

## **D300 MUST Stop the Extension of the Sears EDA – Here’s Why!!!! Back In The Day.**

In 1989, in an effort to keep then “Sears Roebuck & Company” in state, the State of Illinois gave Sears several economic “incentives”. One of those incentives was a property tax break program called an Economic Development Area, or EDA, that was designed specifically for Sears.

Under the EDA, Sears and the Village of Hoffman Estates were given the power to find, purchase and develop property within the borders of Hoffman Estates for Sears’ use. This venture was paid for by diverting property taxes otherwise going to existing taxing bodies, including our district, Community Unit School District 300, to a fund established and administered by Hoffman Estates.

Out of that fund Hoffman purchased approximately 800 acres of property just West of the corner of Rt. 59 and Rt. 90 and gave it outright to Sears. Also out of that fund, Hoffman reimbursed Sears for any monies it expended in developing the property including building it’s 2.4 million sq. ft. corporate headquarters.

In addition, Hoffman paid itself tens of millions of dollars to “administer” the EDA and it’s fund.

There was no requirement in the original statute creating the EDA that either Sears or Hoffman report to anyone on how the fund was administered or what exactly was done with the diverted tax dollars. There has never, to our knowledge, been an audit required or completed by Hoffman Estates or anyone responsible for administering the EDA. There, quite simply, is no detailed public record of how the money was used, on what and by whom.

## **The EDA’s Impact on The 21,000 Students of District 300.**

Because of the diversion of tax dollars to the EDA and away from D300, the tax payers of D300 were forced on several occasions over the past 20 years to agree to raise their own property taxes to pay for things that the diverted tax dollars would have paid for, like schools, teachers, programs and textbooks. And while the property became more and more valuable and Sears and Hoffman realized more and more money to use however they wanted, D300 struggled to keep its head above water, while looking forward to the day that the EDA would expire and fruits of our investment in the development of the Sears property would be realized.

Year after year the state is cutting back on what it pays us while requiring us to do more and more with the money. This requires that we cut back on programs and staff to pay for what the state mandates, but will not pay for. To do that we have to pull money from other, non-mandated areas. Year after year it becomes harder and harder to pay for what is needed to properly educate our kids.

## **What The Expiration Of The EDA Will Mean For D300’s Future.**

If the EDA is allowed to expire in 2013, the District will realize a minimum of \$14 million per year in increased revenue - our share of payment of property taxes on the EDA properties.

## **Hoffman Estates’ Fight To Extend The EDA to Pay For Its Bad Business Decisions**

The Sears/Hoffman EDA is set to expire in 2013. Hoffman Estates is in a full-court press to get the EDA extended for another 15 years and we believe we know why.

On February 24, 2011, without notice to the District, a bill to extend the EDA and to make some other very significant changes was filed in the Illinois House by Rep. Fred Crespo. Rep. Crespo is a former Hoffman Estates Village Trustee and now represents the congressional district where Hoffman sits - District 44.

The Crespo legislation, HB 3435, not only extended the EDA for another 15 years, it gave Hoffman the power to use money from the EDA to construct, acquire and operate... "publicly-owned buildings" within any "economic development project area." This is a new and telling power. Remember, this EDA started out as an empty soybean field. There was nothing there until Sears and Hoffman started developing the land. More on this later.

The district found out about the bill in March and immediately objected to it. Because of the district's objection, it stalled in the House Rules Committee and did not pass out of the House.

However, in the meantime, Hoffman tried an end run from another angle. On May 29, 2011, Rep. John Bradley from way down south Marion, IL, tucked Crespo's bill into another bill, Senate Bill 540, as an amendment. The amendment is the exact same language as the Crespo bill in the House, House Bill 3435.

Luckily, the amendment was caught in the Senate's Local Government Committee by State Senator Pam Althoff and she prevented it from moving out of the committee and onto the floor for a vote. Had she not stopped the bill in committee, this would already be a done deal.

Today the amended SB 540 sits in the Assignments Committee awaiting the veto session, which is scheduled to start on October 25, 2011. Once that session starts it can be quickly moved out of committee and to the floor for a concurrence vote. At this time, there would be no required floor debate, just a vote.

We need to keep the bill from going to the floor for a vote in the veto session. WE ARE IN REAL DANGER OF LOSING THIS FIGHT UNLESS WE PUSH BACK AND PUSH BACK HARD!

### **Uncovering Some Disturbing Facts!!!**

### **The Village of Hoffman Estates Wants to Use Our Kids' Futures to Pay for Their Mistakes!**

Over the past several months, we've been doing some good old-fashioned research; finding as much evidence as we can to piece together to explain why Hoffman Estates and Sears are so dead set on insisting on an extension of the EDA. We've looked at articles, old Hoffman Estates financials, relevant legislation and anything else we could find about how the money has been used and how it would be used in the future.

Based on what we have found and Hoffman Estate's actions in trying to keep information from the public, we believe that Hoffman Estates is desperate to extend the EDA so that they can use it to pay for the Sears Center and pay to operate it over the next 15 years and here is why:

Hoffman was recently forced to purchase the flailing Sears Center Arena for somewhere in the area of \$70 million dollars because it has become a white elephant and its owners were ready to abandon

the property and walk away;

Hoffman has promised THEIR tax payers that they would do whatever they could to not put the burden of the failing Sears Center on them;

Suddenly Hoffman files legislation to re-write the EDA statute to let them use the EDA to pay for the Sears Center for them and to pay to operate it for the next 15 years – AT OUR EXPENSE! They have NO problem putting the burden of their white elephant on us;

Hoffman has also written OUT of the statute any requirement that they report to anyone about what they plan on doing with the EDA or its fund if the EDA is extended;

There is no description of why Sears and Hoffman need an extension of the EDA for an additional 15 years or what they intend on doing with the additional money;

There is no explanation of why Hoffman needs the power to “acquire and operate...publically-owned” buildings written into the amended statute;

There is no explanation as to why Hoffman and Sears want to do away with the few notice and reporting requirements that are in the original EDA statute;

Over the past 21 years Hoffman Estates has paid itself exorbitant amounts of money to “administer” the EDA, without having to account to anyone for what they were doing for the money;

There is no publicly available audit of what exactly has been spent to date in furtherance of the development promised by the EDA agreement;

There has been NO oversight, let alone meaningful oversight, of any kind over the EDA and it's administration since it's establishment back in the early '90s;

It is clear that the EDA has been a free rein pot of money for Sears and Hoffman to use however they've wanted to the past 21 years and now it has to stop.