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Why Fujifilm's \$2B facility could be North Carolina's to lose – but watch out for Texas

By Lauren Ohnesorge – Senior Staff Writer, Triangle Business Journal – January 11, 2021



Rendering of Fujifilm Diosynth's large-scale cell culture production site. Fujifilm Diosynth

Multiple industry watchers tell *TBJ* they think the project is one North Carolina could win.

John Boyd, a site selection consultant based in New Jersey, said the project could be North Carolina's to lose. He pointed to talent, low business costs, and proximity to existing life sciences player and distribution markets as advantages for the region.

"I can tell you that over the past several months – we are seeing unprecedented mobility within the life sciences industry," he said. "Most diligent and competent site searches within the life

sciences industry today consider the powerhouse RTP and increasingly the high-growth I-40 corridor.”

Texas-based real estate developer Ari Rastegar said that if Fujifilm makes its decision based on “location and distribution and pricing in terms of real estate, [North Carolina] is going to take it.”

“There’s a huge case for you,” he said. “They don’t need expensive real estate. It’s more affordable there, I think there’s a good bet it goes your way.”

But, if incentives become the deciding factor, the proposition changes, he said.

“If they’re looking at incentives and money, Texas will blow it out of the water,” he said. “Texas has way more money.”

Ed Curtis, CEO of YTexas, a business network for companies expanding in the Lone Star state, said Texas puts up a fight in the talent category, too. While the Triangle may have UNC-Chapel Hill, Duke University and N.C. State, College Station has an expanding Texas A&M – and it’s less than two hours from both Austin and Houston.

“At the end of the day, I really feel like in any industry it’s the talent,” he said. “And Texas, we’ve been leading in biotech. ... And Texas A&M really puts us in the forefront.”



Martin Meeson, CEO of Fujifilm Diosynth Biotechnologies

Meeson didn’t say where Research Triangle Park and Texas sit on the emerging short list for the site, just that the firm was “evaluating” all its options – and would make a decision quickly.

“We don’t want to spend too long on the decision-making process,” he said.

Meeson said the firm and its consultants would consider multiple factors – costs being a big one.

“There are different operating costs in both [N.C. and Texas],” he said. “And obviously, we’ll be looking to work with the states to

see how they can support us both.”

At either site, opportunities exist to partner with nearby universities, Meeson said.

The goal is to create a long-term opportunity – one that can grow with Fujifilm.

“The vision of this really is to make sure this has the ability to be phase one of a multiphase expansion,” he said. “We do not want to limit ourselves. ... We want to have a line of sight in the next decade to make sure we can continue to expand.”

Fujifilm Diosynth's current RTP site is about 69 acres. The new site would be more like 90 to 100 acres.

Even if the facility were built in the vicinity of RTP, it would be a separate campus, Meeson said. That's because the current RTP site is focused on small to mid-scale manufacturing with development labs. The new site is envisioned as a place for large-scale manufacturing.

“Obviously there's some synergies from having complimentary skills nearby, but certainly we are very committed to the current site being where it is,” he said.

Meeson wouldn't give an exact deadline for when a decision might be made – but said to expect one by the end of the first quarter.

“Everyone wants to rush you,” he said. “I would like to make an announcement ... but you've got to step very consistently and very diligently through that process.”

In the meantime, Fujifilm continues to respond to pandemic crisis. It's partnered with Novavax to produce its vaccine candidate from a moth cell line – a product line that is not planned for the new site. The firm has been manufacturing vaccine consistently since July, starting in RTP and now also in Texas.

“It's just really good to be in a position to respond when we're within a pandemic,” he said.

But it's been challenging. Even as it plots its next expansion, the team working on the vaccine has had to deal with balancing both its workforce and its supply chain in the middle of a pandemic. The virus has put additional restrictions on the workforce, forcing Meeson to balance workers both offsite and onsite. And he said he's proud of his team as they balance the coronavirus work with other projects.

“We run more over 60 products just at the site in North Carolina, around 150 different products around the network,” he said. “Actually I think that set us up right well. ... We're used to having to work with slightly different product mixes, things being available, not being available.”