

Philips Healthcare to add 100 jobs in Highland Heights; Steris Corp. plans growth in Mentor

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By **Michelle Jarboe McFee, The Plain Dealer**

Philips executives visit the Highland Heights facility in 2009. The company plans to bring 100 jobs to the Cuyahoga County suburb, through a consolidation of its nuclear medicine division. Ohio Gov. John Kasich will visit Philips and Steris Corp., of Mentor, on Tuesday for economic-development announcements.

CLEVELAND, Ohio -- Two healthcare heavyweights will bring jobs to Northeast Ohio, building up the region's medical core with help from state incentives.

Philips Healthcare plans to move 100 jobs to Highland Heights from San Jose, Calif.

And **Steris Corp.**, which makes medical-instrument sterilizers and other products, is plotting "a significant investment involving a number of jobs" at its Mentor headquarters, according to a spokesman.



Gov. John Kasich is scheduled to visit both companies Tuesday, for announcements sure to involve state aid.

A Kasich spokesman declined to share details about the projects Monday. Representatives for Philips and Steris said little, deferring to the governor.

"Both of these companies are important flagship companies for the region. And both are leaders within their respective areas in the medical industry," said Baiju Shah, chief executive officer of **BioEnterprise**, a nonprofit group focused on the region's biomedical economy. Shah would not elaborate on the companies' plans.

But records related to the Philips deal show the company aims to create 100 local jobs, with an average salary of \$115,000 a year, while consolidating its nuclear medicine division. The new jobs are part of a research and development facility focused on imaging technology that helps doctors learn more about how internal organs work.

The Ohio Third Frontier Commission approved a \$5 million grant this month for the Philips project. The company's application for Third Frontier money, from a state economic-development program focused on technology, described nuclear medicine as a \$600 million division of the multinational company.

Philips moved its nuclear medicine headquarters from California to Highland Heights in 2006. The company now employs 1,200 people at a suburban campus.

But research and development for **one type** of scanning technology, used to diagnose and monitor heart problems and brain and bone disorders, remains in San Jose. Before choosing Ohio, Philips considered maintaining the California facility or shifting work to Israel, the Netherlands, China or Russia, according to the Third Frontier request.

The company's funding application cited a strong local workforce; the Cleveland Clinic's reputation for heart care; the state-supported **Global Cardiovascular Innovation Center**; and collaborations with universities and University Hospitals as factors in its decision. Some company executives are "partial" to Ohio, the application noted.

Still, Philips wanted assistance - at least \$10 million. The state, Cuyahoga County and local partners apparently responded.

Economic-development onlookers expect Kasich to announce a job-creation tax credit for the company Tuesday. That's on top of the \$5 million Third Frontier grant.

Cuyahoga County could provide a \$3 million, zero-interest loan, from County Executive Ed FitzGerald's nascent economic-development fund. And the Global Cardiovascular Innovation Center has offered \$500,000, which the company would receive over three years based on meeting job-creation goals.

"These are the kinds of jobs that, typically, you would hear about Northeast Ohio losing in the past several decades," FitzGerald said. "So the fact that these jobs are coming from California to Northeast Ohio is a welcome contrast."

Philips has been a quiet but growing presence in the state. Last year, the company **announced** a \$38 million investment to establish an imaging center at University Hospitals Case Medical Center, with help from state and local partners.

And the company has spent \$40 million on imaging research with Ohio State University. Leaders from University Hospitals and Case Western Reserve University wrote letters supporting Philips's recent request for Third Frontier money.

"For them to choose this as the base for their expansion, and actually move jobs here, is a testament to the strength of the region, the growth of the region," said Mark Low, managing director of the Global Cardiovascular Innovation Center.

Details about the Steris announcement were in short supply Monday. The company employs 5,000 people worldwide and has roughly 1,000 employees in Mentor, according to city officials.

Last year, Steris announced plans to build an \$11 million facility on its Mentor campus and add 300 jobs there, including 239 jobs moved from Erie, Penn. The state provided incentives for that project.