

Brooks of Bonita Springs Community Development Districts I and II



August 11, 2023

To All Brooks Homeowners,

Recently, each homeowner within The Brooks should have received a letter from the Bonita Springs Development Districts which outlined a planned increase in your CDD operations and maintenance assessment effective with this fall's annual tax billing from Lee County. As noted in that letter, an increase of \$364 is anticipated (to be reviewed and finalized at the CDD's August 30th meeting). This letter is being sent to further explain both the CDD budgeting process as well as the major capital projects which are driving the proposed increase.

The CDD budgeting process:

Each summer the two Brooks CDD's establish their budget to support projects planned for the coming year. These projects may be either regular maintenance and repair of existing infrastructure across all areas of responsibility maintained by the CDD's or Capital Improvement Projects (CIP) for replacement of existing infrastructure items or construction of new facilities to benefit the collective four Brooks communities. This budget process starts in the late spring and culminates with the formal approval of the final budget at the Districts' August meeting. The budget for 2023-24 will be reviewed and approved at the August 30th joint meeting which will be held at 1:00PM at the Estero Community Church, 21115 Design Parc Lane, Estero, FL 33928.

Once approved, the "per door" cost for each home in The Brooks is calculated. This information is then provided to Lee County and the costs associated with the CDD's is shown in the Non-Ad Valorem Assessments section of your tax bill under the line item "Brooks of Bonita Springs CDD". This amount was \$652.88 for each Brooks home in last year's (2022) tax bill. For those of you who live in CDD II, your total bill will reflect more than this amount because there are still outstanding bonds being amortized for some of the original infrastructure costs in CDD II. The companion bonds for CDD I were retired in 2015 so all that is shown on those tax bills is the \$652.88 amount described above.

Each year there are certain recurring expenses that must be accounted for in the budgeting process. The single largest category of expense is the maintenance of the landscaping along Coconut Road and Three Oaks Parkway--a cost of more than \$900,000 annually. Our second largest expense relates to the management of the lakes and storm water management system throughout The Brooks. This represents an annual cost of \$550,000. Another example is the irrigation budget which is approximately \$160,000 annually. This includes over fifty-five million gallons of recycled water and the associated delivery infrastructure (pumps, piping, irrigation heads, controllers, maintenance, etc.). There are many other regular on-going costs that must be accounted for, but these are three of the major ones as examples.

The Brooks was constructed starting in the late 1990's and is now 23+ years old. Periodic maintenance has regularly been done throughout those 23 years to maintain the appeal and quality of our collective

infrastructure and thus aid in maintaining the home values throughout The Brooks. However, there comes a time when major repair or replacement of our more significant infrastructure elements becomes necessary. The CDD I and II have jointly determined that 2023-24 is the time to address some of these major needed upgrades. These projects represent an estimated \$4 million and will include:

- Renovation/replacement of the Coconut Road and Three Oaks Parkway landscaping (\$640,000)
- Renovation/replacement of the Coconut Road and Three Oaks Parkway sidewalks (\$2,000,000)
- Repairs necessitated by lake bank erosion of our 154 lakes within The Brooks (\$890,000)
- Renovation of Coconut Park restrooms and playground (\$275,000)

Renovation/replacement of landscaping (\$640,000):

This project will involve the replacement of non-native plants with native plants that will, in addition to providing an updated and refreshed “look” to the two major roadways through The Brooks, provide several benefits and cost reductions in future years. These include requiring less irrigation water, less pesticides and less fertilizer (also helps ensure that we continue to meet the EPA requirement for water discharged into the estuary).

Renovation/replacement of sidewalks (\$2,000,000):

We have approximately fourteen miles of sidewalks running along Coconut and Three Oaks. Several Live Oak trees planted along the sidewalks have caused severe damage (lifting, cracking, etc.) as a result of the roots growing under the sidewalks over the years. This has also led to degradation of the sub-base for the sidewalks in certain areas. The current condition of the sidewalks, in addition to being unsightly, presents a safety concern for anyone using them and a liability for the CDDs. This project will include removing existing problem roots and installing root barriers to minimize future root damage. Johnson Engineering, the CDDs’ qualified engineering firm, will inspect the entire fourteen miles of sidewalks, collect core samples, and advise of any required sub-base restoration required before new sidewalks can be installed. Once the engineering assessment is completed, a detailed construction specification will be developed to support solicitation of bids to do the required sub-base repairs and install new asphalt sidewalks. All this work will be done on an expedited basis because of the safety and liability concerns.

Repairs necessitated by lake bank erosion (\$890,000):

The CDD Districts are responsible for the maintenance of the 154 lakes spread throughout The Brooks which are an essential part of the flood control system. As a result of rainy season storms, tropical depressions and hurricane winds, we continually see erosion of the banks around our lakes. The CDD’s have budgeted, on average, \$100,000 annually to address the affected lake banks. Unfortunately, the age of the lakes and recent hurricanes and storms necessitate that we undertake additional maintenance on the lakes, the cost of which requires the CDD to expend funds that we do not have in our existing budget. This project will restore 26 of our 154 lakes and help control on-going costs in the future.

Renovation of Coconut Park restrooms and playground (\$275,000):

This project will involve the replacement of the roof on the existing restrooms (to match the nearby Commons Club facilities) and provide for a badly needed refurbishment of the interiors of the building and associated fixtures. The surface covering of the playground is currently in disrepair and is a safety hazard. It will be completely replaced with new state-of-the-art materials.

What will be the impact of these capital projects on Brooks homeowner's tax bills?

The two Brooks CDD's have procured a loan in the amount of \$4 million for a period of five years at a very attractive rate of 3.99% to finance all the capital projects discussed above. This represents a total cost per Brooks homeowner of approximately \$250 per year for five years to be included in your annual Non-Ad Valorem tax assessment. This will be in addition to the historical annual costs for general repair, maintenance, and administration of the CDD's infrastructure responsibilities and a one-time expense for clean-up and repairs dictated by hurricane Ian last year. To summarize, your 2023 tax bill will reflect CDD Operating expenses of \$653 (historical operating expenses) + \$114 (one time hurricane Ian expense recovery) + \$250 (new \$4M capital loan payment) for a total of approximately \$1,017. Those in CDD II will continue to see additional cost (which varies by neighborhood) for the amortization of the existing bonds for the next seven years in addition to the costs discussed here.

More details regarding the proposed budget of the two CDD's are available for viewing and download at www.brookscdds.net (the budget materials start on page 109). NOTE: The information contained here was prepared for the July 26th CDD meeting. As such, the table of Capital Improvement Projects (CIP) on page 110 is not up to date. At the 26th meeting, it was decided to not proceed with the pickleball project (\$900,000); however, an updated estimate for the sidewalk project showed an offsetting increase. Combined, these changes continue to result in the roughly \$4M total CIP budget.

The final budget will be approved at our August 30th meeting.

Thank you for your continued interest in the Districts' projects and activities.

Your Brooks of Bonita Springs CDD I & II Supervisors