



March 14, 2016

Fremont City Council
3300 Capitol Ave.
Fremont, CA 94538

Honorable Mayor Harrison and Members of the City Council,

MLC Holdings, Inc. ("MLC") requests Council's assistance as we seek to begin processing a General Plan Amendment ("GPA") for an industrial-to-residential conversion prior to the City's anticipated adoption of the proposed General Plan Prioritization Policy ("Prioritization Policy") currently being prepared by City Staff. MLC is in contract to purchase a blighted industrial site located at 37307 & 37359 Blacow Road ("Blacow Property"). We believe the site is an ideal candidate for conversion to residential use based on the conversion criteria set forth in Policy 2-2.1 of the current Fremont General Plan (further discussed below). However, it is our understanding that the Prioritization Policy being considered for adoption may prevent City Staff from initiating the formal planning process for the site until September 2016 when the City holds its first of two annual prioritization sessions. Given our project's consistency with the current General Plan policy regarding conversion to residential use, we respectfully request that Staff be allowed to begin processing our application now so that we may continue moving forward in our effort to revitalize the Blacow Property by developing a high-quality residential community on the site.

By way of background, MLC is a wholly-owned subsidiary of Meritage Homes, one of the largest publicly-traded homebuilding companies in the United States. MLC is focused exclusively on the entitlement of underutilized infill opportunities throughout the Bay Area and Southern California. Unlike many land developers, MLC does not "flip" its projects to others. Rather, we are involved from the inception of each project, from entitlement and design through construction and the sale of homes to consumers. As such, it is critical to our long term success that we work closely with property owners, neighbors, city staff, and elected officials to create attractive, vibrant, and livable communities. Our intent for the Blacow Property is to convert the site from its current blighted condition into a place of pride for the City and the surrounding neighborhood, and we look forward to initiating that process as soon as possible.

Our team met with Fremont planning staff several times over the past seven months to discuss the viability, design, and entitlement path for the Blacow Property. Staff indicated early on that the Blacow Property, a 3.3-acre industrial complex surrounded by residential neighborhoods, could be a possible candidate for a General Plan Amendment. Current conditions at the Blacow Property satisfy the conversion criteria set forth in Policy 2-2.1 of the City's 2011 General Plan, which reads as follows:

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Item 5.A



"[A]ny area shown on the General Plan as 'Service Industrial' that is less than 5 acres in size may be considered a candidate for a future General Plan Amendment. Such areas typically contain activities such as auto repair, building suppliers, older manufacturing enterprises, but are surrounded by higher-value residential or commercial uses. Such isolated pockets of industrial use may not be compatible with the long-term vision for their surrounding areas, or may not represent the most economically productive use of the land. Land use changes on such sites would still be subject to a General Plan Amendment process that would include appropriate environmental analyses and site planning studies."

The Blacow Property satisfies each of the foregoing criteria. The site is designated Service Industrial; the site is less than 5 acres in size; the uses on the site include auto-repair and building materials suppliers; and the site is adjacent to higher-value residential areas on three of its four sides. In addition to satisfying the criteria above, the Blacow Property is the subject of an open environmental case with the Alameda County Water District due to contamination from a leaking underground storage tank. The case has been open for over 20 years. Along with the other benefits of redevelopment, conversion of the site to a residential use will result in the closure of the open case and remediation of past environmental issues. Based on the foregoing, we are hopeful that the Council will allow us to move forward with an application for a new single-family residential community on the Blacow Property. We fully acknowledge that support for this request would not suggest approval of a future GPA for our project. Rather, we understand that Council's support will merely clear a path for City Staff to work with our team of engineers and architects to design a project worthy of presentation to the Planning Commission and City Council after completion of the planning process, likely in the first half of 2017.

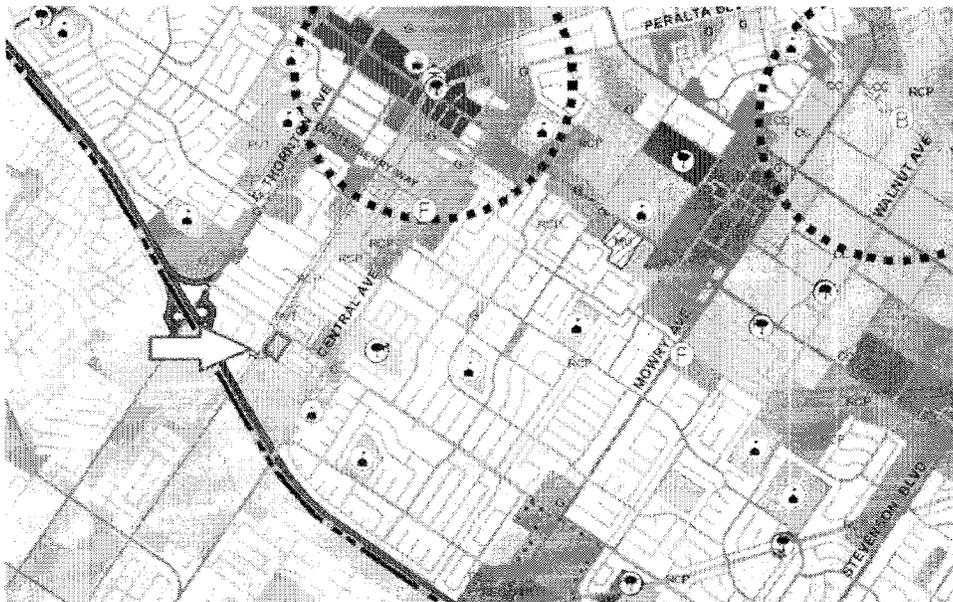
We look forward to working with the City on this and other redevelopment opportunities now and in the future. In the meantime, please do not hesitate to contact us should you have any questions or concerns about our request.

Respectfully submitted,

Justin Derby
Project Manager
MLC Holdings, Inc.



Aerial of Blacow Rd. Property in red



General Plan Designation ("Service Industrial")