



March 20, 2023

Scott McBride, Development Services Director
City of Merced
Development Services Department
678 West 18th Street
Merced CA 95340

RE: Baxter Ranches, LLC. Pre-Annexation Application (Supplemental)

Dear Mr. McBride,

On behalf of the applicant/developer and Stonefield Home Inc, we are submitting this letter as supplemental information with regards to Baxter Ranches, LLC., and Application for Annexation Pre-Application of 161.05 acres north of Bellevue Road, east of the Old Yosemite Valley Railroad right of way and west of Fahren's Creek.

As previously submitted and referenced, we feel this annexation project is a high priority project that will directly aid in of housing benefits, including affordable housing benefits, and defining more detail on numerous benefits of local job creation by this applicant/developer.

The two specific subject lines for this supplemental information from the original pre-annexation application submittal outline is relative to affordable housing within community benefits and job creation for the City of Merced.

Job Creation

Land development and single-family residential home development generally creates about 15 jobs for every one million dollars in construction costs. A 100-lot subdivision would roughly generate 100 jobs or an average of one job per lot, from the design and concept, planning and engineering, accounting and administration, infrastructure construction and overall vertical home building construction. All of which affects many facets of the Stonefield Home land development and home construction business.

As mentioned above and per the National Association of Home Builders (NAHB), in which they estimate that building 100 single family homes can generate approximately 100-year long jobs within the industry. The job impact on housing is broader than just home construction. The jobs created with land development that serves new home construction can generate an additional 50 percent of jobs in non-construction fields. The other new jobs show up across the rest of the economy because of home construction. This is depicted through supply and material resources, as well as utility and consulting resources, and much more.

The applicant/developer referenced for this specific project has been vested and local Merced County community business owner, farmer and builder within this community since 1984. The commitment to enhance the community, revitalize neighborhoods, and creating multiple layers of local job opportunities has been the focus of the company's founder, Mr. Greg Hostetler, for almost four (4) decades. The majority of the companies resources, materials, and supplies, are obtained and purchased locally for our company operations that range from residential/commercial development projects, as well as agricultural farming and trucking industry. Examples of these local supply and material resources range from utilization of local vendors of many areas of business industry, as well as purchasing company vehicles and fuel

supplies that service construction, farming and trucking vehicles. Additionally, local vendors, subcontractors and trade partners are utilized for these components and have been an essential part of our company's business practices and legacy of commitment to serve the local economy.

Stonefield Home and its affiliated companies employ over 150 employee's company wide, and have team members that have worked for our organization for decades. This also includes all local sales agents, broker's and mortgage lenders, all of which have been essential parts of our organization and local job enhancements.

Community Benefits

Community benefits for the annexation include improved road and traffic circulation, and infrastructure improvements to aid the specific project area. Additionally, parks and recreation areas are provided, along with much needed housing, including a variation of the required levels of affordable housing. The fees generated from the project, developer contributed funds and PFFP identified segments will ensure major infrastructure will be installed servicing not only the project site but will provide future improvements for adjacent properties to benefit from.

As affordable housing options are needed throughout the valley, including the City of Merced. The applicant/developer is committed to designing and building homes that offer a variation of residential home products within this specific project area, and consistent with the provisions of the affordable housing City policy. In an effort to appeal to multiple buyer and consumer demographics, and enhance the overall community, the affordability components are proposed to be integrated throughout the annexation project, and not concentrated in any one particular area, phase, village, tract, etc. This would include integration of the multiple tiers of affordability, and additionally offering a variation of residential home products that could include single-family homes, as well as options of duplexes, zero lot line townhomes and/or accessible dwelling units.

The annexation area is contiguous to the current city limits and is within the Sphere of Influence (SOI) and the Sphere of Specific Urban Development (SUDP). The project lands form a logical and efficient city limit by annexing an unincorporated peninsula. The land uses proposed with this application is consistent with General Plan Land Uses. The Annexation Area can be served by city sewer, water, storm drain, fire and police protection, parks and streets systems to meet acceptable levels of service.

If you should have any questions or need any additional information, please do not hesitate to contact the undersigned.

Sincerely,

Tiffanie Marshall
Real Estate Project Manager
Stonefield Home Inc.

CC: Rick Mummert, Benchmark Engineering Inc.