



Internal Audit Department

Report 2012 – S9

Impact Fee & Economic Development

Advanced Broadband Infrastructure Investment Program

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The files and draft versions of audit reports remain confidential and exempt from public records requests during an active audit under Nicolai v. Baldwin (Aug. 28, 1998 DCA of FL, 5th District) and section 119.0713, Florida Statutes. Workpapers supporting the observations noted within this report are public record and may be requested upon release of the final audit report.

BACKGROUND

The Clerk's Finance Director requested Internal Audit to review the Impact Fee & Economic Development Office's validation of costs incurred in accordance with the Advanced Broadband Infrastructure Investment Program. This program is a Collier County initiative authorized in Board of County Commissioners (BCC) Ordinances 2003-59 and 2005-56, as amended. It provides for payments to local businesses "to offset the costs associated with the installation or upgrade of advanced broadband infrastructure in commercial and industrial buildings to encourage the relocation and/or expansion of high-wage targeted industries." The referenced Ordinances describe the program's purpose as "enhancing Collier County's economic diversification efforts." Besides the installation or upgrade of advanced broadband infrastructure, the criteria for program eligibility also include minimum numbers of new jobs at specific wage levels, which vary by location in Collier County. Ordinance 2003-59 originally terminated this program on October 1, 2008, but on September 9, 2008, the BCC enacted Ordinance 2008-46, which extended the Job Creation Investment Program to October 1, 2013.

To be eligible, a business must apply to the County Manager prior to making the decision to invest in the advanced broadband infrastructure. The program allows payments equal to the broadband installation or upgrade costs, up to \$25,000. The BCC may approve reimbursement not to exceed \$8,400 per year, beginning in the fiscal year after the County Manager has verified the infrastructure improvements as complete.

SUMMARY

This audit generated the following observations for the Advanced Broadband Infrastructure Investment Program:

- Internal Audit reviewed the Advanced Broadband Infrastructure Investment Program application of Florida Specialties, LLC, for completeness. The legal description of the broadband installation's Collier County location was obtained, and timely payment of property taxes for that location was verified.
- A site visit was previously conducted to validate the number of new full-time jobs created, and the average wages of those new jobs.
- Internal Audit examined six invoices from two vendors for Advanced Broadband Infrastructure installation. Copies of Florida Specialties' canceled checks in payment of those invoices were also inspected. The total of the invoices and payments was \$29,726.35, thereby qualifying for the maximum payment per the ordinances.

SCOPE

This examination consisted of validating advanced broadband infrastructure installation costs, including, but not limited to, the following:

- Reviewing section 125.045, Florida Statutes;
- Reviewing Collier County Ordinances 2003-59, 2005-56 and 2008-46;
- Examining Florida Specialties' application to verify program eligibility;
- Confirming that Florida Specialties' property tax was paid timely;
- Vouching Florida Specialties' jobs created and average wages to Job Creation workpapers; and
- Validating broadband infrastructure invoices and tracing those amounts to cancelled checks.

The objectives of this special request were to validate program eligibility, and to confirm the payment amount for which Florida Specialties, LLC, has qualified.

CONCLUSION

Due to the compliance of Florida Specialties, LLC, with the requirements of the Advanced Broadband Infrastructure Investment Program, there are no adverse observations to report.