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BIOREALTY INC. SET TO DEVELOPMENT SPEC LIFE SCIENCES PARK IN JOHNSTON COUNTY *County Commissioners Join Clayton Town Council in Supporting Project*

Johnston County, N.C. – June 6, 2023. California-based BioRealty Inc., a developer of life science and technology real estate projects, plans to invest at least \$27 million in a three-building biosciences park in the Town of Clayton, NC. A national leader in facility and capital solutions, the company plans to begin with the construction of an industrial shell building that will comprise 100,000 sq.-ft. of speculative space on a 67-acre town-owned property at the intersection of Little Creek Church and Ranch roads in Clayton.

The Johnston County Board of Commissioners unanimously approved a building lease arrangement with BioRealty on Monday morning, as well as a performance-based Economic Development Incentive Grant (EDIG) based on *ad valorem* tax payments. “Our competitive position in today’s economy hinges on having high-quality industrial properties ready for leading companies in the most impactful sectors,” said County Commission Chairman R.S. "Butch" Lawter, Jr. “BioRealty is a prestigious national name in industrial real estate, and their experts see promise in our county and our capacity to attract biomanufacturing businesses and jobs.”

The County Commissioner's action comes after the Clayton Town Council approved a separate, but complementary EDIG at their meeting on May 15. "This project takes our life sciences sector to the next level," said Clayton Mayor Jody McLeod. "We're eager to partner with BioRealty and Johnston County in creating a world-class bio-manufacturing space that will complement on our community's exceptional location, outstanding talent assets, modern infrastructure and compelling quality of life. I'm grateful to the Town of Clayton's Economic Development Office, along with our county's committed leadership, for their great work in ushering this exciting vision into reality." With both approvals in place, the project can begin in earnest immediately.

Based in San Clemente, Cal., BioRealty intends to build up to three speculative industrial buildings that would target companies in the life sciences and biopharma industries. The total build out of the development could be more than 400,000 sq.-ft. In thanking commissioners, Stan Wendzel, founder and managing director of the company, summarized BioRealty's expectations of the new space. "We're not only excited about the project but we're really excited about attracting what we think is very likely going to be biomanufacturing users to this park," Wendzel said. "We could have probably done this in a lot of places. But for us, the real driving factor behind this has been the lease program that Johnston County has in place as well as the EDIG."

BioRealty will design, finance, build, operate and jointly market the project.

"Project Life Dust," like all projects considered for Johnston County incentives, underwent an extensive economic impact analysis. A study by Dr. Michael Walden, Distinguished Professor Emeritus of Economics at North Carolina State University, found that construction of the initial building alone will spark more than \$6.2 million in local economic benefits, while operations of the completed facility will add at least \$3 million to the County's annual gross domestic product (GDP). County and municipal governments will derive nearly \$34,000 in yearly tax revenues from the building's operations, Dr. Walden concluded.

The project also received approval from the 14-member Johnston County Economic Development Advisory Board, an appointed panel of business, civic and community leaders representing each of the County's 11 municipal governments. "We're proud to partner with the Town of Clayton and BioRealty in closing the gap that exists in our inventory of industry-ready buildings that can accommodate the needs of expansion-minded life sciences companies," said Randy Jones, chairman of the Advisory Board. "The high-wage jobs that employers can bring to this park will ripple benefits across our county and ultimately across the region," said Jones, a resident of Pine Level.

Project Life Dust marks the fourth time in two years that the County has partnered with the private sector to expand the local inventory of high-end industrial real estate. In December of last year, E.D. Parker Corporation unveiled plans for at least 275,000-sq.-ft. of Class A speculative industrial space in Benson. AdvanceTEC, a Richmond, Va. firm that designs and builds cleanroom space, and Ohio-based Al. Neyer LLC previously announced plans for developing speculative industrial space in Clayton and Smithfield, respectively.

Johnston County officials worked closely with leaders of the Town of Clayton to bring Project Life Dust to fruition. At a meeting on May 15, the Clayton Town Council agreed to its own set of economic incentives, including sale of the town-owned parcel at \$31,500 an acre. "We think this is a fantastic project," said Patrick Pierce, economic development director for the Town of Clayton. Pierce and other town leaders had been in discussion with BioRealty about the project over the last two years. "This is a project that offers benefits across Johnston County. It builds upon the biopharma cluster that we have in the county and prepares us for additional investment," Pierce said.

Chris Johnson, director of the Johnston County Economic Development Office, says the new life sciences park will serve as a "gateway" for the biopharmaceutical industry into the community. In seeking to remain competitive with business destinations willing to invest public funds

directly in industrial sites and buildings, Johnston County implemented a building lease program wherein the county government partners with private developers to create speculative industrial real estate product. “This solution does not put the county in head-to-head competition with the private sector and it sets limits on our financial risk while ensuring we can guide private development and control our own economic destiny,” Johnson says.

Under the building lease arrangement, should no tenant or buyer be in hand by the time the development partner delivers the spec building, the county agrees to lease the facility for \$3 per square-foot up to two years. The risk-sharing mechanism enables the builder to negotiate more favorable financing terms. In return, county officials can ensure the most economically impactful employers occupy the property. “So, it’s really a win-win-win for the County, our development partners and our taxpayers,” Johnson says.

The Johnston County Economic Development Office (JCEDO) facilitates value-added interaction between government, education and the private sector in encouraging and promoting job creation and economic investment in Johnston County. A unit of county government, JCEDO collaborates with local, regional and statewide partners and allies in providing confidential location assistance to businesses and technical support to the county’s 11 municipalities. Its menu of services includes customized digital mapping, labor and wage analysis, site readiness assistance and incentive packaging. For additional information, visit www.GrowWithJoCo.com

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