

RESOLUTION NO. 23-190

APPROVING A CITY OF ROSEVILLE ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT, BY AND BETWEEN THE CITY OF ROSEVILLE AND COSTCO WHOLESALE CORPORATION, AND AUTHORIZING THE CITY MANAGER TO EXECUTE IT ON BEHALF OF THE CITY OF ROSEVILLE

WHEREAS, the Baseline Marketplace is an 81-acre, regional retail development located in the Sierra Vista Specific Plan (SVSP), fronting on Baseline Road between Fiddymment Road and Market Street; and

WHEREAS, the project requires approximately \$16.5M in public infrastructure to get started, a sum that has proven prohibitive to commencing development in the nine years since initial project approval; and

WHEREAS, the fee structure in the SVSP heavily impacts commercial development, further exacerbating the challenge; and

WHEREAS, the City has a strong interest in the overall Baseline Marketplace project's success, as the first phase stands to generate \$3M in annual sales tax revenue to the City in the first year and \$7M at build-out, and also provides much-needed access to retail on the west side of Roseville; and

WHEREAS, in late 2021, Costco Wholesale Corporation ("Costco") approached the City as they considered purchasing approximately 29 acres of the project, known as Parcel DF-41, described in Exhibit A of the City of Roseville Economic Development Incentive Agreement, in order to build a Costco store; and

WHEREAS, Costco expressed the challenges mentioned above and sought an agreement to offset the significant up-front infrastructure costs, of which approximately \$6M is related to their project, although they would need to spend the full \$16.5M to move their project forward; and

WHEREAS, on May 17, 2023, the City Council for the City of Roseville held a public hearing, pursuant to California Government Code Section 53083, on an economic development incentive with Costco; and

WHEREAS, staff recommends that the City Council approve a City of Roseville Economic Development Incentive Agreement for this economic development incentive to provide the following public benefits:

1. It supports Council's specific goal to facilitate this project; and
2. It promotes the general welfare of the City and its residents by creating new jobs; and

3. It expands the range and diversity of its commercial retail sector, especially in West Roseville; and
4. It reduces traffic and vehicle miles traveled from residents in West Roseville to the existing Costco facility in northeast Roseville; and
5. It broadens the City's property tax and sales tax base; and
6. It generates uniquely significant ongoing City revenues.

WHEREAS, the City of Roseville Economic Development Incentive Agreement, by and between the City of Roseville and Costco Wholesale Corporation, has been reviewed by the City Council; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Roseville that said City of Roseville Economic Development Incentive Agreement is hereby approved and that the City Manager is authorized to execute it on behalf of the City of Roseville, as well as any documents necessary to effectuate its purpose.

PASSED AND ADOPTED by the Council of the City of Roseville this ____ day of _____, 2023, by the following vote on roll call:

AYES COUNCILMEMBERS:

NOES COUNCILMEMBERS:

ABSENT COUNCILMEMBERS:

MAYOR

ATTEST:

City Clerk