

VILLAGE OF ORLAND PARK

*14700 Ravinia Avenue
Orland Park, IL 60462
www.orlandpark.org*



Meeting Minutes

Monday, June 21, 2021

6:00 PM

Village Hall

Committee of the Whole

*Village President Keith Pekau
Village Clerk Patrick R. O'Sullivan
Trustees, William R. Healy, Cynthia Nelson Katsenes, Michael R. Milani,
Sean Kampas, Brian Riordan and Joni Radaszewski*

CALL TO ORDER/ROLL CALL

The meeting was called to order at 6:00 p.m.

Present: 7 - President Pekau; Trustee Healy; Trustee Nelson Katsenes; Trustee Milani; Trustee Kampas; Trustee Riordan and Trustee Radaszewski

APPROVAL OF MINUTES**2021-0441 Approval of the June 7, 2021, Committee of the Whole Minutes**

I move to approve the Minutes of the Regular Meeting of the Committee of the Whole of June 7, 2021.

A motion was made by Trustee Kampas, seconded by Trustee Milani, that this matter be APPROVED. The motion carried by the following vote:

Aye: 7 - President Pekau, Trustee Healy, Trustee Nelson Katsenes, Trustee Milani, Trustee Kampas, Trustee Riordan, and Trustee Radaszewski

Nay: 0

ITEMS FOR SEPARATE ACTION**2021-0444 Economic Development Incentive Programs Update**

Economic Development Coordinator Alex Scharf reported that in June 2020, the Village Board created economic development incentive programs designed to support the business and development community during the unprecedented economic disruption caused by the COVID-19 pandemic.

The Village desires to update the economic development incentive programs as a business assistance resource. The purpose of the programs is to stimulate the local economy by recruiting and retaining businesses, providing employment opportunities, expanding the goods and services available for purchase and consumption by businesses and residents of the Village, and increasing the taxes collected by the Village.

The Village desires to keep the following programs in place:

Non-traditional Sales Tax Sharing Program

Any owner or applicant of an existing or proposed local sales tax generating industrial development may apply to the Village for inclusion in this program provided that the new or expanding business is likely to generate increased sales taxes. Successful applicants are able to share in sales taxes derived from applicant's property or business in an amount which shall not exceed fifty percent (50%) of the generated sales taxes for a period of time which shall not exceed ten (10) years.

Back-fill Vacant Restaurant Incentive Program

Any owner or applicant that wishes to re-establish a restaurant in a currently vacant property may apply to the Village for inclusion in this program provided that the new business is likely to generate increased sales taxes. Successful applicants are able to share in sales taxes derived from applicant's property or business in an amount which shall not exceed fifty percent (50%) of the generated sales taxes for a period of time which shall not exceed ten (10) years.

Hotel Incentive Program (New Hotels)

Provides economic incentives to develop 3 to 5 star quality hotels in Orland Park. The Village currently collects a 5% transient occupancy tax. Approved applicants are able to share in transient occupancy taxes derived from the applicant's property or business in an amount which shall not exceed forty percent (40%) of the transient occupancy tax generated for a period of time which shall not exceed ten (10) years.

Orland Park Commercial Impact Program

The goal of the Orland Park Commercial Impact Program is to encourage new commercial growth and development through the temporary reduction and deferral of permit and impact fees. New commercial projects can receive a 25% reduction on permit/impact fees and a 25% reduction on water tap fees. Additionally, projects are allowed to defer payment until issuance of the final occupancy certificate.

Advanced Manufacturing Incentive (Property Tax Exemption)

Any owner or applicant of a newly established or proposed advanced manufacturing facility, or the owner or applicant of an existing advanced manufacturing facility, that wishes to expand substantially, may apply to the Village for inclusion in this program. To qualify, businesses need to invest a minimum of \$5 million. Approved projects will receive partial property tax exemptions from the Village in an amount not to exceed fifty percent (50%) of the Village-specific property tax for a period of time which shall not exceed ten (10) years.

Also, the Village seeks to create two (2) new incentive programs:

Commercial Office Incentive Program (Property Tax Exemption)

Any owner or applicant of a newly established or proposed office facility, or the owner or applicant of an existing office facility, that wishes to expand substantially, may apply to the Village for inclusion in this program. To qualify, businesses need to invest a minimum of \$2 million. Approved projects will receive partial property tax exemptions from the Village in an amount not to exceed fifty percent (50%) of the Village-specific property tax for a period of time which shall not exceed ten (10) years.

Outdoor Dining Expansion Program

Any owner or applicant that wishes to expand outdoor dining at a food establishment may apply to the Village for inclusion in this program provided that

the expansion is reasonably likely to generate enhanced or increased sales taxes. Successful applicants are able to share in sales taxes derived from applicant's property or business in an amount which shall not exceed fifty percent (50%) of the Village's share of any newly generated sales taxes generated, based on the increment above the average of the applicants past three (3) year's generated annual sales tax, for a period of time which shall not exceed ten (10) years.

Successful applicants can also receive a 100% waiver on development service fees associated with the outdoor dining expansion project.

Finally, parking space requirements for the applicant can be reduced within 20% of the Village's requirements for total number of parking spaces required on a lot, so long as the Village's Development Services Department determines that the number of required parking spaces will not unreasonably increase parking congestion along public streets or in parking areas located on nearby lots.

Participation in the economic development incentive programs shall be based upon approval by the Village Board on a case by case basis.

Trustee Milani had questions. (refer to audio)

Economic Development Coordinator Scharf and President Pekau responded to Trustee Milani. (refer to audio)

Trustee Healy had questions. (refer to audio)

Economic Development Coordinator Scharf responded to Trustee Healy. (refer to audio)

Trustee Radaszweski had questions. (refer to audio)

Economic Development Coordinator Scharf responded to Trustee Radaszweski. (refer to audio)

President Pekau had comments. (refer to audio)

Trustee Riordan had comments and questions. (refer to audio)

Economic Development Coordinator Scharf & President Pekau responded to Trustee Riordan. (refer to audio)

Trustee Radaszweski had questions. (refer to audio)

Economic Development Coordinator Scharf responded to Trustee Radaszweski. (refer to audio)

Trustee Kampas had questions. (refer to audio)

Economic Development Coordinator Scharf responded to Trustee Kampas. (refer to audio)

President Pekau had comments. (refer to audio)

For discussion only. Village staff will take Board comments and make revisions as necessary prior to bringing an ordinance forward.

This item was for discussion only. NO ACTION was required.

2021-0448 Hampton Inn - Inducement Agreement

Economic Development Coordinator Alex Scharf reported that Wrigley Hospitality, Inc. is planning to develop a 5 story, 158 room, 85,200 sq. ft. Hampton Inn by Hilton Inn hotel on a 3.88 acre property located at 16160-16168 LaGrange Road. The project has previously petitioned with the Village but has been delayed by market conditions as a result of the COVID-19 pandemic.

Wrigley Hospitality, Inc. has requested to participate in the Village of Orland Park's Economic Development Incentive Programs to assist with its proposed project. The Hotel Incentive Program (New Hotels) would allow Wrigley Hospitality, Inc. to receive 40% of the transient occupancy tax generated at its location for up to ten (10) years. The Village currently collects a 5% transient occupancy tax.

Wrigley Hospitality has also requested a sales tax sharing incentive to receive 50% of the sales tax generated at its location for up to ten (10) years. The Inducement Agreement also includes the Orland Park Commercial Impact Program that allows for a 25% reduction on permit and water tap fees. The Commercial Impact Program is estimated to save the project approximately \$58,000. The following is a summary of the proposed terms:

Hampton Inn Development Project - anticipated to be approximately \$15,000,000.
40% sharing of transient occupancy tax.

50% sharing of sales tax.

Ten-year term - is consistent with previous Inducement Agreements.

25% reduction on permit/water fees (estimated to save the project approx. \$58,000).

Maximum return to developer (including permit/water fee reduction) = 25% certified project

costs or \$3,750,000, whichever comes first.

Job Creation/Retention (25-30 jobs).

The proposed Inducement Agreement is attached to the Committee Packet.

President Pekau had comments. (refer to audio)

Trustee Riordan and Trustee Radaszewski had questions. (refer to audio)

Economic Development Coordinator Scharf responded to their questions. (refer to audio)

I move to recommend to the Village Board approval of a transient occupancy tax and sales tax sharing Inducement Agreement with Wrigley Hospitality, Inc. as outlined above pending final approval of all Village planning, zoning, and building requirements.

A motion was made by Trustee Kampas, seconded by Trustee Nelson Katsenes, that this matter be APPROVED. The motion carried by the following vote:

Aye: 7 - President Pekau, Trustee Healy, Trustee Nelson Katsenes, Trustee Milani, Trustee Kampas, Trustee Riordan, and Trustee Radaszewski

Nay: 0

ADJOURNMENT: 6:20 P.M.

A motion was made by Trustee Nelson Katsenes, seconded by Trustee Milani, that this matter be APPROVED. The motion carried by the following vote:

Aye: 7 - President Pekau, Trustee Healy, Trustee Nelson Katsenes, Trustee Milani, Trustee Kampas, Trustee Riordan, and Trustee Radaszewski

Nay: 0

2021-0470 Audio Recording for June 21, 2021, Committee of the Whole Meeting

NO ACTION

/AS

APPROVED: July 6, 2021

Respectfully Submitted,

/s/ Patrick R. O'Sullivan

Patrick R. O'Sullivan, Village Clerk