

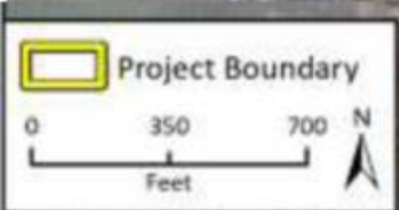


Bayer HealthCare Development Agreement Amendment Community Benefits Workshop

Agenda

- 1) City Staff Presentation
- 2) Bayer Staff Presentation
- 3) Planning Commission Questions
- 4) Public Comments
- 5) Planning Commission Discussion

Bayer Campus



North Properties



South Properties

Project Description

The proposed project would include the following amendments to the existing DA:

- 1) Extend the DA duration an additional 30 years until February 2052;
- 2) Add the South Properties to be covered by the DA;
- 3) Allow build-out of a conceptual development plan, which proposes to rearrange the campus layout through
 - phased demolition of nine existing buildings;
 - construction of approximately twelve new buildings for production, laboratory, and administrative uses; and
 - replacement of surface parking with two new parking structures and new underground parking facilities.
- 4) Modify terms of the existing DA including use restrictions and levels of project discretion.

Development Agreement Buildout

	Existing	Existing Entitlement	Proposed Amendment
North Properties	567,000 sf	1,346,000 sf	---
South Properties	520,000 sf	540,000 sf	---
Campus Total	1,087,000 sf	1,886,000 sf	1,738,000 sf

Development Standards: Existing, Proposed, and Underlying Zoning

Development Standard	South Campus / MM Zoning BMC 23E.76.070	Existing DA	Proposed Amendment
Max. Height (in ft.)	45'	80' for Production 45' Other Uses	80' for Production 65' other Uses
Max. FAR	2	0.27 (Block VIII) to 2 (Block V)	0.27 (Block D) to 1.37 (Block B)
Parking: Production / Warehousing	1:1,000 sq. ft. (floor area <10K) 1:1,500 sq. ft. (floor area >10K)	Production: 1:1,000 sq. ft. Warehouse: 1:5,000 sq. ft.	No Change
Parking: Other Uses	1:500 sq. ft.	Laboratory: 1.5:1,000 sq. ft. Admin: 1:500 sq. ft.	Laboratory: 1:1,000 sq. ft. Admin: No Change

Bayer Development Agreement: Existing and Proposed Discretionary Levels for New Projects

Existing Development Agreement			Proposed Amendment to Development Agreement		
Development Type	Land Use Permit	Design Review	Development Type	Land Use Permit	Design Review
			Signage not visible from the public right-of-way	Zoning Certificate	N/A
Guard stations	Zoning Certificate	Plan Check Review	Guard stations		
Demolition of buildings	Administrative Use Permit	Staff-Level Review	Demolition of buildings		Plan Check Review
Temporary buildings (trailers or structures)	Administrative Use Permit		Temporary buildings (trailers or structures)		
Temporary surface parking	Administrative Use Permit		Temporary surface parking		
All Signage	Administrative Use Permit		Signage visible from the public right-of-way		
Buildings of less than 40,000 square feet	Administrative Use Permit		Buildings of less than 40,000 square feet	Zoning Certificate	Staff-Level Review
			Buildings over 45' in height and buildings visible from the right of way		
Towers, antennae etc.	Zoning Certificate	Plan Check Review	Towers, antennae etc.	Administrative Use Permit	Design Review Committee
Buildings of 40,000 square feet or greater	Use Permit	Design Review Committee	Buildings of 40,000 square feet or greater		
			Parking Garages ¹		

1. Bayer is proposing that for purposes of discretionary review of a parking garage—staff for the AUP and DRC for the design review—shall have final approval for the projects described in the table above per the DA outlined processes and shall not be subject to administrative appeal.

Bayer Community Benefits Proposal

Year 1 Payment: \$720,000

Annual Escalation of 2%

Year 30 Payment: \$1.3M

Proposed Allocation of Community Benefits:

Community Benefits Category	% of Total
– STEM/Career Technical Education	60%
– Affordable Housing	20%
– Community Infrastructure Investments & Resiliency Programs	20%

Timeline and Next Steps

- March 30, 2020: Bayer submits application to modify the DA
- April-May-June 2020: reviewing materials, feed back on completion, revised or additional materials submitted
- July-August-September 2020: consultants on board, finalizing project description, peer review of technical reports
- October 29, 2020: NOP of Draft Subsequent EIR Published
- November 12, 2020: ZAB Information Item/Scoping Meeting
- November 18, 2020: Planning Commission Scoping/Preview
- May 21, 2021: NOA and Draft Subsequent EIR Published
- June 2, 2021: Draft SEIR Comment Meeting at Planning Commission
- July 6, 2021: Close of the 45-day Comment Period

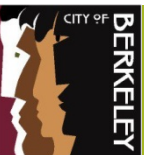
Timeline and Next Steps continued

- July 8, 2021: Community Benefit Workshop at ZAB
- July 14, 2021: Community Benefit Workshop at Planning Commission
- July 15, 2021: Bayer Design Guidelines/Discretionary Level input DRC
- July 20, 2021: Community Benefit Workshop at City Council

- *October 2021*: Planning Commission hearing on Recommendation on SEIR and DA Amendment
- *November 2021*: City Council hearing on SEIR Certification and DA Amendment

ZAB Community Benefit Workshop

- Community benefits should be provided at a level similar to others
- Housing, and creative thinking around providing housing
- Unique position to support STEM and BUSD programming
- Transportation Demand Management programs
- Improvements at Aquatic Park waterfront
- Native plant demonstration garden



City of
Berkeley

THANK YOU



Bayer's application to amend and extend its
Development Agreement with the City of Berkeley

Public Hearing on Community Benefits

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July 2021

Drew Johnston
Vice President, Site Engineering, Berkeley



Development Agreement Extension



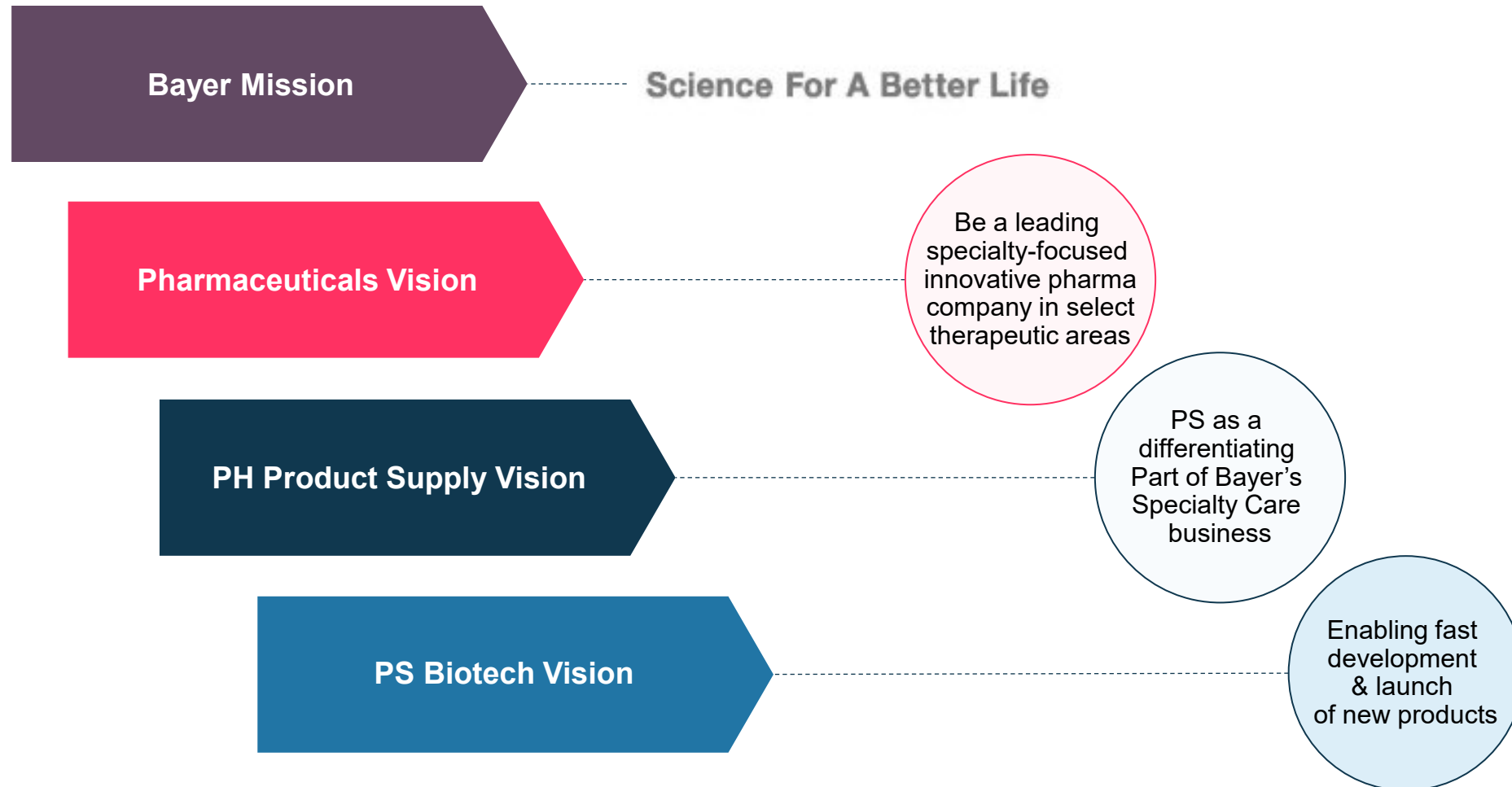
Development Agreement Updates
Future Buildings

Securing Development Rights
via a 30-year Agreement
with City of Berkeley





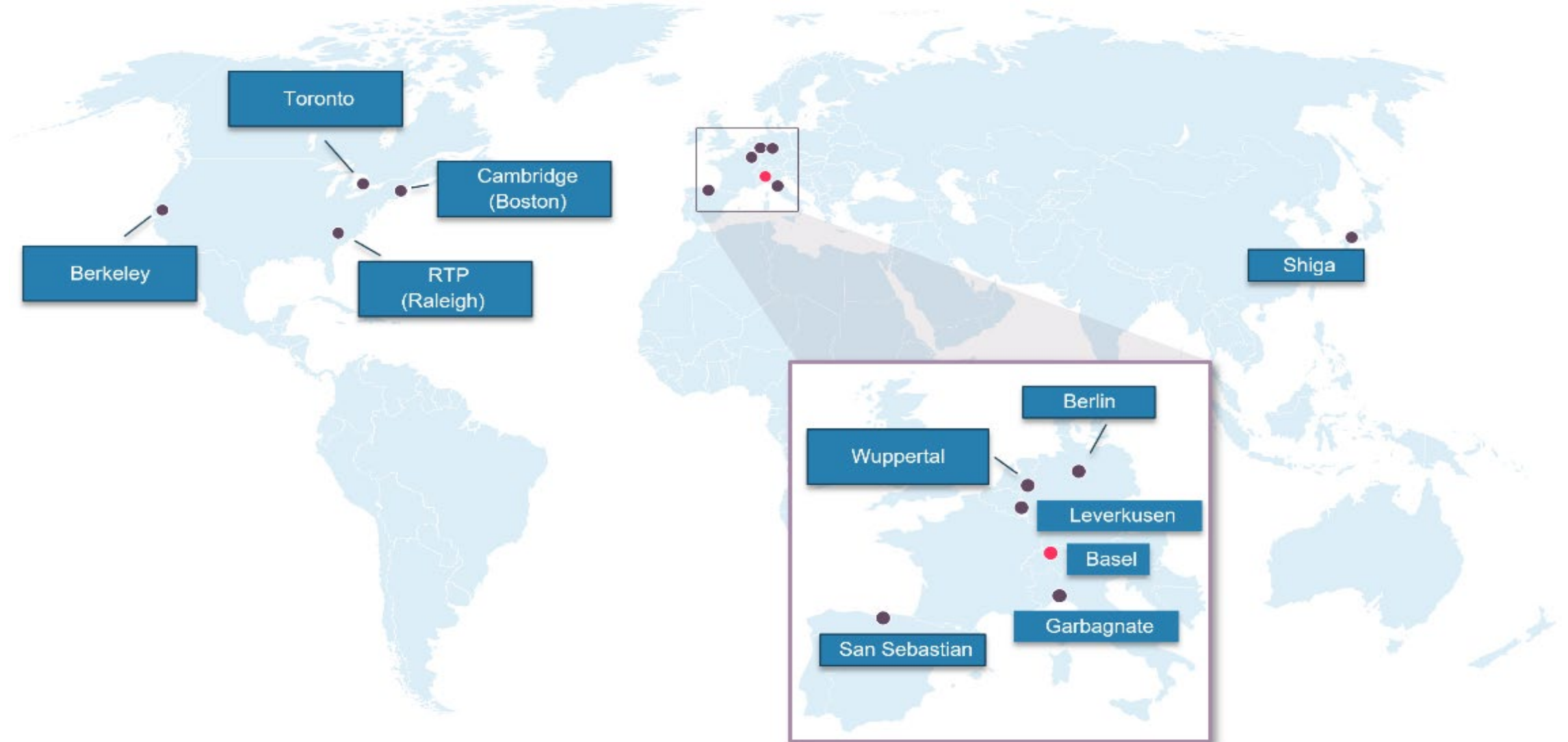
Investment needs align with the business strategy





Berkeley competes with Bayer sites across the globe

Bayer's global biotech manufacturing network





How Bayer makes capital investment decisions





Development Agreement Extension

Continue our long-term partnership attracts capital and community investment to Berkeley and brings new medicines to patients

Scope

- **Uses** Production, Lab, Warehouse, Utility, Maintenance, Admin, Parking
- **Heights Zones** 65' and 80' build height
- **Permit Approval** predictable AUP process
- **Capacity** 1.74m square feet of total development

Key Benefits

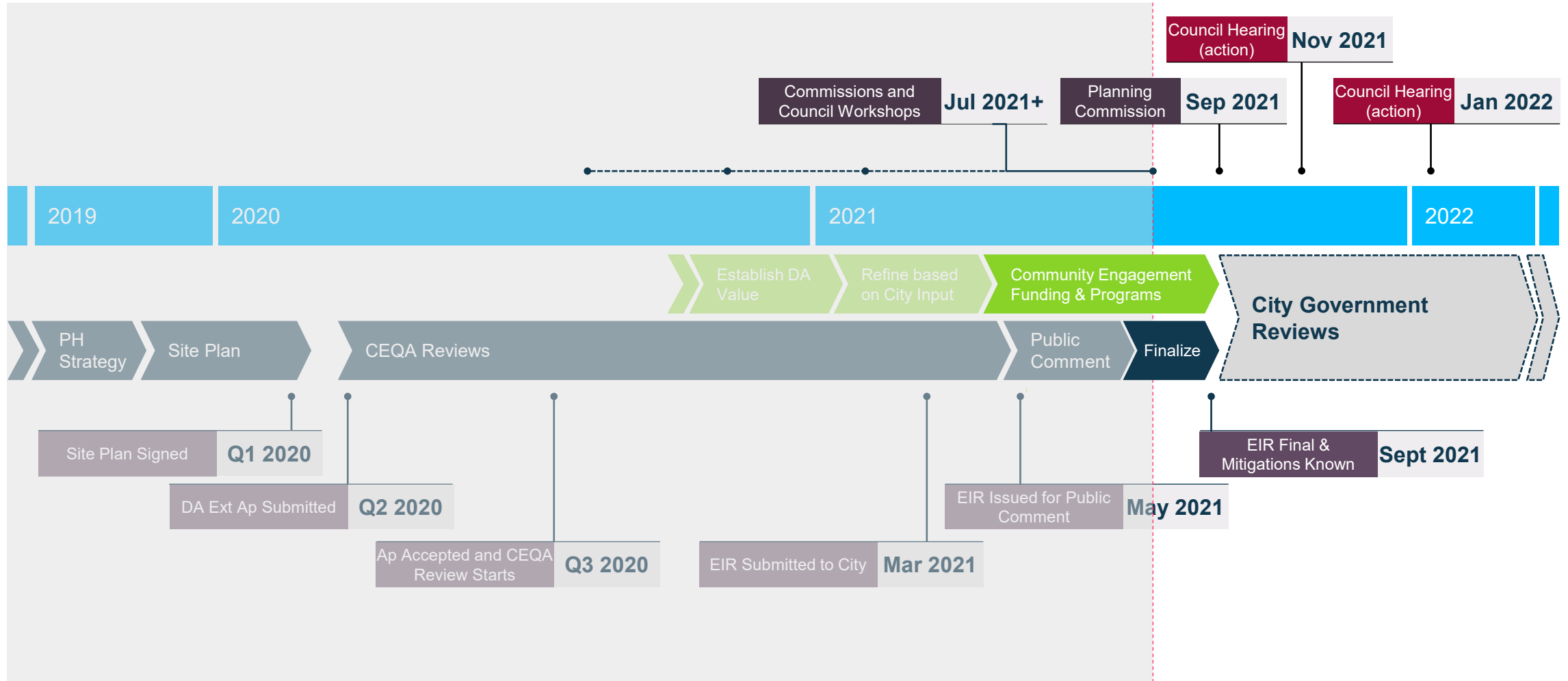
- **Environmental Impacts** holistic review shows no significant impacts
- **Community Support** enables long-term investment in community
- **Economic Development** benefits patients and community





Development Agreement Extension

Working with the city great engagement with the community and entering period of heavy engagement





Community benefits and development impact fees

Bayer proposal



Development Agreement Extension

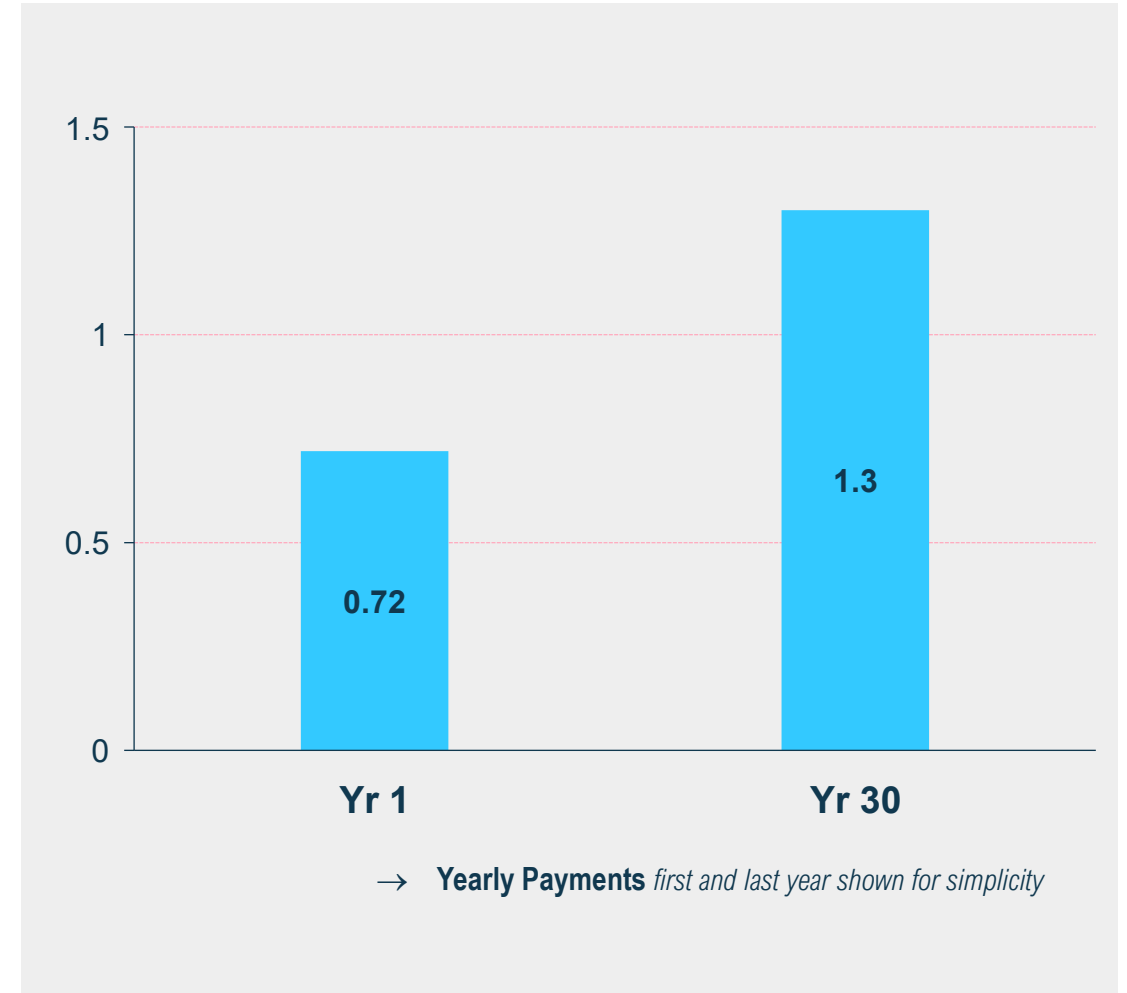
Bayer Valuation: NPV of Entitlements (Uses, Heights, & Permit Predictability) **City Value:** Stable DA Funding & Fees independent of development

Bayer Value Basis

- **Use Permit Savings** 400k USD per project
- **Timeline Surety** 1% of Permitted CapEx
- **Time Reduction** 2% of permitted CapEx
- **Discount Rate** WACC @ 6.8%
- **Buildout** full Master Plan Assumed

Impact Fees

- **Estimated** per project and discounted to 2021
- **Buildout** full Master Plan Assumed



Community Investment Priorities

A photograph of two young girls in a science laboratory. They are both wearing clear safety goggles and smiling. The girl on the left is wearing a white lab coat and has her hair in a ponytail. The girl on the right is wearing a dark blue polo shirt. In the center, a beaker is overflowing with bright blue foam. The background is a blurred classroom or lab setting with other people and equipment.

STEM Education
Housing
Community Resiliency



The investments work together – *Year one of the proposal*

Categories	Impact Fees	Community Benefits	Annual Total
Biotechnology + STEM CTE		300,000	300,000
Community Resiliency		100,000	100,000
Affordable Housing	50,000	100,000	150,000
Childcare	15,000		15,000
Percent for art	155,000		155,000
	\$220,000	\$500,000	\$720,000

Notes:

- 1. Current proposal includes an annual escalation of 2%
In year 2051 impact fees & community benefits would total \$1,300,000, accounting for the escalations*
- 2. Initial offer was \$500,000 and reflected community benefits inclusive of payments to support housing, childcare and the arts with no additional impact fees*

Funding Priorities



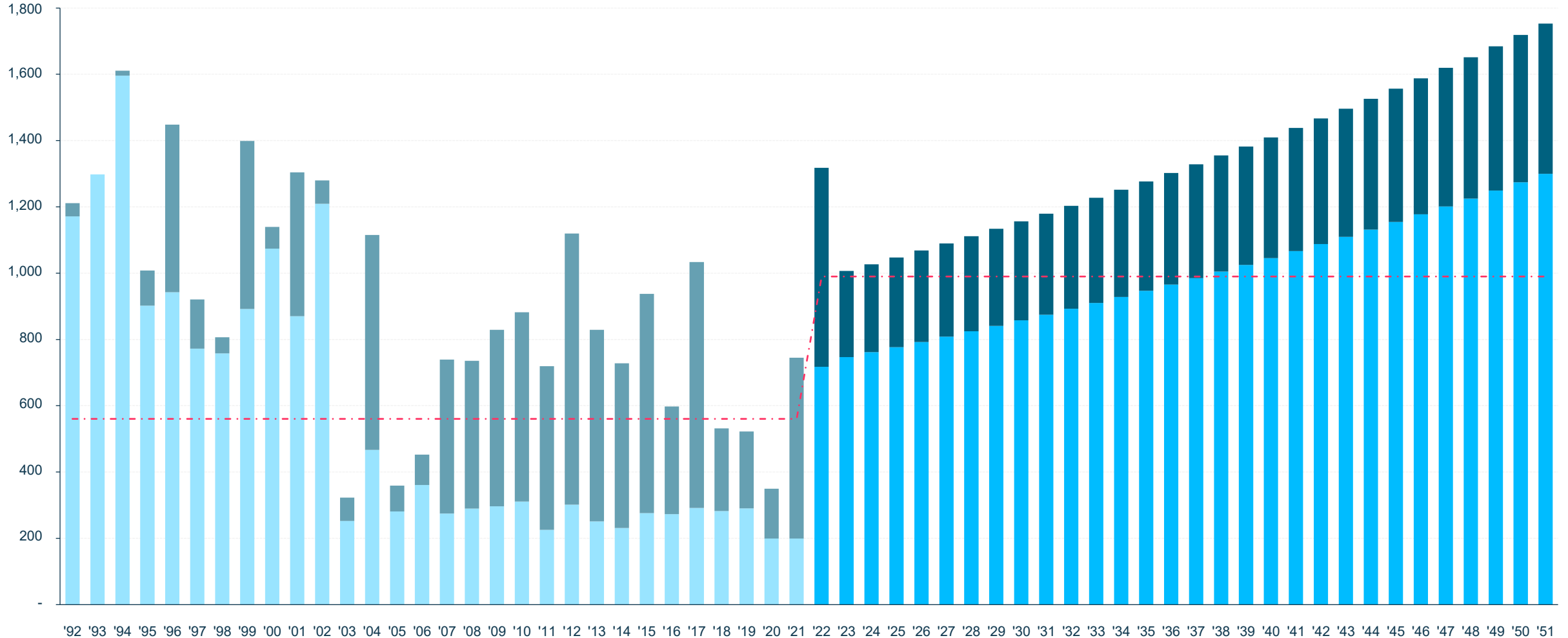
Stability



Annual Community Investment by Bayer

- 1992 Agreement Community Benefits (adjusted to 2021)
- 1992 Agreement EIR Mitigation (adjusted to 2021)
- Extension Community Benefit
- Extension EIR Mitigation
- Community Benefit Average (historical adjusted to 2021)

Community benefits net of financial contributions; including impact fees; site mitigations include TDM; excludes construction mitigations (historical adjusted to 2021)





How we engage

Bayer hosted a vaccination clinic on our parking lot in West Berkeley. The effort vaccinated 2,000 people!



Berkeley PUBLIC SCHOOLS

Excellence • Equity • Engagement • Enrichment

January 25, 2021

Bayer Fund and Wareham Development Provide more than \$500,000 in Grants for Berkeley Middle School 'On Ramp' into STEM Programs and Careers

Berkeleyside

Search



By Supriya Yelimeli,
May 19, 2020, 4:49 p.m.

'Game-changing' \$600,000 grant from Bayer Fund will support Berkeley Food Network, Alameda County Community Food Bank

The grant will allow the organizations to expand on sites and help fulfill increased need for secure residents during the pandemic.

Berkeley Relief Fund Receives \$250,000 Donation from Bayer as Virtual Fundraiser Starts

JESSE ARREGUIN - MARCH 22, 2020



Berkeley, CA. Mayor Jesse Arreguin, the city's largest private employer and a major donor, has committed to donate \$250,000 to the Berkeley Relief Fund.

Biotech Partners internships during pandemic



2020



Economic impact analysis

+

*Competitive landscape
for biotechnology
investments*

Bay Area Council Economic Institute

Competitive landscape for biotech investments

Reasons to invest in the Bay Area

- 1. Developed Cluster**
Nearly 1,500 companies in nine counties
- 2. Talent**
Second most educated population in U.S.
- 3. Investment Capital**
39% of all U.S. venture capital
- 4. Physical Space**
Second most laboratory space in U.S.

Other geographies offer incentives

Raleigh-Durham

Eli Lilly will invest \$500 million to create 462 jobs

- \$8.7 million tax rebate from state
- \$2.55 million incentive from county
- \$1.15 million in training grants

New York City

City will invest \$1 billion over 10 years in R&D, lab and incubator facility construction

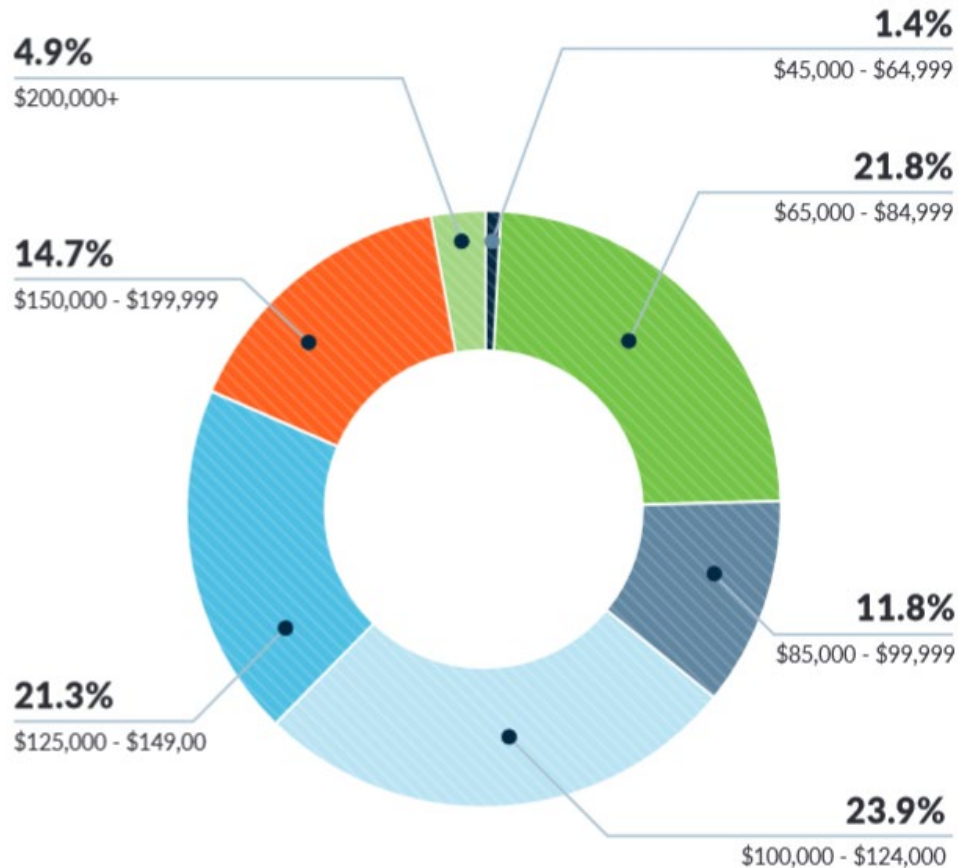
San Diego

Illumina received \$1.5 million tax rebate from city over 10 years to grow in San Diego

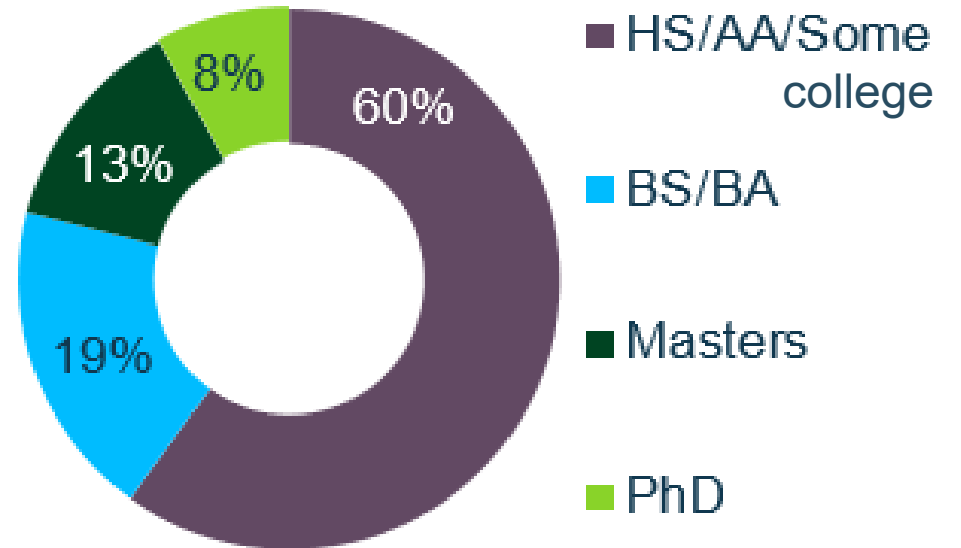
Quality jobs drive economic impact

-Jobs range in educational attainments

Bayer Employee Annual Salaries | 2019
 Berkeley campus



Educational attainments | 2019
 Berkeley campus



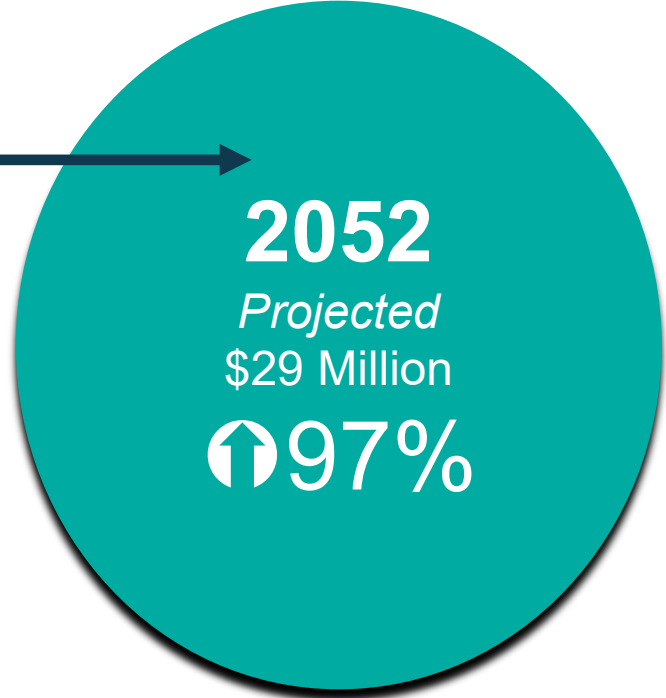

Self reported from Bayer's human resources tracking system

> 1,000 employees


Economic impact analysis conclusions

Bay Area Economic Institute Study:
*Bayer Expansion would generate
 \$613M in economic activity*

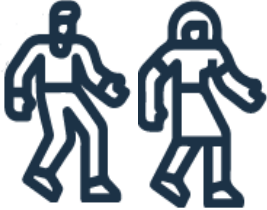
Berkeley Economic Impact

For each job created on the Bayer campus...



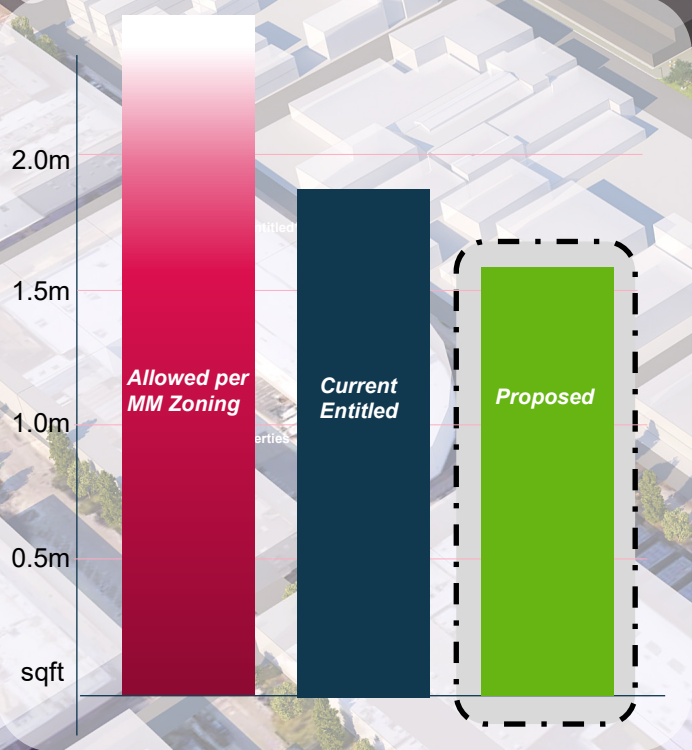
an average of one Bay Area job is created off the Bayer campus





Closing

Conceptual Development Plan at 30-year build out



Major Development Timing

-  10-Year Build Out
-  30-Year Build Out



Bayer's application to amend and extend its
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THANK YOU

/////////
July 2021

Drew Johnston
Vice President, Site Engineering, Berkeley

