

VILLAGE OF ORLAND PARK

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

Legislation Details (With Text)

File #: 2014-0234 Version: 1 Name: Request for Sales Tax Inducement Agreement - CJ

Wilson Mazda of Orland Park

Type: MOTION Status: PASSED

File created: 4/16/2014 In control: Board of Trustees

On agenda: 5/5/2014 **Final action:** 5/5/2014

Title: Request for Sales Tax Inducement Agreement - CJ Wilson Mazda of Orland Park

Code sections:

Attachments: 1. Mazda Presentation

Date	Ver.	Action By	Action	Result
5/5/2014	1	Board of Trustees		
4/30/2014	1	Development Services Department	INTRODUCED TO BOARD	
4/21/2014	0	Development Services, Planning and Engineering Committee	RECOMMENDED FOR APPROVAL	Pass
4/16/2014	0	Development Services Department	INTRODUCED TO COMMITTEE	

Title/Name/Summary

Request for Sales Tax Inducement Agreement - CJ Wilson Mazda of Orland Park

History

CJ Wilson Mazda has approached the Village of Orland Park requesting a sales tax inducement agreement as they are considering relocation of the existing Mazda Dealership in Tinley Park to Orland Park. CJ Wilson Mazda is in the process of purchasing the existing franchise and is considering relocation of the dealership to the former Mitsubishi location at 8910 West 159th Street (next to Volkswagen). This location has been vacant for a number of years and is an excellent location for this use.

The Wilson Automotive Group owns and operates CJ Wilson Mazda of Countryside, BMW Motorcycles of Countryside, KTM of Countryside, and Husqvarna of Countryside. They are the owner/principal of CJ Wilson Racing and CJ Wilson Children's Charities. In addition to their anticipated expansion into Orland Park, they are also opening another Mazda dealership in Ventura, California.

CJ Wilson is requesting a sales tax inducement agreement to complete the purchase, relocation and renovations required. They have requested a 50% sales tax sharing agreement for 7 years for a total of \$2 million, whichever comes first. They anticipate 39 new jobs will be brought to Orland Park and they will have \$5 million in monthly car inventory. They anticipate their 2014 annual property taxes paid will be \$145,810 (\$10,207 Village share). The desired timeframe is to close on the dealership purchase and be open in Orland Park by the end of May.

Total Estimated Project Cost

Dealership Purchase \$1,000,000

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Lease/Purchase of Property	\$4,500,00	0
Capital Improvements/renovations	\$1,000,000	
Moving Costs		\$250,000
Total		\$6,750,000

Anticipated Sales/Tax Revenue (1%)

2014 (Partial)	\$10million	\$100,000
2015	\$25mllion	\$250,000
2016	\$30million	\$300,000
2017	\$35million	\$350,000
2018	\$40million	\$400,000
2019	\$50million	\$500,000
2020	\$50million	\$500,000
Total	\$190million	\$2.4million

It should be noted that CJ Wilson in Countryside is currently ranked #1 Mazda Dealership in the Midwest for both 2012 and 2013 by Mazda North American operations.

As the Village Board is aware, Orland Park has a strong partnership history with our existing dealerships, including newer ones that have either moved into or expanded in the Village. Generally, each project is reviewed on its own merits with common requirements. These general requirements would also apply to CJ Wilson.

- \$1,000,000 +\$125,000 = \$1,125,000 total maximum incentive Estimated renovation costs and 50% of moving costs.
- 50/50 share of sales taxes
- 7 year agreement beginning once capital costs have been incurred anticipated to be in late 2015/early 2016.
- Occupancy by August.
- Verification of actual renovation costs required. Reimbursement based upon actual costs incurred for renovations and moving.
- If dealership closes during the term of the agreement, all public funds must be repaid.
- All other Village approvals for any site plan, elevations, signage and building permits must be
 obtained.

On April 21, 2014, this item was reviewed by the Development Services Planning and Engineering Committee, recommended for approval and referred to the Village Board of Trustees for consideration.

Financial Impact

This is a new business relocating to Orland Park. Over the course of the term of the agreement, the Village should receive approximately \$1,275,000 in additional sales tax revenue.

Recommended Action/Motion

I move to approve of a Sales Tax Inducement Agreement with CJ Wilson Mazda for the property located at 8910 West 159th Street, as outlined above.

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