

Forest Preserve District of Kane County

April 17, 2007 Referendum



Frequently Asked Questions

HOW WOULD THE REFERENDUM FUNDS BE USED IF APPROVED BY VOTERS ON APRIL 17TH?

The majority of funds would be used to purchase land throughout Kane County – from willing sellers only. The remaining balance will be allocated to restore natural habitat, and construct and improve trails, recreational areas, and other facilities.

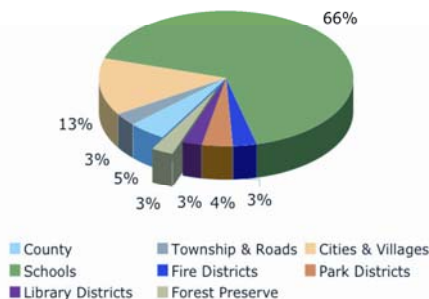
The key purposes of the April 17th Referendum include the following:

1. *Add land to existing preserves and acquire new preserves for open space.*
 - In keeping with the District’s mission, we plan to acquire approximately 3,000-4,000 acres of open space and natural areas.
 - These acquisitions will protect high quality natural areas, enlarge existing forest preserves, and help protect the Fox River and other waterways.
 - By buffering existing natural areas we can provide great advances in plant and animal habitat restoration
 - Expanded and additional acreage will enable us to expand educational and recreational opportunities.
2. *Restore and preserve natural habitats and increase flood control protection.*
 - Funds will help restore and improve Kane County’s wildlife habitat, woodlands, wetlands, prairies, lakes, and streams. Newly restored areas in Kane County have uncovered rare plant species that lay dormant for more than 100 years.
 - Restoration helps to improve water and air quality, to protect water resources like the Fox River, and to alleviate flooding. Pollution reduction and climate control are necessary for biological diversity as well as the general health of our natural ecosystems.
3. *Escape from urban stresses and balance from development*
 - Kane’s population of 440,000 is due to double by 2030. Too much development and sprawl could endanger the future of both open space and environmentally sensitive properties.
 - Proceeds will also be used to construct and enhance facilities Kane County residents enjoy throughout the year such as trails and recreation areas.
 - Access to new and existing preserves will be improved, providing more opportunity for educational programs and activities.

HOW MUCH WOULD THE REFERENDUM COST TAXPAYERS?

Kane County has a median market home value of approximately \$230,000. Based on this market home value, the proposed referendum would cost the owner of this home **\$1.93 per month**. See the chart below for additional.

2006 Tax Agencies & Levies



| Market Value of Home | Cost Per Year | Cost Per Month |
|-----------------------|---------------|----------------|
| \$200,000 | 20.12 | 1.18 |
| \$250,000 | 25.15 | 2.10 |
| \$300,000 | 30.18 | 2.52 |
| \$350,000 | 35.21 | 2.93 |
| \$400,000 | 40.24 | 3.35 |
| \$230,000 – Avg. Home | 23.17 | 1.93 |

Figure of average home supplied by Supervisor of Assessments

WHY IS THE FOREST PRESERVE REQUESTING THESE FUNDS NOW?

Open space in Kane County is disappearing at an amazing pace and the time to preserve land is now, before high quality natural areas are limited and rising prices make it difficult for the Forest Preserve to conserve substantial acreage. The District realizes that while prices have stabilized, now is the best time to buy.

HOW FAST IS KANE COUNTY GROWING?

Kane County is currently ranked as one of the fastest growing counties in Illinois, and is fifth in population counts for Illinois. Population is steadily increasing, due largely to expansion from the Chicago-land area. More and more Kane County farmlands are being rezoned for the construction of housing to fit the growing demand. As a result, the Kane County Forest Preserve Commission must now struggle with the problem of maintaining the traditional beauty and open spaces of Kane County while responding to the pressures for rapid commercial and residential development of the agricultural areas.

HOW MUCH OF KANE COUNTY IS OWNED BY THE FOREST PRESERVE DISTRICT?

The Forest Preserve currently owns 16,624 acres, or less than five percent of the total land in Kane County (336,000 acres).

WHY SHOULD OPEN SPACE BE PROTECTED?

Acquiring additional land and preserving open space is a fundamental element of the Forest Preserve's mission and purpose. Open space:

- Helps keep our water and air clean.
- Provides natural flood control.
- Helps control urban sprawl and traffic congestion.
- Provides habitat for native plants and wildlife.
- Helps maintain property tax caps by controlling residential development.
- Provides recreational opportunities for residents of all ages and interests.

HOW MUCH UNDEVELOPED LAND IS LEFT IN KANE COUNTY?

Kane still has approximately 65% undeveloped space. Of this, 55% is agricultural.

CAN'T WE OBTAIN MORE THAN 3,000-4,000 ACRES FOR \$85 MILLION?

We hope so. This figure is based on our recent history of purchasing 3,100 acres with the 2005 \$75 million Referendum. Right now, the Forest Preserve is being conservative in the estimated acreage we hope to acquire if voters approved the referendum because the cost of land is changing dramatically. While one of our primary goals is to secure the best purchase price possible -- from willing sellers only -- the fair market value for properties along the Fox River and those that contain woodlands has risen rapidly over the past five to ten years. The fact is it will ultimately cost Kane County taxpayers less to acquire more land now than if we wait longer to expand the Forest Preserve and conserve additional open space.

DOES THE FOREST PRESERVE DISTRICT OF KANE COUNTY HOPE TO OBTAIN GRANT MONIES IN ADDITION TO THE \$85 MILLION IN REFERENDUM FUNDS?

Yes. As a tax-supported agency, the Forest Preserve District of Kane County pursues and has been the recipient of grant funding from state, federal and private agencies. In fact, due to our aggressive grant application program, 2005 Referendum dollars were leveraged by the District to acquire almost \$14 million additional dollars in grant opportunities and intergovernmental contributions.

District staff regularly reviews, evaluates, selects and submits grant applications for a wide variety of projects. The award of grant funding is usually a competitive selection process. However, the District and partnering agencies are constantly seeking opportunities to leverage existing funding sources.

WHAT ARE SOME OF THE FOREST PRESERVE'S RECENT ACCOMPLISHMENTS?

- Since the last (2005) Referendum, approximately 1,600 acres were planted to prairie. Over 200 years ago, 65 percent of the county was prairie. Today it is less than 2 percent. We strive to make differences like these everyday.
- More than 12 strategic acquisitions in the last two years have brought the District's property count to

80. Acquisitions such as the former Boy Scout Camp Tomo-Chi-Chi provided an important link between the Freeman Kame-Meagher and the Nyman Forest Preserves. It is now the District's largest land holding with 1,231 acres. Another important 1,139 acre acquisition represents the first forest preserve in Virgil Township. Through the assemblage of six connecting parcels, this creation of open space replaced the planned development of over 1,600 homes.

- The newly acquired 237 acre Grunwald Farms Forest Preserve was improved and opened for public use all within 10 months! This recreational area now includes a 13 acre lake for non-motorized boating and fishing as well as trails, roadway and parking. This project utilized two acquisitions – a 183 acre property featuring a high quality kame, fen, oak hickory woodland, small pond and existing nature trails plus the opportunity to purchase and reclaim 54 adjoining acres of mined land.
- Since the last Referendum, the District leveraged funds to receive an additional \$5 million in State and Federal grants and further utilized non-referendum bonding capacity to sell a \$9 million bond. This dollar stretching allowed the District to acquire a total of 3,128 over the past two years.
- The Forest Preserve District of Kane County has more than 86 miles of trails and is the longest continuous system in Illinois. This trail is a model for use throughout the nation. Improved and added trails are used for walking, jogging, biking, skiing, horseback riding and more.
- Recreational and educational uses were expanded by the installation of bathrooms, signage and shelter amenities. Nature education programs, for example, are provided to nearly 12,000 people annually.

HOW ARE PROPERTIES EVALUATED FOR PURCHASE?

As part of a review process, the Forest Preserve evaluates each parcel under consideration according to factors including size, connectivity to existing preserves, greenways and trails, and value as a natural, historical, cultural, scenic, archaeological, geological, or hydrological resource.

HOW CAN WE CORRELATE THE VALUE OF OPEN SPACE WITH PROPERTY VALUES?

There have been several studies that offer evidence of the positive effect that parks and open spaces have on real-estate-property values and the property tax base. The type of open space, its geographic location and condition, the current real estate market, and many other variables influence these investigations. However, there is certainty among economic research professionals and scholars that open space provides a level of positive economic impact on property values that is difficult to quantify and varies with data, open-space classification and use, proximity of homes to an open-space area, analysis, and other characteristics studied.

WHAT IS THE PROPOSED STRUCTURE AND IMPACT OF THE BONDS TO BE ISSUED IF THE APRIL 17TH REFERENDUM IS APPROVED?

These bonds will be Tax Exempt General Obligation Bonds. They will be sold by bid, as the District has always sold its referendum bonds, so that the District will receive the best competitive pricing for the bonds. The issue would provide \$85,000,000 in new money to be used for the purposes stated in the ballot proposition – to acquire and preserve forests and natural lands, protect wildfire habitats, enhance flood control, improve hiking and biking trails and fishing and other recreational areas, provide forest and wildlife education programs and improve forest preserves, wetlands and prairies. The general obligation bonds would mature over a period of 20 years to ensure future taxpayers help share the cost.

DOES THE FOREST PRESERVE HAVE THE ABILITY TO MAINTAIN ALL THE LAND IT CURRENTLY OWNS IN ADDITION TO THE NEW LAND IT PLANS TO ACQUIRE? HOW DOES THIS AFFECT OPERATING COSTS?

The Forest Preserve's operating budget is funded through taxpayer dollars. Right now, for every \$1 collected in taxes, the Forest Preserve receives a half of one cent (excluding debt service). Despite this relatively low rate, the Forest Preserve continues to manage and operate its land holdings consistent with funding support and regularly adjusts programming, management and construction in a manner that maintains fiscal responsibility to the taxpayers.

The District also receives non tax revenue from the operation of its three public golf courses and the Kane County Events Center. All of these revenues help keep tax rates down, but also contribute to the District's ability to maintain all of its open space holdings. Some new properties are maintained by the District using its Conservation Farming Program that allows parcels recently acquired and waiting to be turned into Forest Preserves to continue to be farmed by active farmers in Kane County. The revenue produced by this program also goes toward operational needs.

WHAT IS THE STATUS OF THE DISTRICT'S OVERALL FINANCES?

The District strives to maintain a balanced general fund that allows the budget to match current operating expenses with current period revenues. Daily forest preserve operations are funded primarily by property taxes, with the District tax rate comprising .005 percent of a homeowner's property tax bill. The Forest Preserve is also subject to the tax cap, which limits property tax growth to the lesser of the Consumer Price Index or 5 percent.

The District is audited by a professional auditing firm each fiscal year. The District has always received a clean audit, with no noted material weaknesses in its financial or management practices. In addition, the District, once again this past year, received an AA bond rating from Standard and Poor, the bond rating firm.

HOW WILL THE REFERENDUM QUESTION ACTUALLY APPEAR ON THE APRIL 17TH BALLOT?

"Shall the Forest Preserve District of Kane County, Illinois borrow money and issue general obligation bonds in an amount not to exceed \$85,000,000 to acquire and preserve forests and natural lands, protect wildfire habitats, enhance flood control, improve hiking and biking trails and fishing and other recreational areas, provide forest and wildlife education programs and improve forest preserves, wetlands and prairies, all in accordance with the purposes authorized by the Downstate Forest Preserve Act of the State of Illinois as amended?"