

Big Hollow School District #38

News Release

Big Hollow School District Continues Search for Property Buyer

INGLESIDE, IL – September 12, 2007 – The Big Hollow School Board voted Monday to continue efforts to sell the now-vacant school campus located at the corner of Routes 12 and 134. The Board also voted to maintain the previously established minimum sale price of \$5 million.

Under strict Illinois laws governing the sale of school property, the District had 60 days after authorizing the sale on August 13 to publicize the offering, solicit bids, either accept an offer or reject all offers, and close the sale. Friday, September 7 was the deadline to submit sealed bids. While 16 bid packets were solicited, and representatives of five entities actually toured the site, several groups declined to bid by September 7, citing the difficulty of completing necessary due diligence in the allotted timeframe. The Board did receive one bid, for \$842,000, and voted unanimously to reject that offer as it did not meet the minimum bid requirements.

“It takes more than 30 days to close a home purchase, much less complete a transaction of this magnitude,” notes Big Hollow School Board member Jan Carsella. “Having complied with the process required by law, we can now take the time to gain additional feedback on the Route 12 property and enter into conversations with interested parties.” The District may now solicit potential buyers through many channels, with or without the assistance of a broker. The Board opted to proceed independently for now, and will discuss emerging buyer and broker options further at the October 15th Board meeting.

While acknowledging that an immediate sale of the Route 12 property would have resulted in an influx of revenue, Carsella cautions, “When it occurs, the sale of the old campus will bring the District an infusion of revenue that will improve our financials for the short term, but the long-term need for additional revenues is still critical.” She adds, “The District’s financial status is

and will remain precarious.” Underscoring that point, notes Carsella, the District expects to borrow about \$3 million this year even after implementing program and classroom cuts, and approving a hiring freeze, in an effort to stem the mounting deficit by reducing expenditures. The District is bracing for the real possibility of further program cuts beyond this school year.

The last time Big Hollow School District passed an operational referendum was in 1984. “Our state government has been unwilling to address meaningful changes to the way education is funded in Illinois,” says Carsella. “I expect that the board will once again ask our local community to increase its financial support of Big Hollow”

To that end, the Board has invited its financial consultant, PMA, to present a five-year projection of Big Hollow’s revenues and expenditures at its next regular meeting on Monday, September 17. “The District now has a better idea regarding how much funding we will be getting from the state this year, and we will be able to project a range of sale prices for Route 12 based on the appraisals we received,” notes Carsella. “We will also be able to factor in the impact this year’s program cuts have made on our debt.” With that context in place, PMA will project what impact new revenues from a successful referendum would have on the District’s bottom line, examining what each incremental increase would achieve and determining what level of increase would bring the District back to a balanced budget. The September 17th meeting will be held at 7:00 p.m. in the Middle School’s multipurpose room.