

CSL REDEVELOPMENT PROJECT

CSL has gone through some very trying and difficult times during these past several years. As a result, our roads and streets are severely deteriorated, our dams are in need of immediate attention and our swimming pool facility needs extensive rehabilitation. All of these things cost money and lots of it! The question is not whether we need to address these challenges now, but how do we pay for the work that must be done.

First, just exactly what are we proposing to do? We are proposing to repair and stabilize all of our roads and streets. This means cleaning out our ditches, repairing the failed sub-base areas in our roads and streets, placing a substantial load bearing surface over these failure areas and only then renewing the chip seal surfacing on those streets where it is appropriate to do so, or applying a new load bearing asphalt surface to those roads and streets that need it. We will also concentrate on completing the asphalt surfacing of our through streets that are most heavily traveled. This will cost about \$ 750,000.

We are proposing to repair our dams and clean-up the big lake. This includes the work on Crestwood Dam, the Big Dam and Wildwood Dam, plus cleaning out the Marina and the Big Rock. This will cost about \$ 130,000.

If the grant applications that are being prepared for us by the County are successful, we are proposing to replace the big dam, sluiceway and overflow channel, to replace the drainage culvert for Wildwood Dam and install a sluice gate drainage structure in Wildwood Dam, and to replace the low water bridge with a higher elevation bridge that will eliminate road closings during heavy rain events. This cost is unknown yet.

We are proposing to rehabilitate the swimming pool facility utilizing a commercial pool rhino lining process, installing new circulation piping and decking, rebuilding the equipment in the pump house and chlorinator pit and replacing damaged water pipes in the bathhouse, along with substantial repairs to the exterior of the bathhouse. This cost is still being determined but will exceed \$ 160,000.

Second, just exactly what is this going to cost us? We don't know all of the costs up front. In each case, we know what we anticipate for costs, but we also know that there are many unpredictable costs that will turn up as we go along. The budget established for these projects is \$ 950,000. This cost is to be put up as an eighteen (18) month construction loan by Main Source Bank, which in turn would be replaced by a ten year loan repayable on a monthly amortization schedule. The annual cost to CSL should be \$ 140,000. This money would be raised by means of a Dedicated Assessment of \$ 50 which would be raised as \$ 25 in the Spring and \$ 25 in the Fall of each year, beginning this Spring and continuing until the loan is paid in full. The loan was approved earlier this week at 9.25% interest rate during the construction phase and 8.88% interest rate during the first portion of the amortization period.

Third, how do I know that the money raised will go for only these projects and not be used for some other purpose or stolen as in past situations? According to the terms of the construction loan, we can only spend the funds for items listed in the project and the bank must be presented with actual bills to account for all dollars drawn against the loan. As in everything I have done here, we have established a system of checks and balances that assures the integrity of the process.

Fourth, what costs are actually included in the projects? CSL employee wages are provided for in the CSL Operating Budget. Normal operations fuel and maintenance are provided for in the CSL Operating Budget. Additional costs for fuel and maintenance that are directly a part of the Redevelopment Project are included in the Redevelopment Project Budget. All out-of-pocket costs for the Redevelopment Projects are included in the Redevelopment Project Budget. The cost of purchase of heavy equipment for the project including a portion of the cost of the new dump truck, all of the cost of the excavator and all of the cost of the grader are included in the Redevelopment Project Budget. All of the costs of the contractor and materials involved with the dams and the swimming pool facility are included in the Redevelopment Project Budget.

Fifth, when will the work be done? This is a phased project consisting of road and street work first, then the dam repairs will go forward if the Grant Applications are not successful – or the swimming pool facility rehabilitation will go forward if the Grant Applications are successful. The Road Stabilization Project will be a two year project. It is not possible for us to complete this project in one year with the manpower and equipment we have available to us. The Dams Repair Project is a ninety day contract job. It will go ahead as proposed in the Redevelopment Project at such time as we know the Grant Applications have failed. If the Grant Applications are successful, the larger Dams Project will go ahead in 2008 and 2009. The Swimming Pool Facility Rehabilitation Project will go ahead only if the Grant Applications are successful and that will be later in 2007.

Sixth, why does it sound like the Pool Project is not a sure thing? There is a limit to how much money we can borrow and repay. The Road Stabilization Project is the most essential project at this time, with the Dam Repairs a close second. The Pool Project is highly desirable, but could wait if it had to.

Seventh, what are our alternatives? There are no cost effective or practical alternatives. IDNR has ordered the Dam Repairs and will only wait for 2008 or 2009 if the larger projects are funded by the Grant Applications. The Road Stabilization Project is the only way to stop the rapid deterioration of our roads and streets before they fall apart and then cost many times more money to fix. Our roads and streets were simply let go too long and we are at the point of no return – we have to stabilize them now or expect them to become much worse. The Swimming Pool must be done now if we are to be able to rehabilitate it at a lower cost rather than replace it at a much higher cost. If necessary, we might be able to delay it for one year and still be able to rehabilitate it. The swimming pool is the one project that could wait, if it had too. Phased funding and work on our

roads and streets would only save some of the streets and probably not for too many years.

Eighth, how do we know that these Redevelopment Projects will be successful? I will personally commit to being out in the field on these projects at least 75% of my time during the working week. I will personally oversee and direct the Road Stabilization and Ditching Projects to assure that they are done right and that they make good progress on a consistent basis. My wife and I made an extraordinary effort to put back together a failed deal on the property that we will be leasing in anticipation of buying later this year in order to be living in the immediate area so that I can give these projects the attention they will need and still keep up the daily business of CSL.

Ninth, what real difference will it make to do this project and why should we support it? CSL is currently a very deteriorated community. Our property values have fallen so low that we cannot allow this opportunity to rebuild our community to pass. If we don't do this now, our property values will fall so low that no one will be able to sell their homes or lots and they will be left to live in the squalor of a failed community. Some of our property owners simply want to sell out and leave – but can't because they cannot sell their property. Indeed many property owners in 2006 were unable to give their property away. When they give up, the property goes to tax sale and we lose the dues and assessments they owed which further ruins CSL's ability to take care of the community. It is a vicious circle spiraling downward into community-wide ruin.

If we do this project now, we will rapidly restore the property values of our homes and lots. How do I know this? Just the anticipation that this project is going to be approved and go forward this year has resulted in a number of lots selling for \$ 3 – 4,000 each and a number of homes selling for what they should be worth instead of the much lower prices normally received. More importantly, completing these Redevelopment Projects will be the springboard to the overall rebuilding of this community. The question before you, and the new Board of Directors, is whether or not you have determined that you are going to take responsibility for yourselves and your community. Are you sick and tired of living in this mess? Are you ready to say enough, we are going to change things for the better? Are you ready to go forward instead of backward? Are you ready to say yes to the most important decision facing this community in its entire history?

Questions? or comments?