

# MEMORANDUM

Office of the City Manager



**DATE:** January 30, 2024

**TO:** Mayor and Councilmembers

**THROUGH:** Ned Thomas, City Manager A handwritten signature in blue ink that reads 'N Thomas'.

**FROM:** Alex Andrade, Director of Economic Development

**SUBJECT:** **BD Biosciences Business Attraction Effort**

## **BACKGROUND:**

On June 19, 2019, the City Council approved a Partial Assignment and Assumption Agreement resulting in Embarcadero Capital Partners and Bridge Development Partners splitting 75 acres of land on North McCarthy Boulevard, which set the stage for the Office of Economic Development in partnership with the Planning Department to market the site for investment and business attraction. The purpose of this Informational Memorandum is to update the City Council on the BD Biosciences business attraction effort consisting of a successful collaboration by many City departments.

## **ANALYSIS:**

In early April 2022, the Office of Economic Development began conversations with Jones, Lang, LaSalle (JLL) on a business attraction project named "Project Curie." In late April 2022, Economic Development staff divulged to City representatives that the company considering Milpitas as a business location was BD Biosciences ("BD" is the abbreviation for Becton Dickinson). BD Biosciences is a renowned life sciences firm with 75,000 employees worldwide known for manufacturing medical devices, instrument systems, and reagents. BD Biosciences was seeking over 200,000 square feet of space for 800 employees in Silicon Valley.

Milpitas was one of three possible locations for the BD Biosciences relocation from their existing site in San Jose. A site selection process ensued between Milpitas' Park Point corporate campus (135 and 155 North McCarthy Boulevard) and sites in San Jose and Santa Clara. BD Biosciences' executives were impressed with the Park Point business campus due to its contemporary office and research and development space, and amenities offered, such as outdoor café seating, social fire pit terraces, recreation courts and fields, meandering walkways with lush landscaping, Coyote Creek Trail entry, McCarthy Ranch Marketplace across the street, and convenient location near I-880 and Highway 237.

In early May 2022, the Office of Economic Development invited BD Biosciences, Embarcadero Capital Partners (property owners), and Iron Construction to a preliminary conversation with City staff from the following departments/divisions: City Manager's Office, Economic Development, Planning, Land Development, Fire Life Safety, and Building and Safety. BD Biosciences was seeking assistance with life sciences relocation needs including utility upgrades, consistency in permit processing, and expedited permits from various City departments and divisions including a Minor Site Development Permit for various exterior improvements and tenant improvements for their office, labs, and research and development space. The City team expressed a keen desire to attract BD Biosciences to Milpitas through its commitment to prioritize the business attraction effort and pledged to assist with the necessary support, evaluation of the timeline for completing the necessary improvements, and

facilitating expedited permits and processes to the extent possible. It was the City's collaborative nature and willingness to partner with BD Biosciences that resulted in the selection of Milpitas' Park Point as their new Silicon Valley corporate campus location.

In the past year and a half, City staff have been working diligently on the BD Biosciences project to ensure that their target date of December 15, 2023, for a Temporary Occupancy Permit (TCO) was met. The City issued the TCO days in advance of the target date to BD Biosciences. The City promised BD Biosciences, Embarcadero Capital Partners, and General Contractor Iron Construction that the permit process would be handled effectively and efficiently, and staff delivered. Laura Hernandez (Senior Project Manager) of Iron Construction shared a testimonial with staff. "The City of Milpitas staff made the nearly impossible, possible! It started with the overall development concept, and the City was open to engaging with just preliminary drawings available from the outset. We always felt that the BD Biosciences project was prioritized, and we received the staff's full attention. The permit process was thorough and not confusing. In addition, there was always very good communication and coordination."

According to Ms. Hernandez, the total project investment for improvements was approximately \$75 million (excluding fees). The TCO will allow BD Biosciences to move equipment and employees into the two buildings in nine phases, which is anticipated to run through late September 2024. On Monday, December 18<sup>th</sup>, 56 employees started operating at Park Point and approximately 744 additional employees will arrive throughout the nine phases in 2024.

Special thanks to the following City staff members (in alphabetical order by department/division): *City Manager's Office* Ned Thomas and Matt Cano; *Office of Economic Development* Alex Andrade; *Planning Department* Michael Fossati, Avery Stark, and Lillian VanHua; *Building and Safety* Betty Chan, Linda Hodges, Isaac Hau (Project Manager), Jaclyn Imbesi, Gary King, Vaishali Prasad, Lorin Preston, Sangamitra Reddy, Vernon Sanders, and Bill Tott; *Fire Prevention* Arthur Belton, Martin Gatdula, Jaime Hernandez, Nehemiah O'Neal, and Nicolas Tran; *Land Development* Roberto Alonzo, Tyler Nguyen, Glenn Wong, and Jeremy Wu; *Public Works* Alan Ha.

Aside from the new jobs generated through this business attraction effort, BD Biosciences selecting Milpitas as its new Silicon Valley business location will create economic vitality that will have positive cascading effects benefitting our overall business community. City staff will continue to seek business attraction efforts as well as nurture and support existing businesses that call Milpitas home. There is a strong desire by the industrial and advanced manufacturing sector to relocate to Milpitas. It is more important than ever to preserve land for employment uses for business-to-business partnerships resulting in enhanced economic vitality for Milpitas.