Costco plans granted tax breaks

Construction for shopping center expected to be completed by October 2015

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It looks like Lafayette will be getting a Costco Wholesale Warehouse store on Ambassador Caffery Parkway.

The Lafayette Industrial Development Board on Tuesday approved a proposal that will grant tax breaks to developers who have secured Costco as a tenant in a retail shopping center to be called Ambassador Town Center.

Construction on the shopping center is expected to begin in November and should be finished by October 2015, said Ryan Pecot, representing developer Stirling Properties.

He didn't say what other retail tenants have committed to the shopping center, but Pecot said that for some, this will be their first store in Louisiana.

The development will be built on Ambassador Caffery Parkway between Kaliste Saloom Road and Our Lady of Lourdes Regional Medical Center, and will abut the Ambassador 10 movie theater on Kaliste Saloom Road.

The Costco and retail component of the development will use about 58 acres.

On the remaining 120 acres, the developers plan to build restaurants, housing, hotels and more, he said.

The developers will build up to $11.5 million in infrastructure, such as roads and drainage, which will be dedicated back to the city of Lafayette, Pecot said.

In exchange, the IDB voted unanimously to grant the developers a payment in lieu of taxes exemption. The IDB will take technical ownership so that the developers will not have to pay property taxes for up to 11 years and three months in exchange for building the infrastructure.

No matter what happens,
after 11 years and three months, the development reverts back to the developers, who will have to pay property taxes, said Gregg Gothreaux, volunteer executive director of the IDB and president and CEO of the Lafayette Economic Development Authority.

“The public is not on the hook for a single dime. Only the developer,” he said of the project.

Lafayette Parish Tax Assessor Conrad Comeaux said waiving property taxes on the developed land is essentially using money that would go to the library, school board, airport, sheriff and other governmental entities, to build infrastructure that city-parish government is supposed to build.

Comeaux also cautioned the IDB and city-parish officials about setting the precedent of government paying for developments.

Ramona Gremillion who owns property across Kaliste Saloom Road that houses Target and Whole Foods, said “every bit of infrastructure was paid for by us,” not by government. They also paid to build Lake Farm Road which the Costco project will dump traffic onto, she said.

Flo Meadows who is in real estate said developments like this come in cycles of seven to 10 years. Incentive tools like the PILOT are used elsewhere by cities that are progressive, she said.

“Our time is now,” Meadows said.

Holding up his Costco membership card, Simon Mahan extolled the virtues of Costco, including good wages, good benefits, good products at a good price.

“It’s a really good company that we need to bring to Lafayette,” he said.