

Preparation of Studies

The work in preparation of these Area Studies began in the summer of 2010, soon after the closure of the NUMMI plant, with a Study Area incorporating the factory property and surrounding lands. Financed by a U.S. Department of Commerce Economic Development Administration (EDA) grant, the Area Studies were to present coordinated land use and infrastructure plan concepts for future improvements in the area. At all stages of the planning process, the analysis of land use and infrastructure systems was informed by an integrated analysis of economic development opportunities and challenges, with an eye to both longer-term development opportunities for current and/or future property owners in the area and the potential fiscal implications for the City's General Fund.

In addition to an integrated work effort between the City and Consultant teams, three community workshops/presentations were held to set goals, review the area's opportunities and constraints, develop alternatives for analysis and report the findings from the analysis of the alternatives.

Studies Undertaken

As summarized below, the South Fremont/Warm Springs Area Studies consist of three sets of studies: analysis of Existing Conditions; an Economic and Market Strategic Plan; and Three Alternatives, with associated analyses, developed for the Study Area.

Existing Conditions

- Community Goals and Site Opportunities and Constraints
- Transportation Systems Opportunities and Constraints
- Utilities Existing Conditions

Strategic Plan

- Economic and Market Strategic Plan built upon:
 - * Baseline Real Estate Market Analysis
 - * A White Paper identifying Transformational Opportunities
 - * An Expert Panel Discussion to "Test Big Ideas"

Three Alternatives Evaluated

- Three Land Use Alternatives with accompanying:
 - * Transportation Infrastructure Improvements
 - * Utility Infrastructure Improvements
 - * Fiscal and Economic Impacts Analysis
 - * Financial Assessment

The Goals and Site Opportunities and Constraints Analysis and the Transportation and Utility Analyses identify and describe the existing conditions in the Study Area.

The economic study consists of a baseline Real Estate Market Analysis to judge reuse and redevelopment potential, a White Paper that focused on identifying transformational opportunities for the area and an Expert Panel discussion convened to "Test the Big Ideas." These efforts resulted in an Economic and Market Strategic Plan.

The Economic and Market Strategic Plan provides guidance on economically viable uses, the potential timing of these uses and other economic information important to the formulation of the land use alternatives and their subsequent analysis. The Strategic Plan culminates in recommendations and strategies for the South Fremont/Warm Springs Study Area and serves as the foundation for the Three Land Use Alternatives, which were analyzed for appropriate transportation and utility improvements, fiscal and economic impacts and financial and implementation feasibility.

The Financial Feasibility Analysis provides an assessment of infrastructure financing issues associated with the build-out of three South Fremont/Warm Springs Study Area land use alternatives and the associated "backbone" infrastructure needs. Its conclusions were drawn at the Study Area-wide level based on the transportation and infrastructure analysis conducted to-date as informed by the Fiscal Impact Analysis.

The highlights and key findings from the Economic and Market Strategic Plan, the Three Land Use Alternatives and the Analyses of the Alternatives are summarized in the following sections of this memorandum.

ECONOMIC AND MARKET STRATEGIC PLAN

The Economic and Market Strategic Plan provides strategies intended to guide growth in the Study Area that promotes economic viability over the long-term, complements the new Warm Springs BART station, captures high-paying jobs and supports the creation of attractive and functional sustainable places. The Plan also informs subsequent studies by providing recommendations on economically viable uses, timing of those uses and other economic information important to the formulation of the land use alternatives and their subsequent analysis. The following findings identify conclusions, recommendations and key implementation strategies, which integrate the findings of the market analysis, transformational opportunities white paper and expert panel.

Conclusions: Economic and Market and Strategic Plan

- Demand exists for variety of user types, but timing will likely be incremental
- Fremont is well-positioned to compete globally based on Bay Area and Fremont-specific strengths
- Focus on up-front investments in place-making and building a bike- and pedestrian-friendly street system so the City becomes a model for renaissance of American “producer” cities, building on needs of both innovation industries and lifestyle preferences of these firms’ workforces
- Existing industrial characteristics of area impact the potential viability and appropriate locations of some uses, including residential
- Near term, focus on Tesla as a key anchor and cornerstone upon which planning should be structured. Tesla offers the near-term opportunity to make the area a destination and help reinvent the area’s overall image
- Already doing/implementing many best practice strategies: current/ relevant industrial zoning; one-stop permitting; creating a “brand” emphasizing innovation; working with local colleges to improve workforce training; meeting with domestic and foreign companies interested in the area; and working with major property owners on future zoning and land uses

Recommendations: Economic and Market and Strategic Plan

- Plan must include “infrastructure for innovation”
 - * Place-making is critical to establishing 21st century work place reflecting the highest urban design standards for the public realm
 - * High quality urban design is critical to creating a premium built form and location for housing, retail and innovative industries regardless of land use mix
 - * Streets and blocks should be designed to provide easy connections for people walking, biking and driving through the area, which is more urban than most existing places in the City, and allow for flexibility over time within given land use categories to allow plan to evolve over time

- One alternative should reflect that residential may not be feasible due to concentration of industrial uses and air quality issues related to close proximity to I-680 and the existing rail corridor
- Critical mass for residential uses is 2,500 units, which should be located within ½-mile of the future BART station
- Create a new blended use category that allows for both office and R&D to create higher value and potentially more intense development
- Leverage rail use on existing track to promote sustainable shipping
- Leverage Tesla presence to attract other innovative manufacturing
- Focus on promotion of office development for specialized users
- Leverage private resources for public uses (e.g., public access to private open space areas)
- Create branding strategy for Study Area that targets innovative businesses that could catalyze transformational opportunities
- Near term, focus on redefining the public realm and the supportive infrastructure to make it happen, rather than focusing on the land use alternatives themselves
- Discourage freestanding uses that cannot be well integrated into the long-term vision
- Encourage educational institutions that foster innovation, such as a technology based community college level facility with a “tech” shop

Key Implementation Strategies: Economic and Market and Strategic Plan

- Promote and assist establishment of foreign trade sub-zones for firms located within the area
- Continue to increase City staff efforts to lobby and work with State and federal government to provide financial support for framework infrastructure and to promote City interests, and/or hire a governmental affairs specialist to perform these duties on the City’s behalf
- Pursue “game changing strategies” but be prepared to “pivot” when new opportunities arise
- Take a master plan approach to planning the Study Area to implement the highest quality planning, including anticipating long-term proactive involvement of the City to recruit new businesses and enforce the high design standards
- Create a branding strategy for the Study Area to attract complementary users
- With the first development phase, focus on developing the necessary infrastructure for R&D and office uses that follow the same innovative model as Tesla

THREE LAND USE ALTERNATIVES

Based on the goals for the Study Area, the existing conditions analyses and the Economic and Market Strategic Plan, three land use alternatives were developed for the Study Area. Recognizing the advantage of the area's extensive, contiguous industrial lands and buildings, some alternatives welcome a continuing 21st Century manufacturing cluster along with high-tech production uses. Analysts and experts emphasized the evolving characteristics of successful workplace settings – with vital central places, increased services and healthy workplace opportunities – influencing the character of early land use concepts and open space connections for the areas as a whole. The powerful influence of the BART station and service was spotlighted in each alternative though used in varied ways to reinforce economic growth.

The three land use alternatives, following these leads, are meant to be forward looking, setting the stage for innovative and “next generation” commercial and industrial enterprises and mixed-use residential neighborhoods. The alternatives look to capitalize on the availability of the regional transportation facilities and an educated and skilled workforce to create opportunities for job growth. They retain varying degrees of industrial use while creating opportunities for other innovative high-tech and R&D enterprises and include, in some cases, high-density residential neighborhoods near the BART station.

Depicting a range of land use scenarios, from all industrial/commercial to industrial/commercial with residential infill, the three land use alternatives are:

Alternative 1: Innovation Center/Manufacturing

This alternative retains the Study Area for industrial and commercial uses, with a commercial district and jobs-focused TOD at the planned BART station.

Alternative 2: Innovation Campus/Residential TOD

This alternative establishes a large innovation campus, with a mix of commercial and R&D uses west of the planned BART station and a high-density residential-focused TOD east of the station.

Alternative 3: Innovation District/Residential Mixed-Use

This alternative provides the most housing, with two high-density residential neighborhoods both west and east of, and closely integrated with, the planned BART station. It includes a concentration of retail uses at the corner of Grimmer and Fremont Boulevards.

Figure 3: Land Use Alternatives

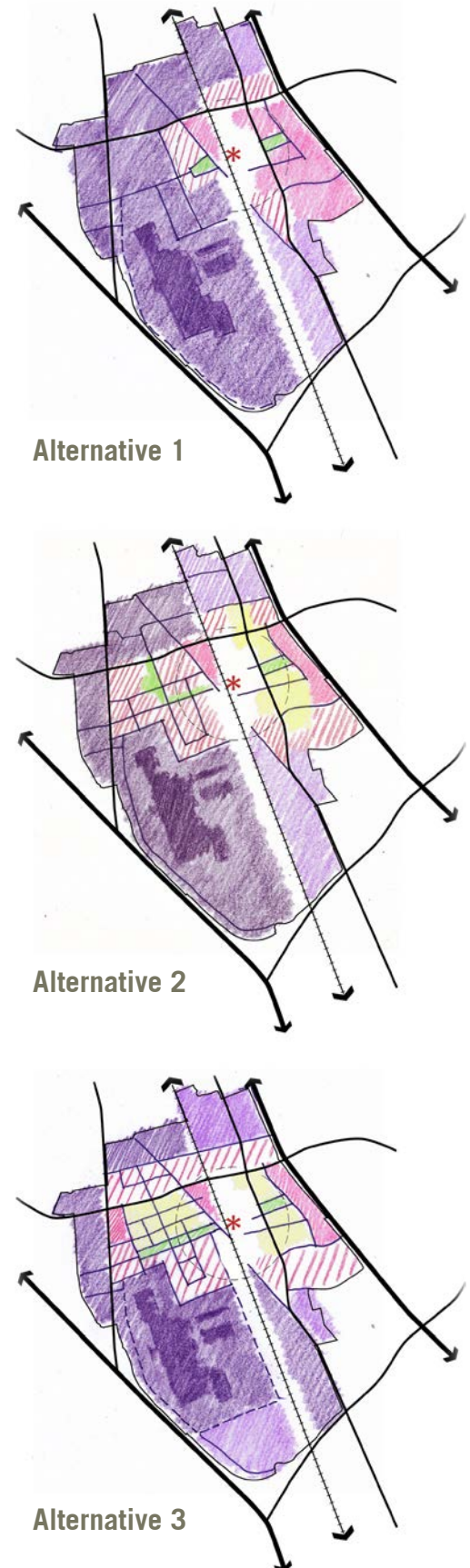
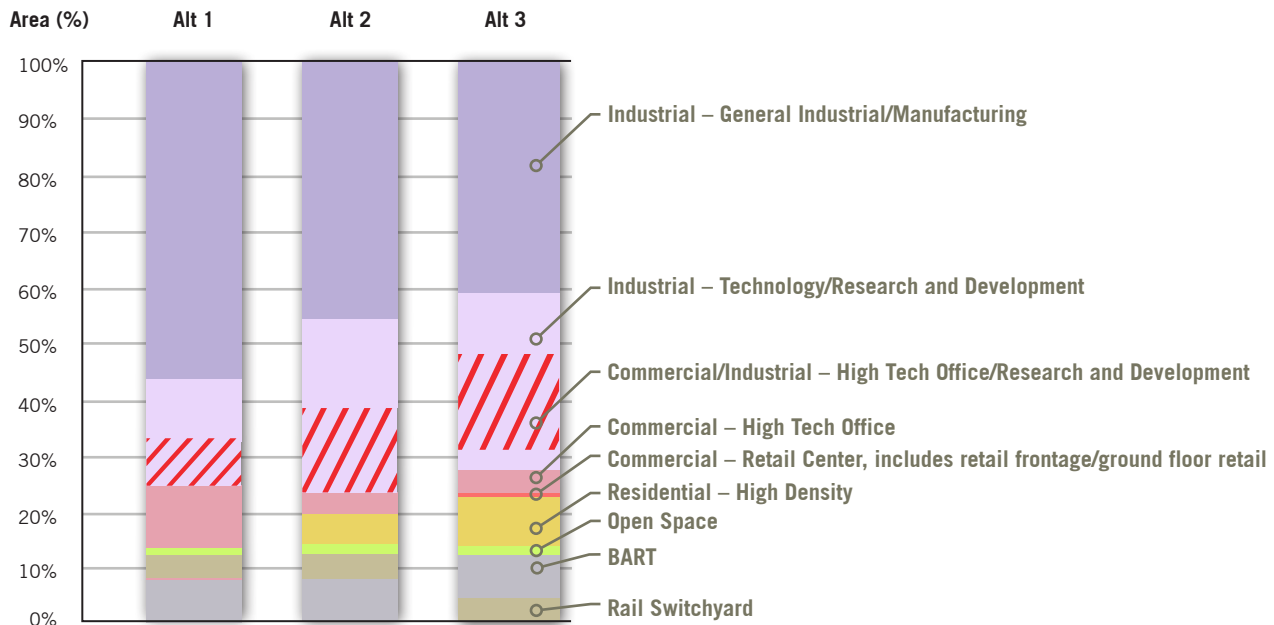


Figure 4: Land Use Allocation by Alternative



Note: It represents the percent of the total 850 acre study area allocated to each land use type.

Figure 5: New Development Comparison by Land Use Alternative

New Development	Alternative 1	Alternative 2	Alternative 3
NON-RESIDENTIAL (Square Footage)	from 5,700,000 sf to 9,000,000 sf	from 4,400,000 sf to 6,900,000 sf	from 4,000,000 sf to 6,700,000 sf
JOBS	from 12,300- 26,600 jobs	from 9,700 - 19,700 jobs	from 10,800 - 20,400 jobs
RESIDENTIAL UNITS	0 units	from 2,100 - 3,200 units	from 2,600 - 3,900 units