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July 26, 2017

VIA EMAIL TRANSMITTAL (kfriling@orlandpark.org)

Ms. Karie Friling
Assistant Village Manager and
Director of Development Services
Village of Orland Park
14700 Ravinia Avenue
Orland Park, IL 60467-3167

Re: Rizza Porsche Dealership

Dear Karie:

As you are aware, the Board of Trustees of the Village of Orland Park approved a Special Use permit with variation for the new Rizza Porsche development (the “Dealership”). Our client has been proceeding with a planned relocation and expansion of the Dealership. The new facility, which will open next year, promises to be the newest and most technologically advanced Porsche Dealership in the country. We are pleased that the Dealership has an opportunity to continue its excellent relationship with the Village of Orland Park.

In considering these moves, all attention has been given to attempt to keep as much of the operations within the confines of Orland Park. The Dealership has much greater space needs with the expansion of these businesses. We are, therefore, requesting, pursuant to the Mayor’s Business Retention Program, economic assistance for the Dealerships.

Summary of Relocation and Expansion. The relocation and expansion will include acquisition and construction costs of more than Nine Million (\$9,000,000.00) Dollars.

Nature of the Request. Porsche is certainly a luxury vehicle. Because of the cost of Porsche motor vehicles, the sales volumes are not comparable to many lower priced and more affordable models. In addition, the dealership group was required to buy a parcel of land far greater than what is required for the new facility. In order to make this dealership viable for the next ten years we are requesting assistance from the Village. Request is hereby made for an economic incentive agreement of $\frac{1}{2}$ of the Village portion of the sales tax in excess of the full Base of

Ms. Karie Friling
July 26, 2017
Page 2

\$1,116,645.00 to a dollar maximum amount of \$6,000,000.00 for a maximum period of ten years. The Dealership proposes to use a five year average of sales tax paid as a base. We believe this is more reasonable than one to two year swings in sales and gives a true picture of the dealership. Please note that the five year average yield is a higher base number than the 2016 sales tax. Finally, we believe a cap of \$6,000.000 to such incentive is reasonable.

Expansion of Employment. At the present time, the Dealership has 32 full time employees. We would expect to increase that number after construction over time by 22 full time employees. In addition, more than 150 construction jobs will be created. Because of the requirements of the 7C Cook County Tax Incentive Ordinance, all jobs will be at the Cook County minimum wage in the future.

Additional Sales Tax. While additional Sales Tax is always difficult to project, we do feel, however, that there will be an immediate impact of ten percent (10%) in the first year (2019); 20% in the second year (2020); and substantial increases in the years thereafter. If we did not believe so, we would not be making these improvements.

Significant time was spent calculating the Porsche sales tax figures which were reported along with three other franchises at the 80th Avenue and 159th Street location. Our client has worked the general ledger and pulled out the entries in order to give you accurate numbers. Attached hereto are the following:

- The Porsche sale figures from 2012 – 2016; and
- The Porsche 2016 sales figures only; and
- Finally, a compilation of general ledger entries for five years, which are also shown on a monthly basis, with the totals transferring directly to the first charge shown.

Thank you for your understanding and assistance and we look forward to working with you to bring this matter to a satisfactory conclusion.

Very truly yours,

SOSIN, ARNOLD & SCHOENBECK, LTD.



David B. Sosin

DBS/smf
Enclosures

PORSCHE SALES VOLUME					
	2012	2013	2014	2015	2016
NEW VEHICLE SALES	\$ 11,249,537	\$ 15,636,518	\$ 16,159,961	\$ 22,081,555	\$ 13,049,614
NEW UNIT COUNT	137	182	181	221	155
USED VEHICLE SALES	\$ 7,817,781	\$ 7,617,580	\$ 8,407,671	\$ 7,777,063	\$ 7,134,468
USED UNIT COUNT	150	143	136	141	118
SERVICE SALES	\$ 503,350	\$ 597,462	\$ 563,866	\$ 667,408	\$ 741,780
PARTS SALES	\$ 938,923	\$ 2,038,357	\$ 1,690,212	\$ 1,734,498	\$ 1,379,654
PARTS NON TAXABLE SALES	\$ (442,654)	\$ (1,336,340)	\$ (968,263)	\$ (979,285)	\$ (409,714)
TOTAL TAXABLE SALES	\$ 20,067,224	\$ 24,553,902	\$ 25,853,764	\$ 31,281,601	\$ 21,896,075
PORSCHE SALES TAX					
	2012	2013	2014	2015	2016
VEHICLE SALES TAX REMITTED	819,458	1,040,661	1,050,029	1,357,457	\$960,197
PARTS SALES TAX REMITTED - EST. (9.75%)	48,386	68,447	70,390	73,633	\$94,569

PORSCHE SALES VOLUME	2016
NEW VEHICLE SALES	\$ 13,049,614
NEW UNIT COUNT	155
USED VEHICLE SALES	\$ 7,134,468
USED UNIT COUNT	118
SERVICE SALES	\$ 741,780
PARTS SALES	\$ 1,379,654
PARTS NON TAXABLE SALES	\$ (409,714)
TOTAL TAXABLE SALES	\$ 21,896,075
PORSCHE SALES TAX	2016
VEHICLE SALES TAX REMITTED	\$960,197
PARTS SALES TAX REMITTED - EST. (9.75%)	\$94,569

PORSCHE SALES VOLUME		2012	2013	2014	2015	2016
NEW CARS		\$ 11,249,537	\$ 15,636,518	\$ 16,159,961	\$ 22,081,555	\$ 13,049,614
NEW UNIT COUNT		137	182	181	221	155
USED CARS		\$ 7,817,781	\$ 7,617,580	\$ 8,407,671	\$ 7,777,063	\$ 7,134,468
USED UNIT COUNT		150	143	136	141	118
SERVICE		\$ 503,350	\$ 597,462	\$ 563,866	\$ 667,408	\$ 741,780
PARTS		\$ 938,923	\$ 2,038,357	\$ 1,690,212	\$ 1,734,498	\$ 1,379,654
PARTS NON TAXABLE		\$ (442,654)	\$ (1,336,340)	\$ (968,263)	\$ (979,285)	\$ (409,714)
TOTAL		\$ 20,067,224	\$ 24,553,902	\$ 25,853,764	\$ 31,281,601	\$ 21,896,075
PORSCHE SALES TAX		2012	2013	2014	2015	2016
JAN						
SRC 8		19,611	53,492	28,941	50,818	39,631
SRC 9			1,908		12,242	20,101
SRC 18		16,733	31,582	23,049	17,690	39,024
FEB						
SRC 8		26,571	49,366	28,490	19,257	29,317
SRC 9		3,801	17,768	2,626	22,707	13,228
SRC 18		29,814	16,556	27,682	24,509	13,985
MAR						
SRC 8		31,086	28,414	77,713	123,341	50,897
SRC 9			5,327	8,388	8,850	9,413
SRC 18		28,871	27,868	9,675	11,210	18,782
SRC 19			1,617			
APR						
SRC 8		29,927	79,526	75,305	51,999	34,829
SRC 9			2,639	5,855	10,593	2,751
SRC 18		21,529	28,492	47,712	51,978	41,880
MAY						
SRC 8		77,881	97,715	45,703	62,332	85,394
SRC 9		7,584	3,607	5,494	17,680	18,037
SRC 18		39,325	43,060	38,538	23,275	15,673
JUN						
SRC 8		67,270	70,268	69,117	57,732	31,890
SRC 9		3,119	3,650	5,425	14,244	5,196
SRC 18		18,002	20,892	26,698	49,451	33,859
JUL						
SRC 8		40,345	47,228	33,805	77,231	38,136
SRC 9		6,407	3,239	28,634	12,166	2,718
SRC 18		20,324	55,335	44,505	56,666	45,130
AUG						
SRC 8		31,672	36,993	31,608	104,639	62,314
SRC 9			9,051	8,376	20,320	10,588
SRC 18		29,060	26,389	39,866	12,485	39,159
SEP						

SRC 8	28,391	34,356	80,093	32,956	27,183
SRC 9	8,749	3,389		41,717	6,468
SRC 18	25,404	25,767	18,744	30,155	12,935
OCT					
SRC 8	49,244	43,205	36,998	76,660	31,867
SRC 9	25,877	3,414	1,334	17,363	2,980
SRC 18		16,601	12,933	37,904	25,211
NOV					
SRC 8	31,508	68,509	79,797	61,611	24,226
SRC 9	3,158	14,629	15,896	11,823	9,838
SRC 18	18,708	11,159	24,266	35,269	22,727
DEC					
SRC 8	45,219	37,046	34,038	50,229	73,310
SRC 9	14,088	6,563	4,045	9,992	2,175
SRC 18	20,180	14,041	28,680	38,363	19,345
VEHICLE SALES	819,458	1,040,661	1,050,029	1,357,457	960,197
PARTS SALES - EST. (9.75%)	48,386	68,447	70,390	73,633	94,569

PORSCHE SALES VOLUME		2012	2013	2014	2015	2016
NEW VEHICLE SALES	\$ 11,249,537	\$ 15,636,518	\$ 16,159,961	\$ 22,081,555	\$ 13,049,614	
NEW UNIT COUNT	137	182	181	221	155	
USED VEHICLE SALES	\$ 7,817,781	\$ 7,617,580	\$ 8,407,671	\$ 7,777,063	\$ 7,134,468	
USED UNIT COUNT	150	143	136	141	118	
TOTAL VEHICLE SALES	19,067,318	23,254,098	24,567,632	29,858,618	20,184,082	
SERVICE SALES (NON TAXABLE)	\$ 503,350	\$ 597,462	\$ 563,866	\$ 667,408	\$ 741,780	
PARTS SALES	\$ 938,923	\$ 2,038,357	\$ 1,690,212	\$ 1,734,498	\$ 1,379,654	
PARTS NON TAXABLE SALES	\$ (442,654)	\$ (1,336,340)	\$ (968,263)	\$ (979,285)	\$ (409,714)	
TOTAL TAXABLE SALES	\$ 19,563,587	\$ 23,956,115	\$ 25,289,581	\$ 30,613,831	\$ 21,154,022	
PORSCHE SALES TAX		2012	2013	2014	2015	2016
VEHICLE SALES TAX REMITTED	819,458	1,040,661	1,050,029	1,357,457	\$960,197	
PARTS SALES TAX REMITTED - EST. (9.75%)	48,386	68,447	70,390	73,633	\$94,569	
VEHICLE SALES TAX EFFECTIVE RATE	4.8%	4.8%	4.8%	4.8%	4.8%	
VEHICLE SALES TAX BASE-BASED UPON SALES	\$9,932,824	\$12,614,073	\$12,727,624	\$16,454,024	\$11,638,752	
TAX RATE OF 8.25%						
VILLAGE SALES TAX RATE	1%	1%	1%	1%	1%	
ORLAND PARK SALES TAX - VEHICLES	\$99,328	\$126,141	\$127,276	\$164,540	\$116,388	
PARTS SALES TAX AT 1.75%	\$8,685	\$12,285	\$12,634	\$13,216	\$16,974	
TOTAL SALES TAX	\$108,013	\$138,426	\$139,910	\$177,756	\$133,361	