

## MASTER PROPERTY OWNERS ASSOCIATION

### **SEE UPDATE BELOW SPECIAL REPORT TO OWNERS**

#### MPOA/VILLAGE OF WONDER LAKE SPECIAL SERVICE AREA TAXING DISTRICT (SSA)

This special newsletter will bring you up to date on our Lake Restoration and Enhancement Project.

In order to stop the creation of the proposed Lake Restoration SSA, those in opposition needed to submit petitions containing the signatures of **more than 50% of the registered voters** in the SSA territory **AND more than 50% of the property owners** in the SSA territory. On February 17, 2009, SSA opposition petitions were filed with the Village of Wonder Lake. The submitted petitions were reviewed, tallied, and confirmed by the Village Clerk in the presence of those submitting them. On these petitions, a total of 2,272 elector signatures opposing the SSA were submitted. When compared to the McHenry County Recorder's list of 5,895 eligible SSA electors, **this resulted in an elector opposition percentage of 38.5%.**

The Village then retained an independent third party consultant, Taussig & Associates, to verify the number of owners holding title to all SSA properties on December 17, 2008, the date of the SSA hearing. Those "Dec. 17" property owners would be eligible to sign an opposition petition. In October 2009, Taussig forwarded a preliminary report to the Village concluding that, based upon the number of SSA property owners they had already verified; the 3,303 opposition property owner signatures submitted would not exceed 50% of the total. The final Taussig Report was received by the Village on January 12, 2010, and confirmed a total of 8,592 SSA property owners. When compared with the 3,303 property owner signatures opposing the SSA that were submitted, **this resulted in a property owner opposition percentage of 38.4%.**

**It should be noted that no signature submitted on an opposition petition was verified, challenged, or invalidated by the Village of Wonder Lake. If a signature appeared on a petition, it was counted towards the opposition total.**

As a result, based on the preliminary Taussig property owner information, the knowledge that insufficient elector opposition signatures were submitted, and the advice of their bond counsel, the Village of Wonder Lake passed Establishing Ordinance # 323 on October 7, 2009. This ordinance authorized the creation of a SSA taxing district to pay off lake restoration bonds, capped at a not-to-exceed amount of \$5,930,780. The lake restoration bonds will be paid down over 20 years through annual assessments that will appear on individual property tax bills. The annual SSA payment will be based on the equalized assessed value (EAV) of each parcel located within the SSA territory.

As always, your MPOA has remained committed to trying to minimize the financial impact of the project, and a number of circumstances are helping us.

- By delaying the sale of the bonds until 2010, the first SSA payment will not be due until the 1<sup>st</sup> installment of the 2010 property tax bill, which will be payable in June 2011, well over a year from now.
- At the time of the December 2008 SSA hearing, bond interest rates were in the 9-10% range for bonds of our size, and this interest rate range was the basis for our estimated projections of what the annual SSA cost would be to property owners. Current bond interest rates are now at least a few points lower, which if sold at these levels, will help reduce the amount SSA property owners will have to pay each year.

#### **UPDATE**

The most significant savings potential will come from the Federal economic stimulus program. With the encouragement and support of District 6 County Board Member, Mary McCann, your MPOA began working in mid-2009 with the Village and McHenry County to determine if the lake restoration bonds would qualify under the ***American Recovery and Reinvestment Act - Recovery Act*** (ARRA-RA) bond program. Under this program, it is possible that a large portion of the \$ 5.9 million in lake restoration bonds may be eligible to be sold at an interest rate that is substantially below the 9-10% bond interest rate we had originally projected. **Simply stated, the greater the reduction of bond interest rates we can achieve with the ARRA-RA (if allocated and approved by the County Board), the greater the annual cost reduction to SSA landowners.**

As a result of these extensive efforts, your MPOA successfully submitted an application for Recovery Act bonds to the McHenry County Board Finance Committee for consideration at their meeting on February 9, 2010. **By a unanimous vote, the Finance Committee approved OUR application and recommended it to the McHenry County Board for final approval at their Feb. 16, 2010 meeting. BY A UNANIMOUS VOTE, THE COUNTY BOARD HAS APPROVED IT.**

Meanwhile, our dredging consultant, HDR, Inc. has provided the MPOA with a proposed contract to begin the regulatory permit process and preliminary engineering. The MPOA attorney has signed off on the contract language and it will now be submitted to the MPOA Board for consideration and vote. It is projected that the total cost of permitting, engineering and final design for the sediment dewatering site and dredging will be approximately \$500,000. This amount was budgeted into the \$5.9 million SSA cost. Once the SSA bonds are sold, the MPOA Board will also consider using bond proceeds to reimburse the MPOA General Fund for the preliminary SSA expenses that were necessary in establishing the SSA.

**Anticipated Project Timeline (Permits, Construction of Dewatering Site & Dredging)**

Anticipated Project Timeline (Permits, Construction of Dewatering Site & Dredging)		2010												2011											
		J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
1	Obtain and characterize additional in-lake sediment core samples			x	x	x	x																		
2	Coordinate with MPOA for acquisition of current lake bathymetry and sediment depth measurements for determining dredging quantities			x	x	x	x	x	x	x	x														
3	Prioritize Dredging Areas, Determine Dredging Quantities and Preliminary Dredging Design			x	x	x	x	x	x	x	x														
4	Evaluate and field verify potential dredge pipeline and return water routing alignments					x	x	x	x	x	x	x													
5	Prepare and submit a Section 404/401 Permit to the Corps of Engineers, IEPA and IDNR					x	x	x	x	x															
5a.	Anticipated issuance of 404 and 401 Permit																x	x	x						
6	Engineering design and regulatory permitting (IDNR-OWR) for a small, Class 1 dam at East Wonder Lake Rd. Site							x	x	x	x	x													
6a.	Anticipated Issuance of Dam Permit by IDNR																								
7	Final design, bidding, construction, dredging																								

(through 2013 minimum) →

SSA PASSES - BONDS WILL BE ISSUED

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MPOA  
7602 Hancock Drive  
Wonder Lake, IL 60097

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