

OCONEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
Oconee County Courthouse Commission Chambers
CALLED MEETING
August 24, 2021 – 4:00 p.m.

MEMBERS PRESENT:

Rick Waller, Chairman
John Daniell, Vice Chairman (Chairman, Oconee County Board of Commissioners)
Courtney Bernardi, Secretary (President, Oconee Chamber of Commerce)
Brock Toole (Chief Operations Officer, Oconee County Board of Education)
Brian Broderick (Mayor, City of Watkinsville)

The meeting was called to order at 4:00 p.m. by Chairman Rick Waller.
Chairman Waller turned the meeting over to John Daniell, Vice Chairman.

Approval of Agenda:

On motion by Rick Waller and second by Brock Toole, the Agenda was approved as presented.

Discussion of Economic Development Bonds:

Daniel Haygood, County Attorney, presented the incentive package for COSTCO to locate in Oconee County. The package will include three bond resolutions for approval.

Courtney Bernardi gave COSTCO business specifics to include they are the world's 4th largest retailer. The proposed site sits next to Hobby Lobby on 23 acres owned by Frank Bishop of the Bishop Company. Planning includes a 155,000 square foot building, 699 parking spaces, and an 18 pump fuel center which can expand to 24 pumps, the largest fuel pump center ever done by Costco. This will be 16th location in Georgia, 77th in the Southeast and 14th in greater Atlanta metro market. Costco is a warehouse company with above average products and known for how well they treat employees. The Oconee location will employ 253-275 employees with a starting wage of \$16.50 per hour and an average salary of \$58,000 per year plus bonuses, benefits, time and a half on Sunday, and educational expenses for employees and dependents. Costco has never closed a store. Research of over nine years has been done to make sure this will benefit the community, residents and region. The proposed opening is in mid-2022 (May-June), with expected \$94 million the first year in sales with an estimated 8% increase each year.

Frank Bishop thanked all for their time and efforts to make this happen.

Daniel Haygood explained the projected sales tax revenues were calculated by an independent group. Income stream through sales tax will affect LOST, SPLOST, ELOST, and TSPLOST if passed. The proposal is for the IDA to issue bonds not to exceed \$16 million to pay for developed property, site improvements, and other costs for the COSTCO location. COSTCO pays for building itself. Oconee County's legal limitation will be an amount no more than the revenue generated from LOST. Should Costco close or move, there will be no obligation on the IDA or the County for further bond payments. Debt reserve will hold \$1.2 million for last payment. Due to IRS rules, \$3.2 million of \$16 million will be put in an investment for County until it earns enough income to pay back the amount of the incentives to the County. \$11.6 million, the remainder, is the true County investment. The other portion of this proposal is the abatement of property taxes. The IDA will own the property, so no property taxes will be paid for approximately 15 years. The school board is in agreement. The three resolutions requested for this are:

- Approval of bond resolution to borrow amount not to exceed \$16.2 million
- Approve real property tax incentive resolution
- Approve personal property tax incentive resolution

Jim Woodward, Gray, Pannell and Woodward (Bond Counsel), reported that Stifel will price the bonds and finalize the interest rate and resolutions incorporating that will be brought back to the Board at a second meeting. Stifel will market the bonds during the interval. The anticipated timeline is mid to late September.

ACTION:

Motion: Brian Broderick made a motion to approve a Bond Resolution for the borrowing of \$16 million as presented.

Second: Brock Toole

Voted in Favor of Motion: All Members

Voted Against Motion: None

Final Action: **Motion Passed.**

ACTION:

Motion: Brian Broderick made a motion to approve a Resolution of the Oconee Industrial Development Authority authorizing not more than \$37 million for the purpose of real property tax incentives for COSTCO.

Second: Brock Toole

Voted in Favor of Motion: All Members

Voted Against Motion: None

Final Action: **Motion Passed.**

ACTION:

Motion: Brian Broderick made a motion to approve a Resolution of the Oconee Industrial Authority not to exceed \$8.5 million in personal property tax incentives for COSTCO.

Second: Brock Toole

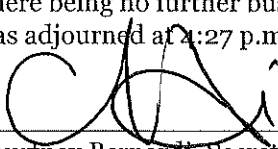
Voted in Favor of Motion: All Members

Voted Against Motion: None

Final Action: **Motion Passed.**

Adjourn:

There being no further business, on motion by Brock Toole and second by Brian Broderick, the meeting was adjourned at 4:27 p.m.



Courtney Bernardi, Secretary
Oconee County Industrial Development Authority

1.28.22
Date

Submitted by: Holly Stephenson, County Clerk