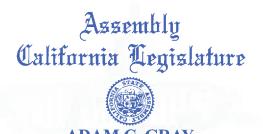
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October 31, 2021

Honorable Mayor and City Council City of Merced 678 West 18th Street Merced, California 95340

RE: Virginia Smith Trust Annexation Pre-Application

I am encouraged to see that the Virginia Smith Trust (VST) project is making progress towards completion. Over the last couple of years, the City has reviewed development priorities for the community and for North Merced, and development of the VST property, as originally planned and contemplated in the late 1990's has been given high priority by the City Council. The annexation pre-application before you on November 15<sup>th</sup> is key to fulfilling the promise that was made to develop a university community adjacent to UC Merced.

As currently planned, the project will provide an appropriate range of housing choices, for renters and owners, and for many family and household types. It is more than just "more housing," it is a community that is supported with parks, shopping, schools, and public facilities. Located next to the university, it will reduce traffic impacts from the university.

The VST project is also "ready to go". The property was part of a comprehensive planning effort, and is covered by an EIR. Virtually all of the biological mitigation is complete (which is necessary for a "will serve" letter for City sewer service). Once the updated planning is complete, this project can start to produce the much-needed expansion of local housing opportunities.

The benefits to the community are well-known and worth repeating. The development of the property will result in the establishment of \$100+ million endowment that will provide annual scholarship of \$5 million to \$8 million, 50 times the current level. For the high schools in the City of Merced, this means higher scholarship amounts, grants for applications, and expansion of the program so that students are eligible for assistance in their Freshman year, much earlier than now. The program will also be expanded to support community college students and vocational students. This means that local high school graduates will have financial support to attend a community college or get vocational training if that is their preference. I believe that it is time to deliver on the remaining portion of the "Merced Promise" that was made when the decision was



Made to locate the university in Merced. Your affirmative vote on this matter will make sure that happens.

Sincerely,

Adam C. Gray

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California Assembly District 21