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Onyx nearing decision on expansion choice

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Onyx Medical Corp. is considering two properties to expand its precision medical device operation.

Onyx received a seven-year payment-in-lieu-of-taxes abatement from the Memphis and Shelby County Industrial Board, clearing the way for the company to invest up to \$6.5 million in a new facility of about 50,000 square feet. The company currently occupies 30,000 square feet on Collins north of Poplar in the Binghampton area.

The PILOT, which is estimated to save Onyx up to \$850,000 in taxes, allows for the company to expand to up to 75,000 square feet, if necessary.

Onyx officials are considering existing buildings at Shelby Oaks North Business Center and at Century Center, both located off Interstate 40 near Sycamore View Road, for the expansion.

Linkous Construction Co., Inc., has been selected to build out the facility after Onyx picks a site. The company has not yet selected an architect for the project.

Onyx Medical manufactures devices that include drill bits, screws, pins and wires for the orthopedic industry. It currently has 70 employees, but could add up to 28 new jobs in the next five years, according to its PILOT plan. Onyx expects to occupy the new facility by 2012.

Jodie Gilmore, vice president of strategic business development for Onyx, says the company's growth over the last 10 years made the move necessary.

"Based on our current rate of growth, it's become clear that we are going to outgrow our existing space in the near future," Gilmore says. "We need to accommodate that growth, and designing and building a new facility is the solution."

The company is owned by Roger Gilmore and Laraine Gilmore, who bought it in 1990. 10 years ago, the company had revenues of \$2 million. It is estimating revenues of \$10 million in 2010.

Charles Gulotta, executive director of the division of planning and development for Memphis and Shelby County, says Onyx is an example of the type of company the PILOT program is designed to help.

"They've flown below the radar for years and the board was able to help them continue to grow and create jobs in the community," Gulotta says.

Companies like Onyx, says Leigh Anne Downes, director of life science business development for the **Greater Memphis Chamber**, can be a catalyst for bringing other biomedical companies to Memphis, which would in turn bring more highly skilled jobs to the city.

With the success and growth over the years of companies like **Smith & Nephew Orthopaedics**, **Medtronic Spinal & Biologics** and now Onyx Medical, the biotech medical device industry is one of the fastest-growing segments in the city, Downes says.

"Smith & Nephew and Medtronic have benefited from (the PILOT program), and they've grown over the years here as well," Downes says. "Any time we can have an organization like that come here and expand, we're doing something right."

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