



## **NEW: Mayors: Developer wanted \$100 million to lure furniture giant**

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A group of eight local mayors says the developer pushing a major retail-entertainment complex for Southern Illinois told them he was ready to offer a tax-supported, \$100 million incentive to lure a main anchor for the project.

The group of mayors from Alton, Edwardsville, Maryville, St. Jacob, Granite City, Madison, Troy and Collinsville released a letter that details a meeting they'd held this past week with Bruce Holland, the main developer behind a plan touted for the village of Glen Carbon.

At the meeting Wednesday, after Holland explained his plan for incentives, the mayors told them they could not support such a subsidy. The following day Holland announced he would not move forward with the University Town Center project in Glen Carbon and almost immediately began negotiating with parties in the city of Marion to develop the project there.

Holland had eyed a billion-dollar project along Interstate 270 at Glen Carbon, but the project required passage of STAR bonds legislation. Under such financing, any increase in sales tax revenue as a result of the new project would be diverted into a fund, which would be used to repay bonds sold to fund infrastructure.

Originally approved by the Illinois General Assembly last year, the STAR bonds bill was derailed last fall when Gov. Pat Quinn signed an amendatory veto on the grounds that it could be a drain on state funds. Since that time, the issue has been discussed several times, but legislators have either pulled their support or said they would not present it for a vote.

Holland has not yet been reached for comment on the mayors' letter, which was released in an email late Monday night:

Here is that letter in full:

"For the past year the Southwestern Illinois Council of Mayors, area legislators, and other groups and organizations have made it clear that objection to the STAR Bond legislation focused on the proposed massive public sales tax subsidy and the negative impacts on the entire region.

"It was stated on numerous occasions, from the beginning and throughout the process, that the objection was not related to a development or the location of a development.

"Last Wednesday, Madison County Board Chairman (Alan Dunstan) and mayors of eight communities, including Glen Carbon, met with the developer to discuss the legislation and, in particular, the concern about an unprecedented and massive subsidy that would be made available through use of state and local sales tax dollars which would be used to pay for a large portion of the private development and privately owned businesses.

"During the meeting, held at the chairman's office, the mayors' group requested that the developer address that specific concern. The meeting called by Chairman Dunstan was the second time in a five- day period that the parties met. Those meetings were in addition to many others with the developer over the past year.

"The mayors specifically asked about Nebraska Furniture Mart, one of the so-called 'destination businesses' the developer contends was interested in the site.

"The developers informed the mayors and Chairman Dunstan that Nebraska Furniture Mart, owned by Warren Buffet, sought a \$140 million tax incentive but would likely settle for \$100 million dollars. This would include construction of the Nebraska Furniture Mart building that would be turned over to the business owner at absolutely no cost to the company or the developers. In fact, the STAR Bond legislation, if enacted by the State of Illinois, would permit that subsidy - construction of a brand new building paid for through state and local sales dollars.

"In addition to that taxpayer incentive it is estimated that Nebraska Furniture Mart, just one store within the entire development, would divert over \$150 million in current regional sales from existing business to their retail location.

"Later in the meeting the developer requested that the mayors offer their combined support of the legislation. Their answer, it was said by the developer, was needed before close of the meeting.

"The mayor of Glen Carbon (Robert Jackstadt) was welcome to remain, but excused himself when the development team was excused from the room. Those in attendance indicated that they could not support the legislation. The reasons stated, consistent with what has been stated previously, is due to the massive amount of public/taxpayer subsidy for a private development and the clearly demonstrated negative impacts on existing taxpaying businesses and surrounding communities.

"The developers stated that in the then coming days they would submit their proposed STAR Bond bill to the state legislature at Springfield. Those in attendance respectfully agreed with the developer that the long discussed and debated matter should be deferred for final action to the members of the General Assembly.

"The following day the developers issued a press release stating that they would not pursue passage of the legislation.

"The Southwestern Illinois Council of Mayors and our area legislators acted responsibly and professionally throughout the process to represent their constituents and businesses. Senator (William) Haine, Representative (Jay) Hoffman, Senator (Kyle) McCarter, other state legislators, Madison County Board Chairman Alan Dunstan, St. Clair County Board Chairman Mark Kern, and others, did the same. They should all be commended for fulfilling their responsibilities to the people they serve.

"One year ago and throughout this difficult process we stated that we support job creation and economic development. That has not changed. But, we cannot support unfair and unparalleled competition that we know from documented evidence will dramatically harm existing businesses and area communities and give a huge advantage to one developer over others. These are our local concerns.

"Moreover, every citizen we represent is a resident of this state. We believe it would be irresponsible to divert all of the Illinois sales tax from destination users in the development for 23 to possibly 35 years totaling one billion dollars - at a time when our state is already \$13 billion in debt.

"The following mayors who attended the meeting approved release of the above statement.

Alton Mayor Tom Hoechst  
Granite City Mayor Ed Hagnauer  
Madison Mayor John Hamm  
Troy Mayor Tom Caraker  
Collinsville Mayor John Miller  
Edwardsville Mayor Gary Niebur  
Maryville Mayor Larry Gullede  
St. Jacob Mayor Ray Muniz

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