



Legislation Text

File #: ID 21-0331, **Version:** 1

Public Hearing for a Resolution Authorizing an Economic Development Incentive to Lollytogs LTD in an Amount Not to Exceed \$1,662,333

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

Department: Planning
Council District: 2

Public Hearing: May 4, 2021
Advertising Date/By: April 22, 2021, Peacemaker

Contact 1 and Phone: David Parrish, 373-2002
Contact 2 and Phone: Kimberly Sowell, 373-7753

PURPOSE:

The City of Greensboro has been requested to consider an economic development incentive grant in an amount not to exceed \$1,662,333 for Lollytogs LTD. The grant is for the purposes of making real property improvements, purchasing new equipment, and creating jobs.

BACKGROUND:

Lollytogs LTD, a privately owned incorporated company doing business as LT Apparel Group, designs, sources and markets children's apparel and accessories for a portfolio of licensed and owned name brands such as French Toast, Carhartt for Kids, and Adidas Kids. The business, headquartered in New York City, was launched in 1958 with the mission to produce durable, well-styled clothing at a value price. It sells its products through a variety of distribution outlets that include department stores, discount retailers, and independent fashion outlets. Product marketed by LT Apparel Group is available at thousands of retail locations nationwide. The company currently employs 34 individuals at an existing location in Greensboro in product management and design services.

LT Apparel Group is exploring establishing a new warehouse and distribution facility of approximately 800,000 sq. ft in the United States and is considering a location for such a facility within the City of Greensboro on N. Summit Avenue immediately adjacent to a designated Impact Zone. The company is also considering a location in South Carolina. The projected investment will consist of approximately \$57,300,000 in real property and personal property (including machinery and equipment) and the creation of at least 116 new jobs paying not below \$15.00 per hour with an average wage of \$46,021 per year and additional benefits. The project is expected to generate public benefit to the City of Greensboro by positively impacting the property and sales tax revenues in addition to increasing business prospects for the City and surrounding area. This project is subject to the City's Minority/Women Business Enterprise Program Plan as it applies to Economic Development

Project M/WBE Subcontracting Goals.

BUDGET IMPACT:

Six consecutive annual installments estimated to be \$277,055.50 for a total not to exceed \$1,662,333.00 to be paid to the company after the new jobs are created and the investment is confirmed. The company expects to create 116 new jobs on or before December 31, 2026. The incentive will expire if the new jobs are not created and the investment is not made by December 31, 2026.

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 Lollytogs LTD in an amount not to exceed \$1,662,333.00 to be paid in six consecutive installments estimated to be \$277,055.50 each over six (6) years. The agreement will have a claw-back provision that requires the new jobs be maintained. The new jobs shall be retained until receipt of the final incentive payment (the Job Retention Period).