

Organization: Frederick County Office of Economic Development

Community Size: Large (More than 200,000)

Project Name: Kite Pharma, Inc. - A Gilead Company

What's unique about this project: This project stands out for many reasons including the size of the project as the largest attraction to the region this past year, but the most unique was the speed at which Kite Pharma needed to start construction so they could provide lifesaving treatments to their patients. The Frederick County Office of Economic Development (FCOED) was initially engaged during the BIO International Conference in June of 2018. Initial dialog with the company showed an interest to locate here but they emphasized their need for an expedited process to help as many patients as possible with their cell therapy cancer treatments. Within weeks FCOED presented two viable sites to the company that fit the size of the project and had developers ready to hit all project benchmarks. At this time due to the importance of the project County Executive Jan Gardner named the project eligible for turbo fast track of all approvals necessary to bring the project to Frederick County, Maryland. After the site selection of Urbana, Maryland for the project the Frederick County Planning and Permitting Department was able to work with the developers and Kite to ensure that construction started by within 180 days of permit application. Construction will be completed in 2020 and they have already hired 100 employees to organize the interior build out and commissioning of the facility. The attraction of Kite Pharma to Frederick County could not have happened without excellent coordination of efforts from all those involved in ensuring construction timelines could be ensured.

How did this project diversity the economy: Kite Pharma's purchase of 20 acres and the construction of a state-of-the-art 279,000 square foot biologics manufacturing facility has gained Frederick national and international exposure. The capital expenditures for the project is \$85m which includes the acquisition of land, building construction costs, manufacturing and equipment costs and other.

Kite Pharma is diversifying Frederick's economy by providing jobs in several fields including technicians, manufacturing, quality control, engineers, and more. Kite offers high paying jobs in the range of \$55K to over \$160K that requires a minimum of a Bachelor of Science degree.

Kite is projecting to have 400-700 permanent full-time employees at the facility by the end of 2025. Kite has already hired approximately 100 employees for the Frederick facility as they continue to finish construction and set up their workforce pipeline for the facility. Adding this cell therapy manufacturing facility to Frederick County's already robust bioscience

In Maryland, there are 2,360 life science companies employing 41,322 people. As the 2nd largest cluster of life sciences companies in Maryland, Frederick has over 80 life sciences companies and represents 10% of all bioscience jobs in Maryland. This industry has seen a 77%

employment growth over the last 10 years. The growth has been in areas of highly specialized in biological product and pharmaceutical manufacturing as well as biotech R&D.

Due to Kite Pharma locating to Frederick, the Frederick County Office of Economic Development has seen a dramatic increase in national and international life science companies interested in Frederick as a location.

Contributions to economic development best practices: As part of FCOED's attraction strategy there have been practices put in place in order to make Frederick County a desired destination and one sought out by site selectors when looking at the region. Our participation at site selection national events, industry specific events (including BIO International in this projects case), as well as regional development associations are all key elements. Once engaged we are able to locally pull together resources from internal county departments, regional utility partners and development partners to make responses complete and compelling. Then FCOED taking a lead role allowing for the business and key stakeholders to have one point of contact simplifies and speeds the prospects decision making process.

This project was approved for Turbo Fast Track designation and was given top priority to meet the timeline of the project. The County understood the critical timing associated with this project, and worked closely with the project team and site developer to move this project through the various reviews as quickly and efficiently as possible. FCOED assigned an ombudsman that assisted the Kite Pharma development team through the permitting process to ensure a smooth and coordinated process being completed in 180 days. This was achieved through regular weekly meetings and those meetings have continued as construction has progressed.

The Partnership for Workforce Quality program is being used to reimburse Kite Pharma for up to 50% of the direct costs of training. It will also provide professionals to assist Kite in connecting with other State resources available for productivity, training needs assessments and to advise businesses about training curriculum development.

The County does not assess a business personal property tax. In comparison to neighboring jurisdictions, this is a significant benefit and incentive to doing business here.

Coordination of Partnerships: The project was successful through the partnership of the team at FCOED as well as partners with all Frederick County Departments, Maryland Department of Commerce, local utility providers and the site development partners including the eventual site selected developer Natelli Communities were key to the site selection by Kite Pharma. Site preparedness is a key subject and issue in today's site selection marketing. Natelli invested in the business park, the access to the park, significant infrastructure and provided a site that had no road blocks to start construction.

From the initial collection of information during the RFI process with short timelines. Through the planning and completion of two filled days of onsite meetings with each site and the site selection team. Then the coordination of efforts by all to show the timeline of the project and meeting all agreed to benchmarks were vital to bringing Kite Pharma to Frederick County. As a celebration of this collaboration and nice welcome to the community all the partners and members of the Kite Pharma team from California came to the 2019 FRED (Frederick Real Estate Dealmakers) Awards. There the entire development team received the Project of the Year award.

Leverage of Resources: Since being awarded this project and announcing it nationally in the spring of 2019, Frederick County has seen more opportunities to attract large tech, bioscience, and especially cell and gene therapy companies than it has ever before. FCOED has assisted with two additional prospects who would like to follow Kite into the same business park in Urbana, MD. Actively we are working with three large bio manufacturing prospects have placed Frederick on their short list. Kite Pharma continues to enrich our community while working with our higher education facilities and has joined the Board of Directors for the Maryland Tech Council. Kite staff have been panelist at a MD Tech Council event and have committed to many other regional future events.

Innovation and Creativity: Recognizing the critical role that access to quality talent plays in the success of Kite Pharma's new facility, The Maryland Department of Commerce, in partnership with Frederick County, with Kite Pharma to establish a Kite Pharma Innovation in Training Institute (ITI) in collaboration with Hood College. The ITI would constitute, in the short term, a viable path toward meeting the immediate training and skill-based needs of the Kite Pharma workforce. For the future, it could serve as the foundation for a long-term, cooperative partnership for Kite Pharma and the local academic community. Always active with nationally significant programs and leading-edge research, Hood College can offer students and faculty the opportunity to conduct training, research, and industry relevant curriculum development in the entrepreneurial environment of Kite Pharma's biomanufacturing needs. As nearly 90% of the required Kite team will require a bachelor's degree or beyond, Hood graduates can play a significant role in the fulfillment of Kite's workforce needs. The ITI would feature state-of-the-art equipment (provided by Kite Pharma) and classroom space (provided by Hood College) that serve as a launch pad for collaboration and learning among Kite's employees and Hood College faculty and students, benefiting both organizations in the pursuit of advanced training of employees. Initial efforts of the Institute will focus on the advanced training needs of the employees at the proposed new manufacturing facility. Long-term engagement will serve the goal of providing Hood students with opportunities for research projects, internships and employment opportunities. A formal MOU has been completed by Hood College and the team at Kite Pharma to begin this partnership. In addition the company has hired a higher education specialist for their team who is not only working on the ITI but is also working with Frederick Community College, University of Maryland and Johns Hopkins University on workforce development and education programs.

Jobs (before): 0

Jobs (after): 700

Source of Funds (public sector): Maryland Department of Commerce, Frederick County Government

Source of Funds (private sector): Kite Pharma, Inc.

Leverage Resources (initial): 40933238

Leverage Resources (total): 85000000

Expansion of Tax Base (before): 1500000

Expansion of Tax Base (after): 48000000

ROI: 400-700 new jobs; Tax base of new facility (\$48M); Annual payroll of facility estimated at \$7M in 2019, \$13M in 2020, \$19M in 2021, \$55M in 2022, \$67M in 2023; Programs for education in our all our higher education institutions and schools; Programs for training in the community and higher education institutions across the state; A solid anchor in cell therapy expanding our bioscience cluster & attracting similar businesses and workforce to the county.

Impact on Employment: 400-700 new jobs over the next 5 years with annual payroll of facility estimated at \$7M in 2019, \$13M in 2020, \$19M in 2021, \$55M in 2022, \$67M in 2023.

Programs for education in our all our higher education institutions and schools.

Programs for training in the community and higher education institutions.

Allow for Frederick County workforce that currently commutes outside of the county for work to remain in Frederick County for their job as it is estimated up to 60% of our workforce still works outside the county.

Continued attraction of millennial workforce to work in our community and move here.

Expansion of the Tax Base: Tax base of new facility (\$48M)

Tax base of new employees relocating (Estimating over \$60M of real estate to be purchased)

Payroll Taxes with the annual payroll of facility estimated at \$7M in 2019, \$13M in 2020, \$19M in 2021, \$55M in 2022, \$67M in 2023.

Diversification of Economy: While Frederick County has a very successful bioscience cluster, the addition of Kite Pharma and their expertise in cell therapy will allow for future investment of companies in cell and gene therapy in Frederick County. Some of these companies are already located in the region so they will be able to expand their existing businesses or offerings. Partnering with Kite or other research partners in the area on future drugs and manufacturing will naturally occur as well as the coordination of partnerships with our higher education as new employees will need to be educated and trained. As we have already experienced there will be additional companies in this industry that will follow Kite Pharma. FCOED is excited to work with them and as County Executive Jan Gardner said “Frederick County is where the cure for cancer will be found.”

Kite Pharma stated in their site selection announcement “This new facility in Frederick County builds on our substantial technical capabilities and rapid progress in making personalized CAR T and TCR cell therapies for people with cancer. As we advance our industry-leading cell therapy pipeline and seek to help a growing number of people with cancer, expanding and investing in our manufacturing capabilities is essential,” said Tim Moore, Executive Vice President of Technical Operations at Kite. “With the Frederick County site, we will have the opportunity to build and design the facility tailored to our own innovative processes and with state-of-the-art features that will enable us to meet the future needs for cell therapies.”

Files

<https://www.medamd.com/index.php?gf-download=2019%2F12%2FKite-Pharma-2019-MEDA-Nomination-Final.pdf&form-id=12&field-id=40&hash=ad5e5458bbd8090daf98d50632aaff09b0736eb5c828560afd34d034d3ec4a8b>

<https://www.medamd.com/index.php?gf-download=2019%2F12%2FKite-Pharma-MEDA-Videos.pdf&form-id=12&field-id=40&hash=a084b6f29bb6afc93493f6483e8ddd5734b339ad95a09bb1fb752527a7668cc2>

<https://www.medamd.com/index.php?gf-download=2019%2F12%2FKite-Pharma-MEDA-Pictures.pdf&form-id=12&field-id=40&hash=3b6835876cc40017fb24904af0db8a7abf53b08238a7d2e293a5946f21b9d3f3>