

BAYER DEVELOPMENT AGREEMENT AMENDMENT

PLANNING COMMISSION

OCTOBER 20, 2021

REVIEW TIMELINE

- October 29, 2020: Notice of Preparation of Draft Subsequent EIR
- November 12, 2020: ZAB Information Item/Scoping Meeting
- November 18, 2020: Planning Commission Scoping/Preview Meeting
- May 21, 2021: Notice of Availability and Draft Subsequent EIR Published
- June 2, 2021: DSEIR Comment Meeting at Planning Commission
- July 6, 2021: End of the 45-day Comment Period

- July 7, 2021: Community Benefit Workshop at ZAB
- July 14, 2021: Community Benefit Workshop at Planning Commission
- July 15, 2021: Bayer Design Guidelines/Discretionary Level Input at DRC
- July 20, 2021: Community Benefit Workshop at City Council

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

CONTENTS OF THE D.A.

- Agreement
 - Recitals and Findings
 - Provisions for Review, Enforcement and Amendment
 - Vested Rights and Other Ordinances
- Exhibits
 - Land Uses / Development Standards / Design Guidelines
 - Community Benefits
 - Mitigation Measures (MMRP)
 - Height Justification
 - Manufacturing Activity and Environmental Safety
 - Transportation Demand Management (TDM)

CRITERIA FOR EVALUATING THE D.A.

1. Is consistent with the goals, objectives, policies, general land uses and programs specified in the general plan and any applicable specific plan.
2. Is compatible with the uses authorized in, and the zoning district in which the real property is located.
3. Has duly considered City mitigation programs in effect at the time of execution of the agreement.
4. Will be non-detrimental to the public health, safety and general welfare of persons residing or working in the neighborhood and to property and improvements in the neighborhood.
5. Complies with the provisions of the California Environmental Quality Act and City's procedures adopted pursuant thereto.

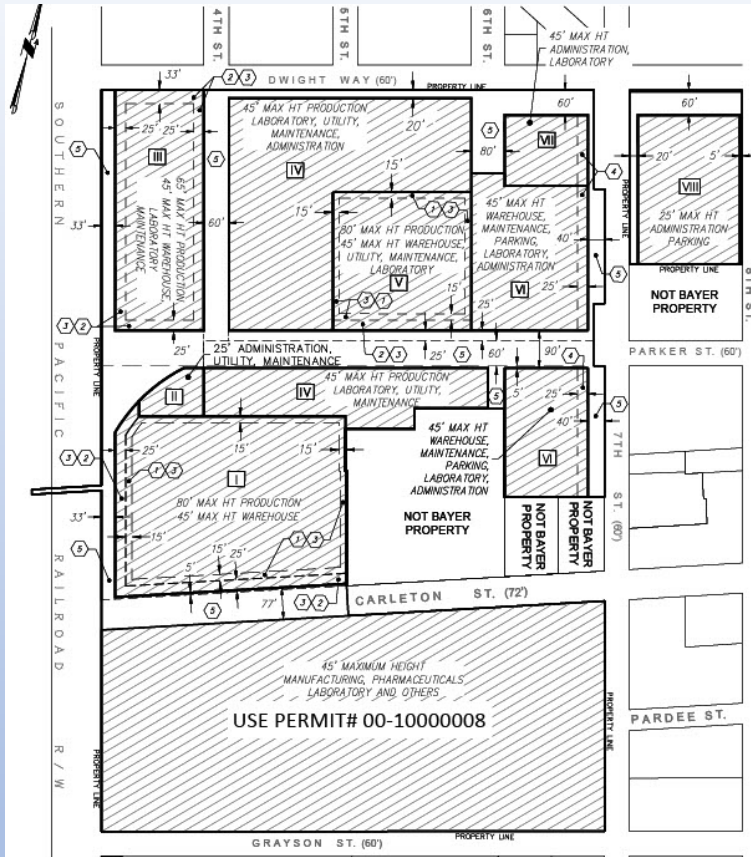
[BMC 22.16.050.F (Development Agreements)]

Bayer Campus

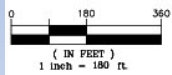


PROPOSED D.A. AMENDMENT

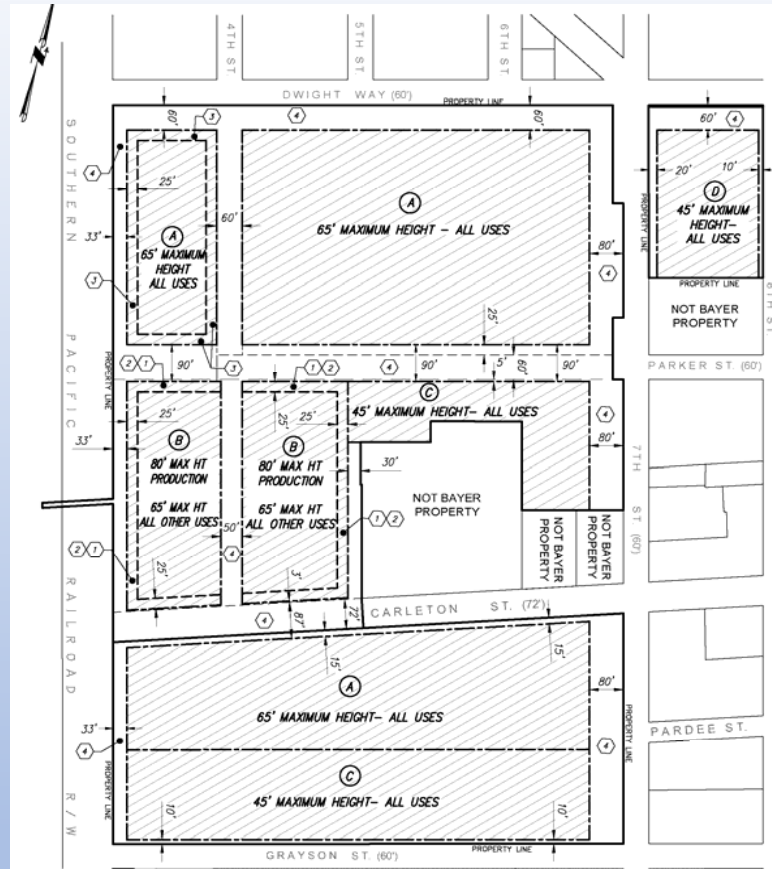
- Extend the DA duration an additional 30 years until February 2052.
- Add the South Properties to be covered by the DA.
- Allow buildout of a conceptual development plan, which proposes to rearrange the campus layout through phased demolition of nine existing buildings, construction of approximately twelve new buildings for production, laboratory, and administrative uses, and replacement of surface parking with two new parking structures and new underground parking facilities.
- Modify terms of the existing DA including use restrictions, development standards, and permit thresholds and processes.
- Identify Community Benefits and commit to mitigation measures.



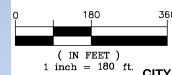
- LEGEND**
- BAYER HEALTHCARE PROPERTY
 - ADJACENT PROPERTY LINE
 - ▨ 1992/1999 D.A. BLOCKS
 - MAX MAXIMUM HEIGHT



- NOTE LEGEND**
- ① 65' MAXIMUM HEIGHT FOR PRODUCTION
 - ② 45' MAXIMUM HEIGHT FOR PRODUCTION
 - ③ 45' MAXIMUM HEIGHT FOR WAREHOUSE
 - ④ 35' MAXIMUM HEIGHT PERMITTED (OR EXISTING BUILDING)
 - ⑤ 0' HEIGHT
- BLOCK LEGEND**
- ⓂⓅ PERMITTED BUILDING HEIGHT 80 FEET (TOP FLOOR MAY NOT EXCEED 50% OF BUILDING FOOTPRINT AND HAS TO STEP BACK +15 FT.)
 - Ⓜ PERMITTED BUILDING HEIGHT 65 FEET (TOP FLOOR MAY NOT EXCEED 50% OF BUILDING FOOTPRINT AND HAS TO STEP BACK +15 FT.)
 - ⓂⓅⓅ PERMITTED BUILDING HEIGHT 45 FEET (OR EXISTING BUILDING)
 - ⓂⓅ PERMITTED BUILDING HEIGHT 25 FEET (OR EXISTING BUILDING)



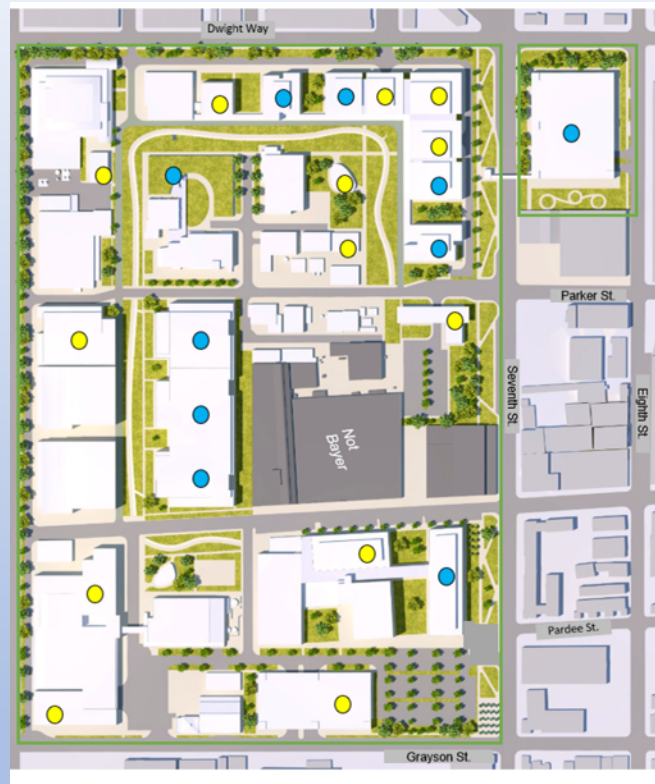
- LEGEND**
- BAYER HEALTHCARE PROPERTY
 - ADJACENT PROPERTY LINE
 - - - SITE DEVELOPMENT BOUNDARY
 - - - BUILDING HEIGHT STEPDOWN



- NOTE LEGEND**
- ① 65' MAXIMUM HEIGHT FOR PRODUCTION
 - ② 50' MAXIMUM HEIGHT FOR OTHER USES
 - ③ 50' MAXIMUM HEIGHT FOR ALL USES
 - ④ 0' HEIGHT
- BLOCK LEGEND**
- Ⓐ 65' ALL USES
 - Ⓑ 80' PRODUCTION, 65' OTHER USES
 - Ⓒ 45' ALL USES
 - Ⓓ 45' ALL USES



- REPURPOSE/ REFURBISH
- FUTURE DEMOLISH
- RETAIN BUILDINGS



- New at Year 30
- New at Year 10

Use	Block			
	A	B	C	D
Production	P	P	P	-
Laboratories	P	P	P	-
Maintenance	P	P	P	-
Parking	P	P	P	P
Utility	P	P	P	-
Administration	P	P	P	P
Warehouse	P	P	P	-
P = Permitted within this block - = Not permitted within this block				

Development Standard	Block			
	A	B	C	D
Maximum Height	65 feet	80 feet (manufacturing), 65 feet (all others)	45 feet	45 feet
Stepbacks	Within stepback zone shown on-site development plan (Figure 1); all buildings must step down 15 feet from main building maximum.			

Use	Definition
Administration	Administration buildings provide: offices for management and support functions, conference rooms, computer rooms, fitness/health facilities, site security stations, training rooms, library spaces, and cafeteria spaces. In addition, offices for campus management are placed in buildings throughout the site according to function and discipline.
Laboratories	Laboratories provide areas in which research into production and manufacturing technologies can be accomplished. These areas also provide quality assurance examination and testing of therapeutic pharmaceuticals produced on-site. Laboratory related offices and utilities are permitted in these areas.
Maintenance	Maintenance provides areas to conduct necessary repair, replacement, and preventive maintenance activities in support of site operations. Generally, these activities require workshops and maintenance bays. Maintenance related offices parking, and utilities are permitted in these areas.
Parking	Parking areas are covered or uncovered parking for vehicles.
Production	Production uses may include pilot plants, production facilities and fill and finishing facilities. Pilot plants are used to develop and scale up processes and to support new drug applications. Production facilities are comprised of various processing areas with support offices. The interior spaces are among the most complex in the industry, with numerous data, safety, storage, air-handling, and testing systems technologies equipping the buildings. Fill and finishing areas involve processing the product into transportable containers and final packaging. Production related laboratories, offices, and utilities are permitted in these areas.
Utility	Utility buildings are used to house monitored water distillation operations, refrigeration equipment, electrical equipment, compressed air, and steam generation equipment. Additional functions may include a water retention basin. Utilities which support specific buildings may be located adjacent or in close proximity to those buildings which they support.
Warehouse	The warehouse area is used to hold products for distribution on-site and off-site. Warehouse related offices, utilities, and parking are permitted in these areas.

Development Type	Required Permit	Design Review
Signage not visible from the public right-of-way.	Building Permit	N/A
Guard stations (per Section 3.1.2.F).		
Demolition of buildings subject to permitting processes herein, except to extent subject to Mitigation Measures in the SEIR, as outlined in Appendix B.		
Interior renovations		
Temporary buildings (trailers or structures).		Plan Check Design Review
Temporary surface parking.		
Active interior private-open space (i.e., fitness usage, barbeque areas, etc.).		
Signage visible from the public right-of-way.		
Fencing	Zoning Certificate	
Construction of buildings or exterior renovation of building areas of less than 40,000 square feet.		
Towers, antennae etc. (per Section 3.1.2.D)	Administrative Use Permit	Staff-Level Review
Construction of buildings or exterior renovation of building areas of 40,000 square feet or greater.		
Construction of buildings over 45' in height and buildings visible to pedestrians from the adjacent right of way.		
Seventh Street publicly accessible open space plan for zero-build height zone.		Design Review Committee
Parking Garages and pedestrian bridge.		

Building Design	Entrances
	Building Design
	Rooftop Equipment
	Building Color/Materials
Landscape and Open Space	Tree Canopy
	Landscaping
Access and Circulation	Access
Lighting	Lighting
New Construction and Demolition	Phased Development
Signage	Illumination
Sustainability	Building Materials
	Energy Efficiency
	Building Design
	Water
Parking	Parking Garage
	Access
	Parking Garage and Pedestrian Bridge Design

BUILDOUT SCENARIO

Existing Built Sq. Ft.	Existing Maximum Permitted Sq. Ft.	Proposed Maximum Permitted Sq. Ft.	Existing Sq. Ft. to be Retained	Existing Sq. Ft. to be Demolished	Proposed Sq. Ft. to be Constructed	Change from Existing Permissible Sq. Ft.
1,087,000	1,866,000	1,738,000	820,000	-276,000	918,000	-128,000

	Block			
	A	B	C	D
Total Maximum Allowed Floor Area (sq.ft) per block	1,500,000	495,000	400,000	30,000

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

- Disclose the potential significant environmental effects
- Identify ways to avoid or reduce adverse environmental effects
- Consider feasible alternatives to proposed actions
- Foster interagency coordination in project review
- Enhance public participation in the planning process

SUBSEQUENT EIR

Evaluates whether new or substantially more severe significant environmental effects compared to the existing project and previous EIR/MND analyses.

- Changes to the Project
- Changes in Context
- Changes in CEQA Requirements

Topical Analysis

- Air Quality
- Cultural Resources
- Greenhouse Gas Emissions *
- Hazards and Hazardous Materials
- Noise
- Transportation / VMT *
- Tribal Cultural Resources *
- Utilities and Service Systems

Cumulative Impacts

CEQA REVIEW (cont.)

Alternatives

- Alternative 1: No Project Alternative / No New Construction Alternative
- Alternative 2: No Project / Zoning Conformance Alternative
- Alternative 3: Reduced Parking Alternative
- Environmentally Superior Alternative (Alt. 3)

Mitigation Monitoring and Reporting Program (MMRP)

CEQA Findings

RESPONSE TO COMMENTS

14 Comment Letters

Planning Commission hearing comments

Issues raised include:

- Transportation Demand Management (TDM)
- Bird Safety
- Hazards / Safety
- Aquatic Park
- Other Community Benefits

Responses include clarifications and minor changes to wording

Late Communications

- Letters of Support

COMMUNITY BENEFITS

In September 2021, Bayer submitted a revised proposal (Exhibit D):

A total annual contribution of \$800,000 in year 1, with annual increases, to support:

- STEAM and career technical education
- West Berkeley Fund for community infrastructure and resiliency
- Affordable housing trust fund
- Affordable childcare trust fund
- Private percent for art fund.

Total: \$33,100,000 over 30 years (plus in-kind contributions)

RECOMMENDATION

- Conduct a public hearing to receive public testimony
- Provide comments and recommendations to City Council

- Subsequent EIR / Response to Comments
- MMRP / Findings
- Development Agreement
 - Findings
 - Development Parameters / Processes
 - Community Benefits



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

Planning Commission Public Hearing

//////
October 20, 2021

Drew Johnston
Vice President, Site Engineering, Berkeley



Conceptual development plan at 30-year build out





Continues successful partnership with no significant impacts

Amendment designed to attract capital investments in Berkeley

Scope

- // **Uses** Production, Lab, Warehouse, Utility, Maintenance, Admin, Parking
- // **Heights Zones** 45', 65' and 80' build height
- // **Permit Approval** predictable AUP process
- // **Capacity** 1.74m square feet of total development

Key Benefits

- // **Environmental Impacts** comprehensive review shows no significant unmitigated impacts (continued biosafety level 1+2)
- // **Community Support** enables long-term investment in Berkeley
- // **Increased zero-foot height zones** along frontages, adds extended entry plaza
- // **Economic Development** drives quality jobs and growing tax property tax base

Looking SSW at the corner of Seventh and Carleton Streets



Current

Today



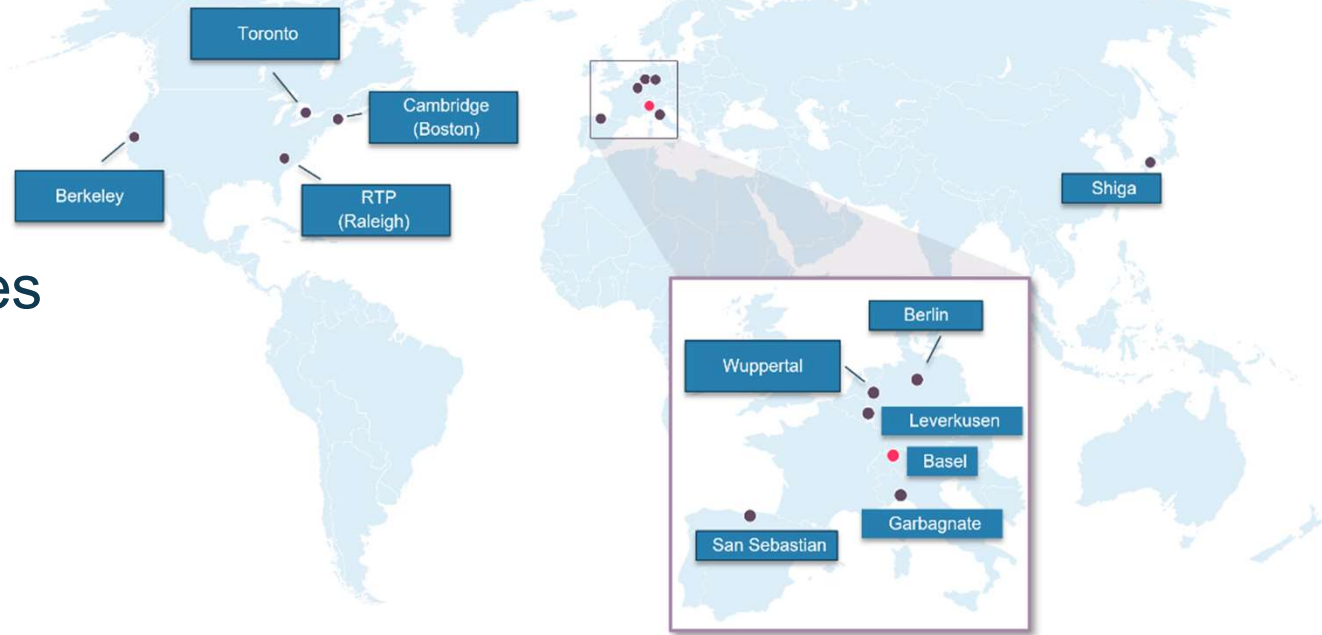
Proposed

Bayer conceptual rendering



Attracting investment to Berkeley from Bayer global headquarters

Berkeley competes within the Bayer global network





Bayer investments into the community

Description	Amount
Year 1 investment	\$800,000
Inflation consideration	2% per year
Year 30 investment	\$1,462,000
Total over term	\$33,100,000

Bayer commits to community investments based on the **full development plan** – whether the planned projects are built or not. This secures steady annual support for community regardless of Bayer's timing for site construction.





Five categories for community investments

Affordable Childcare

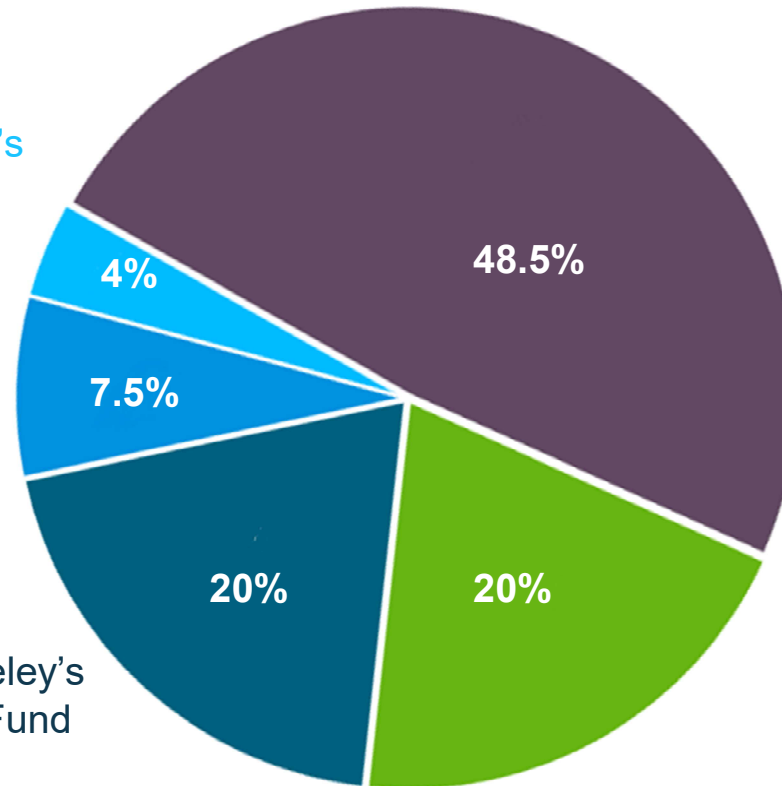
Funds for City of Berkeley's Affordable Childcare programs

Arts

Investments to the City of Berkeley's Private Percent Art Fund

Affordable Housing

Funds for the City of Berkeley's Affordable Housing Trust Fund



STEAM Education & CTE

Programming to drive equity outcomes from kindergarten to community college

West Berkeley Fund

Investments to promote climate action, health equity & local economic resiliency



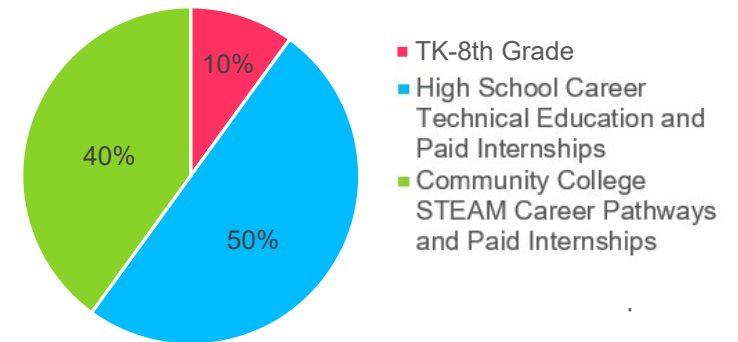
STEAM / Career Pathway Investments

Year 1 investment
\$388,000

Committee and allocations

- // Bayer-convened grant committee will award **5-year grants** with annual reviews
- // The Committee will include representatives from Bayer, education experts, and community leaders. The Committee will be composed of
 - // **One third** - Members selected at the sole discretion of the City of Berkeley
 - // **One third** - Members selected at the sole discretion of Bayer
 - // **One third**- Members selected by mutual agreement of both Bayer and the City of Berkeley

STEAM / CTE Investments





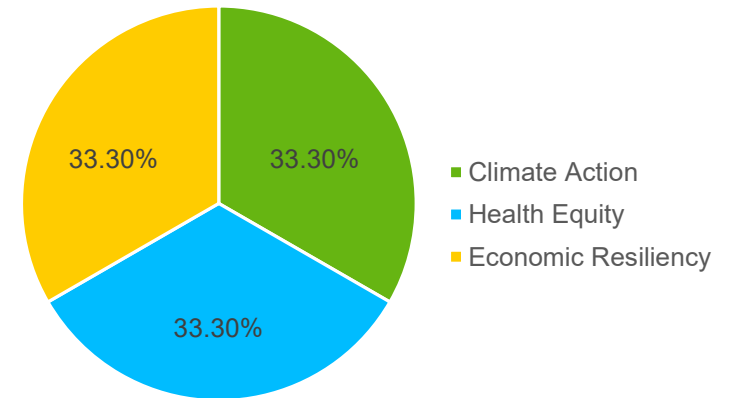
West Berkeley Community Investments

Committee and allocations

- // Bayer-convened grant committee will award **3-year grants** with annual reviews
- // The Committee will include representatives from Bayer, education experts, and community leaders. The Committee will be composed of
 - // **One third** - Members selected at the sole discretion of the City of Berkeley
 - // **One third** - Members selected at the sole discretion of Bayer
 - // **One third** - Members selected by mutual agreement of both Bayer and the City of Berkeley

Year 1 investment
\$160,000

West Berkeley Fund Committee





In-kind commitments

More than 600 hours of employee volunteer hours in Berkeley annually

Office space for funded CTE programs

Neighborhood event promotion among Bayer employees

Locally promoting jobs and exploring minority-owned businesses opportunities

Hosting Berkeley Fire Department trainings

Biennial community meetings and annual siren mailers





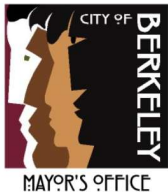
Bayer's value to Berkeley extends beyond community benefits

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



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

JESSE ARREGUIN - MARCH 22, 2020



Berkeley
PUBLIC SCHOOLS

Excellence • Equity • Engagement • Enrichment

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

Bay Area Economic Institute:

Bayer Expansion would generate \$613M in economic activity

For every job created on the Berkeley campus one more is created in the region



Global

This is Bayer / Innovation / Products / Sustainability

Friday - August 21, 2020

Science Based Targets initiative endorses climate protection targets of Bayer AG

Important step in Bayer becoming climate-neutral by 2030 / Targets integral to Board of Management remuneration



Thank you

