



Sarah Kenney &lt;skkenney@barringtonhills-il.gov&gt;

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## VBH BOT FYI Legal

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**Robert Kosin <rkosin@barringtonhills-il.gov>**  
To: Dolores Trandel <clerk@barringtonhills-il.gov>  
Cc: Sarah Kenney <skkenney@barringtonhills-il.gov>

**Mon, Jul 18, 2011 at 7:59 AM**

District 300 negotiating with Sears  
By JANE HUH - [jhuh@nwherald.com](mailto:jhuh@nwherald.com)  
Monday, July 18, 2011 5:30 a.m. CDT

CARPENTERSVILLE – As long as negotiations between School District 300 and Sears Holdings Corp. are ongoing, details about what can come next aren't likely to emerge.

Cheryl Crates, chief financial officer for District 300, made that clear at a school board meeting last week. She gave an update about Sears' economic development area, which functions similarly to a tax increment financing district, commonly referred to as a TIF.

"We are not going into any public discussion of the negotiations as they're proceeding," she said.

The fact that the district is able to negotiate with the Hoffman Estates-based corporation is progress.

Near the end of the state legislative session, an amendment to Senate Bill 540 regarding TIF districts was filed.

It essentially would have stripped the school district's ability to negotiate, said state Sen. Pamela Althoff, R-McHenry, who represents families with children attending District 300 schools.

All the taxing bodies within the district's borders have the ultimate say on whether a TIF gets established. Not so with economic development areas.

"So the ability to even negotiate an agreement is gone," Althoff said. "Completely gone."

Althoff raised issues over the TIF versus EDA distinction, and the amendment, which Sears was unaware of, failed to advance.

It remains in rules committee and likely will be reviewed when the General Assembly convenes, either in November during veto session or in January.

The Sears EDA was established by the state Legislature in 1989 as an economic incentive to help attract and retain 2,000 jobs.

The key similarity between a TIF and an EDA is that both designated areas are given a break on paying taxing bodies, such as schools, a share of property taxes. The incentive is offered in the hopes that it will boost economic development and create jobs.

District 300 has been anxiously waiting for the EDA status to expire in 2013 after 23 years. When that day arrives, the school district expects to begin collecting about \$14 million in additional tax revenue annually.

Renewing the Sears EDA means that the school district has to go longer without the annual property tax revenues the EDA generates. The village of Hoffman Estates has been pushing for the extension, as Sears is its largest employer.

In addition to the Senate bill, House Bill 3435 proposed a 15-year extension to the Sears EDA. The bill did not advance.

Crates also addressed recent news reports about Sears seeking tax incentives from the state and exploring the possibility of leaving the state.

“Sears had hopes of doing different kinds of potential deals with the state that have nothing to do with the EDA,” Crates said at Monday’s board meeting.

While Sears continues meeting with the state about possible deals to remain in Illinois, the company is meeting with school district leaders to negotiate terms of its EDA, Crates said.

“The EDA isn’t about whether Sears is staying or leaving,” Crates said.

“That isn’t the point. The question is whether the EDA is the only solution for Sears. And there are other solutions.”

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