

**DEPARTMENT OF ECONOMIC DEVELOPMENT
SUMMARY FOR THE LEGISLATIVE FILE
ORDINANCE NO: 160-2025**

Recipient: Canon Healthcare USA, Inc.
Project Manager: Ifeoma Ezepue
Ward/Councilperson: 6/ Griffin
City Assistance: Job Creation Income Tax Credit
Project Site – Phase 1: 10500 Cedar Avenue, Cleveland, Ohio 44106

Project Summary

Canon Inc., a global leader in imaging and optical products, has been at the forefront of technological innovation for decades. In 2019, Canon Inc. acquired a 70% ownership stake in Quality Electrodynamics (“QED”), a leading medical imaging company based in Northeast Ohio, to strengthen its capabilities in the medical imaging sector. Building upon this foundation, Canon Inc. and QED collaborated to establish Canon Healthcare USA, Inc., (“Canon”) which was formally launched in 2023. The anticipated job creation and substantial capital investment will strengthen Cleveland’s economy, create opportunities for residents, and further elevate Cleveland’s reputation as a hub for health and life sciences.

The company plans to acquire the former IBM building located at 10500 Cedar Avenue in Cleveland’s Innovation District within the Opportunity Corridor. This 1.5-acre site, situated at the intersection of E. 105th Street and Cedar Avenue, offers 43,000 square feet of usable space (“Project Site”). Canon intends to invest approximately \$33,675,000 in property acquisition, building improvements, machinery, equipment, furniture, fixtures, and pre-development soft costs. This investment will transform the facility into a state-of-the-art imaging and research center, housing Canon’s national headquarters and serving as the base for all its medical product lines (“Proposed Project”). The facility will support research and development of imaging technologies. Over the next five years, Canon plans to create 50 new W-2 jobs at the Project Site, with an average salary of \$150,000 and an annual payroll of \$7,500,000.

Proposed City Assistance

- City will provide a 5-year 50% payroll tax credit on the 2.5% income tax withheld by Canon.

Economic Impact

- Creation of 50 full-time equivalent jobs with annual payroll of \$7,500,000
- Project is expected to generate \$2,250,000 in income tax and \$1,533,600 in real property tax.
- Project will generate additional \$469,000 in payroll taxes during the first five years.
- Project will bring previously vacant commercial building back to full productive reuse.

City Requirements

- Project is subject to a Workforce Development Agreement and Community Benefits Agreement.
- Project seeks a partial exemption of the Community Benefits Agreement Requirement since this is not a development project but a business attraction and retention project. Project will comply with chapters 187 and 188 for any minor improvements to the recently renovated commercial building, which met and exceeded OEO requirements during the recent renovation of the property for IBM.