
AGENDA REPORT**Meeting Date:** October 21, 2026**Item Number:** 5**Prepared By:** Jason Greiner**Subject**

Consider and act upon a Performance Agreement between WEDC and Costco Wholesale Corporation.

Recommendation

Motion to approve a Performance Agreement between WEDC and Costco Wholesale Corporation providing for a maximum infrastructure reimbursement incentive of \$9,500,000 and further authorizing the WEDC Board President or his/her designee to execute said Agreement.

Discussion

As the Board will recall, WEDC staff initially presented Project 2022-10d back in December of 2022. After further analysis and Board direction, staff took the project to City Council in January 2023. WEDC has worked to assemble approximately 25.5 acres at the northwest corner of FM 544 and South Westgate Way to facilitate a significant commercial development opportunity. These efforts have included acquiring multiple properties, coordinating development requirements, and negotiating with Costco Wholesale Corporation. In accordance with Resolution No. 2019-17(R), the Wylie City Council authorized the WEDC to formalize negotiations with Costco Wholesale Corporation and enter into a Performance Agreement with the same.

Costco plans to construct an approximately 165,000-square-foot wholesale retail facility and associated motor vehicle fueling station at 2002 W. FM 544. The proposed development will support additional retail activity within the community and is anticipated to generate substantial new taxable value and sales tax revenue for the City of Wylie. Costco has requested financial assistance from WEDC specifically related to the construction of public infrastructure and site improvements necessary to support the proposed development. These improvements will be identified in the Qualified Infrastructure exhibit attached to the Performance Agreement.

The Agreement outlines a maximum \$9,500,000 infrastructure reimbursement incentive, with the Performance Measures identified as follows:

Incentive No. 1: \$633,333.33

- Proof of Certificate of Occupancy (CO) within 18 months of the Effective Date.
- Documentation that at least \$9,500,000 in Qualified Infrastructure improvements have been completed and accepted by the City of Wylie.
- Proof that all applicable construction and development fees have been paid.
- Proof that the Company is current on all ad valorem taxes associated with the property.

Incentives No. 2-15: \$633,333.33/year

- Proof of continuous ownership of the property through each applicable anniversary of the Facility Completion Date.
- Proof that the Company is current on all ad valorem taxes associated with the property.
- Fourteen annual reimbursement payments, subject to satisfaction of the Performance Criteria outlined in the Agreement.

Economic Impact Analysis (EIA): The estimated valuation for this project is roughly \$200/SF or \$33MM. With the WEDC's Infrastructure Reimbursement of \$9,500,000, this project will generate an estimated \$24.4MM in overall tax revenue for the City of Wylie over the next 10 years. For every \$1 that the WEDC invests, this company is investing \$2.56 in our community. All of our financial assistance goes toward infrastructure, and we are investing sales tax revenue to eliminate the City's future need to fund TxDOT improvements or the signal at FM 544 & Sanden Blvd using property tax revenue.

Additional estimates of tax revenue generated include: \$951k for Collin County, \$6.6MM for Wylie ISD, and \$481k for Collin College over the next 10 years. Using the adjusted \$32.4MM in estimated tax revenue, for every \$1 the WEDC invests, this developer is investing \$3.41 in our community, and our investment would be repaid in 3.7 years.