

Exhibit P
Applicant Provided Supplemental Materials

City Council:
Costco Commercial Center Project



April 4, 2024

City Council Members
City of Fresno
2600 Fresno Street
Fresno, CA 93721

Re: Costco Wholesale -7120 N Riverside Drive

Dear Council Members,

As a follow-up to the City Council hearing on March 7th, 2024, we are transmitting two items:

- (1) A supplemental packet that provides responses and additional information related to the City Council's questions and request. The packet focuses on responses to comments and questions from the Council that were not fully answered at the hearing. We have also included some questions that were, in fact, answered at the hearing as we have provided a more detailed or accurate response. We will respond to your questions regarding Costco's impact on property values and City revenues in a follow-up transmittal.
- (2) A reiteration of our request to modify Condition 15, regarding the golf course netting. This is a critical item for us and as such we are requesting the City Council to consider it.

We look forward to the April 18th meeting. Please do not hesitate to let staff know if any additional information is needed from the Costco team in advance of the meeting on the 18th.

Sincerely

A handwritten signature in black ink, appearing to read "P. Holliday", written over a horizontal line.

Pari Holliday
RE Development Director



COSTCO WHOLESALE RELOCATION – N. Riverside Drive

CITY COUNCIL SUPPLEMENTAL PACKAGE

APRIL 4, 2024



1. Economics & Community Benefits
2. Site Specifics and Operations
3. CEQA
4. Off-Site Improvements

City Council Questions/Requests

- How many jobs?
- Define part time?
- What is average retention rate?

ECONOMICS AND COMMUNITY BENEFITS

EMPLOYMENT - 90% of the Shaw employees live in Fresno

Existing

Employee Count

Shaw Warehouse

175 Full-time

104 Part-time (62 full-time equivalent (FTE))

279 Total Employees (237 FTE)

MDO

13 Full-Time

3 Part-time (2 FTE)

16 Total Employees (15 FTE)

295 TOTAL EMPLOYEES (253 FTE)

Retention Rate

- Employee Turnover - 18% annually
- Employee Tenure
 - 5+ years 61% (~180 employees)
 - 10+ years 45% (~133 employees)
 - 15+ years 35% (~103 employees)

New Location (~15% more employees)

Employee Count

Integrated Warehouse & MDO

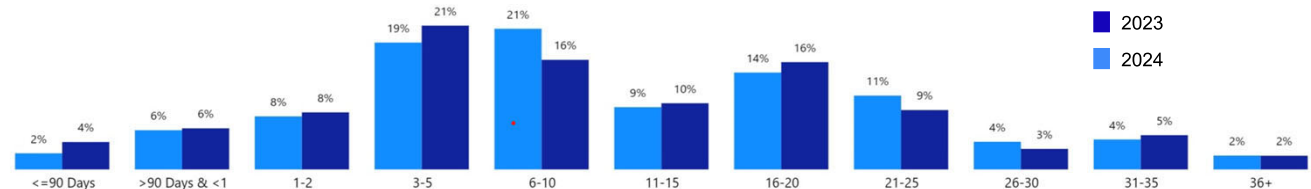
216 Full-Time (+28)

123 Part-time (+16) (74 FTE)

339 Total Employees (290 FTE)

- **Full-time employees** are promoted from within
- Initially all **employees hired as part-time**
- **Part-time** is a minimum of 24 hours per week

Headcount by Years of Service – Fresno on Shaw Avenue



City Council Questions/Requests

- Explain compensation package.
- Do part-time employees get benefits?

ECONOMICS AND COMMUNITY BENEFITS

EMPLOYMENT - We take care of our employees!

Benefits

- **All Employees Eligible, 90 days after start date, including Full-time and Part-time employees**
- Medical, Dental, and Vision with low out-of-pocket premiums and copays
- Paid bonding leave
- Health care reimbursement account
- Dependent care reimbursement account
- Voluntary short-term disability
- Long-term disability
- Life insurance and AD&D insurance
- Employee assistance program
- Employee stock purchase plan
- 401(k) plan - match employee contributions up to 5k a year.
- Programs to support physical, emotional, and financial well-being

Compensation

- \$18.50 to \$34.00 per hour

Paid Time-off

- Paid sick and vacation time
- Eight paid holidays
- One paid floating holiday to allow employees to observe a day that's meaningful to them, e.g., Juneteenth, Indigenous Peoples Day, Veterans Day

City Council Questions/Requests

- What are the specifics of Costco's charitable giving in Fresno?
- How much of the 1% pre-tax profit goes to charities in Fresno?

ECONOMICS AND COMMUNITY BENEFITS

Community Benefits

Charitable Giving

- **Local Programs** – Costco donated approximately \$80,000 cash in FY 22/23 to local organizations in Fresno including but not limited to Valley Children's Hospital, Holy Cross Ministries, Fresno Central Seventh Day Adventist, and Bowe's Animal Shelter.
- **Costco's 1% pre-tax profit charitable giving** represents the company's total cash donations throughout the company, including cash donations made by individual warehouses.



City Council Questions/Requests

- What schools got the backpacks, how many?
- What are the specifics of Costco's charitable giving in Fresno?

ECONOMICS AND COMMUNITY BENEFITS

Community Benefits – Local

Backpack Program

- Each Costco location “adopts” one local school with 50% or more of the students in grades 1 through 5 on a free or reduced cost meal program.
- In most cases, all students from one grade level receive a new backpack which contains a 12” ruler, zippered pencil pouch, 2 pocket style folders and an eraser.
- Costco works with the school to decide which grade level will receive the allotted number of backpacks.
- 1,152 total backpacks donated in 22/23 - 768 backpacks to Jefferson Elementary 384 to Pinedale Elementary.
- Other schools that have participated in the program include Lawless Elementary, Polk Elementary, and Madison Elementary.

Feeding America Donations

- This program takes food that is still edible but may be slightly damaged and is donated.
- The Fresno Shaw location donated over 203,000 lbs of food plus assorted items including clothing, to food banks in Fresno in FY23.

City Council Questions/Requests

- What are the specifics of Costco's charitable giving in Fresno?

ECONOMICS AND COMMUNITY BENEFITS

Community Benefits — Our Employees Help Too!

- **Valley Children's Hospital Campaign**

- 8 Costco warehouses in the Central Valley participated
- Employees at the register make hundreds of requests for donations every day
- Valley Children's champions and their families are welcomed at stores to travel through the warehouse and thank customers for supporting Children's Miracle Network Hospitals
- Warehouse collectively **raised over \$9 Million during May 2023**
 - A 15 percent increase from 2022
 - More than double what they raised in 2020

- **Reading Program**

- 4 employees volunteer their time to read to students at a local elementary school.
- Last year's school was Lawless Elementary, and Polk Elementary has participated in the past.



City Council Questions/Requests

- What are the plans for the vacant building when Costco vacates?

ECONOMICS AND COMMUNITY BENEFITS

New Tenant for Existing Shaw Location

- Costco to keep 12 fuel pumps at Shaw location
- Costco vested interest in property given the fuel station remains
- Costco is working with Landlord to secure an appropriate tenant

City Council Questions/Requests

- What are the operating hours of the Costco?
- What are car wash hours?

SITE SPECIFICS AND OPERATIONS

Warehouse Operation

Warehouse and Car Wash Open:

- Monday through Friday from 9:00 a.m. to 8:30 p.m.
- Saturday and Sunday from 9:00 a.m. to 7:00 p.m.

Fuel Open:

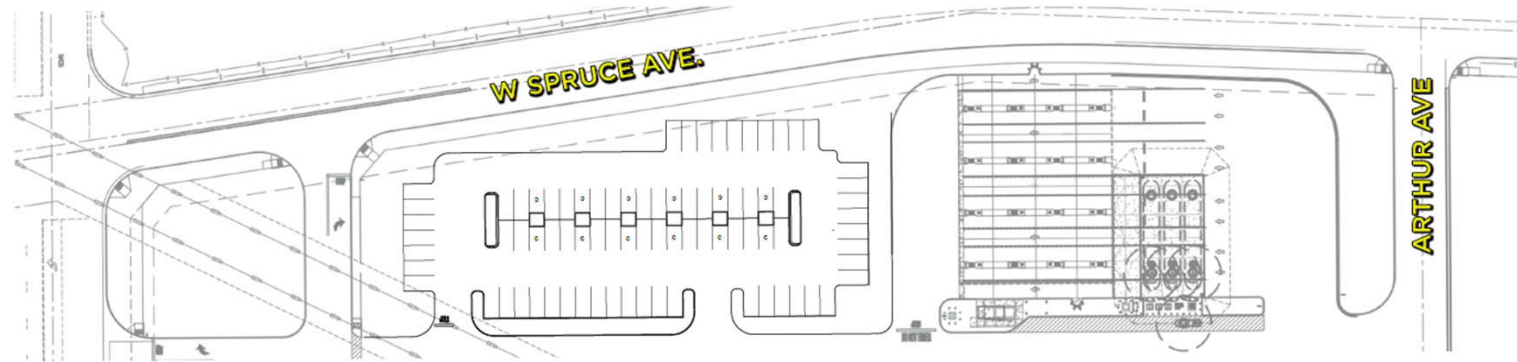
- 5:00 a.m. to 10:00 p.m. daily
- The extended hours for fuel minimize demand during peak hours and spread activity across a longer period and reduce idling and queuing.
- School busses pick up in the area at approximately 7:15 am.

City Council Questions/Requests

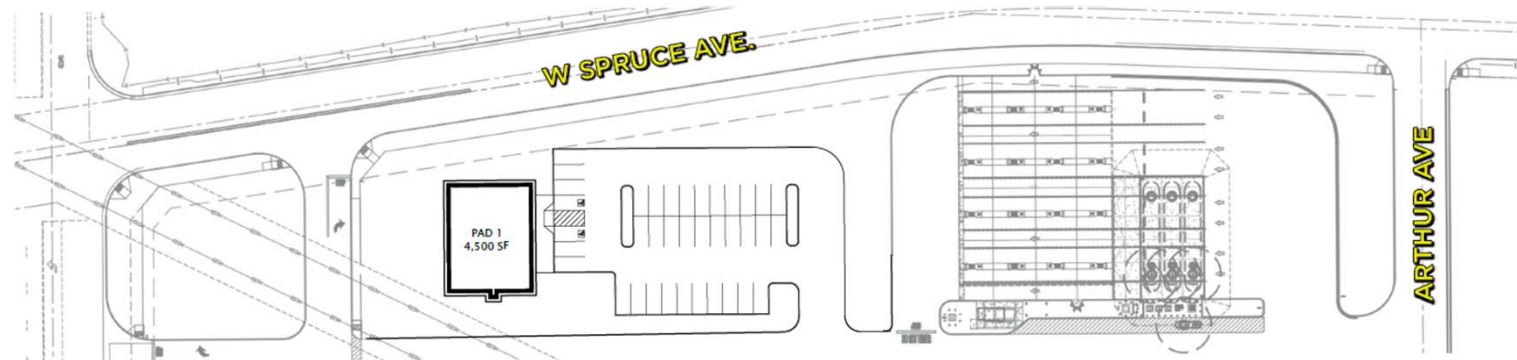
- Request for alternatives site concepts if the car wash is removed.

SITE SPECIFICS AND OPERATIONS

Concepts without Car Wash



① CAR WASH AS PARKING LOT



② CAR WASH AS OUTPARCEL

City Council Questions/Requests

- Request for visual simulations from several viewpoints around the site including proposed vegetation.

Note we have provided a mini version of each one here and larger ones are included at the end of this packet.

SITE SPECIFICS AND OPERATIONS

Site Renderings



Intersection of W. Herndon & N. Riverside looking towards the new Costco.



Looking toward the new Costco across N. Riverside.



Looking toward the new Costco across N. Riverside at the new signal.



View of Costco site from Spruce.

City Council Questions/Requests

- Request for visual simulations from several viewpoints around the site.

Note we have provided a mini version of each one here and larger ones are included at the end of this packet.

SITE SPECIFICS AND OPERATIONS

Site Renderings



Looking across Spruce toward the car wash.



Looking across Spruce toward the fuel stations.



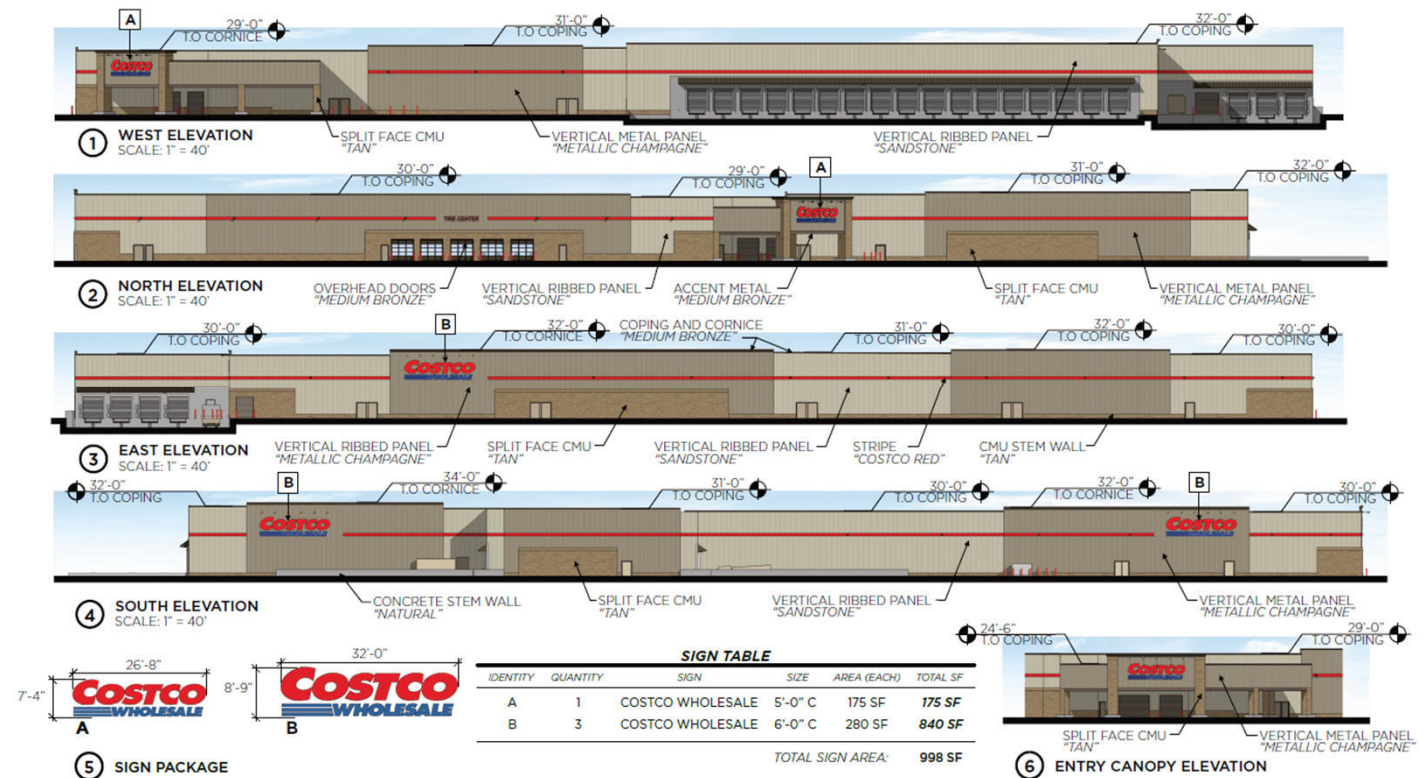
View of Costco and parking lot from Arthur entrance.

City Council Questions/Requests

- Project elevations as they were not provided in the City Council staff report

SITE SPECIFICS AND OPERATIONS

Warehouse Elevations

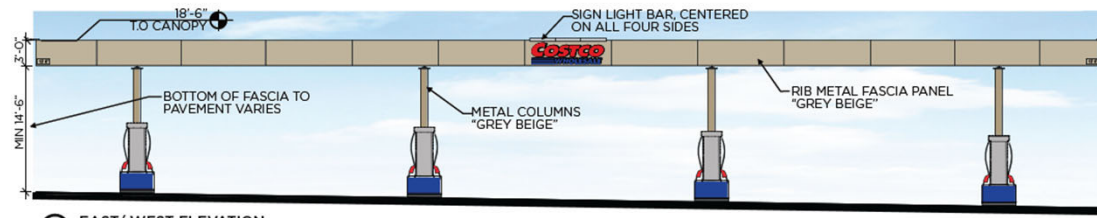


City Council Questions/Requests

- Project elevations as they were not provided in the City Council staff report.

SITE SPECIFICS AND OPERATIONS

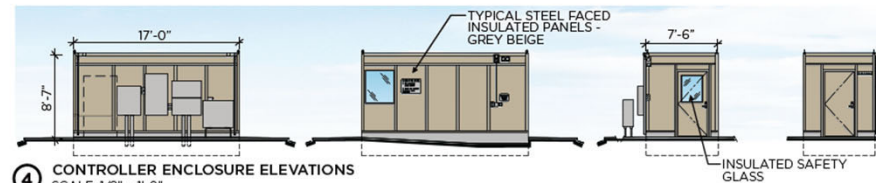
Fuel Station Elevations



① EAST/ WEST ELEVATION
SCALE: 1/8" = 1'-0"



② NORTH/ SOUTH ELEVATION
SCALE: 1/8" = 1'-0"



④ CONTROLLER ENCLOSURE ELEVATIONS
SCALE: 1/8" = 1'-0"

SIGN TABLE				
QUANTITY	SIGN	SIZE	AREA (EACH)	TOTAL SF
4	COSTCO WHOLESALE	2'-5" x 8'-6"	21 SF	84 SF
TOTAL SIGN AREA:			84 SF	

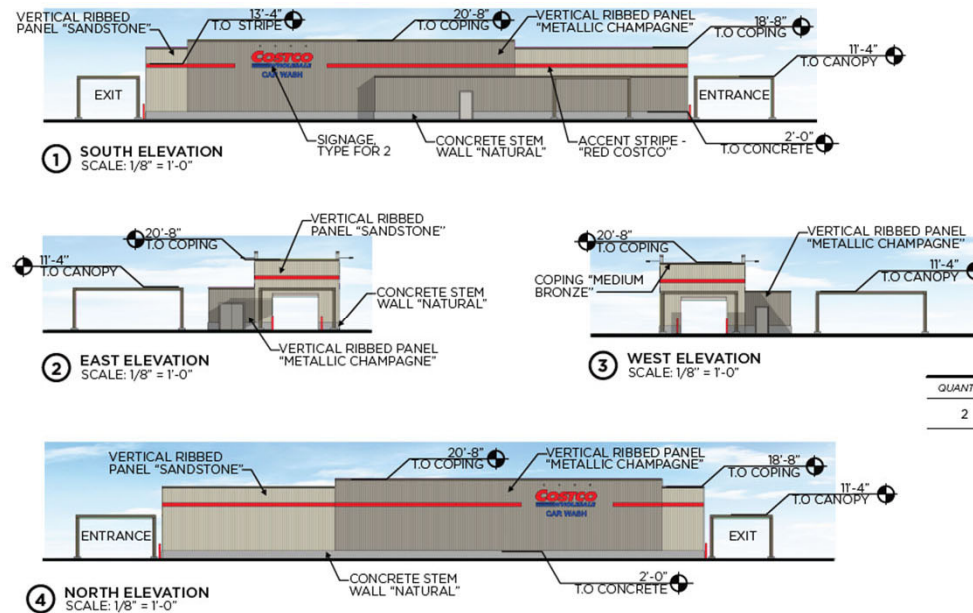


City Council Questions/Requests

- Project elevations as they were not provided in the City Council staff report.

SITE SPECIFICS AND OPERATIONS

Car Wash Elevations



City Council Questions/Requests

- What transportation improvements are being made?

*RIRO = Right-in/Right-out

OFF-SITE IMPROVEMENTS

Off-Site Transportation Improvements

- New traffic signal at W Fir Ave. and N Riverside Dr.
- Upgrades to existing signal at N Riverside Dr. And W Herndon Ave.
- New left turn pocket at Arthur from EB W Herndon Ave.
- Construction of Arthur Ave.
- Construction of W Spruce Ave connection
- Expand NB lanes on N. Riverside Dr.
- Underground overhead power lines on W Herndon Ave.
- Underground overhead power lines on Arthur Ave.
- Trail extension along W Herndon Ave and N Riverside Dr.
- North Golden State Boulevard and West Herndon Avenue: Revise signal, add median, and reconstruct the median to extend the south bound dual left-turn.



City Council Questions/Requests

- For **EIR Mitigation Measures with options**, what option will Costco implement?
 - Applies to Mitigation Measure 3.11-5
 - No other mitigation measures list options that could stand alone from one another.
 - Note all text excerpted from the EIR is shown in *blue italic type*.

CEQA

EIR Mitigation Measure with Options

***Mitigation Measure 3.11-5:** Implement noise reduction measures to ensure that exterior noise levels at residential land uses near the west side of North Riverside Drive do not exceed the City's 65 dB :*

- Pave the roadway segment with rubberized hot-mix asphalt or equivalent surface treatment with known noise-reducing properties on top of the roadway surface.*
- Construct a sound barrier taller than the 6-foot cinderblock wall, of solid material.*
- Costco **will utilize rubberized hot-mix asphalt** (underlined above) if mitigation is needed to meet 65 dB SNEL
- Given Costco has committed to requiring all delivery trucks to access the site from Arthur Avenue and not utilize N. Riverside east of W. Herndon Avenue, the noise associated with trucks and single event noise is not expected to exceed 65 dB SENL

City Council Questions/Requests

- How does this project not trigger the need for additional VMT mitigation?
- Does new store in Clovis have bike racks for customers and in stores?

CEQA

Transportation VMT Mitigation

Impact 3.13-2: proposed project would result in a net increase of 129,326 regional daily VMT.

- Costco will implement Mitigation Measure 3.13-2 as detailed in the Final EIR, prepared by Ascent, the EIR consultant hired and contracted with the City, which requires Costco to implement the listed VMT measures to reduce employee VMT by a minimum of 26 percent.
 - **Employee trips account for less than 2 percent of the project's daily trips and less than 7 percent of the VMT** (13,385 of 129,326 overall project VMT)
 - **Reduction in employee VMT will have minimal impact on the overall increase in VMT.** The mitigation measure will reduce the project's VMT by approximately 3,500 of 129,326 daily VMT.
- Given the limits of reducing members' VMT **given the nature of Costco shopping, it is not possible to reduce VMT at a meaningful level** and in any way that reduce this impact to a less-than-significant level.
- The project will provide bike parking as does the Clovis warehouse.

City Council Questions/Requests

- How does this project not trigger the need for additional VMT mitigation?

CEQA

Transportation VMT Mitigation (continued)

VMT Reduction Measures Costco will implement from Mitigation Measure 3.13-2 include:

- **Commute Trip Reduction Marketing** (up to ~4% employee VMT reduction) including the following features (or similar alternatives):
 - on-site or online commuter information services,
 - employee transportation coordinators,
 - on-site or online transit pass sales,
 - and guaranteed ride home service.
- **Ridesharing Program** (up to ~8% employee VMT reduction)
- **Subsidized or Discount Transit Program** (up to ~5.5% employee VMT reduction)
- **End-of-Trip Bicycle Facilities** (up to ~4.4% employee VMT reduction)
- **Improve Street Connectivity** (up to ~30 percent employee VMT reduction)
- **Pedestrian Network Improvements/Construct Bike Facilities/Expand Bikeway Network** (up to ~10% employee VMT reduction)

City Council Questions/Requests

- What are all the Significant and Unavoidable Impacts associated with the project?

CEQA

Significant and Unavoidable Impacts

The EIR identifies the following four impacts that may not be mitigated to a less-than-significant level and remain significant:

- *Impact 3.11-1: Temporary Construction Noise Levels*
- *Impact 3.13-2 (project) and Impact 3.14-13 (cumulative): Increased VMT*
- *Impact 3.13-3: North Golden State Boulevard and West Herndon Avenue intersection overflow Note: This is only a project impact as it is mitigated to a less-than-significant level under cumulative with other planned improvements including high-speed rail*

Each is briefly described on the following pages.

City Council Questions/Requests

- What are all the Significant and Unavoidable Impacts associated with the project?

CEQA

Significant and Unavoidable Impacts – Temp Construction Noise

Impact 3.11-1: Temporary Construction Exterior Noise Levels

- The project will require **limited nighttime construction**.
- **Interior noise standards would not be exceeded during construction**, and sleep disruption is not anticipated.
- Actual effects would be limited **to individuals outdoors between 10:00 p.m. and 7:00 a.m. on the specific night(s) of construction** and their experience of the tranquil nighttime environment.
- **Mitigation** would provide substantial reductions in levels of construction noise exposure at noise-sensitive receptors by ensuring proper equipment use; and requiring the use of enclosures, shields, and noise curtains (noise curtains typically can reduce noise by up to 10 dB [EPA 1971]). This could potentially reduce noise from 63 dB Leq to approximately 53 db Leq after mitigation.
- Impact is **conservatively found to be Potentially Significant and Unavoidable** as the effectiveness of the Mitigation depends upon the specific site conditions at the time of construction.

City Council Questions/Requests

- What are all the Significant and Unavoidable Impacts associated with the project? (Arias)

CEQA

Significant and Unavoidable Impacts – VMT Project and Cumulative

Impact 3.13-2 and 14-13: Conflict or Be Inconsistent with CEQA Guidelines Section 15064.3, Subdivision (b) Regarding Vehicle Miles Traveled for both the project and cumulative conditions.

- As discussed above, The primary source of daily VMT is warehouse shopping by Costco members. Members purchase items in bulk at Costco facilities, making walking, biking, or transit trips to the warehouse impractical.
- Bulk shopping generally requires access to a personal automobile and is often a single-destination outing. Mitigation that would substantially reduce the VMT of Costco members is infeasible due to the nature of Costco's land use and business model, which is inherently auto-oriented.

City Council Questions/Requests

- What are all the Significant and Unavoidable Impacts associated with the project?

CEQA

Significant and Unavoidable Impacts — Hazards Due to a Geometric Design Feature

Impact 3.13-3: North Golden State Boulevard and West Herndon Avenue

intersection overflow Note: *This is only a project impact as it is mitigated to a less-than-significant level under cumulative with other planned improvements including high-speed rail.*

- The southbound left-turn queue at the **North Golden State Boulevard and West Herndon Avenue** intersection **would overflow** the available storage for the turn pocket.
- As discussed in the EIR **constraints** including the existing roadway layout, limited right-of-way and approved projects such as Highspeed Rail in the area **preclude additional design features to fully address** this impact.
- Spillback condition would occur during the most congested period of the day and would not be a continuous condition.
- This would remain a transportation hazard with mitigation until the planned High Speed Rail improvements are constructed. (Draft EIR p. 3.13-21)

City Council Questions/Requests

- Request for visual simulations from several viewpoints around the site.

SITE SPECIFICS AND OPERATIONS

Site Renderings - Intersection of W. Herndon & N. Riverside looking toward the new Costco.



City Council Questions/Requests

- Request for visual simulations from several viewpoints around the site.

SITE SPECIFICS AND OPERATIONS

Site Renderings - Looking toward the new Costco across N. Riverside.



City Council Questions/Requests

- Request for visual simulations from several viewpoints around the site.

SITE SPECIFICS AND OPERATIONS

Site Renderings - Looking toward the new Costco across N. Riverside at the new signal.



City Council Questions/Requests

- Request for visual simulations from several viewpoints around the site.

SITE SPECIFICS AND OPERATIONS

Site Renderings - View of Costco and parking lot from Arthur entrance.



City Council Questions/Requests

- Request for visual simulations from several viewpoints around the site.

SITE SPECIFICS AND OPERATIONS

Site Renderings - Looking across Spruce toward the car wash.



City Council Questions/Requests

- Request for visual simulations from several viewpoints around the site.

SITE SPECIFICS AND OPERATIONS

Site Renderings - Looking across Spruce toward the fuel station.



City Council Questions/Requests

- Request for visual simulations from several viewpoints around the site.

SITE SPECIFICS AND OPERATIONS

Site Renderings - View of Costco and parking lot from Arthur entrance.





April 4, 2024

City Council Members City
of Fresno
2600 Fresno Street
Fresno, CA 93721

Re: Costco Wholesale -7120 N Riverside Drive Reconsideration of Condition 15 related to netting at the Golf Course

Dear Fresno City Council Members:

Costco is requesting the City Council substitute condition of approval 15 related to protection of the site from errant golf balls with the following:

Because the proposed use is near a City-owned golf course, the applicant and the City shall work together on identifying and implementing safety measures (such as fences, nets, walls, or other methods) to protect occupants of the project site from errant golf balls.

Condition 15 as suggested by staff and included in Exhibit G attached to Staff Errata is as follows:

- To promote pedestrian safety and reduce the likelihood of property damage, whenever a proposed use contains, or is placed adjacent to, public or private outdoor facilities that provide batting cages, golf courses, golf-driving ranges, paintball, archery, or similar activities, the proposed use shall include fences, nets, walls, or other methods that are capable of stopping all projectiles fired and/or hit by containing or redirecting the projectile to a safe location

Costco's requested modification is extremely important to Costco for the following reasons:

- The condition is based on a code section that applies only to Private Recreational Sports Facilities. Costco is not such a facility nor is it located near one. The City Council has made a policy decision that the code section only applies to Private Recreational Sports Facilities. If the condition is imposed as staff has proposed, it would set a precedent that the City may wish to avoid of installing netting, etc. for all projects near public recreation facilities, parks, etc. or for the City's own projects to create or expand public recreational opportunities.
- Costco is the party that raised to the City the issue of wishing to protect its members from errant golf balls, and Costco has been exploring the best methods

to secure that end. Costco has engaged a consultant to examine trajectory of golf balls and possible protection mechanisms and is actively working with the City management and parks and public works staff to address the concern to everyone's benefit. Costco does not believe that any condition is warranted. However, if you do wish to impose a condition, we ask that the condition be revised as highlighted in green at the outset of the letter.

Altering the condition would not in any way affect the CEQA analysis and conclusions concerning the Costco project. No fences, nets or other means to ensure that golf balls from the City's golf course do not land on the Costco property were mentioned in Costco's operations statement or application material, nor are such features identified as a required Mitigation Measure in the EIR. A net was included in the EIR Project Description to ensure that any impacts that could result from a net were considered in case Costco, or the City decided to add such a net. The EIR found no impacts from adding a net. The EIR does not identify any potential impacts for which a net would be necessary as a project design feature or mitigation measure. The net should not be required merely because it was mentioned and evaluated in the EIR. Often, project elements considered in an EIR do not ultimately end up being constructed.

If the condition is revised as requested, a net may very well be installed, but Costco and the City will work together, with advice from the fencing and netting consultant we have engaged, to agree on the best physical solution to employ on the City's golf course to minimize risks to the public.

Thank you in advance for considering this request.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Holliday', with a stylized, flowing script.

Pari Holliday
RE Development Director