

## Massive Lennar development near Tesla plant and BART station wins Fremont City Council's approval

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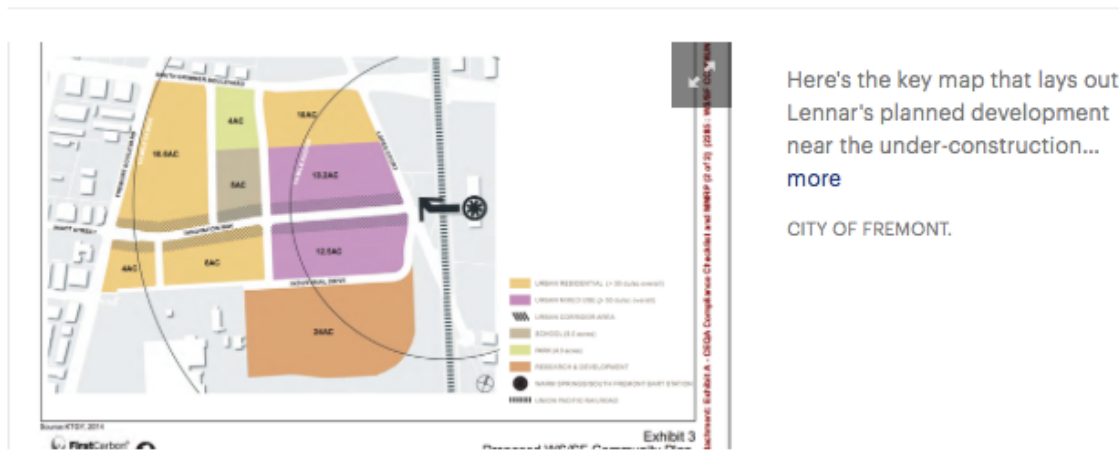
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It's all systems go for **Lennar** in Fremont after the city council approved plans for a massive project next to the under-construction Warm Springs BART station.

In a 4-1 vote on Tuesday, Fremont gave the developer the green light to move forward with more than 2,200 housing units and 1.4 million square feet of commercial space on the 111-acre site just north of the **Tesla Motors** Inc. plant. The project will be among the largest master-planned developments in Silicon Valley and is the biggest thing going near any of the new BART stations as the system expands into Santa Clara County.



Officials called the development transformational and the lynchpin of a plan to turn the area into a mixed-use "innovation district," an 879-acre area designed to house a mix of businesses, homes and services.

The outcome is a remarkable change of destiny for what could have been a rail yard. [Union Pacific](#) snapped up the land after the shuttering of the old NUMMI plant a couple of years ago. City officials, however, eyed the site for development into a mixed-use jobs and housing hub, and developed a new land-use plan that promoted research and development, manufacturing, shops and housing in an urban context. Union Pacific ended up putting the site up for sale in 2013, and Lennar went into contract. (The Miami-based homebuilder has still not closed on the land.)

"The fact is that we as a city recognized this could be much more than a rail yard, something very creative and innovative, to see what it would do to transform this whole area," said Vice Mayor [Suzanne Lee Chan](#).

Lennar is committing to doing the project in four phases. It would build the backbone infrastructure in Phase 1, going through 2017. Phase 2 would see construction of an affordable rental complex, a K-5 elementary school, a park, urban plazas and some multi-family units. Phase 3 would be additional multi-family units. And Phase 4 would complete the balance of the units. (Lennar is partnering with St. [Anton Capital](#) on the affordable project.)

[Lennar](#) won't build the commercial component — it will simply provide the utility infrastructure and site preparation — but officials say the investment, at roughly \$35 million, makes it much more marketable for either owner-users or developers to come in and build. Not everyone greeted it with open arms. Councilmember [Vinnie Bacon](#) said the fact that Lennar will not build the commercial component — but rather tee it up for someone else to build — will leave the project with a gap.

"The main roadway you're going to see when you get off of BART, for the foreseeable future, is going to be empty, and that really troubles me," he said.

This is just the latest big project for Lennar, whose various arms have been on a buying and development spree across Silicon Valley, with major projects in Foster City, Sunnyvale and San Jose.

**Here are some quick tidbits from the city's staff report and master plan:**

**What gets built?** Lennar is splitting the residential component among for-sale, rental and affordable units — 2,214 in all. Lennar would prepare part of the site for industrial, office and R&D use (up to 1.4 million square feet worth), but would not build this itself.

**How much is rental and what is for-sale?** A staff report says that 1,256 units would be rental, so that means about 960 would be for-sale.

**Affordability:** About 13 percent of rental units (or 286 units) would be considered "affordable."

**How dense is the housing?** It depends. About 38 acres of the residential land (located within a half mile of BART) would be at a density of more than 30 units per acre. About 25 acres (located within 1/4 mile of BART) would be built in a mixed-use context at more than 50 units per acre. About four acres are slated for a park, with another five acres dedicated for a school.

**What exactly is up with the commercial space?** The development plan calls for about 700,000 square feet of Class A office space (with ground-floor retail) located on a street called "Innovation Way," which is envisioned as a key mixed-use urban corridor. Another 700,000 square feet of R&D space would be developed just south of Innovation Way. (It will be interesting to gauge the market's reaction to this much office/R&D capacity — but more on that in another story.)

**Phasing:** Lennar is committing to doing the project in four phases. The entire backbone infrastructure would take place in Phase 1, going through 2017. Phase 2 would see construction of the affordable rental complex, a K-5 elementary school, a park, urban plazas and some multi-family units. Phase 3 would be additional multi-family units. And Phase 4 would be to complete the balance of the units. Click [here](#) for many more details on the project.