



Office of the City Manager

September 15, 2020

To: Honorable Mayor and Members of the City Council

From: *DWR* Dee Williams-Ridley, City Manager

Subject: Bayer HealthCare LLC Development Agreement (DA) Amendment Submittal and Anticipated Timing

On February 25, 1992, the City of Berkeley and Miles Inc., now Bayer HealthCare LLC (“Bayer”) entered into a 30-year Long Range Development Program, or Development Agreement (DA). In anticipation of the upcoming February 2022 expiration of the DA, on March 30, 2020 Bayer submitted an application to: 1) extend the terms of the DA for an additional 30 years; 2) include the “South Property” in the DA; and 3) modify various development standards to better accommodate Bayer’s plans for long term development and investment in biopharmaceutical manufacturing facilities. This memorandum serves to provide a brief project description and a projected timeline for processing of the DA Amendment. Application materials and further background information is available on the City’s website:

https://www.cityofberkeley.info/Planning_and_Development/Zoning_Adjustment_Board/Bayer_Development_Agreement.aspx

Project Description. The Bayer campus, which houses biopharmaceutical operations with supporting office uses, comprises approximately 46 acres within West Berkeley and is generally bound by Dwight Way to the north, Grayson Street to the south, Seventh Street to the east and the Union Pacific Railroad to the west. The campus includes two primary areas:

- 800 Dwight Way, the “North Property,” north of Carleton Street, which is the site included in the 1992 Development Agreement and subsequent 1999 Amendment. The North Property comprises three different parcels that are 18.1, 2.6 and 11.2 acres (31.9 acres total) in size.
- 801 Grayson Street, the “South Property,” south of Carleton Street, subject to Use Permit (UP#00-10000008) approved July 21, 2000 is one parcel that is 14.4 acres in size.

Bayer's proposal includes, at full build out, approximately 1,721,000 square feet of Administration, Laboratory, Maintenance, Manufacturing/Production, Utility and Warehouse uses, which is 165,000 sq. ft. less than currently permissible with the existing DA and South Campus Use Permit. Total new building floor area will not exceed 1,000,000 sq. ft. with plans to keep approximately 725,000 sq. ft. of existing facilities floor area. In amending the DA, Bayer proposes to modify height standards, including allowing heights up to 80 feet for production uses along the western side of campus south of Parker Street and west of Fourth Street, and commits to developing no less than nine (9) acres of green/open space on the campus by year-10 (2032). Potential employment at year-30 (2052) is projected as 2,000 employees, which is an estimated increase of approximately 900 from the campus' current permanent staff of approximately 1,100. See the Phasing/Buildout Table below for a summary of proposed development.

Table 1: Phasing/Proposed Buildout

	Values in Sq. Ft.					
	Existing	Year 10	Year 30	Total	Net Increase to Existing (New - Demo)	Existing Approved Development Limits ¹
	2020	2032	2052			
North Property (Current DA)	470,000	655,000	1,105,000			1,346,000
Existing	470,000	470,000	655,000			
Demolition		(140,000)	0	(140,000)		
New Construction		325,000	450,000	775,000	635,000	
South Property (Use Permit)	520,000	516,000	616,000			540,000
Existing	520,000	520,000	516,000			
Demolition		(127,000)	0	(127,000)		
New Construction		123,000	100,000	223,000	96,000	
Entire Campus (North + South) Combined	990,000	1,171,000	1,721,000			1,886,000
Existing	990,000	990,000	1,171,000			
Demolition	0	(267,000)	0	(267,000)		
New Construction	0	448,000	550,000	998,000	731,000	
Greenspace (Acres)	3.0	9.0	9.0			
Potential Number of Employees	1,100	1,500	2,000			

¹ The existing DA imposed an area limit of 1,346,000 sq. ft., whereas the approved south properties use permit evaluated a total area of 540,000, for a cumulative approved area of 1,886,000 sq. ft. across the entire Bayer project site. The project proposes ~1,721,000 sq.ft. of floor area at full build out. This represents a net decrease of 165,000 sq. ft. when compared to existing development limits.

Projected Timeline. Processing of the DA Amendment includes several components, many of which will proceed concurrently. The main components are California Environmental Quality Act (CEQA) processing; community outreach and engagement; community benefit negotiations; and submittal, revisions, and adoption of the DA Amendment document. The general anticipated timeline, with some key milestones, is as follows:

- August 2020: CEQA Consultant Selected (Rincon)
- September 2020: Community Engagement Meeting (Hosted by Bayer, Location and time to be determined)
- October 2020: Publish CEQA Notice of Preparation (NOP)
- November 12, 2020: Zoning Adjustments Board (ZAB) Information Item/Scoping Meeting
- November 18, 2020: Planning Commission Scoping/Preview Meeting
- December 17, 2020: Design Review Committee Information Item
- Spring 2021: Community Benefit Negotiations
- Spring 2021: City Council Engagement and Consultation
- Summer 2021: Draft Initial Study/Subsequent EIR Published; hearing at Planning Commission on Draft Subsequent EIR
- Summer 2021: Draft EIR Public Review Period End/Publication of Response to Comments (RTC) Document
- September 2021: Planning Commission hearing on Recommendation on SEIR and DA Amendment
- October 2021: City Council hearing on SEIR Certification and DA Amendment

In addition to the September 2020 Bayer-led Community Engagement Meeting noted above, Bayer anticipates holding four (4) to six (6) community meetings throughout the process to complement the hearings before City Boards and Commissions. Bayer is also establishing a project webpage to post project information and enhance community engagement: www.bayer.com/berkeley. The webpage is estimated to be operational in mid-September.

Please contact David White, Deputy City Manager, or Jordan Klein, Interim Director of Planning & Development, if you have any questions.

cc: Paul Buddenhagen, Deputy City Manager
David White, Deputy City Manager
Jenny Wong, City Auditor
Mark Numainville, City Clerk
Matthai Chakko, Assistant to the City Manager
Farimah Brown, City Attorney
Jordan Klein, Interim Director, Planning & Development Department