



Reviewed By:	
Legal	<input type="checkbox"/>
Finance	<input type="checkbox"/>
Engineer	<input type="checkbox"/>
City Administrator	<input checked="" type="checkbox"/>
Community Development	<input checked="" type="checkbox"/>
Purchasing	<input type="checkbox"/>
Police	<input type="checkbox"/>
Public Works	<input type="checkbox"/>
Parks and Recreation	<input type="checkbox"/>

Agenda Item Number

Mayor's Report #5

Tracking Number

CC 2025-12

Agenda Item Summary Memo

Title: Costco Incentive Agreement

Meeting and Date: City Council – February 11, 2025

Synopsis: Please see the attached memo.

Council Action Previously Taken:

Date of Action: _____ Action Taken: _____

Item Number: _____

Type of Vote Required: Majority

Council Action Requested: Approval

Submitted by: Bart Olson Administration
Name Department

Agenda Item Notes:

Have a question or comment about this agenda item?

Call us Monday-Friday, 8:00am to 4:30pm at 630-553-4350, email us at agendas@yorkville.il.us, post at www.facebook.com/CityofYorkville, tweet us at @CityofYorkville, and/or contact any of your elected officials at <http://www.yorkville.il.us/320/City-Council>



Memorandum

To: City Council
From: Bart Olson, City Administrator
CC:
Date: January 21, 2025
Subject: Costco – incentive agreement

Summary

Consideration of an incentive agreement with Costco.

Background

During Costco's recruitment period, Costco's representatives had notified City staff that different locations under consideration for a new store had varying levels of development feasibility and they requested the City to put forth an economic incentive offer for their consideration on selection of a site. The City was notified they were Costco's preferred site shortly before their application was submitted to the City, and we began incentive agreement drafts shortly thereafter. The offer the City put forth is represented in the attached agreement for the City Council's consideration.

In general, the City has offered to provide Costco with one half to three quarters of one percent of the City's regular sales taxes generated from Costco's warehouse and gas station, capped at a maximum of \$10,000,000 over the course of 30 years. Costco will not receive any money from the City that is not generated from their own sales. The City's incentive offer does not include the places of eating tax (earmarked to offset the Lake Michigan water source project), nor the non-home rule sales tax of 1% authorized by referendum in the early 2010s to offset legacy infrastructure costs. Based on publicly available sales data (i.e. not verified by Costco), we anticipate that the full sales tax incentive will be satisfied in 10-20 years.

Costco's representatives did ask for some assurances that the City would not increase the non-home rule sales taxes (or future home rule sales taxes) or implement a home rule gas tax. While the current City Council can not prevent a future City Council from imposing or increasing a tax, we have drafted a fee lock clause (4c) that will provide an effective fee lock for Costco consumers. In this clause, if Costco agrees not to collect the incremental sales taxes or gas taxes at point of sale, and Costco itself pays the should-have-been-collected tax amounts to the appropriate authorities, the City will rebate 100% of that amount to Costco during the term of the agreement. It should be noted that the City Council has never discussed and is not likely to increase the non-home rule sales tax beyond its current 1% amount, nor have we ever entertained a home rule gas tax.

Recommendation

Staff recommends approval of the incentive agreement with Costco.

Resolution No. 2025-_____

**A RESOLUTION OF THE UNITED CITY OF YORKVILLE, KENDALL COUNTY,
ILLINOIS APPROVING A SALES TAX REVENUE SHARING AGREEMENT**

WHEREAS, the United City of Yorkville, Kendall County, Illinois (the “City”) is a duly organized and validly existing non-home-rule municipality created in accordance with the Constitution of the State of Illinois of 1970 and the laws of the State; and

WHEREAS, Costco Wholesale Corporation, a Washington corporation (“Costco”) is purchasing approximately thirty-four (34) acres for a proposed development of a members-only retail store and gasoline service station (the “Project”) at the southeast corner of East Countryside Parkway and McHugh Road (the “Subject Property”), and has submitted, for approval, a Final Plat of Subdivision and a special use permit pursuant to the Yorkville Unified Development Ordinance (the “UDO”) in order to proceed to construct the Project, and

WHEREAS, the City seeks to encourage the development of the Subject Property and the construction and operation of the Project and, in order to make the Project economically feasible, the City is prepared to rebate to Costco a portion of the sales tax revenue to be generated by the Project and received by the City as authorized by the Illinois Municipal Code Sections 8-11-20 (65 ILCS 5/8-11-20) and 8-1-2.5 (65 ILCS 5/8-1-2.5); and

WHEREAS, as required by Section 8-11-20, the City has made certain findings with regard to the Subject Property, the Project and Costco (collectively, the “Findings”), all as hereinafter set forth; and

WHEREAS, in light of the Findings by the City and reviewing the benefits the Project shall bring to the City and all of the affected taxing districts with an increase of the tax base, creation of new job opportunities and improvement to the welfare of the residents of the community, the City is prepared to affirm its Findings and approve the Sales Tax Revenue Sharing Agreement, a copy of which is attached hereto, all as hereinafter set forth.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the United City of Yorkville, Kendall County, Illinois, as follows:

Section 1. The above recitals are incorporated herein and made a part of this Ordinance.

Section 2. The Mayor and City Council hereby make the following Findings:

- (a) that the Subject Property is vacant and has remained vacant for many years prior to the date hereof;
- (b) that the Project shall create job opportunities within the City;
- (c) that the Project will serve to further development of adjacent areas;
- (d) that without the Sales Tax Revenue Sharing Agreement, the Project would not be possible;
- (e) that Costco meets high standards of creditworthiness and financial strength as demonstrated by an “A” rating of its corporate debentures;
- (f) that the Project will strengthen the City’s commercial sector;
- (g) that the Project will enhance the City’s tax base; and
- (h) that the Sales Tax Sharing Agreement is in the best interest of the City.

Section 3. The Sales Tax Revenue Sharing Agreement by and between the United City of Yorkville, Kendall County, Illinois and Costco Wholesale Corporation in the form attached hereto and made a part hereof, is hereby approved and the Mayor and City Clerk are hereby authorized to execute.

Section 4. The Mayor, City Administrator and the Finance Director are hereby authorized to implement the terms of the Sales Tax Sharing Agreement as may be required.

Section 5. That this Resolution shall be in full force and effect from and after its passage and approval as provided by law.

Passed by the City Council of the United City of Yorkville, Kendall County, Illinois this ____ day of _____, A.D. 2025.

CITY CLERK

KEN KOCH _____

DAN TRANSIER _____

ARDEN JOE PLOCHER _____

CRAIG SOLING _____

CHRIS FUNKHOUSER _____

MATT MAREK _____

SEAVER TARULIS _____

RUSTY CORNEILS _____

APPROVED by me, as Mayor of the United City of Yorkville, Kendall County, Illinois
this ____ day of _____, A.D. 2025.

MAYOR

Attest:

CITY CLERK

SALES TAX REVENUE SHARING AGREEMENT

This **SALES TAX REVENUE SHARING AGREEMENT** (this “**Agreement**”) is entered into as of the ____ day of _____, 2025 (“**Effective Date**”), by and between **COSTCO WHOLESALE CORPORATION**, a Washington corporation (“**Costco**”), and the **UNITED CITY OF YORKVILLE**, Kendall County, Illinois, an Illinois Municipal Corporation duly organized and existing as a non-home rule unit of government under Section 7, Article VII of the 1970 Constitution of the State of Illinois (the “**City**”). Costco and the City are hereinafter individually sometimes referred to as a “**Party**” and collectively as the “**Parties**”.

RECITALS

A. **WHEREAS**, as a non-home rule unit of government duly organized under Section 7, Article VII of the 1970 Constitution of the State of Illinois, the City has the power to regulate for the protection of the public health, safety, morals and welfare of its inhabitants, and pursuant thereto, has the power to encourage private development in order to enhance the local tax base, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals; and

B. **WHEREAS**, as a non-home rule unit of government under the Constitution of the State of Illinois, and under the provisions of the Illinois Municipal Code, 65 ILCS 5/8-11-20 and 65 ILCS 5/8-1-2.5, the City has the authority to pledge City revenue to facilitate and encourage private development and to enhance the local tax base and create employment opportunities; and

C. **WHEREAS**, Costco is the contract purchaser of approximately 34 acres of real property located at the northeast corner of E. Veteran’s Way (US Hwy 34) and McHugh Road, in the City of Yorkville, Illinois (the “**Property**”); and

D. **WHEREAS**, Costco intends to acquire the Property and undertake the development and construction of a wholesale and general merchandise facility and vehicle fueling facility (the “**Project**”); and

E. **WHEREAS**, the City seeks to encourage commencement and completion of the Project and, in order to make the Project economically feasible, the City has agreed to rebate to Costco a portion of the Sales Taxes (as defined below) as applicable, that are generated by the Project and received by the City in accordance with the terms of this Agreement (the “**Rebate**”); and

F. **WHEREAS**, Costco would not proceed with the acquisition of the Property and the construction of the Project without the Rebate.

NOW, THEREFORE, in consideration of the foregoing recitals, the covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Incorporation of Recitals.** The recitals set forth above are expressly incorporated into this Agreement by this reference thereto as if fully set forth in this Section 1.

2. **Definitions.** For purposes of this Agreement, the following terms shall have the meanings set forth below.

a. **“Commencement Date”**: The date on which Costco fully opens the Project to its members for retail and wholesale sales.

b. **“Home Rule Gas Tax”**: Shall mean collectively, to the extent not included in Sales Taxes, the sum of the taxes as may be imposed from time to time by City pursuant to section 8-11-1 of the Illinois Municipal Code (65 ILCS 5/8-11-1,) on the sale of motor fuel as defined in the Illinois Motor Fuel Law, 35 ILCS 505/1, *et seq.*, or elsewhere in the Illinois statutes in the event the City becomes a home rule municipality pursuant to Article VII, section 6 (a) if the Illinois Constitution of 1970.

c. **“Municipal Code”**: The City Code of the City of Yorkville, as same may be amended.

d. **“Payment Date”**: That date which is within 30 days of the last to occur of i) the receipt of the necessary documentation from the Illinois Department of Revenue or its successor or replacement agency (“IDOR”) to establish the amount of retailers’ occupation tax collected from, and paid to the State by, Costco and ii) the actual receipt by the City from the IDOR of the total amount of the City’s periodic distributive share of such retailers’ occupation tax collected from, and paid to the State by, Costco. Based on information provided to the City by the IDOR, the City anticipates that the IDOR will provide the relevant documentation to establish the amount of retailers’ occupation tax collected and paid to the State of Illinois by the Project four times per year: in January (for tax collections made in the preceding August through October), April (for tax collections made during the preceding November through January), July (for tax collections made during the preceding February through April), and October (for tax collections made during the preceding May through July).

e. **“Project”**: Shall have the meaning set forth in Recital D.

f. **“Property”**: Shall have the meaning set forth in Recital C.

g. **“Rebate”**: Shall have the meaning set forth in Recital E.

h. **“Rebate Amount”**: Shall have the meaning set forth in Section 4.

i. **“Remittance Statement”**: A written statement prepared by the City affirming the amount of Relevant Taxes remitted to Costco concurrently therewith and the balance of funds remaining to be paid.

j. **“Relevant Taxes”**: Shall mean collectively the Sales Taxes, the Home Rule Gas Taxes (if applicable, as defined in Section 2(b)) and the Home Rule Sales Taxes (as defined in Section 4(c)).

k. **“Sales Taxes”**: Shall mean collectively the sum of: (1) the taxes imposed from time to time by the State, or the City, as applicable, as a retailers’ occupation tax, service occupation tax, use tax, service use tax or any other so-called “sales tax” or similar tax that are

paid to the State and remitted to the City, either under the Illinois Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act or the Retailer's Occupation Tax Act, as each may be amended, or other similar acts; (2) the sales taxes imposed from time to time by and paid to the City as a tax on the gross receipts under 3-2-1 through 3-2-3 of the Municipal Code, as may be amended or supplemented, or any substitute taxes therefor; and (3) all other similar taxes as may be imposed by the City or State on the sale of goods, groceries, materials, motor fuel or tangible personal property or as may be imposed by Section 8-11-24 of the Illinois Municipal Code, but specifically and solely excluding the non-home rule sales tax as imposed by the City pursuant to 3-2-1.1 and 3-2-2.1.

1. **"State"**: The State of Illinois.

3. **Rebate**. Subject to the terms and conditions of this Agreement, the City agrees to remit to Costco all of the Relevant Taxes generated by the Project up to the Rebate Amount below on the following terms:

a. for six (6) years from the Commencement Date, the City shall remit seventy-five percent (75%) of the Relevant Taxes generated; and

b. for fourteen (14) years (or such other longer period of time as provided in this Agreement) following the first six (6) calendar years, City shall remit fifty percent (50%) of the Relevant Taxes generated by the Project during the remaining term of this Agreement, as defined in Section 6 below, up to the Rebate Amount.

4. **Rebate Amount and Termination**.

a. Costco shall be entitled to a Rebate in the amount that is equal to the sum of (i) Ten Million and No/100s Dollars (\$10,000,000.00) (collectively, the "**Rebate Amount**"), plus (ii) the amount of any taxes that is imposed, collected, or received by the City under Section 4(c) hereof for however long the term of this Agreement is in effect.

b. In the event that the City changes its form of government to an Illinois home rule municipality in accordance with Article VI of the Constitution of the State of Illinois of 1970, the above Rebate amounts in Section 3 shall include all amounts received by the City as a home rule unit and defined as Relevant Taxes that may be collected or imposed by and paid to the City as a home rule unit.

c. In the event that the City, as a home rule unit of government, imposes a Home Rule Gas Tax or imposes any additional Sales Tax above 1% or above such then-current amount prior becoming a home rule municipality (collectively "**Home Rule Sales Taxes**"), in addition to the Sales Taxes defined above, the City agrees to rebate to Costco in an amount equivalent to 100% of the Home Rule Gas Tax and 100% of the amount of the Home Rule Sales Tax provided that Costco does not collect the Home Rule Sales Taxes from the consumer. During the full term of this Agreement, Costco is therefore granted the right to forgo collection of the Home Rule Gas Tax and the Home Rule Sales Tax from the consumer; provided that Costco remits the equivalent Home Rule Sales Tax to the Illinois Department of Revenue ("**IDOR**") and/or the Home Rule Gas Tax to the City that would have been collected from the Costco consumer (collectively "**Home Rule Tax Remittance**"). The Home Rule Sales Tax of the Home Rule Tax

Remittance that would have been collected from the Costco consumer shall be paid as required by the IDOR. The Home Rule Gas Taxes which would have been collected from the Costco consumer shall be annually remitted to the City commencing on the first anniversary on which the Home Rule Gas Tax was collected from all consumers of gas within the City. The Home Rule Gas Tax remittance shall be accompanied by a letter signed by an authorized representative of Costco stating the gallonage sold at the end of the relevant period and the amounts owed based on the current Home Rule Gas Tax, in a form as generally indicated on **Exhibit "A"** hereto. City shall pay to Costco an amount equal to the Home Rule Tax Remittance received by the City within thirty (30) days of the City's receipt of any of the Home Rule Tax Remittance.

d. The City's obligations to pay the full Rebate Amount to Costco shall not be affected by any increase or other change in the amount or percentage of taxes generated as the Relevant Taxes.

e. The obligation of the City to pay the Rebate Amount shall terminate upon the expiration of the term of this Agreement as set forth in Section 6 below. Notwithstanding the foregoing, upon expiration of such term the City shall pay to Costco the unpaid portion of the Rebate Amount owed to Costco for all amounts generated by Costco for the final full year of the term of this Agreement and no further rebates shall be made to Costco after the full payment of such Rebate Amount. Nothing in this Agreement shall obligate the City to make any payment toward the Rebate Amount from any source of funds other than the Relevant Taxes generated by the Project during the term of this Agreement and actually received by the City.

f. Costco and the City acknowledge that the City's obligation hereunder to pay the Rebate Amount assumes that the current provisions of Illinois law concerning the payment of a distributive share to the City of the Sales Taxes by the State of Illinois or the IDOR ("**Sales Tax Distribution Law**") will continue to exist in the same or substantially the same form during the term of this Agreement, but further acknowledge that the Illinois General Assembly has from time to time considered modifying or repealing the Sales Tax Distribution Law. In the event that the State of Illinois amends or repeals the Sales Tax Distribution Law in any way that eliminates the distribution of any of the Sales Taxes to the City, or that modifies the distribution of any one of such Relevant Taxes, or a portion of any of such Relevant Taxes to the City in any way that prevents the City and Costco from determining with a reasonable degree of certainty the amount of Sales Taxes generated by the Project and paid to the City, the Parties agree to cooperate in a reasonable manner to estimate the sales or source of Sales Taxes generated by the Project and the City to pay the rebate to Costco based upon the mutually agreeable estimates. Upon reaching such agreement, the City shall pay the amounts due and/or owing to Costco hereunder. The City's obligation to pay the Rebates to Costco shall not terminate or be reduced or otherwise modified (or deemed to be terminated, reduced, or modified) due to any amendment or repeal of the Sales Tax Distribution Law, and/or any modification of the distribution of the Relevant Taxes.

5. **Payments.** The City shall make payments to Costco on each Payment Date from and after the Commencement Date for the term of this Agreement and shall concurrently deliver to Costco a Remittance Statement reflecting such payments. The payments shall be sent to Costco at the address set forth in Section 9 or to such other address as Costco may hereafter provide by notice. Only monies paid to Costco by the City shall be applied to the Rebate.

6. **Term.** The term of this Agreement shall end on the first to occur of: (a) the twentieth (20th) anniversary of the Commencement Date; and (b) the date Costco has been paid the entire Rebate Amount. Notwithstanding the foregoing, in the event (i) the City reduces or revises Relevant Taxes that results in a reduction of in amounts received by Costco; or, (ii) Costco does not receive the full Rebate Amount by the twentieth (20th) anniversary of the Commencement Date, then this Agreement term shall continue for an additional period of ten (10) years or until such time as Costco receives the full Rebate Amount. This Agreement shall remain in effect, notwithstanding the foregoing, for purposes of audit, final accounting, and payment and for purposes of enforcement actions hereon.

7. **Mutual Assistance.** The City and Costco agree to do all things necessary or appropriate to carry out, and to aid and assist each other in carrying out, the terms of this Agreement and in implementing the Parties' intent, as reflected by the terms of this Agreement, including, without limitation, the giving of such notices, the holding of such public hearings, the enactment by the City of such resolutions and ordinances and the taking of such actions as may be necessary to enable the Parties' compliance with the terms and provisions of this Agreement and as may be necessary to give effect to the terms and provisions of this Agreement and the Parties' intentions as reflected by the terms of this Agreement. No waiver of City regulations shall be inferred from this Agreement, except as specifically set forth.

8. **Reporting.** Costco shall provide the City with certified copies (i.e., certified by a representative of Costco) of all ST-1 and/or ST-2 sales tax reporting forms, or any successor reporting forms, filed with the State relating to the operation of the Project promptly after filing same with the State. To the maximum extent permitted by law, the City shall maintain the confidentiality of the information contained in the ST-1 and/or ST-2 reports provided by Costco to the City, but shall be permitted to disclose such information to such City employees and consultants as the City, in its sole discretion, deems appropriate in order to monitor compliance and audit this Agreement. To the extent permitted by law, the City shall refuse to disclose information received from the State or otherwise contained in such ST-1 and/or ST-2 or similar reporting form pursuant to the applicable exemptions from the Illinois Freedom of Information Act or similar statute, and in the event the City receives a request pursuant to the Illinois Freedom of Information Act or similar statute which the City determines to be exempt, then the City shall notify Costco prior to the City refusing to provide such information, and provide Costco with a copy of the request. Costco shall then have the opportunity, within three (3) business days (or such lesser period of time as may be necessary for the City to respond to the request within the statutory time period), to notify the City as to whether it consents or objects to the request. If no notice is given within said time period, the City may disclose the information.

9. **Notices.** All notices, demands, consents, approvals and other communications which are required or desired to be given by either Party to the other hereunder shall be in writing and shall be hand delivered, sent by any reputable, national overnight delivery service (e.g., UPS, FedEx), or sent by United States registered or certified mail, postage prepaid, return receipt requested, addressed to the appropriate Party at its address set forth below, or at such other address as such Party shall have last designated by notice to the other. Notices, demands, consents, approvals, and other communications shall be deemed given when delivered or three days after mailing; provided, however, that if any such notice or other communication shall also be sent by telecopy or fax machine, such notice shall be deemed given at the time and on the date of machine

transmittal if the sending Party receives a written send verification on its machines and forwards a copy thereof with its mailed or courier delivered notice or communication.

All notices to the City shall be sent to:

United City of Yorkville, Illinois
Office of the Mayor
651 Prairie Pointe Dr
Yorkville, Illinois 60560

And to:

United City of Yorkville, Illinois
Office of the Treasurer
651 Prairie Pointe Dr
Yorkville, Illinois 60560

All notices to Costco shall be sent to:

Costco Wholesale Corporation
999 Lake Drive
Issaquah, WA 98027
Attn: Legal Real Estate Management
RE: Yorkville, IL (Location No. _____)

With copy to:

K&L Gates, LLP
70 West Madison Street, Suite 3300
Chicago, IL 60602
Attn: Larry N. Woodard

10. **Default/Remedies.** The failure of a Party to materially comply with its obligations under this Agreement shall constitute a default by such Party. The Party claiming the occurrence of such default shall notify the other Party of same specifying the nature of the default and shall demand performance by the defaulting Party within thirty (30) day of the date of the notice specifying such default. Unless, within such thirty (30) day period either (a) the defaulting Party, (i) cures such default, or (ii) if it is not reasonable to sure the default within said thirty (30) day period, the Party in default commences action to cure such default and completes the curing of such default within a reasonable time or (b) the Party claiming default, by written notice given to the defaulting Party, either waives the default or grants the defaulting Party a longer period to cure, then, after the expiration of such thirty (30) period or such longer period as the Party claiming the default my grant or the Party in default may be entitled under the foregoing clause (a)(ii), without, in any such case, such default not being cured or waived, the Party claiming the default may pursue

all remedies available at law and equity, including specific performance. Upon reasonable prior notice, Costco may audit the City's Compliance with this Agreement.

In the event legal action or other proceeding is brought for enforcement of this Agreement or with respect to an alleged breach, default or misrepresentation, the successful or prevailing Party shall be entitled to recover from the non-prevailing Party its reasonable attorneys' fees and related costs (including any fees and costs incident to appeals) in addition to any other relief hereunder to which such Party may be entitled.

11. **Governing Law.** This Agreement shall be governed by the laws of the State of Illinois.

12. **Appropriation.** To the extent the City is required to do so by law, the City has taken (or shall take) such actions as may be required from time to time to appropriate funds pursuant to Illinois law to satisfy its obligations to Costco under this Agreement.

13. **Integration.** This Agreement contains the entire agreement of the Parties with respect to the transactions contemplated by this Agreement. All prior agreements, negotiations, and understandings are expressly merged herein and superseded hereby.

14. **Severability.** Each section of this Agreement, and each sentence, clause or phrase contained in such section, shall be considered severable and if, for any reason, any section, or any sentence, clause or phrase contained in such section, is determined to be invalid or unenforceable, such invalidity or unenforceability shall not impair the operation or affect enforceability or validity of the remaining portions of this Agreement.

15. **Amendment; Authorization.** This Agreement may be amended by, and only by, a written instrument authorized in accordance with law and signed by both Parties. The undersigned signatories hereby represent and warrant that they each have full authority to execute this Agreement and to bind the parties to the terms hereof.

16. **Successors and Assigns.** This Agreement shall inure to the benefit of; and be binding upon: (i) the City and any successor corporate authorities of the City; and (ii) Costco. This Agreement may not be assigned by Costco to any grantee, lessee, assign or other third party without the City's consent, which consent shall not be unreasonably delayed, withheld or conditioned.

17. **Effectiveness of this Agreement.** Nothing contained in this Agreement shall be deemed or construed to impose any duty or obligation upon Costco to acquire the Property, to undertake the development and construction of the Project or any other on-site or off-site improvements or to operate the Project, it being expressly acknowledged and agreed, however, that the City's obligations to Costco hereunder are premised and conditioned on the generation of Sales Taxes, Food and Beverage Taxes (and if relevant Motor Fuel Taxes) from the Project as the sole source of reimbursement hereunder.

18. **Counterparts; Facsimile Signatures.** This Agreement may be executed in more than one counterpart, each of which shall be deemed an original, and all of which together shall

constitute one and the same instrument. Facsimile or other electronically transmitted signatures on this Agreement shall constitute originals signatures of the Parties.

19. **Construction.** Section or other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

20. **Time is of the Essence.** Time is of the essence of this Agreement and of each and every provision hereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates set forth below their respective signatures, to be effective as of the Effective Date.

COSTCO WHOLESALE CORPORATION,
a Washington corporation

By: _____

Name: _____

Its: _____

Date: _____

UNITED CITY OF YORKVILLE, an Illinois
non-home rule unit of government

By: _____

Name: _____

Its: _____

Date: _____

ATTEST:

City Clerk

STATE OF _____)
)SS.
COUNTY OF _____)

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that _____, of Costco Wholesale Corporation, a Washington corporation, who is personally known to me to be the _____, said corporation, appeared before me this day in person and acknowledged that he/she signed and delivered the foregoing Agreement as his/her own free and voluntary act and as the free and voluntary act of said corporation for the purposes therein set forth.

Given under my hand and official seal this ____ day of _____, 202__.

Notary Public

STATE OF _____)
)SS.
COUNTY OF _____)

I, the undersigned, .undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that _____, of the United City of Yorkville, an Illinois non-home rule municipal corporation, who is personally known to me to be the _____ of said municipal corporation, appeared before me this day in person and acknowledged that he/she signed and delivered the foregoing Agreement as his/her own free and voluntary act and as the free and voluntary act of said corporation for the purposes therein set forth.

Given under my hand and official seal this ____ day of _____, 202__.

Notary Public

Exhibit "A"

Form of Home Rule Gas Tax Letter

[COSTCO LETTERHEAD]

[DATE]

United City of Yorkville, Illinois
Office of the Treasurer
651 Prairie Pointe Dr
Yorkville, Illinois 60560

RE: Home Rule Gas Tax Consumption at Costco Wholesale location in Yorkville, IL

Ladies and Gentlemen:

Pursuant to that certain Sales Tax Revenue Sharing Agreement dated February __, 2025 ("Agreement"), between the United City of Yorkville, Illinois and Costco Wholesale Corporation, the undersigned, as an authorized representative of Costco, hereby states as follows to the best of Costco's knowledge as of the date above:

From the period of time of _____ through _____, the number of gallons of gasoline sold at the above referenced location is: _____ gallons.

During that period of time, the gasoline tax rate of Home Rule Gas Tax (as defined in the Agreement) is _____.

Based on the above amount of gallons sold at the above tax rate, the amount owed by the City to Costco under the Agreement is _____.

Costco Wholesale Corporation
A Washington corporation

By: _____
Name: _____
Title: Authorized Representative