

Special Joint Agenda Item Data Sheet

Meeting Date: November 7, 2022

Topic:

Consideration and possible action by Tomball Economic Development Corporation to approve, as a Project of the Corporation, an Economic Development Incentive Agreement with Costco Wholesale Corporation, to promote new and expanded business development associated with the construction of a Costco retail facility and fueling station on approximately 25.88 acres of land situation at the northeast corner of the intersection of Holderrieth Road and State Highway 249 Frontage Road in the City of Tomball, Texas.

- Public Hearing

Background:

Costco Wholesale Corporation is under contract to purchase approximately 25.88 acres of land in the city to construct an approximately 150,000 square foot Costco retail facility and fueling station near the intersection of Business 249 and Holderrieth Road.

The Tomball City Council and Tomball EDC Board of Directors are being asked to consider an economic development incentive agreement with Costco to help offset infrastructure costs associated with the construction of the site.

The terms of the agreement are as follows:

- I. Total Incentive: \$6 million
- II. Term: 20 years (or upon receipt of grant payments totaling \$6 million dollars)
- III. Minimum Capital Investment: \$10 million
- IV. Number of Jobs: 125
- V. City of Tomball Sales Tax Reimbursement: 50% of the City's 1% Sales Tax (does not include ½% which is for property tax reduction)
- VI. TEDC Sales Tax Reimbursement: 100% of the TEDC's ½% Sales Tax

Based upon Costco's sales projections for the location, we anticipate the incentive to be fully paid in approximately 6 years.

Origination: Costco Wholesale Corporation

Recommendation: Approval of the proposed Economic Development Incentive Agreement with Costco Wholesale Corporation.

Party(ies) responsible for placing this item on agenda:

Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: X No: _____

If yes, specify Account Number: # Project Grants

If no, funds will be transferred from account # _____ To account # _____

Signed _____
Staff Member-TEDC Date

Approved by _____
Executive Director-TEDC Date