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## Chinese firm nears HQ move here

GammaStar awaits state approval of tax package

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A Chinese medical devices company is on the cusp of putting its North American headquarters in Greater Cleveland.

GammaStar Medical Systems Inc. has been working with local economic development groups since last fall. The company makes precision radio-surgery devices that use radiation to destroy cancerous tumors while minimizing damage to healthy tissue.

An official announcement on GammaStar's decision is not expected until at least Monday. The Ohio Tax Credit Authority must first approve tax incentives that the Ohio Department of Development is offering GammaStar. The authority meets on Monday.

GammaStar expects to have three employees initially and 35 full-time jobs within three years, said Vince Adamus, chief executive of the Beachwood Chamber of Commerce. The company's local operations would include a sales and marketing office, he said. And though it is not known whether full-scale manufacturing will ever be done here, it's likely some final assembly will occur.

Adamus said the state incentive package includes a 35 percent state income tax credit over six years valued at \$200,000. Cuyahoga County will kick in a \$100,000 low-interest loan for purchasing equipment. The city of Beachwood and business incubator Beachwood Development Center will offer \$45,000 in assistance.

GammaStar would initially locate in the Beachwood Development Center near Chagrin Boulevard and Green Road, with a permanent home to be found later, Adamus said.

The development center is a partnership of the Beachwood chamber, the city of Beachwood and Cleveland State University's Nance College of Business Administration.

A lot of effort has been spent recruiting GammaStar, which originally planned to locate on the West Coast, said Karen Rockind, vice president of marketing and communications at economic development organization Team NEO.

"If they come, it will be great for the region," she said.

A source familiar with GammaStar's plans said the company chose the Cleveland area for two primary reasons: its expertise in medical imaging and radiosurgery, and the availability of venture capital for future infusions.

GammaStar made a presentation last spring to the Global Healthcare Investing Conference, co-sponsored by BioEnterprise, at the InterContinental Hotel & Conference Center in Cleveland. At the time, GammaStar already had secured \$10 million in venture capital investment. The Chinese ambassador to the United States, Zhou Wenzhong, alluded to GammaStar's interest during his visit to Cleveland in January.

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