



## Legislation Text

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**File #:** 2021-0448, **Version:** 0

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### Title/Name/Summary

Hampton Inn - Inducement Agreement

### History

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.

### Recommended Action/Motion

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.