

December 16, 2025

NOVARTIS GENE THERAPIES, INC.

ECONOMIC DEVELOPMENT INCENTIVE APPLICATION

City Council Individual Consideration

Presented By:

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Prepared by Clay Parker, Business Recruitment Specialist



OBJECTIVE

- Approve Chapter 312 and Chapter 380 economic development incentive agreements.
- The Economic Development Partnership Board recommended approval on November 25, 2025 (9-0).

BACKGROUND

- On Aug. 21, Novartis and Ryan Tax Firm met with city staff to discuss incentives for an upcoming expansion:
 - Novartis is Swiss medicines corporation formed in 1996, focused on alleviating society's greatest disease burdens.
 - Eighth largest pharmaceutical company in the world by revenue.
 - Nearly 70 offices in the United States for pharmaceuticals, operations, corporate, and biomedical research.
 - Recently announced Hub in North Carolina for biologics and sterile packaging manufacturing.

PROJECT OVERVIEW

Novartis has identified Denton as a site for their radioligand therapy (RLT) pharmaceutical manufacturing facility expansion in the U.S.

- RLT pharmaceuticals facility announced in Carlsbad, California. Considering other RLT manufacturing sites in the U.S .

¹⁷⁷Lu-PSMA-617 / Pluvicto

A PSMA-Targeted Radioligand Therapy for metastatic prostate cancer

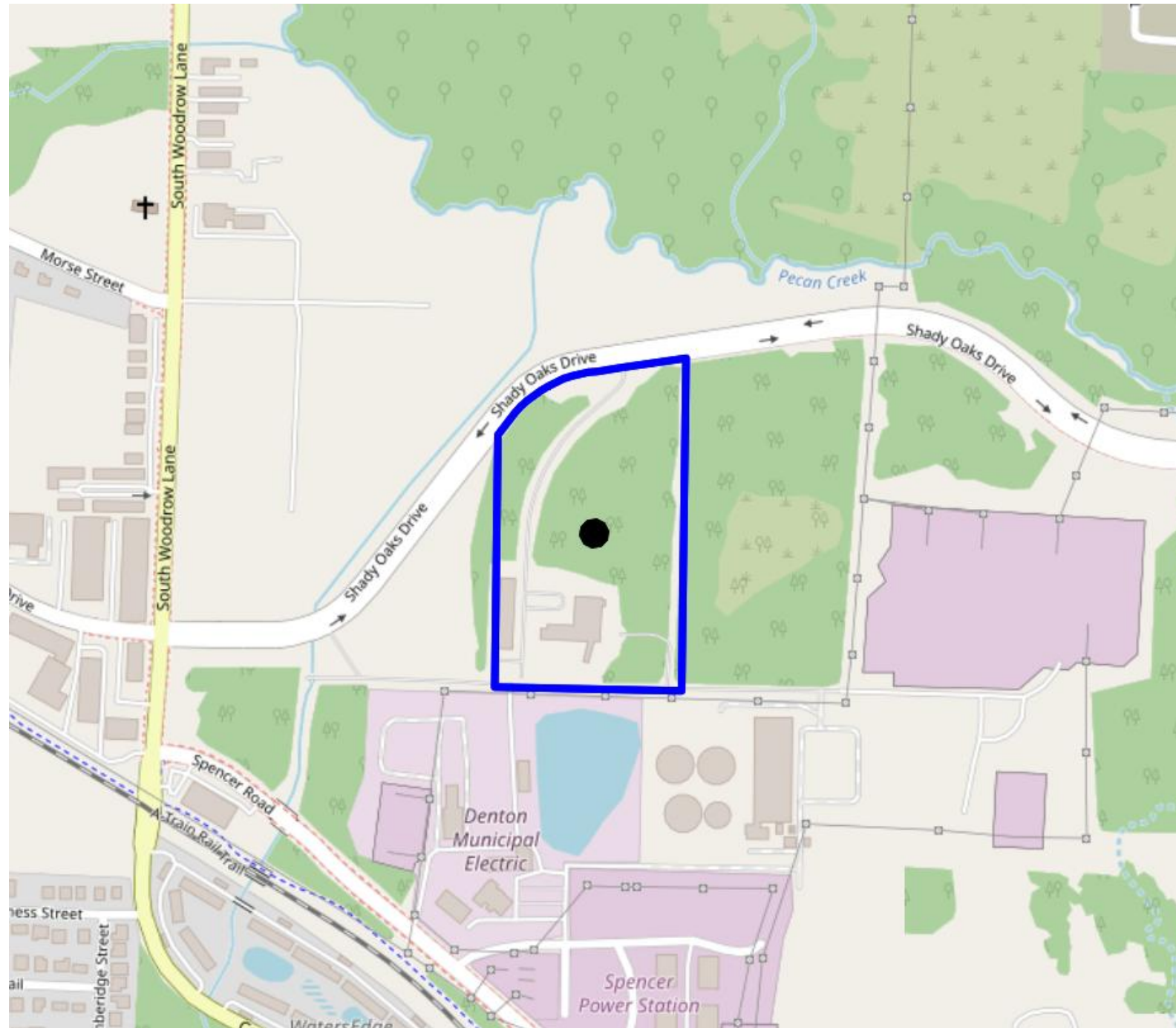


¹⁷⁷Lu-DOTA-TATE / Lutathera

A SSTR-Targeted Radioligand Therapy for somatostatin receptor-positive GEP-NETs in adults.



LOCATION: 2101 Shady Oaks Dr



- Formerly operated by U.S. Radiopharmaceuticals
- Site has been non-operational since 2009
- 50,000 sq. ft. facility on a 20-acre site
- Currently owned by Kensington Title-Nevada, LLC.



SITE IMPROVEMENTS



- Dumpster
- Parking Area
- Temporary RR & Hand Wash
- Generator
- Equipment Staging Area
- First Aid Station

Phase 1: Site Preparation

- Remove hazardous materials and complete environmental clearance.
- Grade site and demolish interiors of existing buildings.
- Begin landscaping and aesthetic enhancements.

Phase 2: Building Upgrades

- Building 1: Office/Warehouse
 - 16,900 sq. ft.
 - Renovate for modern use.
- Building 2: Office/Production Lab
 - 26,229 sq. ft.
 - Upgrade for specialized manufacturing operations.
- Tunnel: Transfer Building & Boronated Bunker
 - 5,317 sq. ft.
 - Retrofit for secure containment and shielding.

Phase 3: New Construction

- Add new structures to support future operations.
- Upgrade utilities and infrastructure for long-term sustainability.

PROJECT ESTIMATES

TOTAL CAPITAL
INVESTMENT

\$280

Million

IMPROVEMENTS

\$71

Million

BUS. PERSONAL
PROPERTY

\$200

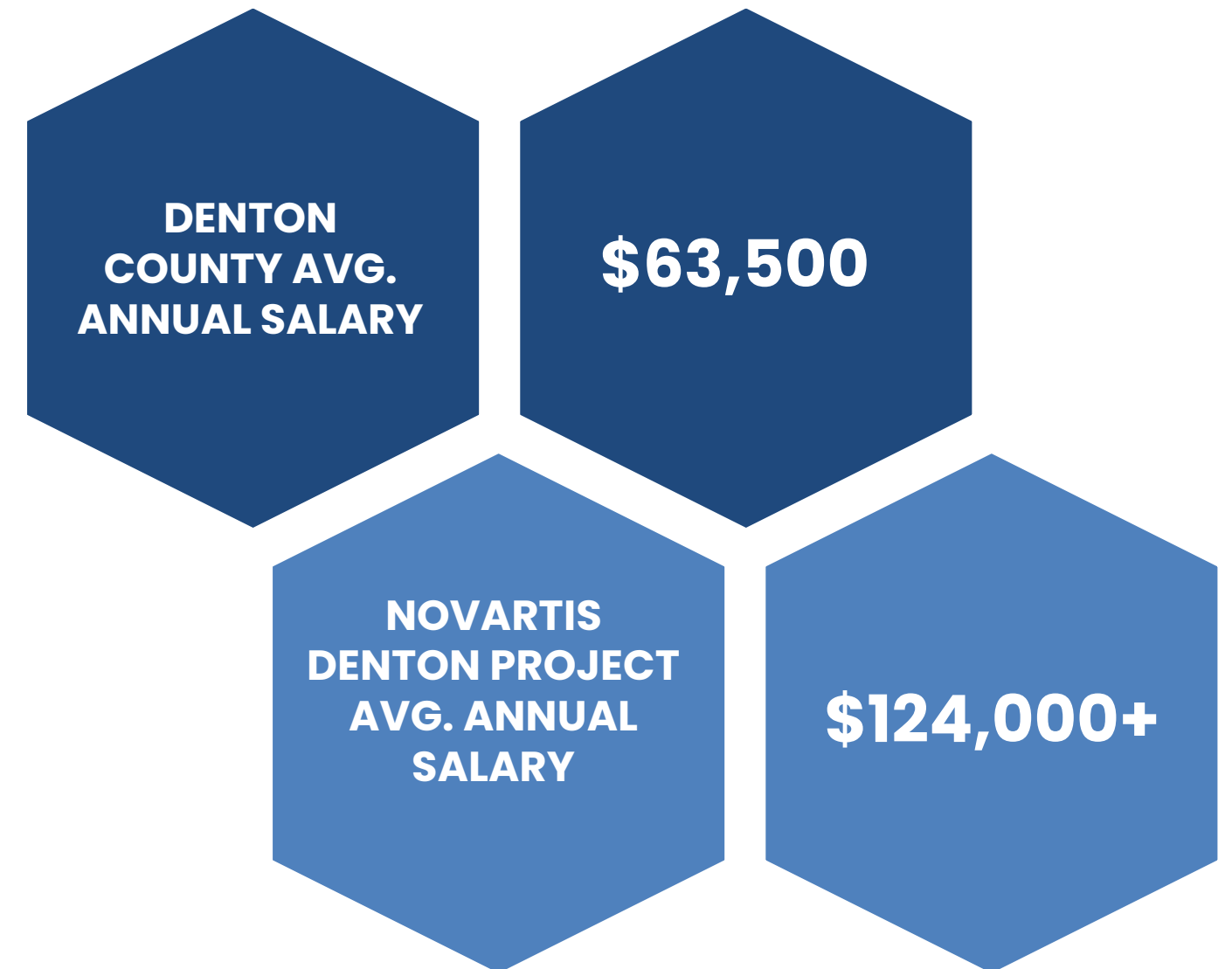
Million

NEW JOBS

150

JOB/WAGE INFORMATION

- Creates 150–175 new job opportunities in ~40 roles, including:
 - Site Head/GM Isotopes
 - Automation/calibration/process engineers
 - Production/facility/maintenance technicians
 - Quality control analysts
 - Training lead
 - Various supervisor/manager positions
- Average salary of more than \$124,000.



Denton County Avg. Wage Source:
JobsEQ Q22025 Report

INCENTIVE PROPOSAL

Incentive	Total
Real Property Tax Abatement at 50% for 10 years for New Improvements (Chp. 312)	\$2,337,960
Sales Tax Rebate at 50% on Construction Materials (Chp. 380)	\$199,688
Jobs-Based Grant (Chp. 380)	\$300,000
Remediation Grant (Chp. 380)	\$395,000
Total Incentives	\$3,232,648

Pending State Incentives

- **Texas Enterprise Fund:** "Deal-closing" grant for companies considering a new project for which one Texas site is competing with other out-of-state sites (Value TBD).
- **State Pharmaceutical Manufacturing Business Personal Property Tax Exemption:** (~\$5.9M over 10 yrs)

ECONOMIC IMPACT REPORT

(10 Years)

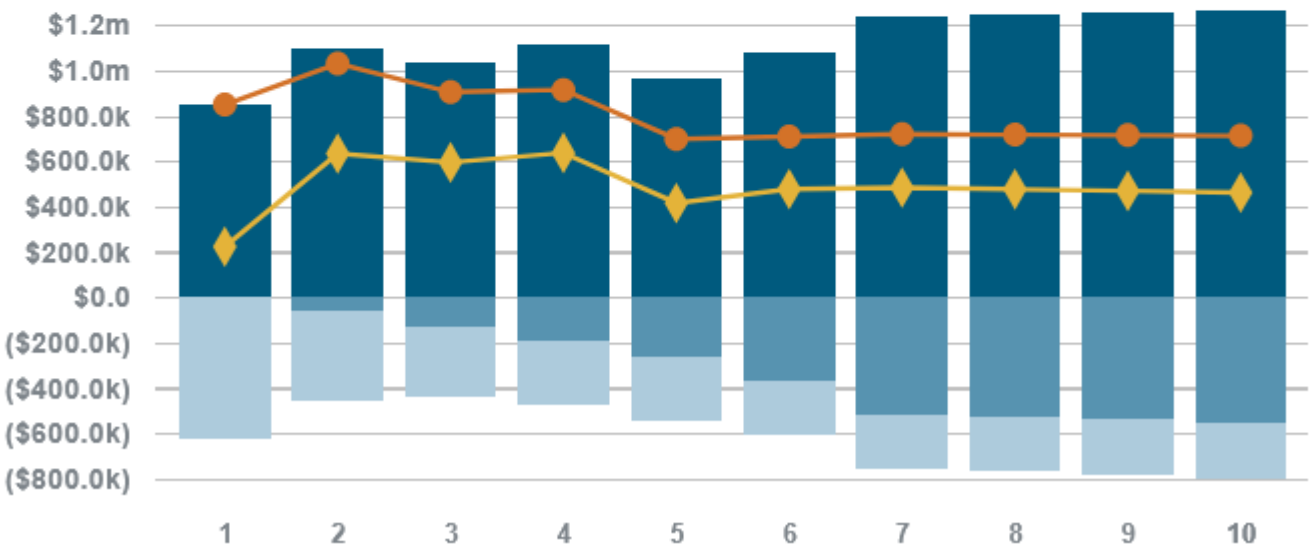
BENEFITS
\$11,131,585

COSTS
(\$3,176,512)

INCENTIVES
(\$3,098,880)

NET BENEFITS
\$7,955,073

**NET BENEFITS
LESS
INCENTIVES**
\$4,856,193



NET BENEFITS LESS INCENTIVES OVER 10 YEARS

CITY	\$4,856,193
COUNTY	\$1,951,866
SCHOOL DISTRICT	\$5,221,727
TRANSIT DISTRICT	\$449,729

JOB

314.9 Total
150.0 Direct
164.9 Spin-off

CAPITAL INVEST.

\$271.0M
Buildings + FF&E

SALARIES

\$87,223 Avg
\$124,211 Direct
\$53,585 Spin-off

RESIDENTIAL DEV.

3.5 Homes
23.6 Relocations

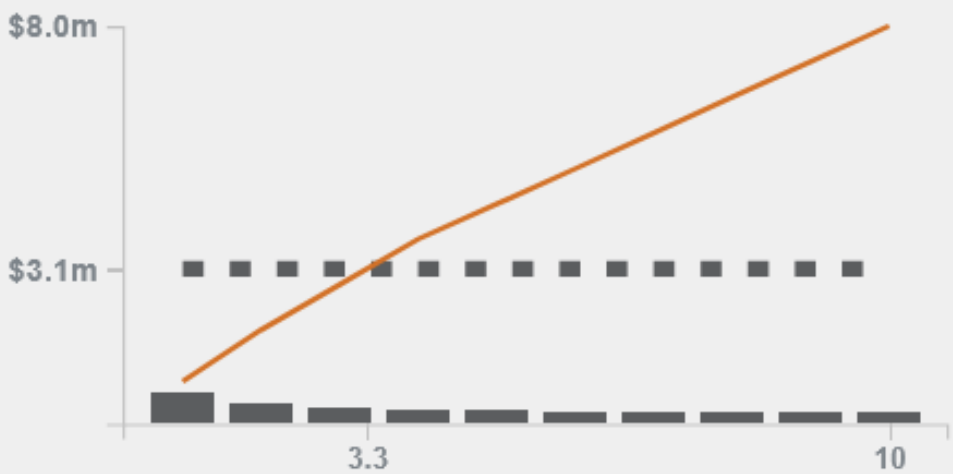
INCENTIVE ANALYSIS

\$3,098,880
Total Incentive

\$20,659
Per Job

25.7%
Rate of Return

3.3 Yrs
Payback Period



Incentive

Cumulative Net Benefits

COMMUNITY IMPACT

- Serves as catalyst for additional life science opportunities in Denton
- Creates research partnerships and employment opportunities for UNT/TWU/NCTC students
- Adds defunct property back to the tax rolls
- Expansion will create local contractor/vendor opportunities
- Supports future life science hub for the DFW region

**Economic Development
Evaluation Matrix Score:
91 (Excellent Range)**

City of Denton Strategic Plan Considerations:

- Expand the Tax Base
- Increases High Wage Jobs
- Encourage Knowledge Base Jobs
- Pays a Living Wage for All Employees
- Encourages New Business Markets/Suppliers and Entrepreneurship
- Benefits Package
- Engages in Sustainable Practices
- Spurs Infill Development or Redevelopment

STAFF RECOMMENDATION

Chapter 380 Grant:

- Consider adoption of an ordinance of the City of Denton approving an economic development agreement under Chapter 380 of the local government code to promote economic development and to stimulate business activity and economic growth of the City of Denton between the City of Denton and Novartis Gene Therapies, Inc., regarding the expansion of operations and increase in the number of jobs in the City of Denton; authorizing the expenditure of funds therefor in an amount not-to exceed \$894,688; authorizing the city manager to take action to facilitate the remediation of property in furtherance of said agreement; and providing an effective date. The Economic Development Partnership Board recommends approval (9-0).

Chapter 312 Grant:

- Consider adoption of an ordinance of the City of Denton approving a tax abatement agreement with Novartis Gene Therapies, Inc. setting forth all the required terms of the tax abatement agreement in accordance with the terms of Chapter 312 of the Texas Tax Code; setting forth the various conditions to Novartis Gene Therapies, Inc. receiving the tax abatement; providing for a severability clause; and providing an effective date. The Economic Development Partnership Board recommends approval (9-0).

QUESTIONS?