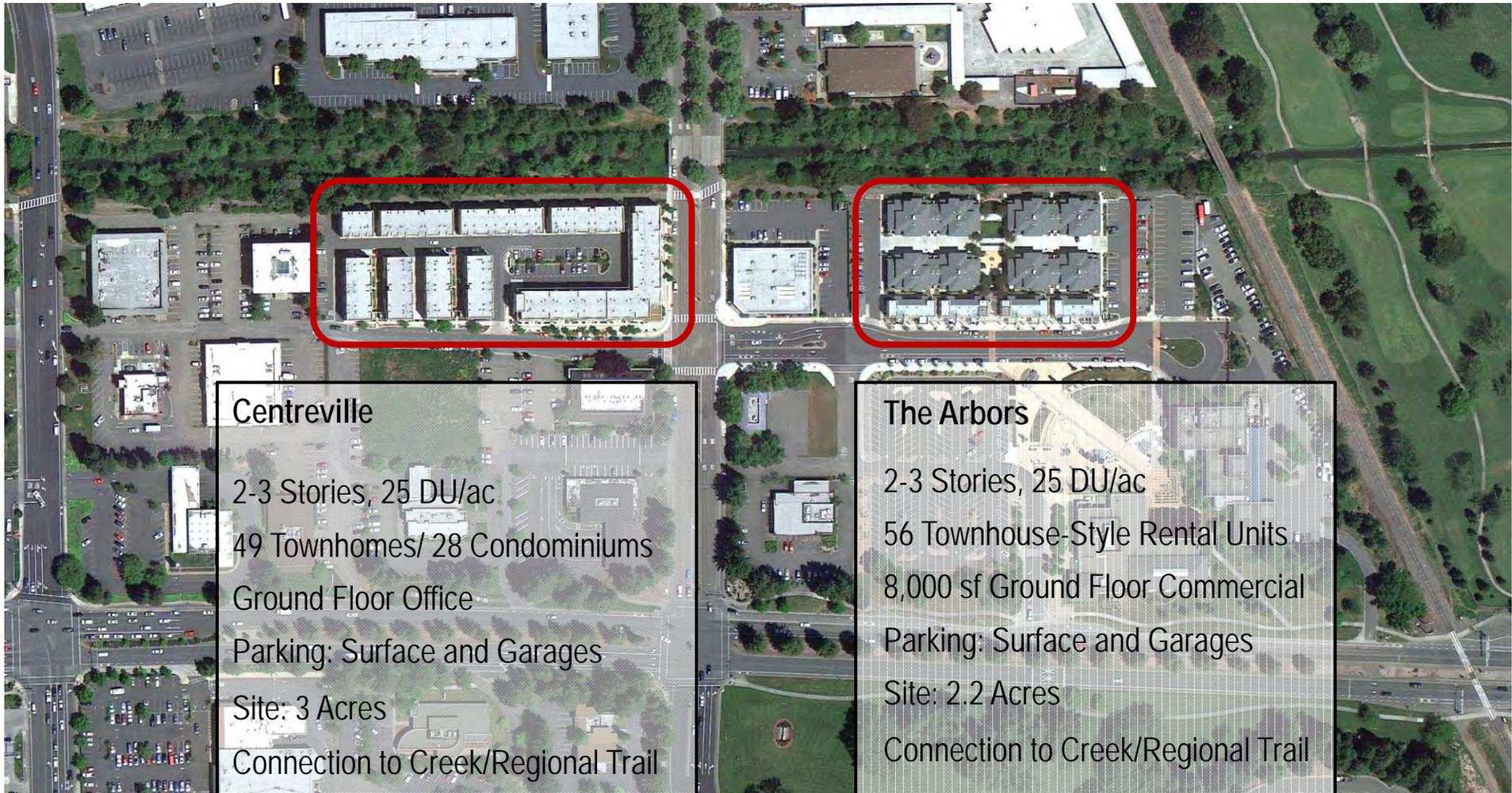
❑ **Hotel**

- Hotel El Dorado, Sonoma
- Water's Edge, Tiburon
- Healdsburg Hotel



Mixed-Use Projects

Site Plan



Centreville
2-3 Stories, 25 DU/ac
49 Townhomes/ 28 Condominiums
Ground Floor Office
Parking: Surface and Garages
Site: 3 Acres
Connection to Creek/Regional Trail

The Arbors
2-3 Stories, 25 DU/ac
56 Townhouse-Style Rental Units
8,000 sf Ground Floor Commercial
Parking: Surface and Garages
Site: 2.2 Acres
Connection to Creek/Regional Trail



MIXED-USE

Rohnert Park City Center



Rear buildings front on creek and path



Elevated ground floor



Garage and surface parking



Wide sidewalks



Centerville mixed-use development

MIXED-USE

Rohnert Park City Center



Rear buildings front on creek and path



Small building setbacks



Alleys provide access to attached garages



The Arbors mixed-use development

MIXED-USE

Rohnert Park City Center

Site Plan

Downtown Benicia
Harbor Walk
WHA Architects

2 Stories

36 residential units

21 DU/ac

7,200 SF of commercial
retail ground floor use

Parking: 30 vehicle
adjacent lot

Site: 1 acre



MIXED-USE

Downtown Benicia



Urban and mixed-use residential expression along the waterfront

MIXED-USE

Downtown Benicia



Green spaces at street corners

MIXED-USE

Downtown Benicia



Street trees along storefront pedestrian-friendly walk



Wide sidewalks and arcades

MIXED-USE

Downtown Benicia



Hotel Projects

Site Plan

Hotel El Dorado

2 Stories

27 room boutique hotel

2 stories

Restaurant (1st floor),
wine bar, pool

Parking: on-street and
small 10-vehicle lot

Site: approx. 0.5 acre



HOTEL

Hotel El Dorado – Sonoma, Ca



2-story boutique hotel with ground floor restaurant

HOTEL

Hotel El Dorado – Sonoma, Ca



Wine bar and outdoor seating area of ground floor restaurant

HOTEL

Hotel El Dorado – Sonoma, Ca

Site Plan

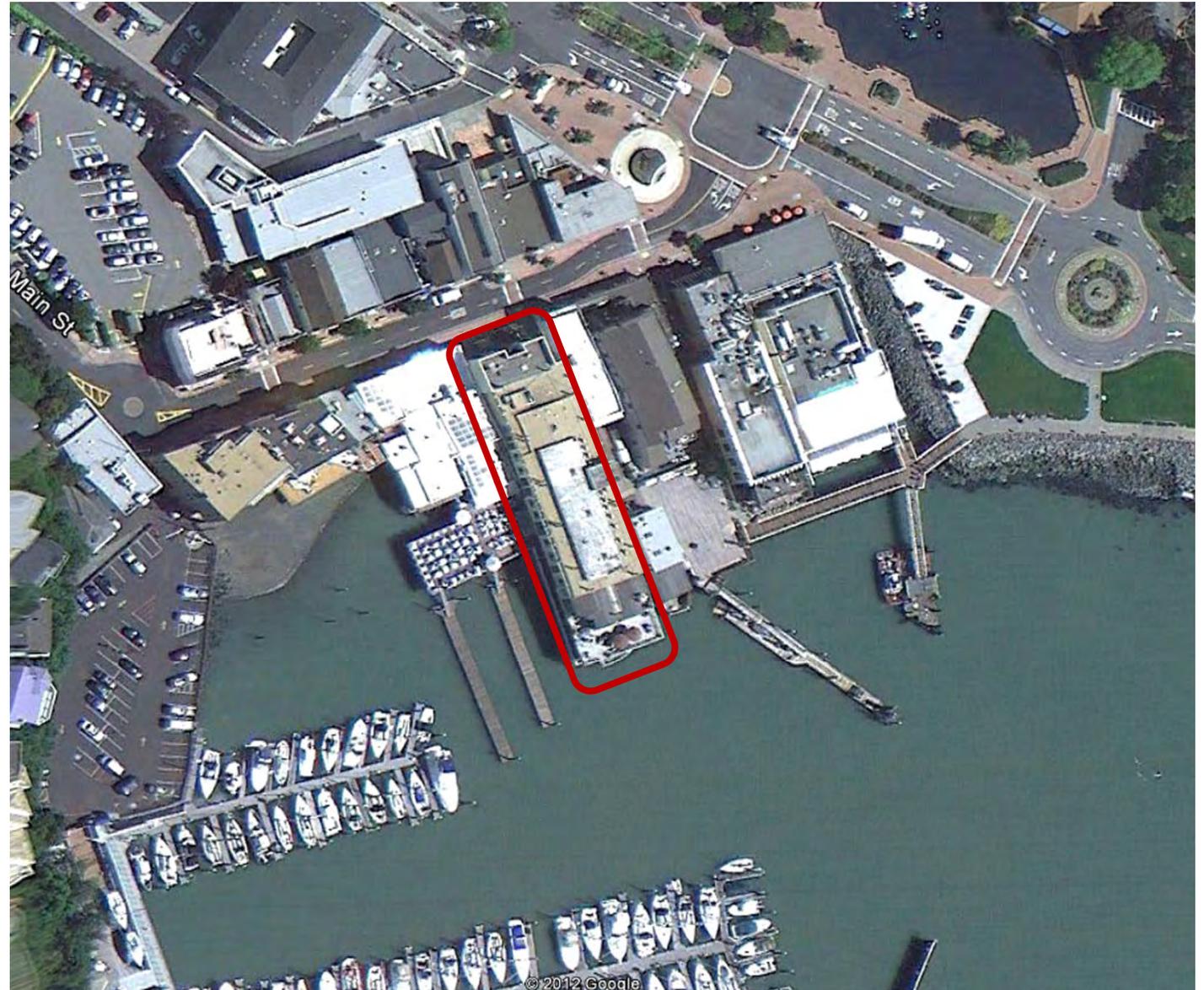
Waters Edge Hotel

2 stories

23 room boutique hotel,
1 meeting room

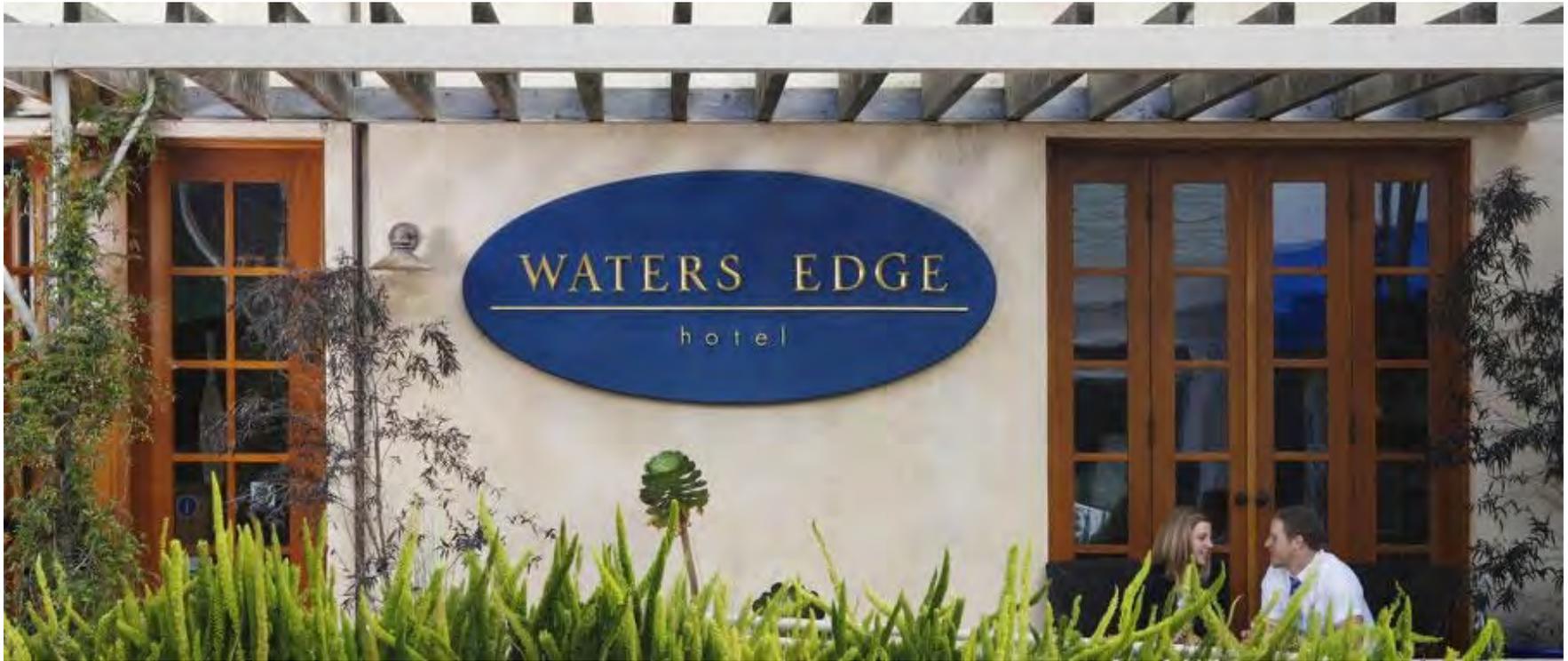
Parking: across the
street public lot

Site: 11,000 sq ft



HOTEL

Waters Edge Hotel – Tiburon, Ca



Articulated front façade of 2-story hotel



Adjacent harbor

HOTEL

Waters Edge Hotel— Tiburon, Ca



Hotel waterfront decks adjacent to the harbor

HOTEL

Waters Edge Hotel— Tiburon, Ca



Adjacent ground floor restaurant and bar

HOTEL

Waters Edge Hotel— Tiburon, Ca



Waterfront decks of the hotel

HOTEL

Waters Edge Hotel— Tiburon, Ca

Site Plan

Healdsburg Hotel

2-3 Stories

55 room hotel and meeting rooms

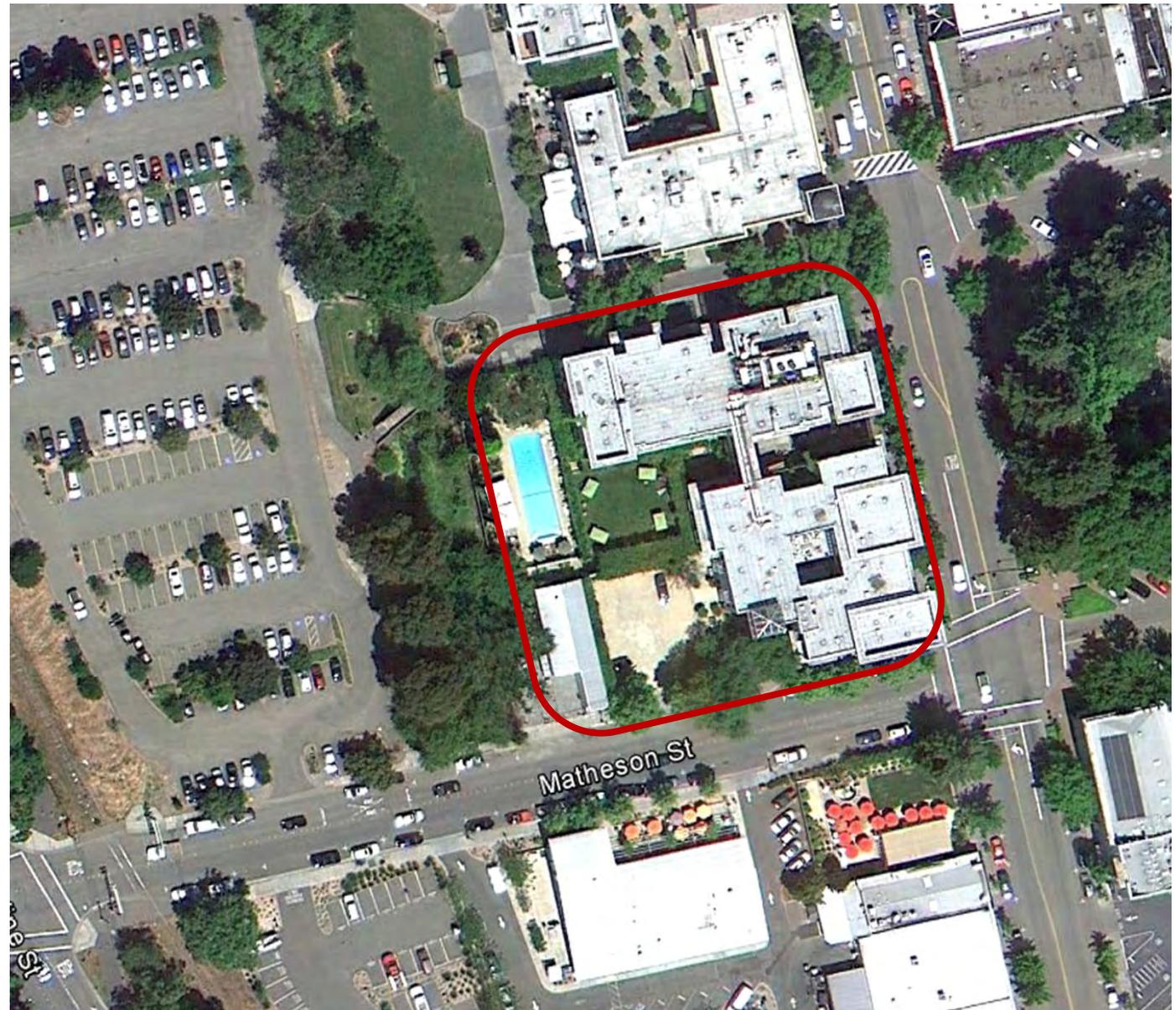
Meeting space: 1,227 sq ft

Ground Floor Retail: 7,100 sq ft

Ground Floor Restaurant: 3,850 sq ft

Parking: adjacent public lot

Site: 1.4 acres



HOTEL

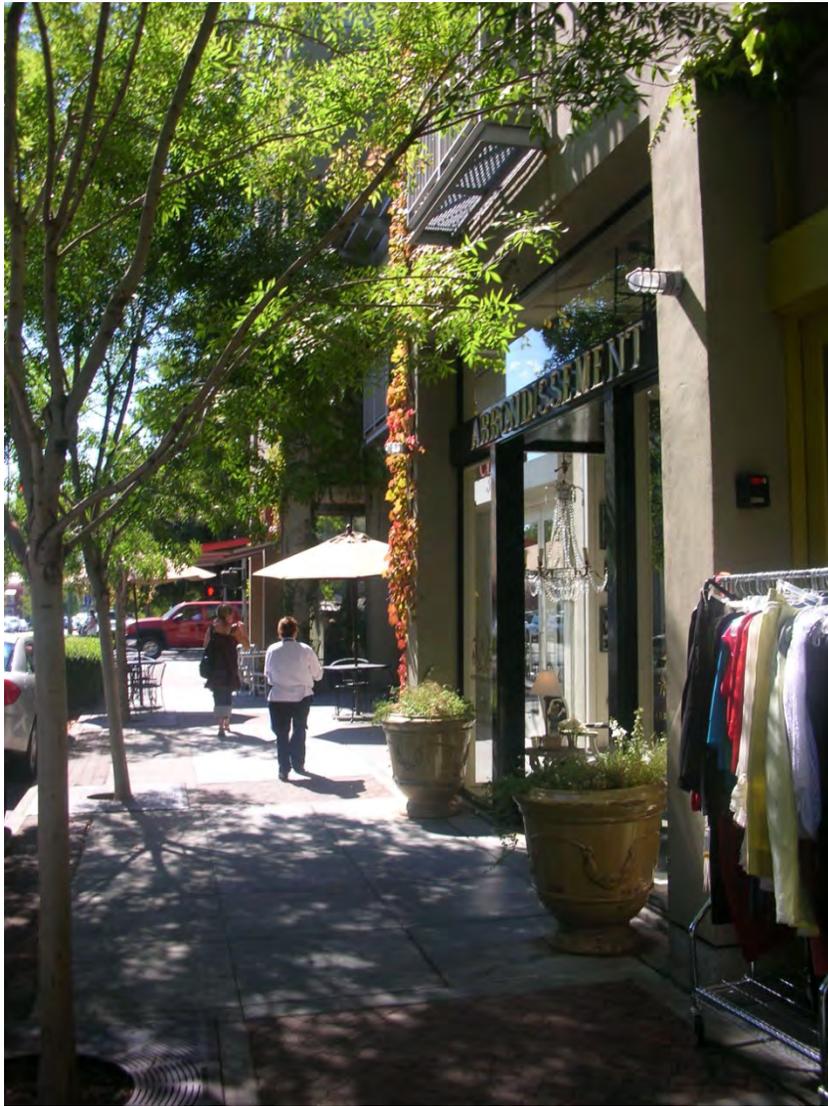
Healdsburg Hotel



Modern front façade of hotel with ground floor retail

HOTEL

Healdsburg Hotel



Pedestrian-friendly store fronts and cafes at the ground floor of hotel.

HOTEL

Healdsburg Hotel



Residential Projects



Site Plan

Petaluma Avenue Homes

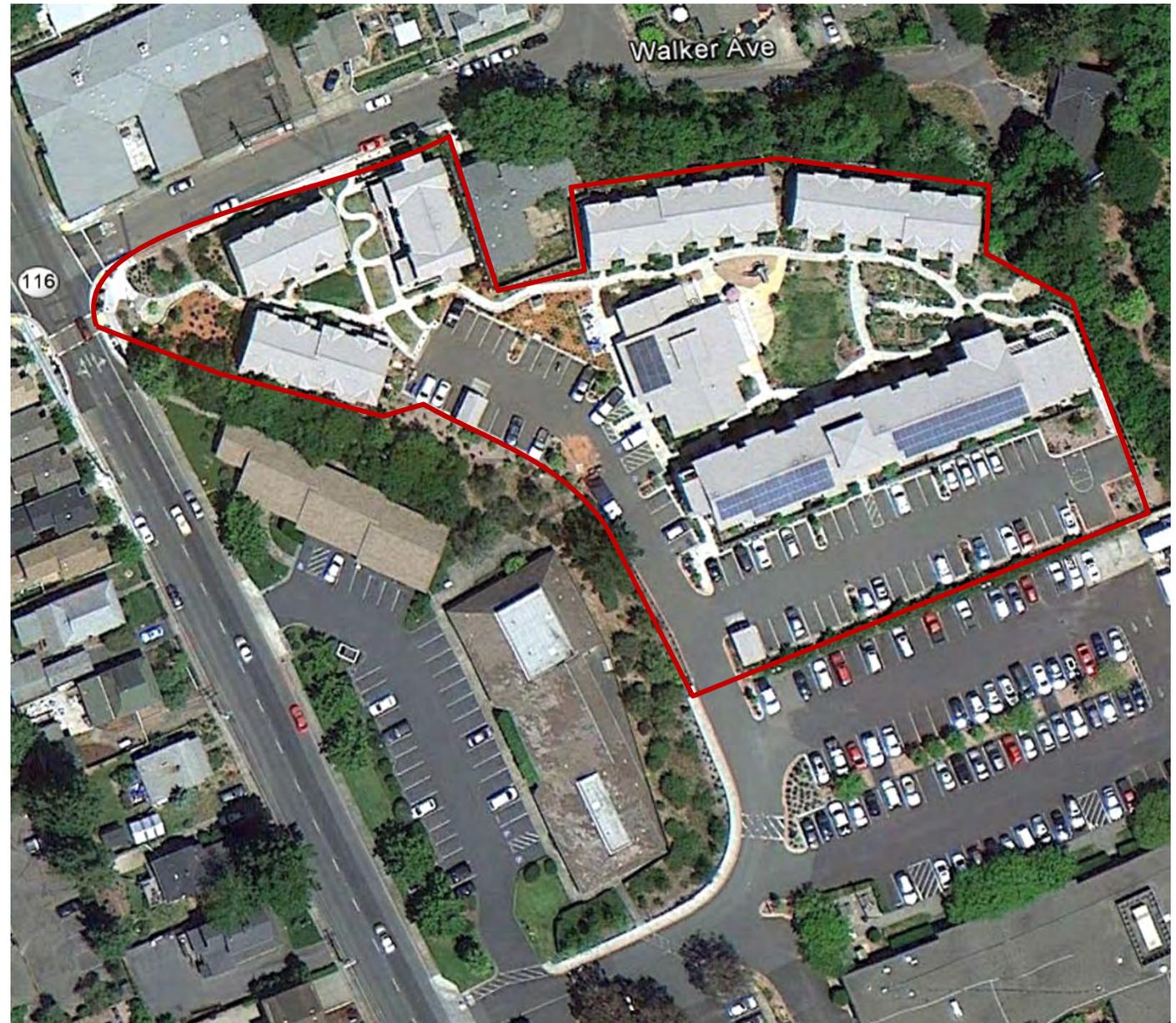
2 story townhouses

45 units

18 DU/ac

Parking: on-site parking for
60 vehicles

Site: 2.5 acres



RESIDENTIAL

Petaluma Avenue Homes - Sebastopol, Ca



Colorful, two-story townhouses leading back to communal lawn space

RESIDENTIAL

Petaluma Avenue Homes Sebastopol, Ca



Townhouse development entrance with communal lawn and play area

RESIDENTIAL

Petaluma Avenue Homes - Sebastopol, Ca



Colorful, two-story townhouses

RESIDENTIAL

Petaluma Avenue Homes - Sebastopol, Ca



Residents enjoying communal space

RESIDENTIAL

Petaluma Avenue Homes - Sebastopol, Ca

Site Plan

Anchor Cove Signature Homes

3-4 story townhomes

128 units

36 DU/ac

Parking: tuck-under and on-street

Site: 3.5 acres



RESIDENTIAL

Anchor Cove Signature Homes – Richmond, Ca



Front façade of four-story townhomes

RESIDENTIAL

Anchor Cove Signature Homes – Richmond, Ca



Townhouse entrances with rear podium parking

RESIDENTIAL

Anchor Cove Signature Homes – Richmond, Ca



Palm trees line sidewalks of the development

RESIDENTIAL

Anchor Cove Signature Homes – Richmond, Ca

Site Plan

North Richmond
Senior Housing
Pyatok Architects

3 Stories

52 One-Bedroom Units

52 DU/ac

Housing: 40,000 sq ft

Commercial: 10,000 sq ft

Courtyard, Recreation
Rooms and Social Services

Parking: 30 vehicle lot,
approx.

0.5 per dwelling unit

Site: 1 acre



SENIOR
HOUSING

North Richmond Senior Housing – Richmond, Ca



Street view of three-story senior housing.

SENIOR
HOUSING

North Richmond Senior Housing – Richmond, Ca



Landscaped entrance to senior housing.

SENIOR
HOUSING

North Richmond Senior Housing – Richmond, Ca



Rear entrance from parking lot

SENIOR
HOUSING

North Richmond Senior Housing – Richmond, Ca

Mixed Use Projects	Stories	Res Units	Mixed Use	DU/ac	Parking	Site
Rohnert Park City Center-Centerville	2 to 3	77	Office	25	surface and garage	3 acres
Rohnert Park City Center-The Arbors	2 to 3	56	Retail	25	surface and garage	2.2 acres
Downtown Benicia Harbor Walk	2	36	Retail	21	surface	1 acre

Hotel Projects	Stories	Rooms	Mixed Use	Parking	Site
Hotel El Dorado, Sonoma	2	27	Restaurant	small surface lot	½ acre
Water's Edge, Tiburon	2	23	none	public lot	¼ acre
Healdsburg Hotel	2 to 3	55	Retail & Restaurant	public lot	1.4 acres

Summary

Residential Projects	Stories	Res Units	DU/ac	Parking	Site
Petaluma Avenue Homes, Sebastopol	2	45	18	surface	2.5
Anchor Cove, Richmond	3 to 4	128	36	podium & on-street	3.5
North Richmond Senior Housing	3	52	52	surface	1.0

Summary