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Alvarez Engineers, Inc.

June 29, 2015

Mr. Neil Kalin  
District Manager  
Keys Cove II Community Development District  
Special District Services, Inc.  
The Oaks Center  
2501A Burns Road  
Palm Beach Gardens, FL 33410

**Re: Year 2015 Keys Cove II Community Development District Report**

Dear Mr. Kalin:

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 review the insurance carried by the District and amounts set aside for the purpose of paying their premiums.

The District is located in Sections 20 and 21, Township 57 South, Range 39 East, in the City of Homestead, Miami-Dade County, Florida. It is bounded by North Canal Drive on the north, the east line of the plat of Shores at Keys Gate (PB 161, PG 37) on the west, Towne Centre Boulevard (SE 16 Street) on the south and a line located west of SW 152 Avenue on the east. The development is located within Zip Code 33035. See Exhibit 1 for a graphical representation of the development.

The Keys Cove II Community Development District (CDD) is fully encompassed within the limits of the plat of Keys Garden (the "Plat"). Such plat was recorded on December 6<sup>th</sup>, 2006 in ORB 165, PG 81 of the Public Records of Miami-Dade County, Florida.

**1. Infrastructure Ownership**

*1.1. General*

In general, the infrastructure owned by the CDD is located within roadway Tract "B" of the Plat in the Townhomes sector (Miami-Dade County Folio No. 10-7921-026-4040), the roadway portion of the Condominium sector (a portion of Tract "A", Folio No. 10-7921-026-4030), the common areas of the Townhomes (tracts "E", "F", "G", "H", "I", "J", "K", "L", "M", "N", "O", and "P", Folio No. 10-7921-026-4060) and Condominium sectors (Folio No. 10-10-7921-027-0001), and lake Tracts "C" and "D" (Folio No. 10-7921-026-4050).

The Plat and the Declaration of Condominium for Shoma Homes Keys Gate, as recorded on ORB 25212, PG 3147, have provisions for the land where the CDD improvements are located,

to be used for means of ingress and egress, traffic, the installation and maintenance of utilities, drainage, stormwater management, lakes, landscaping and other uses.

### 1.2. Roads

The road elements owned by the CDD include all the roadway improvements from back of sidewalk to back of sidewalk in the Townhomes and Condominium sectors. The CDD roadway improvements also include the grassed swales located between the front of the sidewalks and the edge of the travel lanes, as well as the grassed medians in the divided roads and the grassed islands between the parking spaces. The CDD roadway improvements exclude all private parking spaces in the Townhomes and Condominium sectors. The CDD roadway improvements were constructed within Tract "B" in the Townhomes sector (Folio No. 10-7921-026-4040), and in the roadway portion of the Condominium sector (Folio No. 10-7921-026-4030). The CDD grassed swales and sidewalks in the Condominium sector were constructed within the common areas of the Condominium blocks (Folio No. 10-7921-027-0001). The CDD ownership of road improvements in the Condominium sector extends to the right of way of South Canal Drive at the main entrance to the Development.

### 1.3. Drainage and Stormwater Management System

The drainage and stormwater management owned by the CDD include the drainage system located within the roadways as well as the pipe extensions and yard drains located inside the common areas of the Townhomes sector (Tracts "E", "F", "G", "H", "I", "J", "K", "L", "M", "N", "O", "P") (Folio No. 10-7921-026-4060). It also includes the drainage system in the roadways of the Condominium sector (Folio No. 10-7921-026-4030), as well as the pipe extensions and yard drains located inside the common areas of the Condominium sector (Folio No. 10-7921-027-0001). The CDD also owns the improvements to the lake side slopes adjacent to the Development.

### 1.4. Water Distribution System

The CDD constructed the water distribution system described in the Engineer's Report of November 14<sup>th</sup>, 2005 and in the Assignment and Acquisition Agreement of November 14<sup>th</sup>, 2005. The water distribution improvements were constructed within tracts and easements provided by plat for that purpose. The improvements included pipes, valves, fire hydrants, tees, reducers, crosses, bends, water services, tapping sleeves and system appurtenances. The water distribution system was conveyed to the City of Homestead for ownership and maintenance.

### 1.5. Sanitary Sewer System

The CDD constructed the sanitary sewer system described in the Engineer's Report of November 14<sup>th</sup>, 2005 and in the Assignment and Acquisition Agreement of November 14<sup>th</sup>, 2005. The sanitary sewer system improvements were constructed within tracts and easements provided by plat for that purpose. The improvements included sanitary laterals, manholes, pipes, two lift stations and a force main. The sanitary sewer system, including the lift stations and force main, is being maintained by the City of Homestead.

### 1.6. Street Lighting

In September of 2008 the CDD acquired from the Developer the street lighting system within tracts "A" and "B". This infrastructure is described in the 1<sup>st</sup> Supplemental to the Engineer's

Report dated September 2, 2008. The improvements acquired were constructed within the ingress and egress tracts as well as within the common areas of the Development. As of the date of this report, the CDD maintains ownership of the lighting system with the exception of the underground electrical feeding system which belongs to Florida Power and Light Company.

### 1.7. Landscaping and Irrigation System

In September of 2008 the CDD acquired from the Developer the landscaping and irrigation system. This infrastructure is described in the 1<sup>st</sup> Supplemental to the Engineer's Report dated September 2, 2008. The improvements acquired included but were not limited to all trees, shrubs, decorative plants and grass planted within the ingress and egress tract (Tract "B", Folio No. 10-7921-026-4040) as well as within the common areas of the Townhome sector (Tracts "E", "F", "G", "H", "I", "J", "K", "L", "M", "N", "O", "P") (Folio No. 10-7921-026-4060) and the common areas of the Condominium sector (Folio No. 10-7921-027-0001). The CDD also acquired the irrigation system serving the landscaped areas.

## **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.

### 2.1. General

Construction of the Development is not complete. Some of the buildings to the west of SE 24 Road, and some in the eastern part of the Townhomes area, have not been constructed. See Exhibit 1 for a depiction of the site map showing the buildings that have not been constructed as of the date of this report.

Although some buildings have not been constructed, the earthwork filling operations within those tracts, as well as road access and water and sewer services, except for the water meters, are in place.

The portion of the improvements already constructed is in good working order and condition.

### 2.2. Roads

Construction of the offsite roads, SE 24 Road and the interior streets east of SE 24 Road, together with the final lift of asphalt and signing and pavement markings, were completed in 2007 and are in good order and condition. These roads are shown in green in Exhibit 2.

The second lift of asphalt in portions of the interior streets located west of SE 24 Road was completed by the District in 2012. These roads are shown in yellow in Exhibit 2.

The remainder of the interior streets located west of SE 24 Road in front of vacant parcels, were completed in 2007 up to the first layer of asphalt. The second lift of asphalt in these areas is expected to be applied when the buildings are completed. These roads are shown in red in Exhibit 2. It is standard practice in South Florida to postpone the placement of the second and final layer of asphalt until the buildings are completed in order to avoid damage to the finished

pavement by the equipment constructing the buildings. Should building construction not commence in the near future, then, it is recommended that the CDD consider completion of the final layer of asphalt, to avoid deterioration of the existing roadway improvements. The pictures below depict the current working order and condition of the road infrastructure.



2.3. Drainage and Stormwater Management System

The lakes tracts are in good working order and condition. The pictures below depict the current working order and condition of the lakes tracts.



The drainage system in the roads and common areas are in good physical condition. It is recommended that the District budget for and begin a four year program for cleaning 25% of the inlets and pipes each year, as to complete an entire cycle at the fourth year. Prior to cleaning operations, it is recommended that the baffles within the drainage structures be inspected and replaced during cleaning operations if necessary. The pictures below depict the current condition of the drainage system.



#### 2.4. Water Distribution System

The system is in good working order and condition. The picture below depicts the current condition of the system.



#### 2.5. Sanitary Sewer System

The system, including two lift stations, is in good working order and condition. The City of Homestead identified the south and north lift stations as Numbers 61 and 62 respectively and has given the following telephone number to call in case of emergencies: 305-248-5201. The pictures below depict the current condition of the system.



**2.6. *Street Lighting***

The street lighting system within the ingress and egress tracts and common areas is in good condition. The picture below depicts the current condition of the system.



**2.7. *Landscaping and Irrigation System***

The landscaping in the areas of the Development where buildings have been constructed – generally east of, and including SE 24 Rd – is in good condition.

The irrigation systems in areas of the Development, where buildings have been constructed, is in good working order and condition.

The pictures below depict the current condition of the landscaping and irrigation areas.



### 3. Estimated Maintenance Costs for District Owned Infrastructure

#### 3.2. District Roads

Funds will be needed to mill and resurface the roadway pavement in 15 to 20 years. The District Board of Supervisors may decide how to provide for these funds, whether by an annual assessment or at some time in the future. The estimated present costs for milling 1” of asphalt is \$3.00/SY and for placing 1” of asphalt is \$6.50/SY. Therefore, the present costs for milling and resurfacing the roads is estimated to be as follows:

Milling 1”:	58,500 SY x \$3.00/SY	= \$175,500
Resurfacing 1”:	58,500 SY x \$6.50/SY	= <u>\$380,250</u>
Total		\$555,750

The District roads do not require milling and resurfacing during the Fiscal Year 2014-2015. The CDD has budgeted \$2,100 for street repair and signage and \$135,800 for guard house and guard gates in its Fiscal Year 2014/2015 budget.

#### 3.3. Stormwater Management System

Onsite Drainage System. It is recommended that the District budget for and begin a four year program for cleaning 25% of the inlets and pipes each year, as to complete an entire cycle at the fourth year. Prior to cleaning operations, it is recommended that the baffles within the drainage structures be inspected and replaced during cleaning operations if necessary.

The District has included in its Fiscal Year 2014/2015, \$3,750 for engineering inspections and drainage structures cleaning. It is recommended that this amount be increased to \$6,200.

Master Stormwater Management System (Lakes). In accordance with Special Condition 2 of SFWMD Permit No. 13-00044-S-09, Keys Gate Community Association, Inc. will continue the operation and maintenance of the lakes under their annual budget.

3.4. Water Distribution System

No maintenance costs are estimated since the system is owned and maintained by the City of Homestead.

3.5. Sanitary Sewer System

No maintenance costs are estimated since the system is maintained by City of Homestead.

3.6. Street Lighting

\$10,000 is included in the proposed CDD operating budget for fiscal year 2014/2015 for repairs and maintenance. Also, the District budgeted \$62,500 for electricity consumption of the streets lights, irrigation pumps and guard house. The amount budgeted is adequate.

3.7. Landscaping and Irrigation System

The CDD has budgeted in its 2014/1015 budget the amount of \$153,000 for lawn and landscape maintenance, \$10,650 for pest control and fertilization, \$12,000 for irrigation maintenance and upkeep. The amounts are adequate.

In addition to the above budgeted amounts, the CDD has budgeted \$3,600 for miscellaneous maintenance and \$3,000 for maintenance contingency.

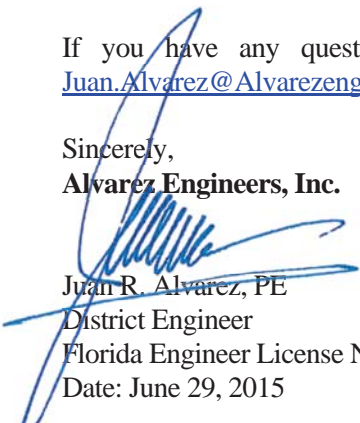
**4. Insurance**

Alvarez Engineers has reviewed the District's liability policy provided by Florida Insurance Alliance under Agreement No. 100114044 for the period between October 1<sup>st</sup>, 2014 and October 1<sup>st</sup>, 2015. The District has budgeted \$6,500, sufficient funds between the categories of insurance and miscellaneous to cover the insurance premium of \$5,923.

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 me at 305-640-1345 or at [Juan.Alvarez@Alvarezeng.com](mailto:Juan.Alvarez@Alvarezeng.com).

Sincerely,  
**Alvarez Engineers, Inc.**



Juan R. Alvarez, PE  
District Engineer  
Florida Engineer License No. 38522  
Date: June 29, 2015





**LEGEND**  
 - - - DISTRICT BOUNDARY

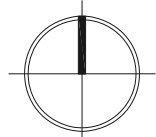
**X** Denotes Buildings Not Constructed as of June of 2015

**ALVAREZ ENGINEERS, INC.**

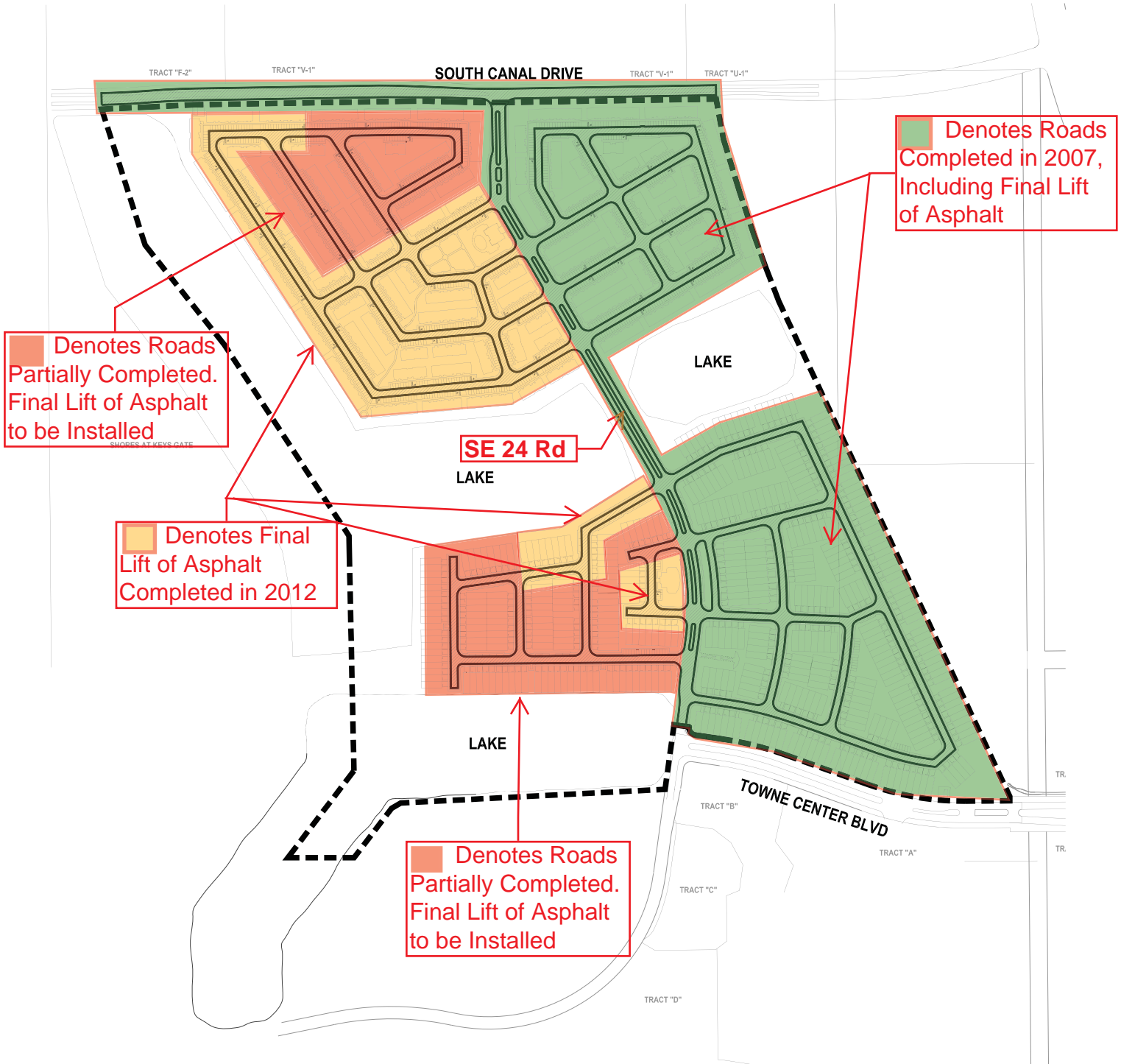
MASTER PLAN COPYRIGHT FORD ENGINEERS, INC.

KEYS COVE II C.D.D.

EXHIBIT 1 - DISTRICT BOUNDARY



1" = 40'



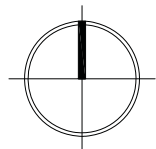
Denotes Roads Partially Completed. Final Lift of Asphalt to be Installed

Denotes Roads Completed in 2007, Including Final Lift of Asphalt

Denotes Final Lift of Asphalt Completed in 2012

Denotes Roads Partially Completed. Final Lift of Asphalt to be Installed

LEGEND  
 PUBLIC ROADS



1" = 40' 