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GammaStar tax credit approved

Chinese-owned company looks to move offices to Beachwood

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Plain Dealer Reporter

GammaStar Medical Systems Ltd., a Chinese-owned subsidiary looking to place its headquarters in Northeast Ohio, received good news Monday from the Ohio Tax Credit Authority.

The state agency approved a six-year, 35 percent job creation tax credit valued at \$189,838. The company is looking to create 35 full-time jobs over three years.

GammaStar is owned by GammaStar Medical Group Ltd. of Shanghai, developer of the Gyro Knife, a precision device used to destroy cancerous tumors with radiation while limiting damage to healthy tissue.

The company is hoping the U.S. Food and Drug Administration will approve the device for sale by August, said Paul Murdoch, general manager of GammaStar Medical Systems. Similar approval already has been obtained in Europe.

GammaStar Medical Group - founded by Song Shipeng, a leading radiosurgery developer in China - hopes to put its North American headquarters in Beachwood. It initially would be in the Beachwood Development Center business incubator near Chagrin Boulevard and Green Road, with a permanent site to be determined later. Local assistance valued at \$145,000 has been promised along with the state incentives.

GammaStar also plans to apply for an additional \$225,000 Third Frontier grant through the Ohio Department of Development. Murdoch said he expects action on the request within 60 days.

A final decision on locating the \$4.1 million project in Beachwood will not be made until then, Murdoch said.

The courting of GammaStar has taken almost a year and included several economic development groups, such as Team NEO and BioEnterprise.

One of those making early contact with GammaStar was David Yen, formerly of the World Trade Center Cleveland, who met GammaStar officials in Shanghai last August. At the time, GammaStar was planning to locate its North American headquarters in the San Francisco area, said Yen, who later represented Team NEO on the GammaStar project.

"They stopped dead in their tracks and they reconsidered," Yen said.

Murdoch said GammaStar likes the employment base in Northeast Ohio, along with its established medical community and commitment to new medical technology. It's also a good location to supply and support future customers, Murdoch said.

Yen, who along with his father, Anthony, persuaded the Chinese ambassador to the United States to visit Cleveland in January, believes GammaStar could give other Chinese companies reason to look at Northeast Ohio for expansion.

"I think this is a real landmark," Yen said.

While some local businesses might have Chinese investors, GammaStar represents the first Chinese company to have made a "calculated" decision to put operations in Northeast Ohio, Yen said. Murdoch said it's possible that GammaStar could do some of its manufacturing in the United States, too. That function is now performed in Asia.

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