

To: Mayor and Town Council

From: Hulon T. Webb, Jr., P.E., Director of Engineering Services

**Through: Mario Canizares, Town Manager
Chuck Ewings, Assistant Town Manager**

**Re: MOU – Costco Wholesale Corporation and WestSide Prosper LLC
US 380 Improvements**

Town Council Meeting – December 10, 2024

Strategic Visioning Priority: 1. Acceleration of Infrastructure

Agenda Item:

Consider and act upon authorizing the Town Manager to execute a Memorandum of Understanding between Costco Wholesale Corporation, WestSide Prosper LLC, and the Town of Prosper, Texas, related to the construction of the US 380 Improvements to serve the Costco development.

Description of Agenda Item:

Costco Wholesale Corporation (Costco) is developing a Costco on the east side of FM 1385 and US 380. To serve the facility, Costco has requested that TxDOT's contractor complete the construction of the following improvements:

- Three (3) deceleration lanes on US 380
- North leg of the FM 1385 intersection and westbound lanes of US 380 adjacent to Costco
- Left turn lane and hooded median opening on US 380 at Costco main driveway

The purpose of the Memorandum of Understanding (MOU) is to outline the obligations of Costco, Westside, and the Town, related to the construction of the US 380 Improvements.

Budget Impact:

The cost for the construction of the improvements is \$1,348,680 and will be paid to TxDOT through a Change Order to the current US 380 widening project. Per the terms of the attached MOU, the funding is being provided as follows:

- \$199,685.97: Escrow funds paid by 1385 & 380 INVESTMENTS LP to the Town for the deceleration lanes per an existing Escrow Agreement.
- \$222,502.03: Funds to be paid by Westside for the deceleration lanes per the existing Water Impact Fee Reimbursement Agreement.
- \$193,619.30: Roadway Impact Fees paid by Costco at the time of building permit that can be applied to the US 380 Improvements per existing 380 Agreement.
- \$732,872.70: Costco to deposit the remaining balance of funds to the Town.

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P., has reviewed the agreement as to form and legality.

Attached Documents:

1. Memorandum of Understanding

Town Staff Recommendation:

Town Staff recommends that the Town Council authorize the Town Manager to execute a Memorandum of Understanding between Costco Wholesale Corporation (Costco), WestSide Prosper LLC, and the Town of Prosper, Texas, related to the construction of the US 380 Improvements to serve the Costco development.

Proposed Motion:

I move to authorize the Town Manager to execute a Memorandum of Understanding between Costco Wholesale Corporation (Costco), WestSide Prosper LLC, and the Town of Prosper, Texas, related to the construction of the US 380 Improvements to serve the Costco development.