

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORT ST. LUCIE, FLORIDA, APPROVING AN ECONOMIC DEVELOPMENT INCENTIVE PACKAGE FOR COSTCO WHOLESALE DEPOT PHASE TWO; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council (the "Council") of the City of Port St. Lucie, Florida (the "City") has determined that there is a need to establish incentives to facilitate economic development opportunities within the City; and

WHEREAS, Costco Wholesale Corporation (the "Company"), as one of St. Lucie County's target industry businesses per the Economic Development Council of St. Lucie County ("EDC"), is a multinational distributor of a wide variety of consumer products; and

WHEREAS, the Company desires to expand locally with the addition of its planned Costco Wholesale Depot Phase Two in Port St. Lucie, Florida; and

WHEREAS, the Company's average annual wage per worker is \$55,350 annually which is above the average wage for St. Lucie County per the EDC, and employees also receive generous benefits packages; and

WHEREAS, the Company received an economic development incentive package for Project Everest on January 1, 2024, to build an approximately 595,000 square foot distribution and logistics facility, for storage of dry and cold food and smaller retail items, on an approximate 192.52 acre parcel; and

WHEREAS, the Company applied and was approved for a site plan amendment, which expanded the facility's square footage to 662,685; and

WHEREAS, the Company will now construct an additional approximately 1,000,000 square foot distribution and logistics facility, for storage of larger products, known as the Costco Wholesale Depot Phase Two expansion, and will make an estimated capital investment of approximately \$94,000,000.00 in real property as well as approximately \$15,000,000.00 in total tangible personal property by December 31, 2030; and

WHEREAS, the Company, as part of the Costco Wholesale Depot Phase Two expansion, will create one hundred fifteen (115) new full-time equivalent jobs ("FTEs") whose aggregate wages based on the average annual wage per worker will be above 107% of the county average wage. The projected employment growth schedule consists of eighty-five (85) new FTEs in Year One; fifteen (15) new FTEs in Year Two; and fifteen (15) FTEs in Year Three.

RESOLUTION 25-R__

WHEREAS, the Council has considered the benefits that the citizens of the City will gain through the expanded development of the Company's distribution and logistics facility in Port St. Lucie; and

WHEREAS, the City is offering a collaborative incentive package to the Company in partnership with St. Lucie County; and

WHEREAS, the incentive package being offered and outlined below is in the best interest of the health, safety and welfare of the City's citizens.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT ST. LUCIE, FLORIDA, THAT:

Section 1. Ratification of Recitals. The foregoing recitals are hereby ratified and confirmed as true and correct and are hereby made a part of this Resolution.

Section 2. Incentive Package. The Council approves the following incentive package for the Company:

A. *The City of Port St. Lucie Ad-Valorem Tax Exemption:* The Council authorizes and desires to approve a ten (10) year ad valorem tax exemption, subject to adoption of an ordinance approving the exemption and compliance with the procedure and criteria currently outlined in section 115.06 of the City's Code. The City Council directs City staff to assist the Company in the application for a ten (10) year ad valorem tax exemption as described in the City's Economic Development Ad Valorem Tax Exemption program for the Costco Wholesale Depot Phase Two expansion. The exemption is valued at 60% each year for the three years, 40% each year for the subsequent three years, and 20% each year for the last four years (i.e. 60% in Years 1-3, 40% in Years 4-6, 20% in Years 7-10). The Council also authorizes staff to prepare all documents necessary to the application process, including a proposed ordinance providing an ad valorem tax exemption for the Company consistent with the City's Economic Development Ad Valorem Tax Exemption program.

B. *Up-front Impact Fee Mitigation:* The Council authorizes staff to assist the Company in the application for mobility and impact fee mitigation consistent with the City's Economic Development Mobility and Impact Fee Mitigation Program, including a proposed Resolution waiving mobility and impact fees.

C. *Expedited Site Plan Review and Fast Track Permitting:* As a target industry business in the City of Port St. Lucie, the Company qualifies for Expedited Site Plan Review and Fast Track Permitting. The Company will receive Expedited Site Plan review through the Development Review Process and will receive expedited permitting upon building commencement, and throughout the construction process.

RESOLUTION 25-R__

Section 3. Conflict. If any resolutions, or parts of resolutions, are in conflict herewith, this Resolution shall control to the extent of the conflicting provisions.

Section 4. Severability. The provisions of this Resolution are intended to be severable. If any part of this Resolution is determined to be void or is declared illegal, invalid, or unconstitutional by a Court of competent jurisdiction, the remainder of this Resolution shall remain in full force and effect.

Section 5. Effective Date. This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Port St. Lucie, Florida, this 14th day of April 2025.

CITY COUNCIL

CITY OF PORT ST. LUCIE

By: _____
Shannon M. Martin, Mayor

ATTEST:

Sally Walsh, City Clerk

APPROVED AS TO FORM:

Richard Berrios, City Attorney