

LEASE RELIEF

Thank you Alderman Edwards for taking charge of the lake lease issue and getting a fair and reasonable lake lease compromise passed. Thank you Lake Springfield homeowners for having patience and by springing into action when support was needed. In addition, it could not have been done without our Alderman's direct involvement! As you know, this issue has been out there for 4+ years. For the past 22 months, lake leases were frozen but we could not get CWLP to act. If you see Frank, take the opportunity to personally thank him for his support! Don't forget to thank the other Aldermen and the Mayor as well for their support of this ordinance. A 10- 0 vote is very impressive!

Ordinance 2007-615, Springfield City Council Meeting, Tuesday, August 21, 2007

A number of people have asked what was in the final agreement. I have not seen the final draft, but these are the **key points that Alderman Edwards read into the record** for the Corporate Counsel to include:

- **Drop the 45% discount (which leaves the lake lease based upon .6% of the full assessed value of the land without improvements as determined by the Assessor)**
- **Assessed value of the land will apply back to the 2005 tax year**
- **Homeowners will have a small window of opportunity - from October 9, 2007 until December 31, 2007, - to sign a new lease based upon the 2005 tax year assessment factor**
- **After December 31, 2007, lake leases will be based upon the current tax bill**
- **Lake leases will be for 99 years and the City Council will review lake leases in 50 years.**
- **Lake lease payments will increase 1% annually and the 1% provision will be reviewed in 10 years**
- **The formula is based upon assessments done by the county**

Informally, how to calculate your new lease:

- **Find your 2005 Sangamon County Supervisor of Assessment's Assessments Notice**
- **Multiply your Final 2005 Non Farm Land amount times 3 for the full assessed value**
- **Multiply your full assessed value times .006 (.6%)**
- **That is your annual lease payment**

Example:

\$28,253 Non Farm Land Assessed
X3
\$84,759 Full Non Farm Land Value
X.006
\$ 508.55 Annual Lake Springfield lake lease payment

Formally, what do I do about my frozen lease?

Doug England says, "For those who had a lease that expired from October 1, 2005 through October 1, 2007, it will not be necessary for you to contact me for a new lease. I will be in the process of renewing your lease in the order that they expired. I will gather the 2005 assessment information at the County and will contact you when the documents are ready for signatures."

For the recording process, Doug will prepare the P-TAX 203 & O-TAX 2-3-B forms that are necessary for recording your new lease. Those forms indicate the amount of tax due after a sale. Since there are no sales, your recording is exempt from any taxable fee. All necessary documents for recording will be given to you upon full execution by the City officials. Recording fees are \$39.00 payable to the Sangamon County Recorder.

Annexation will still be required for anyone receiving a new lease. There is no fee for annexation and Doug will also prepare the annexation petitions. He will need the full legal names of each person who resides at the house that is eighteen years of age and older in order to prepare the petition.

Formally, what do I do to request a new lease?

Doug England recommends that homeowners requesting a new lease must do so in writing. Please make sure to date your letter. Please mention that the request is Pursuant to City Council Ordinance 2007-615, effective October 9, 2007.

Send your request to Doug's attention at:

CWLP Real Estate
ATTN: Doug England
200 E. Lake Drive
Springfield, IL 62712

Do not wait until the last minute to write your letter. Do it now if you think this is a good deal for you. Many others are already lining up to take advantage of the Ordinance. I believe CWLP will process the requests based upon the date they receive your request for a new lease.

Q: If I request a new lease and it is not processed between October 9 or December 31, do I pay the new rate or the old rate?

A. Doug England wrote in an E-mail to the Tiskos family: "I want to let you know that no payments will be deferred if you don't have a new lease in place prior to December 31, 2007. You are still bound to the terms and conditions of your existing lease. It is my hope that I can process all expired leases and new requests. If I am unable to prepare a new lease for you prior to December 31, you will continue to be billed according to the rent clause in your current lease."

In Effect, get your request for a new lease in ASAP!

Q: How long will the renewal or new lease process take?

A: Doug England's E-mail to homeowners stated: "It is our goal to expedite the process so we can respond to, and have in place, all renewals and new requests by the end of January 2008.

Q: How would I get my hands on the Final 2005 Assessment Notice ?

A: If you do not have it: Visit the Supervisor of Assessment's Office in Room 210 of the County Building (200 S. 9th St.). For 50 cents, they will make you a copy. Call 753-6805 for questions. Colleen says to park across the street in the parking lot, bring them the parking ticket for validation & you can park for free.

Q: Do I have to act?

A: YES. If you have a lease that is frozen, a lease that you feel is exorbitant, or if your lease is coming due in the near future, do not wait until January 1, 2008, to find out if this ordinance is a good deal for you. Homeowners have until December 31, 2007, to be able to take advantage of the 2005 tax year assessment base. Don't expect CWLP to come looking for you!

OR

A: NO. If you want to keep your existing lease, please do so. This ordinance does not force you to renegotiate your lease. For example, we have 90 years left on our lease and we like it very much.

Q. If I renegotiate a new lease am I required to annex into Capital Township?

A: YES.

Q. Will Capital Township taxes be higher than I now pay?

A: Likely, but you can call the Supervisor of Assessment's Office - 753-6805 - for comparisons of rates and taxing districts of the township in which you currently reside and Capital's.

Q. How do I determine if this ordinance is a good deal for me?

A: Each homeowner's lease is different.

- **If your lease is frozen, this is likely a very good deal for you.**
- **If you have had to renegotiate your lease in the last 6 or 7 years at an exorbitant rate and if you are in Capital Township, this is likely a very good deal for you.**
- **If your lease is coming due in the next couple of years, you will have to sharpen a pencil and do some calculations.**
- **If you are already annexed to Capital Township, it is likely a good deal for you.**
- **If you have to annex into Capital Township, their tax bill is likely to be higher, but the lease would likely be lower because of the 2005 assessment year factor. You will have to figure a break even point for yourself.**

I hope I have not confused you. If you have any questions, please e-mail me or call me at 529-8973. However, Doug England (757-8660 ext. 1027) is the key person to contact.

Again, thank you Frank Edwards. (Please do not contact him to figure out your annual lease payments.)

I also want to thank the very hard work of Larry Michaud who for the past 7 years has been making the extremely high lease payments dictated under the old formula. His tireless efforts have inspired all of us to act.

Thanks to so many of you that took the time and effort to support our lake lease cause. This has been one of the most important issues impacting every homeowner on the lake that our homeowner's association has tackled! A phone call, an e-mail or a personal conversation you made to a City Council member really helped out in the final days that Frank Edwards was negotiating final passage of Springfield City Council Ordinance # 2007-615.