



Legislation Text

File #: 2020-0608, **Version:** 0

Title

Zeigler Auto Group - BMW of Orland Park - Inducement Agreement

History

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

The proposed project includes the construction of a parking lot expansion in order to address vehicle storage capacity. The expansion is to be located at 10902 W. 159th Street (the vacant parcel immediately east of BMW). Zeigler indicates the parcel is difficult to develop because the property has existing wetlands and sits below road level frontage. Zeigler has not formally petitioned but is working with staff on a preliminary basis.

Zeigler has requested a sales tax sharing Inducement Agreement with the Village of Orland Park to assist with their proposed project. Zeigler anticipates the parking expansion will increase their sales capacity and will accommodate additional inventory. Zeigler would only receive a 50/50 sales tax 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, they 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 Dealership 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
- Engineer Verification of costs required
- Job Creation/Retention and private investment numbers required
- Claw back provision (incentive payback) if the dealership closes/relocates outside of Village of Orland Park within 10 years
- 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

The proposed Addendum to the Inducement Agreement is attached.

Recommended Action/Motion

I move to approve a sales tax sharing Inducement Agreement with Zeigler BMW as outlined above and to be incorporated into their final Development Agreement, pending approval of the zoning, special use, and building permits.