



## FUJIFILM Diosynth Biotechnologies' 2020 Expansion in the Brazos Valley

Laying the Groundwork, Celebrating Success, and Looking to the Future

### OVERVIEW

In November 2019, FUJIFILM Diosynth Biotechnologies (FDBT) announced a commitment of \$120M total to expand the company's operational capabilities and build a new 65,000 square foot gene therapy facility on its Brazos Valley Biocorridor campus in College Station. Approximately 300 jobs are expected to be created and the investment began in March 2020.

FDBT is a leading global biologics Contract Development and Manufacturing Organization (CDMO) and one of the preeminent pharmaceutical manufacturing operations in Texas. The new capital investment of approximately \$120M will expand current Brazos Valley operations and establish a new Gene Therapy Innovation Center adjacent to FDBT's existing state-of-the-art cGMP gene therapy manufacturing facility in the Brazos Valley Biocorridor. This expansion supports the company's strategy to meet the growing demands in the Viral Gene Therapy Market which is expected to grow to \$1.7B by 2025. While the expansion will take place in the Brazos Valley Biocorridor, this expansion elevates the pharmaceutical R&D industry across Texas.

### I. INNOVATIVENESS

The FDBT's 2020 expansion project represents the alignment of institutional, technical, and financial aspects that are involved in economic development. FDBT's reinvestment in their Brazos Valley Biocorridor location is the manifestation of a decade of extraordinary vision, planning and implementation of an interconnected, master-planned bioscience research and development community in the heart of the Brazos Valley. This project creates pharmaceutical manufacturing capabilities in Texas for the first time, making the state newly competitive in the pharmaceutical industry. This goal is complimentary with the state of Texas' goal of being globally competitive in the biotechnology industry.

In 2013, The Texas A&M System's Center for Innovation in Advanced Development and Manufacturing (CIADM) was one of three centers developed in the U.S. in response to the H1N1 influenza pandemic by the Biomedical Advanced Research and Development Agency (BARDA) at the U.S. Department of Health and Human Services. The creation of the CIADM spurred the development of a cluster of biotechnology leaders in the new Brazos Valley Biocorridor. As a subcontractor to the Texas A&M System, FDBT owns and operates three facilities built through the CIADM program, setting the stage to address a future pandemic.

In 2014 the Brazos Valley Biocorridor attracted the addition of FDBT's only Texas headquarters. In 2018, having recently located in the Brazos Valley, FDBT showcased the region and their state-of-the-art facility by hosting their fellow BioPhorum members. This annual BioPhorum was cohosted with the Brazos Valley Economic Development Corporation (BVEDC) in the Biocorridor and brought this esteemed consortium of global bio company executives to Texas for the first time.

Today, the Brazos Valley Biocorridor is anchored by FDBT and also includes other leading biotechnology and manufacturing leaders such as iBio, ViaSat and G-CON Manufacturing. The Biocorridor is adjacent to the Texas A&M Health Science Center and between Texas A&M University's main campus and the new 2,000 acre RELLIS campus.

FDBT recognizes that the Brazos Valley offers unique assets. That includes having a ready-made talent pipeline through researchers and graduates from Texas A&M University, particularly the National Center for Therapeutics Manufacturing program which was developed to provide therapeutics manufacturing education, training, and outreach programs to support the development of an educated and skilled pharmaceutical workforce, as well as the new RELLIS Academic Alliance, and the Blinn College District. FDBT also cultivated specialized partnerships with the local ISDs and their CTE programs.

## II. TRANSFERABILITY

One of the reasons that the Brazos Valley was able to quickly embrace FDBT's expansion project was the BVEDC's commitment to identifying and honing in on targeted industries that present a competitive advantage for the region. By identifying a gap in the state's ability to capture pharmaceutical companies, the Brazos Valley created an emerging biotechnology cluster with combined research, resources and facilities that build a critical FDA pipeline for those who discover new therapies and technologies in plant, animal, and human health, perform preclinical evaluations, and utilize flexible, scalable biopharmaceutical manufacturing, all in one convenient location in the Brazos Valley. With constant nurturing of the existing biotechnology industry, the Brazos Valley lays the groundwork for substantial growth and further investment such as the foreign direct investment of the FDBT expansion.

This focus means when the Governor's office receives leads for biotechnology projects, the Brazos Valley is near the top of their list. When we receive leads from their office, we are ready to present tailor-made and thorough proposals quickly and confidently. As a regional economic development organization, the BVEDC is sure to work hand in hand with state-wide industry partners such as the Texas Healthcare and Bioscience Institute as well as private industry to leverage relationships in this vein.

While all regions will not be biotechnology hubs, the time and effort of identifying one's regional competitive advantages and focusing on them can pay dividends in the long run as industry clusters are built and reputations are created.

Another key factor in FDBT's continued commitment to the Brazos Valley is their relationship with the institutions in the Brazos Valley that prepare our workforce. It is exceptional, but not unreplicable, for an industry leader to partner so closely with universities, community colleges, and ISDs to identify and create opportunities for workforce development. Gerry Farrell, COO at FDBT, College Station, is so committed to local workforce development that he serves as the Team Lead of the Business Education & Partnership Action Team of the Brazos Valley Community Economic Development Strategy, supporting the workforce development needs of his own company, but also the region as a whole.

## III. COMMUNITY COMMITMENT AND LEVERAGE

The original recruitment of FDBT to the Brazos Valley in 2014 was the result of a shared incentive agreement between the City of College Station, the City of Bryan, Brazos County and the BVEDC. Ahead of the 2019 expansion announcement, FDBT had been receiving annual compliance incentive payments from the local jurisdictions since 2014 and is set to do so through 2023. This commitment was made through the following community partner agreements:

City of College Station Chapter 380 Economic Development Agreement  
City of College Station Chapter 380 EDA, Amendment #1  
City of College Station Chapter 380 EDA, Amendment #2  
City of Bryan Chapter 380 Economic Development Agreement  
City of Bryan Chapter 380 EDA, Amendment #1  
Brazos County Chapter 381 Economic Development Agreement

FDBT has met every benchmark of the original 2014 incentive agreements and has leveraged these commitments to expand their Brazos Valley facilities even further. This shows their international headquarters' continued foreign direct investment to the region, seeded by this early investment by the entire community.

The community also worked together on an Interlocal Agreement to develop the Brazos Valley Biocorridor that included a property tax sharing agreement. City and County partners worked in tandem to plan ahead and create an agreement that would allow them to be responsive and know how to distribute property taxes between all parties when opportunities presented themselves.

#### IV. MEASURED OBJECTIVES

The \$120M expansion commitment includes \$55M for a brand-new Gene Therapy Innovation Center, \$30M for an expansion in Building 200, \$30M for a warehouse expansion, and \$6M in National Center for Therapeutics Manufacturing enhancements. In 2019 FDBT reported \$79.7M in capital investment to the Brazos County Appraisal District. The commitment of this \$120M expansion in addition to previous investments creates a facility value of close to \$200M, total.

The expansion plans on establishing 300 new jobs, with 100 jobs related to the new Gene Therapy program. The Gene Therapy jobs will have an average salary of \$80,000. FDBT is one of the largest private sector employers in Brazos County, and according to the 2019 College Station Comprehensive Annual Financial Report, FDBT is the second highest tax paying enterprise in the city. They will further strengthen that position with their 2020 expansion.

#### V. SECONDARY BENEFITS

FDBT's 2020 expansion further helps establish a biosciences cluster within the Brazos Valley Biocorridor as the international FDBT headquarters continues to reinforce their investment in the Brazos Valley. Their expansion into gene therapy innovation center is a huge step into that arena and the very first of its kind in Texas. FDBT's movement in this direction brings a whole new dimension of biotechnology research to the state that did not exist before, further attracting players in that arena to the state and region.

FDBT's further job creation attracts and prepares a highly educated workforce to the Brazos Valley. The company continues to recruit pharmaceutical talent to the Brazos Valley, and helps to develop STEM skillsets for future members of the workforce through their K-12 partnership. In recruiting talent to the Biocorridor, they encourage further development of amenities along the Biocorridor. An area of the Brazos Valley that was once farmland adjacent to the Texas A&M Campus now presents boutique shopping and dining, which will continue to grow along with the workforce, enhancing the quality of life for all in the region.

An exceptionally powerful secondary benefit was announced after the FDBT's Brazos Valley expansion began in March 2020. Evidence of further commitment by FDBT to the region occurred in July 2020 in the midst of the

COVID-19 pandemic when the federal government reserved production capacity at the FDBT facility in the Brazos Valley to mass manufacture vaccines through the end of 2021.

The federal order, which supports Operation Warp Speed, is between the federal government and the Texas A&M University System’s Center for Innovation in Advanced Development and Manufacturing (CIADM). Because of their partnership with CIADM, FDBT can be tapped for emergency use by the federal government and FDBT is slated to use the reserved capacity at their Brazos Valley facilities for the COVID-19 vaccine candidate of Novavax, Inc. “This validates why the CIADM program was established,” said Dr. W. Jay Treat, Texas A&M’s Chief Manufacturing Officer for the CIADM. “We have state-of-the-art facilities ready to make millions doses of vaccines to meet the critical needs of our citizens.”

Valued at \$265M, the task order will accelerate the 2020 expansion announced in 2019 at the FDBT facility by helping fund new equipment for use in the current pandemic and in future emergencies. “The Texas A&M System is ready to save lives and help protect the country,” said John Sharp, Chancellor of The Texas A&M University System. “This whole project is a triple win. It’s a win for the Texas A&M System. It’s a win for FDBT. It’s a win for the nation.”

Operation Warp Speed aims to begin delivering millions of doses of COVID-19 vaccines by the end of the year if the U.S. Food and Drug Administration determines candidates are safe and effective. Because of the 2020 Brazos Valley expansion that was announced in 2019, FDBT’s facilities and workforce capacities in the Brazos Valley are strengthened and prepared to accommodate multiple vaccine technologies and help expedite the government’s large-scale manufacturing efforts.

“FUJIFILM Diosynth Biotechnologies is committed to be a partner for life and deliver these much-needed COVID-19 vaccine doses,” said Dr. Gerry Farrell, Chief Operating Officer of FDBT in College Station. “We are ready to move swiftly to deliver on multiple vaccine candidates as directed by the U.S. government.”

During an era when everyone is setting their sights and hopes on the expertise of pharmaceutical research, we in the Brazos Valley are honored and humbled that the efforts of those who envisioned the Brazos Valley Biocorridor laid the foundation for lifesaving research and development to take place right here in our backyard. FDBT’s 2020 expansion further establishes the Brazos Valley as a leader in pharmaceutical manufacturing and the work done here can change the world.

