

The logo of the Village of Hoffman Estates is a circular seal. It features a central 'H' and 'E' surrounded by a laurel wreath. The text 'VILLAGE OF HOFFMAN ESTATES' is written around the perimeter of the seal, with the year '1955' at the bottom.

Hoffman Estates

Press Release

Village evaluates long-term strategies for revenue growth and ownership of Sears Centre Arena

The Village of Hoffman Estates is evaluating long-term strategies for revenue growth as well as ownership and operational structure of the Sears Centre Arena. Discussions with existing facility owners involve how to cut costs, increase revenues and improve the arena's overall financial status. The likely transfer of ownership of the Sears Centre to the Village or another public entity is under consideration.

Since opening in 2006, the Sears Centre Arena has been privately owned. The facility serves as an economic engine and boasts a strong civic function for the Village of Hoffman Estates as well as the entire northwest Chicago suburban region. The arena is a key entertainment anchor of the Economic Development Area with ancillary development generating significant annual revenues for the Village.

"Like many other businesses, the arena has fallen victim to the current economic downturn and is not meeting its financial benchmarks," said Mayor William D. McLeod. "We are considering a more sustainable option by pursuing an operating structure that combines public ownership and national private management. This combination will help the arena realize its potential."

The primary developer has guaranteed the venue's debt service (repayment of principal and interest) for four years, and continues to pay all operating expenses. The guarantee ensures debt service coverage through 2010. When the guarantee ends, the Village anticipates it will be required to undertake a greater, overall financial contribution going forward.

The arena needs a proven industry "advocate" at the national level to attract and stage events featuring many top touring artists and high-profile family shows, said Mayor McLeod. The Village is currently working with a national private entertainment management company to address the arena's operational issues and its programming potential.

Three of the nation's larger arena management companies have already shown strong interest in operating the Sears Centre. The firms bring industry stature, corporate support and a national booking advocacy.

The Village believes a successful, entrepreneurial relationship could be structured to monitor overhead, generate more attendance, operate more efficiently and, as a result, reduce the facility's ongoing operational deficits.

Mayor McLeod added, "We are weighing all options. Our goal, however, is to retain the arena's economic benefit and preserve the integrity and character of such an important recreational and entertainment asset."

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Original release date: July 6, 2009