



Legislation Details (With Text)

File #: 14-429 **Version:** 1 **Name:** Economic Development Agreement
Type: Agreement **Status:** Agenda Ready
File created: 5/2/2014 **In control:** City Council Regular
On agenda: 6/26/2014 **Final action:**
Title: Presentation, possible action, and discussion regarding an economic development agreement between the City of College Station and Kalon Biotherapeutics.
Sponsors:
Indexes: Economic Development
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
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Presentation, possible action, and discussion regarding an economic development agreement between the City of College Station and Kalon Biotherapeutics.

Relationship to Strategic Goals: (Select all that apply)

- Diverse Growing Economy

Recommendation(s):

Staff recommends approving an economic development agreement with Kalon Biotherapeutics.

Summary:

Kalon Biotherapeutics (Kalon), a private company established by the Texas A&M University System in spring 2011, was formed to provide advanced biologics development manufacturing in the newly constructed National Center for Therapeutics Manufacturing building. The company enables rapid, cost-effective drug development through a flexible and scalable clinical manufacturing platform with capabilities to support all classes of biological drug products including vaccines, monoclonal antibodies, cellular and gene therapies.

In June 2012, the U.S. Department of Health and Human Services established three Centers for Innovation in Advanced Development and Manufacturing (CIADM) to develop and manufacture medical countermeasures. The Texas A&M University System was selected to lead one of the three centers collaborating with GlaxoSmithKline (GSK), Lonza, and Kalon Biotherapeutics.

As GSK's development partner, Kalon Biotherapeutics is responsible for its cell-based pandemic and seasonal influenza vaccines, and is a commercial development and manufacturing organization for chemical, biological, radiological, and nuclear vaccines and medical countermeasures.

In order to facilitate new employment opportunities and a significant capital investment in the Biocorridor caused by Kalon Biotherapeutics, staff is recommending an incentive in the amount of an

annually reducing percentage of the City's shared revenue from the Interlocal Cooperation and Joint Development Agreement approved by City Council on December 15, 2011.

More details regarding the City's incentives, Kalon Biotherapeutics' obligations, and associated clawbacks will be provided at the meeting.

The agreement is conditioned upon the City of Bryan entering in to an agreement to grant its portion of the shared revenue received in a total amount estimated to be not less than \$411,451.39 to Kalon Biotherapeutics.

Budget & Financial Summary:

The total incentive will not exceed \$1,093,548.61 over a seven year period.

Attachments:

The economic development agreement is available in the City Secretary's Office.