

Mayor and Council Communication

DATE: 09/30/25

M&C FILE NUMBER: M&C 25-0927

LOG NAME: 17ALCONEDPA

SUBJECT

(CD 8) Authorize Execution of an Economic Development Program Agreement with Alcon Research, Inc., or an Affiliate, for Up to Seven Annual Grants in a Total Combined Amount Not to Exceed \$6,000,000.00 for the Expansion of Manufacturing Facilities for Vision Care and Surgical Device Products in the City of Fort Worth Subject to Certain Investment and Employment Commitments

RECOMMENDATION:

It is recommended that the City Council authorize execution of an Economic Development Program Agreement with Alcon Research, LLC, or an affiliate, for up to seven annual grants in a total combined amount not to exceed \$6,000,000.00 for the expansion of manufacturing facilities for vision care and surgical device products in the City of Fort Worth, subject to meeting certain investment and employment commitments.

DISCUSSION:

The purpose of this Mayor and Council Communication ("M&C") is to authorize an Economic Development Program Agreement for the expansion of manufacturing facilities for vision care and surgical device products, which will employ individuals residing in the City of Fort Worth.

Alcon Research, LLC, (Company) is an ophthalmology manufacturing company exploring the possibility of relocating its manufacturing facilities from Belgium and France to Fort Worth. Through a competitive site selection process, Company has selected as a finalist site a location in Fort Worth for a proposed operation designed to accommodate its viscoelastic surgical devices and unit dose pharmaceutical products.

Company proposes to establish the development and expansion of its 1,600,000 square foot campus for facilities (Project) at 6201 South Freeway, Fort Worth, TX 76134 with certain surgical device manufacturing operations relocating from Belgium (Product Line 1) and certain operations for unit dose pharmacy products relocating from France (Product Line 2).

In order to facilitate the Project, the City proposes to enter into an Economic Development Program Agreement (Agreement) to provide up to seven annual grants in an aggregate amount not to exceed \$6,000,000.00 as authorized by Chapter 380, Texas Local Government Code, and as authorized under the City's General Chapter 380 Policy relating to incentives for *Medical Technologies* and *Target Sector Projects*.

Company Commitments

Company's commitments under the proposed Economic Development Program Agreement include the following:

- Company must expend a minimum of \$68,000,000.00 in total aggregate real property improvements at the Project Site, with the minimum aggregate amounts required by the deadlines specified below:
 - Product Line 1: \$25,000,000.00 by December 31, 2028; and
 - Product Line 2: \$43,000,000.00 by December 31, 2028.
- Company must install a minimum of \$118,000,000.00 in total aggregate business personal property (BPP) at the Project Site, with the minimum aggregate assessed values required by the deadlines specified below:
 - Product Line 1: \$60,000,000.00 by January 1, 2029; and
 - Product Line 2: \$58,000,000.00 by January 1, 2029.
- Company must provide a minimum of 241 total new full-time jobs, with the minimum aggregate number of total full-time jobs required by the deadlines specified below:
 - Product Line 1: 84 new full-time jobs by December 31 of the first operating year;
 - Product Line 2: 157 new full-time jobs by December 31 of the first operating year; and
 - These new full-time jobs are in addition to and will complement Company's existing workforce located in Fort Worth.
- Average annual salaries for all jobs must be at least \$75,000.00 in each year of the term of the agreement.
- Company will support City's efforts to develop and promote Fort Worth's bioscience industry and the Fort Worth Medical Innovation District (MID).
- Company will use its best efforts to hire locally with a goal of 30% employment with Fort Worth residents.
- Although planned for the Project Site, the Project may, in whole or in part, be permitted to occur at a different location within the corporate limits of Fort Worth, subject to certain notice requirements provided for under the Agreement.
- A failure by Company to meet these commitments will be subject to various penalties including but not limited to default or reduction in annual grants or other penalties.

City Commitments

City's commitments under the proposed Economic Development Program Agreement include the following:

- Subject to Company performance on commitments specified under the Agreement, City will enter into an Agreement with the Company to

- If only the Company commitments associated with Product Line 1 are delivered, then the amount of each annual Grant will be based on up to fifty percent (50%) of associated incremental Maintenance and Operations (M&O) property taxes received by the City for real property and BPP;
- If only the Company commitments associated with Product Line 2 are delivered, then the amount of each annual Grant will be based on up to sixty percent (60%) of associated incremental Maintenance and Operations (M&O) property taxes received by the City for real property and BPP;
- The amount of incremental M&O City real property and BPP taxes to be granted in a given year will be equal to up to seventy percent (70%) should both Product Line Sites be completed with locations in Fort Worth, Texas;
- The total aggregate value of all grants paid by City under the Agreement will be capped at \$6,000,000.00 (Cap);
- A portion of the grants will, by way of deduction of an amount up to \$100,000.00 and subject to the Cap, be used toward Company's efforts to support and promote the MID; and
- Granting of administrative extensions for completion deadlines for not more than a total of twelve combined months for both Project Sites.

In addition to those discussed above, certain other penalties for nonperformance will be provided for under the Agreement, including reduction or forfeiture of grants and termination of the Agreement.

The Project will be located in COUNCIL DISTRICT 8.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of this agreement will have no material effect on the Fiscal Year 2025 Budget. While no current year impact is anticipated from this action, any effect on expenditures and revenues will be budgeted in future Fiscal Years and will be included in the long-term financial forecast.

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