SCIDA PROJECT ABSTRACT

MEETING DATE: December 14, 2023

CONTACT: Amy E. Newman, V.P./GM
Gen. Affairs & Regional Oper.

PHONE: [redacted]

APPLICANT NAME: Canon U.S.A, Inc.
AND ADDRESS One Canon Park
Melville, NY 11747

PRINCIPALS: Canon Inc. (Japan)

PRODUCT/SERVICES: Canon U.S.A., Inc. is a wholly-owned subsidiary of Canon, Inc.and is a leading provider of consumer, business-to-business and industrial digital imaging solutions to the United States, North and South America.

PRESENT FACILITIES: Own __X__ Lease ____ Acreage__52__ Sq. Ft. _696,000 Sq. Ft.
(Other Locations: See Attachment C)

LOCATION/TAX MAP #: One Canon Park, Melville, NY 11747
Tax Map #400-254-1-49.001

PROJECT DESCRIPTION: Renovations to an existing building located at One Canon Park, Melville, NY 11747 corporate headquarters facility. Infrastructure and technology upgrades to sustain operational efficiencies totaling over $8 million. Upgrades to technology; wireless network, conference room and training center. Purchasing $1.3 million of imaging products to showcase to potential customers.

PROJECT COSTS: AUTHORIZATION SOUGHT: $8,424,122 Lease Transaction

RENOVATIONS TO EXISTING BUILDING	$1,450,000
MANUFACTURING EQUIPMENT	
NON-MANUFACTURING EQUIPMENT	6,974,122
TOTAL PROJECT COSTS	$8,424,122

EMPLOYMENT:

	# OF EMPLOYEES	ANNUAL PAYROLL	AVERAGE SALARY
PRESENT (All Facilities)	1,081	$121,320,130	$112,230
PRESENT (Suffolk County Only)	1,081	121,320,130	112,230
PROPOSED 1ST. YEAR	--	--	--
2ND. YEAR	--	--	--
GRAND TOTAL	1,081	$121,320,130	$112,230

COMMENTS: 12/14/23 – Inducement resolution approved for an approximate $8,424,122 lease transaction.
Voting: 6 (SL,KH,CD,BB,JS,GC) – 0. Absent: 1 (SC).
1/22/24 - Public hearing held.
1/25/24 - Final resolution approved for an approximate $8,424,122 lease transaction.
Voting: 7 (SL,KH,SC,CD,BB,JS,GC) – 0. Absent: 0.
2/27/24 - Project closed.

PROJECT #47052402A

SC IDA | SUFFOLK COUNTY INDUSTRIAL DEVELOPMENT AGENCY

April 24, 2025

VIA FEDERAL EXPRESS

Canon U.S.A., Inc.
One Canon Park
Melville, New York 11747
Attention: Seymour Liebman, Executive Vice President
Steven I. Himelstein, Senior Vice President, Corporate Legal

RE: Suffolk County Industrial Development Agency
(Canon U.S.A. 2024 Facility)

NOTICE AND REQUEST FOR INFORMATION

Messrs. Liebman and Himelstein:

The Suffolk County Industrial Development Agency (the "**Agency**") currently provides financial assistance to Canon U.S.A. (the "**Company**") in connection with the renovation and equipping of the Company's American corporate headquarters located at One Canon Park in Melville, New York (the "**Facility**"). In furtherance of such financial assistance, the Agency took a leasehold interest in the Facility pursuant to a Company Lease Agreement dated as of February 1, 2024 (the "**Company Lease**") by and between the Agency and the Company, and simultaneously leased the Facility back to the Company pursuant to a Lease and Project Agreement dated as of February 1, 2024 (the "**Lease Agreement**") by and between the Agency and the Company.

In Section 8.11 of the Lease Agreement, the Company agreed to maintain at least one thousand eighty-one (1,081) full-time employees at the Facility during the term of the Lease Agreement, which employment commitment is an essential condition for the financial assistance the Agency authorized for the Company. It has come to the Agency's attention that the Company may not be in a position to meet this employment commitment in the current year and in future years. Given the Agency's commitment to the tax payers of Suffolk County, the Agency would like to be closely informed on the ongoing status of employment at the Facility.

Pursuant to Section 8.5 of the Lease Agreement, the Company agreed "to provide and certify or cause to be provided and certified such information concerning the Company, its finances, its operations, its employment and its affairs the Agency reasonably deems necessary" within thirty (30) days following written request from the Agency for such information. The Agency hereby requests that going forward, the Company provide the Agency with quarterly reports stating the number of full-time employees at the Facility (including the NYS-45), commencing with employment figures as of the end of March 2025.

We remind the Company that any sale or closure of the Facility and/or departure of the Company from Suffolk County would constitute an Event of Default and a Recapture Event under the Lease Agreement. The Company agreed in the Lease Agreement to provide the Agency with written notice within thirty (30) days of notice of any facts or circumstances which would be likely to lead to a Recapture Event or constitute a Recapture Event under the Lease Agreement.

Very Truly Yours,

K. Kelly Murphy
Executive Director/CEO

cc: William Wexler, Esq. (via e-mail)
T. Barry Carrigan, Esq. (via e-mail)
Terance V. Walsh, Esq. (via e-mail)
Daniel Deegan, Esq.