

BAYER HEALTHCARE, LLC, APPLICANT'S STATEMENT AND  
PROJECT DESCRIPTION: BAYER PRODUCT  
TESTING FACILITY, SOUTH PROPERTIES, WEST BERKELEY

The proposal is to construct a ~80,000-square-foot Product Testing Facility (the Project) on the Bayer HealthCare Berkeley Site South Properties to support biotechnology manufacturing operations and the demolition of facilities that the Project would replace and modernize. The net addition of building area is ~15,000 square feet to the Bayer properties.

### Overview

**Bayer Campus.** The Bayer Campus in West Berkeley is the home to a massive biotechnology and pharmaceutical manufacturing activity. The entitlement documents for the Bayer Campus break it up into two subareas. To the north, bounded by Dwight Way, Seventh Street, Carleton Street and the railroad tracks is the Development Agreement Campus. Also included in the Development Agreement Campus is a parking lot located between Dwight Way and Seventh and Eighth Streets.

The South Properties Campus located between Carleton Street on the north, Seventh Street on the east, Grayson Street on the South and the railroad tracks. South Properties is entitled by the South Properties Use Permit, approved in 2000. While the two subareas are governed by two, separate City entitlements, they are operated as one Bayer Campus for the purposes of biotechnology and pharmaceutical manufacture.

**Location and Setting.** The project site for the proposed new construction is part of Bayer's South Properties. To the north, the South Properties are contiguous to the Bayer Development Agreement Campus and, beyond the Bayer Development Agreement Campus to the north and east, the neighboring areas include artisan, industrial, business and residential uses. To the south, the area is bounded by artisan, industrial, and business uses. The Southern Pacific Railroad right-of-way forms the westerly site boundary, separating the site from Berkeley's Aquatic Park.

Formerly occupied by the Colgate Palmolive and Philadelphia Quartz Companies, this subarea is located approximately 1/3 mile north of Ashby Avenue, within the West Berkeley Plan's Mixed Manufacturing District. Within this setting, the project site currently is occupied by existing parking and an empty lot. The Colgate Building, immediately east of the project site, is structurally sound and, under the South Properties Use Permit, is approved for re-use as office space. In the past 12 years, Bayer has undertaken development of the South Properties in the vicinity of the project site. As a part of the South Properties Use Permit, approved in 2000, Bayer has constructed a ~100,000-square-foot Warehouse Packaging Facility and a ~50,000-square-foot Sterile Filling Facility to the west and southwest of the project site. In 2014/2015 Bayer plans to construct a new 4,000-square-foot Storage Facility to the west of the project site, which the City of Berkeley has already approved.

The Project more specifically would be located on Lots CC and DD of the South Properties, between Carleton Street, Miles Way and Thomas Boulevard on the Bayer Berkeley site near the corner of Grayson Street and Seventh Street. (*Please refer to Figures 1 and 2.*) The Colgate building (known also as Building 83, or B83), as indicated above, lies immediately east of the Project site and, at ~90 feet tall, well-exceeds both the existing height limit and the proposed height of the Project. The South Properties Use Permit currently allows re-use of the Colgate Building and it would remain in place for the foreseeable, long-term future. The 14.4-acre South Properties (approximately 627,000 square feet) currently accommodates about 400,000 square feet of developed square footage. With the ~80,000-square-foot Project, the FAR on the integrated South Properties would be about 0.7.

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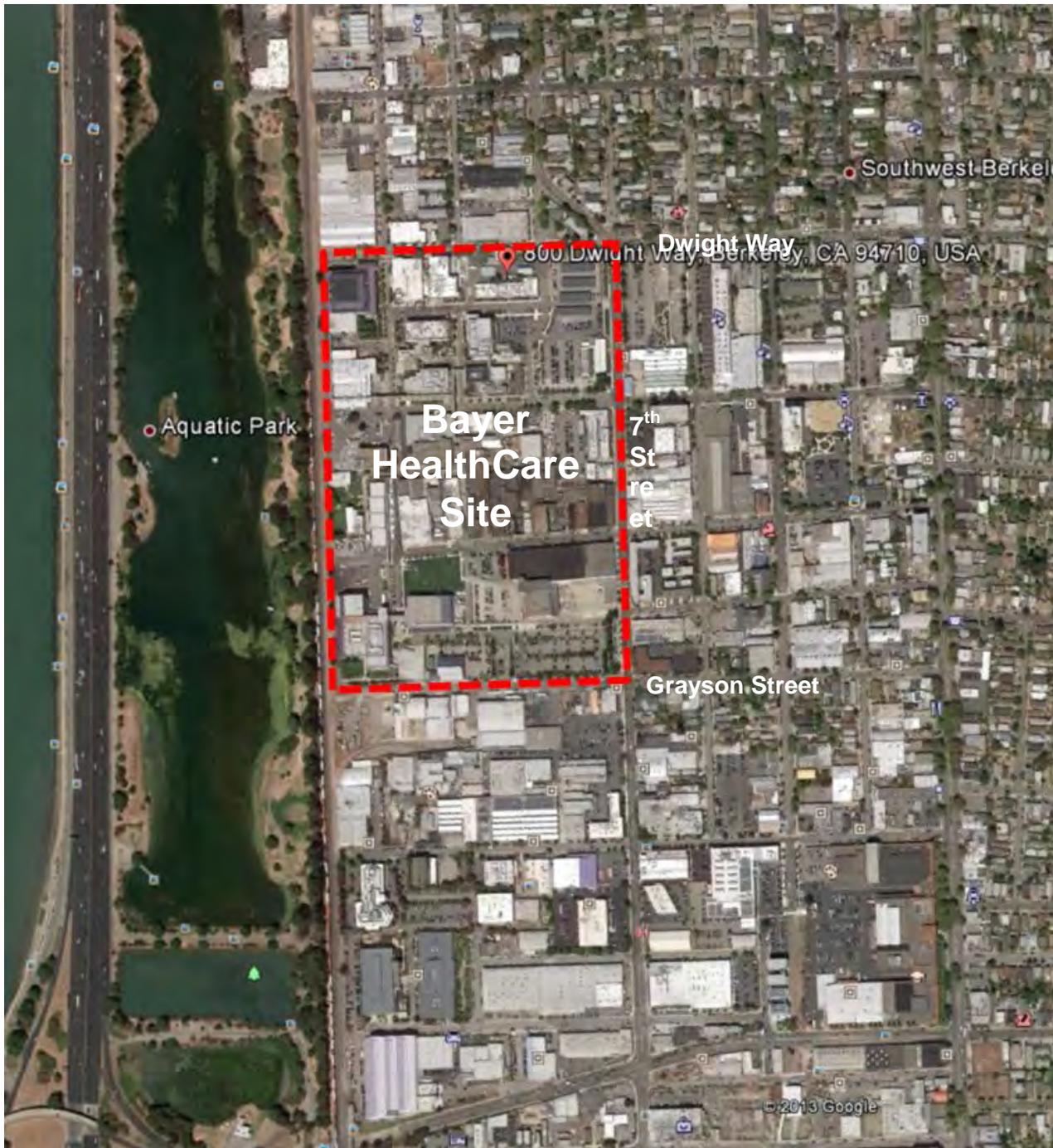


Figure 1 - Area / Key Plan

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**Figure 2 – Site Plan**

**Detailed Description of Proposed New Construction**

The proposed new Project consists of a modernized three-story, ~80,000-square-foot building devoted to the testing of pharmaceutical products to support Bayer's biotech manufacturing process (e.g., Product Testing to ensure products meet national and international regulatory requirements). The building configuration and height is a direct result of specific program needs and internal space relationships. The Project would operate using 24/7 work shifts, and replace and expand the total square footage of the existing testing facilities located on the Bayer Development Agreement Campus.

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The roof level of the main building will comply with the 45' allowable height limit for the City of Berkeley, Mixed Manufacturing (MM) District, exclusive of mechanical penthouse and other rooftop appurtenances. The mechanical equipment located on the roof will comply with the MM District requirements. (*Please refer to Figure 3.*).



**Figure 3 – Site Cross Section – looking north**

The architectural appearance of the building would be consistent with the modern architectural palette embodied in the Bayer Buildings 60, 66, 80 and 81, and be a state-of-the-art, modern facility that will represent Bayer's commitment to technology and sustainability, while enhancing the southeast corner of the Bayer site and connecting this area with West Berkeley's urban fabric. In addition to the Project, planned site improvements include the extension of the network of open spaces, area lighting, and utilities systems. Site landscaping and a new courtyard between the new Project and the existing Building 83 will be provided, consistent with the site planning and architectural guidelines of the Development Agreement between the City of Berkeley and Miles, Inc., dated February 25, 1992, and the First Amendment to the Development Agreement between the City of Berkeley and Bayer (formerly named Miles Inc.), dated June 10, 1999 (*Please refer to Figure 4*)

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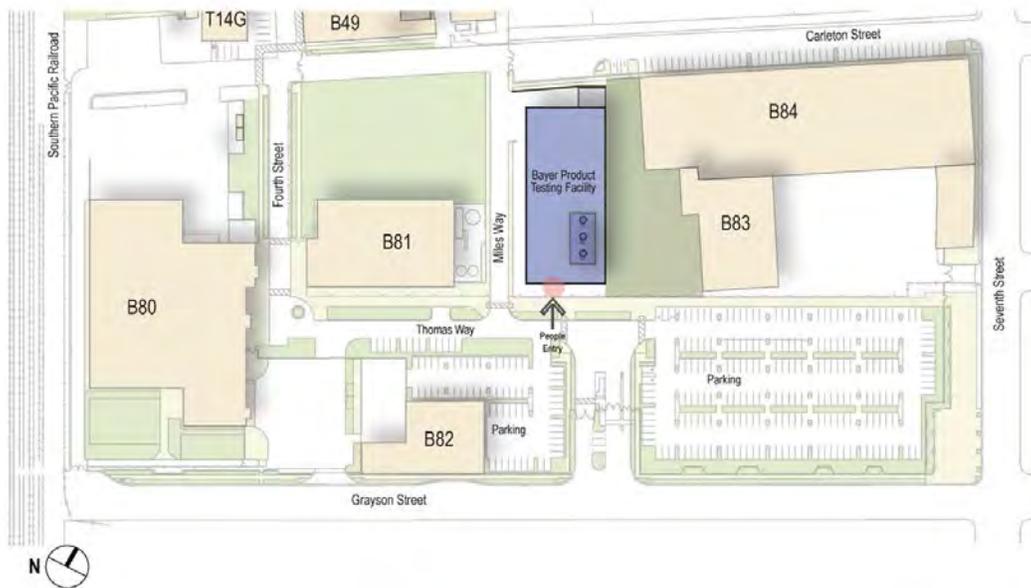


Figure 4 – Key Plan

**Demolition and Reuse of Existing Product Testing Facilities**

The Product Testing Facility use would constitute a modernization and consolidation of existing facilities, which occupy ~93,630 square feet, currently located on the Bayer Campus. Three of these facilities located on the Development Agreement Campus (i.e., Buildings 28, 28A and 50) would be demolished in the future. The project site of the proposed demolition is located on the Bayer Development Agreement Campus, adjacent or near to Dwight Way. Surrounding on-site uses include Administrative, Development and Central Utilities; the neighboring, off-site areas include artisan, industrial, business and residential uses. The total area to be demolished is approximately 65,000 square feet, such that the Project adds a net area of approximately 15,000 square feet to the Bayer properties.

**Access and Parking.** The Project would not involve the construction of any new entrances to the South Properties or internal driveways, or otherwise result in any changes to the circulation network. The existing infrastructure, including truck loading and unloading facilities, is capable of supporting project operations. As described, the Project replaces, modernizes, and consolidates current Product Testing operations in existing buildings into the new Product Testing Facility, generating a net increase in area of ~15,000 square feet on the Bayer properties, such that minimal, additional demand for parking is expected, but not above the existing parking supply.

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**Phasing.** The project would be constructed in one phase lasting approximately two years, beginning in January 2015. During the construction period, Bayer access will be via the existing Grayson Street Gate. All temporary facilities, access, parking for contractors and construction "Lay-down" areas will be internal to the site.

**Findings for Approval.** The project is one which will facilitate the operation of the Bayer Campus and make more efficient its biotechnology and pharmaceutical manufacturing uses. All of the findings required for the issuance and modification of a use permit can be made specifically as follows:

**1. The construction of a testing facility and its operation shall not be detrimental to the health, safety, peace, morals, comfort or general welfare of persons residing or working in the area or the neighborhood.** All of the requirements of the underlying MM District are fully satisfied by the project. The testing facility building shall be within the allowable height limits and the Project shall simply replace outmoded and obsolescent testing facilities with state of the art facilities to assist in the pharmaceutical manufacturing process. The environmental impacts of the project shall be mitigated into insignificance by conditions of approval and project revisions agreed to by the applicant.

**2. The construction and use allowed by the modification to the South Properties Use Permit shall not be detrimental or injurious to property and improvements of the adjacent properties, the surrounding area or neighborhood or to the general welfare of the City.** To the contrary, the Project will enhance the general welfare of the City, the adjacent properties and the surrounding area. The Project site is screened from view from Seventh Street and the higher areas of the City by the Colgate building and adjacent structures, preexisting nonconforming uses that greatly exceed the currently available height limits. The applicant has conducted neighborhood outreach and any impacts upon the adjacent properties or surrounding neighborhood will be mitigated.