

**FACT SHEET
LULULEMON USA INC.
SEPTEMBER 2013**

I. STATEMENT OF PURPOSE – JOB CREATION

The Department of Development recommends a Job Creation Tax Credit of sixty-five percent (65%) for a period of eight (8) years for the purpose of creating 170 new full-time permanent positions with an associated annual payroll of approximately \$6,260,800.

II. PROJECT HISTORY

lululemon athletica inc. (NASDAQ - LULU), through its wholly owned subsidiary, lululemon usa inc., is a designer and retailer of technical athletic apparel operating primarily in North America and Australia. The company's yoga-inspired apparel is marketed under the lululemon athletica brand name. The company offers a range of performance apparel and accessories for women, men and female youth. Its apparel assortment, including items, such as fitness pants, shorts, tops and jackets, is designed for healthy lifestyle activities such as yoga, running and general fitness. The company's fitness-related accessories include an array of items, such as bags, socks, underwear, yoga mats, instructional yoga digital versatile discs (DVDs) and water bottles.

The company sells its products through a chain of corporate-owned and operated stores; direct to consumer through e-commerce Websites; and a network of wholesale channels, such as premium yoga studios, health clubs, and fitness centers. As of early February 2013, it operated 135 stores in the United States, 51 stores in Canada, 23 stores in Australia, and 2 stores in New Zealand under the lululemon athletica and ivivva athletica brand names. lululemon athletica inc. was founded in 1998 and is based in Vancouver, Canada.

lululemon usa inc. is proposing to acquire, renovate, and equip an existing building of more than 308,000 square feet for the purpose of operating a distribution center. The company will invest approximately \$27.76 million related to building acquisition, improvements, machinery and equipment, furniture and fixtures, and stand-alone computers and will create approximately 170 new full-time permanent positions with an associated annual payroll of approximately \$6,260,800.

lululemon usa inc. is requesting a Job Creation Tax Credit from the City of Columbus to assist in the development of this project.

III. PROJECT INVESTMENT

ACQUISITION OF BUILDINGS	\$8,000,000
IMPROVEMENTS TO EXISTING BUILDINGS	\$2,000,000
MACHINERY & EQUIPMENT	\$4,000,000
FURNITURE & FIXTURES	\$400,000
STAND-ALONE COMPUTERS	\$13,360,000
TOTAL INVESTMENT	\$27,760,000

IV. DECISION & TIMING

The project is expected to begin in November 2013 with a scheduled time of completion of December 2014, contingent upon Columbus City Council approval of the recommended tax incentive.

V. EMPLOYMENT

The project will create 170 new full-time permanent positions with an associated annual payroll of approximately \$6,260,800.

Position Title	Number of New Positions	Hourly Rate	Annual Salary	Total Estimated Payroll for New Positions
Administrative (Salary)	1	\$17.00	\$35,360.00	\$35,360.00
Production Personnel (Salary)	2	\$33.00	\$68,640.00	\$137,280.00
IT Personnel (Salary)	3	\$31.00	\$64,480.00	\$193,440.00
Inventory Control (Salary)	3	\$20.00	\$41,600.00	\$124,800.00
Distribution Manager (Salary)	1	\$50.00	\$104,000.00	\$104,000.00
Distribution Operations Manager (Salary)	10	\$30.00	\$62,400.00	\$624,000.00
Distribution IE (Salary)	1	\$40.00	\$83,200.00	\$83,200.00
Inventory Control (Hourly)	9	\$16.00	\$33,280.00	\$299,520.00
Distribution Center Personnel (Hourly)	140	\$16.00	\$33,280.00	\$4,659,200.00
TOTAL	170			\$6,260,800.00

Most benefits provided to full-time employees of lululemon usa inc. begin within 90 days of date of hire and include the following:

- Paid Holidays
- Paid Vacation/Personal Days
- Vacation Pay
- Annual Bonus
- Medical/Dental Insurance
- Disability Pay
- Employee Discounts
- Training & Education Benefits

Furthermore, all employees may participate in the discounted employee stock purchase plan. Other benefits include the reimbursement of two personal training sessions per week as well as complimentary access to a fitness center and yoga classes.

The proposed project site is located at 2200 Spiegel Drive Columbus, Ohio 43137 and is accessible by public transportation (Central Ohio Transit Authority).

VI. REQUESTED PUBLIC PARTICIPATION

The Department of Development recommends a Job Creation Tax Credit equal to sixty-five percent (65%) of the amount of new employees city income tax withholding for a term of eight (8) years.

VII. WORKFORCE DEVELOPMENT

Employers granted a tax incentive will meet with the Central Ohio Workforce Investment Corporation (COWIC) to develop a relationship to assure continuing employment opportunities for Columbus residents who are unemployed or underemployed.

VIII. NEW TAX IMPACT: ANNUAL AND 8-YEAR SUMMARY

Revenue	Average Annual	8-Year Summary
A. New City Income Tax Revenue	\$156,520.00	\$1,252,160.00

Incentive	Average Annual	8-Year Summary
B. Proposed Incentive is equal to 65% of New Employee withholding	\$101,738.00	\$813,904.00

Total	Average Annual	8-Year Summary
C. Net Value to City (<i>i.e.</i> , A. - B.)	\$54,782.00	\$438,256.00

IX. TAX BENEFIT

The recommended sixty-five percent (65%)/ eight (8) years Job Creation Tax Credit could yield a tax savings of approximately \$813,904 for lululemon usa inc. over the incentive period.

X. AREA IMPACT/GREEN INITIATIVES

lululemon has always viewed efficiency and waste reduction as smart business. The company targets improvements in six key waste streams: factories – fabric waste; stores – product end-of-life, construction waste; support centers – paper, packaging, and garbage waste.