



Legislation Details (With Text)

File #: 2021-0721 **Version:** 0 **Name:** Second Addendum to Inducement Agreement - BMW of Orland Park

Type: MOTION **Status:** PASSED

File created: 9/27/2021 **In control:** Board of Trustees

On agenda: 10/4/2021 **Final action:** 10/4/2021

Title: Second Addendum to Inducement Agreement - BMW of Orland Park

Code sections:

Attachments: 1. 2nd Addendum to Inducement Agreement, 2. Signed Agreement

Date	Ver.	Action By	Action	Result
10/4/2021	0	Board of Trustees		
10/4/2021	0	Development Services Department	INTRODUCED TO BOARD	

Title
Second Addendum to Inducement Agreement - BMW of Orland Park

History

The Zeigler Auto Group is a family-owned and operated retail automotive dealership headquartered in Kalamazoo, Michigan. Zeigler has been the owner of the Orland Park BMW dealership since 2013, as well as the Nissan and Infiniti dealerships since 2016.

BMW is undergoing a project that includes the construction of a parking lot expansion. The expansion is to be located at 10902 W. 159th Street (the vacant parcel immediately east of the existing BMW dealership). Zeigler anticipates that the parking expansion will increase its sales capacity and will accommodate additional inventory.

On September 8, 2020, the Village Board of Trustees approved a sales tax sharing Inducement Agreement with Zeigler for the project. Zeigler will receive a 50/50 sales tax sharing above a base amount of \$495,534.58 (BMW's 2015-2019 average sales tax generation). If Zeigler BMW does not increase sales, and thus sales tax, above the base amount, then it would not collect any sales tax sharing. This is consistent with other sales tax sharing agreements the Village has authorized. The following is a summary of the proposed terms:

- BMW Parking Lot Expansion Project - anticipated to be not less than \$4,500,000.
- 50% of incremental sales tax sharing above the base sales tax amount of \$495,534.58 (base sales tax would remain 100% Village of Orland Park).
- Ten-year term - this is consistent with previous Inducement Agreements.
- Payments will be made quarterly by the Village of Orland Park, as the increment is produced and paid by the State of Illinois.
- Compliance with all Village of Orland Park zoning, building and other applicable codes is required.

The project has experienced delays due to various circumstances, including but not limited to material and labor shortages. The Second Addendum to the Inducement Agreement extends the completion date of the parking lot project from December 21, 2021 to June 30, 2022.

The proposed Second Addendum to the Inducement Agreement is attached.

Recommended Action/Motion

I move to approve the second addendum to a sales tax sharing inducement agreement with Zeigler BMW as outlined above.