

Frequently Asked Questions: The Ukiah Costco

Is Costco coming to Ukiah and, if so, when?

Yes, Costco is coming. On the current schedule, Costco will open in the summer of 2018.

Look for early membership registration opportunities in the community!

What's taking so long?

This is a major project with impacts to other development, traffic, employment, sales tax, and more. All of these must be considered and, in some cases, mitigated, in order to ensure that the project is a good fit for Ukiah.

However, the primary reason for delays were lawsuits. A Davis-based attorney filed a lawsuit in May of 2014 on behalf of two local plaintiffs and "Ukiah Citizens for Safety First." The lawsuit asserted that the City of Ukiah failed to adequately evaluate and address the environmental impacts resulting from the development, charges which were summarily dismissed by the Mendocino County Courts.

An earlier lawsuit by the same attorney and plaintiffs challenged the sale and purchase agreement between Costco and the City; that lawsuit was later dropped. Additional lawsuits and appeals have been threatened by the same attorney.

What were the lawsuits about?

Two individual petitioners and a group calling itself "Ukiah Citizens for Safety First" filed a lawsuit challenging the City's certification of the Costco Environmental Impact Report, with one of their primary concerns being that traffic improvements proposed for the Talmage Road /US Highway 101 Interchange (Interchange) were inadequate.

However, both the City's traffic engineers and the traffic engineers from the California Department of Transportation (Cal Trans) have designed traffic improvements to the Interchange based on traffic counts and projections of future traffic through the year 2030, including traffic from Costco and the build-out of the Redwood Business Park. The City has anticipated the need to improve the Interchange for many years and would have constructed them, whether Costco had decided to locate in Ukiah or not. Nevertheless, both the conditions approving the Costco Project and the agreement selling the property to Costco require the completion of these traffic improvements before Costco can open its doors.



On April 17, 2015, the Mendocino County Superior Court heard two and half hours of oral argument in the lawsuit challenging the Environmental Impact Report for the Costco project. A decision was issued, rejecting all of the petitioners' claims. In her 19 page decision, Judge Jeanine B. Nadel found that the City fully complied with the California Environmental Quality Act and State land use planning law.

The same attorney subsequently filed a Notice of Intent to Appeal that decision to the State Court of Appeal, 1st Appellate District in San Francisco. On June 15, 2016, the State Court of Appeal ruled in favor of the City of Ukiah and upheld the superior court decision in its entirety, except for one item regarding an addendum to the environmental impact report (EIR) that addresses energy use by the project.

The addendum in question was not part of the EIR. A court of appeals decision in a case involving the City of Woodland, California was issued *after* the Costco EIR was certified and after the lawsuit challenging the EIR had already been filed. That decision interpreted CEQA as requiring this separate discussion of energy use in an EIR. While the Costco EIR contained a discussion of energy use in various sections, it did not contain a separate section on energy use or all of the information required by the *City of Woodland* decision. The City attempted to remedy this omission by adopting an addendum to address this new requirement. The Court of Appeal said the energy use section had to be included in the EIR before it was certified and could not be added in an addendum adopted after that.

The Court of Appeal's decision sent the case back to the Mendocino County superior court to direct the City to bring the energy section of the Environmental Impact Report into compliance with the California Environmental Quality Act. As directed, the City circulated an energy section of the EIR for public comment and considered the discussion of the project's energy use and public comments about energy use before deciding whether to recertify the EIR and approve the project.

Following that step, the City of Ukiah filed a report in the superior court showing that it has been done. The adoption of an adequate energy use section in the EIR cleared the path for Costco.

Won't Costco create traffic jams?

Costco will generate a significant amount of traffic in the Talmage/Airport Park Blvd. area. That is why both the City and Costco have insisted that the Interchange be improved to accommodate projected future traffic, including traffic from Costco, the build-out of the Redwood Business Park and all other future traffic using the Interchange. The potential traffic impacts have been studied by Costco, Cal Trans, the City of Ukiah, and private consultants. The traffic studies conclude that even with the addition of all of this new traffic, the Interchange will function better after it is improved than it does now.

Is the City providing incentives for Costco to come?

The City has provided demographic and market studies to Costco and has devoted many hours of staff time to addressing the needs of the project. These services are available (and often provided) to any new or existing business in Ukiah. Costco is paying fair market value for their property and all of the required development impact fees.

How many jobs will the proposed Costco create?

It is expected that a Costco in Ukiah would likely generate over 120 jobs.

Will Costco cause other business to close?

In-depth studies have been done relative to the potential impacts of Costco. While it is possible that Costco could have some negative impacts on certain businesses, there are also tremendous opportunities for many others. When Mendocino County residents travel to Santa Rosa “to go to Costco,” they typically visit several other businesses there as well. By capturing those Costco shoppers in Ukiah, we expect that Ukiah’s restaurants, shops, and service businesses will also see a significant increase in traffic. We also know that many small business owners in Ukiah shop for their business at Costco. A local Costco will help them be more efficient and will keep their sales tax dollars in the community, which benefits everyone.

