



Legislation Text

File #: ID 19-0778, **Version:** 1

Resolution Authorizing an Economic Development Incentive to The Fresh Market, Inc. in an Amount Not Exceeding \$301,000

Department: Executive

Council District: N/A

Council Priority: Create an Environment to Promote Economic Development Opportunities and Job Creation

Public Hearing: November 21, 2019

Advertising Date/By: November 10, 2019

Contact 1 and Phone: David Parrish, 373-2002

Contact 2 and Phone: Kimberly Sowell, 373-2002

PURPOSE:

The City of Greensboro has been requested to consider an economic development incentive grant in an amount not to exceed \$301,000, for the creation of 53 new jobs and retention of 248 positions for a total headquarters facility at an average annual wage of \$86,000, for The Fresh Market, Inc. The grant is for the purposes of real property improvements, purchasing new equipment, and creating jobs.

BACKGROUND:

The Fresh Market is a national specialty grocery retail chain with over 159 store locations in 22 states across the Mid-Atlantic, Midwest and Southeast. The Company has more than 10,000 employees across its entire footprint, with 1,335 employees and 21 retail locations in North Carolina.

The Company opened its first store in Greensboro in 1982, and now has 248 headquarters employees, based in North Carolina. The Company was acquired by Apollo Global Management, LLC in 2016, which is supporting a strategy of increased growth and operational efficiency.

The Fresh Market, Inc. is evaluating the optimal new location for a consolidated headquarters in a single facility to promote collaboration and productivity, and with room to accommodate future growth. The company is considering Greensboro, NC and other states to locate their corporate headquarters.

The project will entail new investment of at least \$2,000,000 in real property improvements and new equipment as well as creating 53 new jobs and maintaining the 248 current jobs in Greensboro. The project is expected to generate public benefit to the City of Greensboro by positively impacting the sale tax revenues, increasing taxable property and employment, in addition to increasing business prospects for the City and surrounding area.

BUDGET IMPACT:

A total of up to \$301,000 or \$1,000 per new and retained job, to be paid to the company in five consecutive installments of up to \$60,200 a year. The incentive will expire if the 53 new jobs are not created by December 31, 2024. No payment will be made until after July 1, 2020 and the adoption of the City's FY2020/2021 annual budget.

RECOMMENDATION / ACTION REQUESTED:

In accordance with the City's economic development guidelines and N.C.G.S § 158-7.1, it is recommended that the City Council hold a public hearing and approve the request for an economic development grant and authorize the City Manager to execute a performance agreement between the City of Greensboro and The Fresh Market, Inc. in an amount not to exceed \$301,000, or \$1,000 per job, to be paid in five consecutive installments of \$60,200 each over five (5) years. The agreement will have a claw-back provision that requires the existing 248 jobs and the new jobs be retained for a 10 year period (the Job Retention Period). The company must create 53 new jobs and invested at least \$2,000,000 in capital investment on or before December 31, 2024. The project will be subject to the City's Minority/Women's Business Enterprise Plan.