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## **Exclusive: Costco in the Houston market for up to 1M SF of distribution space**



A Costco store in Orlando. Costco is currently in the market for up to 1 million square feet of distribution space in west Houston.

JIM CARCHIDI



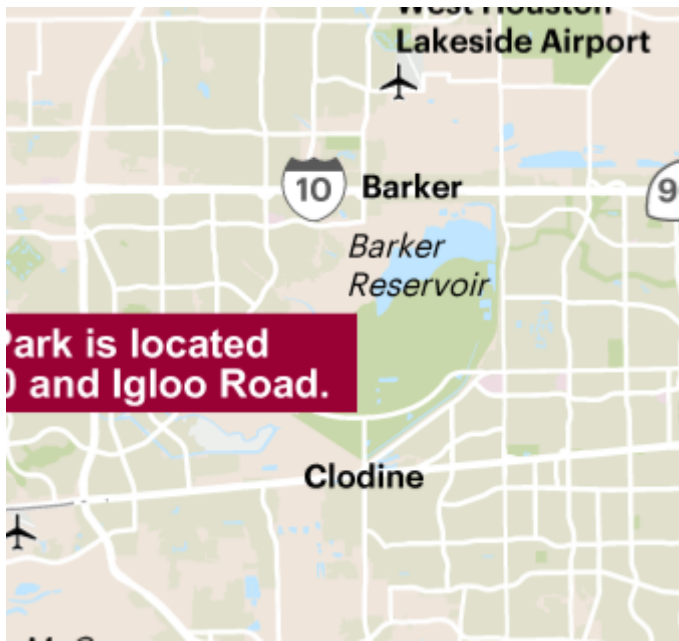
By **Cara Smith** – Reporter, Houston Business Journal  
Oct 8, 2018

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Issaquah, Washington-based Costco Wholesale Corp. (Nasdaq: COST), one of the nation's largest value retailers, is in the market for up to 1 million square feet of distribution space in Houston, sources with knowledge of the deal told the Houston Business Journal.

Costco has been looking to acquire land in west and northwest Houston, sources say. The company is looking for enough land to accommodate as much as 1 million square feet of distribution space. Roughly 80 or so acres could accommodate that size of a development, sources say.

The company has been considering buying land in Pintail Crossing Business Park, a 150-acre land parcel that Houston-based Hines is **developing into an industrial park that's focused on distribution tenants**, sources say. The park is just east of Brookshire at the northwest corner of Interstate 10 and Igloo Road, between Seattle-based Amazon's **1 million-square-foot distribution center** and **Igloo Products Corp.'s headquarters and distribution center**.



Boyd Commercial leases the park on behalf of Hines, and both companies declined to comment.

Costco, the Greater Houston Partnership and the Katy Economic Development Council declined to comment. The GHP and Katy EDC often negotiate incentives and longterm hiring goals with companies looking to do deals of this size.

As of August 2018, Costco owns land at four of its Houston-area retail locations – Katy, Humble, North Gessner and **the future Cypress store** – appraised at \$46.8 million. The company has eight Houston-area stores. In the United States and Puerto Rico, Costco owns the land and building for 416 of its 514 stores, according to a 2017 annual report.

Costco reported its revenue in the third quarter of 2018 as \$750 million, per filings with the Securities and Exchange Commission. At press time on Oct. 8, shares of Costco were trading at \$218.82, a 5.6 percent drop from the market's opening.