



January 2023

## **Metropolitan District Nos. 1-3**

Eagle Brook Meadows Metropolitan District Constituents,

As the end of 2022 approaches, the Eagle Brook Meadows community is nearing full build-out and Front Range Investment Holdings, LLC (the “Developer”) is completing the final stages of their work. The Developer and the District’s Board of Directors have been working together on the transition of the community.

While the District will see increased operating revenues from the completion of the final homes in our community and increases in the assessed values of the properties, a five-year proforma forecast of projected operating revenues and expenditures for the District indicates a funding shortfall will continue to exist. As such, in 2023 it will be necessary to begin imposing an operations and maintenance fee (the “O&M Fee”) of \$700 on each lot within the community.

To fully fund the approved operating budget for 2023, the District is assessing an operations and maintenance fee (the “O&M Fee”) of \$700 per lot. The O&M Fee can be paid in full at the beginning of the year or in quarterly payments of \$175 due in January, April, July and October.

It is important to understand that of the tax revenues currently paid by homeowners to the District, the majority is restricted for use in paying the debt of the District. The remaining is available for funding annual operations which includes maintenance of our open space and District administration.

In accordance with statute, the District is required to conduct a public hearing prior to adopting budgets. The Districts held a Special Board meeting on November 15, 2022. At the meeting, the Board of Directors approved to adopt the proposed 2023 budgets for the Districts. To find out more information on upcoming board meetings visit [www.eaglebrookmeadowsmd.live](http://www.eaglebrookmeadowsmd.live).

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# Eagle Brook Meadows Metropolitan District Nos. 1, 2, and 3

On November 15, 2022, the Eagle Brook Meadows Metro District No. 1-3 Boards of Directors approved the implementation of an Operations and Maintenance fee of \$175 per quarter starting in 2023, which is expected to generate just over \$201,000 in revenues in 2023. Operations and Maintenance expenditures for 2023 total just under \$242,000. *The developer has agreed to contribute an additional \$100,000 in advances for 2023.*

## Metro District Needs:

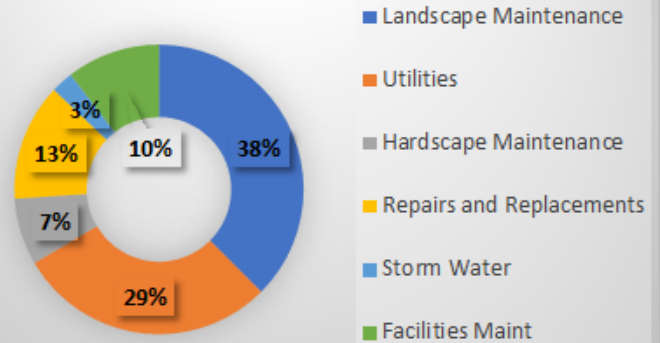
- Manicured landscaping with the addition of new build-out phases
- Native area maintenance
- Installation of pet waste stations and the related necessary maintenance
- Snow removal services
- Necessary storm structure & detention pond maintenance allowance for additional areas added in 2022
- Repairs and replacements throughout the Districts

These fees allow the District to maintain the community's assets at a high level of quality and are common in metro districts to close the gap between tax revenue and operating expenses. Any additional revenue received from these fees goes to a reserve account for unexpected expenses, repairs, and replacements.

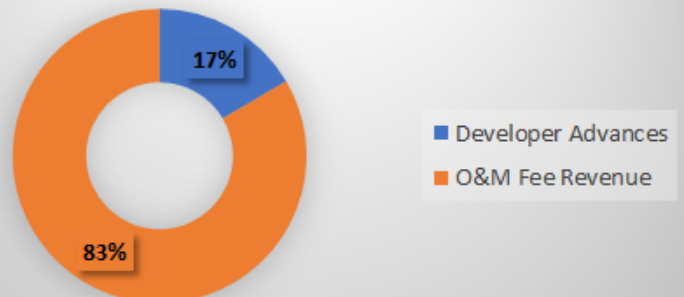
## Other 2023 Budgeting Facts

- Inflationary considerations
  - \*Wage increases 5-10%
  - \*Irrigation supplies increases 30% - 100+%
  - \*Construction supplies increase 50%
  - \*Raw goods increases 18-20%
  - \*Fuel surcharges
- 2022 Water usage. District to monitor how hydrozone implementation will help mitigate these expenses
- O&M Fees are not used to offset administrative expenditures
- Administrative expenditures are paid through revenue generated by the O&M mill levy.
- County assessments lag by two years, therefore many properties are yet to generate tax revenue on the improved lot

## What is your O&M Fee Paying For?

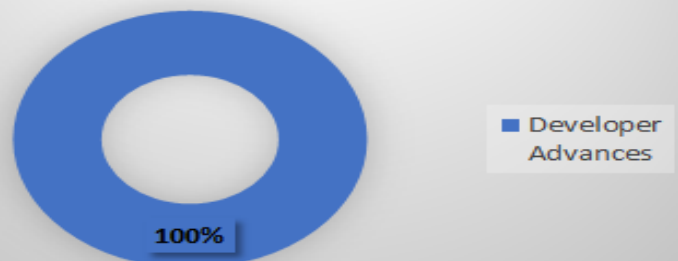


## How is O&M\* funded in 2023?



Note: Developer contributes 90% or \$211k of the District's administrative expenses

## How was O&M\* Funded in 2022?



\*Landscape/hardscape maintenance, utilities, repairs and replacements, stormwater, facilities maintenance (does *not* include administrative costs)