

June 26, 2025

Ms. Gloria Perez  
District Manager  
Keys Cove Community Development District  
Special District Services, Inc.  
The Oaks Center  
2501A Burns Road  
Palm Beach Gardens, FL 33410

**Re: Year 2025 Keys Cove Community Development District Report**

Dear Ms. Perez:

The intent of this report is fourfold: 1) To inform as to the status of ownership of the infrastructure that was financed or constructed by the District; 2) To describe the state, working order and condition of the infrastructure still owned by the District; 3) To give recommendations as to the funds estimated necessary for the proper maintenance, repair and operation of the District's infrastructure and; 4) To report on the insurance being carried by the District.

The District is in Section 29, Township 57 South, Range 39 East, in the City of Homestead, Miami-Dade County, Florida. It is bounded by SW 344 Street, SW 163 Avenue, SW 346 Lane, SW 162 Avenue, SW 350 Terrace and Valencia Gardens Drive (SE 13 Avenue). The development is located within Zip Code 33035. Refer to Exhibit 1.

**1) Infrastructure Ownership**

*a) Roads*

Shoma Homes at Keys Gate, Inc. granted an easement to Keys Cove Community Development District (the "District", or "CDD") for the District to construct, own and maintain roadways, which include the onsite stormwater drainage system, the public parking, sidewalks, curbs, planters and landscaping, all located within the granted easement area (the "Roadway Easement"). The Roadway Easement was recorded at ORB 23148, PG 4183 of the public records of Miami-Dade County. The extent of the easement area is depicted in Exhibit 2.

*b) Stormwater Management System*

Shoma Homes at Keys Gate, Inc. granted an easement to the District for the District to construct, own and maintain two lakes and related stormwater management facilities (the "Lakes Easement"). The Lakes Easement was recorded at ORB 23148, PG 4170 of the public records of Miami-Dade County. The location of the easement area is depicted in Exhibit 2.

*c) Water Distribution System*

The system has been conveyed to the City of Homestead for ownership and maintenance.

d) Sanitary Sewer System

The system has been conveyed to the City of Homestead for ownership and maintenance.

e) Security System

Starting in May of 2017, the District installed and completed a security system within the District boundaries. The system consisted of cameras, network recorders, antennas, cables, conduits, computer hardware, software, support and appurtenant equipment. The security system is described in more detail in the agreement between the District and Regions Security Services, Inc. dated May 5, 2017. Most of the security system is located within the Roadway Easement, with portions located in adjacent land belonging to the Association. The District entered into a "Revocable License Agreement" with the Association on September 20, 2017 for installing those portions.

f) Lake Fountains

The District has installed, and owns, two lake fountains. They are described in more detail in the installation agreement between the District and DeAngelo Brothers, LLC dated June 29, 2015.

**2) State, Working Order and Condition of the Infrastructure Currently Owned by the District**

Alvarez Engineers, Inc. conducted a field inspection to determine the current state, working order and condition of the infrastructure owned by the District and reports the following regarding the CDD Roads and drainage system:

a) Roads

The roads inside the District are in fair to poor conditions. Pavement of CDD Roads is damaged from wear and ponding due to poor grading and surface drainage. Pavement will need to be repaired at several locations including near inlets, intersections, entrance, and along the roads. Repairs may include overbuild to correct the grading. The public parking spaces, sidewalks, curbs, planters and landscaping within the CDD roadway easements are in good working order and condition.

b) Stormwater Management System

The water portions of the lakes are well maintained and in good working order and condition.

The shoreline erosion projects for the North and South lakes have been completed.

c) Water and Sewer Systems

The water and sewer systems are in good working order and condition; the District Engineer is not aware of complaints. Issues may be reported to the City of Homestead at telephone number: 305-224-4770.

g) Security System

The security system appears to be working well. The District Engineer has not received complaints and is not aware of any issues.

*h) Lake Fountains*

The lake fountains seem to be functioning well. The District Engineer has not received any complaints and is unaware of any issues.

**3) Estimated Maintenance Costs for District-Owned Infrastructure**

On September 20, 2017, the District entered into a maintenance agreement with the Association (the “2017 Maintenance Agreement”) under which the Association agrees to maintain the CDD roads, stormwater management system, security system and lake fountains, as well as, funding the electrical power consumption of the security system and lake fountains. On August 26, 2020, the CDD Board of Supervisors approved the first amendment to the 2017 Maintenance Agreement (the “2020 Amended Maintenance Agreement”) by which maintenance of the storm pipes and exfiltration systems were removed from Association’s responsibility, and the extent of the roadways maintenance responsibility was further clarified. Refer to the agreement in the District’s records for complete details.

*a) District Budget*

We think that for Fiscal Year 2025-2026, the District proposed amounts for field operations are adequate to properly maintain, repair and operate the public infrastructure for which the District is currently responsible. (Refer to <http://keyscovecdd.org/financials/> for the FY 2025-2026 Proposed Budget).

*b) Roads*

The FY 2025-2026 budget takes into consideration the recommendation of creating a sinking fund to finance the future capital expense of milling and resurfacing the pavement and pavement markings of the District roads at the end of their service life, which is estimated to be in 10 years for the pavement and 5 for the pavement markings.

The table below provides an estimate of the future replacement costs and the estimated minimum annual contributions over the remaining service life to fund the future expenses, taking into consideration that as of this year, the District has accumulated about \$235,530 in reserves for such purpose, as reported by the District Manager to the District Engineer.

ESTIMATE OF COSTS FOR RESURFACING ROADS IN "n" YEARS									
Analysis and Annuity Recommendation									
Pavement Service Life (30 Years Estimated)		Present Year	Remaining Service Life (Yrs)	Present Year Cost (PC) of Pavement Replacement (Mill and Resurface 3/4" Thick)			Future Replacement Cost @ End of Service Life* For 2.5% Inflation Rate (r)	Annual Interest Rate	Annuity to Finance (FC) in (n) Years given (i)
From	To		(n)	Quantity (SY)	Unit Cost (\$/SY)	(PC) - \$235.53K In Reserves	$FC = (PC)(1+r/100)^n$	(i)	$FCi/((1+i)^n-1)$
PAVEMENTS									
2005	2035	2025	10	50,989	\$10.00	\$274,360	\$351,204	0.25%	\$34,727
PAVEMENT MARKINGS AND SIGNING									
2020	2030	2025	5	50,989	\$2.50	\$127,473	\$144,224	0.25%	\$28,701

c) Stormwater Management System

The FY 2025-2026 budget takes into consideration the suggested creation of a 5-year cyclical program for servicing the inlets, manholes, pipes, and French drains of the stormwater drainage system. The program consists of servicing 20% of the system every year so that at the end of the fifth year, 100% of the system will be serviced. The tables below show the estimated amount that would need to be budgeted yearly to service the approximately 120 drainage structures and 10,555 Linear Feet of pipes in the District. It is also estimated that 3-4 baffles will need to be replaced yearly. The program may be financed yearly or in one lump sum when needed, or at any other period combination, at the discretion of the Board of Supervisors.

5-YEAR CYCLE ESTIMATE OF YEARLY COSTS FOR SERVICING THE STORMWATER DRAINAGE									
Total No. Structures in CDD	Total LF Pipes	No. Structures with Pipes Serviced per Year					Avg. Cost/EA Structure. Assume 2.5% Annual Inflation Rate <sup>(1)</sup>	Avg. Cost/LF Pipe. Assume 2.5% Inflation Rate <sup>(2)</sup>	Total Budget Amount Per Year
		Year 1 (2025)	Year 2 (2026)	Year 3 (2027)	Year 4 (2028)	Year 5 (2029)			
120	10555	24					\$230.00	\$6.75	\$19,800
			24				\$236.00	\$6.92	\$20,300
				24			\$242.00	\$7.09	\$20,800
					24		\$248.00	\$7.27	\$21,300
						24	\$254.00	\$7.45	\$21,900

<sup>(1)</sup> Includes the cost of vacuuming the sump of the drainage structure and the cost of removing and reinstalling the baffle if the baffle is in good condition.

<sup>(2)</sup> Includes the cost of pressure spraying and videoing the pipes and of dewatering with plugs at the end of the pipes when the pipes are submerged.

5-YEAR CYCLE ESTIMATE OF YEARLY COSTS FOR BAFFLE REPLACEMENTS							
Estimated Number of Baffles to be Replaced <sup>(1)</sup>	No. Structures with Pipes Serviced per Year					Estimated Cost Per Baffle For 2.5% Inflation Rate	Total Budget Amount Per Year
	Year 1 (FY 25-26)	Year 2 (FY 26-27)	Year 3 (FY 27-28)	Year 3 (FY 28-29)	Year 2 (FY 29-30)		
18	4					\$600	\$2,400
		4				\$615	\$2,500
			4			\$630	\$2,600
				3		\$646	\$2,000
					3	\$662	\$2,000

<sup>(1)</sup> The estimate assumes that 25% of the 70 baffles in the District will need replacement in the next five years.

d) Water and Sewer Systems

The water and sewer systems are maintained, operated and funded by the City of Homestead, which may be contacted at telephone number: 305-224-4770.

#### 4) Insurance

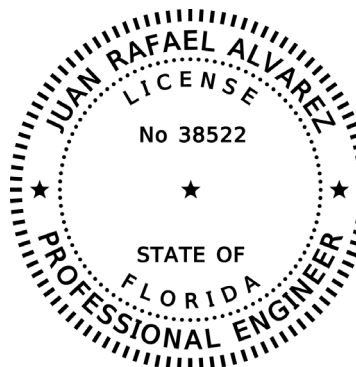
Alvarez Engineers has reviewed the District's general liability, property, inland marine, hired non-owned auto, employment practices liability, public officials' liability and deadly weapon protection coverage insurance policy proposed by Florida Insurance Alliance under Agreement No. 100124043 for the period between October 1, 2024 and October 1, 2025. The District has budgeted enough funds to cover the \$8,602 proposed insurance premium.

This report was prepared to the best of my knowledge and belief and is based on field observations conducted by Alvarez Engineers personnel, the District Engineer's Report and public documents available.

If you have any questions, please do not hesitate to contact us at 305-640-1345 or at [Alvarez@Alvarezeng.com](mailto:Alvarez@Alvarezeng.com).

Sincerely,  
Alvarez Engineers, Inc.

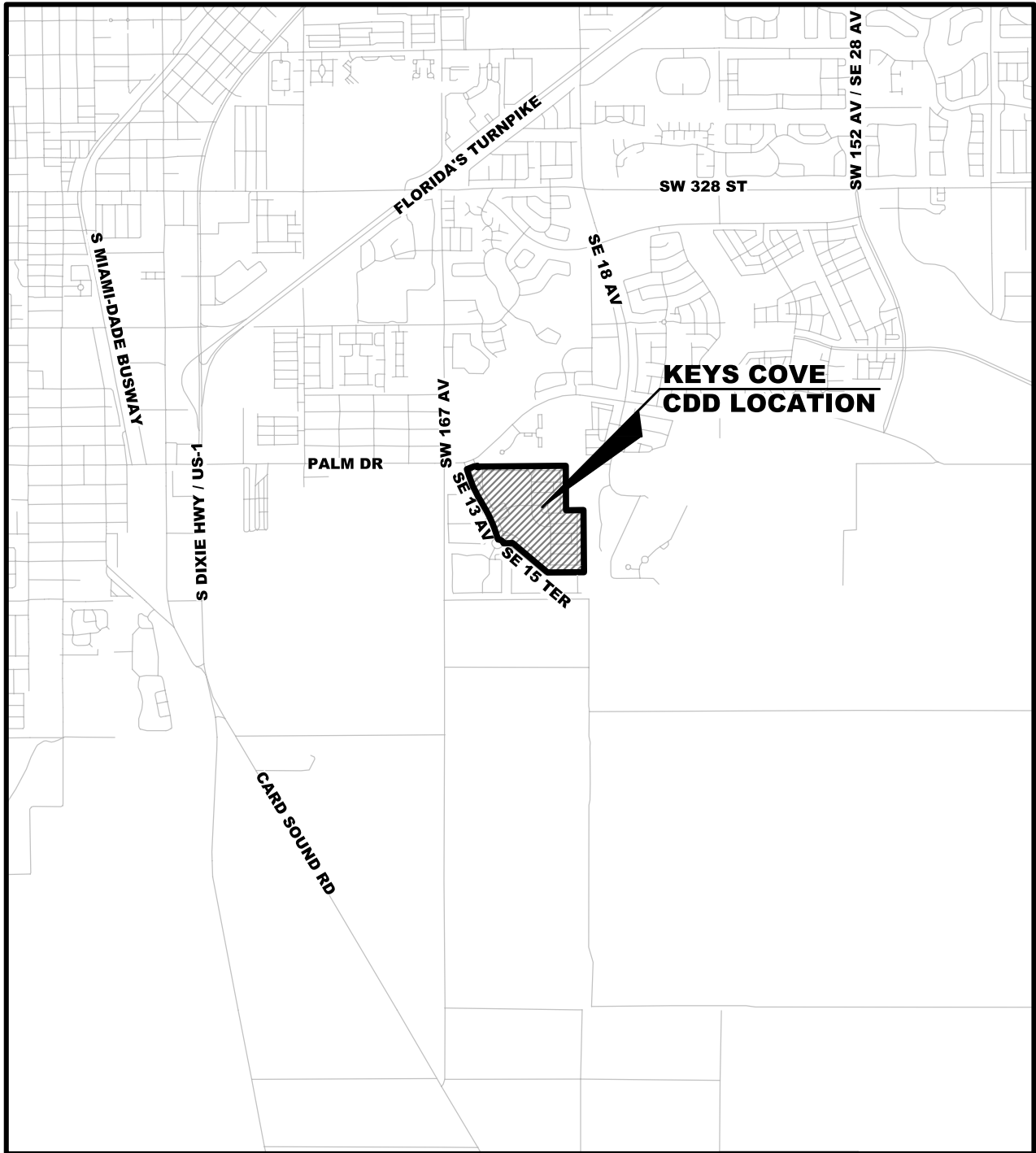
Juan R. Alvarez, PE  
District Engineer  
Date: June 26, 2025



This item has been digitally signed and sealed by Juan R. Alvarez, PE on June 26, 2025.

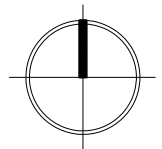
Printed copies of this document are not considered signed and sealed and the signature must be verified on any electronic copies.

cc. Michael Pawelczyk, District Counsel, [mjp@bclmr.com](mailto:mjp@bclmr.com)



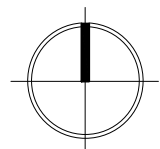
**ALVAREZ ENGINEERS, INC.**

**KEYS COVE CDD  
LOCATION MAP**



0 500' 1500' 3000'

PORTION OF TRACT A (PB 163, PG 15)  
OWNER: SHOMA HOMES AT KEYS GATE INC  
ESMT: CDD; ORB 23148, PG 4183  
CATEGORY: ROADWAYS, PUBLIC PARKING, SIDEWALKS,  
CURBS, PLANTERS, LANDSCAPING, SECURITY SYSTEM ALL INSIDE THE  
CDD EASEMENT.



**ALVAREZ ENGINEERS, INC.**

## EXHIBIT 2