

June 12, 2025

Item No. 8.5.

FUJIFILM Diosynth Biotechnologies Amendment

Sponsor: Brian Piscacek, Assistant Director - Economic Development

Reviewed By CBC: City Council

Agenda Caption: Presentation, discussion, and possible action regarding an amendment to an Economic Development Agreement with FUJIFILM Diosynth Biotechnologies, LLC.

Relationship to Strategic Goals:

Diverse & Growing Economy

Recommendation(s): Staff recommends approval.

Summary: On December 9, 2021, City Council approved an Economic Development Agreement with FUJIFILM Diosynth Biotechnologies Texas, LLC (FDBT), providing for a 138,000 square foot expansion of the existing commercial manufacturing facility located at 3939 Fujifilm Way in College Station for additional biomanufacturing capabilities for vaccines and gene therapies. This expansion included an estimated capital investment in personal property and real property of \$300 million and would result in an additional 150 FTEs.

Due to changing economic conditions following the COVID pandemic, the company paused expansion efforts here and in other locations around the world. With the core and shell of the new building complete, FDBT now intends on restarting the expansion project in College Station, commencing the construction of the remaining improvements. As a result, the agreement is proposed to be modified in two primary ways:

1) FDBT is adding an additional \$30 million in capital expenditures to complete the project, representing a 10% increase in the initial investment and increasing the total to \$330 million.

2) The initial completion of construction was estimated to be January 1, 2025. This amendment revises the date to December 31, 2028. The term of the agreement would also extend to December 31, 2040, to account for the incentive payment structure. The first payment would occur the year following the completion of construction, with the total not to exceed \$4,881,903 over the period.

The construction and operation of this new facility will continue to serve as a valuable catalyst for economic development.

Budget & Financial Summary: The subject property is located within the Biocorridor area and more specifically within the City of College Station as described in the Interlocal Cooperation and Joint Development Agreement that the City entered into with the City of Bryan in 2011. In the Agreement, the two cities agree to share 50-50 the Operating and Maintenance portion of ad valorem taxes assessed and collected, and the Agreement requires all Economic Development Agreements impacting the Biocorridor area to be approved by both cities.

Attachments:

1. First_Amendment_EDA_COCS_FujiFilm_(COCS_6-4-25)

**FIRST AMENDMENT TO THE ECONOMIC DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF COLLEGE STATION AND
FUJIFILM DIOSYNTH BIOTECHNOLOGIES TEXAS, LLC**

THIS FIRST AMENDMENT TO THE ECONOMIC DEVELOPMENT AGREEMENT (“Amendment”) is entered into on the Effective Date below, is by and between **CITY OF COLLEGE STATION, TEXAS**, a Texas Home Rule Municipal Corporation, situated in Brazos County, Texas (“CITY”) and **FUJIFILM DIOSYNTH BIOTECHNOLOGIES TEXAS, LLC**, a Texas limited liability company (“COMPANY”).

RECITALS:

WHEREAS, the City is authorized under Texas Local Government Code, Chapter 380 and other applicable Texas laws pertaining to economic development to make grants of public money to promote state and local economic development and to stimulate business and commercial activity in College Station, Texas; and

WHEREAS, the CITY desires to stimulate business and commercial activity in the Research Valley Bio-Corridor located in Brazos County, Texas (“Bio-Corridor”); and,

WHEREAS, COMPANY entered into an Economic Development Agreement with the CITY on or about December 9, 2021 with Contract No. 22300174 (“Development Agreement”); and

WHEREAS, COMPANY and CITY seek to modify the terms of the Development Agreement; and

WHEREAS, COMPANY is developing Property located within the Bio-Corridor as a commercial development site with research and biomanufacturing including capabilities for vaccines and gene therapies; and

WHEREAS, COMPANY desires to expand its presence by constructing an expanded facility on property located within the City of College Station, Texas and more particularly described in Exhibit “A” of the Development Agreement (“Property”); and,

WHEREAS, COMPANY intends to make improvements to the Property including the construction of an approximately 138,000 sq. ft. facility to increase its workforce by adding 150 full time employees (“FTEs”); and,

WHEREAS, COMPANY paused its expansion operations to evaluate the changing economic environment; and

WHEREAS, COMPANY now intends to restart its expansion operations and commence the construction of the Improvements on the Property; and

WHEREAS, COMPANY expects that the new facility is an investment of **THREE HUNDRED THIRTY MILLION DOLLARS (\$330,000,000)** by the COMPANY representing an increase of **THIRTY MILLION DOLLARS (\$30,000,000)** or ten percent (10%) over the target set forth in the Development Agreement; and

WHEREAS, the Improvements will have a direct and positive economic benefit to CITY; and,

WHEREAS, the CITY finds the construction and operation of the new facility by COMPANY will provide a valuable catalyst for economic development in the CITY by the attraction of new businesses, new jobs, and the increase in ad valorem taxes to the CITY; and

WHEREAS, Texas Local Government Code Chapter 380 provides that Texas municipalities may create programs to promote local economic development; and,

WHEREAS, CITY desires to provide incentives to COMPANY to assist in the economic development of the CITY; and,

WHEREAS, CITY finds that this Agreement embodies an eligible “program” and clearly promotes economic development in the City and, as such, meets the requisites under Texas Local Government Code Chapter 380 and further, is in the best interests of the CITY;

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the adequacy and receipt of which is acknowledged, including investing an additional **THIRTY MILLION DOLLARS (\$30,000,000)** toward the project, the Parties agree to amend the Development Agreement as follows:

1. Definitions. The terms “Improvements” and “Property” as defined in Article II, “Definitions”, are amended as follows:

““Improvements” shall mean the approximately 138,000 square foot expansion to the existing commercial manufacturing facility to be constructed on the Property and other ancillary facilities such as reasonably required parking and landscaping along with new personal property for a combined total personal property and real property investment of approximately **THREE HUNDRED THIRTY MILLION (\$330,000,000)** at time of completion by December 31, 2028, subject to extension for Force Majeure.”

““Property” means the real property comprised of approximately 12.45 acres more or less and as described in Exhibit “A”, not including any improvements constructed on such real property before May 24, 2022.”

2. **Completion of Construction and Occupancy.** Section 3.2.b., “Completion of Construction and Occupancy”, is amended as follows:

“b. Completion of Construction and Occupancy. There shall be Completion of Construction of the Improvements, including issuance of all necessary occupancy permits from CITY, and COMPANY shall be fully operational by no later than **December 31, 2028**, subject to extension for Force Majeure.”

3. **Incentive Payments.** The first paragraph of Section 4.1.a. is amended as follows below (for the avoidance of doubt, the Incentive Payment chart in 4.1.a. is not amended and remains as originally stated in the Development Agreement):

“a. Subject to the terms and conditions of this Agreement, provided that the Improvements total approximately \$330 million at time of the date of Completion of Construction, CITY hereby grants an annual Incentive Payment to COMPANY in an amount equal to a percentage of ad valorem taxes assessed, paid and not contested by the COMPANY relating only to the Improvements on the Property as follows:”

4. **Term.** Section 6.1, “Term”, is amended as follows:

“6.1 Term. The term of this Agreement shall begin on the Effective Date and shall continue until the end of the 12th full calendar year following Completion of Construction (currently estimated to be December 31, 2040) unless terminated sooner pursuant to the terms of this Agreement.”

5. Except as expressly modified and amended by this Amendment, the terms and provisions of the Development Agreement shall remain in full force and effect.
6. This Amendment may be executed in counterparts, which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to be effective as of the last date executed below ("Effective Date").

CITY:

CITY OF COLLEGE STATION, TEXAS
a Texas Home Rule Municipal Corporation

By: _____
City Manager
Date: _____

COMPANY:

FUJIFILM DIOSYNTH
BIOTECHNOLOGIES, LLC, a Texas
limited liability company

By: _____
DocuSigned by:
Keita Hirabayashi
34C9397C50904AB...
Name: Keita Hirabayashi
Title: Site Head
Date: June 6, 2025

APPROVED:

Assistant City Manager/CFO
Date: _____

City Attorney
Date: _____