

Steris Corp. and Philips Healthcare deals add jobs, punch to Northeast Ohio's biomedical economy

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



Thomas Ondrey, The Plain Dealer Trailed by an escort of corporate executives and political officials, Gov. John Kasich dons a white lab coat to tour a portion of the massive Philips Healthcare complex in Highland Heights on Tuesday. Kasich visited the campus for an announcement that Philips will move jobs, research and technology development there from California with state help.

CLEVELAND, Ohio -- With Philips Healthcare and Steris Corp. expecting to add 200 local jobs within a year, state and local leaders see more proof that Northeast Ohio's medical economy can compete on a national - and sometimes global - stage.

Philips confirmed Tuesday that it will consolidate its nuclear medicine division in Highland Heights, where the multinational company has 1,200 employees.

The project will bring 100 jobs here from San Jose, Calif., at an average salary of \$115,000.

Philips considered moving that work, on research and development for medical imaging, to Israel, the Netherlands, China or Russia.

Steris Corp., based in Mentor, will move roughly 25 workers here from a call center in Mississauga, Canada. And the company plans to build a fabrication plant for medical-device parts inside an existing distribution center off Heisley Road.

The facility will create 75 manufacturing and engineering jobs - positions that could have landed in Alabama or Mexico, executives said.

Gov. John Kasich visited both companies Tuesday, to tout deals that won state and local money. "This is just a gangbuster day," Kasich told a crowd of workers at Philips's nearly 1-million-square-foot complex.

The company moved its nuclear medicine headquarters from California to Northeast Ohio in 2006. But research and development for one type of scanning technology, used to diagnose and monitor heart problems and brain and bone disorders, stayed in San Jose.



Thomas Ondrey, The Plain DealerGov. John Kasich relaxes with a group of Philips Healthcare employees in Highland Heights. The governor visited Philips and Steris Corp., based in Mentor, on Tuesday. Both companies plan to expand and add local jobs, aided by state and local incentives.

Collaborations with major hospitals and universities, local suppliers and a concentration of medical-imaging businesses in Northeast Ohio made this region a logical place to expand, said Jay Mazelsky, the company's senior vice president and general manager for computed tomography and nuclear medicine.

"This sends a signal that Ohio, and Northeast Ohio, is a great biomedical business environment," said Baiju Shah, chief executive officer of BioEnterprise, a nonprofit focused on the region's biomedical economy.

Philips will invest \$3.5 million in facility renovations and equipment and add \$11.5 million in annual payroll. In exchange, the company could receive \$11 million in incentives, including a \$2.3 million state job-creation tax credit, a \$5 million grant from the state's technology-focused Third Frontier program, a \$3 million Cuyahoga County loan and \$500,000 from the state-supported Global Cardiovascular Innovation Center in Cleveland.

Medical equipment maker Steris, which employs roughly 1,000 people in Mentor, will spend \$8 million on its parts-production facility.

"It was clear to us that Ohio continues to be a manufacturing leader and a great place to make products," Walt Rosebrough, the company's president and chief executive, said during a news conference Tuesday. Making parts here will give Steris new opportunities to work with local suppliers, channeling "several million dollars" to other companies, a spokesman said.

State and local officials offered the company \$8 million, but Steris isn't likely to take a \$4 million state loan for building renovations and equipment. Instead, the company plans to secure financing from regional lenders, spokesman Stephen Norton said.

That leaves just under \$3.6 million in state grants, tax credits and loans focused on economic development and job-creation.

Workforce development officials in Cuyahoga and Lake counties have offered the company help with worker training, through a deal arranged with assistance from the Greater Cleveland Partnership. And Mentor city officials are considering a payroll-tax reduction for the company. Several parts of the deal aren't finalized.