



# **Internal Audit Department**

## **Audit #2018-2 FINAL**

**Economic Incubators, Inc.**

**Business and  
Economic Development Division**

**April 4, 2018**

**Dwight E. Brock**  
**Clerk of the Circuit Court**

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 Mark Pasek, Internal Auditor

**Report Distribution:** Board of County Commissioners  
 Leo Ochs, Jr., County Manager  
 Jace Kentner, Director of Office of Business and Economic Development  
 Justin Loeb, Manager of Collier County Airport Authority  
 Board of Directors of Economic Incubators, Inc.  
 Dr. Marshall Goodman, CEO of Economic Incubators, Inc.

**CC:** Dwight E. Brock, Clerk of the Circuit Court  
 Crystal K. Kinzel, Chief Deputy Clerk

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### NOTE TO READER (KEY):

- **Original Clerk Internal Audit Findings are identified in the red banner;**
- Collier County’s Bureau of Economic Development (BED)/ the Collier County Administrator’s response and Economic Incubators, Inc.’s (EII) response from March 21, 2018 are identified in the boxed text;
- **The Clerk’s Internal Audit responses to BED/EII’s comments are identified in red.**

The files and draft versions of audit reports remain confidential and protected from public records requests during an active audit under *Nicolai v. Baldwin (Aug. 28, 1998 DCA of FL, 5<sup>th</sup> District)* and Florida Statute 119.0713. Work papers supporting the observations noted within this report are public record and can be requested upon release of the final audit report.

## BACKGROUND

To date over \$5 million has been spent for which the project has generated 19 validated jobs (three of which are EII staff) with an additional \$2.6 million projected by EII staff through 2021, totaling over \$7.6 million in taxpayer support.

The \$1.2 million Florida Department of Economic Opportunity (DEO) grant awards spent include:

- Falsified documents submitted to DEO
- Tasks not completed on time, e.g. Immokalee Accelerator
- Bidding irregularities for the commercial kitchen equipment

Over \$1 million spent on payments to EII's three personnel without quantifiable results.

Over \$10 million in grant funds identified as a future need for the "successful" completion of the accelerator projects.

Internal Audit uncovered numerous instances of misrepresentations, general malfeasance, and possible fraud.

Contrary to the 2015 assertion of self-sustainability within 2 years, EII continues to fall short of revenue projections and continues to exponentially increase reliance on taxpayer funding.

The Clerk of the Circuit Court and Comptroller Internal Audit Department (Clerk) conducted a review of the contracts and transactions surrounding payment requests submitted for reimbursement by EII. The Board of County Commissioner's Office of Business and Economic Development (BED) is the county's Fiscal Agent to the Agreement(s) and Economic Incubators, Inc. (EII) is the contracted vendor.

Economic Incubators, Inc. was contracted to operate The Naples Accelerator, located at 3510 Kraft Road in Naples, FL and the Florida Culinary Accelerator @ Immokalee, not yet opened. The Naples Accelerator provides companies with offices, conference rooms, and office equipment. The Naples Accelerator was also intended to provide networking, mentoring and training to grow startups and small businesses. The Florida Culinary Accelerator @ Immokalee, while not operational, is located across from the Immokalee Regional Airport in Immokalee, FL. EII has a Board of Directors along with the executive staff of Dr. Marshall Goodman as the Chief Executive Officer (CEO) and Ms. Jennifer Pellechio, Chief Operating Officer (COO).

This review is published after numerous meetings and discussions with EII's Board of Directors, EII's executive staff, and County staff regarding continuing inconsistencies with pay requests and grant deliverables.

### Overview

The Clerk reviewed policies, procedures, and transactions regarding many of EII's operations as the vendor contracted by the Board of County Commissioners (BCC) to carry out the accelerator projects in Collier County.

The Clerk found that EII knowingly submitted false information to a grantor agency, Florida DEO. In addition, the Clerk has identified instances where EII and BED have made numerous misrepresentations to Grantor Agencies, the BCC, and the taxpayers.

EII's seemingly deceptive practices and failure to manage the accelerator projects gives the Clerk great concern. So much so, that the Clerk recommends the BCC evaluate its options regarding the FY2018 Agreement with EII, and take whatever actions it deems necessary.

Many of the assertions made in this audit report regarding Dr. Goodman's actions as President and CEO of Economic Incubators, Inc. (EII) appear to be similar to the findings in a 2012 USF Audit Report involving University of South Florida-Polytechnic. The 2012 report, in its entirety, is included in Appendix A of this report. Dr. Goodman's representations to the Florida Department of Economic Opportunity (DEO) in 2017 appear to be consistent with the circumstances surrounding Dr. Goodman's departure from University of South Florida-Polytechnic in 2012. The assertions made against Dr. Goodman in 2012 included financial mismanagement, improper accounting of building improvements, and potential side deals with the owner of the USF-Polytechnic incubator facility, in total the report lists eleven violations of USF policies and procedures by the former USF Regional Chancellor. The report is presented merely as background for current findings.

## SUMMARY OF FINDINGS

### Findings List

The following findings have all been communicated to EII Board Members, EII staff, and the BED over the past four years. EII and the BED have failed to address many of these deficiencies when they were identified.

1. EII misrepresented expenditures and project status of Grant #SL025 to the DEO, the BCC, and the Clerk to obtain payments for contracts with State and Federal Grant deliverables. EII reported completion of projects not complete, misrepresented payments made, and submitted false invoices to elicit payments by DEO, **Page 16.**
2. Irregularities found in Solicitation 17-7167 for the procurement of the Kitchen Equipment for the Florida Culinary Accelerator @ Immokalee include possible bid rigging, misrepresentation of solicitation budget and use of potentially misleading commodity codes, **Page 48.**
3. EII and the BED misrepresented Grant #SL007 Deliverables to DEO and the BCC on the Annual Accomplishment Reports, asserting unverified jobs created and capital investment obtained, **Page 57.**
4. The BED failed to provide oversight and fiscal controls to protect taxpayer funds regarding EII, creating an environment that fosters improper salary payments, improper travel expenditures, reduced revenues, undocumented "bartering" transactions, unbudgeted executive bonuses, increased financial liabilities, and jeopardizes the sustainability of both the Naples and Immokalee accelerator projects, **Page 65.**

5. EII, with the consent of the BED, has discounted their Program Income with “promotional” rents while claiming cash flow concerns and not meeting revenue targets, **Page 84.**
6. EII failed to meet the Business Income and Private Contributions targets in FY2017 pursuant to the Agreement between the BCC and EII, **Page 88.**
7. EII failed to meet their revenue target for the first quarter of Fiscal Year 2018 based on continued rent promotions, un-sustained participation, failure to collect budgeted private contributions, and the failure to open the Immokalee facility, **Page 94.**
8. EII, the BED, and owners of Kraft Office Center, LLC have failed to correct a zoning violation that has hindered the accelerator participants from registering as businesses and obtaining required business tax receipts in Collier County, **Page 101.**
9. EII failed to timely and accurately file IRS Form 990 tax returns for fiscal years 2015, 2016 and 2017, thereby jeopardizing their tax-exempt status, **Page 103.**
10. EII has failed to follow the business plan approved by the BCC on May 13, 2014 by failing to become self-sustaining, instead exponentially escalating taxpayer funds, annually, for years 2014 – 2018, **Page 110.**
11. EII’s revised business plan fails to, identify measurable performance including job creation or capital investment; identify specific marketing strategies; provide a revenue structure for sufficient operating income to be successful without dependence on taxpayer funds; address deficiencies in prior performance; or identify the additional equipment for successful operation of the accelerator projects, **Page 114.**
12. The Airport Manager and BED failed to monitor BCC approved 2017 and 2018 leases and they allowed over \$1 million dollars of improvements to a county airport property without payment on the lease; \$37,522.80 in rents remain uncollected and unpaid, **Page 124.**
13. Mismanagement of Woodstock’s Micro-Market including licensing, accounting, and inventory controls, **Page 132.**
14. Multiple potential conflicts of interest exist within EII’s organization including self-dealing, the Chairman of EII’s Board of Directors is the owner of the Naples Accelerator facility, and potentially improper rental arrangements, **Page 137.**
15. EII has failed to become a financially viable business entity and shows little or no progress in that direction, **Page 148.**
16. EII and BED have failed to meet contract and facility deliverables during Fiscal Year 2018, **Page 153.**
17. EII and BED have made numerous misrepresentations to the BCC, the Clerk, and the taxpayers including jobs created, capital investments made, project completion dates, and financial and budget status, **Page 158.**
18. BED approved \$1,631.96 in unauthorized and unbudgeted expenditures on behalf of EII for the Immokalee Accelerator Project, **Page 162.**
19. EII failed to facilitate Capital Investments, **Page 164.**

20. EII and the BED have consistently failed to submit pay requests and contract deliverables in a timely manner, **Page 167**.

## REVIEW DETAIL

### Scope

The objective of this review was to identify and report ongoing accounting, grant, and operational irregularities identified in EII's pay requests to the Clerk and the State of Florida.

Time period: September 10, 2013 to present (April 2018)

Discussions were held with:

- All Board of County Commissioners and the County Manager
- EII Board of Director members
- EII CEO – Dr. Marshall Goodman
- EII COO – Jennifer Pellechio
- Administrative Assistant – Nicole Kreuzer
- BED Director – Jace Kentner
- BED Accounting Technician – Phyllis Kraft-Hendrick
- Executive Director of Corporate Business Operations – Tim Durham
- The majority of the Naples Accelerator participants
- Accelerator volunteers
- DEO current and former staff
- Nicole Temperton, Controller for TriMark Strategic

The following documents were the basis for the review:

- All agreements between EII and Collier County
- All grant agreements
- Reimbursement requests to Grantor Agencies
- Annual Accomplishment Reports submitted to Grantor Agencies
- The County's agreement with USDA
- EII Executive Board and Board of Directors meeting minutes
- Payroll Reimbursement Requests FY17 and FY18
- Financial reports, ledgers, and statements submitted to Collier County as supporting documentation for reimbursement requests
- Email correspondence provided by EII as requested by the Clerk's Internal Audit staff
- Records on Sunbiz.org website
- Accelerator Participant User Agreements
- EII's webpage for the Naples Accelerator
- Newspaper articles and other publications related to the accelerators
- Board Minutes and Records

## Limitations:

The Clerk's Internal Audit staff has encountered considerable resistance when requesting records from EII and BED.

## Management Comments

The Draft Audit was submitted for management's comments on February 27, 2018. Management provided publically available comments to the BCC on March 21, 2018. Management's comments have been incorporated into this report.

Over the course of the last year, we have held numerous meetings and phone calls with EII staff and EII Board members outlining the findings now identified in this report. The Chief Deputy Clerk worked with the Director of BED to identify process deadlines to specifically meet the March 27, 2018 BCC meeting.

Additionally, the Clerk's Internal Audit staff made numerous offers to meet with the Director of BED after this report was transmitted to him on February 27, 2018. The Clerk's Internal Audit staff offered unlimited time to meet to review the work-papers and answer any questions.

**From:** Crystal K. Kinzel  
**Sent:** Friday, March 9, 2018 6:45 PM  
**To:** James D. Molenaar <[james.molenaar@collierclerk.com](mailto:james.molenaar@collierclerk.com)>; Mark J. Pasek <[Mark.Pasek@collierclerk.com](mailto:Mark.Pasek@collierclerk.com)>  
**Subject:** EII audit

Jace and Phyllis called at 6:30 pm to ask about meeting with staff on the audit – I offered Sunday afternoon (he could not), I offered Monday (he did not think he could get group together but had a meeting with Marshall), I have the BCC Tuesday but suggested start at 8 am (or before) as I could be there and you all could continue when I was at BCC then I would join as the meeting progressed at lunch and when over. He has to get with others but tentative is to meet on Tuesday with EII staff and Jace staff. I suggested they have a preliminary draft of responses so that it could be a focused review and all areas could be easily covered and resolved to a final product. I reminded him that these were not new issues, they should be prepared to discuss and requested they bring any/all documentation to support their response to keep the process moving forward to the final.

Enjoy the weekend.

**Crystal K. Kinzel**  
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Clerk of the Circuit Court & Comptroller  
Collier County Government Center  
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Naples, FL 34112-5746  
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Late On Friday, March 9, 2018, The Director of BED called the Chief Deputy Clerk to schedule a time to meet. The Chief Deputy Clerk offered Sunday, March 11, 2018, but the BED Director was not available. The Chief Deputy Clerk offered Monday, March 12, 2018, but the BED Director was not available. The Chief Deputy Clerk then offered Tuesday, March 13, 2018, at 8:00 am before the scheduled BCC meeting, BED Director tentatively accepted pending his meeting on Monday with Dr. Marshall Goodman.

Finally, late on Monday March 12, 2018, the Director of BED scheduled a meeting at the Office of Business & Economic Development for the following day, Tuesday March 13, 2018 (fourteen calendar days/ten business days later) and only for a period of 90 minutes.

**From:** KentnerJace <[Jace.Kentner@colliercountyfl.gov](mailto:Jace.Kentner@colliercountyfl.gov)>  
**Sent:** Tuesday, March 13, 2018 4:07 PM  
**To:** James D. Molenaar <[james.molenaar@collierclerk.com](mailto:james.molenaar@collierclerk.com)>; Crystal K. Kinzel <[Crystal.Kinzel@collierclerk.com](mailto:Crystal.Kinzel@collierclerk.com)>  
**Cc:** DurhamTim <[Tim.Durham@colliercountyfl.gov](mailto:Tim.Durham@colliercountyfl.gov)>; Marshall Goodman <[mgoodman@naplesaccelerator.com](mailto:mgoodman@naplesaccelerator.com)>; Jennifer Pellechio <[jpellechio@naplesaccelerator.com](mailto:jpellechio@naplesaccelerator.com)>  
**Subject:** Draft Audit 2018-2

Dear Jim,

I was very pleased with our interaction and meeting this morning. Progress was made and I believe the Clerk's suggestion for us to meet was well taken. It is clear that we both have much work to do related to Draft Audit 2018-2. In addition to the sheer amount of work and analysis to be done, we are hampered by the noticeable absence of the EII Board. EII will not be able to respond until March 30, 2018. I believe the volunteer EII Board's efforts to respond that quickly are commendable. It is impossible for a management response to be tendered today.

It was my understanding from our previous discussions that this matter would go before the BCC on April 10. Moving the BCC meeting up to March 27, for whatever reason, to the day before the Immokalee accelerator event is proving to be unworkable.

Please consider this a special request to ask your team to consider allowing additional time for the preparation of the management response to Draft Audit 2018-2. I believe our meeting this morning is indicative of the good faith that exists and desire to work together. I see no deliberate delay or dilatory activity involved. Thank you for your consideration.

Best regards,

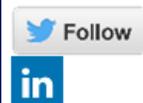
**Jace Kentner**  
Director



Business & Economic Development Division

**NOTE: Email Address Has Changed**

2660 N. Horseshoe Dr., Suite 105, Naples, Florida 34104  
Phone (239) 252-4040 Fax (239) 252-6718  
[jace.kentner@colliercountyFL.gov](mailto:jace.kentner@colliercountyFL.gov)



**From:** Crystal K. Kinzel [<mailto:Crystal.Kinzel@collierclerk.com>]

**Sent:** Wednesday, March 14, 2018 9:35 AM

**To:** KentnerJace <[Jace.Kentner@colliercountyfl.gov](mailto:Jace.Kentner@colliercountyfl.gov)>

**Cc:** DurhamTim <[Tim.Durham@colliercountyfl.gov](mailto:Tim.Durham@colliercountyfl.gov)>; Marshall Goodman <[mgoodman@naplesaccelerator.com](mailto:mgoodman@naplesaccelerator.com)>; Jennifer Pellechio <[jpellechio@naplesaccelerator.com](mailto:jpellechio@naplesaccelerator.com)>; James D. Molenaar <[james.molenaar@collierclerk.com](mailto:james.molenaar@collierclerk.com)>; Mark J. Pasek <[Mark.Pasek@collierclerk.com](mailto:Mark.Pasek@collierclerk.com)>

**Subject:** RE: Draft Audit 2018-2

Jace,

Our Office is prepared to issue the audit for the Meeting of the 27th. We were awaiting your responses to the findings and expected the return of the responses by COB yesterday, 14 days or 10 business days from your receipt. The issues presented are not new, you have been aware of some of the findings for over a year. We have made every effort to work with you on corrective actions over the course of years. We told you again in January that our audit would be completed by March, you received the DRAFT for response on the afternoon of February 27<sup>th</sup>. We never discussed April as our agenda date. When we had not heard from you last week, I contacted you to follow-up and offered to sit down any time (including the weekend) to go over the findings in detail and discuss your responses to those findings. You could not meet over the weekend nor Monday but we tentatively set the meeting you had yesterday with staff.

Our staff was willing to work through all of the findings with you at that meeting, having cleared their schedules. You instead came to the meeting without a response prepared. Tim Durham responded that you had not been given permission from Leo to respond to the audit. Marshall indicated that he had not been given permission from his Board to respond. This is 10 business days after you were in receipt of the draft. We asked that you provide any information you felt we missed, let us know any item you did not agree with, work with us to clarify any of the findings, or at least identify any areas of common ground. You were unwilling to review the items, providing only a few comments regarding the audit during the hour and ½ you were available.

We did not move the meeting up from April 10<sup>th</sup>, you were aware of the draft and timeline of March well before issuing the March 2<sup>nd</sup> public notice of the March 28<sup>th</sup> event. In fact, even prior to our providing the draft, you and I methodically worked back from the March 27<sup>th</sup> date to advise you the timeframe and expectation of a timely response, without objection. We even discussed the agenda package deadline in order to get it to the BCC prior to the 27<sup>th</sup> meeting.

You have had the draft 16 days and yet were unable to provide a written response to any finding? Contrary to your observation, I see deliberate delay and dilatory activity involved, not from our office but yours.

***Crystal K. Kinzel***

Chief Deputy Clerk

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**From:** DurhamTim <[Tim.Durham@colliercountyfl.gov](mailto:Tim.Durham@colliercountyfl.gov)>

**Sent:** Wednesday, March 14, 2018 9:46 AM

**To:** Crystal K. Kinzel <[Crystal.Kinzel@collierclerk.com](mailto:Crystal.Kinzel@collierclerk.com)>

**Cc:** Marshall Goodman <[mgoodman@naplesaccelerator.com](mailto:mgoodman@naplesaccelerator.com)>; Jennifer Pellechio <[jpellechio@naplesaccelerator.com](mailto:jpellechio@naplesaccelerator.com)>; James D. Molenaar <[james.molenaar@collierclerk.com](mailto:james.molenaar@collierclerk.com)>; Mark J. Pasek <[Mark.Pasek@collierclerk.com](mailto:Mark.Pasek@collierclerk.com)>; KentnerJace <[Jace.Kentner@colliercountyfl.gov](mailto:Jace.Kentner@colliercountyfl.gov)>

**Subject:** RE: Draft Audit 2018-2

Crystal,

For the record Tim Durham also responded that we have not had time to formulate our responses, therefore any response given would be premature.

The County Manager would like the common courtesy of reviewing staff's findings.

Thank you.

Wed 3/14/2018 9:51 AM

 Crystal K. Kinzel  
RE: Draft Audit 2018-2

To 'DurhamTim'

Cc Marshall Goodman; Jennifer Pellechio; James D. Molenaar; Mark J. Pasek; KentnerJace

Bing Maps

Thanks Tim,  
Our intent was never to preclude Leo's review, but to elicit timely response to a timeframe that Jace has known for weeks. Thanks

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The Director of BED nor EII representatives had any written responses to the findings and did not provide any supporting documentation that is contrary to the findings in this report. The Director of BED stated at this meeting that he does not have authorization from the County Manager to respond at this time.

The Director of BED requested the following changes:

1. Request for additional time before the Clerk presents this Audit to the BCC on March 27, 2018. The three reasons given for the request are that the two weeks is not enough time to respond and EII's Board of Directors are out of the Country until March 30, 2018. Additionally, the Grand Opening of the Culinary Accelerator @ Immokalee will be on March 28, 2018, the day after the Clerk's scheduled presentation to the BCC. The Director has concerns of the political fall-out that will cloud this event and possibly dissuade political dignitaries from attending.

**Internal Audit response:** Refer to timeline discussed in the emails above

2. Request for the narrowing of the Scope. The Director of BED stated that the Scope is "undefined?" and appears to go all the way back to the creation of EII.

**Internal Audit response:** The Scope includes ongoing identified audit concerns from inception to present and is defined on **Page 5**.

3. Request for a change to the "tone and toxic language." The Director of BED objects to the use of the terms fraud, misuse, and misrepresentation.

**Internal Audit response:** The tone of the audit is not intended to be "toxic" but factual and informative. We have been cautious not to assert fraud and have specifically referenced possible

fraud for further review as warranted.

4. Request to remove the April 9, 2012 USF Audit Report from the Appendix. The Director of BED stated that this report will “will draw fire that does not need to be drawn” and is outside the scope of the audit.

**Internal Audit response:** The report and assertions were not initiated by the Clerk and is presented in the appendix as background for current findings.

5. Request that all emails cited in the findings be presented in full in the appendix.

**Internal Audit response:** Internal Audit has agreed to include all referenced emails, in full, within the body of the report, work papers and/or the appendix.

The CEO of EII also suggested the following, while not authorized from EII’s Board of Directors to respond to any of the findings:

1. The report is too one-sided; it does not include any of EII’s accomplishments.

**Internal Audit response:** The audit is not intended to be sided in any direction, but to identify audit concerns.

2. The report does not include the improvements to the operation that have been implemented.

**Internal Audit response:** Improvements to the operation, if any, should be included in the management’s written response.

3. The report does not include the added-value realized by the Immokalee Airport facility by having EII’s accelerator located there.

**Internal Audit response:** Any perceived value-added should be included in management’s written response.

4. The report only shows the present value (actual dollar cost) of the money spent by EII, not the full breadth and width of the economic value that will be realized in the years to come.

**Internal Audit response:** Any perceived breadth and width economic value to be realized in future years should be included in management’s written response.

5. The Clerk should conduct an Econometric Analysis of EII’s operations to provide a more balanced view of benefits generated to Collier County.

**Internal Audit response:** It is not the Clerk’s role to create an Econometric analysis for EII. Should EII provide any models or supporting documentation, Internal Audit will receive and analyze the information. Upon Internal Audit’s review, the Clerk’s staff will report the findings to the BCC and the taxpayers.

Please note that while the CEO of EII has not been authorized by EII's Board of Directors to respond as of March 13, 2018, he indicated disagreement with all of the findings.

### **County Management and EII Responses as of March 13, 2018**

The Draft Audit 2018-2 was submitted for management response on February 27, 2018. At the time of the meeting on March 13, 2018, the Director of BED did not have authorization from the County Manager to provide a written response to these findings.

The CEO of EII stated that EII staff had reviewed the Draft Audit 2018-2 at the offices of the Director of BED. EII also requested and received permission to provide a copy of the Draft Audit Report to the Chairman of EII's Board of Directors, Mr. Fred Pezeshkan and to the Vice-Chairman of EII's Board of Directors, Mr. Dick Grant.

The Director of BED and representatives of EII were asked if any finding presented in this report was inaccurate, incomplete, or incorrect.

- The Director of BED provided comments for three findings; Finding #1, Finding #14, and Finding #18. The Director of BED did not provide comments for the remaining seventeen findings.
- The CEO, COO, and Volunteer Accountant of EII provided comments for three findings; Finding #4, Finding #12, Finding #13, and Finding #17.

The Director of BED and EII's verbal comments from the March 13, 2018 meeting have been included in this report.

### **On Wednesday March 21, 2018, County Management and staff provided their written response to these findings:**

#### **Combined EII and BED Response:**

EII and County staff have reviewed the submitted draft Internal Audit Report #2018-2 regarding Economic Incubators, Inc. (EII) and Business and Economic Development Division (County Staff) dated February 27, 2018. The following management responses are limited to this report dated February 27, 2018. Having not seen the version of the final Internal Audit Report before it was published on the County Commission meeting agenda by the Clerk's Office on March 21, 2018, County staff and EII staff are unsure if the final Internal Audit Report has changed in any material way from the draft Internal Audit Report which is the focus of the management responses contained herein. Therefore, EII and County staff reserve the right and demands the time to review this new report and provide complete responses to any new allegations.

**County staff is aware of ongoing concerns. The County Manager asked, and the Chief Deputy Clerk explained, the timeline needed to incorporate management's responses. The Clerk did not add any new findings, and in fact, incorporated EII's and County staff's**

**verbal comments and recommended changes from the meeting on March 13, 2018.**

**Combined EII and BED Response:**

EII Management and its Board of Directors as well as County Management have serious concerns with this largely unbalance and inaccurate internal audit document. It not only fails to adhere to the universally accepted internal auditing standards from the International Institute of Internal Auditors, but it fails in material ways to adhere to the Clerk's own Internal Audit Policy. Beginning with its meandering, ever expanding, and seemingly endless scope, to the repeated use of inflammatory language, attempted character assassination, unsupported and erroneous findings and conclusions, the Clerk's internal audit attempts to unfairly characterize the operation of the business accelerator as poorly managed and unsustainable.

**The purpose of the Clerk's audit is to bring to the attention of management deficiencies and/or concerns for corrective action, if any. The scope is clearly defined as since September 10, 2013 to present (page 5), going back to the presentation of the White Paper in 2013. The Clerk follows Florida Statutes in auditing.**

**Combined EII and BED Response:**

In fact, in a relatively short period of time, the accelerator program has provided Collier County citizens with resources to build strong businesses and created a pathway for diversifying the local economy. The program has brought millions of state and federal grant dollars home to Collier County and helped inject several million dollars of venture investment into the community.

**The Clerk has been unable to validate many of the assertions made by EII staff. The Clerk is concerned that Grant funds may be recaptured by the Grantor Agency due to misrepresentations made by EII and County staff.**

**Combined EII and BED Response:**

With respect to its financial management, EII was given an unqualified opinion that its financial statements fairly represent, in all material respects, the financial position of EII as of September 30, 2016, in accordance with generally accepted accounting principles accepted in the United States of America and it is fully anticipated that the recently completed single audit for FY 2017 will also have an unqualified opinion.

**It is worth noting that the FY2016 Audit completed on June 5, 2017, with EII's response on July 10, 2017, does not provide an assurance on EII's Internal Controls, while the opinion for the FY2016 financial statement audit contained seven significant comments:**

- 1. 2016-1: Review and Approval of Accounting Transactions Should Be Increased.**
- 2. 2016-2: Reconciliation of Fixed Assets Should Be Performed Monthly.**
- 3. 2016-3: Monthly Reconciliation and Closing Process Should be Implemented.**

4. **2016-4: Payroll Reports Should be Reconciled.**
5. **2016-5: Additional Oversight Should be Provided by the Board of Directors.**
  - a. Review monthly bank reconciliations to ensure they are being performed in a timely manner.
  - b. Review budget vs. actual statement on a monthly basis and investigate any unusual variances.
  - c. Review monthly internal financial reports for any unusual or unexpected transactions or balances.
  - d. Review payroll reports to ensure compensation agrees with approved rates.
  - e. Review the policies and procedures with respect to benefits of key employees and officers to ensure adherence to written policies.
  - f. Inquire of management and the independent auditors about significant risks or exposures facing the Company. Assess the steps management has taken to minimize such risks to the Company and review compliance with such steps.
  - g. Review key internal controls with the management team and understand how these controls will be tested, maintained and monitored during the year.
6. **2016-6: The Board Should Approve Indirect Cost Allocation Policy.**
7. **2016-7: Timely Payment of Sales Tax.**

The FY2016 external audit was result of the Clerk's continued requests for financial information. EII was not able to produce monthly, nor, annual financial statements until July 2017. The Clerk also notes \$680,110.16 in year end adjusting entries were recommended by Tuscan in the audit FY2016.

The FY2017 external audit was tendered on March 3, 2018 with management's responses dated March 22, 2018. While the Clerk's Office has not fully vetted this document, we note that the following three comments were repeated:

1. **2016-2: Reconciliation of Fixed Assets Should Be Performed Monthly.**
2. **2016-3: Monthly Reconciliation and Closing Process Should be Implemented.**
3. **2016-6: The Board Should Approve Indirect Cost Allocation Policy.**

**Combined EII and BED Response:**

Finally, the inclusion of unsubstantiated allegations made about Dr. Marshall Goodman eight years ago are irrelevant, clearly outside the legitimate scope of this audit and appear to be driven by ulterior motives. Dr. Goodman's responses follow:

**The inclusion of the 2012 USF Report was provided as background.**

**Response from Dr. Goodman:** I have had a 30 year career administratively leading some of the nation's largest most complex and highly regarded universities, rising to the rank of Full Professor, serving on hundreds of prestigious boards, with noted honors received in recognition of my service, as well as appointments to numerous positions of trust, as well as serving one Governor (Wisconsin), and being appointed as a Governor's representative (Governor Rick Scott) on the Central Florida Regional Planning Council.

While Regional Chancellor at USF Polytechnic, the campus became involved in a highly publicized Florida legislative action that ultimately led to a successful separation from USF, and the founding of Florida Polytechnic, Florida's 12th state university.

The USF April 9, 2012, Management Letter cited in the Draft Internal Audit (February 27, 2018) was never disclosed to me by USF, nor was I ever interviewed as part of the review by USF, or shown any of the findings. I was not copied on the Management Letter.

**According to the University of South Florida (USF) Memo published by Tampa Bay Online, "This resolution of Dr. Goodman's employment renders the remaining review process impractical and unnecessary." <http://www.tbo.com/news/former-poly-chancellor-resigns-from-usf-431486>**

**Dr. Goodman's Response continued:**

The two direct complaints that were anonymously cited in the Management Letter against me were both dismissed as **unfounded**. First, on a charge of paying an above market rate on a lease with a donated return, the finding was: "UAC's review determined the allegation to be unfounded."

On a second allegation involving a purported "cash swap" on a rental lease, the finding was "no 'cash swap' occurred."

**Appendix A page 2-3 clearly states that the two complaints against Dr. Goodman were unfounded, while the remaining eleven violations of USF regulations and procedures, Appendix A pages 4-20 appear to be uncontroverted.**

**Dr. Goodman's Response continued:**

I left USF on good terms, with each party wishing each other well, with a full payout from USF of funds owed, all within in a general release agreement between the USF Board of Trustees and myself. Furthermore, the release agreement cites the following: "Neither this Agreement, nor anything contained herein, is to be construed as an admission by USF or Dr. Goodman of any liability, wrongdoing or unlawful conduct whatsoever."

While the Management Letter lists eleven violations of USF regulations and procedures, the responsibility for these were on the institution and its Board and not me per se, with Mr. John [sic] Bresler, Executive Director, Finance & Administration, being held directly responsible for the alleged violations. Mr. Bresler

challenged these findings in Court, as was his right, won his case, and received a settlement from USF. After this matter was resolved, Mr. Bresler went on to be hired as the Chief Finance Officer of Florida Polytechnic University, a clear statement of that Board's confidence in him.

**Dr. Goodman places responsibility for the eleven findings on “the institution and its Board and not me per se.” Dr. Goodman was the Regional Chancellor of said institution.**

**Dr. Goodman's Response continued:**

I applied for the position of Executive Director of the Naples Accelerator (Economic Incubators Inc. had yet to be formed), through a nationwide search conducted by CareerSource of SWFL. I was interviewed first by a CareerSource staff member, and then extensively later by the CareerSource Search Committee, and then an in-depth interview with the Chair of the CareerSource Board Ken O'Leary who wanted to review my experience with USF. He in-turn personally interviewed my references.

## Findings

### 1) EII misrepresented expenditures and project status of Grant #SL025 to the DEO, the BCC, and the Clerk to obtain payments for contracts with State and Federal Grant deliverables.

EII misrepresented expenditures and project status to the Florida Department of Economic Opportunity (DEO), the BCC, and the Clerk to obtain payments for contracts with State and Federal Grant deliverables.

In July of 2016, EII entered into Grant Agreement #SL025 with the Florida Department of Economic Opportunity. Deliverable #3 of this grant, the Development of the Immokalee Culinary Arts & Service Incubator Facility, included six sub-tasks associated with the construction and space setup. In two invoices submittal packages to DEO, invoice submittal #13 on June 1, 2017 and submittal #14 on June 15, 2017, EII represented the six sub-tasks at various stages of completion. On June 28, 2017, EII then submitted invoice submittal #16, included in Appendix B, page 21, in which each sub-task and the overall Deliverable #3 is claimed to be 100% complete, with an invoice total of \$1,200,000. The grant end date was June 30, 2017; The Florida Culinary Accelerator @ Immokalee was not complete as of January 15, 2018.

Internal Audit performed a review of invoice submittal packages #13, #14, and #16 in regards to Deliverable #3 and has made the following observations:

1. On June 1 and June 15, 2017 EII submitted Invoices #13 and #14 to DEO.
2. On June 19, 2017 DEO Program Manager rejected these invoices because the Immokalee project was not 100% complete.

#### Exhibit 1-A: Email from Katie Smith at DEO to COO Jennifer Pellechio at EII, on June 19, 2017.

**From:** Katie Smith <Katie.Smith@deo.myflorida.com>  
**Date:** Monday, June 19, 2017 at 3:31 PM  
**To:** Jennifer Pellechio <jpellechio@naplesaccelerator.com>  
**Cc:** Marshall Goodman <mgoodman@naplesaccelerator.com>  
**Subject:** RE: Request for Payment - Task 3

Jennifer-

I am rejecting Invoice 13 and Invoice 14 for SL025. Please resubmit the invoice(s) showing 100% completion of the individual subtasks for payment. Also, on the new invoices, please note which subtask is 100% complete.

Thank you!

*Katie Smith*  
*Florida Department of Economic Opportunity*  
*Division of Strategic Business Development*  
*Office: 850-717-8976*  
[Katie.Smith@deo.myflorida.com](mailto:Katie.Smith@deo.myflorida.com)

3. On June 29, 2017 Dr. Marshall Goodman, President and CEO of EII submitted Invoice Package #16 to DEO, knowingly misrepresenting 100% completion of the Immokalee Accelerator and all associated sub-tasks when:

- The final invoice represented completion of all deliverables in order to receive the balance of the \$1,200,000 in DEO Grant funds.

**Exhibit 1-B: Invoice #16 dated June 28, 2017, signed by Dr. Marshall Goodman, and submitted to DEO on June 29, 2017.**

**Economic Incubators, Inc.**

**INVOICE**

TO:  
Florida Dept. of Economic Opportunity  
Attn: Katie Smith  
107 E. Madison Street,  
Caldwell Bldg. MSC 80  
Tallahassee, Florida 32399-1160

INVOICE NO.: 16  
INVOICE DATE: June 28, 2017

For:  
Economic Incubators, Inc.  
3510 Kraft Road, Suite 200

**INVOICE NO.: 16**  
**INVOICE DATE: June 28, 2017**

FEID NO.	GRANT NO.	SERVICE PERIOD	
		FROM	TO
47-1997241	SL025	May 8, 2017	June 28, 2017

DELIVERABLE NO.	DESCRIPTION	AMOUNT DUE
1		
2	3	
3	Immokalee Culinary: Contractual - Task is 100% Complete	\$1,200,000.00
	Less Advanced Payment - Immokalee	-\$200,000.00
	Paid Invoice # 9 - Contractual	-127,763.00
4	Food Runway Program: Contractual - Task is 100% Complete	\$0.00
5	Snack Shop: Contractual- Task is 100% Complete	\$0.00
<b>Total</b>		<b>\$872,237.00</b>

**Task is 100%**

Make all checks payable to Economic Incubators, Inc.

If you have questions or concerns regarding the attached invoice, please contact Marshall Goodman Jennifer Pellechio at (239) 249-5911 or email at [mgoodman@naplesaccelerator.com](mailto:mgoodman@naplesaccelerator.com) or [jpellechio@naplesaccelerator.com](mailto:jpellechio@naplesaccelerator.com)

  
Signature of Provider Authorized Representative

Marshall Goodman, President/  
Printed Name and Title

Missing Certification Statement pursuant to Grant Agreement, pg. 32, Section A. v.

v. Invoices shall include the following statement above the Grantee's signature block: "I certify, by evidence of my signature below, the Information as presented on this invoice is true and correct; the goods and services have been satisfactorily received and payment is now due. I understand the DEO and other state personal have authority to require additional documentation and/or conduct audits or inspections of grant records."

vi. Documentation necessary to support payment request and successful completion

- None of the culinary equipment was received as of June 28, 2017 when Dr. Goodman claims 100% completion.

**Exhibit 1-C: Photographs of the Immokalee facility on August 3, 2017, compared to October 3, 2017. The project was reported to be 100% complete as of June 30, 2017 and was still under construction on October 3, 2017.**



**Exhibit 1-T: Photographs of the Immokalee facility on August 3, 2017, compared to March 28, 2018. The project was reported to be 100% complete as of June 30, 2017 and had their Grand Opening on March 28, 2018.**



- The CEO of EII submitted an unsigned AIA Architect's Certification (**\$441,374.10**) representing completion of work that was not complete.
- Compass Construction provided a false Application and Certification for Payment (AIA Document G702) to EII, missing the Architect's signature; EII included this certification as supporting documentation on Invoice Submittal Package #16.

**Exhibit 1-D: DEO Grant #SL025, Page 32, Section A. x., requires certification by a licensed engineer using AIA forms G702 and G703.**

- ix. ~~Site work photographs of the pre and post construction and remodeling.~~
- x. **A certification by a licensed engineer using AIA forms G702 and G703, or their substantive equivalents, certifying that the project, or a quantifiable portion of the project for reach reimbursement is sought, is complete.**

### Certified by Compass Construction on June 28, 2017

“The undersigned Contractor certifies to the best of the Contractor’s knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all accounts have been paid by the Contractor for work for which previous Certificates of Payment were issued and payments received from the Owner, and that current payment shown herein is now due.”

Exhibit 1-E: AIA Architect's Certification included in Invoice Submittal Package #16 with signature of Architect missing.

Certified by Compass Construction on June 28, 2017

**APPLICATION AND CERTIFICATION FOR PAYMENT** AIA DOCUMENT G702 PAGE ONE OF 1 2 PAGES

TO OWNER Naples Accorcenter PROJECT: Immokalee Culinary Arts and Services APPLICATION NO: 6 Final Distribution to:  
 3500 Kraft Road, Suite 200 Naples, FL 34105  
 OWNER  
 CONTRACTOR  
 ARCHITECT  
 LENDER  
 CIVIL ENGINEER

FROM CONTRACTOR: COMPASS CONSTRUCTION, INC. ARCHITECT: BSSW Architects, Inc.  
 824 Lafayette Street Cape Coral, FL 33904 PROJECT NO: 17-1315  
 CONTRACT FOR: Immokalee Culinary Arts and Services CONTRACT DATE: 2/13/17

**CONTRACTOR'S APPLICATION FOR PAYMENT**

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Compass Construction, Inc.  
 By: [Signature] Date: 6/28/17  
 Bruce Dawns, Project Manager  
 State of Florida County of Lee  
 Subscribed and sworn to before me this 28th day of June 2017  
 Notary Public in and for the State of Florida  
 My Commission expires: 9/16/2018  
 Notary Public State of Florida  
 Marjorie M Silverberg  
 My Commission FF 180182  
 Expires 09/16/2018

**ARCHITECT'S CERTIFICATE FOR PAYMENT**

In accordance with the Contract Documents, based on the information furnished to the Architect and in the best of the Architect's knowledge, information and belief the Work has progressed to the extent, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED ..... \$ 441,374.10

Attach explanation of amount certified below from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.  
 Architect: BSSW Architects, Inc.  
 By: \_\_\_\_\_ Date: \_\_\_\_\_  
 This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Invoices, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

1. ORIGINAL CONTRACT SUM	\$	1,143,590.00
2. Net change by Change Orders (Line 4 Less Line 3 Total)		(162,980.00)
3. CONTRACT SUM TO DATE (Line 1 + 2)		980,610.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)		406,214.00
5. RETAINAGE:		
a. 0% of Completed Work (Column G + H on G703)		
b. % of Stored Material (Column F on G703)		
Total Retainage (Lines 5a + 5b or Total in Column I of G703)		0.00
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)		406,214.00
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Less 6 from prior Certificate)		538,849.90
8. CURRENT PAYMENT DUE		441,374.10
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 Less Line 6)	\$	-

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	(\$171,130.00)	
Total approved this Month	\$8,159.00	
TOTALS	(\$162,980.00)	89.00
NET CHANGES by Change Order		(\$162,980.00)

ABSTRACT OF TITLE OF ARCHITECTS, 1228 N 5TH AVENUE, SUITE 1000, TAMPA, FLORIDA 33604-1222  
 Users may obtain validation of this document by requesting a completed AIA Document D491 - Certification of Document Authenticity from the Licensee.

Missing Architect's Signature

4. EII submitted false invoices as evidence of payment in order to receive reimbursement by DEO before the close of the grant on June 30, 2017. The false invoices represented the County's Purchase Order number as the "Invoice" number compared to an actual invoice submitted to County by the Vendor in August 2017 after the majority of the equipment was actually delivered.

**Exhibit 1-F: False Invoices included in Invoice Submittal Package #16. Please note that these 'invoices' are missing dates.**

**Invoice 4500178967**

**Invoice 4500178958**

**FL Collier County - 4500178967 - ITB #17-7167, Florida Culinary Accelerator**

**FL Collier County - PO #4500178958 - ITB #17-7167, Florida Culinary**

**Page 1 of 15**

Exhibit 1-G: TriMark Strategic Invoice, validated, submitted to County for payment, dated August 25, 2017, with the County's Purchase Orders referenced on July 6, 2017.



813-873-2402

**Invoice Number:** 2935273

**Remit To:** Strategic Equipment LLC

**Invoice Date** 08/25/17  
**Due Date** 09/24/17  
**Page** 1

**P.O. Box 654020**  
**Dallas, TX 75265-4020**

**Bill To:** COLLIER COUNTY BOARD OF COUNTY  
 ACCOUNTS PAYABLE  
 BCCAPCLERK@COLLIERCLERK.COM  
 3299 TAMIAMI TRAIL E, STE 700  
 NAPLES, FL 34112

**Ship To:** IMMOKALEE REGIONAL AIRPORT #78097  
 JENNIFER PELLECHIP  
 CULINARY ACCELERATOR  
 170 AIRPARK BLVD UNIT A&B

IMMOKALEE, FL 34142

**Customer ID** 78097 **File No.** 78097

**Ship Via**  
**Ship Date** 08/25/17 **Prepared By** SPARRISH  
**SalesPerson** AMY LEASURE  
**Terms** NET 30 DAYS

**Cust. Ref.**  
**P.O. Number** 4500178958-450017896  
**P.O. Date** 07/06/17  
**Our Order No** FL203323

**Special Instructions**

Item	Equip. Ser. No.	Description	Unit	Qty	Qty	Qty	Unit	Total
Blue Print	Vendor	Vendor Item		Ord	Inv.	BO	Price	Price
142163 2		POWER PREP BASIC SYSTEM 75"W W/ 2 METCRAFT INC. 50PSP75L3B1 PER QUOTE 2026799	EACH	1	1	0	11,550.00	11,550.00 *
37761 4		ICE MAKER CUBE STYLE HOSHIZAKI SOUT KM-515MAH	EACH	1	1	0	2,360.00	2,360.00 *
31575 4		ICE BIN, TOP HINGE, 360#CAPCITY HOSHIZAKI SOUT B-500SF	EACH	1	1	0	865.00	865.00 *
90535 4		TOP KIT FOR HOSHI BIN 8" HOSHIZAKI SOUT HS-2033	EACH	1	1	0	90.00	90.00 *
88426 4		4 HC-H SINGLE WATER FILTER SYS HOSHIZAKI SOUT H9320-51	EACH	1	1	0	155.00	155.00 *
33550 4		WATER FILTER, REPLACEMENT CART HOSHIZAKI SOUT 9795-80	EACH	1	1	0	90.00	90.00 *
108344 4		WATER CONNECTOR 1/4"DIA 48"L DORMONT MFG W25BP2Q48	EACH	1	1	0	90.00	90.00 *
112550 5		ENCLOSED WORKTABLE, 306"W X 24 EAGLE GROUP SPEC TABLE PER QUOTE S00091B	EACH	1		1		

FILED  
 CLERK OF COURTS  
 COLLIER COUNTY, FLORIDA  
 2017 SEP -1 PM 1:36

5. EII wrote checks to its vendors, held the checks without issuing them to the vendors, and presented un-tendered photocopies of the checks to DEO as proof of payment to vendors. The presentation of the checks to DEO to elicit payment, in our opinion, may be fraud based on Florida Statutes 812.014 and 837.06.

- EII wrote the checks for payment to its vendors between the dates of June 26 and June 29, 2017, four days prior to the grant expiration.
- The checks were not presented to the vendors until after receipt of DEO funds, contrary to the reimbursable grant requirements.

**Exhibit 1-H: EII's Accountant's, Noack & Company, Comments on July 17, 2017 explaining that \$957,154.72 negative balance in EII's State Grant Account. "The State grant money was deposited before the checks were mailed to payees. The checks were written prior to the required closing date of the Grant, June 30."**



We are providing the following comments on the attached documents:

- Rent income and expense are reported on the SOA although the rent is paid by Collier County on behalf of EII. No cash is paid by EII as rent nor reimbursed by the County to EII's bank account.
- Rental income from donors is recorded at full lease value on EII's financial statements. On occasion there will be rent reductions as an incentive to bring a new donor to EII. This promotional rent discount is recorded as an expense in the account "Rent Promotions". For the month of June rent promotions were \$11,125. Rent promotions FY17 to date are \$72,897.50.
- Unreimbursed personnel costs from Collier County are \$61,395.76 at June 30, 2017.
- FY 17 Bad debt is currently \$11,085. EII is in the process of changing the collections process to greatly reduce the bad debt expense going forward.
- The revenue and expense for Woodstock was not in the original budget. Actual amounts are recorded on the statement of activity.
- The workforce income of \$12,500 and reimbursement of \$12,500 net to a zero balance.
- As of June 30, 2017 the FFIB State Grant account is showing a negative balance of (\$957,154.72). As of July 17 2017 the bank balance is now zero and no checks were returned to any payees. The State grant money was deposited before the checks were mailed to payees. The checks were written prior to the required closing date of the Grant, June 30.
- There is \$40,022.67 due to Private Donations from Operating
- There is \$23,000 due to Business Income from State grant. This was not stated on May financials and has been correctly stated on June financials. The transfers were \$12,000 on March 2, 2017 and \$11,000 on May 25, 2017.
- There is \$500 due to Business income from operating. This was not stated on the May financials and has been correctly stated on the June financials. The transfer was done on May 30, 2017.
- The credit card is not reconciled for June 30th since the statement is not received until later in the month for the month end transactions. All transactions through June 30th are reported in these financial statements and have been verified with the credit card account.
- A/R is \$1,074,464, of which \$1,777 is over 90 days. This includes rent prepayments of \$480 at June 30. A/R excluding prepayments is \$2,257. Included in receivable is State grant receivable of \$1,006,218. State grant funds in the amount of \$872,237 for Task 2 were received July 17, 2017.



- The workforce income of \$12,500 and reimbursement of \$12,500 net to a zero balance.
- As of June 30, 2017 the FFIB State Grant account is showing a negative balance of (\$957,154.72). As of July 17 2017 the bank balance is now zero and no checks were returned to any payees. The State grant money was deposited before the checks were mailed to payees. The checks were written prior to the required closing date of the Grant, June 30.
- There is \$40,022.67 due to Private Donations from Operating

**Exhibit 1-I: EII's Reconciliation Report for the account known as 'State Grant' dated July 17, 2017. (1.) As of July 2, 2017 there was -\$974,439.08 in Un-Cleared Transactions. (2.) Un-Cleared Checks and Payments as of July 2, 2017, showing checks written between the dates of June 26 to June 29, 2017. The Highlighted check numbers appear in Invoice Submittal Package #16 as supporting documentation. (3.) On July 17, 2017 EII deposits \$872,237.00 from the State of Florida Department of Economic Opportunity.**

7/17/2017 Reconcile Session Report

**Economic Incubators, Inc.**  
**Reconciliation Report**  
 FFIB [REDACTED] EII (State Grant), Period Ending 07/02/2017  
 Reconciled on: 07/17/2017 (any changes to transactions after this date aren't reflected on this report)  
 Reconciled by: Lisa Lotocke

**Summary**

Statement Beginning Balance	8,567.17
Checks and Payments cleared	-251,602.50
Deposits and Other Credits cleared	+260,319.69
Statement Ending Balance	17,284.36
<b>Uncleared transactions as of 07/02/2017</b>	<b>-974,439.08</b>
Register Balance as of 07/02/2017	-957,154.72
Uncleared transactions after 07/02/2017	957,154.72
Register Balance as of 07/17/2017	0.00

(1.)

**Additional Information**

**Uncleared Checks and Payments as of 07/02/2017**

<u>Date</u>	<u>Type</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
7/17/2017				
06/26/2017	Bill Payment	2126	Collier County Business & Economic Development Division	-111,424.00
06/27/2017	Bill Payment	2128	Florida Gulf Coast University	-133,980.71
06/27/2017	Bill Payment	2129	BSSW	-2,375.00
06/27/2017	Bill Payment	2130	BSSW	-5,599.75
06/28/2017	Bill Payment	2131	DB Consulting, Inc.	-5,000.00
06/28/2017	Bill Payment	2134	BSSW	-9,934.00
06/28/2017	Bill Payment	2136	Compass Construction, Inc.	-151,576.20
06/28/2017	Bill Payment	2137	Compass Construction, Inc.	-109,816.20
06/29/2017	Bill Payment	2132	BSSW	-3,359.12
06/29/2017	Bill Payment	39	Compass Construction, Inc.	-441,374.10
Total				-974,439.08

(2.)

**Uncleared Deposits and Other Credits after 07/02/2017**

<u>Date</u>	<u>Type</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
07/03/2017	Deposit		State of Florida- Department of Economic Opportunity	133,980.71
07/07/2017	Transfer			110,000.00
07/17/2017	Deposit		State of Florida- Department of Economic Opportunity	872,237.00
07/17/2017	Transfer			2,335.11
07/17/2017	Transfer			4,135.87
Total				1,122,688.69

(3.)

6. EII staff submitted copies of the checks to DEO as proof of payment. The following has been determined:
- Copies of checks presented to DEO were not cancelled checks, as required in the Grant Agreement, and as EII had submitted in prior invoice submittals.
  - EII received payment from DEO on July 17, 2017, and released the checks to their vendors and the County.

**Exhibit 1-J: DEO Grant #SL025, Page 32, Section A. ii., requires a cancelled check, electronic transfer or, a copy of the check and the bank statement highlighting the cancelled check.**

- i. An overall summary of the project tasks with specific details of the progress accomplished during the payment period.
- ii. Proof of payment for related Project costs in the form of a copy of the cancelled check, electronic transfer or, a copy of a check and the bank statement highlighting the cancelled check;**
- iii. Invoices for all work associated with the Deliverable as outlined in this Scope of Work paid by Grantee (see Section 6.B for contractor invoice requirements);

7. Dr. Goodman failed to include the required certification statement above the signature block attesting to the completion of the project.

**Exhibit 1-K: DEO Grant #SL025, Page 32, Section A. v., requires a certification statement above the signature block.**

- v. Invoices shall include the following statement above the Grantee's signature block: "I certify, by evidence of my signature below, the information as presented on this invoice is true and correct; the goods and services have been satisfactorily received and payment is now due. I understand the DEO and other state personal have authority to require additional documentation and/or conduct audits or inspections of grant records."**
- vi. Documentation necessary to support payment request and successful completion

8. EII did not submit photographs of the post-construction and remodeling, as required in the grant agreement.

**Exhibit 1-L: DEO Grant #SL025, Page 32, Section A. ix., requires site work photographs of the pre and post construction and remodeling.**

- viii. If applicable, completed Photographer Release Form, and/or Model Release Form as required in Section 14 of this Scope of Work.
- ix. Site work photographs of the pre and post construction and remodeling.**
- x. A certification by a licensed engineer using AIA forms G702 and G703, or their

**Exhibit 1-M: Photo of Immokalee facility interior space, under construction, submitted on the June 15, 2017 Invoice Submittal Package #14.**



**\*\*\* Pictures of this space were NOT submitted to DEO with Invoice #16 on June 29, 2017, as required\*\*\***

**Exhibit 1-N: Photos of Immokalee facility interior space, under construction, during Internal Audit Site Visit on July 7, 2017, compared to EII's site photo on or about June 15, 2017 from Exhibit 1-M.**



**Exhibit 1-O: Photos of Immokalee facility interior space, under construction, during Internal Audit Site Visit on August 3, 2017 compared to October 3, 2017.**



**August 3, 2017**



**October 3, 2017**

9. On June 29, 2017, EII staff falsely claimed 100% completion and the acquisition of all necessary state and local permits. Whereas, the permit history for the Florida Culinary Accelerator @ Immokalee that was confirmed by Mrs. Claudine Auclair, the Business Center Manager for Collier County Operations and Regulatory Management, shows the first permit was applied for on September 30, 2016 and the first Temporary Certificate of Occupancy was issued in December 2017. Below is the history of the permits for this project:

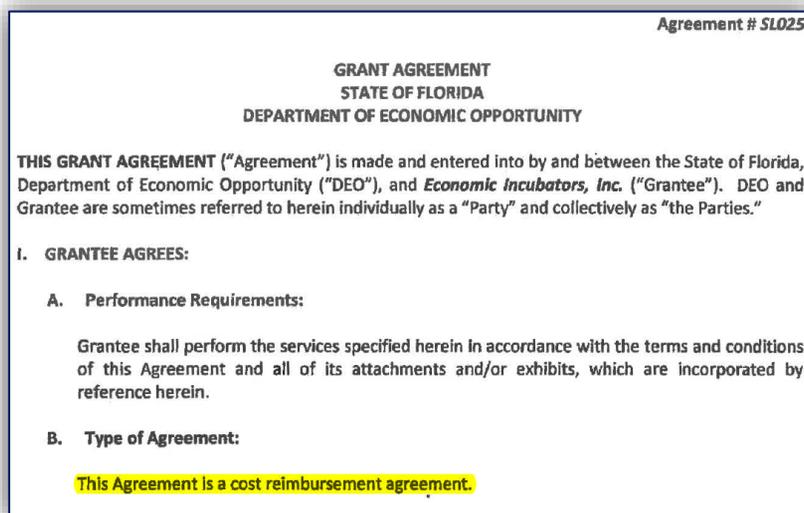
- Permit was applied for on September 30, 2016
- First Temporary Certificate of Occupancy was not issued until December 2017
- Temporary Certificate of Occupancy was extended on January 9, 2018
- Final Certificate of Occupancy was issued on **January 17, 2018**
- State Licensing from the Department of Business and Professional Regulation, applied for on or about January 19, 2018 was subsequently approved on February 7, 2018, with Final Inspection on February 10, 2018.

### **Lessons Learned from the Lost Funding from Grant #SL007**

In a previous situation, the County's Grant #SL007 with DEO, the time ran out for completion of the Naples Accelerator and the County lost grant funding. Grant #SL007 was only awarded \$723,000 out of \$2.5 million in approved funding. \$350k was spent on furniture using expired tax-exempt certificates, and irregular bidding and solicitation processes were identified under the Naples Accelerator project.

Since Grant #SL025 is a Cost Reimbursement Grant, EII had to spend the money and complete the deliverables before the close of the grant period on June 30, 2017, in order to receive reimbursement from DEO. Therefore, EII provided as part of Invoice Submittal Package #16 false statements of 100% completion, "invoices" un-cleared checks, and un-signed Architect's statement AIA G702. EII also failed to submit pre and post construction photos and did not include the required certification above the signature block.

**Exhibit 1-P: Page 1 of Agreement #SL025 defining the type of agreement as a cost reimbursement agreement.**



## **DEO Refuses to Provide Assurances to the Clerk**

On October 5, 2017, the Clerk had scheduled a conference call with Katie Smith, Greg Britton, and Adam Calloway from DEO. The County Manager, County staff, EII Board members, EII Executive staff, and the Clerk's Internal Audit team were also present. During the conference call with DEO, the Clerk repeatedly asked DEO if Invoice Submittal Package #16 which included falsified supporting documentation was sufficient, even though the equipment was not received, that false invoices had been submitted, and that the checks provided were not cancelled or cashed?

Katie Smith and Greg Britton from DEO stated numerous times, ***"We relied upon the documents we were given."***

After the Clerk raised additional questions and concerns, DEO staff continued to state, ***"We relied upon the documents we were given."*** The Clerk then asked if DEO staff would put in writing that DEO would not request payback of grant funds. Greg Britton responded with, ***"Why do you need it?"***

In a follow-up email on October 9, 2017, the Clerk requested a written assurance from DEO regarding the Clerk's concerns that were communicated to DEO on October 5, 2017 (Appendix D, page 199).

On October 12, 2017, Peter L. Penrod, General Counsel for DEO, responded to the Clerk's request by stating, ***"I am, however, unaware of any legal requirement for DEO to provide you or your office with its [DEO's] position on this matter. As such, DEO is not inclined to provide a written position at this time."*** Mr. Penrod additionally stated, ***"[DEO does not] agree with your premise in your concluding paragraph that DEO is somehow required to provide your office with 'assurances' of any kind."*** (Appendix E, page 204).

## **Conclusion:**

The Immokalee Accelerator was not 100% complete on June 29, 2017, as claimed by EII's invoice submittal, according to documentation, observations, and photographs obtained. EII made false statements and submitted falsified documents to the Grantor Agency, Florida DEO. DEO has been made aware of the Clerk's findings and refuses to provide assurances that they will not recover funds. The Florida Culinary Accelerator @ Immokalee has not opened as of February 1, 2018. EII's actions have created a risk that is no less than \$1,200,000 in potential claw-backs and jeopardizes future grant opportunities. The BED failed to monitor the actions of the county's vendor, EII.

## **Recommendations:**

- The Board of County Commissioners should consider their alternatives in regards to the contract with EII and notify them of potential reimbursements that may be required to State of Florida and Federal grantors and/or the County taxpayers.
- The BED needs to provide proper oversight and monitoring of County vendors.
- The BED should monitor, evaluate, and review vendor actions and the County Manager should report to the BCC any deficiencies.

### **County Management Response:**

At the March 13, 2018 meeting between BED, County staff, EII staff and the Clerk's Internal Audit team, the Director of BED stated that he is unaware of what the problem is, ***"DEO approved this, the filing was sufficient, DEO said this to your boss (The Clerk) four times during our conversation."***

The Clerk's Internal Audit staff then asked the Director of BED if there was anything specific he objected to or if he could provide any documentation that is contrary to this finding. The Director of BED replied, ***"no."***

On Wednesday March 21, 2018, County Management and EII staff provided their written response to these findings

### **Internal Audit Response to County Management Comments:**

The Director of BED was referencing the conference call on October 5, 2017 in which the Clerk explained to DEO that the documents DEO relied upon as sufficient were falsified, the work was not completed, and that goods had not been received before the end of DEO's Fiscal Year (June 30, 2017).

At least one month before the close of the grant on June 30, 2017, EII had known, or should have known, that the delivery of the equipment and the completion of the construction of the Immokalee facility would not be complete on time. Particularly since the County Purchase Order for the equipment was not issued until June 27, 2017 and not received by TriMark until July 6, 2017 (see Exhibit 1-G).

**Exhibit 1-Q: Grant #SL025, page 32, detailing supporting documentation required to be submitted by Grantee.**

- A. Grantee's Invoice package shall be neatly organized with supporting documentation for each Deliverable; and include a cover letter on Grantee's letterhead signed by Grantee's Agreement Manager certifying that all costs:
1. Were incurred after June 30, 2016 and on or before July 1, 2017.
  2. Are for one or more of the tasks as outlined in this Scope of Work. Documentation of payment shall include:
    - i. An overall summary of the project tasks with specific details of the progress accomplished during the payment period.
    - ii. Proof of payment for related Project costs in the form of a copy of the cancelled check, electronic transfer or, a copy of a check and the bank statement highlighting the cancelled check;
    - iii. Invoices for all work associated with the Deliverable as outlined in this Scope of Work paid by Grantee (see Section 6.B for contractor invoice requirements);
    - iv. Grantee's invoices shall include the date, period in which work was performed, amount of reimbursement, and percent of work completed to date;
    - v. Invoices shall include the following statement above the Grantee's signature block: "I certify, by evidence of my signature below, the information as presented on this invoice is true and correct; the goods and services have been satisfactorily received and payment is now due. I understand the DEO and other state personal have authority to require additional documentation and/or conduct audits or inspections of grant records."
    - vi. Documentation necessary to support payment request and successful completion of deliverables, as required in Section 4 of this Scope of Work;
    - vii. All travel documentation in accordance with Section 112.061 Florida Statutes; and
    - viii. If applicable, completed Photographer Release Form, and/or Model Release Form as required in Section 14 of this Scope of Work.
    - ix. Site work photographs of the pre and post construction and remodeling.
    - x. A certification by a licensed engineer using AIA forms G702 and G703, or their substantive equivalents, certifying that the project, or a quantifiable portion of the project for which reimbursement is sought, is complete.
- B. All documentation necessary to support payment requests must be submitted with Grantee's invoice, as described in Section I.G. of the Agreement, for DEO's review. All supporting documents must:
1. be on company letterhead with contractor's name and address;
  2. include a date;
  3. invoice number;
  4. include period of performance;
  5. description of work performed;
  6. include unit cost and quantity; and
  7. include a statement certifying that the work for which reimbursement is sought is complete.
- C. Any other information which DEO may require from Grantee that DEO deems necessary to verify that the services have been rendered under the Agreement. The State may require any other information from Grantee that the State deems necessary to verify that the services have been rendered under the Agreement.

**6. Return on Investment:**

On May 26, 2017, about one month before the close of DEO's Fiscal Year, the COO of EII explains to EII's external accountant that the state grant is not an advance grant, it is a reimbursable grant. Jennifer Pellechio stated in the May 26, 2017 email, ***"We must spend the \$ - cut the check, invoice the state, then we are reimbursed."*** See Exhibit 1-R below.

**Exhibit 1-R: Email from Jennifer Pellechio to Janet Noack on May 26, 2017. This email was provided to the Clerk's Internal Audit on March 8, 2018, after numerous requests for supporting documentation.**

of June 30 - The credit card is paid on monthly we are not paying interest.

8. The state grant is not an advance grant. This is a reimbursement grant. \$200,000 was provided as a cash advance, but that has been spent. **We must spend the \$ - cut the check, invoice the state, then we are reimbursed.** The FY for the state is different than the FY of county and EII. If you look at a income statement from June 1, 2016 to present for the State Task items, it is more clear. See my spreadsheet attached.
9. Need to include Rent paid by the county like last FY. I believe you might already have line itmes for this.
10. This is something that you can resolve.

Observations –

- **the bank accounts have never been overdrawn, maybe QB, but not bank**
- Look at my spreadsheet attached – not sure why this is not accurate in QB, should be.
- Rents – enter into QB
- Discounts – probably need to explain this. We show a full rate price and then discount 50%. This various, sometimes 6 months, sometimes longer. Based on Director.
  - This is a big issues – not sure how we fix this to show accurate in the report.
- Equity – might resolve from audit
- Credit is wrong – in wrong account.

Hope this helps!

***Jennifer Pellechio, MBA, CECD, InBIA***

***Chief Operating Officer***

Economic Incubators, Inc.

**Naples Accelerator**

3510 Kraft Road, Suite #200

Naples, FL 34105

On June 19, 2017, Katie Smith from DEO rejected Invoice Submittal Package #13 & #14 and instructed EII, ***“Please resubmit the invoice(s) showing 100% completion of the individual subtasks for payment.”***

**Exhibit 1-A: Email from Katie Smith at DEO to COO Jennifer Pellechio at EII on June 19, 2017.**

**From:** Katie Smith <Katie.Smith@deo.myflorida.com>  
**Date:** Monday, June 19, 2017 at 3:31 PM  
**To:** Jennifer Pellechio <jpellechio@naplesaccelerator.com>  
**Cc:** Marshall Goodman <mgoodman@naplesaccelerator.com>  
**Subject:** RE: Request for Payment - Task 3

Jennifer-

I am rejecting Invoice 13 and Invoice 14 for SL025. Please resubmit the invoice(s) showing 100% completion of the individual subtasks for payment. Also, on the new invoices, please note which subtask is 100% complete.

Thank you!

*Katie Smith*  
*Florida Department of Economic Opportunity*  
*Division of Strategic Business Development*  
*Office: 850-717-8976*  
[Katie.Smith@deo.myflorida.com](mailto:Katie.Smith@deo.myflorida.com)

Six minutes later, the COO of EII responded back to Katie Smith, ***“We understand and will resubmit invoices shortly.”*** Please note that the COO of EII does not allude to how EII will be 100% complete in the next nine days.

**Exhibit 1-S: Email response from COO Jennifer Pellechio at EII to Katie Smith at DEO, six minutes later on June 19, 2017 at 3:37 PM.**

**Smith, Katie**

**From:** Jennifer Pellechio <jpellechio@naplesaccelerator.com>  
**Sent:** Monday, June 19, 2017 3:37 PM  
**To:** Smith, Katie  
**Cc:** Marshall Goodman  
**Subject:** Re: Request for Payment - Task 3

We understand and will resubmit invoices shortly.

***Jennifer Pellechio, MBA, CEcD, InBIA***  
***Chief Operating Officer***

Economic Incubators, Inc.  
**Naples Accelerator**  
3510 Kraft Road, Suite #200  
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1.239.249.5911 x 701 (office)  
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[Email](#) | [Website](#)

During the conference call on October 5, 2017, the Clerk asked DEO's attorney if he was of the opinion that the invoice submitted was legal.

DEO's attorney, Mr. Greg Britton, responded, ***"The attorney has not had the opportunity to review the invoice for legality."***

The Internal Audit Manager, James Molenaar, asked Greg Britton, ***"When will there be a time when the attorney will review the invoices and grant agreement?"***

Mr. Greg Britton responded, ***"It is not under the attorney's purview and the attorney renders no opinion."***

Ms. Katie Smith and Mr. Greg Britton both stated that they, ***"relied on the invoice DEO received on June 28<sup>th</sup>, 2017"*** despite the fact that the Mr. James Molenaar and Mrs. Crystal Kinzel had previously informed Ms. Katie Smith that TriMark confirmed that this was not their company invoice.

The Clerk asserted, ***"The Invoice (submitted) cannot be correct because the goods had not yet been received and it was not the company [an official TRIMARK generated invoice] who created the invoices"*** (Appendix D, page 199).

The "invoice" was provided by Stacy Parrish, a Project Coordinator for TriMark Strategic, and not the Billing Department for TriMark as confirmed by Nicole Temperton, Controller.

This means that DEO is knowledgeable of the false statements and falsified documents submitted for reimbursement in Invoice Submittal Package #16, in which case DEO has refused to offer a legal opinion as to legality. The reimbursement by DEO to EII does not appear to be legal, nor in compliance with contract requirements (see Exhibit 1-Q).

The failure by DEO's legal counsel to affirmatively state the reimbursement payment made by DEO to EII was legal is not necessarily indicative of the preclusion of a future finding of theft, fraud, or official misconduct.

It is well known that the Florida Commission on Ethics (Commission) investigates matters involving the Misuse of Public Position by governmental employees. Moreover, public employees are prohibited from corruptly using or attempting to use their official positions or the resources thereof to obtain a special privilege or benefit for themselves or others. [Sec. 112.313(6), Fla. Stat.]. Therefore, this matter may be ripe for a sworn complaint to be filed with the Commission office for further investigation and if applicable a public hearing. Ultimately, after a public hearing, the administrative law judge may recommend to the Governor that the public employee can be dismissed, suspended, demoted, censured, and/or fined in an amount of up to \$10,000 per charge.

Additionally, this matter may be ripe for a sworn complaint to be filed with an appropriate Law Enforcement Agency for further investigation and if applicable a public prosecution of any and all crimes by any public employee or person, including EII Employee(s)/Director(s). The complaint may contain allegations of Theft, Official Misconduct, and participating in a Scheme to Defraud. The *Scheme to Defraud* statutes prohibits two types of frauds:

1. Systematic, ongoing course of conduct with the intent to defraud one or more persons, whether or not any specific misrepresentation is made;
2. Systematic, ongoing course of conduct with the intent to obtain property from one or more persons by false or fraudulent pretenses, representations, or promises.

A statement or representation is “false” or “fraudulent” if it relates to material facts and is known to be untrue or is made with reckless indifference as to the truth or falsity, and is made or caused to be made with the intent to defraud. A statement or representation may also be “false” or “fraudulent” when it constitutes a half-truth, or effectively conceals a material fact, with the intent to defraud.

Under the law, every agent or employee representing or working for someone else, the employer, has a duty called a *fiduciary duty* to act honestly and faithfully in all of his dealings with the employer, and to transact business in the best interest of the employer, including a duty to make a full and fair disclosure to the employer of any personal interest or profit the employee expects to derive or has derived from any transaction in which he participates in the course of the employment. If, instead, the employee acts to make his personal decisions based upon his own personal interests such as, embezzling money, falsifying documents and/or making false statements regarding a grant, or even receiving a personal benefit from conflict of interest, the employee has defrauded the employer of the employee’s honest services and/or loyal services.

Should a prosecution occur for the crime of a Scheme to Defraud, the prosecution must prove that the employee/person intended to breach a fiduciary duty, and that the employee foresaw, or reasonably should have foreseen, that the employer might suffer economic harm (such as claw back of grant funds) because of that breach. It is not necessary for the prosecution to prove that the defendant/employee was actually successful in defrauding anyone or successful in obtaining property by means of false or fraudulent pretenses, representations or promises. Nor does the prosecution need to prove that anyone or entity lost any money or property as a result of the scheme. An unsuccessful scheme is as illegal as a scheme or plan that is ultimately successful. One must recognize that under the common law doctrine of *Vicarious Liability*, each member of a Scheme to Defraud is responsible for the actions of the other co-schemers performed during the course of and in furtherance of the scheme.

County Management, the Director of BED and EII staff have been aware of above concerns as early as the July 14, 2017 meeting with the Clerk’s staff.

**On Wednesday March 21, 2018, County Management and EII staff provided their written response to these findings:**

**Management Responses to Audit Findings.**

**Finding 1:** EII misrepresented expenditures and project status of Grant #SL025 to the DEO, the BCC, and the Clerk to obtain payments for contracts with State and Federal Grant deliverables.

**EII’s Response.**

1. Correct; **Clerk's assertion** "On June 1 and June 15, 2017, EII Submitted invoice submittal packages #13, #14 to DEO".

**EII's response:** This statement is correct.

2. Incorrect; **Clerk's assertion** that "On June 19, 2017 DEO Program Manager rejected these invoices because the Immokalee project was not 100% complete."

**EII's Response:** The email language "resubmit the invoice(s) showing 100% completion" was direction from the DEO Program Manager pursuant to their policies and procedures. EII staff was directed to resubmit Invoices #13, #14 and #16 in a single package indicating 100% completion.

**The Clerk notes that EII misstates the email referenced in Exhibit 1-A and omits DEO's twice stated references to the subtasks.**

**Please refer to Exhibit 1-A, page 16, in the audit report. The actual quote from the June 19, 2017 email is as follows, "Jennifer – I am rejecting Invoice 13 and Invoice 14 for SL025. Please resubmit the invoice(s) showing 100% completion of the individual subtasks for payment. Also, in the new invoices, please note which subtask is 100% complete. Thank you! /s/ Katie Smith"**

**Dr. Goodman submitted Invoice #16 on June 28, 2017 indicating "Task is 100% complete". This is not true.**

3. Incorrect; **Clerk's assertion** that "On June 20, 2017, Dr. Marshall Goodman, President and CEO of EII, submitted Invoice Package #16 to DEO, knowingly misrepresenting [*sic*] 100% completion of the Immokalee Accelerator and all associated sub-tasks.

a. Incorrect; **Clerk's assertion** that "The final invoice represented completion of all deliverables in order to receive the balance of the \$1,200,000 in DEO Grant funds".

**EII's Response:** This is a false statement, based on discussion with the DEO Program Manager, the project was complete to DEO's satisfaction. EII was directed to submit final invoices reflecting 100% completion.

**Dr. Goodman's assertion appears to be that EII was directed by DEO to submit final invoices reflecting "100% complete", knowing that the tasks were not complete.**

**On April 2, 2018, Dr. Goodman stated that pursuant to a telephone phone call with DEO, he was directed to submit final invoices. Dr. Goodman further asserted that EII was not required to "complete" the Immokalee accelerator; they are only required to "establish" the accelerator.**

**According to the Florida Department of Financial Services website:**

**Exhibit 1-U: Grant Disbursement Information, Agency Name: Department of Economic Opportunity, Agency Contract ID: SL025.**

<b>Financial Consequences:</b> Failure to complete the minimum level of service will result in non-payment.		
<b>Source Documentation Page Reference:</b>		
<b>Deliverable Number:</b>		
	Aid financing	"Development of the Immokalee Culinary Arts & Services Facility Grantee shall complete the constru...
		Cost Reimbursement
<b>Major Deliverable:</b> "Development of the Immokalee Culinary Arts & Services Facility Grantee shall complete the construction and space set up of the facility as outlined in Section 2.F.3. of this Scope of Work. "		
<b>Deliverable Price:</b> \$0.00		
<b>Non Price Justification:</b> Price cannot be determined until the work has been completed		
<b>Performance Metrics:</b> "At a minimum, the Grantee shall complete one construction and space setup of the facility subtask as outlined in Section 2.F.3. as evidenced by submittal of the following, as applicable: "€" Copies of all designs, plans, and permits obtained or required to be obtained for the purpose of accomplishing the project "		
<b>Financial Consequences:</b> Failure to complete the minimum level of service will result in non-payment.		
<b>Source Documentation Page Reference:</b>		
<b>Deliverable Number:</b>		

**Also, according to the EII/DEO contract Deliverable 3:**

**Exhibit 1-V: Grant #SL025, Deliverable 3, pages 29-30, version date April 12, 2016.**

DELIVERABLE 3		
Deliverables and Tasks	Minimum Performance Standards	Financial Consequence
<b>Development</b> of the Immokalee Culinary Arts & Services Facility  Grantee shall complete the construction and space set up of the facility as outlined in Section 2.F.3. of this Scope of Work.	At a minimum, the Grantee shall complete one construction and space setup of the facility task as outlined in Section 2.F.3. as evidenced by submittal of the following, as applicable: <ul style="list-style-type: none"> <li>Copies of all designs, plans, and permits obtained or required to be obtained for</li> </ul>	Failure to complete the minimum level of service will result in non-payment.
Page 29 of 42		
Version date: 04/12/2016		
	the purpose of accomplishing the project	
Total Cost of this Deliverable Not to Exceed: \$1,200,000.00		

**Exhibit 1-W: Grant #SL025, Section 2.F.3. , pages 26, version date April 12, 2016**

### 3. Development of the Immokalee Culinary Arts & Services Incubator Facility

The Incubator will be located in Immokalee, in a leased facility adjacent to the Immokalee Airport. The Immokalee facility will be equipped with commercial kitchen equipment, food and beverage product development, processing, distillation and testing equipment, and cold food storage equipment. **The Grantee shall build** the facility to meet all applicable FDA, USDA, and state and local requirements, in accordance with the Accelerator's approved construction plans.

**In order to complete this activity**, the Grantee shall perform the following tasks:

a. **Construction and Space Setup:** The future leased space for the culinary food accelerator is anticipated to be approximately 5,000-6,000 square feet of both indoor and outdoor spaces, and requires extensive remodeling, and commercial equipment. In addition, a food laboratory **will be built** and equipped within the facility that will be utilized by the University of Florida, for food science and product testing and safety. The setup subtasks will include:

- i. Negotiation of lease terms. Grantee shall provide a copy of the executed lease to DEO.
- ii. Approval of final remodeling plans. Grantee shall provide a copy of the plans to DEO.
- iii. **Acquisition of all necessary state and local permits.** Grantee shall provide a copy of the state and local permits to DEO.
- iv. **Construction/remodeling of the space in accordance with the approved final remodeling plans.**
- v. **The purchase, lease, and installation of commercial equipment in accordance with the plan.**
- vi. The provision of services such as necessary legal, accounting, marketing, education, and information technology services.

b. Incorrect; **Clerk's assertion** that "None of the culinary equipment was received as of June 28, 2017 when Dr. Goodman claims 100% completion.

**EII's Response:** EII was responsible for providing the cash match for the equipment in compliance with the DEO grant. The funds for the cash match were obligated to the purchase of the equipment prior to the June 30<sup>th</sup> end date.

**The Clerk notes EII's confirmation that none of the culinary equipment was received as of June 28, 2017, as stated in the finding. Additionally, the cash match in the amount of \$111,424.00 was not provided to the County prior to June 30, 2017 (see EII response 5.a., 5.b., 6.a., and 6.b. to follow). EII Check #2126 for \$111,424.00 was received by the Clerk's Finance Department on July 27, 2017.**

c. Incorrect; **Clerk's assertion** that "The CEO of EII knowingly submitted an unsigned AIA Architect's Certification (\$441,374.10) representing completion of work that was not complete.

**EII's Response:** The entire package was accepted by DEO as submitted. EII has been in contact with the architect and he is aware of the Clerk's concern. EII continues to have a good relationship with the architect and offers to seek his signature to resolve this particular concern.

Even though EII disagrees with this finding, the Clerk notes that EII's external auditor, Tuscan, informed EII during the course of the FY2017 single audit of the same finding before March 3, 2018.

The Clerk accepts EII's admission that the referenced AIA Architect's Certification was submitted to DEO unsigned, and that the AIA Certification remained unsigned by the architect until March 21, 2018. Grant #SL025 requires AIA certification (see Exhibit 1-D, page 20) for reimbursement.

On April 2, 2018, Dr. Goodman asserted that "completion" is not required in the Grant agreement and that they were only required to "establish" the accelerator. Dr. Goodman stated that they met the "minimum standard requirement".

- a. Incorrect; **Clerk's assertion** that "Compass Construction knowingly provided a false Application and Certification for Payment (AIA Document G702) to EII, missing the Architect's signature; EII included this certification as supporting documentation on Invoice Submittal Package #16.

**EII's Response:** This is a misrepresentation of the timeline. The DEO accepted the documents as submitted as "substantive equivalents" certifying that the project is complete.

The form submitted indicated Task - 100% complete, which was not true. The Clerk has contacted Compass Construction, no less than three separate occasions, for their explanation as to how they were 100% complete on June 28, 2017. As of March 28, 2018, Compass Construction has failed to provide a response. Mr. Bruce Downs, the Project Manager for Compass Construction, repeatedly answered the Clerk's Internal Audit questions by replying, "(he) would get back to us." As of March 28, 2018, Compass Construction had not provided documents or a response.

EII provided the Clerk with the signed AIA Document G702 on March 29, 2018. The final signature from the architect is dated March 21, 2018.

4. Incorrect; **Clerk's assertion** that "EII submitted false invoices as evidence of payment in order to receive reimbursement before the close of the grant on June 30, 2017. The false invoices represented the County's Purchase Order number as the "Invoice" number compared to an actual invoice submitted to County by the vendor in August 2017 (Exhibit 1-F), page 10, after the majority of the equipment was actually delivered"

**EII's Response:** This is a false statement. The invoices referenced by the Clerk were submitted

to the State to clearly identify the equipment ordered using the DEO grant funds as cash match and the USDA funds awarded to the County. As stated above EII was obligated to provide cash match in the amount of \$111,424.00. EII is concerned by the accusatory language used by the Clerk in this sub finding.

**The purchase of the culinary equipment was not complete as of June 30, 2017. The cash match was only “obligated” as of June 28, 2017.**

**As described in the finding, EII submitted “invoices” from TriMark Strategic as evidence of payment in addition to a photocopy of the check (not the cancelled check) for EII’s cash match, to elicit payment from DEO. The County did not receive the cash match from EII until July 27, 2017.**

5. Incorrect; **Clerk’s assertion** that “EII wrote \$974,439.08 in checks to its vendors, held the checks without issuing them to vendors, and presented copies of the checks to DEO to elicit payment, in our opinion, is fraud based on Florida Statutes 812.015 and 837.06.”

**EII’s Response:** EII is concerned the Clerk’s opinion incorrectly characterizes EII’s normal business processes.

a. Correct; **Clerk’s assertion** that “EII wrote the checks for payment to its vendors between the dates of June 26 and June 29, 2017, four days prior to the grant expiration pursuant to the direction of the grantor.

**This is a misrepresentation of the Clerk’s comment. Please refer to page 24 and note that the phrase “pursuant to the direction of the grantor” does not appear in the Clerk’s assertion.**

**EII’s Response:** pursuant to EII’s regular course of business processes, EII provides check requests to its Accounting Firm that handles the disbursement of funds.

**The Clerk has noted EII’s overall lack of internal controls and questions the oversight of EII’s Board of Directors that would allow EII staff to write nearly \$1 million dollars of checks and not tender them for payment.**

**Furthermore, to write checks and hold them until funds are received, is a lack of proper controls causing misstatements in financial reporting.**

b. Incorrect; **Clerk’s assertion** that “The checks were not presented to the vendors until after receipt of DEO funds, contrary to the reimbursable grant requirements.

**EII’s Response:** The normal procedure is that EII picks up the checks from the accountant’s office, brings them to CEO for signature, then the Business Specialist mails the checks via US Postal Service, first class mail. Although EII staff do not have recollection of specifically mailing

these particular checks, EII is confident that the normal procedure of picking up the checks and then mailing them was followed. EII staff do confirm the work was completed as required by the June 30, 2016 deadline.

**The Clerk notes that EII staff cannot recall the details regarding nearly \$1 million in checks for services and equipment not completed prior to the grant end date.**

**Since EII staff cannot provide any additional information, the Clerk refers to Exhibit 1-H with EII's external accountant's comments dated July 18, 2017, "The State Grant money was deposited before the checks were mailed to payees. The Checks were written prior to the required closing date of the Grant, June 30."**

**Exhibit 1-I, (3), shows a deposit from State of Florida – Department of Economic Opportunity in the amount of \$872,237.00 on July 17, 2017.**

6. Incorrect; **Clerk's assertion** that "Dr. Goodman knowingly submitted copies of the checks as proof of payment when he knew that the checks were not going to be sent to their vendors until after EII received the payment from DEO."

**EII's Response:** This is a false statement. EII followed its normal business practices.

**The Clerk has noted the lack of internal controls regarding EII's "normal business practices." Please refer to Appendix B, pages 75, 77, 87, 116, 134, & 135 for the checks that are identified in Exhibit 1-I (2). Please note that check #2123 was presented to DEO (Appendix B, page 79), then voided.**

a. Incorrect; **Clerk's assertion** that "Copies of checks presented to DEO were not cancelled checks, as required in the Grant Agreement, and as EII had submitted in prior invoice submittals.

**EII's Response:** The copies of the checks were submitted at the request of the DEO Program Manager pursuant to a telephone conversation with EII staff held on June 19, 2017, as referenced in 5a, herein above.

**This assertion appears to imply that DEO requested documentation not in accordance with their contract, which requires cancelled check, not copies.**

b. Incorrect; **Clerk's assertion** that "EII received payment from DEO on July 17, 2017, and subsequently released the checks to their vendors and the County.

**EII's Response:** Payment was received from DEO on July 17, 2017, however, checks were released in compliance with the normal business process.

**The Clerk accepts EII's statement that payment was received from DEO on July 17, 2017.**

The Clerk takes exception with EII's "normal business process" response when, in a previous response, EII is unable to recall when the checks were mailed out.

If checks were knowingly issued to vendors without sufficient funds to cover the checks, there may be additional legal concerns.

The Clerk notes EII's external accountant's statement that "the State Grant money was deposited before the checks were mailed to payees."

On April 2, 2018, the EII COO stated that they only issued checks that could be covered and held the ones that could not be covered.

7. Incorrect; **Clerk's assertion** that "Dr. Goodman failed to include the requirement [sic] certification statement above signature block."

**EII's Response:** EII submitted invoices based on the sample invoices provided by the DEO Program Manager on October 26, 2017. EII will provide an amended invoice with the language sought by the Clerk if required by DEO.

EII's response indicates that EII has not certified the invoice, as required in the Grant Agreement, as of March 21, 2018, and apparently will only do so if required by DEO, see exhibit 1-K on page 26.

The Clerk has concern that EII is relying upon a "sample invoice provided by DEO" in the course of administering a \$2 million Grant, instead of adhering to the specific grant requirement of certifying the invoices (see Exhibit 1-Q).

8. Correct; **Clerk's assertion** that "EII did not submit photographs of the post-construction and remodeling, as required in the grant agreement.

**EII's Response:** The state accepted the documents and paid the grant invoices without the post-construction and remodeling pictures.

The Clerk accepts EII's admission that they did not provide photographs of the post-construction and remodeling, as required in the Grant Agreement. It also appears that DEO did reimburse EII without the photos required by the contract.

9. Incorrect; **Clerk's assertion** that "EII falsely claimed 100% completion for the acquisition of all necessary State and local permits on June 29, 2017. The permit history for the Florida Culinary Accelerator @ Immokalee was confirmed by Claudine Auclair, the Business Center for Collier County operations and Regulatory Management, shows the first permit was applied for on September 30, 2016 and the first Temporary Certificate of Occupancy was issued in December 2017.

**EII's Response:** The task from the scope of work was “The purpose of this grant is to *establish* the Immokalee Culinary Arts & Services Incubator Facility” and the associated task was “copies of all designs, plans, and permits obtained or required to be obtained for the purpose of accomplishing the project”. All documentation supporting the task was submitted during the grant period. The State has no provisions to provide additional documentation after the grant period expired.

**The Clerk understands the purpose of the Grant. However, the deliverable for the task was “copies of all design, plans, and permits obtained or required to be obtained for the purpose of accomplishing the project” as noted by EII above. The Clerk understands this requirement to include the Final Occupancy permit, which was issued on January 17, 2018.**

**“The State has no provisions to provide additional documentation after the grant period expired,” because the grantee was supposed to have the project completed before the end of the grant period.**

a. Correct; **Clerk's assertion** that “Permit was applied for on September 30, 2016”

b. Incorrect; **Clerk's assertion** that “First Temporary Certificate of Occupancy was not issued until December 2017.

**EII's Response:** The First Temporary Certificate of Occupancy was issued on December 1, 2017.

**The Clerk would argue that “December 1, 2017” is within the timeframe that Internal Audit identified as December 2017.**

c. Correct; **Clerk's assertion** that “Temporary Certificate of Occupancy was extended on January 9, 2018”

d. Correct; **Clerk's assertion** that “Final Certificate of Occupancy was issued on January 17, 2018

e. Incorrect; **Clerk's assertion** that “State licensing from the Department of Business and Professional Regulation, applied for on or about January 19, 2018, was subsequently approved on February 7, 2018.”

**EII's Response:** On December 13, 14, 20, and 22, 2017; January 19, 2018; February 1 and 7, 2018, their email communications with Federal, State regulatory partners regarding the licensing process. On February 7, 2018, the license was approved and the inspection was scheduled for February 10, 2018. On February 10, 2018, The Culinary Accelerator @ Immokalee was granted their license from the State of Florida.

**Based on the supporting documentation provided to the Clerk by EII on February 7,**

**2017, the Florida Department of Business & Professional Regulation approved the plans for the Florida Culinary Accelerator @ Immokalee on February 7.**

**The Clerk will change the date from February 7, 2018 to February 10, 2018, which further proves the Clerk's assertion the EII did not complete the project prior to June 30, 2017 as required by the Grant and as represented by EII.**

**County Management Response:** Management disagrees with and disputes this finding.

- In a conference call with Florida Department of Economic Opportunity (DEO) representatives, which was held on October 5, 2017, at the request of the Clerk, Mr. Brock was advised on four separate occasions by Greg Britton, Division Director, Strategic Business Development, Adam Callaway, Esq, and other DEO representatives that EII had met “the minimum performance standards” for Grant Agreement #SL025 and were therefore, in compliance with the grant terms and conditions. Refusing to accept these statements the Clerk proceeded to badger the DEO’s legal counsel questioning his understanding of Florida law, asking him how long he had been a lawyer, and demanding written assurances for which the DEO had no requirement to provide. Despite this unprofessional and aggressive line of questioning by the Clerk, the DEO through its representatives continued to maintain the sufficiency of the grant documentation. **Most importantly, neither EII nor the County Staff have been advised by the grantor agency of a single finding of grant non-compliance with respect to award of either DEO Agreement SL007 or SL025.**

**DEO’s verbatim response was “we relied upon the documents we were given.” DEO would not provide assurances of legal compliance, nor, assert that funds would not be required to be paid back.**

**The representations by DEO were that they had relied upon the documents they were provided. Once advised by the Clerk’s Office that the documents were false, DEO refused to put in writing that they would not pursue recapture of funds. DEO indicated that they had not reviewed the information for legality but had relied upon the documents they were given. Dr. Goodman and Mr. Ochs continue to represent that DEO had “no problem with the invoices”.**

**On April 2, 2018 the Director of BED stated that the “invoices” referenced in Exhibit 1-F on page 22 are “invoices” only to show what items were ordered.**

- The first paragraph under the heading “Lessons Learned from the Lost Funding from Grant #SL007” is inaccurate and misleading. The following facts are germane:

A critical component of the accelerator development process was obtaining a \$2,500,000 State of Florida appropriation (FY 2014/2015 Specific Appropriation 2256A), which was signed by the Governor in June, 2014. The original DEO Grant Agreement approval process was protracted as result of implementation of new state grant policy requirements. Even though the money was appropriated and approved by the Governor a lengthy grant agreement

was required. As the completion of a grant agreement lingered an updated construction completion estimate for the culinary accelerator in Immokalee was required.

The appropriation was memorialized in Grant Agreement SL007 with the DEO and approved by the BCC on November 18, 2014. There was a further delay with an advance of funds and grant funding did not commence until approximately January 1, 2015. Grant funding terminated at the end of the State's fiscal year on June 30, 2015. Unfortunately, with the delayed start to grant funding only \$723,525.51 (29 percent) of the appropriated \$2,500,000 was spent.

The delay in finalizing Grant Agreement SL007 prompted the County to propose adjustments to the DEO Project schedules and also to seek an extension of the legislative funding appropriations into the State Fiscal Year 2016. The re-appropriation of remaining funds was approved by the Florida legislature but, was vetoed by the Governor.

**The County accepted grant SL007 for \$2.5 million in 2014 and was unable to complete the project within the agreed upon timeframe, thereby losing \$1,776,474.49 of Grant funds.**

- **Recommendation:** Management disagrees with the Internal Auditor's recommendations.

**The Clerk notes that Management disagrees with the recommendations because County management disagrees with this finding.**

**2) Irregularities found in Solicitation 17-7167 for the procurement of the Kitchen Equipment for the Florida Culinary Accelerator @ Immokalee include possible bid rigging, misrepresentation of solicitation budget and use of potentially misleading commodity codes.**

**The Value of the Solicitation Was Misrepresented to Possible Vendors.**

The invitation to bid (Solicitation 17-7167 Florida Culinary Accelerator@ Immokalee) was issued on May 26, 2017 for the procurement and installation of a list of kitchen equipment to be funded by a United States Department of Agriculture Rural Development (USDA) Rural Business Development Grant (RBDG) for the Florida Culinary Accelerator @ Immokalee (**Bid invitation document 17-7167**).

The funds for procurement were to be available from USDA and matched with funds from EII's Grant with DEO. WH Reynolds / TriMark Strategic was the only subsequent bid received for this solicitation and was ultimately awarded the bid.

The bid invitation was requested by BED specifying that the BCC had approved a grant application to the USDA RGDB for \$112,536. The bidding process took place electronically through the Collier County Online Bidding System "Bidding System" starting on May 26, 2017 with a solicitation deadline for June 9, 2017 at 3:00 PM. The bid invitation's Public Notice stated that "All questions regarding the ITB must be submitted online on the Bidding System website" and "All solicitation responses" must be made on the official ITB response forms..." through the website. The Collier County Online Bidding system received one bid even though thirty-three vendors downloaded the specifications.

**The Commodity Codes Posted on the Collier County's Bidding System Did Not Correspond to Kitchen Equipment.**

The invitation to bid included the following commodity codes: 28500 – Electrical Equipment, 28500 – Furniture, General, and 28500 – Millwork and Cabinetry. The invitation to bid used only one commodity code, 28500, for three different categories and did not utilize Food Service Distributor/Products as a category even though this is the primary description of what was being solicited. 28500 appears to be the code for Electrical Equipment however, it IS not the code for Furniture, General nor Millwork and Cabinetry. The code for Furniture, General is 42000 and the code for Millwork and Cabinetry is 91007.

**Exhibit 2-A: Collier County Solicitation #17-7167 for the Florida Culinary Accelerator at Immokalee Kitchen showing Commodity Codes 28500.**

**Collier County Online Bidding System**  
Expired Solicitations

**BID**  
Active  
Expired

**VENDOR**  
Login  
New Vendor Registration

Solicitation Title: Florida Culinary Accelerator at Immokalee Kitchen (SH)  
Solicitation Number: 17-7167

[Solicitation Summary](#) | [Specifications, Terms, and Conditions](#) | [Q&A](#) | [Addenda](#) | [Planholders](#) | [Tabulation](#)

Agency: [Collier County Purchasing](#)  
Contact: [swainsonhall@colliergov.net](mailto:swainsonhall@colliergov.net)  
Solicitation Starts: Friday, May 26, 2017 11:15:00 PM Eastern  
Solicitation Ends: Friday, June 09, 2017 3:00:00 PM Eastern  
Q&A Deadline: Tuesday, June 06, 2017 5:00:00 PM Eastern  
Submission Method: Electronic

Commodity	Subcommodity
28500 - Electrical Equipment	(other)
28500 - Furniture, General	(other)
28500 - Millwork and Cabinetry	(other)

**Exhibit 2-B: The Commodity Code 42000 for Furniture, General.**

136	6047	Fuel Tanks
137	42000	Furniture, General
138	42500	Furniture, Office

**Exhibit 2-C: Commodity 91007 for Millwork and Cabinetry.**

204	57500	Microfilm
205	91007	Millwork and Cabinetry
206	88400	Mitigation Banks (All Typ

**Exhibit 2-D: Commodity Code 39300 for Food Service Distributors/Products, which was available, but not used in Solicitation #17-7167.**

133	35030	Flags/Flag Poles
134	39300	Food Service Distributors/Products
135	40500	Fuel

### Questions and Answers section

On June 6, 2017, a question was submitted to the County's online bidding system, with a subsequent response on June 8, 2017:

**Exhibit 2-E: Incorrect cost estimate or budget given in response to a question.**

28500 - Furniture, General (cont)

28500 - Millwork and Cabinetry (other)

**Q&A**

The deadline for asking questions has passed.

**(6/6/2017 8:17:13 AM Eastern) Question: is there a cost estimate or budget?**

**(6/8/2017 9:00:32 AM Eastern) Answer: Yes. The budget is the USDA RBDG Grant value of \$112,000.**

**(5/30/2017 8:10:04 AM Eastern) Question: Where can I procure a set of prints for the millwork?**

**(6/1/2017 10:47:48 AM Eastern) Answer: Please see addendum 1**

[« Go to Solicitation List](#)

The response of \$112,000 failed to disclose the additional match funds of \$111,424 from EII's grant with DEO. The answer to the bid questions may have dissuaded other vendors (plan holders) from submitting bids. The equipment list and brands were uploaded to the bidding system and the vendors had the ability to add up the costs and calculate that they were potentially twice as high as the budget indicated by the County. Information about the additional funding was not included in the documents provided on the Invitation to Bid.

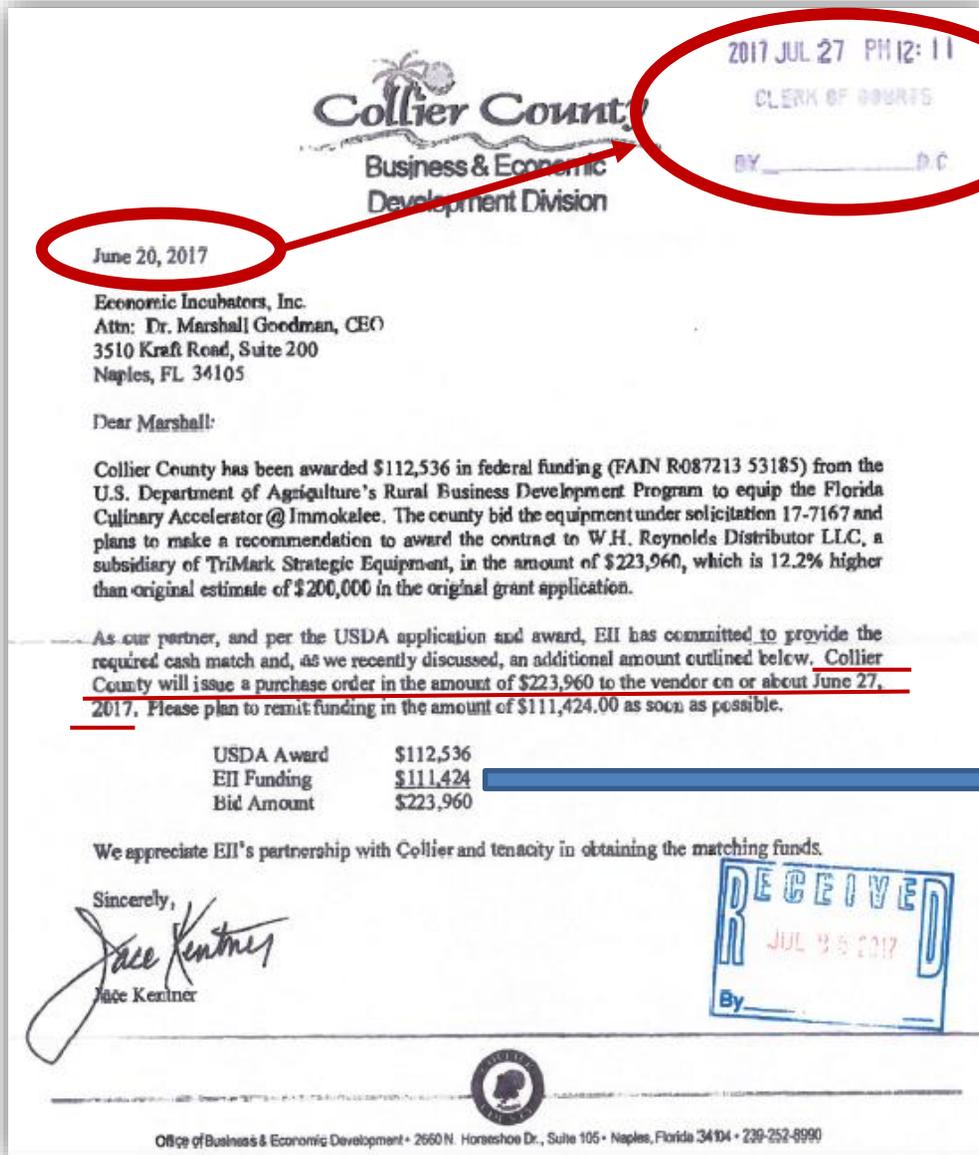
BED States in an award letter addressed to Marshall Goodman of EII, dated June 20, 2017, that BED will make a recommendation to award the contract to the sole bidder, W.H. Reynolds, in the amount of \$223,960.

### **Undisclosed Matching Funds**

The above-mentioned response in Exhibit 3-C is incorrect, the actual budget for the equipment was higher than just \$112,000 and BED failed to fully disclose all available funding sources. The first source is the USDA RBDG grant for \$112,536 and the second source is a “local match” from EII in the amount of \$111,424 which originated from DEO Grant #SL025 (Finding #1 above).

On June 20, 2017, BED notified EII that Collier County was awarded a \$112,536 grant from the U.S. Department of Agriculture’s Rural Business Development Program and that EII would need to remit funding in the amount of \$111,424 ‘as soon as possible.’ EII and BED submitted funding to the Clerk’s Finance Department on July 27, 2017, thirty-seven days later.

Exhibit 2-F: Letter from the Director of BED, Jace Kentner, instructing EII to remit \$111,424 to the County for the purchase of the kitchen equipment. This document was remitted to the Clerk's Finance Department on July 27, 2017, after EII received the reimbursement from DEO.



7/17/2017

Reconcile Session Report

06/26/2017 Bill Payment

2126

Collier County Business & Economic Development  
Division

-111,424.00

Please note the following:

1. ***"The county will issue a purchase order in the amount of \$223,960 on or about June 27, 2017,"*** which is two days before Dr. Goodman claims 100% completion of the task (see Finding #1 above); and
2. The funds were remitted to the Clerk's Finance Department on July 27, 2017, which is after EII received the DEO reimbursement on July 17, 2017 (see also Exhibit 1-I above).

## **Bid awarded to WH Reynolds TriMark Strategic**

The bid awarded to a single bidder, WH Reynolds TriMark Strategic, for \$223,960.

**Exhibit 2-G: Only bid received, in the amount of \$223,960, which is the amount of the USDA RBDG Grant of \$112,536 plus the matching funds of \$111,424.**

Vendor Company	Quantity	Unit Price	Unit of Measure	Subtotal	Notes
WH Reynolds TriMark Strategic	1	\$223,960.00	Total	\$223,960.00	

Vendor Company	Items Bid On	Grand Total
		\$0.00

## **Conclusion:**

The use of incorrect commodity codes and the under-valuation of the specific equipment could have easily dissuaded possible bidders. Of the thirty-three vendors that downloaded the specifications, only one vendor submitted a bid, WH Reynolds TriMark Strategic.

## **Recommendation:**

- The Board of County Commissioners should consider referral to law enforcement and conduct an investigation into a possible bid-rigging scheme.

## **On Wednesday March 21, 2018, County Management and EII staff provided their written response to these findings:**

**Response from the Procurement Services Division.** “Procurement acknowledges that solicitation 17-7167 for the procurement of the kitchen equipment for the Florida Culinary Accelerator in Immokalee was advertised on May 26, 2017, with a due date of June 9, 2017.

This conflicts with the dates stated in the internal audit, which indicates a May 23, 2017, advertisement date.

**The Clerk will change the date from May 23, 2017 to May 26, 2017.**

The condensed advertising period of 14 days was at the request of the Division to meet a pending

grant deadline.

**The Clerk questions the sequence of events that led to the Division submitting an ITB thirty-five days before the self-described “pending grant deadline.” The condensed advertising period of fourteen days left only twenty-one days before the pending grant deadline.**

The solicitation was advertised on the County’s prior bid platform hosted by Vision Internet. This platform does not have a commodity code which specifically targets the manufacturing, distribution, and sales of commercial kitchen and/or food preparation equipment.

The audit suggests that commodity code 39300 – Food Service Distributors/Products should have been utilized in advertising this opportunity. This commodity code specifically targets the sale and distribution of food. Commercial restaurant and/or kitchen equipment are not included in this commodity code.

In addition to the solicitation being publicly available, it was also brought to the attention of firms under three commodity codes: 28500 - Electrical Equipment; 42000 - Furniture, General; and 91007 - Millwork and Cabinetry. These codes were included because it was our understanding that the facility was being remodeled and the kitchen equipment would be a part of the remodel.

**Commodity Code 39300 – Food Service Distributors/Products appears closer to “Commercial restaurant and/or kitchen equipment” than 28500 – Electrical Equipment, 42000 – Furniture, and 91007 – Millwork and Cabinetry.**

**Please note, the Commodity Codes on all three shown on Exhibit 2-A, page 49, of the solicitation are 28500; 28500 – Electrical Equipment, 28500 – Furniture General, and 28500 Millwork and Cabinetry.**

**The finding that the procurement had irregularities is valid.**

A total of 32 vendors downloaded the specifications from the bid platform. There was one responsive and responsible bid received from W.H. Reynolds TriMark Strategic, which was awarded the bid.

At the time of advertisement, the solicitation contained the following language:

*“On May 10, 2016, the BCC approved a \$112,536.00 USDA Rural Business Development Grant (RBDG) grant application for the Florida Culinary Accelerator at Immokalee (Immokalee Accelerator) equipment purchases.”* This was contained within the background statement, which further articulated various and general funding sources from the State of Florida, USDA, and the Economic Development Administration.”

**Please refer to Exhibit 2-E. On 6/6/2017, the question asked was, “is there a cost estimate or budget?” On 6/8/2017, the answer posted was, “Yes. The Budget is the”**

**USDA RBDG Grant Value of \$112,000.** The answer given is 56% of the reported budget amount of \$200,000.

The Clerk notes that the additional language provided in the response, above, **“which further articulated various and general funding sources from the State of Florida, USDA, and the Economic Development Administration”** was not included in the answer posted on 6/8/2017 (see Exhibit 2-E). Additionally, the answer posted on 6/8/2017 is stated as a definitive **“The budget is the USDA RBDG Grant Value of \$112,000.**

**County Management Response:** Management disagrees with and disputes this finding.

- On July 12, 2016, the BCC approved resolution 2016-160 authorizing the County Manager to apply for the USDA RBDG for up to \$200,000 to equip the FCA@I, culinary accelerator, and to execute related documents to effectuate receipt of the grant. After review of Collier County’s RBDG application, the USDA awarded \$112,536 to equip the Florida Culinary Accelerator @ Immokalee.
- On May 26, 2017, the Procurement Services Division released notices of invitation to Bid No 17-7167 to 887 vendors for ‘Florida Culinary Accelerator at Immokalee Kitchen Equipment Procurement’. Thirty-Two (32) solicitation packages were downloaded, and one (1) bid was received on June 9, 2017, from Trimark Strategic Equipment LLC. Staff reviewed the single submittal and the BCC approved the Award to Trimark strategic equipment LLC (the vendor) on June 27, 2017 on agenda item 16.F.3. The Bid award of County Contract 17-7167 for equipment procurement and installation for the FCA@I was funded by \$112,536 of USDA RBDG grant funds, combined with \$111,424 in matching funds provided by the EII, a total of \$223,960.
- Trimark Strategic Equipment LLC installed all the procured items and equipment and submitted Invoice 2935165 on November 30, 2017, which was submitted to the Clerk’s SAP (goods receipt module. “MIGO”) for payment on December 29, 2017.
- To date, no payment has been made under the aforementioned PO by the Clerk of Courts Finance Department. Although County Staff and EII have worked closely with the Clerk of Courts’ Finance Department, they indicated no payment will be forthcoming. County Staff has approved payment in accordance with the terms and conditions of the PO.
- The Clerk’s failure to pay Trimark Strategic Equipment LLC jeopardizes the receipt of awarded federal and state grants earmarked for this purchase. Under the terms of the already once extended grant agreement, reimbursement from the USDA RBDG must occur before June 30, 2018. The Clerk’s refusal to pay this legal invoice will cause the following burden to be placed upon the taxpayers of Collier County: 1) a \$223,960 liability; 2) loss of \$112,536 in federal USDA dollars; 3) loss of \$111,424 in state DEO dollars; 4) exposure to a lawsuit from Trimark Strategic Equipment LLC; 4) loss of another vendor willing to do business with Collier County; 6) diminished opportunity to obtain future DEO grant dollars; 7) and diminished opportunity to obtain future USDA grant dollars.

**Recommendation:** Management disagrees with the Internal Auditor’s recommendations.

Procurement Services Division: “In response to the recommendation that law enforcement be consulted concerning possible bid rigging; the solicitation was publicly advertised, there were 32 vendors that downloaded the specifications, and no barrier to entry existed. In conclusion, we find no evidence of either bid rigging, a barrier to entry, or collusion.”

**The Clerk asserts that by stating a budget of \$112,000 for over \$223,000 in equipment listed, within a compressed timeframe, in addition to improper commodity codes used, may constitute a barrier to entry by potential bidders.**

**Action Plan:** None.

### 3) EII and the BED misrepresented Grant #SL007 Deliverables to DEO and the BCC on the Annual Accomplishment Reports, asserting unverified jobs created and capital investment obtained.

EII and Collier County reported unsubstantiated numbers regarding Jobs Created and Capital Investment & Expenditures to the Grantor Agency, DEO, for Grant #SL007 in the annual report covering Fiscal Year 2016 and Fiscal Year 2017.

In November 2014, Collier County entered into Grant Agreement #SL007 with the Florida Department of Economic Opportunity for the purpose of creating the Collier County Soft Landing Accelerator. Collier County Office of Business and Economic Development the Grantee (BED for the project) has contracted with Economic Incubators, Inc., the vendor, to serve as the Project's Administrative Entity. It should be noted that the Agreement between EII and the County does not require EII to be responsible for the Creation of Jobs or Capital Investment, EII is merely responsible for **reporting** the number of jobs created and amount of capital investments made within the accelerator projects. The County is required to submit quarterly and annual reports for each of the five years to document and report the County's progress towards meeting the grant deliverables.

What this means to the taxpayers of Collier County is that even though EII is paid to track and report Jobs and Capital Investments, the failure to create jobs and/or capital rests solely on the pocketbook of the taxpayers of Collier County.

The two primary County deliverables for grant #SL007 are the creation of 208 "Job Year Equivalents" or the demonstration of \$12,500,000 in private sector capital expenditures or venture investment by June 30, 2019. (Note: there was an amendment to the DEO grant agreement to reduce these requirements based on the reduced first year funding, as approved on the BCC Agenda of February 13, 2018.)

EII provided the following data to the BED; the BED relied on this data and purportedly validated the information prior to submitting their report to DEO. Internal Audit reviewed the supporting documents assembled by the BED, as submitted to DEO, Supporting Documentation DEO SL007 Annual Report Parts 1, 2, & 3; as well as the attached master spreadsheets for Fiscal Year 2016 dated 9/30/2016 and for Fiscal Year 2017 dated 11/9/2017.

In Fiscal Year 2017, EII asserts their job claims are supported by 52 I-9's. However, in the supporting documentation, as submitted to DEO, 52 I-9's are not present. Furthermore, Page 24 of Grant #SL007 identifies the Florida UCT 6 Form, IRS Form 1099, and IRS Schedule K-1 as acceptable verification and does not indicate the I-9 as an acceptable form of documentation.

Network or any Network Managed Activity\*) which identifies the number of jobs and corresponding "Job Year Equivalents" represented on any of the following: Florida UCT 6 Form, IRS Form 1099, IRS Schedule K-1 (Form 1120S or Form 1065). The certification may also identify Florida based jobs arising from

Further review of Grant #SL007, and subsequent amendments, does not indicate that an I-9 Employment Eligibility Verification is acceptable supporting documentation. Additional review of EII's agreements with Collier County also do not give instruction to use an I-9 for the purpose of validating a Job Year Equivalent.

EII does not have documentation to support all of the claims about jobs and investments. According to Dr. Goodman, he cannot get documentation from participants, and as he describes it, because it is like herding cats. Dr. Goodman often refers to this as the "Start-up Culture."

In the course of the review, Internal Audit noted several discrepancies, inaccuracies, missing supporting documentation, as well as other irregularities.

The summaries for Fiscal Year 2016 are provided as Table 1 and Fiscal Year 2017 as Table 2, below:

**Exhibit 3-B: Annual Accomplishment Report as of September 30, 2016.**

Annual Accomplishment Report		
Item	Item Progress for the Period:	
i.	The number and types of companies recruited to Florida that have created high value employment opportunities	Please see attached "Master Spreadsheet" as of 9/30/2016 for the status of each participant. This is current for status through 9/30/2016.
ii.	The amount of foreign direct investment generated by the project;	Please see attached "Master Spreadsheet" as of 9/30/2016 for the venture investment. This is current for status through 9/30/2016. The Accelerator has members from United Kingdom, Germany, Finland, Sweden, Hungary, Slovakia, and Ukraine.
iii.	The amount and types of export opportunities realized by Florida Companies	The amount and types of export opportunities are unknown at this time.
iv.	The number of entrepreneurs that stay in the region and build their own businesses as a direct result of accelerator activities	As of 9/30/2016 there were twenty-five (25) active Accelerator participants. There have been thirty-seven (37) participants with twelve (12) participants departing from the Accelerator. All 37 participants have stayed in our area or relocated to other areas within the region to operate or expand their operations out of Southwest Florida. To date, there have not been any additional business spinoffs formed within the Accelerator; however, on a weekly basis, the Accelerator helps facilitate networking, collaboration, and referrals amongst its members, which spans across a wide range of industries and markets.
v.	Progress made towards completion of the return of benefits described in Exhibit A to this Scope of Work.	Please see attached "Master Spreadsheet" as of 9/30/2016 positive return of benefits. The totals are current through 9/30/2016 including 51 Jobs, \$600,800 of capital investment, and \$3,619,652 in venture investment.

Page 1 of 1

*in. condal  
rec'd from  
J. Pellegrino*

**Fiscal Year 2016**

**Table 1 - Details of Claims Made by EII and BED compared to Internal Audit Validation for Fiscal Year 2016**

Detailed Items	EII and BED Reported to DEO	Internal Audit Validated Supporting Documentation as Submitted to DEO
Active Accelerator Participants	25	26
Total Accelerator Participants	37	37
Departures	12	11
Number of Entrepreneurs that Stay in the Region	37	35 (At least 1 company moved out of Florida)
Claimed Jobs	51	11 (including EII staff of 3)
Job Year Equivalents	Not Reported	BED Failed to Report
Capital Investment	\$600,800.00	\$90,000
Venture Investment	\$3,619,652	\$530,370
Capital Expenditures	Not Reported	Not Documented
Foreign Direct Investment	Not Reported	Not Documented

**Exhibit 3-C: Annual Accomplishment Report as of September 30, 2017, revised November 8, 2017.**

**Positive Return of Benefits: (Full description found within Attachment 1.2.g)**

Creation of 208 "Job Year Equivalents or demonstration of \$12,500,000 of cumulative private sector capital expenditures or venture investment.

**Annual Accomplishment Report**

Item	Item Progress for the Period:
i. The number and types of companies recruited to Florida that have created high value employment opportunities	Please see attached "Master Spreadsheet" as of 9/30/2017 for the status of each participant. This is current for status through 9/30/2017.
ii. The amount of foreign direct Investment generated by the project;	Please see attached "Master Spreadsheet" as of 9/30/2017 for the venture investment. This is current for status through 9/30/2017. The Accelerator has members from United Kingdom, Germany, Finland, Sweden, Hungary, Slovakia, and Ukraine.
iii. The amount and types of export opportunities realized by Florida Companies	The amount and types of export opportunities are unknown at this time.
iv. The number of entrepreneurs that stay in the region and build their own businesses as a direct result of accelerator activities	Since inception (7/1/2015 to 9/30/2017) there have been sixty-eight (68) participants who have joined the Naples Accelerator. Thirty-one (31) participants have departed and thirty-seven (37) are currently active in building their own businesses linked to the accelerator activities as of 9/30/17. Please see attached "Master Spreadsheet". EII encourages companies to stay in the area or relocate to other areas within the county and state. To date, the Accelerator helps facilitate networking, collaboration, and referrals amongst its members, which spans across a wide range of industries and markets.
v. Progress made towards completion of the return of benefits described in Exhibit A to this Scope of Work.	Progress continues, with the contract term ending on June 30, 2019. Please see attached "Master Spreadsheet" as of 9/30/2017. The totals are current through 9/30/2017 including 51 Jobs reported by I9's in FY16 and 52 jobs supported by I9's in FY17, validated jobs 64, and job year equivalents are estimated at 51.83. In addition, \$12,268,626 in venture investment has been made.

**Fiscal Year 2017**

Page 1 of 1

**Table 2 - Details of Claims Made by EII and BED compared to Internal Audit Validation for Fiscal Year 2017**

Detailed Items	EII and BED Reported to DEO	Internal Audit Validated Supporting Documentation as Submitted to DEO
Active Accelerator Participants	37	35
Total Accelerator Participants	68	67
Departures	31	32
Number of Entrepreneurs that Stay in the Region	30	Internal Audit has found at least 2 companies that have relocated outside of Florida that EII has failed to report.
Validated Jobs	64	19 (including EII staff of 3)
I9's in FY16	51 - I9's claimed	1 - I9 provided in the Supporting Documentation
I9's in FY17	52 - I9's claimed	7 - I9's provided in the Supporting Documentation
Job Year Equivalents	51.83	10.823
Capital Investment	Not Reported	\$0.00
Venture Investment	\$12,268,626	\$5,875,567.80
Capital Expenditures	Not Reported	\$0.00
Foreign Direct Investment	Not Reported	\$0.00

EII continues to have difficulty reporting accurate and verifiable information as evidenced by the most recent Fiscal Year 2018 Quarterly Accomplishment Report.

**Exhibit 3-D: Email from BED on January 29, 2018, notifying EII of errors Quarterly Accomplishment Report and unverified jobs and venture capital reported.**

**As of January 29, 2018**

**From:** KraftHendrickPhyllis <Phyllis.KraftHendrick@colliercountyfl.gov>  
**Date:** Monday, January 29, 2018 at 7:06 PM  
**To:** Jennifer Pellechio <jpellechio@naplesaccelerator.com>, KentnerJace <Jace.Kentner@colliercountyfl.gov>  
**Cc:** Naples Business Accelerator <mgoodman.catalyst@gmail.com>, KraftHendrickPhyllis <Phyllis.KraftHendrick@colliercountyfl.gov>, Fred Krieger <fkrieger911@gmail.com>, "Crystal K. Kinzel" <Crystal.Kinzel@collierclerk.com>  
**Subject:** time sensitive follow-up RE: Exhibit G - Job Report

Jen – Narrative says says "while there were 2 new jobs added and approximately \$60,000 in venture, these numbers will need to be verified"

As we just discussed with you on the phone....

Jace and I have a few questions, before we submit to Therese. As you know, she has to pre-approve all our submissions to DEO. It is due to DEO tomorrow (1/30/2018)

(1) On the Progress Report Page / Annual Accomplishment Report:  
**Possible typo.**  
iv. -item in progress says there are "sixty-eight (70)" participants who have joined the accelerator. Your spreadsheet supports the 70.

(2) On the Progress Report Page / Annual Accomplishment Report:  
**We need some clarification on v.**

Narrative says "total numbers are validated at year end"....  
**If this means fiscal year end 9/30, please adjust language**

Narrative says says "while there were 2 new jobs added and approximately \$60,000 in venture, these numbers will need to be verified"

**Please discuss/identify the new jobs and the venture investment.**

(3) **Possible typo. - headings on spreadsheet**  
Capital Investment Reported Q1 Reported 1/26/1817

Thank you.

**Phyllis Kraft-Hendrick, CPA**  
Accounting Technician  
  
**NOTE: Email Address Has Changed**  
2660 N. Horseshoe Dr., Suite 100  
PH: 239.252.5023, FX: 239.252.5024  
\*Phyllis.KraftHendrick@collierclerk.com

**From:** Jennifer Pellechio [mailto:jpellechio@naplesaccelerator.com]  
**Sent:** Monday, January 29, 2018 8:21 PM  
**To:** KraftHendrickPhyllis <Phyllis.KraftHendrick@colliercountyfl.gov>; KentnerJace <Jace.Kentner@colliercountyfl.gov>  
**Cc:** Naples Business Accelerator <mgoodman.catalyst@gmail.com>; Fred Krieger <fkrieger911@gmail.com>; Crystal K. Kinzel <Crystal.Kinzel@collierclerk.com>  
**Subject:** time sensitive follow-up RE: Exhibit G - Job Report

Phyllis,

I change the language on the report. I have also attached the word version, due to time constraints.  
**The \$60,000 was Kraft Top, I removed that because the documentation is at my office. We can submit next quarter.**

Also for the spreadsheet, I just hide the columns for last FY. Here is the link if you need it.  
<https://docs.google.com/spreadsheets/d/11zZTlQxKaBoYZTJpMiOankBOHreBGwBdauoA5FafSh4/edit?usp=sharing>

Regards,  
Jennifer

**Jennifer Pellechio, MBA, CEcD, InBIA**  
**Chief Operating Officer**  
Economic Incubators, Inc.

**Conclusion:**

EII has failed to capture accurate and relevant data regarding participants in the accelerator projects since the inception of the project, and BED reported this inaccurate data to the Grantor Agency. The BED failed to validate the data presented to them by EII before reporting to the Grantor Agency.

EII lacks the managerial capacity and internal controls to effectively manage and to accurately report on the performance of the accelerator projects, as required by the Grant Agreements. The BED, as well, has failed to enforce the duties and responsibilities of the vendor, EII, in carrying out the administration of the accelerator projects.

Failure by BED to accurately report progress to the Grantor Agency or to meet the Deliverables to Grant #SL007 creates financial risk to Collier County and jeopardizes future grant opportunities.

**Recommendations:**

- The Board of County Commissioners should consider their alternatives in regards to the contract with EII and notify them of potential reimbursements that may be required to State of Florida and Federal grantors and/or the County taxpayers.
- The BED needs to provide proper oversight and monitoring of County vendors.

Sufficient controls should be in place to capture, record, and validate reportable Grant requirements.

**On Wednesday March 21, 2018, County Management and EII staff provided their written response to these findings:**

**Finding 3.** EII and the County Staff misrepresented Grant #SL007 Deliverables to DEO and the BCC on the Annual Accomplishment Reports.

**EII’s Response:**

Incorrect; **Clerk’s assertion** that “EII and Collier County reported unsubstantiated numbers regarding Jobs Created and Capital Investment & Expenditures to the Grantor Agency, DEO, for Grant #SL007 in the Annual Report covering Fiscal Year 2016 and Fiscal Year 2017.”

**EII’s Response:** Quarterly numbers are reported and then, at the end of the year, an annual update is prepared as shown in this document. For FY 2016 and FY 2017 EII staff worked closely with County Staff and the Participants in the Accelerator. Jobs and investment dollars are reported by the participants with signed attestations. EII does not validate the jobs as grant #SL007 was awarded to the County. *County Staff* validates these numbers. EII also would like to thank the Clerk’s team for working closely with EII staff to clean up the master spreadsheet document that is used today for participant tracking.

**The Clerk notes that after 4 years and \$5 million, EII is only required to Report job creation, not actually create jobs. Furthermore, EII states in the response above that**

**they do not even validate the jobs created which reinforces the Clerk's assertion that the numbers reported were unsubstantiated.**

**Management's Response:** Management disagrees with and disputes this finding.

- There is no merit to this finding. On February 13, 2018, an amendment to DEO Agreement SL007, was approved by the BCC and subsequently fully executed, see attached Exhibit #1. The County met its positive return of benefit to the State of Florida based on venture investment agreed in the amendment to Agreement SL007. The venture investment documentation was reviewed and accepted by the DEO as memorialized in the approved amendment.

**EI's Exhibit #1 Amendment to DEO Agreement SL007 reduced the number of jobs required of the County due to the County's inability to spend the Grant funds received.**

**Unfortunately, for the taxpayers this means that the original requirement of 208 jobs or \$12.5 million in Capital Investment is no longer required to be met. 4 years and over \$5 million with millions more expected to be requested and spent; only nineteen jobs (including EI's three jobs) could be validated to date.**

- EII is not a party to DEO Agreement SL007.
- All reports to the DEO, as required by Agreement SL007, are reviewed by EII, County Staff, including Grants Compliance Staff, and the DEO. There have not been any negative reports or concerns raised except in this internal audit.

**The BCC Grants Compliance Manager stated that her department "did not validate the jobs reported by EII to the County nor the subsequent County report to DEO. This is not the role and responsibility of the Grants Compliance staff. This is the responsibility of the Division [BED]."**

**Recommendation:** Management disagrees with the Internal Auditor's recommendations.

EII has contractual duties under its agreement with Collier County related to the collection and reporting of information which is properly overseen and monitored by County Staff.

**The Clerk's Internal Audit has identified several instances where claims reported to the County are missing supporting documentation in addition to other irregularities. Based on the supporting documentation provided by BED, the information reported by EII and then "validated" by County staff is materially inaccurate.**

**Action Plan:** As agreed in DEO Agreement SL007, continue monitoring and reporting to the DEO.

**This implies continued funding through FY2019 with only 61 “Job Year Equivalentents” or \$6,000,000 in capital expenditure or venture investment, contractually required by 2019.**

**4) The BED failed to provide oversight and fiscal controls to protect taxpayer funds regarding EII, creating an environment that fosters improper salary payments, improper travel expenditures, reduced revenues, undocumented “bartering” transactions, unbudgeted executive bonuses, increased financial liabilities, and jeopardizes the sustainability of both the Naples and Immokalee accelerator projects.**

The BED failed to provide oversight and fiscal control to protect taxpayer funds regarding EII, creating an environment that fosters improper salary payments, unbudgeted executive bonuses, improper travel expenditures, overspent personnel costs, reduced revenues (see #4 below), undocumented “bartering” transactions, increased financial liabilities, risk of lost grant funds, all of which endanger the sustainability of the Naples accelerator project.

<b>Table 3 - Total Compensation Paid to EII Staff for Fiscal Year 2017</b>					
	<b>Salary</b>	<b>401k Match (Validated as of 8/15/2017)*</b>	<b>Bonus**</b>	<b>Travel Allowance</b>	<b>Total Compensation</b>
<b>Dr. Marshall Goodman</b>	\$165,375	\$5,494	\$12,009	\$9,000	<b>\$191,878</b>
<b>Jennifer Pellechio</b>	\$90,000	\$2,814	\$4,992	\$3,600	<b>\$101,406</b>
<b>Nicole Kruezer</b>	\$40,000	\$1,249	\$593	-	<b>\$41,842</b>
Payroll Taxes, 401k, and other costs			\$2,516.90		
<b>Totals</b>	<b>\$295,375</b>	<b>\$9,557</b>	<b>\$20,112.05</b>	<b>\$12,600</b>	<b>\$337,644.05</b>

\*The Clerk has Pay Records as of August 15, 2017, the point where EII expended the entire personnel cost budget of \$309,800 six weeks before the end of the fiscal year on September 30, 2017.

\*\*The Clerk has records showing the allocation of \$17,594 of the total amount of \$20,112.05 to each member of the EII staff. \$2,516.90 were categorized as Payroll Taxes, 401k Contributions, other costs associated with administering the bonuses.

**Salary and Additional Compensation**

EII’s CEO’s base salary was \$165,375 during FY2017, and at least \$191,878 with additional compensation. EII’s COO’s base salary was \$90,000 during FY2017, and at least \$101,406 with additional compensation. EII’s FY2018 budget included a 2.9% pay increase for all of EII’s staff. After the January 9, 2018 BCC meeting approval of continuing funds, EII provided December 2017 invoices reflecting the pay raises as paid retroactive to October 1, 2017. This is at the same time that EII has failed to establish reserve funds pursuant to Agreement with the Collier County. EII continues the escalation of discretionary expenditures, all while claiming fiscal constraints.

**Unauthorized Matching 401k Contribution**

EII paid a matching 401k contribution as a fringe benefit during FY2017. The payment of a matching 401k contribution is not an authorized use of the funds provided by the County, (see Exhibit 4-A below). This additional compensation was validated as \$9,557 as of August 15, 2017, in which EII requested and received from Collier County in their Payroll Reimbursement Requests.

Exhibit 4-A: Article IV of the Fiscal Year 2017 Agreement between Collier County and EII. Article IV details allowable personnel costs, which does not include a matching 401K contribution.

For its performance of the Deliverables in Exhibit 1 of this Agreement, EII will receive funds from the COUNTY in an amount not to exceed Five Hundred Five Thousand Dollars (\$505,000).

**ARTICLE IV**  
**PAYMENT AND REPORTING REQUIREMENTS**

It is intended that the personnel expenses, to be construed as broadly as possible to ensure maintenance of staffing requirements, including holiday pay, vacation and paid time off, dental, vision and health benefits, payroll taxes, cell phone services allowance of \$50 per month, mileage reimbursement, and service fees associated with third party payroll service providers shall be on a cost reimbursement methodology for actual eligible expenditures. Rent and insurance for 3510 Kraft Road, Suite 200, Naples, FL 34105 shall be paid directly by County. Actual expenditures eligible as a basis for reimbursement can and shall include salaries and employee benefits, costs for EII personnel performing services described in Exhibit "A. EII shall be entitled to compensation upon BCC approval of the Agreement, distributed as requests for reimbursement are submitted for reimbursement of eligible expenses approved by the County and Clerk of Court, beginning October 1, 2016.

Exhibit 4-B: EII's Executive Committee Meeting minutes from October 31, 2017 discussing the matching 401k contribution. The COO of EII was not able to find the minutes for the EII's board action.

**III. Old Business**

**a. Executive Directors Update**

Dr. Goodman indicated that the clerk has questioned how and when the 401K was established and has asked for documentation of this. Ms. Pellechio indicated that she has been unable to locate minutes of board action. Mr Grant stated that he vividly recalled this in 2015 or 2016 and was quite sure it had been documented. He suggested that the board take action to ratify its prior action approving the 401K benefits which are reimbursed by the county.

EII Executive Committee Minutes  
October 31, 2017

1

Following EII’s Executive Committee meeting on October 31, 2017, BED inserted “**matching 401K contributions up to 5%**” into the FY2018 Agreement, which was presented to the BCC on November 14, 2017.

**Exhibit 4-C: Article IV of the Fiscal Year 2018 Agreement between Collier County and EII. This Agreement in 2018 now includes “matching 401k contributions up to 5%”**

For its performance of the Deliverables in Exhibit A of this Agreement, EII will receive funds from the COUNTY in the **amount of Eight Hundred Thousand Dollars (\$800,000)**.

ARTICLE IV  
PAYMENT AND REPORTING REQUIREMENTS

It is intended that the “Personnel Costs,” as delineated on Exhibit B1, are to be construed to ensure maintenance of staffing requirements to include, payment for leased employees and independent contractors. Funding shall also include salaries, hourly wages, holiday pay, vacation and paid time off, dental, vision and health benefits, payroll taxes, cell-phone service allowance up to fifty dollars, Worker’s Compensation coverage, **matching 401K contributions up to 5%**, service fees associated with third-party payroll service providers and employment agencies shall be on a cost-reimbursement methodology for actual eligible expenditures.

**Improper Bonuses Paid**

EII’s Executive Committee and Board of Directors awarded a bonus to the staff of EII on December 7, 2016. The bonuses were not initially categorized separately in the financial statements, were not initially disclosed on Quarterly Revenue Reuse Plans filed with the County, and were paid with Program Income that was not sufficient to pay bonuses.

On February 1, 2018, Dr. Goodman stated that there was no supporting documentation, no available research, and that no budget analysis was performed to show the fiscal impact of paying out the bonuses.

Please see Table 4, below, details bonus payments and other associated costs:

<b>Table 4 - Bonus Payments to EII staff during Fiscal Year 2017.</b>	
	<b>Bonus Payments – FY2017</b>
Dr. Marshall Goodman, CEO	\$12,009.38
Jennifer Pellechio, COO	\$4,992.27
Nicole Kruezer, Administrative Assistant	\$593.50
Payroll Taxes, 401k, and other costs	\$2,516.90
Total	<b>\$20,112.05</b>

**Exhibit 4-D: Email from EII's COO on February 8, 2018, showing the calculations for the bonuses in addition to payroll taxes and the 401k match.**

Economic Incubators Inc.  
Accrued Bonuses  
September 30, 2017

TriNet Employee	Date of Grant	Base Salary	Bonus %	Bonus Amount	Bonus Paid	Bonus Accrual			
						Bonus	Payroll Taxes	401K Match	Total
Marshall Goodman	(1) 12/7/16	\$ 160,125.04	15%	\$ 24,018.76	\$12,009.38	\$12,009.38	\$ 174.14	\$ 600.46	\$12,783.98
Jennifer Pellechio	(2) 12/7/16	\$ 49,922.70	10%	\$ 4,992.27	\$ 4,992.27	\$ -	\$ -	\$ -	\$ -
Jennifer Pellechio	(3) 12/7/16	\$ 45,000.00	10%	\$ 4,500.00	\$ -	\$ 4,500.00	\$ 381.92	\$ 249.61	\$ 5,131.53
Nikki Kreuzer	(4) 12/7/16	\$ 23,740.02	5%	\$ 1,187.00	\$ 593.50	\$ 593.50	\$ 45.40	\$ 29.68	\$ 668.58
<b>Total</b>		<b>\$ 278,787.76</b>	<b>\$ 0.40</b>	<b>\$ 34,698.03</b>	<b>\$17,595.15</b>	<b>\$17,102.88</b>	<b>\$ 601.46</b>	<b>\$ 879.75</b>	<b>\$18,584.09</b>

(1) 15% of actual paid base salary for calendar year 2016.  
 (2) 10% of actual paid base salary for calendar year 2016.  
 (3) 10% of actual paid base salary for the first 6 months of calendar year 2017.  
 (4) 5% of actual paid base salary for calendar year 2016.

(A) SEE ATTACHED TRINET PAYROLL REPORTS FOR SUPPORT.

**Exhibit 4-E: Year End Financial Statements (unaudited) Dated October 13, 2017 showing total 'Payroll-Additional Comp-Non Reimb' in the amount of \$20,112.05.**

	BUSINESS INCOME	OPERATING	PRIVATE DONATIONS	STATE	NOT SPECIFIED	TOTAL
Payroll Fees-Service Fee		8,275.68				\$8,275.68
Payroll Taxes-Contributions		19,585.84				\$19,585.84
Salaries-Earnings		284,832.80				\$284,832.80
Worker's Comp		4,930.19				\$4,930.19
<b>Total Payroll &amp; Benefits- TriNet</b>		<b>355,075.89</b>				<b>\$355,075.89</b>
<b>Payroll-Additional Comp- Non Reimb</b>	<b>20,112.05</b>					<b>\$20,112.05</b>

Per phone conversation on August 31, 2017 between Clerk's Internal Audit staff and the COO of EII, ***"the bonuses were recorded incorrectly, at first. The bonuses were paid out of donations, I believe, funds may have been borrowed out of other accounts. Bonuses [payments to TriNet] came directly out of the Operating Account because they didn't want to change anything from how regular salaries are paid."***

On a conference call on October 11, 2017 at 2:30pm, COCC Internal Audit asked the CEO of EII additional questions about the Bonuses. Marshall stated, ***"Bonuses are allowable under the contract, and that some of the money may have come from Business Income but it came from Private Donations. Records will show that it may have been borrowed but paid back."*** Please note that Exhibit 4-E shows \$20,112.05 was paid from Business Income while there is no entry under Private Donations.

The BED Director claims that he was unaware of the bonus payments as late as July 2017 and therefore did not provide proper oversight of their vendor, EII. The bonuses were not properly budgeted in Fiscal Year 2017, were neither approved by nor reported to the BCC, and contributed to EII's self-described cash flow constraints. Bonuses are again not budgeted for in 2018 and EII made no indication that they planned to make bonus payments in Fiscal Year 2018 when they made their presentation to the BCC on November 14, 2017.

EII paid the above-mentioned bonuses, while at the same time, claiming fiscal constraints. If the money was not spent on bonuses, it could have been used to establish a reserve fund, pursuant to the Agreement. Consequently, the bonus payments negatively affected the cash flow and sustainability of the accelerator projects.

**Exhibit 4-F: Summary of all Revenue Reuse Plans approved by the Director of BED showing that he failed to approve any submissions or revisions on or after June 1, 2017.**

<b>Date Issued</b>	<b>Reporting Period</b>	<b>Revised</b>	<b>Bonuses Paid Included in Report</b>	<b>Approved by Director of BED</b>
2/2/2017	Q1	New	No	Tuesday, January 31, 2017
2/9/2017	Q1	Revised	No	Thursday, February 9, 2017
4/7/2017	Q2	New	N/A	Tuesday, April 18, 2017
5/5/2017	Q1	Revised	No	Friday, May 5, 2017
5/5/2017	Q2	Revised	N/A	Friday, May 5, 2017
6/1/2017	Q1	Revised	Yes	Missing
6/1/2017	Q2	Revised	Yes	Missing
6/24/2017	Q1	Revised	Yes	Missing
6/24/2017	Q2	Revised	Yes	Missing
7/17/2017	Q3	New	Yes	Missing
10/12/2017	Q1	Revised	Yes	Missing
10/12/2017	Q2	Revised	Yes	Missing
10/12/2017	Q3	Revised	Yes	Missing
10/12/2017	Q4	New	Yes	Missing

## Travel Allowances as Additional Executive Compensation

EII's executive staff are paid a Travel Allowance from Program Income generated by the Accelerator, in addition to their salaries and benefits. The CEO is given a \$750 allowance monthly and the COO is given \$300 allowance monthly. During Fiscal Year 2017, EII paid \$12,600 in Travel Allowances to the Executive staff. The Travel Allowances are paid directly to EII staff from Program Income, bypassing the existing payroll administration service and without taxes being withheld. The Travel Allowance should therefore be considered additional executive compensation.

On October 9, 2017, COO Jennifer Pellechio provided their external accountant's response to the Clerk's questions about how the Travel Allowances are administered. EII's external accountant repeatedly warned EII's Executive staff that the IRS would not view this as an "accountable" plan and that the allowances would have to be recognized as income and reported on their W2's.

**Exhibit 4-G: Email from EII's external accountant stating that EII's Travel Policy requires receipts and mileage logs to be considered an "accountable" plan.**

### Regarding the Travel Allowance:

1. How is the allowance reported to the IRS for Income Tax compliance? W2 regular income or 1099 MISC? **will need to ask the CPA firm –in addition, attached is the form staff uses.**

Response from CPA.

We have discussed this in the past and I do not believe it has been resolved. It will need to be resolved by 12/31/17. If you recall we discussed making this "accountable" which means receipts and mileage logs must be submitted to qualify for this treatment. If this is not done you will need to add it to the W-2's at 12/31.



**Janet A. Noack, CPA**

Noack & Company

Certified Public Accountants of Florida



**October 9, 2017 email provided by COO Jennifer Pellechio**

On February 11, 2018, Jennifer Pellechio provided her mileage logs and supporting documentation for Fiscal Year 2017. EII provided the 2017 Form 1099 showing \$9,000 paid to Dr. Goodman, without a mileage log or receipts.

## Overspent Personnel Costs

The FY2017 Agreement included a budget of \$309,800 to pay the personnel costs for three Full Time Equivalent (FTE's) accelerator staff for the period of October 1, 2016 to September 30, 2017. The \$309,800 was intended to cover salaries, benefits, payroll taxes and other personnel related costs through September 30, 2017. Contrary to the FY2017 Agreement, EII's executive staff budgeted for \$376,734 (not including bonuses and the Travel Allowances paid). See EII's 2017 Draft budget below:

**Exhibit 4-H: Draft version of EII's Proposed Budget for FY 2017. This budget details how EII plans to spend \$376,734 on personnel related costs and notes that Collier County will only reimburse up to \$309,800.**

Economic Incubators, Inc.				
FY 17 Proposed Budget (DRAFT_Rev2)				
October 1, 2016 to September 30, 2017				
Revenues	General Fund	Special Revenue (Grants/Contracts)	2017 Budget Totals	Notes:
Membership/Business Income	\$ 115,200	\$ -	\$ 115,200	
Private Investment	50,000	-	50,000	
Government Funds- County	-	505,000	505,000	
State Grant	-	1,800,000	1,800,000	Funds were awarded in FY16
<b>Total Income (Revenue)</b>	<b>\$ 165,200</b>	<b>\$ 2,305,000</b>	<b>\$ 2,470,200</b>	
Expenses				
*Direct:				
Salaries	\$ -	\$ 301,875	\$ 301,875	Increased to account for 5% Raises per Marshall
FICA	-	23,093	23,093	
Payroll Fees	-	10,800	10,800	309
Workers Compensation	-	4,272	4,272	
Health Insurance	-	21,600	21,600	
Retirement	-	15,094	15,094	
Salaries + Fringe (not covered by county)	66,934	(66,934)	-	
<b>Total Personnel Expenses</b>	<b>\$ 66,934</b>	<b>\$ 309,800</b>	<b>\$ 376,734</b>	note county will over cover \$309,800 of salaries

Please note that EII's Draft budget included an allocation of \$15,094 for "Retirement," which is a matching 401k Account Contribution. The FY2017 Agreement does not include retirement account contributions as an allowable personnel related cost (see Exhibit 4-A above).

**Exhibit 4-I: Statement of Activity October 2016 – September 2017 for Economic Incubators, Inc., prepared by Noack & Company on October 13, 2017 (un-audited).**

	BUSINESS INCOME	OPERATING	PRIVATE DONATIONS	STATE	NOT SPECIFIED	TOTAL
Payroll Fees-Service Fee		8,275.68				\$8,275.68
Payroll Taxes-Contributions		19,585.84				\$19,585.84
Salaries-Earnings		284,832.80				\$284,832.80
Worker's Comp		4,930.19				\$4,930.19
<b>Total Payroll &amp; Benefits- TriNet</b>		<b>355,075.89</b>				<b>\$355,075.89</b>
Payroll-Additional Comp- Non Reimb	20,112.05					\$20,112.05

Over the course of FY2017, EII expended a total of \$355,075.89, which is **\$45,275 over budget** from the \$309,800 in county funding, and was paid from Program Income.

## **Reduced Revenues**

EII, with the consent of the BED, presented the FY2018 budget that contains the provision for a rental discount. The BCC approved the budget, with the included discount, on November 14, 2017. EII continues to give away as much as 40% of the total Rental Income in the form of “promotional” discounted rents to accelerator participants.

In Fiscal Year 2017, **EII discounted \$95,772**, or (37.2%) of \$256,808 in Membership/Business Income revenue. EII missed their revenue targets in 2017 due in part to the discount. EII is continuing with the same policy in Fiscal Year 2018. Annual cost of rent paid directly by the County to Kraft Office Center, LLC. is \$197,900 for Fiscal Year 2018.

For the First Quarter of FY2018, October through December 2017, EII has discounted \$19,400 or (36.3%) of \$53,400 in Membership/Business Income revenue. The discounted rents have reduced revenues to \$34,000 for this period.

The Fiscal Year 2018 Budget anticipates significant future increase to revenues previously unrealized, this repeats significant over-estimates of budgeted revenues from prior years.

## **Undocumented “Bartering” Transactions**

EII engaged in un-documented bartering practices with accelerator participants. For example, EII exchanged the use of office space for advertising credits in Fit Nation Magazine, an accelerator participant. EII failed to document the barter and lost the opportunity to collect revenue from this participant.

## **Increased Financial Liabilities**

EII’s failure to submit reimbursement requests in a timely manner have caused EII to utilize a Letter of Credit established with First Florida Integrity Bank. The interest and fees charged on the Letter of Credit are not reimbursable but are being paid by Program Income generated by sub-leasing the accelerator space that is paid for by the taxpayers.

## **Conclusion:**

EII’s internal controls are woefully inadequate or non-existent and led to the misuse of at least **\$76,850** of Program Income during Fiscal Year 2017. EII misused Program Income by paying \$20,112 in executive bonuses, \$11,463 in Travel Allowances, and \$45,275 in over-spent personnel related costs contributing to EII’s **Net Loss of (\$27,069.65)** from operations for fiscal year 2017 (unaudited).

The overall lack of fiscal controls led to reduced revenues, undocumented “bartering” transactions, and increased financial liabilities.

The BED failed to monitor the activities of their vendor, EII. EII’s misapplication of Program Income, failure to properly manage the administration of the accelerator projects clearly indicate EII’s inability to sustain the accelerator projects.

On February 1, 2018, Dr. Goodman stated that he and COO Jennifer Pellechio do not have

financial/accounting/bookkeeping backgrounds and that this function is not in their job descriptions. The Clerk's Office, on an ongoing basis, has provided EII with training and assistance regarding documentation and reporting; in addition to EII's use of an external accountant and external auditor. EII continues to submit inaccurate reports in an untimely manner.

### **Recommendations:**

- The Board of County Commissioners should consider their alternatives in regards to the contract with EII and notify them of potential reimbursements that may be required to State of Florida and Federal grantors and/or the County taxpayers.
- The BED should review contract terms to insure they include deliverables that are measurable, verifiable, and provide deadlines for performance of intended goals, e.g. the number of jobs they should be able to report, or should be required to create.
- The BED should increase the overall level of monitoring of vendor's operations.
- The BED should mandate the implementation of appropriate internal controls.
- The BED should monitor, evaluate, and review vendor actions and report to the BCC any contract deficiencies.

### **County Management and EII Verbal Comments on March 13, 2018:**

Fred Krieger, Volunteer for EII, provided additional supporting documentation regarding the calculation of the Bonuses in Table #4, above, during the meeting on March 13, 2018. The documents included the TriNet invoices dated 12/27/2016 and 4/10/2017, which provide the full detail of the additional benefits that are associated in the bonus described. After Mr. Krieger explained the accrual of the associated expenses for employment taxes, matching 401k contributions, service fees, and workman's compensation, the COO of EII stated that, *"(she) did not include these invoices in the email I sent to them (the Clerk)."*

### **The Clerk's Response:**

**After numerous requests, by the Clerk's Internal Audit staff, for supporting documentation that detailed the payout of the bonuses, the COO of EII finally provided the invoices with the previously requested information on March 13, 2018, well after the Audit Report had been issued for management response.**

### **On Wednesday March 21, 2018, County Management and EII staff provided their written response to these findings:**

**Finding 4.** The County Staff failed to provide oversight and fiscal controls to protect taxpayer funds regarding EII, creating an environment that fosters improper salary payments, improper travel expenditures, reduced revenues, undocumented "bartering" transactions, unbudgeted executive

bonuses, increased financial liabilities, and jeopardizes the sustainability of both Naples and Immokalee accelerator projects.

**Management's Response:** Management disagrees with and disputes this finding.

-This finding mischaracterizes BCC-approved contractual terms with EII.

-County Staff and EII have worked diligently to improve the quality of reports, policies and procedures, and internal controls.

**County staff and EII have worked to improve reporting, policies and procedures, and internal controls for 4 years at a cost of \$5 million of taxpayer money. To date, only 19 jobs have been validated, EII's reporting, policies and procedures, and internal controls are still problematic.**

- The FY 2017 BCC-approved Agreement with EII did not explicitly cover all the personnel expenses, as currently found in the FY 2018 Agreement. The intent was for business income from accelerator operations to play a larger role in the accelerator program. The BCC-approved FY 2018 Agreement, as well as all previous agreements, create the public-private partnership which allows for the highly-qualified community businessmen and women on EII's Board of Directors to establish salaries and benefits in order to recruit and retain staff and utilize program income and private contributions in furtherance of the business plan. The Clerk is very familiar with the policies created by these contractual terms, but refuses to accept them.

**Management is correct; the Clerk is very familiar with the policies created by contractual terms. The Clerk notes that EII's Board of Directors are granted limited authority regarding the operation of EII, by contract. EII's Board of Directors and staff are custodians of public funds and all program income generated from County owned assets or County paid leases is constrained by contract.**

**EII is organized as a 501(c)(3) non-profit and is therefore subject to strict regulation defined in the Internal Revenue Code. EII policies on employee pay and fringe benefits are subject to IRS regulations.**

- The Clerk's comments how private contributions were expended on bonuses is misplaced as the BCC's approved agreement provides EII with the flexibility to spend private contributions and business income in furtherance of operations.

**It is unclear what public purpose is served in a cash constrained organization by paying cash bonus to leased-employees.**

- Since the inception of the public private partnership with EII the Clerk has spent countless hours investigating "personnel expenses." In 2016 the Clerk refused to pay cell phone and travel expenses and questioned if they were legitimate "personnel expenses" in running a complex economic development operation. In FY 2017 County Staff sought to resolve this issue by having the BCC approve Article IV of the FY 2017 Agreement, between Collier County and EII. That amendment clearly states that "It is intended that personnel expenses,

[are] to be construed as *broadly as possible* to ensure [the] maintenance of staffing requirements” [emphasis added]. Despite the BCC’s acceptance and approval of this language, the Clerk still spends untold hours and numerous meetings seeking to deny 401k costs as personnel expenses.

**The Clerk clearly understands the use of cell phones and travels expenses. The Clerk is concerned with the treatment of personnel expenses and the accurate tax treatment for these expenses; please see Exhibit 4-G. As stated by management above, “County Staff and EII have worked diligently to improve the quality of report, policies and procedures, and internal controls,” which the Clerk asserts are still problematic.**

**On April 2, 2018, EII staff stated that they have fixed the tax treatment of expenses going forward.**

- The Clerk’s assertion under the heading “Unauthorized Matching 401k Contribution” is unfounded. The contribution to a 401k is in line with compensation practices in the industry, a 401k is a needed benefit to hire and retain talented people. The FY 2018 the County specifically authorizes 401k contributions.

**The Clerk agrees with management that 401k contributions are allowed for in the FY2018 Agreement and they were not allowed for in the previous agreements.**

- Since the inception of the public-private partnership, the Agreements have delegated the negotiation of participant rates to the administrative entity (EII), which is best positioned to assist the companies seeking to grow in Collier County. The annual approval of the Agreement with EII which delegates the authority to discount should be the final authority on the subject matter.

**The Clerk’s concern is that rates are discounted to the detriment of the sustainability of cash flow. The Clerk agrees it is the responsibility of EII’s Board of Directors and staff to collect rates that meet budget and support cash flow.**

- The section with the header “Undocumented ‘Bartering’ Transactions” mischaracterizes and fails to recognize the terms of the BCC’s approved Agreement with EII related to the County’s accelerator program, which allows EII to determine fees for participants.

**The Clerk has requested support for the “bartering” transactions.**

**On April 2, 2018, the COO of EII stated that EII no longer participates in bartering transactions. The last bartering arrangement was in June 2016 and that agreement has ended.**

- The section with the header “Increased Financial Liability” fails to provide any facts to support the misstatements.

**The Clerk notes that management disagrees with the premise that interest and fees charged to EII for the use of their Letter of Credit to cover payroll, over-spent personnel costs (see Exhibit 4-I), and travel allowances are in fact an increased financial liability. According to the FY2017 external audit, EII incurred \$4,709 of interest expense through**

**September 30, 2017.**

**On April 2, 2018, EII staff and CPA volunteer detailed the Interest Expense of \$4,709 includes all interest expenses incurred, not just the Letter of Credit. EII's COO then stated that the Letter of Credit was not used to cover payroll, it was utilized for the buildout of the Immokalee facility.**

- County Staff on its own volition, and in an effort to expedite the Clerk's review, was forced to go to extreme measures including the following: 1) make hard copies of payment requests for hand delivery to the Clerk; 2) make digital PDFs of payment requests; 3) conduct follow up calls to Clerk staff to move requests through the Clerk's SAP system because the Clerk has no system for following Action's Items in its accounting system; 4) provide subject matter expertise to the Clerk's staff in tax, business and accounting systems; and 5) when it appeared that EII would be forced to shut down, County Staff initiated a BCC agenda item to seek the guidance of the BCC in order to save the County's Accelerator program.

**The Clerk does not require hard copies, nor, that copies be hand delivered. To the contrary, the Clerk has repeatedly requested that ALL invoices and supporting documents be submitted thru the automated Dolphin/SAP financial system that provides time tracking for the process.**

**The County (BED) requested that all invoices be first sent to them from EII. This process has proven to delay the submission to the Clerk's Office. The redirecting of the invoices first to the County (BED) was a direct result of the inability of EII to submit proper documentation with invoices.**

**EII's Response.**

Incorrect; Clerk's assertions that "in the audit report that EII made improper payments to the staff of EII".

**The Clerk continues to assert that EII made and/or improperly accounted for payments to staff.**

**EII's Response:** The FY 2017 contract between EII and the County clearly states that "It is intended that the personnel expenses, *to be construed as broadly as possible* to ensure maintenance of staff requirements...." It does not exclude bonuses; travel allowances and 401K savings plan matching payments. During the year it was determined by the EII Board of Directors (Board) and the Collier County Business & Economic Development Division (County Staff) that it was in the best interest of EII to rightfully provide those compensation benefits to the staff of EII. In today's low unemployment environment, it is a necessary business requirement to provide a full array of compensation benefits to attract and retain competent staff. The Clerk understands this and provides this benefit (457k) to his employees.

**EII, a 501(c)(3) organization, is subject to IRS rules and regulations regarding the compensation of employees. It is noted in this audit report that EII has not performed**

nor commissioned salary and compensation surveys. It was further confirmed by the CEO of EII on February 1, 2018 that EII Board of Directors conducted no budget analysis and has no documentation to support their decision to award bonuses to EII staff. This calls into question the compliance of EII's compensation policies with IRS regulations.

Incorrect; **Clerk's assertion** that "Unbudgeted Bonuses and the Audit Report's contention that \$1,527.96 is unaccounted".

**EII's response:** The auditors came up with that amount by taking the actual amount paid to the staff for bonuses of \$20,112.05 and subtracting the amount of bonuses that have been granted by the Board which remains unpaid of \$18,584.09. These two numbers are mutually exclusive and subtracting one from the other is invalid. Please refer to the charts on page 34 of the audit report. Therefore, this must be removed from the report.

The Clerk's Internal Audit team made numerous requests for supporting documentation regarding the bonus payouts. The documentation provided, until March 13, 2018, only showed a bonus payouts equaling \$17,595.15 whereas the financial statements showed the payment of \$20,112.05. The personnel related costs of the bonus payments were withheld from disclosure to the Clerk. The COO of EII stated in the March 13, 2018 meeting, "(she) did not include these invoices in the email I sent to them (the Clerk)."

On April 2, 2018, the COO of EII stated that these particular TriNet statements were not sent because they were not part of the reimbursable personnel costs.

Incorrect; **Clerk's assertion** that "\$20,112.05 was paid from Business Income while there is no entry under private donations."

**EII's Response:** Again as the scope is a range from inception until sometime in February 2018, it is hard to determine which FY or period this statement is referenced. In order to facilitate cash flow transfer, the balance sheet notes a "Due to" and "Due From."

The Clerk advises EII and BED that an increased level of monitoring and reporting is needed for segregated accounts, especially when dealing with program income generated on County owned assets and County paid leases. Even more so, when the contract specifically requires Business Income to be maintained separately from Private Contributions.

On April 2, 2018, EII staff and volunteer CPA explained that this is one of the reasons that EII sub-contracts out the accounting function.

Incorrect; **Clerk's assertion** that "...EII is unable to account for bonus payments made during Fiscal year 2017."

**EII's Response:** Based on the TriNet payroll invoices, which the Clerk's Office has, one can clearly see that EII has accounted for the bonus payments. The audit comments and table need to be removed from the report. Here is the analysis the Clerk's auditors should have done to avoid making false accusations.

EII Bonus Cost Paid by Business Income Fiscal Year 2017	
Description	Bonus Payment And SRE
<b>Bonus Payment</b>	
Dr. Marshall Goodman, CEO	\$ 12,009.38
Jennifer Pellechio, COO	\$ 4,992.27
Nicole Kruezer, Administrative Assistant	\$ 593.50
<b>Total Bonus Amount</b>	<b>\$ 17,595.15</b>
<b>Bonus Related Expenses</b>	
Employer Taxes/Contributions	\$ 973.75
Benefits	\$ 879.75
Service Fees	\$ 374.04
Workers Compensation	\$ 289.36
<b>Total Bonus Related Expenses</b>	<b>\$ 2,516.90</b>
<b>Total Cost To EII Business Income</b>	<b>\$ 20,112.05</b>

The TriNet statements detailing the Total Bonus Related Expenses were provided to the Clerk's Internal Audit on March 13, 2018. Table 3 and Table 4 have been updated accordingly.

On April 2, 2018, EII staff and Volunteer CPA stated the following regarding the bonus payments:

1.) The bonus payments were stated on the financial statements under Payroll Salaries-Earnings, the bonus payments were then re-classified to Payroll Additional Comp-Non Reimb on or about May 5, 2017. It is worth noting that the Clerk did not start receiving monthly financial statements from EII until July 2017.

2.) EII staff was not present when the EII Board voted on the bonuses. Dr. Goodman then clarified his earlier statement from February 1, 2018 by stating that "he" does not have any documentation or budget analysis to support the bonus payouts, if there is any EII's Board of Directors would have it and that he was not involved.

We are pleased to see that the audit report duly notes that the total payments by the County for EII compensation did not exceed the contracted amount of \$309,800 which is the direct result of the COO ensuring that this did not happen.

While payment did not exceed budget, EII spent 100% of the budget six weeks prior to yearend. BED, on the behalf of EII, then attempted to request a budget amendment from the BCC in July 2017 to cover the shortfall, pleading cash shortages because of the

## Clerk's refusal to make payments.

Incorrect; **Clerk's assertion** that "the audit report makes mention of the 2.9% salary increase in the FY 2018 budget is not understood.

## The Clerk's assertion that EII staff received 2.9% salary increase in FY2018 is correct.

**EII's Response:** It was properly agreed with the County and is clearly and transparently disclosed in the County contract in Exhibit B2. Therefore, the Clerk's inclusion of this should be eliminated because it's irrelevant.

Incorrect; **Clerk's assertion** that "...EII has failed to establish reserve funds pursuant to the Agreement with Collier County." is without merit.

**EII's Response:** The contract clearly states "... Business Income *may* be used or held in reserve until such time as it is required or carried forward to the Project 's next fiscal year. EII 's establishment of a Reserve Fund to meet its future cash flow and capital requirements is authorized." There is no time-certain for a reserve, nor is it mandatory. Therefore, the comments by the Clerk must be removed from the report.

## The Clerk agrees that there is not a time-certain for the establishment of the Reserve Fund. However, the Clerk finds, while it is consistent with board action, the payment of bonuses to EII staff before the establishment of the Reserve Fund, may not be fiscally prudent in a cash constrained entity.

We are also glad to see the Clerk has acknowledged that the various personnel compensation components like 401K company match and other benefits are now clearly delineated in the agreement. This excellent result was due to robust, constructive dialogue between EII and County Staff to ensure that possible vague items in the previous agreement were given more clarity.

## The Clerk disagrees with EII's assessment of the changes made to the FY2018 agreement. The agreement went through fifteen-plus revisions before going to the BCC. The majority of changes proposed by the Clerk, including performance requirements and specifically required deliverables (e.g. produce a certain number of jobs), were passionately argued against by the Director of BED to the benefit of EII. The current agreement can best be described as increased financial burden to the taxpayer with decreasing responsibility by EII.

Incorrect; **Clerk's assertion**, "As noted above the Clerk's repeated assertion of an unaccounted amount of \$1,527.96 on page 33 of the report in reference to Table 4."

**EII's Response:** The inappropriate calculation by the audit staff. That comment, Table 4, and Exhibits 4-D and 4-E must be removed from the report as inaccurate.

The Clerk's Internal Audit team made numerous requests for supporting documentation regarding the bonus payouts. The documentation provided, until March 13, 2018, only showed a bonus payouts equaling \$17,595.15 whereas the financial statements showed the payment of \$20,112.05. The personnel related costs of the bonus payments were withheld from disclosure to the Clerk. The COO of EII stated in the March 13, 2018 meeting, "(she) did not include these invoices in the email I sent to them (the Clerk)."

On April 2, 2018, the COO of EII stated that these particular TriNet statements were not sent because they were not part of the reimbursable personnel costs.

Incorrect; **Clerk's assertion** that "Travel Allowances as Additional Executive Compensation regarding W-2s and 1099."

**EII's Response:** Noack & Company, Janet Noack, CPA was not totally correct in stating the Travel Allowances have to be reported to the IRS via W-2's. This has properly been done via Form 1099's from EII and not W-2's as indicated because they are not employees of EII.

EII's external accountant, nor the Clerk, were incorrect. Both gave EII the options for appropriate accounting for travel and allowances. Unfortunately, until both the Clerk and EII's external accountant pointed to these issues, EII did not properly handle the expenses.

On April 2, 2018, EII staff and volunteer CPA stated that the 1099's have been completed and sent out.

Incorrect; **Clerk's assertion** that "As noted above the agreement with the County clearly allowed broad interpretation when it came to personnel costs so on page 37 and Exhibits 4-H and 4-I EII Response."

**EII's Response:** This should be excluded from the Audit Report. The County paid no more than the contracted amount for compensation.

The Clerk did not pay more than the contracted amount for compensation. EII, however, used \$45,275 of program income for the remaining personnel costs.

The Clerk's concern regarding EII's compensation policies is that EII's Board of Directors and BED have failed to provide proper oversight of EII and documentation to support the justification of EII's compensation policies appears to be lacking.

Exhibit 4-B: EII's Executive Committee Meeting minutes from October 31, 2017 discussing the matching 401k contribution. The COO of EII was not able to find the minutes for the EII's board action.

### III. Old Business

#### a. Executive Directors Update

Dr. Goodman indicated that the clerk has questioned how and when the 401K was established and has asked for documentation of this. Ms. Pellechio indicated that she has been unable to locate minutes of board action. Mr Grant stated that he vividly recalled this in 2015 or 2016 and was quite sure it had been documented. He suggested that the board take action to ratify its prior action approving the 401K benefits which are reimbursed by the county.

EII Executive Committee Minutes  
October 31, 2017

1

**Exhibits 4-H and 4-I will remain in the audit report. These exhibits demonstrate the Clerk's concern regarding EII's compensation policies, which is without any apparent oversight from BED. More specifically, Exhibit 4-H shows that EII misallocated 100% of the \$309,800 reimbursement from the county to salaries and 401k matching contributions, while the remaining personnel costs of \$45,275 was paid from Program Income. Exhibit 4-H is a budget that was completed by EII staff, before the FY2017 agreement was prepared, and clearly shows EII planned to implement a matching 401k contribution that does not appear in the FY2017 agreement.**

Incorrect; **Clerk's assertion** that Increased Financials Liabilities and that EII does not submit timely reimbursement requests which has caused EII to access a bank line of credit for periodic cash short falls”.

**EII's Response:** EII submits payment requests on a timely basis to the County, but the Clerk's convoluted and inconsistent payment processes has resulted in protracted time periods for reimbursement forcing EII to draw down on its line of credit to make the payroll payments. Otherwise the staff would have to be furloughed resulting in great disruption.

**EII fully expended the County's reimbursement six weeks before the end of the 2017 fiscal year, in August 2017. EII has overspent personnel related costs throughout the year and paid bonuses as late as April 2017 (see previous response), thereby expending all of their cash and then utilizing the Letter of Credit to carry them until the FY2018 Agreement was signed by the BCC.**

Incorrect; **Clerks assertion**, that “that Dr. Goodman and COO Jennifer Pellechio do not have financial/accounting/bookkeeping backgrounds and that this function is not in their job descriptions.

**EII's Response:** This is not accurate, Dr. Goodman has extensive management experience and Jennifer Pellechio has a MBA with years of financial experience.

**This assertion is not the Clerk's, but a direct quote from Dr. Marshall Goodman on February 1, 2018, while explaining to the Chief Deputy Clerk why EII has to outsource the bookkeeping and audit functions, in addition to explaining the inaccurate reporting of the financial statements.**

**On April 2, 2108, EII staff stated that from the very beginning, it was recognized by BOCC that there was not enough funds to pay to hire an accountant. This was part of Southwest Work Force Development Board's oversight.**

**Incorrect; Clerk's assertion** that "The Audit Report's conclusions starting on page 38 of the report are all without merit and represent a far-reaching attempt at characterizing EII as an out of control organization. It's contention that the internal controls are "woeful" is without merit."

**The Clerk stands by the assertion that EII's internal controls are inadequate, as seemingly supported by their own external auditor.**

**EII's Response:** With only three staff members the basic internal control of segregation of duties is accomplished as best as possible and it is further augmented by the use of an independent CPA firm, Noack & Company, to do the accounting and financial statement preparation. All the reports are sent to the County monthly and are very clear and transparent. In addition, EII's accounts are audited annually by another CPA firm, Tuscan & Company, who gave EII a clean audit report opinion for FY 2016. The audit for FY 2017 is currently in its final stages and all indications are that it will likewise produce a clean opinion.

**The Clerk notes EII's deficient internal controls are consistent in most findings in this report. The Clerk also notes that County Management appears to agree with this assessment in their first response to Finding #4 above. The external Auditor, Tuscan & Co., provided seven comments to the FY2016 audit, one of which is specifically "Additional Oversight Should be Provided by the Board of Directors." The seven oversight and monitoring functions that should be provided by the Board of Directors were as follows:**

- a. Review monthly bank reconciliations to ensure they are being performed in a timely manner.**
- b. Review budget vs. actual statement on a monthly basis and investigate any unusual variances.**
- c. Review monthly internal financial reports for any unusual or unexpected transactions or balances.**
- d. Review payroll reports to ensure compensation agrees with approved rates.**

- e. Review the policies and procedures with respect to benefits of key employees and officers to ensure adherence to written policies.
- f. Inquire of management and the independent auditors about significant risks or exposures facing the Company. Assess the steps management has taken to minimize such risks to the Company and review compliance with such steps.
- g. Review key internal controls with the management team and understand how these controls will be tested, maintained and monitored during the year.

On April 2, 2018, EII's volunteer CPA explained that he has corrected four of the seven Comments from the FY2016 external audit, and that only three comments are were repeated in the FY2017 external audit:

1. 2016-2 Reconciliation of Fixed Assets Should Be Performed Monthly.
2. 2016-3 Monthly Reconciliation and Closing Process Should be Implemented.
3. 2016-6 The Board Should Approve Indirect Cost Allocation Policy.

**Recommendation:** Management disagrees with the Internal Auditor's recommendations.

**Action Plan:** None.

**5) EII, with the consent of the BED, has discounted their Program Income with “promotional” rents while claiming cash flow concerns and not meeting revenue targets.**

EII and the BED included a provision in the FY2018 Agreement that allows EII to discount the rent charged to accelerator participants by as much as 50% of EII’s budgeted Program Income.

EII has a published fee schedule for membership pricing that details the monthly rent for different office spaces available at the Naples Accelerator. EII offers a promotional rental discount of 50% for the first six months to attract participants to the accelerator.

EII’s COO stated that, “*the promotional rent is only granted to a participant for the first six months they are in the accelerator.*” Internal Audit has found numerous instances where the promotional rent was granted to participants for more than one six-month period. Multiple discount periods to the same participant indicates a lack of internal controls. EII has been made aware of this lack of controls and continues to grant the discounts (**note: HyperTeam has received the 50% discounted rent multiple times over 2 years while collecting \$437,500 in County contracts**).

Table 5 below shows some of the Naples Accelerator Participants that have received the 50% discount more than once. While this list is not a comprehensive listing of all participants and all lease periods, it clearly shows that EII lacks internal controls regarding the application of the promotional discount.

<b>Table 5: Naples Accelerator Participants Discounts</b>			
<b>Participant</b>	<b>Time Period</b>	<b>Gross Rent</b>	<b>Discount</b>
Wegner Law PLLC	9/1/16 – 2/28/17	\$750/month	<b>\$375</b>
Wegner Law PLLC	3/1/17 – 8/31/17	\$750/month	<b>\$375</b>
Wegner Law PLLC	9/1/17 – 8/31/18	\$750/month	<b>\$375</b>
Golf Life Navigators	12/1/16 – 5/31/17	\$3000/month	<b>\$1500</b>
Golf Life Navigators	6/1/17 – 11/30/17	\$3000/month	<b>\$1500</b>
Golf Life Navigators	12/1/17 – 1/31/18	\$3000/month	<b>\$1500</b>
SeaWay Studios/5 <sup>th</sup> Ave Films*	8/1/16 – 1/1/17	\$500/month	<b>\$250</b>
5 <sup>th</sup> Avenue Films	1/1/17 – 6/30/17	\$500/month	<b>\$250</b>
5 <sup>th</sup> Avenue Films	7/1/17 – 9/30/17	\$500/month	<b>\$250</b>
5 <sup>th</sup> Avenue Films**	10/1/17 – 9/30/18	\$250/month	

\*SeaWay Studios/5<sup>th</sup> Ave Films Participant User Agreement is \$3,000 for 6 months, discounted 50% to \$1,500 before applicable taxes.

\*\*5<sup>th</sup> Ave Films month-to-month agreement reflects the new pricing policy, according to COO of EII on April 2, 2018.

The promotional rents prevent EII from collecting maximum rents. For FY2018, EII is projecting \$250,000 in gross rent from the Naples Accelerator, less the promotional discount of \$100,000 (40% of \$250,000), leaving only \$150,000 in potential participant income. The County is paying \$197,891.98 in rent for FY2018. This amounts to an almost \$50,000 net loss in EII’s rental income compared to the amount the County pays.

The rental discount policy dates back prior to FY 2017. However, on October 25, 2016, EII’s Board of Directors approved an additional policy authorizing Dr. Goodman to determine flexible membership rates. Dr. Goodman states, *“The selling point is due to the facility rent that is covered now by the County.”* This means that rents collected are not expected to cover costs (please see Exhibit 5-A).

**Exhibit 5-A: October 25, 2016 Board of Directors meeting minutes where Dr. Goodman requests authorization from the EII Board to offer flexible rental rates because the facility rent is now covered by the County.**

Dr. Goodman discussed the need for authorization by the Board to offer flexibility in determining rental rate discounts. Currently when a new member joins the accelerator they are eligible upon approved application to receive a 50% discount by EII to offset the first six months of rent. Not all companies receive this incentive.

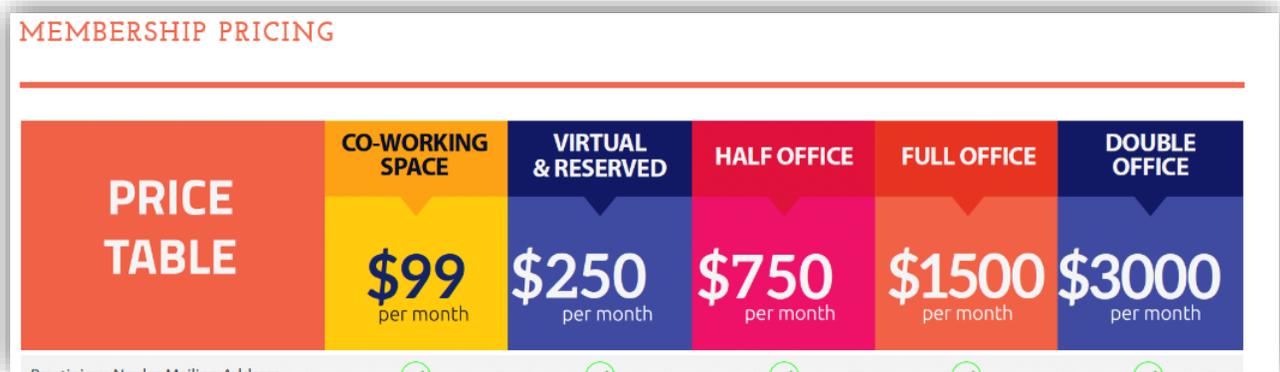
Board discussion ensued regarding this membership benefit.

Dr. Goodman expressed the selling point is due to the facility rent that is covered now by the County.

~~A motion was made by Mr. Grant and seconded by Mr. Pezeshkan to authorize the President/CEO to determine flexible membership rates. The motion passed unanimously.~~

In addition, even though we found no legal authority for EII to discount county funds, this was presented to the BCC in easily understood terms as part of the FY2018 Agreement Budget, which was approved. This un-controlled policy affects EII’s ability to become sustainable.

**Exhibit 5-B: EII’s fee schedule, publicly available on their website:**  
<https://naplesaccelerator.com/memberships/>



**Conclusion:**

EII is not following their own published Fee Schedule resulting in lost revenues. The BCC and the taxpayers are paying 100% of EII’s rent; EII is sub-leasing the space at a net loss, and then uses the generated rental income to cover unauthorized costs, such as employee bonuses.

The BED failed to mandate EII operate as a viable and sustainable entity over the past four years pursuant to EII’s Agreements with the BCC.

**Recommendations:**

- The Board of County Commissioners should consider their alternatives in regards to the contract with EII and notify them of potential reimbursements that may be required to State of Florida and Federal grantors and/or the County taxpayers.
- The BED needs to provide proper oversight and monitoring of economic programs.
- The BED should require county vendors to meet the approved business plan and contract.

**On Wednesday March 21, 2018, County Management and EII staff provided their written response to these findings:**

**Finding 5.** EII, with the consent of the County Staff, has discounted their Program Income with “promotional” rents while claiming cash flow concerns and not meeting revenue targets.

**EII’s response:**

Incorrect; **Clerk’s assertions** regarding discounted program incomes.

**EII’s Response:** The promotional discounts EII has had to offer to keep occupancy at an acceptable level is the result of market conditions. Prices, rents, etc. are a function of the marketplace. Markets change. Markets in Florida are greatly impacted by numerous factors such as seasonality, the national economy, and even Hurricanes. When necessary and appropriate, discounts are implemented to help the goal of supporting local entrepreneurs and recruiting those out of the area to create a vibrant soft-landing economy. This was a business decision approved by the EII’s Board. Discounts are not the cause of periodic cash issues. Delayed reimbursement by the Clerk is the root cause of the periodic cash issues. EII is a public/private collaboration and EII looks forward to this collaboration and a more expedited release of payroll funds.

**County taxpayers subsidize EII’s rent 100% (\$197,891 for FY2018), thereby eliminating the majority of EII’s operating overhead, EII then sub-leases to participants at a net-loss (\$150,000 budgeted net rents), for a \$47,891 shortfall. It is worth noting that EII’s identified competitors operating within Collier County DO NOT receive this subsidy and appear to operate without taxpayer subsidies.**

Incorrect; **Clerks assertion** regarding Table 5.

**EII's Response:** Table 5 contains errors and inaccurate information and cannot be relied upon.

The Clerk's Internal Audit staff identified one date that is out of sequence and has made the appropriate change. The supporting documentation for these participants has been attached. The reader will notice that each Participant User Agreement in Table #5 has "50% Discount" noted in the description or unit price. The latest Participant User Agreement for 5<sup>th</sup> Avenue Films is reflective of the latest pricing policy according to EII's COO on April 2, 2018.

**Management's Response:** Management disagrees with and disputes this finding.

Since the inception of the public-private partnership the BCC's approved Agreements have delegated the negotiation of participant rates to EII.

The Clerk agrees that County management has delegated this responsibility to EII. The Clerk notes that EII's internal controls are deficient, resulting in multiple applications of a promotion discount that is contrary to EII's own stated policy of one discount for the first six-month period. The Clerk also notes that the discounts are fully at the discretion of EII's Board of Directors.

It is especially worth noting that Wegner Law, PLLC occupies an entire office (Full Office Rent \$1500) however the Participant User Agreement states Half Office \$750, to which the 50% discount is then applied to bring the total cost to only \$375 per month. On April 2, 2018, the COO of EII stated that Wegner Law, PLLC leases only half of the office and that the other half is available for lease, if someone wants it.

It greatly concerns the Clerk how EII sub-leases half of a 'full' office space to one participant for only \$375, going on 2 years, and EII's Board of Directors and County management do not see this as contributing to EII's cash flow or sustainability issues.

**Recommendation:** Management disagrees with the Internal Auditor's recommendations.

**Action Plan:** None.

**6) EII failed to meet the Business Income and Private Contributions targets in FY2017 pursuant to the Agreement between the BCC and EII.**

Pursuant to the Fiscal Year 2017 Agreement between EII and Collier County, EII was required to meet a funding target of \$165,200 from the operation of the accelerator projects. \$115,000 was projected to come from Business Income (primarily from the subleasing of County rented space) and \$50,000 was projected to come from Private Contributions. EII is required, per the Agreement, to report Business Income and Private Contributions quarterly to the County, on the Quarterly Revenue Reuse Plan. For FY2017, EII reported the following:

<b>Table 6 - Summary of EII Quarterly Revenue Reuse Reports (NET) as of 10/12/2017 - Revised and Final</b>					
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Net Business Income	\$20,325	\$17,635	(\$-24,674)	\$10,278	\$23,564
Net Private Contributions	\$0	\$24,618	(\$-4,362)	\$0	\$20,256
<b>Total</b>	<b>\$20,325</b>	<b>\$42,253</b>	<b>(\$-29,036)</b>	<b>\$10,278</b>	<b>\$43,820</b>

EII was required to generate \$165,200 from operations during FY2017 but was only able to generate \$43,820, a revenue shortfall of **(\$121,380) Cash**.

EII has countered this result by claiming Private In-Kind Donations made up the shortfall and that EII did in fact meet their revenue target for the year. However, EII did not track and report the Private In-Kind Donations until the 4<sup>th</sup> Quarter of 2017 making retroactive allocation of **NON-CASH** time equivalents.

It is worth noting that Private In-Kind Donations are from individuals volunteering time, not money, to EII. Additionally, Private In-Kind Donations as of 10/12/2017 is un-audited. Please see Table 7 below:

<b>Table 7 - Summary of EII Reported Private In-Kind Donations as of 10/12/2017 – Revised and Final (unaudited)</b>					
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
<b>NON-CASH</b> Private In-Kind Donations	23,020	14,145	19,145	36,645	<b>92,955</b>

According to Article XXIX of the Agreement, EII was supposed to report, on a quarterly basis, their progress towards reaching the \$165,200 budget. In the event EII fails to reach seventy percent (70%), which is \$28,910 per quarter, BED is authorized to seek BCC approval of an adjusted budget.

On October 12, 2017, EII reported 92,955 in Non-Cash Private In-Kind Contributions. EII then reported a combined \$136,775 with which they claim exceeds the seventy percent target of \$115,640.

This is contrary to representations made by EII Board Chairman Fred Pezeshkan and Vice Chairman Dick Grant to the Clerk when they stated that EII does not count volunteer time as income.

## **Budget Amendment**

The Director of BED requested a Budget Amendment on July 11, 2017, in the amount of \$137,965, knowing that EII was failing to meet projected revenues. The Budget Amendment, Item 16F2, states that the additional funding is for the Florida Culinary Accelerator @ Immokalee and fails to identify the shortfall in Program Income at the Naples Accelerator or the overspending of personnel costs.

While on the agenda, the Clerk's staff brought EII's issues to the BCC's attention, and the item was pulled from the agenda. Upon further review, Internal Audit found the following discrepancies with the proposed Budget Amendment:

- 1) Start-up funding for the Immokalee accelerator requested in July 2017. The Director of BED knew that the Immokalee accelerator was not complete at the time of the requested Budget Amendment in July. The intended use of the funds was to cover the misallocation of Personnel Cost Reimbursements described in Finding #4, see Exhibit 4-H on page 50.
- 2) Misrepresentation of 71 companies and 86 Job Year Equivalent publicly submitted to the BCC in July 2017. The Director of BED explained the misrepresentation was due to a miscalculation in the spreadsheets. The companies and jobs claimed by the Director of BED in July 2017 contradict BED's deliverable reported to DEO for Grant #SL007 described in Finding #3 on page 38, see Exhibit 3-C and Table 2.
- 3) The Director of BED knowingly and intentionally misrepresented to the BCC in July 2017 that construction of the Immokalee Accelerator is now complete (see Exhibits 1-C, 1-N, and 1-O in Finding #1).
- 4) The Director of BED requested funding for Rent and Insurance, on behalf of EII, for a lease that EII has failed to pay during FY2017 and that the Director of BED failed to route for signatures (see and Exhibit 12-B on page 85).
- 5) The Director of BED publicly submits to the BCC in July 2017 language in the proposed Budget Amendment that would eliminate the Exhibit G Roles and Responsibilities of Administrative Entity from the existing Agreement between Collier County and EII. This is another example of the measures taken by the Director of BED to minimize performance requirements for EII while increasing the financial burden of EII to the taxpayers.

Please see Exhibit 6-A, below.

07/11/2017

### EXECUTIVE SUMMARY

**Recommendation to approve the First Amendment to the Fiscal Year 2017 Agreement between Economic Incubators, Inc. and the Board of County Commissioners to provide start up and operational funding for the Florida Culinary Accelerator @ Immokalee and authorize a budget amendment of \$137,965.**

**OBJECTIVE:** That the Board of County Commissioners (Board) approve the First Amendment to the Fiscal Year 2017 Agreement between Collier County, Florida and Economic Incubators, Inc. ("EII" or "Administrative Entity").

**CONSIDERATIONS:** Since FY 2015, the Board has partnered with EII to establish and operate a business accelerator program to assist local entrepreneurs to develop and expand their businesses, as well as to recruit companies into Collier County that create high value employment opportunities and help diversify the economy. The program calls for the operation of two business accelerators, one in Naples and one in Immokalee. Since its inception, the Naples Accelerator has provided services to 71 companies has reported creation of 86 Job Year Equivalents. EII has secured \$2.7 million in State appropriations and private donations.

During the 2016 State Legislative session, EII was awarded an appropriation of approximately \$1.2 million for the Florida Culinary Accelerator @ Immokalee for construction costs and kitchen equipment for the facility which is now complete. This amendment provides \$134,465 for operations and implementation of the culinary program including personnel costs, rent and insurance, as well as some facility improvements and additional equipment for the balance of FY 2017. Exhibit A, Scope of Service, is proposed to be amended to remove the requirement for staffing to be at 3 full time equivalents. Instead, staffing will be required to be at levels which allow for project success using contracted or leased employees. Exhibit G, Role and Responsibilities of Administrative Entity, has been replaced. The requirement to host two networking events or promotional events has been removed and multiple various reports and documents will no longer be required. Three deliverables are required: 1) provision of staff for both facilities, 2) project administration, and 3) project over sight.

**FISCAL IMPACT:** This amendment to the annual agreement provides County funding of \$137,965 to support the Florida Culinary Accelerator @ Immokalee. The planned costs include reimbursement of personnel cost (\$63,500), rent (\$9,000), operating, utilities, and insurance (\$20,165), permitting and consulting costs (\$15,000), and equipment, furniture, and facility costs (\$30,300) for the balance of FY 2017. The revised FY 17 contract total for both the Naples and Immokalee accelerators is Six Hundred and Forty Two Thousand Nine Hundred and Sixty Five Dollars (\$642,965). Funding for the Florida Culinary Accelerator @ Immokalee will be provided from Economic Development Fund (007) reserves

**Exhibit 6-B: Summary of all Revenue Reuse Plans submitted by EII to the County for FY2017, showing that In-Kind Contributions were not recorded or reported until October 12, 2017.**

Date Issued	Reporting Period	Revised	Bonuses Paid Included in Report	Combined Business/Private Donation Net Income	Exceeded Target % of Business Income and Private Contributions	Net Business Income Reported	Exceeded Target % of Business Income	Net Private Contributions Reported	Exceeded Target % of Private Contribution	In-Kind Contributions Reported	Combined Net Private Contribution and In-Kind Contributions	Exceeded Target % of Private Contribution and In-Kind
2/2/2017	Q1	New	No	N/A								
2/9/2017	Q1	Revised	No	\$ 42,132.09	Yes	\$ 42,132.09	Yes	\$ -	No	\$ -	\$ -	No
4/7/2017	Q2	New	N/A	\$ 71,055.11	Yes	\$ 39,032.11	Yes	\$ 32,023.00	Yes	\$ -	\$ 32,023.00	Yes
5/5/2017	Q1	Revised	No	\$ 42,132.09	Yes	\$ 42,132.09	Yes	\$ -	No	\$ -	\$ -	No
5/5/2017	Q2	Revised	N/A	\$ 71,055.11	Yes	\$ 39,032.11	Yes	\$ 32,023.00	Yes	\$ -	\$ -	No
6/1/2017	Q1	Revised	Yes	\$ 7,455.00	No	\$ 7,455.00	No	\$ -	No	\$ -	\$ -	No
6/1/2017	Q2	Revised	Yes	\$ 42,252.00	Yes	\$ 17,634.00	No	\$ 24,618.00	Yes	\$ -	\$ 24,618.00	Yes
6/24/2017	Q1	Revised	Yes	\$ 20,325.00	No	\$ 20,325.00	Yes	\$ -	No	\$ -	\$ -	No
6/24/2017	Q2	Revised	Yes	\$ 42,253.00	Yes	\$ 17,635.00	No	\$ 24,618.00	Yes	\$ -	\$ 42,253.00	Yes
7/17/2017	Q3	New	Yes	\$ (29,036.00)	No	\$ (24,674.00)	No	\$ (4,362.00)	No	\$ -	\$ (29,036.00)	No
10/12/2017	Q1	Revised	Yes	\$ 43,345.00	Yes	\$ 20,325.00	Yes	\$ -	No	\$ 23,020.00	\$ 23,020.00	Yes
10/12/2017	Q2	Revised	Yes	\$ 56,398.00	Yes	\$ 17,635.00	No	\$ 24,618.00	Yes	\$ 14,145.00	\$ 38,763.00	Yes
10/12/2017	Q3	Revised	Yes	\$ (9,891.00)	No	\$ (24,674.00)	No	\$ (4,362.00)	No	\$ 19,145.00	\$ 14,783.00	Yes
10/12/2017	Q4	New	Yes	\$ 46,923.00	Yes	\$ 10,278.00	No	\$ -	No	\$ 36,645.00	\$ 36,645.00	Yes

Since Private In-Kind Donations are not cash, it is appropriate to say the EII only generated \$43,820 in cash from operations, which is Program Income. This money should have been held in a reserve account to carry forward the operations into the next period, pursuant to their contract. However, as detailed in the observations above, EII’s Board of Directors and EII’s Executive staff used the funds to pay for such expenditures as bonuses, travel allowances, and over-allocated personnel costs.

**Conclusion:**

EII, in their numerous appearances before the BCC, failed to report the extent and reasons for their cash flow issues, failed to produce accurate Quarterly Revenue Reuses Reports, and failed to seek an adjusted budget in accordance with the Agreement.

The BED failed to monitor the vendor, EII, which was entrusted with taxpayer funds to carry out the accelerator projects.

**Recommendations:**

- The Board of County Commissioners should consider their alternatives in regards to the contract with EII and notify them of potential reimbursements that may be required to State of Florida and Federal grantors and/or the County taxpayers.
- The BED should provide proper oversight and monitoring of economic programs.
- The BED should require county vendors to meet the BCC approved business plan and contract

**On Wednesday March 21, 2018, County Management and EII staff provided their written response to these findings:**

**Finding 6:** EII failed to meet the Business Income and Private Contributions targets in FY 2017 pursuant to the Agreement between the BCC and EII.

Incorrect; **Clerk's assertion** regarding private in-kind contributions.

**EII's Response:** The FY2017 agreement allowed the \$50,000 to include in-kind per contributions.

Table 6 on page 42 of the Audit Report is incorrect. The auditor has misinterpreted the FY 2017 contract. The contract required EII to generate at least \$115,200 of Business Income in FY 2017 but the number included in Table 6 is Net Business Income after expenses which is incorrect. In fact, Business Income after normal deductions for Bad Debts and Rent Promotions for FY 2017 actually amounted to \$140,609 as compared with the incorrect amount in Table 6 of \$23,564. In addition, the Contract indicated EII was to raise Private Contributions in FY 2017 which brought the total to \$165,200 of internally generated funding. In FY 2017 Private Donations in cash reached \$37,523 and brought total internally generated funding to \$178,132, or 7.8% higher than indicated in the Contract. The Audit Report incorrectly shows Private Donations and Total Funding were only \$20,256 and \$43,820, respectively.

**The Clerk's Internal Audit team sourced the information in Table #6 from the Revenue Reuse Report "Revised and Final 10.12.17" that was submitted by EII. The numbers reported in the table are the Net Business Income, as reported for each quarter. Net Private Donation Income is the reported Private Donation Income less the Private Donation Expense, as reported for each quarter. The Private In Kind (PIK) Donations were not included in this calculation because PIK is not cash. Please find the above-mentioned Revenue Reuse Plan included in Appendix H, page 224-226.**

**The Clerk disagrees with EII's assertion that they are allowed to use a Gross or Adjusted Gross number as the basis for assessment. The Revenue Reuse Plan calculates a net value. Even if EII's assertion is allowed, EII's response above conflicts with the Revenue Reuse Plan submitted. EII's response further illustrates EII's problematic reporting of deliverables.**

Since EII more than exceeded the total Contract requirement the whole finding must be removed because it is completely incorrect.

In addition, Table 7 on page 42 is also incorrect. That table states Private-in-Kind (PIK) donations were \$92,955, however, PIK in FY 2017 amounted to \$118,491. Therefore, another error must be removed from the report.

**Table 7 was sourced from the same Revenue Reuse Report as Table 6, Appendix H pages 224-226.**

The Clerk notes that EII disagrees with their own Revenue Reuse Report submitted on or about October 12, 2017. The Clerk has noted previously that EII's reporting capabilities are problematic.

EII is responding that the PIK in FY2017 amounted to \$118,491. This amount appears in the FY2017 external audit and was not made available to the Clerk until Monday March 26, 2018, five days after EII and the County submitted a written response and thirteen days after EII and County staff met with the Clerk's Internal Audit team on March 13, 2018.

With regards to the Revenue Reuse Plan, despite attempts by EII to prepare it properly the County was unable to provide guidance on how to do so. It was a badly crafted document that did not work as intended. Therefore, the Clerk's assertion that EII failed to produce accurate reports is unfounded.

The Clerk reiterates that EII submitted 10 revisions to the Revenue Reuse Plan during FY2017. It appears now that EII disagrees with the final Revenue Reuse Report. The Clerk's assertion that EII fails to produce accurate reports is well documented.

On April 2, 2018, EII staff and CPA volunteer explained that the Revenue Reuse Form was badly designed and could not be filled out accurately. EII staff also asserted that reporting problems associated with the Revenue Reuse Report are the reason this report was removed from the FY2018 Agreement.

**Management's Response:** Management disagrees with the finding.

- The Revenue Reuse Plan is a tracking and monitoring tool used by County Staff to evaluate the County's accelerator program.
- The section titled "Budget Amendment" should be stricken or rewritten to accurately state supported facts.

**Recommendation:** Management disagrees with the Internal Auditor's recommendations.

**Action Plan:** None.

**7) EII failed to meet their revenue target for the first quarter of Fiscal Year 2018 based on continued rent promotions, un-sustained participation, failure to collect budgeted private contributions, and the failure to open the Immokalee facility.**

Net Business Income (rents and private contributions) received by EII for the First Quarter of Fiscal Year 2018 was \$35,285, net of promotional discounts; which is an average of \$11,761 per month. The First Quarter Net Business Income was budgeted at \$61,443 according to EII's "monthly calendarization budget". EII missed this budget by \$26,158.

However, using the straight-line budget for the First Quarter, the budget would be \$72,800 ( $\$291,200 / 4 = \$72,800$ ). EII missed the First Quarter straight line budget by \$37,515.

**Exhibit 7-A: Email from Fred Krieger on January 2, 2018, explaining the calendarization budget compared to the straight-line budget.**

On Tue, Jan 2, 2018 at 5:51 PM, Fred Krieger <[fkrieger911@gmail.com](mailto:fkrieger911@gmail.com)> wrote:

Jace and Phyllis,

Good to see you today and as discussed the attached Excel workbook will clarify what seems to be some confusion on how we did the EII monthly calendarization of the full year Budget as approved by the County and included in the agreement between EII and the County. For simplicity we could have just divided the annual amounts by twelve but that only works for some items like insurance payments but not for items affected by variability factors like seasonality and business ramp-up. For Business Income related to the Naples Accelerator and Woodstock's, I used fiscal year 2017 actuals as an analog to calendarize those revenue budgets. The other Business Income budget is for Immokalee so that certainly can't just be divided by twelve because of a ramp-up curve which you'll see in the Plan tab.

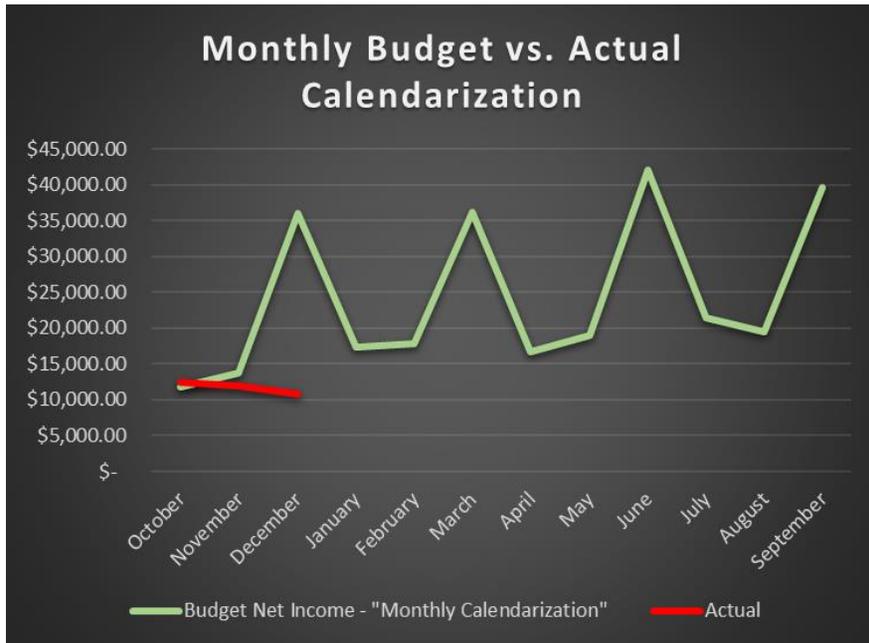
Use of the FY2017 revenues associated with rental agreements that may no longer be in place can be overstating revenue, budget should be based upon existing agreements for the budget year, not prior year agreement revenues that are no longer in effect. Use of a single year's rental activity does not provide enough data to reliably predict the seasonality of EII's business cycle, especially considering that EII does not appear to have complete and accurate records of their participant leases.

One of the contributing causes of the budget shortfall was due to EII failing to collect budgeted Private Contributions during the first quarter. EII collected less than \$1,000 of the **\$20,000** budget for private contributions for the first quarter of 2018.

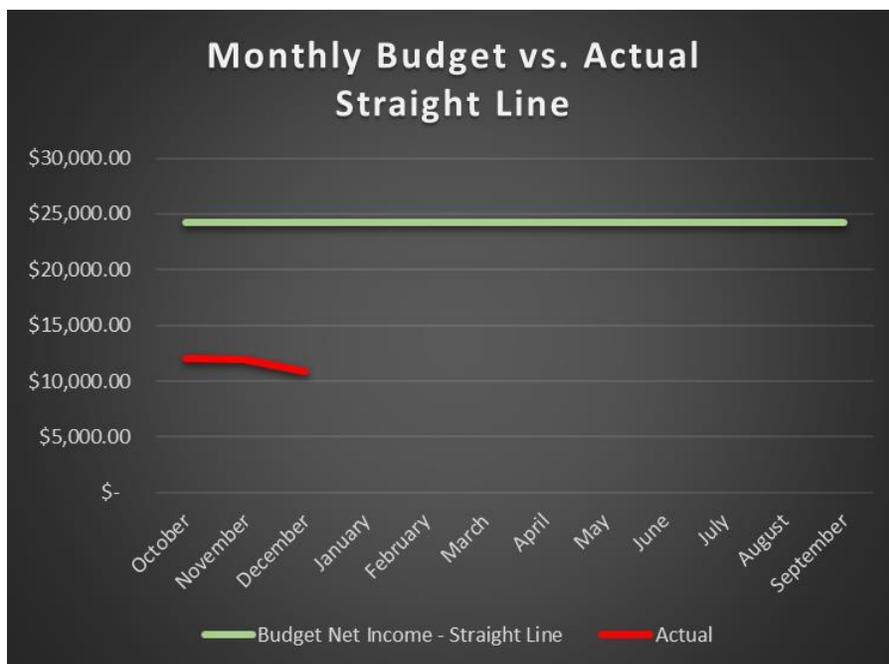
An additional cause of the budget shortfall was due to EII failing to open the Florida Culinary Accelerator @ Immokalee as of January 15, 2018. The Immokalee facility, was to open in 2016 according to the 2014

Business Plan, was later reported to open in November 2017, then early January 2018, now March 2018. The BCC approved budget shows that the Immokalee Accelerator will not be open during October and November, therefore \$0 revenue is budgeted for these two months. The Immokalee accelerator was budgeted to generate \$2,500 in revenue in the month of December but did not have the Grand Opening until March 28, 2018.

**Exhibit 7-B: Budget vs. Actual during the First Quarter of FY2018 showing the monthly net income budgeted using Ell’s calendarization budget.**



**Exhibit 7-C: Budget vs. Actual during the First Quarter of FY2018 showing the monthly net income budgeted to the straight line method (\$291,200 / 12 months = \$24,266)**



### **Failure to Collect Budgeted Private Contributions.**

On February 1, 2018, Dr. Marshall Goodman and COO Jennifer Pellechio informed the Clerk's Internal Audit staff that the anticipated \$20,000 donation from Century Link will probably not be received this fiscal year. COO Jennifer Pellechio explained that EII followed up with Century Link and was informed that original pledge was only for three years, FY2015, FY2016, and FY2017. COO Jennifer Pellechio further explained that since EII has incomplete records prior to her joining EII, that they were unaware that FY2017 was the last year of the pledge. Therefore, EII is not likely to receive the \$20,000 Private Contribution, as EII was planning on for the first quarter of FY2018. Furthermore, COO Jennifer Pellechio stated that they do not have a record of FY2015's donation, that record "*may be*" with Southwest Workforce Development Board.

Internal Audit requested supporting documentation for the three-year pledge from Century Link. Dr. Goodman explained, "*There isn't any.*"

### **EII's Explanation for Revenue Shortfalls**

EII continues to attribute "Cash flow issues for payroll" as an ongoing problem. Since EII's salaries are covered 100% by county funding, there is no basis for this claim. However, EII and BED have failed to submit payroll reimbursement requests in a timely manner (See Finding #16, pg. 81).

It is also worth noting that EII fails to identify the cause of any operation cash flow shortages or how EII plans to correct these shortfalls. EII does not discuss their failure to collect the budgeted Private Contributions.

**Exhibit 7-D: EII's Pay Request #FY18-06 submitted on January 19, 2018 describing the new anticipated schedule as late January 2018 – Early February 2018.**

Additional submissions of the Program Performance Report may be made to support additional requests for reimbursement as needed to support the program and budgetary requirements of the Project.

#### II. PROBLEMS ENCOUNTERED:

Cash flow issues for payroll.

Deliverable 1 – Staff for Immokalee projected to begin in December 2017, **new anticipated schedule is late January 2018 – early February 2018.** This will reduce the amount of money that EII can request for reimbursement by the county.

**Exhibit 7-E: EII's Pay Request #FY18-08 submitted on February 9, 2018 describing, "the Naples Accelerator new active participants were at a low." Additionally, "The Florida Culinary Accelerator @ Immokalee has not come online yet."**

II. PROBLEMS ENCOUNTERED:

Overall EII continues to have cash flow issues for payroll and other operating expenses. This is due to timing of reimbursements and the lack of estimated business revenue from participants in both locations.

**Deliverable 1:** Staff for Immokalee have been hired. The Culinary Program Manager, Ahmed El, start date is February 19, 2018. The Administrative Support Specialist title was reclassified to Culinary Business Development Manager. This position was filled by Ruth Fehr and she began on February 1, 2018. Overall, timing of the new hires will reduce the amount of money that EII can request for reimbursement by the county.

**Deliverable 2:** None

**Deliverable 3:** During the month of January the Naples Accelerator new active participants were at a low. However, the month of February is picking up with new participants. The Florida Culinary Accelerator @ Immokalee has not come online yet. We anticipate over the new few months to pick up business revenue for this location.

**Deliverable 4:**

**Deliverable 5:** None

**Deliverable 6:** This is pending the completion of the EII Audit.

**Deliverable 7:** This was submitted by January 31, 2018.

## **Failure to open the Immokalee Accelerator on time**

In August 2016, EII reported the Immokalee accelerator was a year late but they were pushing forward to complete the incubator. As of February 9, 2018, the Immokalee accelerator is still not open for the proposed business (see Exhibit 7-F below).

**Exhibit 7-F: Naples Daily News article titled “Immokalee business accelerator taking clients” dated August 24, 2016. In 2016, the accelerator was already “more than one year late.”**

<http://nplsne.ws/2bkDZry>



## **Conclusion:**

EII has failed to generate sufficient revenues from operations. EII continues to overstate revenue potential, is unable to collect estimated private contributions, and is unable to generate revenues necessary to sustain operations, relying instead on taxpayer dollars.

EII has continually misrepresented plans and accomplishments to continue funding.

## **Recommendations:**

- The Board of County Commissioners should consider their alternatives in regards to the contract with EII and notify them of potential reimbursements that may be required to State of Florida and Federal grantors and/or the County taxpayers.
- The BED should review documents submitted as deliverables and report deficiencies to the BCC.
- The BED needs to increase their level of monitoring and reporting of EII's operations.

**On Wednesday March 21, 2018, County Management and EII staff provided their written response to these findings:**

Please see the below analysis of the variance in Net Business Income versus the Budget for the first quarter of FY 2018. We still strongly disagree with the Clerk’s method of calendarizing budget which was clearly articulated to the Chief Deputy Clerk on January 2, 2018, and outlined in Exhibit 7-A on page 45 of the Audit Report.

Economic Incubators Inc.		
Q1 FY 2018 Business Revenue Shortfall Analysis		
	Business Income Revenue Budget Shortfall	
	EII Proper Method	County's Divide By 4 Method
<b>Q1 Revenue Budget</b>	\$ 41,393	\$ 52,750
<b>Explanations:</b>		
Incorrect Calendarization Method	\$ -	\$ (11,357)
Hurricane Irma Estimate Impact	\$ (3,000)	\$ (3,000)
Lower Occupancy Rates	\$ (2,741)	\$ (2,741)
Woodstock's Shortfall	\$ (3,210)	\$ (3,210)
Delayed Immokalee Opening	\$ (1,425)	\$ (1,425)
Favorable Rent Promotions Ratio	\$ 1,960	\$ 1,960
<b>Total Drivers of Variances</b>	<b>\$ (8,416)</b>	<b>\$ (19,773)</b>
<b>Actual Net Business Income Q1</b>	<b>\$ 32,977</b>	<b>\$ 32,977</b>

The Audit Report is correct in pointing out that EII did not attain its budget goal of \$20,000 in Private Contributions in Q1 FY 2018 which was explained previously to the County as a timing issue. To achieve a fair and balanced portrayal of the situation, the Clerk should have reported that EII achieved \$25,000 in the subsequent month of January 2018 and was, therefore, ahead of plan. In fact, the Private Contributions through February 2018 total \$45,504 versus a budget of \$20,000. It’s up to the Clerk to determine if he wants to continue to make these remarks but he must present a fair and balanced view as well. The Clerks comment of “Additionally, *EII does not discuss their failure to collect the budget Private Contributions.*” is without merit and needs to be removed from the report.

**EII first explained the missed budget goal of \$20,000 as a timing issue. At the February 1, 2018 meeting, EII’s COO explained that it was not a timing issue rather the corporate sponsor pledge was for three years and EII already received all three years (as of FY2017). The supporting documentation provided by EII for the corporate sponsor’s Private Contributions consist of two invoices for FY2016 and FY2017. EII indicated on February 1, 2018 that they do not have any records of the FY2015 donation nor any other documentation of the pledge.**

Since the Finding is specific to the First Quarter of FY2018, the audit relied upon the information thru that period (ending December 31, 2018). The financial statements for the Second Quarter are complete at the publication date of this report.

The Clerk will review the Second Quarter deliverables, to validate EII's response of \$45,504 in Private Donations, upon receipt.

Please refer to Exhibits 7-D and 7-E where EII fails to mention Private Contributions, or lack thereof.

The Audit Report correctly indicates that EII Immokalee location did not produce net revenue in Q1 FY 2018 (\$2,425) because of a failure to get the Culinary component open. This was not a failure of effort by EII staff, but is attributable to unforeseen issues with the County's building (subdividing a building and then reconnecting the fire alarm systems). Given the nature and complexity of the program and systems in the EII half of the building, EII has *always* placed a high priority of the safety of the facility, and on "doing it right" rather than doing it fast. The public's safety has and will remain our paramount concern.

The Clerk accepts EII's admission that as of Q1 FY 2018 EII has failed to "get the culinary component open" (see also Finding #1). This is contrary to EII's representation to DEO that the facility was 100% complete as of June 30, 2017.

What does need to change and has changed thanks to the involvement of the County Manager and the BCC is greater streamlining in the County reimbursement practices, allowing EII to report directly to the County Staff and Clerk's office simultaneously. EII believes further cooperation in the future between the County Staff and Clerk's staff will further efficiencies, avoid duplication of effort, and result in faster reimbursements and therefore lessen cash flow burdens on those who do business or partnerships with Collier County.

The Clerk recognizes that EII has improved their reporting however, EII's reimbursement requests and reporting of contract deliverables still contain errors (that continue to be communicated to EII staff and BED staff over the past year).

**Recommendation:** Management disagrees with the Internal Auditor's recommendations.

**Action Plan:** None.

**8) EII, the BED, and owners of Kraft Office Center, LLC have failed to correct a zoning violation that has hindered the accelerator participants from registering as businesses and obtaining required business tax receipts in Collier County.**

The space occupied by the Naples Accelerator at 3510 Kraft Road, Naples, Florida is not properly zoned for current use, as verified by the appropriate county staff and the EII’s Vice Chairman, a Board Certified Real Estate attorney who also represents the owner of the property, the Chairman of EII’s Board Mr. Fred Pezeshkan.

EII does not pay the rent for the facility that houses the Naples Accelerator. The rent is paid directly by Collier County to Kraft Center, LLC in the amount of \$197,891.98 for FY2018. See table 7, below.

<b>Year</b>	<b>Rent – Base Rent of \$192,128.14 with 3% Annual Increases</b>
2017	\$192,128.14
2018	\$197,891.98
2019	\$203,828.74
2020	\$209,943.60
2021	\$216,241.91
<b>Total</b>	<b><u>\$1,020,034.37</u></b>

This has become problematic because a violation of the Zoning may hinder the Accelerator participants (tenants/incubator start-up companies) from obtaining the appropriate business tax receipts from the Collier County Tax Collector. EII’s failure to comply with these laws is an impediment to the success of the Accelerator and participants, by an entity funded to facilitate other business’s compliance with business regulations.

**Conclusion:**

EII is occupying and the county is paying rent on a property that is not zoned for the current use. As a result, participants may be unable to obtain business tax receipts as required by law.

EII, BED, and the owners’ of Kraft Office Center, LLC were made aware of this issue in March 2017 and have failed to resolve this issue.

**Recommendations:**

- EII and the owners of the property need to seek the appropriate remedies from Collier County to correct the zoning issue.

**On Wednesday March 21, 2018, County Management and EII staff provided their written response to these findings:**

**Finding 8:** EII, County Staff, and the owners of Kraft Office Center, LLC have failed to correct a zoning violation that has hindered accelerator participants from registering as businesses and obtaining required business tax receipts in Collier County.

**Management's Response:** Management disagrees with and disputes the finding.

The opinion of the County's Zoning Director is attached as Exhibit #2.

**Action Plan:** County staff will facilitate discussions with the land owner regarding efforts to update the PUD Master Plan

**The Clerk's office provided this information to EII almost one year ago. The Clerk was advised that business tax receipts could not be issued under the current zoning. The Clerk then confirmed the issue with Division Director of Planning and Zoning, Mr. Michael Bosi. The Exhibit provided by EII identifies the encroachment to be corrected.**

**The Clerk notes that while County Management "disagrees and disputes the finding," County Management will attempt to facilitate discussion with the land owner at some unspecified time in the future to correct the issue.**

**On April 2, 2018 Dr. Goodman stated that Naples accelerator participants are still not able to obtain their Collier County Business Tax receipts and defers to the Director of BED for further comment.**

**9) EII failed to timely and accurately file IRS Form 990 tax returns for fiscal years 2015, 2016 and 2017, thereby jeopardizing their tax-exempt status.**

**EII's Board of Directors Failed to Disclose the Number of Contributed Hours.**

The 990's for FY2015 and FY 2016 reflect that none of the Directors received any benefits or contributed hours worked. On numerous occasions, individual members of EII's Board of Directors have represented to the BCC and Clerk's staff the amount of time (number of hours worked) spent working on "making EII a success." EII has claimed numerous volunteer hours as donations but failed to document any in either FY2015 or FY2016.

**Exhibit 9-A: Page 7 of EII's Revised 990, resubmitted on or about January 6, 2018, for Fiscal Year 2016 showing the Board of Directors received no benefits or contributed no hours.**

Form 990 (2015) Economic Incubators Inc 47-1997241 Page 7

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Officer or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Dolph Von Arx, Director President		X					0	0	0	
(2) Fred Pezeshkan, Director Vice President		X					0	0	0	
(3) Richard Grant, Director Secretary		X					0	0	0	
(4) Dudley Goodlette, Director Treasurer		X					0	0	0	
(5) Jean-Pierre Garnier, Director Director		X					0	0	0	
(6) George Ahearn, Director Director		X					0	0	0	
(7) Stephen Wheeler, Director Director		X					0	0	0	
(8) Louis Trania, Director Director		X					0	0	0	
(9) Carolyn Rambosk, Director Director		X					0	0	0	
(10) Joe Paterno, Director Director		X					0	0	0	
(11) Marshall Goodman President/CEO		X		X			158,157	0	0	
(12)										
(13)										
(14)										

EEA Form 990 (2015)

**EI's Board of Directors Failed to Disclose Potential Conflicts of Interest or Direct Dealings**

Mr. Fred Pezeshkan, the Vice President Director of Economic Incubators, Inc. (EI) Board of Directors during Fiscal Year 2016, is considered by IRS Code to be an Interested Person for the purpose of reporting transactions on the 990 and 990 Schedule L.

Mr. Fred Pezeshkan is also the Manger of Kraft Office Center, LLC, which is the owner of the property that the Board of County Commissioners of Collier County leases for EI use. Therefore, Kraft Office Center, LLC is controlled by Mr. Fred Pezeshkan.

Part IV. Line 28 (a) is the disclosure for business transactions with current or former officer, director, trustee, or key employee. Line 28 (c) is the disclosure for a transaction with an entity that is controlled by a current or former officer, director, trustee, or key employee. The reporting threshold for business transactions with an interested person is \$100,000.

**Exhibit 9-B: Page 4 of EI's Revised 990 showing that EI claimed "NO" for any related party transactions.**

		Yes / No	
27	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		X
28a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
28b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
28c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X

**Exhibit 9-C: Rent Payments to Kraft Office Center, LLC from October 2015 through September 2016 showing \$118,510.72 in payments, which is above the \$100,000 minimum reporting level.**

	Vendor name	Ref. number	Σ	Amount	Pur. order	Due date 1	Or
15	KRAFT OFFICE CENTER LLC	OCT-2015		8,541.67	4500162199	10/31/2015	
15	KRAFT OFFICE CENTER LLC	NOV-2015		8,541.67	4500162199	10/23/2015	
15	KRAFT OFFICE CENTER LLC	DEC-2015		8,541.67	4500162199	12/01/2015	
15	KRAFT OFFICE CENTER LLC	JAN 16		8,541.67	4500162199	12/21/2015	
16	KRAFT OFFICE CENTER LLC	FEB 2016		8,541.67	4500162199	02/25/2016	
16	KRAFT OFFICE CENTER LLC	MARCH 2016		8,541.67	4500162199	02/23/2016	
16	KRAFT OFFICE CENTER LLC	APR 2016		8,541.67	4500162199	03/21/2016	
16	KRAFT OFFICE CENTER LLC	MAY 2016		8,541.67	4500162199	04/25/2016	
16	KRAFT OFFICE CENTER LLC	JUN-16		8,541.67	4500162199	05/23/2016	
16	KRAFT OFFICE CENTER LLC	JUL-2016		8,541.67	4500162199	06/24/2016	
16	KRAFT OFFICE CENTER LLC	AUG-2016		8,541.67	4500162199	07/25/2016	
16	KRAFT OFFICE CENTER LLC	9/16 UNITS 2-...		8,541.63	4500162199	08/22/2016	
16	KRAFT OFFICE CENTER LLC	10-16 UNIT 2-2...		16,010.72	4500171694	09/22/2016	
				<b>118,510.72</b>			

In Fiscal Year 2016, Kraft Office Center, LLC received \$118,510 in lease payments from Collier County on behalf of EII, which meets the minimum reporting requirement for entity controlled by an interested person. The arrangement of the BCC paying rent on behalf of EII, directly to Kraft Office Center, LLC may impact required disclosures.

**EII Filed 990's Late, After Extension Deadlines.**

EII was late to file the Fiscal Year 2015 IRS Form 990. The form was due on February 15, 2016 but was not received by the IRS until November 7, 2016. EII claims to have filed the appropriate extension requests. However, the extension is for three months and a second three-month extension is available if needed. Two extensions would have made EII's due date August 15, 2016. (Note: The IRS made a change to the extensions, now there is only one six-month extension instead of two three-month extensions.)

EII was also late to file the Fiscal Year 2016 IRS Form 990. EII's due date was February 15, 2017, August 15, 2017 with extensions. EII was late and did not submit the return until on or about October 5, 2017.

Internal Audit reviewed EII's tax returns for FY2015 and FY2016 and found many inaccuracies, errors, and omissions. Internal Audit communicated these concerns to EII staff and the BED.

EII then revised and re-submitted the FY2016 IRS Form 990 on or about January 6, 2018. Internal Audit has not yet performed a full review of the newly revised tax return, however it appears that changes to prior filings are restating the entity's status and circumstances still not corrected and certainly not accurate for prior years, e.g. policies and procedures.

**EII falsely claims to have the flowing policies and procedures.**

On January 8, 2018, COO Jennifer Pellechio indicated that these policies only exist in draft form and have not yet been adopted by EII's Board of Directors. As of February 1, 2018, EII's Board of Directors has not adopted these policies.

**Exhibit 9-D: EII's Revised 990 for Fiscal Year 2016 where EII answers "YES" to having specific policies in place.**

<b>Section B. Policies</b> (This Section B requests information about policies not required by the Internal Revenue Code.)		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done		X
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	X	
b	Other officers or key employees of the organization	X	

**Exhibit 9-E: Email reply from COO Jennifer Pellechio on January 8, 2018, stating that these policies exist in draft format and have not been adopted by EII's Board of Directors as of February**

**B. Grant Compliance – these policies have been brought to the board in draft format, will be brought back at the January 2018 meeting. Do you want the draft policy?**

1. Please provide a copy of EII's written document retention and destruction policy, if any; -
2. Please provide a copy of EII's written conflict of interest policy, if any; and
3. Please provide a copy of EII's written whistleblower policy. -

After 4 years of operations, EII does not appear to have approved policies and procedures.

**Exhibit 9-E: Email reply from COO Jennifer Pellechio on January 8, 2018 stating research on compensation has not been completed.**

**C. IRS Compliance**

Please provide the supporting documentation for the following:

1. A benchmark compensation survey for executive salaries for Business Accelerators/Incubators in the State of Florida and nationwide. (For example: a compensation survey performed by an independent third-party consultant or a published survey commissioned by an independent third-party organization.);  
Compensation salaries are done by IFDC for Economic Development and InBIA for Accelerators of which they are provided at a cost.  
On the inbia.org site it states that in previous surveys, full-time incubators executive salaries varied widely from a low of \$30,000 to a high of \$178,905.

2. The set of comparable organizations (size, income, expenses, purpose) that were used by EII's Executive Committee that established a comparable compensation range, and  
The board of directors planning committee is currently undergoing this research – not complete yet.

3. All documented Executive Committee and Board of Directors meeting minutes regarding compensation and benefits, dating back to the creation of EII. Please provide any documents that were relied upon by the Executive Committee.  
Creation documents are with another organization, will research this and provide what we can locate. All minutes we have electronically have already been provided to the clerks/county staff.

### **Conclusion:**

EII appears to lack the managerial capacity to accurately file their entity's business tax returns in a timely manner. Failure to accurately and timely file tax returns with the IRS may result in EII losing their tax-exempt 501(c)3 status, jeopardizing grant funding and hindering the ability to generate private donations, further reducing the entity's ability to become self-sustaining.

EII had to file for an extension for the FY2017 tax returns, due to the incomplete audit and not enough time for EII's Board of Directors to review and approve before the February 15<sup>th</sup> due date. EII has not provided the Fiscal Year 2017 IRS Form 990 filing nor evidence of the required extension.

### **Recommendations:**

- The Clerk suggests that ALL reports be filed timely and without extensions.

### **On Wednesday March 21, 2018, County Management and EII staff provided their written response to these findings:**

**Finding 9:** EII failed to timely and accurately file IRS Form 990 tax returns, thereby jeopardizing their tax-exempt status.

#### **EII's Response.**

First to be clear, EII has filed its Form 990s on time using the IRS granted filing extensions. We know the Clerk's Office feels using the legally permissible time extensions equates to a late filing, but we disagree with this and so does our CPA firm, Tuscan & Company. In fact, in a letter dated January 12, 2018, to Jennifer Pellechio from Tuscan & Company they advised:

Regarding your inquiry of the preparation and timely filing the Incubator's Return of Organization Exempt from Income Tax (U.S. Form 990), the initial due date of the Form 990 is the 15<sup>th</sup> day of the fifth month following the Organization's year end which would be February 15<sup>th</sup>, 2018. The IRS allows for an automatic six (6) month extension which would extend your due date to August 15, 2018 and be considered timely filed by the IRS.

This letter was provided to the Clerk's Office by Ms. Pellechio on February 12, 2018, but the Clerk's audit staff choose to ignore the expert advice.

**Be advised, FY2015 filed on the 2014 IRS Form 990 is date stamped November 7, 2016; which is late even if an extension was filed. Also, the FY2016 filed on the 2015 IRS Form 990 is dated by Noack and Company on September 28, 2017; which is late even with the extension that was filed.**

**EII stated on April 2, 2018 that EII will switch from Noack to Tuscan to complete the filing of the IRS Form 990's.**

**The Clerk agrees with Tuscan & Company's advice. However, as of March 30, 2018, EII and Tuscan & Company had failed to provide the supporting documentation that shows EII did, in fact, request the extension. Based on prior years' experience, the Clerk was concerned that EII failed to meet a contract deliverable to the BCC.**

**Additionally, there had been discussion with the BCC specifically regarding extensions and the concerns created if EII is unable to file timely.**

The Audit Report is correct that the Form 990 is missing the number of average weekly hours for Officers, Directors, Trustees, Key Employees, Highest Compensated Employees and Independent Contractors on Form 990, Part VII, Column B. The CPA firm of Noack & Company completed the Form 990 for EII and EII relied on their expertise. Tuscan & Company will be doing the Form 990 for FY 2017. In addition, EII will inquire whether an amended Form 990 is needed for FY 2016.

**The Clerk accepts EII's admission that EII has failed to accurately file the required IRS Form 990's. The Clerk questions EII's compensation policies and their compliance with IRS rules and regulations (see response to Finding #4, above). The Clerk also questions EII's use of "leased" employees as a potential work-around to IRS rules and regulations for compensation.**

As noted above, EII and its accounting firm, Tuscan & Company, disagree with the Clerk's Office assertion that using legally permissible IRS extensions to file returns means an untimely, or late, filing. The IRS is the authority on permissible filings and authorized extensions.

**The Clerk's position is that 5 months and 15 days provided by the IRS for EII to prepare their tax returns is sufficient. The BCC's Agreement requires, "Timely submit IRS Form 990 Return of Organization Exempt from Income Tax to the IRS with a copy to the County within one week of filing with the IRS." The Clerk's concern is that EII continues to use the filing extension date of August 15<sup>th</sup> which hinders evaluation of the entity.**

The rent payments to Kraft Office Center LLC were made by the County, but it seems those payments should have been reported on the EII Form 990 so EII will inquire whether an amendment is required.

**The Clerk accepts EII's admission that the 990's have been filed inaccurately for FY2015 and FY2016. The Clerk looks forward to reviewing the revised forms in addition to the FY2017 990's, when available. For the First Quarter of FY2018, Deliverable #6 of the Agreement, EII submitted the amended 990 for FY2016, not the FY2017 filing.**

**Management's Response:** Management disagrees with and disputes the finding.

**Recommendation:** Management disagrees with the Internal Auditor's recommendations.

**Action Plan:** None.

On April 2, 2018, EII added to their response for the Action Plan to: “replace accounting firm.”

The Clerk appreciates that County Management disagrees with the Finding even with EII’s admission that previous filings were late and inaccurate, and that County Management’s action plan is stated as “none.”

**10) EII has failed to follow the business plan approved by the BCC on May 13, 2014 by failing to become self-sustaining, instead exponentially escalating taxpayer funds, annually, for years 2014 – 2018.**

Internal Audit conducted a review of A Business Plan for Collier County Innovation Accelerators written by Dr. Marshall Goodman (of W3 Consultants at that time) on March 31, 2014. This plan was presented to the BCC on May 13, 2014 where it was approved for implementation.

## **A Business Plan for Collier County Innovation Accelerators**

Prepared by:

Marshall R. Goodman, Ph.D  
W3 Consultants  
March 31, 2014

Dr. Goodman explains, “It is recommended that Collier County serve as the fiscal agent for the Accelerator Project. All State, Federal, and Grant funds received for this project should be received by Collier Board of County Commission and processed by the County Clerk’s office.”

**Exhibit 10-A: A Business Plan for Collier County Innovation Accelerators Page 9, recommending all grants should go through the BCC and processed by the Clerk’s Office.**

### 2. Governance

It is recommended that Collier County serve as the fiscal agent for the Accelerator project. All state, federal, and grant funds received for this project should be received by the Collier Board of County Commission and processed by the County Clerk’s office. It is further recommended that a contract be negotiated for execution with CareerSource Southwest Florida to serve as the administrative agent for this project, with a proposed administrative fee not to exceed 5% of the proposed annual budget for the project.

EII failed to abide by this recommendation when their CEO, Dr. Marshall Goodman, directly entered into the Agreement for Grant SL025 between Florida DEO (Grantor Agency) and Economic Incubators, Inc. (Grantee).

The business plan details the Pro Forma Assumptions which include a sustaining pledge \$100,000 per year for fiscal years 2016-2023 (pg. 19.). Assumption #4 states, *“Hired staff would need to recognize that after the 2 year period of seed money is utilized that their employment tenure is dependent on the Accelerators meeting their financial milestones.”*

**Exhibit 10-B: A Business Plan for Collier County Innovation Accelerators, Page 20.**

4. That the State of Florida would match the contributions of Collier County and the private and non-profit sectors with a \$2.5 million grant in FY 2014. These funds would be allocated with \$2,000,000 going towards leasehold improvements, equipment, initial lease payments, and costs associated with meeting all applicable federal, state and local standards and licenses. The remaining \$500,000 will be used as seed funds for recruiting and hiring a professional Accelerator staff in the first two years of operation. Hired staff would need to recognize that after the 2 year period of seed money is utilized that their employment tenure is dependent on the Accelerators meeting their financial milestones.

Although the business plan only called for a sustaining pledge of \$100,000 per year for Fiscal Years 2016 to 2023, EII has received \$484,000 in FY2016, \$505,000 in FY2017, and \$800,000 for FY2018. Furthermore, EII indicated at the November 14, 2017 BCC meeting that EII will require \$2,300,000 in the county assistance over the next four years.

**Conclusion:**

At the November 14, 2017 BCC meeting, EII indicated a 50% reduction in county funds over the next four years. EII failed to advise the Board that the 2018 funding is 8 times (\$800,000 compared to \$100,000) what they told the BCC they would need according to the 10 year approved business plan on May 13, 2014. Additionally, EII’s presentation to the BCC indicates future required county funding of \$2,300,000 over the next four years.

According to Dr. Goodman in the Business Plan approved by the BCC on May 13, 2014, Collier County’s matching funds were only supposed to be \$1,300,000 (total) over ten years ending in FY2023. The Accelerators were supposed to generate \$9,532,369 in lease income over the same ten years ending in

FY2023 with a positive Fund Balance of \$2,460,326 in cash.

EII appears to lack the managerial capacity to operate the entity as proposed in the business plan approved by the BCC almost 4 years ago. At the direction of the BCC, as requested by Commissioner Saunders, EII was directed to update their business plan no later than the second BCC meeting in January 2018. EII submitted a revised business plan to select individuals, however the plan has not been publicly presented to nor approved by the BCC (see revised Business Plan in Appendix K, page 250).

**Recommendations:**

- The Board of County Commissioners should consider their alternatives in regards to the contract with EII.

**On Wednesday March 21, 2018, County Management and EII staff provided their written response to these findings:**

**Finding 10:** EII has failed to follow the business plan approved by the BCC on May 13, 2014.

**EII's Response.**

EII welcomes an independent and impartial professional review of its program performance and achievements. EII has followed the business plan, with recognition by the County administration and BCC members, that it was only a plan - a starting point on which to build and evolve the program as opportunities allowed.

**The business plan was presented publicly to the BCC, and the BCC voted to approve EII's Business Plan as presented. Any changes to the Business Plan should have been made in public, with the full knowledge and approval of the BCC. "Evolving the program as opportunities allowed" has resulted in \$5 million of taxpayer money spent on an entity that is not even required to produce jobs (see finding #3), or validate reported jobs.**

**Dr. Goodman explained that shifting to an educational model is not changing the business plan. He stated that mentoring startups is education and EII has been doing that since its inception.**

EII is proud that it has worked closely with the County administration, our state level legislative leaders, our local and state-wide universities, and dozens of local business and community and SWFL regional organizations to constantly grow entrepreneurial opportunities. Two state grants (totaling \$4.5 M), one USDA grant, and one EDA grant (that was refused due to a Governor's veto of the matching funds) have all been collaborative efforts as the program has evolved.

EII follows up on every opportunity and policy direction it receives from those to whom it directly reports on a day-to-day basis. EII is in constant contact with County Staff on a daily, if not an hourly basis. Phone records, calendar meetings, as well as BCC interactions with individual BCC

members all validate the close working relationship that exists as a result of this partnership.

**Recommendation:** Management disagrees with the Internal Auditor's recommendations.

**Action Plan:** None.

**11) EII's revised business plan fails to: identify measurable performance including job creation or capital investment; identify specific marketing strategies; provide a revenue structure for sufficient operating income to be successful without dependence on taxpayer funds; address deficiencies in prior performance; or identify the additional equipment for successful operation of the accelerator projects.**

The draft revised business plan was submitted to select individuals for review on or about December 22, 2017. The final business plan was submitted on January 3, 2018. The revision to the business plan is the result of the BCC requesting an update as part of the FY2018 Agreement. EII has not publicly presented the revised business plan, nor has the BCC accepted the revised plan. The Business Plan is included in Appendix K, page 250.

The 2018 EII revised business plan fails to provide measurable, verifiable, or quantifiable goals that EII will pursue, which, by their own 2014 Business Plan, said was an important first step (Exhibit 11-A below). This plan conspicuously fails to detail any accomplishments or successes from the past 4 years that EII will continue to build upon. Dr. Goodman, the plans author, has also failed to identify, discuss, and propose solutions for any of the operational deficiencies discovered in the past 4 years. He has failed to provide any detail regarding who EII's target markets are, failed to describe what business services they will provide to attract more participants, and failed to articulate EII's competitive advantage. **Moreover, in the past 4 years and over \$5 million of taxpayer money has failed to explain the need for the additional \$2,300,000 of County funding through 2021.** EII's Board of Directors, volunteers, and staff claim to recognize the need to reduce dependency on government funding, but the plan fails to describe how EII will meet increased revenue projections that to date have been unmet.

### **Milestones**

EII has failed to meet many of the milestones identified in the original business plan in the past four years of operating the accelerator projects. The newly revised business plan fails to identify any of the past milestones that were missed and failed to identify the causes or corrections for these failures.

The most prominent example is the failure to open the Florida Culinary Accelerator @ Immokalee. The Immokalee Accelerator was originally to be open in 2015, according to Dr. Goodman's statements to the public and the BCC. Failure to complete deliverables for Grant #SL007 caused the County to lose the grant funding. EII then received grant funds to complete the Immokalee Accelerator, this time by June 30, 2017. EII publicly stated to the BCC that it will be opened in November 2017, then early January 2018, and now March 28, 2018.

The newly revised business plan shows that EII has apparently changed the stated mission of the accelerators from creating jobs or economic benefits to providing educational opportunities with millions in continued government funding. In fact, EII's approved mission of job creation does not appear in the new business plan.

## A Business Plan for Collier County Innovation Accelerators

Prepared by:

Marshall R. Goodman, Ph.D  
W3 Consultants  
March 31, 2014

### Getting Started - First Steps

Important first steps for the Accelerators would be to establish the following:

#### 1. Strategic Plan

A strategic plan that contains quantifiable objectives to achieve the program mission and measures the projected impacts and outcomes that include the following:

## Financial Plan Revised 2018

Page 20 of the draft Business Plan includes the schedule Financial Plan FY2018 – FY2021. The schedule is presented with “\$ in thousands” for each entry. The line item for County Funds for each year shows 800.0, 600.0, 500.0, and 400.0, this means \$800,000 in FY2018, \$600,000 in FY2019, \$500,000 in FY2020, and \$400,000 in FY2021. EII is thereby indicating to the BCC that they will be asking for **\$2,300,000** Collier County taxpayer funds through FY2021.

### Exhibit 11-B: Page 20 of the 2018 Draft Business Plan.

Financial Plan FY 2018-FY 2021				
\$ in thousands				
Description	FY 2018	FY 2019	FY 2020	FY 2021
<b>Revenue</b>				
County Funds	\$ 800.0	\$ 600.0	\$ 500.0	\$ 400.0
Business Income/Donations	291.2	654.4	742.1	894.8
<b>Total Revenue</b>	<b>\$ 1,091.2</b>	<b>\$ 1,254.4</b>	<b>\$ 1,242.1</b>	<b>\$ 1,294.8</b>

Business Income is proposed to increase by 124% in one year, yet EII has failed to meet revenue projections to date.

While the draft budget shows declining County funding into the future, it fails to articulate how EII will more than double its revenue in Fiscal Year 2019 and more than triple its revenue by Fiscal Year 2021.

**Target Market**

EII has failed to identify a target market, instead EII simply identified the entire population of the six counties that make up Southwest Florida.

**Exhibit 11-C: Page 10 of the 2018 Draft Business Plan shows that the Target Market for is the entire six county region of Southwest Florida.**

*Market Analysis (cont.)*

**Target Market**

State, Regional Planning Council*, and County	Population				Percent Change		
	2016	2010	2000	1990	2010 to 2016	2000 to 2010	1990 to 2000
<b>Southwest Florida</b>	1,652,146	1,531,724	1,206,639	909,327	7.9	26.9	32.7
Charlottee	170,450	159,978	141,627	110,975	6.5	13.0	27.6
Collier	350,202	321,520	251,377	152,099	8.9	27.9	65.3
Glades	13,047	12,884	10,576	7,591	1.3	21.8	39.3
Hendry	38,370	39,140	36,210	25,773	-2.0	8.1	40.5
Lee	680,539	618,754	440,888	335,113	10.0	40.3	31.6
Sarasota	399,538	379,448	325,961	277,776	5.3	16.4	17.3

Source: [https://www.bibr.ufl.edu/sites/default/files/Research%20Reports/estimates\\_2016.pdf](https://www.bibr.ufl.edu/sites/default/files/Research%20Reports/estimates_2016.pdf)

EII does not identify the number of potential users for either facility, benchmarks for occupancy, or other specifics as would be commonly expected of a business plan.

**Competitors**

EII characterizes their competitors as office space rentals without business start-up or acceleration services. Internal Audit conducted a review of the listed competitors that feature Venture X Naples, The Rocket Lounge, and Your Pro Kitchen.

**Exhibit 11-D: Naples Accelerator Pricing - <http://naplesaccelerator.com/memberships/>**

**The Naples Accelerator**

MEMBERSHIP PRICING

PRICE TABLE	CO-WORKING SPACE	VIRTUAL & RESERVED	HALF OFFICE	FULL OFFICE	DOUBLE OFFICE
	<b>\$99</b> per month	<b>\$250</b> per month	<b>\$750</b> per month	<b>\$1500</b> per month	<b>\$3000</b> per month

MEMBERSHIP PRICING		
Community	<a href="#">Sign Up</a>	<b>\$40/mo</b>
Virtual Office	<a href="#">Sign Up</a>	<b>\$115/mo</b> +\$100 setup fee
Shared Desk	<a href="#">Sign Up</a>	<b>\$280/mo</b>
Dedicated Desk	<a href="#">Contact Us</a>	<b>\$565/mo</b>
Private Office Membership Pricing		
1-Person Private Office	<a href="#">Contact Us</a>	Starting at <b>\$740/mo</b>
2-Person Private Office	<a href="#">Contact Us</a>	Starting at <b>\$1,580/mo</b>
4-Person Private Office	<a href="#">Contact Us</a>	Starting at <b>\$1,875/mo</b>
5-Person Private Office	<a href="#">Contact Us</a>	Starting at <b>\$2,400/mo</b>

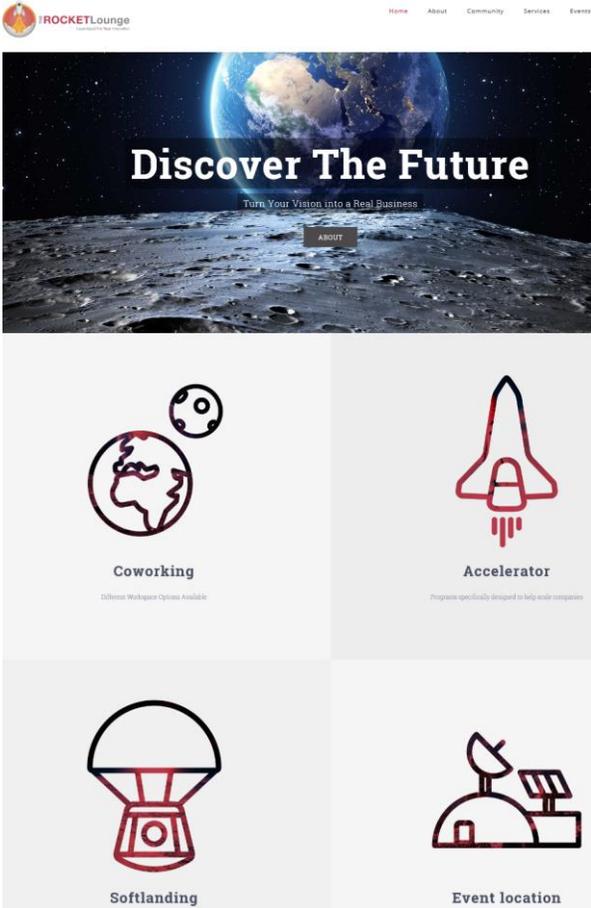
## Venture X Naples

Venture X offers a similar mix of virtual offices, co-working spaces, and offices along with similar amenities. Venture X Naples fee schedule shows competitive, if not lower, prices than EII is charging.

EII failed to mention in the revised business plan, and to the BCC, that EII discounts up to 50% of the rents being charged to participants, which are already subsidized 100% by the taxpayers. In addition, EII has struggled to collect rent from participants, another detail EII failed to mention or offer a remedy or a solution as part of the revised business plan.

**Exhibit 11-E: Rocket Lounge, Founded by former Naples Accelerator participant Dieter Kondek - <http://therocketlounge.com/about/>**

The Rocket Lounge in Ft. Myers was created by a former Naples Accelerator participant and offers Co-Working Spaces, Accelerator Services, and Soft-Landing Services; seemingly in direct competition with the Naples Accelerator.



## The Rocket Lounge

### **Commercial Kitchen Similar to the Florida Culinary Accelerator @ Immokalee**

EII cited 'Your Pro Kitchen' as a competitor to the Immokalee accelerator, and even notated that this competitor had closed. Internal Audit spoke to the owner of Your Pro Kitchen about the market for commercial kitchen space in southwest Florida. The owner explained that over the course of five years they only had 56 food-based companies join their kitchen. The food handler and food service manager certification process was cumbersome. The owner then explained how most of her clients would join at the lowest priced membership level, obtain their certifications, then do the majority of their cooking from home. This made sustaining revenues difficult to collect, and brings into question the proposed business model for the Immokalee culinary project.

While the commercial culinary accelerator has been successful in other markets, it appears to not be viable in Southwest Florida. The EII business plan offers no remedy to this failure or insight to overcoming the issues stated, other than the apparent shift to a taxpayer supported educational facility.

## **Additional Findings on the Revised Business Plan**

Commissioner Saunders requested the revised business plan no later than one week before the Board's second meeting in January of 2018. EII provided a revised business plan for 2018 on January 3, 2018 to selected individuals. The revised business plan has not been accepted nor approved as of February 26, 2018. Internal Audit has reviewed the business plan and notes the following deficiencies:

1. The date on the business is January 3, 2017. The date inside the footer is January 2017, it should be 2018.
2. Goals and Objectives are not measurable or verifiable, as called for in the original business plan approved by the BCC on May 13, 2014. The only clearly stated objective in the proposed business plan is to hire more people with ongoing taxpayer support.
3. The business plan states EII's Board of Directors "***serve the critical management oversight and control role of the organization.***"
  - EII's Board of Directors did not require audited financial statements until they were requested by the Clerk.
  - EII's Board of Directors provided no hours of support for Fiscal Years 2015 and 2016, according to the IRS Form 990's filed for those years.
  - EII's Board of Directors have business transactions involving interested persons that have not been disclosed on the IRS Form 990 for Fiscal Year 2016. (see Finding #12 to follow)
4. "***Expect to enhance capability with additional equipment purchases.***" EII fails to describe the use and need for the equipment purchases, fails to identify the costs or expected revenue increases, and fails to provide a cost/benefit analysis of these purchases.
5. EII is proposing cooking classes and other educational uses for the Immokalee facility. The Immokalee facility does not appear to be zoned for educational use.
6. EII states a planned "Made in Immokalee" campaign on page 16. EII has not identified nor described the planned "Made in Immokalee" campaign, nor have they identified the expected costs to the taxpayers.
7. EII failed to describe and state the current status of the Hazardous Analysis and Critical Control Points (HACCP) Plan cited in the Critical Path to Open the Culinary Accelerator on page 18. The HACCP Plan is required to obtain FDA and USDA certifications for processing juices and meats in the facility.
8. The Financial Plan begins on page 19. The Fee Income Revenue Drivers section cites demand to be "strong" and "very high" for co-working spaces in Southwest Florida. EII failed to identify their capacity for co-working spaces or office space in general, in fact, the Naples Accelerator has not been to capacity since opening. EII failed to identify revenues at full capacity, the variable expenses at any level of capacity, and failed to describe how EII will make up any shortfalls in revenue.
9. The business plan fails to identify corrective actions to mitigate Woodstock's ongoing losses, **(\$3,373.08)** from operations through November 30, 2018. EII failed to disclose sales information or a

break-even analysis for the micro-market.

**Recommendations:**

- The Board of County Commissioners should consider their alternatives regarding their contract with EII.

**On Wednesday March 21, 2018, County Management and EII staff provided their written response to these findings.**

**Finding 11.** EII’s revised business plan fails to address deficiencies.

**EII’s Response.**

Incorrect; **Clerk’s assertion** that “The revised business plan was submitted to select individuals on or about January 3, 2018.

**EII’s Response:** EII submitted a draft business plan on December 22, 2017, which was due on or before December 31, 2017, per the contract. In addition, the final Business Plan was submitted on January 3, 2018, which was due before the second BCC meeting in January. But we do want to thank the Clerk for pointing out the typographical error concerning the date on the cover letter.

Incorrect; **Clerk’s assertion** that “the revised business plan fails to address deficiencies”

**EII’s Response:** EII has made verbal and written reports to the BCC, County Manager, and County Staff, and has worked closely with stakeholders throughout the program’s inception, as required by the contract.

**As stated, the revised business plan fails to address deficiencies.**

Those reports have been accepted and approved by County administration, and the recognition of EII’s continual success in meeting its goals has resulted in further County investment.

**As stated, the revised business plan fails to address deficiencies.**

EII has made continual adjustments to its business plan on an operational level as State and Federal opportunities became available. All programmatic changes and initiatives were fully vetted and discussed with the County prior to implementation and execution.

**As stated, the revised business plan fails to address deficiencies.**

As requested by the BCC at the October 24, 2017, meeting, EII updated its business plan and submitted it to the County on January 3, 2018. This update was developed in conjunction with County Staff and has met with its approval.

**The revised business plan has not been publically approved by the BCC.**

EII is continually alarmed by comments in the audit that are clearly questions concerning economic development best practices and are not particularly well-informed. The focus of an internal audit should be on the efficacy of internal controls. The unwillingness to learn day-to-day operations is troubling and undermines the credibility of this audit.

**The Clerk's Internal Audit team will continue to audit to the agreements surrounding payments and report to the BCC, and as mandated by Florida Statute.**

**The Clerk's Office is not required to learn the day to day operations, our role is to audit to approved contracts. However, the Clerk's staff has become very familiar with the day to day operations of EII, as evidenced by the detailed concerns noted in this audit.**

The Draft Audit provides selective and self-serving examples of other accelerator/co-working operations. For example, the audit report contains the price list of Venture X which has an operation in Naples. On that list, it shows a Community Membership is \$40 per month, but the auditors failed to give a description of what this type of membership comprised. Here is the description:

The Community plan includes one day of access to the common areas at Venture X per month with additional day passes available for \$25/day. Conference rooms are also available to Community plan members at \$35/hr. The Community plan is the perfect membership plan if you do not need office space every day, yet want access to the membership community and enjoy all of Venture X's community benefits.

*Join for only \$40/mo*

Pricing may vary by location.

Book

**The example of Venture X shows a competitor, identified in EII's own updated Business Plan (see Appendix K, page 61), that operates in Collier County. The fee structure referenced for Venture X shows the range of membership pricing, which is comparable to EII's fee structure (before EII's 50% discount, see Finding #5 above and the discussion of Wegner Law, PLLC). The reference to Venture X is not intended to highlight one level**

of membership.

**Dr. Goodman explained that this is not a fair comparison because Venture X is a shared office space in the private model (private sector) while EII is an accelerator in the public model (publicly subsidized).**

Please note that the Community Membership only gives the participant one day of access per month with each additional day of access costing \$25 per day. In addition, they need to pay to use a conference room. EII's co-working comparable space option of \$99 per month is for unlimited access and free use of the conference room. There are more examples of this misleading information, but it is not necessary to expand the length of our response. Again, this is another example of the Audit Staff not presenting a fair and objective presentation of the issues.

**Action Plan:** None.

**12) The Airport Manager and BED failed to monitor BCC approved 2017 and 2018 leases and they allowed over \$1 million dollars of improvements to a county airport property without payment on the lease; \$37,522.80 in rents remain uncollected and unpaid.**

BED failed to track EII's leases and basic details such as payment due dates, late payment fees, renewal dates, and past due payments. As a result, there was no assurance that payments were made in a timely manner or recorded on the financial statements correctly.

EII made over \$1 million in leasehold improvements to County property without paying rent.

EII made leasehold improvements to a county owned facility at the Immokalee Airport, using Grant funds, without a paying the lease in place, depriving the Collier County Airport Authority of \$37,522.80 in rents for Fiscal Years 2017 and 2018.

**Conclusion:**

BED failed to record and monitor the 2017 and 2018 leases approved by the BCC resulting in \$37,522.80 in unpaid rents accrued by EII to the Collier County Airport Authority.

Lease and leasehold improvement activity, is a significant component of the Immokalee Airport annual budget and EII's Grant with DEO. This review evaluated the internal controls of key operational and financial components of this process, and notes that the implementation of the recommendations noted below, may further improve current fiscal operations.

**Recommendations:**

- The Board of County Commissioners should require leases be made current.
- The County Manager should follow Florida Statute by properly supervising the care and custody of county property.
- The BCC should be notified of all violations of the terms of EII's lease of the Immokalee airport space.
- Controls should be established to ensure that lease payments are made in a timely manner.
- Late payment penalty clauses should be enforced in all leases.
- Policies and procedures should be implemented for managing all leases and leasehold improvements of property.

**County Management Response:**

At the March 13, 2018 meeting with the Director of BED, EII staff, and the Clerk's Internal Audit team, EII disputed this finding by stating that EII is current on their Immokalee lease for FY2018 and that there is no other lease for which that they owe back rent.

EII's Volunteer Mr. Fred Krieger, stated that EII has fully amortized the lease and is current. The Clerk's Internal Audit staff informed Mr. Krieger that the lease from the previous year was not paid, which is the majority of the \$37,522.80 that EII is has failed to pay.

Mr. Krieger stated, ***"There is no other lease, there is not a lease for last year."***

EII's COO Jennifer Pellechio then explained, ***"There was a lease for FY2017 but EII does not have to pay that lease because we never signed it."*** Mr. Krieger indicated that he was unaware of the FY2017 lease obligations.

Mr. Krieger defended EII's position by explaining that it happens all the time in business, in the private sector, where someone enters a lease, renovates the property, and then begins to pay the lease after they move in.

Dr. Marshall Goodman claims that the County has realized a significant increase in value of the Immokalee Regional Airport as well as to the value of the building that EII leases because EII made improvements to the systems already in place.

### **Internal Audit Response to County Management Response:**

This is an example of the measures taken by the Director of BED and EII staff. On one hand, EII intentionally withheld signing the FY2017 lease in an attempt to avoid payment to the taxpayers of Collier County of no less than \$32,162.40 in lease payments due in FY2017. On the other hand, EII reported to DEO the deliverable is "100% complete" for the purpose of receiving the reimbursable grant, even though the lease was not executed by EII's own admission as of June 28, 2017 (see Exhibit 12-A below).

The FY2017 lease that is un-signed by EII is enforceable as it was publicly approved by the BCC on September 13, 2016. The County has fulfilled its obligation to EII by providing the space. In effect, EII took possession of the space, made over \$1 million in leasehold improvements to the space, and then stated to the Clerk's Internal Audit staff that EII does not owe rent for FY2017 because they never signed the lease. EII intentionally withheld signing the FY2017 lease and is withholding payment owed to Collier County Airport Authority.

Included in Invoice Submittal Package #16 (referenced in Finding #1) dated June 28, 2017 is a statement detailing that EII has negotiated the lease for the Immokalee facility but has not executed the lease because, ***"the 'Federal agency' notified EII that the lease was not able to be executed."*** EII subsequently claimed on the June 28, 2017 submittal to DEO that the lease ***"will be executed at the July 11, 2017 [BCC] Commissioner meeting"*** (which is after the closing date of the Grant, see Finding #1).

The current lease for FY2018 was approved by the BCC on December 12, 2017, with an effective date of October 1, 2017.

**Exhibit 12-A: Invoice Submittal Package #16 to DEO for Grant funds, dated June 28, 2017, explaining that EII negotiated the lease for the Immokalee facility. EII further explains why, acting on the advice of the “Federal agency,” EII has not executed the lease.**

*Overall Summary of the Project Tasks*

**3. Development of the Immokalee Culinary Arts & Service Incubator Facility**

**a. Construction and space setup – the setup subtasks include:**

**i. Negotiation of new lease terms**

EII has worked closely with Collier County on negotiation of the lease terms for the location of the Florida Culinary Accelerator @ Immokalee. The lease agreement has been complete; however, execution was pending announcement of an US EDA grant award. **The Federal agency notified EII that lease was not able to be executed.** This property is county owned and therefore the lease will be executed at the July 11, 2017 Commissioner meeting.

**100% Complete**

The Director of BED failed to route the FY2017 lease for signatures because, **“grant funding for the project had not been finalized,”** as explained by the Director in the Executive Summary publicly submitted for the December 12, 2017 BCC meeting (see Exhibit 12-B below). It is unclear as to what authority the Director of BED was acting under when he decided that he was not going to route the lease, which was approved by the BCC, for signatures.

However, the Director of BED apparently had no objection to allowing EII access to the space for the purpose of constructing the Immokalee accelerator beginning in February 2017 and did not receive the Certificate of Occupancy until January 17, 2018.

**Exhibit 12-B: Executive Summary for the December 12, 2017 BCC meeting submitted by the Director of BED, Jace Kentner, for the approval of the EII Lease at the Immokalee Regional Airport.**

12/12/2017

**EXECUTIVE SUMMARY**

**Recommendation to approve a Collier County Airport Authority Standard Form Lease and Addendum with Economic Incubators, Inc. at the Immokalee Regional Airport.**

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**OBJECTIVE:** To approve a Collier County Airport Authority Standard Form Lease (Lease) with Economic Incubators, Inc. (Lessee) for warehouse/manufacturing space at the Immokalee Regional Airport.

**CONSIDERATIONS:** This Lease has been generated based on the Collier County Innovation Accelerator Business Plan approved by the Board on September 8, 2015, Agenda Item 11J.

A lease agreement and addendum with Economic Incubators, Inc. (EII) for this project was previously approved by the Board on September 13, 2016, Agenda Item 16G6. **That agreement was not routed for signatures because grant funding for the project had not been finalized.**

The Lease pertains to Units A and B within the Incubator II building (170 Airpark Boulevard) at the Immokalee Regional Airport. The leased area includes warehouse/manufacturing space totaling 5,274 square feet, as shown in Exhibit "A" (Premises).

**Exhibit 12-C: Executive Summary for the July 11, 2017 BCC meeting referenced by EII in Exhibit 12-A, the meeting that EII will purportedly sign the lease for the Immokalee facility. Please note that EII attempts to have the BCC fund the lease for FY2017 through a Budget Amendment.**

07/11/2017

**EXECUTIVE SUMMARY**

**Recommendation to approve the First Amendment to the Fiscal Year 2017 Agreement between Economic Incubators, Inc. and the Board of County Commissioners to provide start up and operational funding for the Florida Culinary Accelerator @ Immokalee and authorize a budget amendment of \$137,965.**

(1)

**OBJECTIVE:** That the Board of County Commissioners (Board) approve the First Amendment to the Fiscal Year 2017 Agreement between Collier County, Florida and Economic Incubators, Inc. (“EII” or “Administrative Entity”).

**CONSIDERATIONS:** Since FY 2015, the Board has partnered with EII to establish and operate a business accelerator program to assist local entrepreneurs to develop and expand their businesses, as well as to recruit companies into Collier County that create high value employment opportunities and help diversify the economy. The program calls for the operation of two business accelerators, one in Naples and one in Immokalee. Since its inception, the Naples Accelerator has provided services to 71 companies has reported creation of 86 Job Year Equivalents. EII has secured \$2.7 million in State appropriations and private donations.

(2)

During the 2016 State Legislative session, EII was awarded an appropriation of approximately \$1.2 million for the Florida Culinary Accelerator @ Immokalee for construction costs and kitchen equipment for the facility which is now complete. This amendment provides \$134,465 for operations and implementation of the culinary program including personnel costs, rent and insurance, as well as some facility improvements and additional equipment for the balance of FY 2017. Exhibit A, Scope of Service is proposed to be amended to remove the requirement for staffing to be at 3 full time equivalents. Instead, staffing will be required to be at levels which allow for project success using contracted or leased employees. Exhibit G, Role and Responsibilities of Administrative Entity, has been replaced. The requirement to host two networking events or promotional events has been removed and multiple various reports and documents will no longer be required. Three deliverables are required: 1) provision of staff for both facilities, 2) project administration, and 3) project over sight.

(3)

(4)

(5)

**FISCAL IMPACT:** This amendment to the annual agreement provides County funding of \$137,965 to support the Florida Culinary Accelerator @ Immokalee. The planned costs include reimbursement of personnel cost (\$63,500), rent (\$9,000), operating, utilities, and insurance (\$20,165), permitting and consulting costs (\$15,000), and equipment, furniture, and facility costs (\$30,300) for the balance of FY 2017. The revised FY 17 contract total for both the Naples and Immokalee accelerators is Six Hundred and Forty Two Thousand Nine Hundred and Sixty Five Dollars (\$642,965). Funding for the Florida Culinary Accelerator @ Immokalee will be provided from Economic Development Fund (007) reserves and will require a budget amendment that moves funding from reserves into Economic Accelerator Funded Program No. 33388.

**GROWTH MANAGEMENT IMPACT:** This request is consistent with Objective 3 of the Economic Element of the Collier County Growth Management Plan which states: “Collier County will support programs which are designed to promote and encourage the recruitment of new industry as well as the expansion and retention of existing industries in order to diversify the County’s economic base.”

**LEGAL CONSIDERATIONS:** This item is approved for form and legality and requires a majority vote for Board action. - JAB

**RECOMMENDATION:** To approve the First Amendment to the Fiscal Year 2017 Agreement between Economic Incubators, Inc. and the Board of County Commissioners and authorize necessary budget amendments.

Prepared by: Jace Kentner, Director, Office of Business & Economic Development

The Director of BED made multiple intentional misstatements to the BCC in the Executive Summary, also described in Finding #6 and Exhibit 12-C, above.

- 1) Start-up funding for the Immokalee accelerator requested in July 2017. The Director of BED knew that the Immokalee accelerator was not complete at the time of the requested Budget Amendment in July. The intended use of the funds was to cover the misallocation of Personnel Cost Reimbursements described in Finding #4, see Exhibit 4-H on page 50.
- 2) Misrepresentation of 71 companies and 86 Job Year Equivalent publicly submitted to the BCC in July 2017. The Director of BED explained the misrepresentation was due to a miscalculation in the spreadsheets. The companies and jobs claimed by the Director of BED in July 2017 contradict BED's deliverable reported to DEO for Grant #SL007 described in Finding #3 on page 38, see Exhibit 3-C and Table 2.
- 3) The Director of BED knowingly and intentionally misrepresented to the BCC in July 2017 that construction of the Immokalee Accelerator is now complete (see Exhibits 1-C, 1-N, and 1-O in Finding #1).
- 4) The Director of BED requested funding for Rent and Insurance, on behalf of EII, for a lease that EII has failed to pay during FY2017 and that the Director of BED failed to route for signatures (see and Exhibit 12-B on page 85).
- 5) The Director of BED publicly submits to the BCC in July 2017 language in the proposed Budget Amendment that would eliminate the Exhibit G Roles and Responsibilities of Administrative Entity from the existing Agreement between Collier County and EII. This is another example of the systematic and ongoing course of conduct by the Director of BED to minimize performance requirements for EII while increasing the financial burden of EII to the taxpayers.

During the March 13, 2018 meeting, Mr. Krieger indicated that he was unaware of the FY2017 lease obligations. It appears that EII has not fully disclosed all contracts, agreements, and liabilities to their volunteer CPA.

Mr. Krieger defended EII's position by explaining that it happens all the time in business, in the private sector, where someone enters a lease, renovates the property, and then begins to pay the lease after they move in. An arrangement allowing for leasehold improvements prior to the commencement of lease payment should be negotiated into the lease prior to execution.

Dr. Marshall Goodman claims that the County has realized a significant increase in value of the Immokalee Regional Airport as well as to the value of the building that EII leases because EII made improvements to the systems already in place. At the meeting on March 13, 2018, Dr. Goodman did not provide support, written or otherwise described, to quantify this claim.

Dr. Marshall Goodman's claim to the increase in values for the Immokalee Regional Airport are erroneous. Whereas, EII's false certification by Compass Construction and failure to obtain the Architect's signature on the AIA Document G702, which was subsequently submitted to DEO for reimbursement on June 28, 2017, actually jeopardizes funding from a Grantor Agency claw-back (see Exhibit 1-E in Finding #1).

Exhibit 1-E: AIA Architect's Certification included in Invoice Submittal Package #16 with signature of Architect missing.

Certified by Compass Construction on June 28, 2017

**APPLICATION AND CERTIFICATION FOR PAYMENT** *AIA DOCUMENT G702* PAGE ONE OF 1 2 PAGES

TO OWNER Naples Accelerator 3500 Kraft Road, Suite 200 Naples, FL 34105 PROJECT: Immaculate Culinary Arts and Services APPLICATION NO: 6 Final PERIOD TO: 6/30/2017 Distribution to:  OWNER  CONTRACTOR  ARCHITECT  LENDER  CIVIL ENGINEER

FROM CONTRACTOR: COMPASS CONSTRUCTION, INC. 824 Lafayette Street Cape Coral, FL 33904 ARCHITECT: BSSW Architects, Inc. PROJECT NO: 47-1315 CONTRACT DATE: 2/13/17

**CONTRACTOR'S APPLICATION FOR PAYMENT**  
Application is made for payment, as shown below, in connection with the Contract Continuation Sheet, AIA Document G703, is attached.

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is over due.

1. ORIGINAL CONTRACT SUM \$ 1,143,194.00  
 2. Net change by Change Orders (162,980.00)  
 3. CONTRACT SUM TO DATE (Line 1+2) 980,214.00  
 4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) 980,214.00  
 5. RETAINAGE:  
 a. 0% of Completed Work (Column D + E on G703)  
 b. % of Stored Material (Column F on G703)  
 Total Retainage (Lines 5a + 5b or Total in Column I of G703) 0.00  
 6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total) 980,214.00  
 7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) 538,339.90  
 8. CURRENT PAYMENT DUE 441,874.10  
 9. BALANCE TO FINISH INCLUDING RETAINAGE (Line 3 less Line 6) -

CONTRACTOR: Compass Construction, Inc.  
 By: *[Signature]* Bruce Evans, Project Manager Date: 6/28/17  
 State of Florida County of Lee  
 Subscribed and sworn to before me this 28th day of June 2017  
 Notary Public *[Signature]* My Commission expires: 01/11/2018

**ARCHITECT'S CERTIFICATE FOR PAYMENT**  
 In accordance with the Contract Documents, based on on-site observation and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ 441,374.10

(Attach explanation of amount certified if less than the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)  
 Architect: BSSW Architects, Inc.  
 By: \_\_\_\_\_ Date: \_\_\_\_\_  
 This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	(\$171,139.00)	
Total approved this Month	\$8,159.00	
TOTALS	(\$162,980.00)	\$9,000
NET CHANGES by Change Order		(\$162,980.00)

AIA DOCUMENT G702 - APPLICATION AND CERTIFICATION FOR PAYMENT - 1992 EDITION - (A) - (4/19/07)  
 Users may obtain validation of this document by requesting a completed AIA Document D491 - Certification of Document Authenticity from the Licensee.

Missing Architect's Signature

**On Wednesday March 21, 2018, County Management and EII staff provided their written response to these findings:**

**Finding 12.** County Staff failed to monitor and execute BCC approved 2017 and 2018 leases and allowed over \$1 Million dollars of improvements to a county airport property without a proper lease. Additionally, \$37,522.80 in rents remain uncollected and unpaid as of Feb 26, 2018.

**Management's Response:** Management disagrees with the finding.

Collier County benefitted from improvements of approximately \$1.3 million without having to *lower the rent or grant other lease concessions.*

**EII requested the BCC pay the Immokalee rent as part of the July 11, 2017 proposed budget amendment, see Exhibit 12-C.**

- EII installed the fire alarm system throughout the entire building including next door in the shutter manufacturers unit at no cost to the County.

**The Clerk recognizes the fire alarm system is an improvement to the County-owned facility. However, the Clerk questions EII's use of Grant Funds to install a fire alarm system in the adjacent unit, which is clearly outside the scope of Grant #SL025.**

**The Fire Alarm cost was included in the Compass Construction Scope of Work and can be found on Appendix B, Page 84, Item #240 in the amount of \$12,805 and represented as 100% complete as of June 30, 2017.**

**Please note that EII attributes the Fire Alarm 'issues' were a contributing factor in the late opening of the Immokalee facility, see EII's response to Finding #16, below.**

- EII installed a high-quality dumpster enclosure which benefits the County's complex.

**EII's Response.**

The Audit Report's assertion that EII's expenditure of over \$1 million in leasehold improvements was improper due to the lack of a lease with the County is bizarre. EII was guided by the County to make the expenditures to keep the project moving. Getting the lease in place on time is out of EII's control because of internal County issues. In addition, lease payments are now current. The Audit Report's contention that EII in some way failed to pay \$37,522.80 in rent has no basis in fact.

**In September 2016, the BCC approved lease for FY2017, which is the lease that EII submitted to DEO as supporting documentation (see Finding #1 and Appendix B, page 28-42), and that the Director of BED failed to route for signatures (see Exhibit 12-B). The lease is valid and payable upon approval by the BCC. EII's COO stated on March 13, 2018 that EII does not have to pay for FY2017 lease because they never signed it.**

**Recommendation:** Management disagrees with the Internal Auditor's recommendations.

**Action Plan:** None.

The Clerk responded to EII's and County staff's verbal comments from the March 13, 2018 meeting in the Draft Audit Report submitted to the BCC on March 21, 2018.

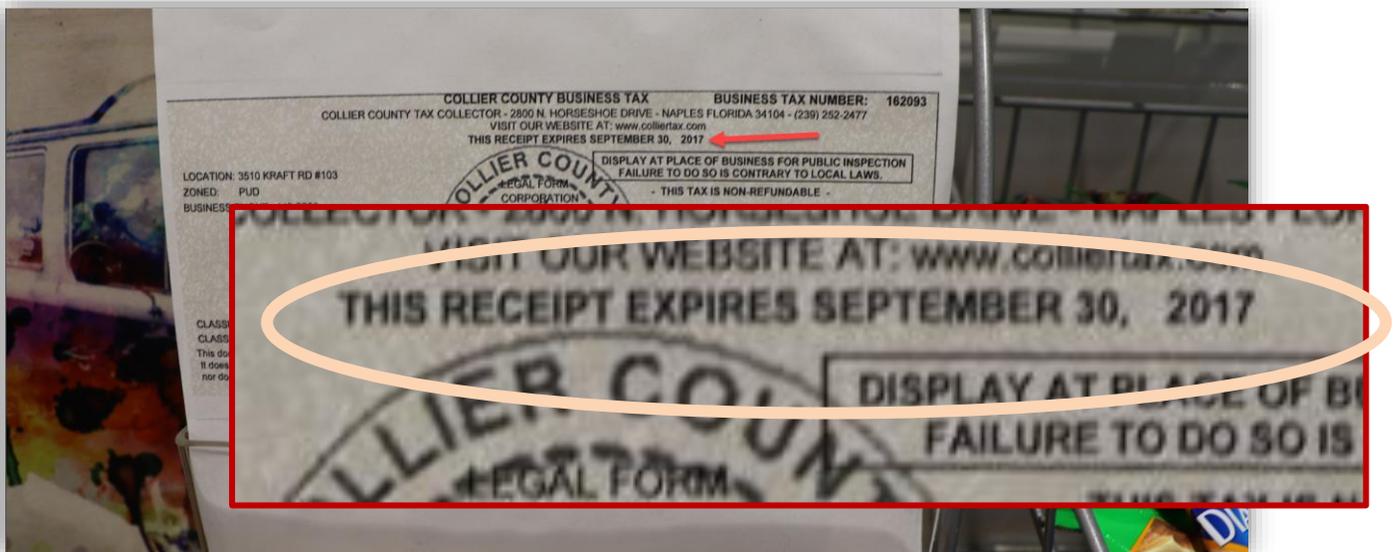
### 13) Mismanagement of Woodstock's Micro-Market including licensing, accounting, and inventory controls.

#### EII Management Displayed an Expired Business Tax Receipt; and Failed to Obtain a Current Collier County Business Tax Receipt

Business operating in Collier County must have a county business tax receipt. The receipt is for the privilege of engaging in a business activity either for profit or non-profit. Business Tax Receipts run through September 30th and are to be renewed by September 30th of the following year or are held delinquent and are penalized.

During the week of January 22, 2018, internal audit conducted several unannounced on-site visits of Woodstock's located at 3510 Craft Rd., Suite 100, Naples, Florida. One visit included examining Woodstock's Collier County Business Tax receipt. We found the business tax receipt had expired on September 30, 2017, 118 days prior to our visit.

#### Exhibit 13-A: Expired Collier County Business Tax Receipt #162093 as of January 22, 2018.



#### Inadequate Inventory Management

In examining the Woodstock's food service location, we found numerous expired food items in both the

dry storage and refrigerator sections of the retail sales operation. The lack of inventory management may contribute to increased inventory expenses, the extent of which cannot be determined due to the absence of inventory records.

During this visit, internal audit additionally noted: the lack of a triple basin sink; the \$3,000+ coffee machine does not appear to have readily available location to clean and sterilize certain parts as required; and dust and biological growth appeared to be present in the retail coolers. Failing to thoroughly clean refrigeration units and disposing of any items that expired may be a violation of EII's Annual Food Permit Number 2018-R-1707006.

**Exhibit 13-B: Expired Beverages**



**Exhibit 13-C: Expired Food Products**



EII's absence of reliable inventory records and inventory management increases the risk of inventory misappropriation and excess inventory costs. EII should continue to report losses of operations by regularly and thoroughly conducting physical inventories with recordkeeping sufficient to verify the accuracy of the inventory count; and provide inventory information useful to BED and EII management. Food and supply purchases should contain descriptions adequate to ensure a correct determination of book inventory. The inventory results, including any shortages, should be reviewed by EII management with a signoff indicating management review.

A spoilage/waste log should also be required, noting the amount of disposed inventory. Inventory and waste records should reconcile to the revenue tracking sheets which include beginning and ending inventory predetermined time periods.

Procedures and training to ensure appropriate future food storage should be implemented. Random audits of food storage should be performed, and supplies and inventory should be securely stored to reduce the risk of misuse or misappropriation.

This is important as it impacts the Accelerator project's ongoing revenues and expenses through Program Income, staffing, and other costs.

## **Woodstock's License**

Notably, the President and CEO of EII, at the direction of the BCC created an updated business plan for the Accelerators, dated January 3, 2017 [sic]. In his 2018 updated business plan, the CEO makes the below assertion regarding the timing of this Annual Food Permit:

**Exhibit 13-D: Excerpt from A Business Plan for Collier County Innovation Accelerators Update, January 3, 2017[sic] Deliverable 5 - Final**

The trend self serve micro markets were developing rapidly, therefore Woodstock's micro market was established. This is unique to the area, and was awarded the first license of its kind in the State of Florida (according to Carl Holzworth, Division of Food Safety, Florida Department of Agriculture and Consumer Services).

*Economic Incubators, Inc. | January 2017 | Business Plan*

9

On January 25, 2018, the Clerk's Internal Audit staff spoke with Mr. Holzworth and another official from the Department of Agriculture and Consumer Services. During the conversation, the internal audit manager learned that there are many of these food permits located throughout the state of Florida, i.e. it is not unique to Woodstock's. Mr. Holzworth indicated he may have said that this permit was the first of its kind, however this would have been years ago when he made this statement. He further stated, *"it is the same type of permit issued to convenience stores, there is nothing unique or particular about [Woodstock's] permit, in fact they have [micro-markets] all over the state and many are in Orlando."*

## **Failure to Conspicuously Display Requisite Documentation at Permitted Location**

A food permit from the Florida Department of Agriculture and Consumer Services is required of nearly to operate a food establishment or retail food store. (F.S.A. § 500.12) The Department of Agriculture and Consumer Services is the exclusive regulatory and permitting authority for all food outlets, retail food stores, food establishments, convenience stores, and minor food outlets, and application for a food permit must be made on forms provided by the Department Generally, a food permit from the Department of Agriculture and Consumer Services is required of any person who operates a food establishment or retail food store. A common method of insuring that prescribed standards of quality and purity are met is by inspection of specified establishments. The conspicuous display of the permit issued to the owner, subsequent to an inspection, is required by Florida Statute (F.S.A. § 500.12(8)).

During review, IA also found EII management failed to display its 2018 Annual Food Permit inside this retail location. Upon the internal audit manager's discussion with EII's COO, it was discovered that this permit was on a desk of the second floor of EII, and not properly posted.

## Exhibit 13-E: Image of the 2018 Annual Food Permit



### Recommendations:

- Business receipts should be kept current
- Receipts and permits should be appropriately displayed
- Inventory should be reviewed and kept current

### County Management Response:

At the March 13, 2018 meeting, Jennifer Pellechio, COO of EII, stated they were not aware of the expiration dates. However, now that it has been brought to their attention they have removed all expired items from Woodstock's. The COO also stated that EII will continually monitor the expiration dates of food products.

### On Wednesday March 21, 2018, County Management and EII staff provided their written response to these findings:

#### Finding 13. Mismanagement of Woodstock's Micro-Market

#### EII's Response.

Woodstock's market is a pioneer of the self-service micro-market. Its purpose is to serve as an outlet for locally crafted products, especially those developed and perfected at The Florida Culinary Accelerator @ Immokalee. It continues to be a prototype where different products and new consumer technology such as express payments systems can be tested, a first for Collier County.

EII appreciates the Clerk's visits and photography, and for noting the Woodstock's minor procedural errors, which have now been remedied. Procedures are now in place to ensure there won't be any reoccurrence.

**Management's Response:** Management disagrees with the finding.

**Recommendation:** Management disagrees with the Internal Auditor's recommendations.

**Action Plan:** None.

**The Clerk notes that County Management fails to recognize deficiencies of their vendor.**

**14) Multiple potential conflicts of interest exist within EII's organization including self-dealing, the Chairman of EII's Board of Directors is the lessor of the Naples Accelerator facility, and potentially improper professional services arrangements.**

Internal Audit has noted the following conflicts of interest within EII's organization.

**Self Dealing**

EII's COO, Jennifer Pellechio, owns a consulting business, JP Consulting Team, LLC., that has received payments directly from EII for work. JP Consulting Team charged EII \$85 per hour for designing a flyer for the Consumer Electronics Trade Show as well as Invitations to a fundraising event for the introduction of the French Chef. EII has paid JP Consulting Team, LLC. \$850 for these two projects.

**The Chairman of EII's Board of Directors is the Lessor of the Naples Accelerator Facility**

The Chairman of EII's Board of Directors, Mr. Fred Pezeshkan, is the manager of Kraft Office Center, LLC., which houses the Naples Accelerator. Collier County pays rent, on behalf of EII, directly to Kraft Center, LLC. FY2018 rent is \$197,900, and the total rent over the 5-year lease term is over \$1 million.

It is worth noting that while EII has not paid the County for their use of the facility that houses the Immokalee accelerator (see Finding #11 above), Mr. Pezeshkan and Kraft Office Center, LLC. have always received their rent payment on time from the taxpayers.

**BED Hired VCTC & Appropriation Services, LLC to Provide Professional Services to Support Collier County in Seeking Authorization for an Amendment to it's Agreement #SL007, as Amended, with the DEO. Elizabeth Walker, the Former DEO Agreement Manager of Grant #SL007, is the Represented LLC Manager and/or Owner.**

The BED hired VCTC & Appropriation Services, LLC. It is worth noting that Elizabeth Walker was a former Agreement Manager at DEO and was responsible for the very grant (SL007) for which she is now providing professional services.

The BED has submitted two invoices on behalf of "Elizabeth Walker" (see Exhibit 14-C). The first invoice was on November 21, 2017 in the amount of \$2,793.75 and the second invoice was on January 17, 2018 in the amount of \$2,493.75. Additionally, the BED Director requested a \$50,000 Purchase Order for ongoing consulting. This was not approved by the County's Purchasing Department.

Exhibit 14-A, below, shows an email conversation between Elizabeth E. Walker from DEO, County staff, Director of BED, and the CEO of EII regarding the accuracy of reported capital investments and jobs reported of an Accelerator participant company.

The email discussion shows Elizabeth Walker's intimate knowledge of the Accelerator on an operational level, for which she is the Agreement Manager for Grant #SL007, while working for DEO.

VCTC & Appropriation Services, LLC/Elizabeth Walker was tasked to submit draft documents to DEO for amendments to Agreement #SL007.

**Exhibit 14-A: Elizabeth E. Walker email on September 20, 2016 stating, “I do not understand how this project is contributing to a positive return of benefits to the people of Florida.” At the request of the Director of BED, the entire email is included. Please note that this email is descriptive of EII and BED’s inability to validate capital investments and jobs created by the Accelerator participants. Additionally, the second paragraph references a June 23, 2016 email from Mr. Zand in which he was quoted, “no employees and no capital raised for the US subsidiary.”**



Tue 9/20/2016 8:20 AM

Walker, Elizabeth

Confidential per S. 288.075, F.S.

To: GaillardMegan; Marshall Goodman (raygood32@gmail.com); Marshall Goodman

Cc: KentnerJace; Guerrieri, David; Douglas, Lauren

Bcc: Foster, Barbara; Currie, William (Will)

This message was sent with High importance.

Good Morning,

Thanks Megan for trying to capture my questions. Rereading the e-mail prompted me to look at the supporting documentation again. So that everything gets addressed at one time, here’s my understanding:

The April 5, 2016, e-mail from Mr. Zand is saying that \$540K in seed financing was raised as of March 2016, and that of that \$540K, \$300K was to finance the global platform and the remaining funds (\$240K) are being used for OPEX. Then, the June 23, 2016, e-mail from Mr. Zand says no employees and no capital raised for the US subsidiary.

Based on these e-mails, and substantially on the June 23, 2016 e-mail alone, I do not understand how this project is contributing to a positive return of benefits to the people of Florida. If I am overlooking something, please point me in the right direction and clarify what I’ve misunderstood.

*Best Regards,*

*WE*

*Elizabeth E. Walker, PMP, CPM  
Public-Private Partnership Liaison  
Division of Strategic Business Development  
Department of Economic Opportunity  
107 East Madison Street, MSC-80  
Tallahassee, Florida 32399*

*P - (850) 717-8980*

*F - (850) 414-1734*

[Elizabeth.Walker@deo.myflorida.com](mailto:Elizabeth.Walker@deo.myflorida.com)



**DEO's Agreement Manager:**

**Elizabeth E. Walker**

107 East Madison Street

Tallahassee, Florida, 32301

850-717-8980

850-414-1734

Elizabeth.Walker@deo.myflorida.com

**DEO's Agreement Manager:**

**Elizabeth E. Walker**

107 East Madison Street

Tallahassee, Florida, 32301

850-717-8980

850-414-1734

Elizabeth.Walker@deo.myflorida.com

In the event that any Party designates a different Agreement Manager after the execution of this Agreement, the Party will provide written notice of the name, address, zip code, telephone and fax numbers, and email address of the newest Agreement Manager to all other Parties. A designation of a new Agreement Manager shall not require a formal amendment to the Agreement.

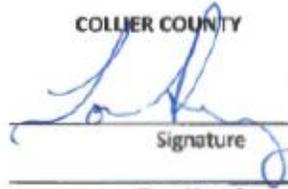
**L. Execution:**

I have read the above Agreement and the attachments and exhibits thereto and understand each section and paragraph.

IN WITNESS THEREOF, and in consideration of the mutual covenants set forth above and in the attachments hereto, the Parties have caused to be executed this 45 page Agreement by their undersigned officials duly authorized.

COLLIER COUNTY

By

  
Signature

Title

Tom Henning  
Chairman, Board of County  
Commissioners

Date

11/18/14

DEPARTMENT OF ECONOMIC OPPORTUNITY

By

  
Signature  
Chad Poppo

Title

Jesse Panuccio  
Executive Director  
Chief of Staff

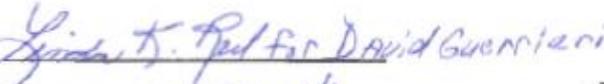
Date

11-24-14

Approved As to Form and Legal Sufficiency, Subject Only  
To Full and Proper Execution by the Parties

OFFICE OF GENERAL COUNSEL  
DEPARTMENT OF ECONOMIC OPPORTUNITY

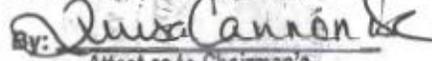
By:



Approved Date:

11-24-14

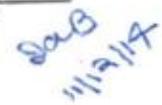
ATTEST:  
DWIGHT E. BROCK, Clerk



Attest as to Chairman's  
signature only.

Approved as to form and legality

  
Assistant County Attorney



**Exhibit 14-C: Proposal by VCTC & Appropriation Services, LLC to seek an Amendment to Grant #SL007 submitted by Elizabeth E. Walker, Owner.**

## VCTC & Appropriation Services, LLC

**Revised Project Proposal: Amendment 2 to Agreement SL007**  
**Between: Collier County and the Department of Economic Opportunity**  
**Re: Collier County Accelerator Network Return of Benefits and Reporting**

### Summary:

VCTC & Appropriation Services, LLC (VCTCAppS), is pleased to submit this revised Project Proposal to account for adjustments to the Deliverables and the Due Dates. The Goal is the same: VCTCAppS will provide professional services to support Collier County in seeking authorization for an Amendment 2 to its Agreement SL007, as amended, with the Department of Economic Opportunity (DEO). Amendment 2 will revise the Return of Benefits and Reporting criteria.

### Goal

The purpose of Amendment 2 is to enable Collier County to avoid devastating effects of Hurricane Irma while maintaining and DEO in furthering the success of the Collier County Accelerator Network.

### Solution

VCTCAppS will review documents for Agreement SL007, as amended, and reconsider the authorization of an Amendment 2 to SL007, as amended, to accompany the cover letter. Each version of Amendment 2, to accompany the cover letter. Each version of Amendment 2 for Collier County and the State of Florida. Upon Collier County's request, VCTCAppS will provide support to Collier County that summarizes the events supporting the SL007 Amendment 2. VCTCAppS will provide support to Collier County for proposed SL007, Amendment 2. Total Level of Effort for this project is \$3,000.

In return, Collier County agrees to provide VCTCAppS with information on its recovery efforts, to fulfill the project. This information will be provided to VCTCAppS at Collier County's expense, in electronic and/or print format.

### Complete List of Project Deliverables

Deliverable	Description	Due Dates	Estimated Cost
1. Perfection of draft documents for submittal to DEO.	Submit draft documents as described in the Solution to Collier County. The draft cover letter will be from Collier County to DEO; the draft amendments will be in a format consistent with Agreement SL007, and draft summary e-mail will be pre-approved by Collier County. VCTCAppS will collaborate with Collier County to perfect the draft documents.	By 10/31/17	\$2,100
2. Submittal of draft documents to DEO; collaboration with Collier County.	Submit the draft documents selected by Collier County to DEO, and request a meeting to explain Collier County's need to amend SL007. VCTCAppS will work with Collier County to find a beneficial solution for SL007, Amendment 2.	By 10/31/17	\$900
		<b>Total</b>	<b>\$3,000</b>

VCTCAppS.com

5032 Capital Circle SW, STE 2, #213  
 Tallahassee, Florida 32305-7886

## VCTC & Appropriation Services, LLC

### Timeline for Execution and Payment

Due Dates are best-guess estimates based on VCTCAppS understanding that time is of the essence, but are subject to change depending on Collier County and DEO's availability.

Deliverable amounts are based on anticipated level of effort, at \$75/hour. Please pay your invoice from VCTC & Appropriation Services, LLC, within 45 days of receipt. The amount invoiced for this Project Proposal, which may be invoiced in parts, is not to exceed \$3,000.

If you have questions on this proposal, feel free to contact me (Beth Walker) at your convenience, by email at [Beth.Walker@VCTCAppS.com](mailto:Beth.Walker@VCTCAppS.com), or by phone at 850-509-9967

Thank you for your consideration,

*Elizabeth E. Walker*

Elizabeth E. Walker, PMP, CPM, FCCM  
 Owner, VCTC & Appropriation Services, LLC

1	ELIZABETH E WALKER	2,793.75	4500180690	11/21/2017	12/02/2017
2	ELIZABETH E WALKER	2,493.75	4500180690	01/17/2018	02/04/2018

**Exhibit 14-D: State of Florida Commission on Ethics addressed to Ms. Elizabeth Walker stating that F.S. 112.3185(4) applies to her as a former Agreement Manager.**

Michelle Anchors  
Vice Chair  
Jason David Berger  
Daniel Brady, Ph.D.  
Matthew J. Carson  
Michael Cox  
Guy W. Norris  
Kimberly Bonder Rezanka  
Stanley M. Weston



State of Florida  
COMMISSION ON ETHICS  
P.O. Drawer 15709  
Tallahassee, Florida 32317-5709

325 John Knox Road  
Building E, Suite 200  
Tallahassee, Florida 32303

"A Public Office is a Public Trust"

Virildia Doss  
Executive Director

C. Christopher Anderson, III  
General Counsel/  
Deputy Executive Director

(850) 488-7864 Phone  
(850) 488-3077 (FAX)  
www.ethics.state.fl.us

July 24, 2017

Ms. Elizabeth Walker  
Via Email

Re: Your letter received July 18 (post-public-employment issues)

Dear Ms. Walker:

This letter is the response to your above-referenced inquiry. It is based on the content of your letter, referenced above, and the information you provided when we spoke by telephone, today. Please email me back to let me know you received the response.

Since your former Department of Economic Opportunity (DEO) employment (20 years) was Career Service (not SMS, SES, etc.), you are not subject to the two-year lobbying ("representation") prohibition of Section 112.313(9)(a)4, Florida Statutes.

As to Section 112.3185(3), Florida Statutes, it appears that you had the requisite participation regarding the one contract (Accelerator Contract) such that you will be prohibited from employment or contracting with any business entity in connection with that contract. However, if your work in connection with that contract is as an employee of, or an independent contractor of, Collier County [or of any other government entity within the definition of "agency" found in Section 112.312(2), Florida Statutes], and is not as an employee or contractor of a person or entity not within the definition, the prohibition will not apply as to that contract.<sup>1</sup>

<sup>1</sup> The prohibitions of Sections 112.3185(3) & (4) are contract specific, not subject matter general. Therefore, in order for you to be restricted in your post-public-employment work, the work must be in connection with a particular contract regarding which your DEO participation or responsibility triggers the elements of the statute. For example, if the Accelerator Contract had a companion contract (or a successor contract), and you did not have the requisite DEO employee participation or responsibility under the statutes regarding the companion or the successor, then you are not restricted as to your employment or contracting regarding the companion or the successor.

Ms. Elizabeth Walker  
July 24, 2017  
Page 2

Concerning Section 112.3185(4), Florida Statutes, it applies only to contracts for "contractual services" as defined in Chapter 287, Florida Statutes. Further, even if a particular contract is for contractual services, the statute will restrict you only if your employment or contracting is with an entity or person other than an "agency," and only if you, while a DEO employee (or your DEO subordinates while you were a DEO employee), had a monitoring or managing role in regard to a particular contract regarding which you are employed or contract after leaving DEO.<sup>2</sup>

It was a pleasure speaking with you. Please contact me if you have any questions.

Sincerely,

C. Christopher Anderson III

C. Christopher Anderson, III  
General Counsel/Deputy Executive Director

<sup>2</sup> Note that if you, or a closely-held company of yours, is hired by DEO, Section 112.3185(5), Florida Statutes, contains an additional prohibition. This statute, as well as the others cited herein, can be found on the Commission on Ethics' website; go to the site, go to Research, go to Ethics Laws, go to Part III, Chapter 112, and go to the particular statute.

Ms. Elizabeth Walker  
July 24, 2017  
Page 2

Concerning Section 112.3185(4), Florida Statutes, it applies only to contracts for "contractual services" as defined in Chapter 287, Florida Statutes. Further, even if a particular contract is for contractual services, the statute will restrict you only if your employment or contracting is with an entity or person other than an "agency," and only if you, while a DEO employee (or your DEO subordinates while you were a DEO employee), had a monitoring or managing role in regard to a particular contract regarding which you are employed or contract after leaving DEO.<sup>2</sup>

**The Clerk Has Been Advised That People Are Being Awarded County Contracts For Relocating Into The Naples Accelerator.**

Ell participants have been awarded no less than \$558,362 in county contracts since joining the Naples Accelerator.

1.) HyperTeam USA joined the accelerator on October 1, 2015 and has invoiced \$437,500 to the County since September 19, 2016, while receiving the 50% Promotional Discounted Rent from the Naples Accelerator for over two years.

**Exhibit 14-E: HyperTeam USA, a current participant in the Naples Accelerator, has invoiced the County \$437,500 since joining the Accelerator on October 1, 2015.**

4	HYPERTeam USA BUSINESS AND IT CONSU	19,700.00	<u>4500179522</u>	09/19/2017	0
0	HYPERTeam USA BUSINESS AND IT CONSU	19,250.00	<u>4500179522</u>	09/29/2017	1
5	HYPERTeam USA BUSINESS AND IT CONSU	17,150.00	<u>4500179522</u>	10/30/2017	1
6	HYPERTeam USA BUSINESS AND IT CONSU	7,650.00	<u>4500179522</u>		1
6	HYPERTeam USA BUSINESS AND IT CONSU	8,750.00	<u>4500179522</u>	11/07/2017	1
	HYPERTeam USA BUSINESS AND IT CONSU	8,750.00	<u>4500179522</u>	11/08/2017	1
5	HYPERTeam USA BUSINESS AND IT CONSU	9,150.00	<u>4500179522</u>	11/21/2017	1
1	HYPERTeam USA BUSINESS AND IT CONSU	14,100.00	<u>4500179522</u>	12/05/2017	1
3	HYPERTeam USA BUSINESS AND IT CONSU	12,050.00	<u>4500179522</u>		1
5	HYPERTeam USA BUSINESS AND IT CONSU	12,600.00	<u>4500179522</u>	12/15/2017	0
4	HYPERTeam USA BUSINESS AND IT CONSU	15,400.00	<u>4500179522</u>	01/12/2018	1
	HYPERTeam USA BUSINESS AND IT CONSU	7,500.00	<u>4500179522</u>	01/22/2018	0
		<b>437,500.00</b>			

2.) Juice Technologies, Inc., dba Plug Smart, was assured additional county contracts if they would move into the accelerator, as reported to the Clerk from the owner Richard D. Housh. Juice Technologies moved from existing commercial space into the accelerator on November 30, 2016 and has invoiced \$120,862.42 since July 18, 2017. Prior to joining the Naples Accelerator, Juice Technologies had one contract with Collier County \$2,980.00 dated June 6, 2016.

**Exhibit 14-F: Juice Technologies, Inc., a former participant in the Naples Accelerator, has invoiced \$120,862.42 since moving into the Naples Accelerator on November 30, 2016.**

Vendor name	Σ	Amount	Pur. order	Receipt Date
JUICE TECHNOLOGIES , INC		4,531.16	4500178379	02/09/2018
JUICE TECHNOLOGIES , INC		7,891.28	4500184033	01/16/2018
JUICE TECHNOLOGIES , INC		9,230.00	4500179343	12/07/2017
JUICE TECHNOLOGIES , INC		4,792.30	4500184033	11/01/2017
JUICE TECHNOLOGIES , INC		8,871.07	4500184033	11/01/2017
JUICE TECHNOLOGIES , INC		495.00	4500181252	10/27/2017
JUICE TECHNOLOGIES , INC		64,306.36	4500180542	09/29/2017
JUICE TECHNOLOGIES , INC		495.00	4500178379	10/03/2017
JUICE TECHNOLOGIES , INC		275.00	4500181252	10/03/2017
JUICE TECHNOLOGIES , INC		1,760.00	4500181252	10/03/2017
JUICE TECHNOLOGIES , INC		1,257.78	4500181252	10/04/2017
JUICE TECHNOLOGIES , INC		731.17	4500178379	10/04/2017
JUICE TECHNOLOGIES , INC		330.00	4500178379	09/26/2017
JUICE TECHNOLOGIES , INC		990.00	4500181252	09/22/2017
JUICE TECHNOLOGIES , INC		1,650.00	4500181252	09/22/2017
JUICE TECHNOLOGIES , INC		440.00	4500181252	08/21/2017
JUICE TECHNOLOGIES , INC		4,022.30	4500184033	08/21/2017
JUICE TECHNOLOGIES , INC		520.66	4500178379	08/21/2017
JUICE TECHNOLOGIES , INC		4,022.30	4500184033	11/01/2017
JUICE TECHNOLOGIES , INC		330.00	4500178379	08/16/2017
JUICE TECHNOLOGIES , INC		1,307.05	4500181252	08/16/2017
JUICE TECHNOLOGIES , INC		1,307.05	4500181252	10/04/2017
JUICE TECHNOLOGIES , INC		990.00	4500178379	08/22/2017
JUICE TECHNOLOGIES , INC		2,675.64	4500178379	08/22/2017
JUICE TECHNOLOGIES , INC		5,000.00	4500178379	07/20/2017
JUICE TECHNOLOGIES , INC		110.00	4500178379	07/18/2017
JUICE TECHNOLOGIES , INC		330.00	4500178379	07/18/2017
JUICE TECHNOLOGIES , INC		220.00	4500178379	07/18/2017
JUICE TECHNOLOGIES , INC		660.00	4500178379	07/18/2017
JUICE TECHNOLOGIES , INC		660.00	4500178379	07/18/2017
JUICE TECHNOLOGIES , INC		1,320.00	4500178379	07/18/2017
JUICE TECHNOLOGIES , INC		2,980.00	4500167297	06/06/2016
		<b>123,842.42</b>		

**\$120,862.42**  
between  
7/18/2017 and  
2/9/2018, since  
joining the Naples  
Accelerator

Joined the Naples  
Accelerator on  
November 30, 2016

**\$2,980.00** on 6/6/2016, prior to  
joining the Naples Accelerator

## **EII Does Not Have a Written Conflict of Interest Policy**

EII does not have a written and approved Conflict of Interest policy, as confirmed by COO Jennifer Pellechio on January 8, 2018.

**Exhibit 14-G: Email reply from COO Jennifer Pellechio on January 8, 2018 that EII's Board of Directors has not approved a written Conflict of Interest Policy.**

**B. Grant Compliance – these policies have been brought to the board in draft format, will be brought back at the January 2018 meeting. Do you want the draft policy?**

1. Please provide a copy of EII's written document retention and destruction policy, if any: -
2. Please provide a copy of EII's written conflict of interest policy, if any; and
3. Please provide a copy of EII's written whistleblower policy. -

## **Conclusion:**

EII's lack of internal controls and lack of conflict of interest policy(s) creates significant risk fraud and the misuse of taxpayer money. Absence of a written conflict of interest policy and/or violation of conflicts may jeopardize EII's 501(c)3 status.

## **Recommendation:**

- The Board of County Commissioners should consider their alternatives in regards to the contract with EII and notify them of potential reimbursements that may be required to State of Florida and Federal grantors and/or the County taxpayers.
- EII should adopt a written and approved conflict of interest policy as well as other operational policies and procedures.

## **County Management Response:**

At the March 13, 2018 meeting, the Director of BED objected to the Elizabeth Walker email referenced in Exhibit 14-A, saying that the email was regarding the recognition of AirFi Network's, an Accelerator participant, foreign direct investment for reporting purposes. The Director states that the highlighted text which states, "***I do not understand how this project is contributing to a positive return of benefits to the people of Florida***" is regarding AirFi Networks and not the Accelerator projects as a whole.

## **Internal Audit Response to County Management Response:**

Internal Audit's intention was not to insinuate that the DEO or Elizabeth Walker questioned the positive return of benefits regarding the Accelerator projects in Exhibit 14-A. Rather, this email was intended to show that Elizabeth Walker, the Agreement Manager for the Grantor Agency (DEO), was intimately

aware of the performance of the Grantee (EII) on an operational level, and she was questioning the fiduciary responsibility of EII management; thereby demonstrating a possible conflict of interest precluding her from being employed to assist with this grant agreement upon her terminating her employment with DEO. At the request of the Director of BED, Internal Audit has included the entire email in Exhibit 14-A.

The Clerk has been unable to determine the legality of payment requested in the amount of \$5,287.50 due to the questioned conflict of interest with DEO.

**On Wednesday March 21, 2018, County Management and EII staff provided their written response to these findings:**

**Finding 14.** Multiple potential conflicts of interest exist within EII's organization.

**Management's Response:** Management disagrees with the finding.

The JP Consulting Team, LLC procurement was not self-dealing.

**County management concedes to EII's response to this finding.**

- Fred Pezeshkan is not EII's president. He is the chairman of the Board, a non-executive director, and therefore, *not an employee*.

**The Clerk's Internal Audit team will change all references to Mr. Pezeshkan to be 'Chairman' and recognizes that Mr. Pezeshkan is not an employee.**

- Regarding EII's Chairman as the landlord having a conflict of interest, the Kraft Office LLC and County lease were negotiated and entered into before he became a member of EII's Board. Ken O'Leary was the Chair and Joe Paterno was Vice Chair [*sic*] of EII at the time the lease was executed. Mr Pezeshkan's relationship and transactions have been fully disclosed and transparent. Importantly, the underlying transaction was at arm's length.

**The Clerk agrees with EII's timing of the lease and Mr. Pezeshkan's membership on EII's Board of Directors. The Clerk reiterates the finding is a 'POTENTIAL CONFLICT OF INTEREST.' First, EII failed to disclose Mr. Pezeshkan as a disqualified person or interested person on the IRS Form 990's (see finding #9, page 103). Second, EII did not have a Conflict of Interest Policy in place until February 21, 2018 (one month ago).**

- Exhibit 14-A, is another attempt to mislead by providing a partial information to support a narrative. The full email should be provided. County Staff requested Exhibit 14-A's removal.

**The full email was provided in the Draft Audit Report submitted to the BCC on March 21, 2018, pursuant to the verbal comments made by the Director of BED at the March 13, 2018 meeting.**

- The Clerk inexplicably fails to read the Florida Commission on Ethics letter which authorized Elizabeth Walkers work on behalf of Collier County. Ms. Walker facilitated amendment to DEO Agreement SL007 in a cost-effective manner. This finding must be stricken and Ms. Walker needs paid as soon as possible.

**Please refer to Exhibit 14-D and note that the Florida Commission on Ethics does not state Elizabeth Walker is “authorized” to work on behalf of Collier County.**

- The fact that HyperTeam, an accelerator participant, brings to Collier County world-class IT capabilities is a testament to the success of the County’s accelerator program. This is a perfect example of the accelerator program doing exactly what the Commissioners intended. The Clerk’s desire to exclude HyperTeam from doing business with Collier County for the mere fact it participated in the accelerator program is counterproductive.

**The Clerk has no desire to exclude anyone or any company from doing business with Collier County. The Clerk is noting that an accelerator participant, renting office space subsidized by the taxpayers of Collier County, received over \$400,000+ in Collier County contracts since joining the accelerator. The fact that HyperTeam receives taxpayer subsidized rent creates the possibility that HyperTeam has a pricing advantage over other local competitors. Again, the Clerk has identified this as a ‘POTENTIAL CONFLICT OF INTEREST.’**

- The Plug Smart team worked very hard to establish itself in Collier County; therefore, it comes as no surprise that they would be successful in obtaining work in Collier County. There is no evidence that there was favoritism in County Procurement. County Staff are unable to find any indication that Mr. Housh was promised additional County contracts because of accelerator participation.

**See Exhibit 14-F.**

**EII’s Response.**

Incorrect; **Clerk’s assertion** that “Self-Dealing.”

**EII’s Response:** These two procurements in FY16 and FY17 respectively were \$425.00 and \$425.00 and were made with unrestricted funds; grant funds were not used. The procurements under the policy fell into Category 1 and followed the procedures for obtaining the services provided.

Thank you for bringing this to our attention, and this has already been addressed with our conflict of interest policy that went into February 21, 2018.

**The Clerk notes that EII has addressed this concern.**

Incorrect; **Clerk’s assertion** regarding EII’s Chairman as the landlord being a conflict of interest,

we're sure you understand that many if not most companies and organizations have relationships and transactions with related parties. However, if those relationships and transactions are fully disclosed and transparent and the transfers of value are at arm's length there should not be an issue.

**The Clerk reiterates that this is a 'Potential' conflict of interest due to EII's failure to disclose the transactions on the IRS Form 990's and that EII's Board of Directors did not have a Conflict of Interest Policy in place until February 21, 2018.**

Two out of the 70+ firms that have been clients of the Accelerator since inception have received funds for services rendered by Collier County: Hyperteam and Juice Technologies. To the best of our knowledge, since EII was not involved in those procurements, we believe both companies used the prescribed County procurement procedures to win those awards. EII is not aware of any prohibition in its County contract that prohibits Accelerator clients from competing for County contracts. Nor would such a prohibition make sense.

**The Clerk does not seek to prohibit anyone or any company from competing for County contracts. The Clerk's concern is the unfair advantage these companies may have by utilizing taxpayer subsidized rent.**

**On April 2, 2018, EII staff stated that they were unaware of the quantity and value of contracts awarded to HyperTeam.**

**Recommendation:** Management disagrees with the Internal Auditor's recommendations.

**Action Plan:** None.

**15) EII has failed to become a financially viable business entity and shows little or no progress in that direction.**

The 2014 Agreement between the County and EII executed on October 1, 2014 states that *“the Collier Accelerator’s [sic] must be largely self-sustaining, with positive cash flow, and positive end of the year fund balances.”* It is further noted in Attachment 1 of this agreement in the Scope of Work that *“Collier County intends for this project to create a financially self-sustaining program.”* Finally, the CEO of EII has reported in the Accelerator Revenue and Cost Analysis that the time period for substantial sustainability *“can take anywhere from 18-24 months before incubators/accelerators achieve a form of sustainability.”*

Furthermore, Article XXVII of the Fiscal Year 2018 Agreement calls for the establishment of a self-sustaining organization.

**Exhibit 15-A: Article XXVII on page 11 of the FY2018 Agreement which states, “The establishment of a self-sustaining organization is paramount to the relationship created by this Agreement.”**

ARTICLE XXVII  
BUSINESS INCOME

The Accelerator Project is expected to generate Business Income, which includes, income from service fees, rental fees, usage fees and other miscellaneous revenue generated by the Accelerator Project’s operations. Private contributions (in-kind, cash, services, etc.) will be excluded from Business Income. Private contributions revenue may be expended by EII for purposes determined by EII without Board of County Commissioner approval. Private contributions and matching expenses must be maintained separately from Business Income records and may be reviewed by the County Manager or his designee upon request. This information is considered confidential and will not become a part of the public records documentation or County funded records. Business income will be managed, collected, recorded, reported, and retained by EII within the Accelerator Project. Business income is considered unrestricted funds and will be used for program cash flow or allowable program costs as detailed in the budget and Article IV. The use of business income will require a budget, which shall be reviewed quarterly and approved by the Executive Committee of EII’s Board of Directors, and will be approved by the County Manager or his designee. Travel allowance or reimbursements shall be paid by EII. Rent for 170 Airpark Blvd., #103, Immokalee, Florida 34142, shall be paid by EII. At the termination of this Agreement, any unspent Business Income and private contributions will be returned to the County or EII’s successor.

The establishment of a self-sustaining organization is paramount to the relationship created by this Agreement. During the term of this Agreement, it is the intent of the parties that COUNTY funding be used primarily for all expenditures reimbursable under the COUNTY’s reimbursement

However, the Chairman of EII’s Board of Directors, Mr. Fred Pezeshkan is under the assumption that EII is under no obligation to become a self-sustaining organization.

**Exhibit 15-B: Paragraph 3 on page 2 of the January 8, 2018 Letter to the BCC by Mr. Fred Pezeshkan and Dr. Marshall Goodman.**

The Clerk's office, for whatever reasons it has, does not seem to limit its review to individual payment requests and the underlying supporting documentation for each request, but as well it reviews performance against benchmarks that the contract with the County imposes on EII, but which are not necessarily applicable in every pay period. **The Clerk continues to raise questions and seek data to determine to its own degree of satisfaction that EII is sustainable even though there is no contractual requirement for this.** This questioning and data request delay the funding process.

### **Accelerator Costs**

EII has estimated its Accelerators will cost **\$1,086,500** for Fiscal Year 2018, of which **\$800,000** is to be covered directly by Collier County taxpayer funds; **\$211,200** in business income generated by subleasing county leased space, at a loss, to participants and the remaining **\$80,000** to be generated from private contributions (for both Naples Accelerator and Immokalee Accelerator), which they have failed to meet in any prior year. This will result in EII generating a Net Surplus of **\$4,700**. As of January 15, 2018 EII has not collected the projected private contributions nor met projected incomes. This failure to obtain private contributions and meet projected business income is estimated to continue a financial shortfall between forecasted revenues and both Accelerator operational costs throughout the remainder of the year.

Since the Accelerators' inception in 2014, first under the management of Southwest Workforce Development Board, then on September 14, 2014 as the newly created Economic Incubators, Inc., the Clerk has had difficulty obtaining documents and financial information. EII has expended over \$5 million of taxpayer money since 2014 (no less than \$2,469,929 from Collier County + \$2,723,525 from DEO Grants + \$112,536 in USDA Grants) however, EII did not produce audited financial statements for Fiscal Years 2014 and 2015. EII did not produce audited financial statements for FY2016 until July 2017 and the Clerk has not received Fiscal Year 2017 audited financial statements as of February 1, 2018. If new viable participants are not secured during Fiscal Year 2018, the long-term sustainability of EII remains in question. This concern is exacerbated by the current absence of activities at the Immokalee Accelerator, and the fact that the participant rate and business income in the Naples Accelerator has decreased for the First Quarter of Fiscal Year 2018.

The Clerk is aware that during Fiscal Year 2017-2018, proposed funding by the State of Florida of \$5,750,000 was requested and denied. This request for grant funds is contrary to the 2014 business model requiring all grants to go through the County. EII and BED planned to ask for \$10,500,000 for the State Fiscal 18-19 request. To date, requests for funding have not been approved.

**Exhibit 15-C: Email from Dr. Marshall Goodman to Jace Kentner on June 26, 2017 discussing how to request \$10,500,000 from the State of Florida in Fiscal Year 18-19.**

**From:** Marshall Goodman <raygood32@gmail.com>  
**Sent:** Monday, June 26, 2017 8:11 AM  
**To:** KentnerJace  
**Subject:** DRAFT DRAFT DRAFT Proposal

Jace,

Here is what I propose as a legislative request for the State Fiscal 18-19 request. As you are aware, we requested \$5.75 million last year, which ultimately was reduced to \$1.2 million, which ended up being vetoed.

My recommendation is that we go back, bigger and bolder, representing the items we have heard that our community and citizens are interested in. I believe we should discuss this with Commissioner McDaniels in our meeting today to begin to get preliminary input.

The total amount of the request would be \$10,500,000. The lion share of this is to build a Culinary Campus in Immokalee, as well as some funds to continue to support our growth here in Naples.

**My recommendation is that we go back, bigger and bolder,**

**The total amount of the request would be \$10,500,000.**

The proposed 2018 draft business plan perpetuates total continued reliance on taxpayer funds to sustain the entity.

## **Dr. Goodman Stated That He Knew Immokalee Would Never Become Self-Sustaining**

On February 1, 2018, Dr. Marshal Goodman explained to the Clerk's staff that he knew from the very beginning that the Immokalee Accelerator would never be able to sustain itself. He stated that he had many meetings with prior Commissioners and he would ask, ***"how can a community of 20,000 poor people support this accelerator (in Immokalee)? It can't. I was told don't worry about it, it's a County issue, you are just the service provider, we (Commissioners) want it there."*** Dr. Goodman concluded by saying, ***"that is the original plan, if you want an accelerator in Naples, then Immokalee gets one, don't worry about it."***

**Exhibit 15-D: Collier County to Host Groundbreaking Event for the Florida Culinary Center @ Immokalee, Press Release dated February 24, 2017. The Director of BED states, ***"This is another bold and well calculated project."*****

The accelerator's structured program will provide culinary, financial, marketing and food certification classes and other services needed to give chef entrepreneurs a jump start in an increasingly competitive market.

***"This is another bold and well calculated project to establish infrastructure needed to stimulate the diversification of Collier County's economy,"*** said Jace Kentner, director of the Collier County Office of Business & Economic Development.

For more information, contact Economic Research Analyst Aisling Swift at (239) 252-8591.

As of February 15, 2018, the Florida Culinary Accelerator @ Immokalee is still not operational.

## **Recommendations:**

- The Board of County Commissioners should consider their alternatives in regards to the contract with EII and notify them of potential reimbursements that may be required to State of Florida and Federal grantors and/or the County taxpayers.
- EII should develop and implement a business plan to assure that the Accelerators are *"largely self-sustaining with positive cash flow and positive end of the year fund balances"* not previously achieved.
- The CEO of EII and the BED should ensure that all future grants are compliant with the EII Business Plan and contracts.

**On Wednesday March 21, 2018, County Management and EII staff provided their written response to these findings:**

**Finding 15.** EII has failed to become a financially viable business entity and shows little or no progress in that direction.

**EII's Response.**

As stated previously, EII is a Public/Private collaboration for the benefit of Collier County residents. Without the funding provided by the County it would not be able to continue in business. As delineated in the approved Financial Plan included in the current executed contract with the Collier County it is expected that EII will need declining public funds going forward. However, in the short term those funds are needed to achieve the hopes and aspirations of the County for the Naples and Immokalee accelerators.

**As stated in the finding, EII has failed to become a financially viable business entity as portrayed in the 2014 adopted business plan.**

EII is alarmed by an inherent systemic failure of this audit to ignore the benefits received by Collier County and its citizens through numerous events, companies, consultations that have taken place through EII efforts and that of its Board. These benefits have been extensively documented both in the local and regional media, in testimony before the BCC, and in all of the quarterly and yearly reports made to the County, as expressed in our annual reports.

**It is not within the Clerk's purview to speculate on the value of perceived benefits and how that would offset EII's contractual obligation to become a self-sustaining entity, four years and \$5 million dollars later.**

**Management's Response:** Management disagrees with the finding.

**Recommendation:** Management disagrees with the Internal Auditor's recommendations.

**Action Plan:** None.

## 16) EII and BED have failed to meet contract and facility deliverables during Fiscal Year 2018

### **Failure to Open the Florida Culinary Accelerator @ Immokalee**

The Florida Culinary Accelerator @ Immokalee was originally scheduled to open in 2015. EII misrepresented to Florida DEO on June 29, 2017 that the facility was 100% complete, even though it was not.

On November 14, 2017, Dr. Goodman told the BCC, ***“We have scheduled an open house of the business office on November 29<sup>th</sup> with the opening of the culinary operation in early January.”*** An article dated December 15, 2017 (Exhibit 16-A, below) shows the accelerator is now scheduled to open in mid-January.

As of January 15, 2018, EII has failed to hire any of the staff that will be operating the Immokalee facility and EII only has a Temporary Occupancy Permit to work out of the business office. (Note: EII has hired two staff members for the Immokalee Accelerator on or about February 1, 2018.)

EII’s latest assertion is that the Florida Culinary Accelerator @ Immokalee will have a soft-opening in February (no specific dates) and a Grand Opening on March 28, 2018 (see Appendix J).

Please note that the latest projected opening date is six months into the fiscal year, which means EII will have accrued six months of expenses for the facility and lost four months of generating revenue. On March 28, 2018, EII’s operation of the Immokalee accelerator will be \$19,400 below budgeted revenues ( $\$4,850 \times 4 \text{ months} = \$19,400$ ) and will have accrued \$16,081 in rent expenses for leasing the facility ( $\$2,680 \times 6 \text{ months} = \$16,081$ ).

Exhibit 16-A: Immokalee Bulletin news article on December 15, 2017 stating that the accelerator is scheduled to open in mid-January (2018). <https://immokaleebulletin.com/news/culinary-accelerator-immokalee-nears-completion/>



## Culinary Accelerator in Immokalee nears completion

Dec 15th, 2017 · by Travis Anderson · Comments: 0



Dr. Marshall Goodman with Economic Incubators, Inc. speaks with Danny Gonzalez of Lozano's Mexican Restaurant at the Culinary Accelerator in Immokalee about the possibility of Lozano's mass-producing salsa that the restaurant currently sells. (Submitted photo/Travis Anderson)

The project, which has been delayed for several months due to unforeseen regulatory issues, is finally becoming a reality for local entrepreneurs.

The Florida Culinary Accelerator is scheduled to open its doors mid-January and there is at least one local business vying for the opportunity to be the first to pursue a new

The above article states that the delay in opening the Immokalee Accelerator was due to “unforeseen regulatory issues.” On February 1, 2018, the Dr. Marshall Goodman and COO Jennifer Pellechio stated that ***“they have been on a learning curve with everything for Immokalee. We didn’t even know what permits or licenses we needed. The problem is the State (Florida), the Culinary Accelerator is in a gray area.”***

It is clear that EII did not sufficiently research the permitting or licensing requirements for the Immokalee Accelerator prior to spending over \$1.2 million in taxpayer dollars.

## **Failure to File Payroll Requests in a Timely Manner**

BED sent the October and November 2018 payroll reimbursement requests to the Clerk for processing on December 19, 2017 and then falsely claimed that the Clerk was delaying payment. See timeline below:

<b>Timeline of EII Pay Requests for FY2018</b>	
<b>Date</b>	<b>Event</b>
11/14/2017	BCC Approves EII Contract
11/22/2017	Jennifer Pellechio Sent Deliverable #2 to BED – October Financials
11/28/2017	Jennifer Pellechio Sent Deliverable 1 to BED – Payroll FY18-01, FY18-02, FY18-03 to BED
11/30/2017	Jennifer Pellechio Sent email recap to all parties (county & clerk), however there was no PO# at this time and BED had not approved the request
11/30/2017	James Molenaar emailed Jennifer Pellechio and copied EII Board Member that the Clerk had not received the pay request documents
11/30/2017	EII Board Chairman Fred Pezeshkan emailed Jennifer Pellechio to “get it to the Clerk ASAP”
<b>12/7/2017</b>	<b>Jennifer Pellechio claimed to have a fully executed contract from County</b>
<b>12/11/2017</b>	<b>Phyllis, The BED Accounting Technician, sent an email to EII Staff that the BED has a PO (Clerk was not included in this communication, Clerk staff has confirmed SAP has doc and the PO doc date)</b>
12/12/2017	Phyllis sent email that FY18-01 & FY18-02 was submitted through the system <b>(Clerk does not have record of receiving this email on this date, this information was obtained by Clerk staff from Jennifer Pellechio)</b>
12/15/2017	Jennifer Leslie emailed <b>the Clerk’s Accounting Supervisor, that the documents had been uploaded to SAP as previously agreed business practice. Suzanne was not in the office on Friday; and on the 19<sup>th</sup> both pay requests were downloaded</b>
12/19/2017	Jennifer Pellechio sent email to entire group checking status before the upcoming BCC meeting on January 9, 2018. <b>Pay Requests are in the process of being Audited.</b>
1/8/2018	EII sends letter to BCC threatening to shut the doors, refusing to use their Letter of Credit to sustain operations and chastising the Clerk for non-payment less than the 45 days allowed by statute
1/9/2018	BCC Meeting - The Clerk, again, advised the BCC of the continuing issues with EII

EII, while claiming cash flow shortfalls, gave their staff a 2.9% pay increase for 2018. EII withheld December Pay Requests until after the BCC meeting on January 9, 2018, BED submitted the first payroll reimbursement for December that included the 2.9% pay increase, retroactive to October 1, 2017. The retroactive payment is listed as “Retro-Re” on the payroll summary sheet with the following amounts; Marshall Goodman \$799.32, Nicole Kreuzer \$193.32, and COO Jennifer Pellechio \$435.00.

## **Recommendations:**

- The Board of County Commissioners should consider their alternatives in regards to the contract with EII and notify them of potential reimbursements that may be required to State of Florida and Federal grantors and/or the County taxpayers.

**On Wednesday March 21, 2018, County Management and EII staff provided their written response to these findings:**

**Finding 16.** EII and County Staff have failed to meet contract and facility deliverables during Fiscal Year 2018.

**Management's Response:** Management disagrees with the finding.

- The Clerk fails to identify a contract term or deliverable that has not been met. In fact, all deliverables have been completed as contracted.
- The FCA@I facility has been open and this fact should be noted in the Draft Internal Audit.

**The Clerk notes the business office for the Immokalee facility has been open since the receiving the Certificate of Occupancy on January 17, 2018, and that the Grand Opening was on March 28, 2018.**

- Had the Clerk reimbursed EII in a timely manner between March and October 2017, EII would have been better positioned with cash flow to overcome delays in facility preparation and Hurricane Irma.

**The Clerk identified and communicated to EII the numerous pay request deficiencies. EII did not have financial statements for FY2016 nor FY2017, nor monthly statements until July 2017.**

**It is also worth noting that EII expended the entire personnel reimbursement six weeks before the end of fiscal year 2017. The cash flow problems with EII continue to be revenue generating deficiencies and spending beyond periodic cash flow.**

**EII's Response.**

As noted previously, the late opening of Immokalee has not been due to a lack of effort and perseverance by EII. The County facility had numerous fire and safety issues due to the complexity of dividing the facility into two units, as well as the disruption of the normal course of business due to Hurricane Irma.

EII is extremely diligent in submitting payment requests on a timely basis to Collier County, however, it relies on County Staff and the Clerk's Office for the review and approval of those payments. EII has recommended to the Clerk, that a staff member from their office be sent to EII once a week or once every other week to work on any issues that they see or foresee, so that questions or concerns they have can be mitigated in a professional manner.

**The Clerk's Office has devoted 1,000's of hours to assisting EII and the County, including QuickBooks education for EII's COO, contract review and recommendations, and reporting of deficiencies. It is not the Clerk's job to correct their short comings. The**

**taxpayers should not have to fund ongoing staff to assist the vendor in performing.**

**Recommendation:** Management disagrees with the Internal Auditor's recommendations.

**Action Plan:** None

**17) EII and BED have made numerous misrepresentations to the BCC, the Clerk, and the taxpayers including jobs created, capital investments made, project completion dates, and financial and budget status.**

### **Contrasting Goals:**

EII volunteer, Fred Kreiger, stated to the BCC on November 14, 2017, *“the first thing we said, we need to stop using county money.”* In contrast, EII and BED have indicated that they will need \$2.3 million in Collier County funding over the next four years. Additionally, EII and BED are planning on requesting \$10.5 million in future grants.

### **EII’s Mission to Create Jobs and Economic Investment or to Provide Education?**

The 2014 plan was for the Accelerators to report Jobs Created in the County. The 2018 revised plan indicates they will become another education facility requiring ongoing and increasing subsidies from the taxpayer. The Immokalee facility may not be zoned for educational purposes, the current zoning is for culinary kitchen/manufacturing; and the Naples Accelerator zoning violations remain unresolved.

It is worth noting that the operator of the now-closed Florida Kitchen (startup rental operation) that had to close due to low participation rates and participants skirting the rules & regulations. This is an example of a kitchen accelerator in Collier County, cited by EII in their business plan, which had to close shop after 5 years because they could not sustain the operation due to participants cooking from home while presenting their certifications from the accelerator. It appears that while the model may work in other locations, it may not be a viable model in Collier County.

### **Accurate Reporting to the BCC**

During Fiscal Year 2017, EII failed to provide accurate Revenue Reuse Plans to the BCC, pursuant to the Agreement. BED failed to enforce this provision of the Agreement.

EII failed to accurately and timely file their IRS Form 990’s.

EII has failed to open the Immokalee Facility after numerous promises made to the BCC, citizens of Immokalee, and the taxpayers of Collier County.

The Clerk is not the first to notice this, as example see emails from prior EII Board member, Thomas R. Grady, regarding his concerns (see Appendix L).

### **EII Mixed Cash and Accrual Accounting Methods in their Budget vs. Actuals Report**

EII’s budget proposal is misleading or what may be construed as an intentional attempt to mislead the BCC and the Public. EII is unable to meet revenues at the same time not reporting expenses, which paints a much better picture than reality.

EII used the Accrual method for recording Revenues and Cash Method for recording Expenses, this has the misleading effect of inflating Net Revenues compared to Expenses. EII rationalized mixing accounting methods on the same schedule by stating “they are not operating in there yet (regarding the Immokalee facility)” even though they have a lease and are accruing expenses.

Additionally, it does not appear from financial reports that the rent from Woodstock's Micro-Market has been recorded. Woodstock's rent was reportedly pre-paid by grant funds for January 1, 2017 through December 31, 2017.

### **Recommendations:**

- The Board of County Commissioners should consider their alternatives in regards to the contract with EII and notify them of potential reimbursements that may be required to State of Florida and Federal grantors and/or the County taxpayers.

### **County Management Response:**

Fred Krieger, Volunteer for EII, stated during the March 13, 2018 meeting that EII's financial systems were a mess before, but now they have corrected these problems and EII is no longer mixing cash and accrual methods. Mr. Krieger further stated that EII is now properly amortizing all expenses and leases.

### **Internal Audit Response to County Management Response:**

Internal Audit will continue to monitor EII's contract deliverables for accuracy and completeness. As of March 16, 2018, Internal Audit found no evidence of payments on the FY2017 lease nor the accrual of the FY2017 lease obligation in the financial statements submitted to the Clerk.

### **On Wednesday March 21, 2018, County Management and EII staff provided their written response to these findings:**

**Finding 17.** EII and County Staff made numerous misrepresentations to the BCC, the Clerk, and the taxpayers.

#### **EII's Response.**

The Audit Report's misrepresentation of Mr. Fred Krieger's presentation at the BCC on November 14, 2017, is without merit and taken out context.

The inclusion of the issues with Florida Kitchen are irrelevant to the audit and must be excluded.

Regarding the Clerks' comments on Revenue Reuse Plans and timely filing of Form 990's please refer to comments made previously.

The Clerk's contention that EII has mixed cash and accrual accounting methods in their budgets and actuals reporting is false. Accrual accounting is used for both processes. The Clerk's assertion that EII did this to inflate revenues compared to expenses is also false. With the amount of time the Clerk's

Office has spent pursuing its audit objectives, surely it fully understands EII’s “Order to Cash” and “Procure to Pay” business cycles. Clearly those business cycles are so short, i.e. 30 days or less, it’s impossible to “game” or misrepresent the financial results materially.

The Audit Report’s implications that Woodstock’s rent has not been recorded is also false. Here is evidence it was recorded in for FY 2017:

Kraft Office Center, LLC

**PAYMENT STATUS: PAID**  
1 payment made on 01/12/2017

Mailing address: Kraft Office Center, LLC  
c/o Summit Management  
1500 Fifth Ave South  
Suite 111  
Naples, Florida 34102

Terms: [ ] Bill date: 01/12/2017 Due date: 01/12/2017

#	ACCOUNT	DESCRIPTION	AMOUNT	CLASS
1	State:Task 5/Retail Outlet Woo	Retail Base Rent	4,709.76	State
2				

Total \$4,709.76

Here is proof rent expense has been recorded in FY 2018:

Economic Incubators, Inc.  
**TRANSACTION REPORT**  
October 2017 - February 2018

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT	SPLIT	AMOUNT	BALANCE
01/02/2018	Bill	3-100A	Kraft Office Center, LLC	Woodstock's Rent	Rent Expense	Accounts Payable (A/P)	404.26	404.26
02/01/2018	Bill		Kraft Office Center, LLC	Woodstock's Rent	Rent Expense	Accounts Payable (A/P)	404.26	808.52
<b>Total for Rent Expense</b>							<b>\$808.52</b>	
<b>TOTAL</b>							<b>\$808.52</b>	

Accrual basis Sunday, March 11, 2018 02:41 PM GMT-04:00

The payment on January 12, 2017 was prepayment for the calendar year of 2017 (thru December 31, 2017), EII’s fiscal year ends on September 30, 2017. The rent payment was recorded as part of the State Grant funds during FY2017, not as a pre-paid expense (asset). The Clerk notes that EII is now recording Woodstock’s rent through Accounts Payable on a monthly basis.

The Clerk questions EII’s use of Grant Funds to prepay rent past the June 30<sup>th</sup> end of the DEO’s fiscal year. The Clerk also questions how EII recorded the three months of free

rent at the beginning of the lease.

**Management's Response:** Management disagrees with the finding. There is little or no support for the assertions presented. What is provided is not factually accurate or taken out of context.

**Recommendation:** Management disagrees with the recommendations.

**Action Plan:** None.

**18) BED approved \$1,631.96 in unauthorized and unbudgeted expenditures on behalf of EII for the Immokalee Accelerator Project.**

Internal Audit identified recorded expenditures related to Collier County Accelerators and paid from the Business & Economic Development Office (BED) funds. Expenditures 1-4 relate to utilities for the Immokalee Accelerator, were not budgeted under the BED purchasing group, and should have been paid by Economic Incubators as part of their budgeted expenses. This understates the costs of the Accelerator.

<b>Table 9: BED Payments for Services at the Immokalee Accelerator that are the responsibility of EII</b>				
	Vendor Name	Amount	Status	Public Purpose
1	AMERIGAS PROPANE LP	<b>\$1,120.84</b>	Paid	PROMOTE ECON. DEVELOP. IN COLLIER COUNTY
2	IMMOKALEE WATER & SEWER DISTRICT	<b>\$218.40</b>	Check cashed	MAINTAIN BUILDING SERVICES
3	IMMOKALEE WATER & SEWER DISTRICT	<b>\$256.50</b>	Check cashed	06/26/17-08/03/17 170 AIR
4	IMMOKALEE WATER & SEWER DISTRICT	<b>\$36.22</b>	Check cashed	HEALTH HAZARD SAFETY
	Total	<b>\$1,631.96</b>		

**Recommendations:**

- Expenditures should be authorized and properly reported.

**On Wednesday March 21, 2018, County Management and EII staff provided their written response to these findings:**

**Finding 18.** County Staff approved over \$30,000 in unauthorized and unbudgeted expenditures on behalf of EII for the Accelerator Projects.

**Management’s Response:** Management disagrees with the finding.

**\$1,631.96 for propane, water, and sewer to test the County’s culinary equipment:**

- There should be no misunderstanding that EII only manages Collier County’s accelerator program in conjunction with the well-established principles concerning public-private partnerships.
- Collier County procured and owns the equipment in the FCA@I. EII did not have the budget to buy the propane to test the County’s equipment or to establish the sanitary water and sewer connection to the County-owned facility.

- County Staff did in fact pay \$1,631.96 for propane, water, and sewer to test the County's equipment from the Office of Business and Economic Development's operations account to finalize the County's \$223,960 procurement, which should be paid by state and federal monies.

**The Clerk accepts the Director of BED's admission that County staff did in fact pay \$1,631.96 for propane, water, and sewer because EII failed to properly budget for these expenses.**

**\$28,900 for purchase of project management software and services, customer management software and services, and Microsoft Share Point and services:**

- This was not made on behalf of EII for the County's accelerator program.
- Collier County maintains a robust economic development program and the IT services and items outlined in Table 10 represent the FY 2016 purchase of project management software and services, customer management software and services, and Microsoft Share Point and services for the Business and Economic Development Division. To allocate this software and services procurement to only EII or the accelerator program is incorrect.
- Because these are IT purchases, there was two levels of procurement review within the County (Procurement Services Division and Information Technology Division). There is no "potential conflict of interest." At the time of procurement there were two vendors recognized by the Information Technology Division to be providers of Share Point services. The Executive Alliance Group Inc., from Stuart, FL, graciously withdrew from the bidding because it did "not have a Share Point resource available to address this scope of work." Please note that Hyperteam was already an established County vendor prior to the procurement.
- The fact that Hyperteam is an accelerator participant and brings to Collier County world-class IT capabilities is a testament to the success of the County's accelerator program. This is a perfect example of the accelerator program doing exactly what the County Commission intended.

**This sub-finding was removed from the Draft Audit Report submitted to the BCC on March 21, 2018 pursuant to the verbal comments and explanation provided by the Director of BED at the March 13, 2018 meeting.**

**Recommendation:** Management disagrees with the Internal Auditor's recommendations.

**Action Plan:** None.

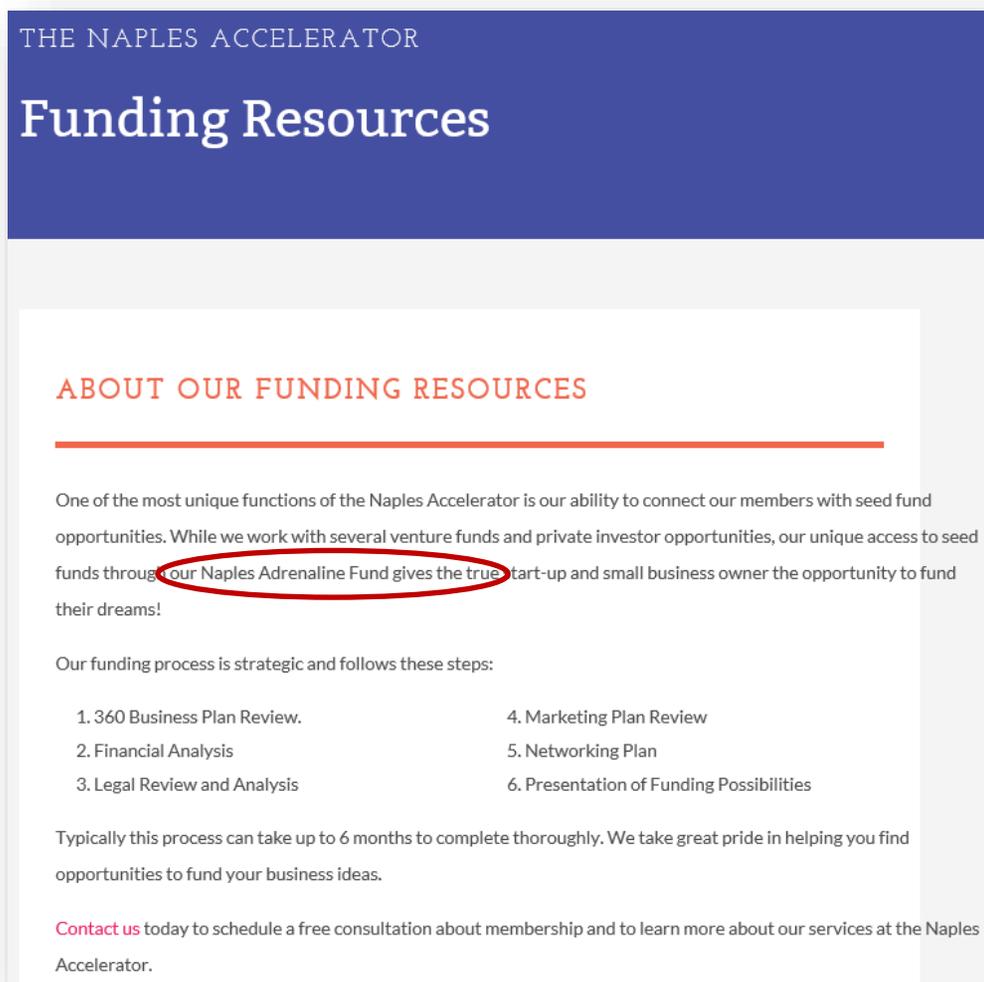
**19) EII failed to facilitate Capital Investments, assist in creation of viable business plans for participants, provide assistance in accelerating client independence.**

An individual reported to the Clerk’s office that he had gone to the Naples Accelerator looking to invest in start-ups or possible venture investing. This individual was told that EII does not really do that, and they should contact Tim Cartwright with the Adrenaline Venture Funds. Tim Cartwright is a former director of the Economic Development Council of Collier County.

The individual then requested business plans for any of the Accelerator participants for review and possible investment. The individual was told that there were not business plans on file and that EII does not really do that.

This individual asked to remain confidential in fear of retaliation.

**Exhibit 19-A: The Naples Accelerator’s website explains the process for utilizing the ‘Naples Adrenaline Fund’ <http://naplesaccelerator.com/resources/funding/>.**



**Exhibit 19-B: The Naples Adrenaline Fund is not listed on the Adrenaline Fund website:**  
<http://www.adrenalinefund.com/>

# A D R E N A L I N E

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## ***General Partner***

### Timothy J. Cartwright



Timothy J. Cartwright is Managing Director of Compass Advisory Group, a firm he founded in 2003, and a Partner at Fifth Avenue Advisors ("FAA"). Compass Advisory Group, part of the FAA family of companies, is a Merger & Acquisition Consultancy (M&A) that completes business transactions and corporate restructurings for middle market companies. Prior, he co-founded By-Products Interactive, an electronic trading, market research and publishing company; and founded Benchmark Solutions, a supply chain consulting company. He attended the University of Wisconsin as an undergrad and obtained an MBA in Finance and Accounting from Northwestern University Kellogg School of Management. Tim started his career with Arthur Andersen in Chicago, Illinois.

Mr. Cartwright is an active member of numerous local, regional and state level organizations and initiatives. Tim is the Chairman of the Tamiami Angel Funds, SW Florida's first ever Angel Fund, and a member of the Board of Directors and Chair of the Strategic Planning Committee for the Golisano Children's Museum of Naples. Tim is a Board Member and Chair of the By-Laws Committee for Florida Gulf Coast University Foundation, and a Member of the FGCU Lutgert College of Business Advisory Council. He is a Board Member for Fusion Pointe and Florida Venture Forum. He also serves as a member of the Organizing Committee for the Southwest Florida Chapter of BioFlorida. Tim is a Selection Committee Member for Florida Venture Forum's Early Stage Venture Capital Conference, and an Investment Advisory Board Member for the Florida Institute of Commercialization of Public Research (FICPR). He has volunteered frequently for Junior Achievement of Southwest Florida as an Instructor for the CEO Academy. **Tim is a former Director of the Economic Development Council of Collier County, the Florida Economic Development Council, Southwest Florida Regional Technology Partnership, and former Chairman of Gulf Coast Venture Forum.**

## **Recommendations:**

- The Board of County Commissioners should review this report and EII's activity and reporting.

**On Wednesday March 21, 2018, County Management and EII staff provided their written response to these findings:**

**Finding 19.** EII failed to facilitate capital investment

**EII's Response.**

EII takes its business clients confidentiality extremely seriously. We do not release proprietary information, business plans, and other company information without vetting both the individual requesting the information and letting the company determine what if any information it wants to release. It is up to the individual company to complete its own due diligence on parties requesting company investment opportunities. We believe this follows the best business and confidentiality practices as outlined by INBIA. We do point potential investors to a wide variety of online, national and local venture and seed funds so that they may acquire additional information on how to make such investments.

**Management's Response:** Management disagrees with the finding.

The “anonymous individual” was engaged by both County and EII staff and policies related to investors were followed.

County Staff found no correlation between Tim Cartwright being a former director of the EDC and his relationship with the Adrenaline Fund and this information has no relevance to the stated “finding.”

**Recommendation:** Management disagrees with the Internal Auditor's recommendations.

**Action Plan:** None.

**20) EII and the BED have consistently failed to submit pay requests and contract deliverables in a timely manner.**

EII and BED submitted the Financial Reports for two months (October-November) to the Clerk's SAP system on December 19, 2017.

**Exhibit 20-A: January 8, 2018 letter from Fred Pezeshkan, Chairman of EII's Board, and Dr. Marshall Goodman, President and CEO of EII, questioning the Clerk's role in auditing Agreement Deliverables.**

The Clerk's office, for whatever reasons it has, does not seem to limit its review to individual payment requests and the underlying supporting documentation for each request, but as well it reviews performance against benchmarks that the contract with the County imposes on EII, but which are not necessarily applicable in every pay period. The Clerk continues to raise questions and seek data to determine to its own degree of satisfaction that EII is sustainable even though there is no contractual requirement for this. This questioning and data request delay the funding process.

The Clerk's role is to audit to BCC contracts, we review EII's documentation. EII continues to create a "crisis" to get paid and the BCC continues to fund them – But the taxpayers need to know what they are paying for and not getting.

This is not the first time this has happened, it appears to be a tactic. Whereas EII and BED delay processing the payment requests for as long as they can and then pressure the Clerk to make immediate payment without taking sufficient and statutory time to review the submittal.

**Exhibit 20-B: January 8, 2018 letter from Fred Pezeshkan, Chairman of EII's Board, and Dr. Marshall Goodman, President and CEO of EII demanding 'prompt' attention to reimbursement requests.**

So, with much thoughtful deliberation and considerable reluctance, the board of directors has determined that it needs to take this action unless (i) funding of the current \$60,000 plus reimbursement request takes place promptly and (ii) EII can receive assurances that, on an ongoing basis, its regularly submitted reimbursement requests will be promptly reviewed, approved and funded- absent some promptly communicated contractual justification for not funding.

Please note the emphasis on 'promptly'. Due to EII's lack of controls, lack of management capacity, lack of oversight on the part of the BED, and the risk of fraud, the Clerk has determined the risk associated with anything submitted by EII is extremely high. The Clerk will conduct a full audit of every reimbursement request from this entity going forward and will not be pressured by any vendor with this level of risk to make any payments without full satisfaction as to completeness and legality.

**On Wednesday March 21, 2018, County Management and EII staff provided their written response to these findings.**

**Finding 20.** EII and the County Staff are falsely stating that the Clerk is delaying their payments, tarnishing their brand, and bringing them to the point of collapse; however, EII and the County Staff have consistently failed to submit pay requests and contract deliverables in a timely manner.

**Management's Response:** Management disagrees with the finding.

**EII's Response:** EII stands by and reiterates its January 8, 2018 letter.

**Recommendation:** Management disagrees with the Internal Auditor's recommendations.

**Action Plan:** None

## **Global Comments from County Manager's Office**

The following comments have been provided by the County Manager's Office on April 3, 2018 in summary of County Management review, attached as Appendix M, page 302.

- a) I think it is problematic to impute motive in the internal audit. The document, for credibility's sake, should be as objective as possible.
- b) Where internal controls have been improved or corrected, that should be duly noted.
- c) The efficacy of policy decisions (BCC) and the business model, in general, are outside the scope of an examination of internal controls.
- d) Reasonable people will likely view the installation of a code compliant fire suppression system at the Immokalee facility as an "improvement."

## **Summary**

In summary, the Clerk's Office has spent thousands of hours assisting EII in an attempt to get financial and other information. Clerk's staff went so far as to try to construct statements when they could not be produced. The Clerk's staff even provided hours of QuickBooks training to the COO. Yet four years and over \$5 million later, EII is unable to meet even basic financial and operational requirements, provide accurate reports, correct zoning violations, nor successfully operate either the Naples or Immokalee Accelerators.

**Table 10: Summary of Taxpayer Funds Paid to EII from 2013 to Present**

<b>Taxpayer Funds To Date – All Sources</b>		
County Funds – Dr. Marshall Goodman Consulting Fees	FY2014	\$70,617
County Funds – 2015 Actual	FY2015	\$65,845
State Grant #SL007 ( <b>Finding #1, pg. 30</b> ) - \$2,500,000 awarded, only \$723,525 received	FY2015	\$723,525
Collier County Matching Funds to Grant #SL007	FY2015	\$46,017
County Funds – 2016 Actual	FY2016	\$340,637
Collier County Matching Funds to Grant #SL007	FY2016	\$124,412
Business Income Expended FY2016 (Audited)	FY2016	\$244,981
County Funds ( <b>Finding #4, pg. 65</b> ) – 2017 Actual	FY2017	\$309,800
Collier County Matching Funds to Grant #SL007	FY2017	\$8,412
State Grant #SL025 ( <b>Finding #1, pg. 16</b> ) – Florida DEO to EII	FY2017	\$2,000,000
Federal Grant – USDA RBDG ( <b>Finding #2, pg. 50</b> )	FY2017	\$112,536
Kraft Office Center, LLC – Rent for the Naples Accelerator ( <b>Finding #8, pg. 101</b> )	FY2014–FY2017	\$323,466
Business Income Expended FY2017 (Un-Audited)	FY2017	\$316,925
Fiscal Year 2018 Quarter 1 Rent Promotions ( <b>Finding #4, pg. 65</b> )	FY2018	\$19,400
Unpaid Rent for the Immokalee Accelerator ( <b>Finding #12, pg. 124</b> )	FY2016-2017	\$37,522
Fiscal Year 2018 Collier County Funding – Payroll Reimbursement through Pay Request #FY18-08, pay period ending 1/31/2018	FY2018	\$124,234
Fiscal Year 2018 Collier County Funding – Rent Payment to Kraft Center, LLC., October 2017 through March 2018	FY2018	\$98,946
<b>Sub-Total To Date</b>		<b>\$4,967,275</b>
<b>Collier County Budget Remaining in FY2018</b>		
Remaining FY2018 Payroll Reimbursement (estimated)	FY2018	\$430,352
Remaining FY2018 Rent Payments to Kraft Office Center, LLC	FY2018	\$98,946
<b>Sub-Total Through Fiscal Year End 2018</b>	FY2018	<b>\$529,298</b>
<b>TOTAL ESTIMATED BUDGET AT FISCAL YEAR END 2018</b>		<b><u>\$5,496,573</u></b>
<b>BUDGET PROJECTIONS THROUGH 2021</b>		
EII Future Funding Requests through FY2021 ( <b>See Exhibit 11-B, pg. 116</b> )	FY2019-2021	\$1,500,000
Kraft Office Center, LLC, remaining Lease ending 2021	FY2019-2021	\$630,012
<b>Sub-Total Remaining Budget 2019-2021</b>		<b>\$2,130,012</b>
<b>TOTAL ACTUAL AND FORECAST</b>	FY2014-2021	<b><u>\$7,626,585</u></b>

## Appendix

<b>Appendix A:</b> USF Audit Report, April 9, 2012.	Page 2
<b>Appendix B:</b> EII Invoice Submittal Package #16 to DEO on June 28, 2017	Page 21
<b>Appendix C:</b> DEO Grant #SL025	Page 156
<b>Appendix D:</b> Clerk’s Request for Legal Opinion from DEO on October 9, 2017	Page 199
<b>Appendix E:</b> DEO General Counsel Response to Clerk’s Request	Page 204
<b>Appendix F:</b> Email and Signed AIA Certification dated March , 2018	Page 210
<b>Appendix G:</b> Participant User Agreements for Table 5, Reflecting Multiple Applications of the 6-Month 50% Discount	Page 214
<b>Appendix H:</b> FY2017 Quarter 4 Revenue Reuse Report, Revised and Final October 12, 2017, referenced in Table 6 and Table 7	Page 224
<b>Appendix I:</b> EII Fundraising Plan FY2018, March 1, 2018.	Page 227
<b>Appendix J:</b> Immokalee Culinary Connection Day Event Sponsorship Opportunities. (n.d.).	Page 247
<b>Appendix K:</b> A Business Plan for Collier County Innovation Accelerators Update, January 3, 2017.	Page 250
<b>Appendix L:</b> Thomas R. Grady Email Correspondence with Economic Incubators, Inc.	Page 283
<b>Appendix M:</b> Email with County Management Global Comments	Page 302

The following news articles detail Dr. Goodman’s departure from University of South Florida-Polytechnic:

<http://www.tbo.com/news/former-poly-chancellor-resigns-from-usf-431486>

<http://www.dailymail.co.uk/news/article-2059174/lts-university--know-School-blows-10-000-Captain-Kirks-chair-life-size-Darth-Vader-stormtrooper.html>

<http://www.usforacle.com/news/view.php/688217/Charges-of-mismanagement-engulf-Poly>

<http://www.tbo.com/news/education/two-usf-poly-administrators-resign-after-internal-review-397304>

<http://www.tampabay.com/news/education/college/report-details-financial-mismanagement-at-usf-poly/1226835>

# Appendix A



## MEMORANDUM

TO: David M. Touchton  
Interim Regional Chancellor, USF Polytechnic

FROM: Kate M. Head, CPA, CFE, CISA  
Associate Director

DATE: April 9, 2012

SUBJECT: 12-032 Management Letter – USF Polytechnic Construction Contracts

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On October 4, 2011, University Audit and Compliance received an EthicsPoint complaint regarding improper contractor activity with the construction management company that was renovating the Blue Sky West (BSW) leased facility in Lakeland, Florida. The complainant alleged that the former Regional Chancellor entered into an arrangement with the construction management company to “hide” the cost of the adult slide and artwork by excluding these items from the proposal and invoices and then recouping the costs by overstating the actual cost of other renovation work. UAC’s review determined this allegation to be unfounded since the cost of these items (totaling \$30,169) was funded through the USF Foundation (USFF) fund LC0011. The results of this review were communicated to the reporter on December 1, 2011.

In February 2012, a second allegation was reported to the Interim Regional Chancellor and was forwarded to UAC for review. The complainant alleged that the former Regional Chancellor had made an arrangement with the lessor of the Blue Sky East (BSE) facility in Winter Haven, Florida, to charge USF Polytechnic (USFP) an above-market rental rate, and then the lessor would return the “excess” to USFP as a donation. The purpose of this arrangement was allegedly to provide a flexible funding source for expenditures that were not allowable using state appropriated funds. Without a complete assessment of the rents in the area, rent abatements being offered at the time, and other assessments not included in the base rent, UAC cannot determine if the rate was above market. However, since both the lease payment and the donation were being accounted for in the same USFF fund (LC0011), no “cash swap” occurred. The lease payments from inception of the lease until March 31, 2012, totaled \$196,555. Total pledged donations totaled \$199,398. Our review also found that the lessor had agreed to pay the cost of providing soft drink vending and subsequently billed the costs as equipment rental. The “equipment rental costs” were paid from Education and General (E&G) carry forward funds in violation of USF procedures, which prohibit the purchase of refreshments with state funds, unless there is a specific statutory authority.

During our review, we noted eleven violations of USF System regulations and procedures and/or generally accepted accounting principles that had a material impact on accurate financial reporting.

The objective of this report is to communicate these violations. Since this project is not an audit, a full internal control review was not performed. Management should not rely on this report to assess the internal control structure, as a whole, over leases and leasehold improvements.

Within ten days, please provide either your actions taken and actual implementation dates or your actions planned and expected implementation dates within the Team Central Follow-Up System.

Please contact us at 974-2705 if you have any questions.

cc: John Long, Chief Operating Officer and Sr. Vice President, Business and Finance  
Nick Trivunovich, Chief Financial Officer and Vice President, Business and Finance  
Alice Murray, Regional Vice Chancellor, Campus Planning & Facilities Operations, USFP  
Josh Bresler, Executive Director, Finance & Administration, USFP

**MEDIUM PRIORITY RISKS**

**RESOLVED**

**1. A three-year prepaid rent agreement was not properly accounted for.**

**No**

[Financial Accounting and Reporting Manual for Higher Education Section 408](#) states, “When organizations incur costs that relate to future rather than current-period activities, amounts expended should be reported as assets. Thus, items such as prepaid insurance and prepaid rentals should be recorded as assets and amortized over the periods to which the charges relate.”

USFP entered into a three-year lease arrangement for 10,000 square feet of office space in the Pilot Bank building in Lakeland beginning on April 1, 2011. The lease terms required all three years of the rent to be prepaid. However, after the first year of the lease, the lease could be terminated with 60 days’ notice, and any remaining prepaid rent would be refunded. The purchase order (PO) properly delineated these terms and conditions, and the lease agreement was competitively bid.

On April 5, 2011, an invoice for \$424,999 was received from the landlord and processed for payment using carry forward funds (Fund 10009). All three years of rent were expensed (Operational Unit USFP, Department 544000, Account 56500 Rental Space and Facilities). The correct treatment for prepaid expenditures is to record the prepayment as an asset in a balance sheet account (Account 14020 Prepaid Expense) and then transfer the costs to an income statement account (Account 56500) as the service period occurs.

As a result of this mistreatment, expenditures were overstated and assets were understated by \$390,624 in fiscal year 2010-2011. Proper treatment should have been as follows:

**Proper Recording of Prepaid Rent  
FY 2010-2011 to FY 2013-2014**

<b>Fiscal Year</b>	<b>Rent Expense (Account 56500)</b>	<b>Prepaid Rent (Account 14020)</b>
2010-2011	\$34,374.99	\$390,623.61
2011-2012	138,531.21	252,092.40
2012-2013	142,687.14	109,405.26
2013-2014	109,405.26	0

**Recommendation:** USFP should work with the USF System Controller’s Office to ensure that prepaid rent is properly recorded.

**Management Attention Required:**     Immediate     Urgent     Timely

**Resources/Effort Required:**     Significant     Moderate     Minimal

MEDIUM PRIORITY RISKS	RESOLVED
<p><b>2. Leases greater than 5,000 square feet were not competitively bid, and no exemption was approved by the President or her designee.</b></p> <p><a href="#">USF Regulation 4.012, Leasing Regulation</a> requires that all leases of 5,000 square feet or more be competitively bid. An exemption is permissible for specialized research, medical, or education facilities if the President, or President’s designee, certifies in writing that the facility is available from a single source and that compliance with competitive bid requirements would be detrimental to the USF System. USFP has not been delegated authority to approve exemptions.</p> <p>The Blue Sky West facility in Lakeland (6,428 square feet) was not competitively bid. According to the Associate Regional Chancellor, the Blue Sky West facility was selected from a list of available properties provided by the Lakeland Downtown Development Authority (LDDA) in partnership with the Lakeland Community Redevelopment Agency (LCRA). The LDDA required that the Blue Sky West facility be located in downtown Lakeland. The LCRA pledged \$31,500 toward the lease (August 1, 2009 - July 31, 2012). There was no formal exemption prepared or approved, as required.</p> <p>The College of Technology and Innovation (CTI) off-campus lab space (initially 13,139 square feet) was also not competitively bid. According to the Associate Regional Chancellor, the CTI lease was the only available and viable space that USFP could identify. Due to the specialized research needs of this facility, an exemption is likely to have been granted. UAC verified with the Division of Purchasing that no written exemption was on file.</p> <p><b>Recommendation:</b> USFP should comply with USF Regulation 4.012 and competitively bid all leases of more than 5,000 square feet or obtain a proper exemption. Location requirements can be included in the Invitation to Negotiate.</p> <p><b>Management Attention Required:</b>    <input type="checkbox"/> Immediate    <input checked="" type="checkbox"/> Urgent    <input type="checkbox"/> Timely</p> <p><b>Resources/Effort Required:</b>        <input type="checkbox"/> Significant    <input checked="" type="checkbox"/> Moderate    <input type="checkbox"/> Minimal</p>	<p>No</p>
<p><b>3. Leasehold improvements were not properly accounted for as construction in progress until the renovation was complete and then capitalized.</b></p> <p>A leasehold improvement is an improvement made to a leased building paid for with USF System funds. This improvement will revert to the lessor at the expiration of the lease. The <a href="#">Statewide Financial Statement Capital Asset Guidance and Rules for Tangible Personal Property</a> states, “A capital asset is real or personal property with a cost equal to or greater than an established capitalization threshold and an estimated useful life extending beyond one year.” The state’s capital asset policy for statewide financial statements includes capitalizing leasehold improvements greater than \$100,000.</p>	<p>No</p>

**MEDIUM PRIORITY RISKS**

**RESOLVED**

Examples of costs that would be included as part of a leasehold improvement include: interior partitions made up of drywall, glass, and metal; miscellaneous millwork, carpentry, lumber, metals, steel, paint, acoustic, drywall, and plaster ceilings; restroom accessories; electric lighting fixtures; and interior floor finishing including carpet, vinyl and tile. Leasehold improvements should not include moveable equipment or office furniture that is not attached to the leased property.

Renovations to a leased space normally occur prior to occupancy, or shortly after occupancy. USFP Campus Planning and Facilities Operations utilized Crossroads Construction to perform renovations to leased space. While project numbers were set up to capture renovations of some of the leased properties, and product codes were used to help differentiate initiatives, costs incurred were not charged to project accounts in four instances. Since all renovations were expensed as incurred, they were not reviewed by the USF System Office of Facilities Planning and Construction at year-end to determine if the project was completed and should be reviewed for proper capitalization by the USF System Controller's Office. Those renovations recorded to fund 50000 (CIP) which are still in progress at year-end are recorded as Construction in Progress in the USFP financial statements.

**Leasehold Improvements Greater Than \$100,000**

Project/Lease	Project	Charged to CIP as of 6/30/11	Expensed as of 6/30/11	Should be Capitalized as of 6/30/11	Charged to CIP after 6/30/11	Expensed after 6/30/11 <sup>2</sup>
CTI Lab/Aspyre Properties	490801	0	\$660,641	\$660,641 (CIP)	\$160,208	\$411,976
BSE Incubator/The 6/10 Corporation	None	0	56,641	56,641 (CIP)	Project Complete	Project Complete
BSE Media Lab/The 6/10 Corporation <sup>1</sup>	490803	0	0	0	291,772	231,811
BSW/Marco Bay	None	0	120,548	120,548 (LHI)	Project Complete	Project Complete
Blue Sky Recruitment Center, Wauchula/Lodge #17	None	0	119,233	119,233 (LHI)	Project Complete	Project Complete
<b>Total</b>		<b>\$0</b>	<b>\$957,063</b>	<b>\$957,063</b>	<b>\$451,980</b>	<b>\$643,787</b>

<sup>1</sup>Does not include equipment capitalized after 6/30/11 of \$116,905.

<sup>2</sup>Period reviewed ended November 30, 2011.

<b>MEDIUM PRIORITY RISKS</b>		<b>RESOLVED</b>
<p><b>Recommendation:</b></p> <p><b>Management Attention Required:</b></p> <p><b>Resources/Effort Required:</b></p>	<p><b>USFP should use project codes to account for all renovation projects of leased space to ensure that these costs are properly accumulated and reported as Construction in Progress at year-end. At the end of these projects, the costs should be reviewed by the USF System Controller’s Office and appropriately recorded as leasehold improvements, minor renovations, or furniture, fixtures, and equipment.</b></p> <p> <input type="checkbox"/> Immediate      <input checked="" type="checkbox"/> Urgent      <input type="checkbox"/> Timely </p> <p> <input type="checkbox"/> Significant      <input checked="" type="checkbox"/> Moderate      <input type="checkbox"/> Minimal </p>	
<p><b>4. Tenant improvements were not obtained in accordance with USF policies on competitive pricing.</b></p> <p>The Blue Sky East tenant build-out was performed by the lessor, The 6/10 Corporation. According to the Associate Regional Chancellor, a condition of the lease was that all tenant build-out was to be performed by the lessor’s company, which had engineers, architects, and construction management in place. The lessor wanted to control all changes to the leased space in order to ensure all tenant spaces were consistent.</p> <p>Lease Section 6.02 states, “Tenant shall not commit actual or constructive waste upon the Premises, or materially alter the exterior or interior of the space without the prior written consent of the landlord. At the time of granting such approval, Landlord shall inform Tenant whether such alterations will have to be removed upon termination of the Lease, at Tenants cost and Expense...Tenant shall submit to landlord all plans and specifications with respect to any intended improvements or alterations to the Premises and shall not proceed with any work unless and until it has received Landlord’s approval in writing.” The lease does not state that tenant improvements must be done by the lessor.</p> <p>Lease Section 6.03 states, “At the expiration of the Lease, Tenant may remove from the Premises all personal property, including fixtures, belonging to the Tenant. Tenant shall repair any damage caused by such removal.”</p> <p>In addition to the tenant build-out paid for by the lessor, USFP requested additional tenant improvements, which were performed by the lessor and billed to USFP totaling \$35,176.26.</p>		<p><b>No</b></p>

**MEDIUM PRIORITY RISKS**

**RESOLVED**

**Work Performed by Lessor and Paid by USFP  
September 15, 2009 (Lease Begin Date) - December 31, 2011**

Invoice Date	Amount	Account	Description of Work
10/19/09	\$3,086.46	54950	Provide and install inner duct from Telco facility to Suite 240, floor coring, and firewall penetration
10/21/09 <sup>1</sup>	3,724.78	54950	Card access cabling/security camera
10/21/09 <sup>1</sup>	4,297.12	54950	Electric strikes, contacts, and readers
10/21/09 <sup>1</sup>	4,880.04	54950	Provide and install KS card access equipment
10/21/09	6,776.08	54950	CAT 5E cabling
10/26/09	2,924.00	54950	Lighting
10/26/09	3,600.00	54950	Lower front area sprinkler lines to accommodate awning
11/02/09	664.23	53300	Two triangle fabric panels for front area
11/12/09	612.55	54300	Lighting for front grouping
03/08/10	2,765.00	54950	Electrical connections for lighting of front area and cubicles-8 ports total
02/03/11	1,846.00	54950	5-20 A duplex outlets and 7 CAT-5E
<b>Total</b>	<b>\$35,176.26</b>		

<sup>1</sup>These three invoices all appear to be related to the installation of a card access system/security system.

[COMPASS Procedure: Purchases - Determining Method of Purchase](#) states, “Competitive pricing is the accepted standard to follow to assure that the university is obtaining commodities, goods and services at the best possible price with an appropriate level of quality. Purchasing practices good public administration policies to insure that purchases are made at the best possible prices and within the standards of conduct. The purchase of commodities, goods or services with a value greater than \$5,000 and less than \$24,999 must have quotations, either verbal or written; verbal quotes must be documented; at least two quotes are required. Formal written price quotes are not required for the purchase of commodities, goods or services amounting to less than \$5,000. However, verbal quotes must be documented at least two quotes are required the purchase of commodities, goods or services with a value greater than \$25,000 and less than \$74,999 requires at least three (3) written quotations.”

Since the lessor also has a donor relationship with the University, the appearance of a fair and equitable awarding of the tenant improvement work is even more critical.

<b>MEDIUM PRIORITY RISKS</b>		<b>RESOLVED</b>
<p><b>Recommendation:</b></p> <p><b>Management Attention Required:</b></p> <p><b>Resources/Effort Required:</b></p>	<p><b>USFP should obtain competitive pricing for all tenant renovations, unless there is an expressed prohibition in the negotiated lease. USF construction management service agreement vendors should be used for renovations whenever possible to ensure that the vendor quality is maintained.</b></p> <p> <input type="checkbox"/> Immediate      <input checked="" type="checkbox"/> Urgent      <input type="checkbox"/> Timely </p> <p> <input type="checkbox"/> Significant      <input checked="" type="checkbox"/> Moderate      <input type="checkbox"/> Minimal </p>	
<p><b>5. The number of change orders was excessive.</b></p> <p>Construction contracts define the scope of a contractor’s work and how the contractor will receive compensation. Unlike other types of contracts, most construction projects require changes to the original scope of work contemplated at the outset of the contract. Accordingly, construction contracts normally permit the owner to make unilateral changes to the project during the construction process. The change orders related to a construction project can significantly alter the costs of a project to the owner or the contractor. As a result, change orders must be tightly controlled.</p> <p>USFP construction contracts with Crossroads Construction contained numerous change orders. Change order requests were properly completed and approved by both USFP Campus Planning and Facilities Operations, as well as the Division of Purchasing; however, on four projects, the change orders appeared to be excessive (greater than 10%) and many were not directly related to unanticipated structural issues or material and supply cost increases but appeared to be related to repeated changes in the design plan and additional work added/new scope to an original proposal.</p> <p>UAC compared the total value of all original POs to Crossroads Construction to the total value of change orders for these leasehold improvement projects. The cost of the projects increased 73% due to change orders:</p>		<p><b>No</b></p>

<b>MEDIUM PRIORITY RISKS</b>	<b>RESOLVED</b>
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Leasehold Improvement Projects  
 Crossroads Construction<sup>1</sup>  
 As of November 30, 2011

Leasehold	Original PO	Change Orders	Final PO	% Increase
Blue Sky West	\$100,450	\$11,396	\$111,846	11%
Blue Sky Wauchula	107,478	20,194	127,672	19%
One Poly Place	66,794	34,145	100,939	51%
CTI/RFID	569,096	553,596	1,122,692	97%
<b>Total</b>	<b>\$843,818</b>	<b>\$619,331</b>	<b>\$1,463,149</b>	<b>73%</b>

<sup>1</sup>Does not include the BSE Media Lab in which 85% of the costs of the project were direct payments for equipment.

According to the Associate Regional Chancellor, the reasons for the excessive change orders included the following:

- Design changes during the project, which resulted in significant shifting of costs, re-done work, and upgraded materials.
- Unanticipated electrical issues and structural issues due to design or space utilization changes after the proposal.
- Major scope additions to the CTI/RFID lab, such as a \$330,280 increase for a biofuel lab, were added to the original Construction Management Service proposal by a change order to the original purchase order, instead of creating a new one.

**Recommendation:** USFP should improve their monitoring and oversight of change orders to ensure they are reasonable, appropriate, and cost effective.

**Management Attention Required:**     Immediate     Urgent     Timely

**Resources/Effort Required:**         Significant     Moderate     Minimal

<p><b>6. Technology purchases were made without the advance approval of the Office of the Vice President for Technology. Competitive bids for equipment were executed by the contractor; however, an exemption from the requirement that USF perform the bid process was not obtained from the Division of Purchasing.</b></p> <p><a href="#">USF System Policy 0-518, Technology Acquisition Policy</a>, effective August 1, 2008, requires that all technology purchases made by all entities and funding sources at the University must be</p>	<b>No</b>
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MEDIUM PRIORITY RISKS	RESOLVED
<p>reviewed and approved by the Office of the Vice President for Information Technology or his designee. Technology purchases are defined as, but not limited to, audio visual and PC equipment for conference rooms and classrooms; non-USF Computer Store standard hardware, network, or communication infrastructure; technology contracts exceeding \$5,000; and consulting contracts greater than \$5,000.</p> <p><a href="#">USF System Regulation 4.0200, Solicitation Requirements-Competitive</a>, Section 2, states, “The purchase of commodities or contractual services exceeding \$75,000 shall be awarded pursuant to a competitive solicitation, unless otherwise authorized.” Section 6 states, “The award of a competitive solicitation shall be publicly posted by Purchasing and Property Services, located at the Tampa campus, for 72 hours excluding Saturdays, Sundays or Florida State University System holidays.”</p> <p>On April 11, 2011, USFP entered into a construction management contract (PO 8000002347) with Crossroads Construction to install a video wall and audio system at Blue Sky East for \$230,635. This contract included a purchase of equipment from the Whitlock Group for \$215,678, which included \$189,040 in equipment cost, \$12,953 in sales taxes, and \$13,685 in installation and freight costs. On July 22, 2011, this PO was reduced by \$197,993 (\$185,040 plus sales tax of \$12,953) and a new PO was processed on August 2, 2011, to direct pay the Whitlock Group \$185,040 (PO 8000002523). According to the Whitlock Group invoice, dated August 5, 2011, the order was placed on April 1, 2011. UAC was unable to determine if the goods and services were ordered prior to the Division of Purchasing authorizing the contract and PO on April 11, 2011.</p> <p>The Invitation to Bid was issued by Crossroads Construction on March 2, 2011, and responses were due on March 10, 2011. A Request for Proposal listing the specific equipment (make and model) to be used in the construction of the media wall was included with the bid invitation. The list of equipment needed was developed by a consultant hired by USFP. According to Campus Planning and Facilities Operations, the former Regional Chancellor hired a consultant (PO8000002215) in November 2010 to design and write specifications for a video wall system for USFP’s Blue Sky East location.</p> <p>On July 27, 2011, USFP entered into a construction management contract (PO 8000002506) with Crossroads Construction to install a TV production studio at Blue Sky East for \$431,175. This contract included a purchase of equipment from Encore Broadcast Solutions for \$411,693. On August 4, 2011, this PO was reduced by \$369,689 (\$348,716 plus sales tax of \$20,973), and a new PO was processed on August 15, 2011, to direct pay Encore Broadcast Systems \$348,716 (PO 8000002534). According to the Encore Broadcast Systems invoice dated October 26, 2011, the order was placed on August 9, 2011.</p> <p>While both sets of equipment were competitively bid by Crossroads Construction, an exemption from the requirement that USF perform the competitive bid process was not obtained from the Division of Purchasing. In addition, there was no evidence that approval was obtained as required from the Office of the Vice President for Technology.</p>	

<b>MEDIUM PRIORITY RISKS</b>		<b>RESOLVED</b>
<p><b>Recommendation:</b></p> <p><b>Management Attention Required:</b></p> <p><b>Resources/Effort Required:</b></p>	<p><b>USFP should comply with USF Regulation 0-518 by obtaining authorization for all technology purchases in advance. USFP should comply with USF Regulation 4.02030 by obtaining competitive bids or exemptions from bid from the Division of Purchasing.</b></p> <p><input type="checkbox"/> Immediate      <input checked="" type="checkbox"/> Urgent      <input type="checkbox"/> Timely</p> <p><input type="checkbox"/> Significant      <input type="checkbox"/> Moderate      <input checked="" type="checkbox"/> Minimal</p>	
<p><b>7. Appliances were purchased using state appropriations.</b></p> <p><a href="#">COMPASS Procedure: Accounts Payable - Prohibited Purchases/Payments from State Funds</a>, prohibits the purchase of refrigerators, stoves, microwaves, dishwashers, and coffee pots without specific or implied statutory authority. <a href="#">USF Regulation 4-02040 (6), Purchase of Commodities or Contractual Services</a> states, “Items requested that are of a personal nature or for personal convenience of employees shall not be purchased. Examples are: fans, heaters, coffee pots, mugs, refrigerators, microwaves, picture frames, wall hangings, smoke/air filters and various decorative items.”</p> <p>The Blue Sky East facility was renovated prior to moving in. The renovations were not included in a construction manager service agreement since the property renovations were performed by the lessor (The 6/10 Corporation) who had their own staff of architects, engineers, and contractors. The appliances for this location (microwave, refrigerator, coffee maker, vacuum, toaster, and icemaker) were purchased from Lowe’s Home Center. The PO (8000001856) for \$2,328 did not contain any documentation indicating that any special authorization had been obtained. The quote provided, valid through October 30, 2009, was paid using E&amp;G carry forward funds (Fund 10009) totaling \$2,323.</p> <p>UAC also noted that there were appliances paid for in the renovation of Blue Sky West. The appliances were contained in the contract with Crossroads Construction and paid for with carry forward funds (Fund 10009). On November 5, 2009, Crossroads Construction requested a change order to credit the cost of the appliances (\$2,491 plus 12% Construction Manager Fee) noting that these items were to be purchased directly by the owner. The change order was approved by the Associate Regional Chancellor. The December 14, 2009, application for payment shows both a charge and credit for appliances. Campus Planning and Facilities Operations indicated to UAC that Crossroads Construction was supposed to donate the appliances; however, the Unit Development Director indicated that the only in-kind donation from Crossroads Construction was a foosball table. The PO (8000001860) for \$2,328 did not contain any documentation indicating that any special authorization had been obtained. The quote provided, valid through October 30, 2009, was paid for with E&amp;G carry forward funds (Fund 10009) totaling \$2,323.</p> <p>When a new building or new space is being built out, it is not unusual for appliances to be</p>		<p><b>No</b></p>

MEDIUM PRIORITY RISKS	RESOLVED
<p>included in the construction management service agreement proposal. The purchase of these items is not being questioned; however, the appropriateness of the funding source is being questioned.</p> <p><b>Recommendation:</b> USFP should remove the \$4,646 from Fund 10009 and charge an appropriate funding source.</p> <p><b>Management Attention Required:</b>    <input type="checkbox"/> Immediate    <input checked="" type="checkbox"/> Urgent    <input type="checkbox"/> Timely</p> <p><b>Resources/Effort Required:</b>        <input type="checkbox"/> Significant    <input checked="" type="checkbox"/> Moderate    <input type="checkbox"/> Minimal</p>	
<p>8. <b>Beverage machines and beverages were intentionally miscategorized as equipment rental and were paid for with state appropriations.</b></p> <p><a href="#">COMPASS Procedure: Accounts Payable - Prohibited Purchases/Payments from State Funds</a>, prohibits the purchase of refreshments unless expressly provided by law.</p> <p>The lessor of Blue Sky East billed USFP \$200-300 a month for equipment rental. According to the Associate Regional Chancellor, the \$300 a month fee was to reimburse the lessor for beverage machines provided. The former Regional Chancellor instructed the Administration and Finance office to find a way to pay for the beverages and beverage machine rental. According to Campus Planning and Facilities Operations, they were instructed by the Executive Director, Administration and Finance, to enter a requisition for the monthly equipment rental. The requisitions were approved by the Executive Administrative Specialist and the Office Assistant in Campus Planning and Facilities Operations.</p> <p>The requisitions and resulting POs contained the description, “Monthly equipment rental for USFP Blue Sky East location at \$200 per month” and “Monthly equipment rental for USFP Blue Sky East location at \$300 per month”, respectively. A project quotation attached to the PO in July 2011 characterized the purchase as, “Equipment rental, 12 months service, Blue Sky East.” There was no additional information provided.</p> <p>A total of 19 invoices totaling \$4,900 were paid covering the period July 1, 2010, through January 31, 2012. The \$200 was an estimate of what the beverage machine rental and actual beverage costs would be. When more beverages were dispensed than anticipated, the amount was increased to \$300. The invoices were paid from Operating Unit LKL, Fund 10009, Department 542300, Product LK9004, and Account 56900. The first six invoices had been approved by the Associate Regional Chancellor of Campus Planning and Facilities Operations.</p>	<p>No</p>

**MEDIUM PRIORITY RISKS**

**RESOLVED**

**Summary of Purchases  
Beverage Equipment Rental and Supplies**

Requisition Number	PO Number	PO date	PO Amount	Paid
0080002246	8000002068	7/15/2010	\$3,600	\$2,800
0080002704	8000002483	7/18/2011	3,600	2,100
<b>Total</b>			<b>\$7,200</b>	<b>\$4,900</b>

After our fieldwork was completed, but prior to issuance of this report, an expenditure transfer was made to move \$4,900 from Fund 10009 to the incubator auxiliary (Fund 08019).

**Recommendation:** USFP has discontinued this arrangement effective January 31, 2012, and \$4,900 has been removed from Fund 10009 and transferred to the incubator auxiliary (Fund 08019). Auxiliary funds may be used for refreshments related to official events, but the use of auxiliary funds for ongoing refreshments may not be appropriate. The nature of the expenditure should be clearly identified on the proposal, requisition, and invoices to prevent inappropriate expenditures from being authorized and/or inappropriate funding sources from being used.

**Management Attention Required:**     Immediate     Urgent     Timely

**Resources/Effort Required:**         Significant     Moderate     Minimal

**9. Leases with The 6/10 Corporation do not consistently handle rent abatements.**  
 USFP entered into a lease with The 6/10 Corporation for space in the 6/10 Plaza in Winter Haven, Florida, to house the Blue Sky East incubator. The 3,400 square foot space was located in the back half of suite 240. According to Campus Planning and Facilities Operations, the front half of suite 240 was to be an emergency command center. When not in use, Blue Sky East activities were to take place in the space, which was to be configured as generic workspace

**No**

**MEDIUM PRIORITY RISKS**

**RESOLVED**

**The 6/10 Corporation Donations  
January 1, 2010 – March 31, 2012**

<b>Donor</b>	<b>Donation Amount</b>	<b>Due Date</b>	<b>Paid</b>	<b>Paid Date</b>
The 6/10 Corporation	\$33,232.96	3/31/10	\$33,232.96	4/12/10
The 6/10 Corporation	33,232.96	9/30/10	0	Outstanding
The 6/10 Corporation	33,232.96	3/31/11	33,232.96	2/28/11
The 6/10 Corporation	33,232.96	9/30/11	33,232.96	9/1/11
The 6/10 Corporation	33,232.96	3/31/12	0	Outstanding
The 6/10 Corporation	33,232.96	9/30/12	0	Not Due
<b>Total</b>	<b>\$199,397.76</b>		<b>\$99,698.88</b>	

In addition, the lessor abated the rent for the Blue Sky East media lab for the first nine months. The value of this nine-month rate abatement at \$15 per square foot is \$42,300. The reason for abating the rent for the second lease and effectively reimbursing the rent for the first lease is not known. Due to this abated rent, the average rent was \$10.91 per square foot per year (\$4,700 a month times 24 months = \$112,800/33 months is \$3,418 a month times 12 months = \$41,018/3,760 sq. ft. = \$10.91).

Our review of similar market rents being advertised as of February 2012 shows the market rate for properties of a similar size and location ranging from \$10 to \$15, averaging \$12.25. However, Winter Haven office property rentals have been trending downward since 2008 and are currently averaging under \$14 per square foot. Without comparing other rent assessments and abatements being offered at the time, it is not possible to conclude whether the rent amount is unreasonable.

The leases for the Blue Sky East Media Lab and USFP Brain Lab were negotiated after the rent donation from The 6/10 Corporation by USFP's outside legal counsel. Due to the donor relationship with The 6/10 Corporation at the time of the negotiation, it is imperative that USF be able to demonstrate that no preferential treatment was given to The 6/10 Corporation. While a competitive bid was not required (since the additional space was less than 5,000 square feet), in light of the donor relationship, it may have been prudent to do so.

**Recommendation:** USFP should negotiate all rate abatements as part of the rental agreement rather than accepting donations from lessors. The USF System is currently undertaking a review of donor/vendor relationship policies. USFP should ensure all donor/vendor relationships comply with new guidance developed.

**Management Attention Required:**     Immediate     Urgent     Timely

<b>MEDIUM PRIORITY RISKS</b>		<b>RESOLVED</b>
<b>Resources/Effort Required:</b> <input type="checkbox"/> Significant <input checked="" type="checkbox"/> Moderate <input type="checkbox"/> Minimal		
<p><b>10. There was no financial statement disclosure of lease obligations.</b></p> <p>USFP had 7 off-campus lease obligations as of June 30, 2011. The liabilities associated with these lease obligations were not disclosed in the financial statement or its footnotes. Since USF does not permit POs to cross fiscal years, there was no established encumbrance to reflect these liabilities. The Auditor General was advised of this omission and chose not to make an adjustment to the financial statements before issuance on February 21, 2012.</p> <p>The remaining lease obligation for the 7 leases was \$1,093,778 for base rent, of which \$390,624 is prepaid and \$96,517 is utility and pass-through costs for assessments. (See <a href="#">Exhibit A</a> for details by lease.)</p> <p>In addition, the USFP Brain Lab lease contains a \$115,700 build-out allowance that must be repaid on a prorated basis if the lease is terminated early.</p> <p><b>Recommendation:</b>                      <b>USFP should ensure that financial statements and footnotes contain appropriate disclosure of long-term obligations, such as lease obligations.</b></p> <p><b>Management Attention Required:</b>      <input type="checkbox"/> Immediate      <input checked="" type="checkbox"/> Urgent      <input type="checkbox"/> Timely</p> <p><b>Resources/Effort Required:</b>              <input type="checkbox"/> Significant      <input checked="" type="checkbox"/> Moderate      <input type="checkbox"/> Minimal</p>	<b>No</b>	
<p><b>11. Incubator tenant revenues were not being matched with operational expenditures.</b></p> <p>Both Blue Sky East and Blue Sky West have clients which are either residential or virtual. Rent and other service fees are billed and collected through FAST Accounts Receivable and are recorded in an auxiliary fund. According to the Executive Director, Administration and Finance, tenant rents and utility assessments were determined based on the square footage of space at a rate of \$15 per square foot. This is consistent with USFP cost per square foot of Blue Sky East, but is substantially higher than USFP cost per square foot of Blue Sky West (\$2.80). The BSE lease was awarded at a below market rate since the lessor was interested in supporting the incubator efforts. Common Area utility costs of the leases are built into the utility assessments for the incubator clients, and a \$50 fixed technology fee is charged to cover internet, telephone, and cable costs. The rates were kept equitable to prevent clients from having the perception of being charged different rates for essentially the same service at either location. Residential clients are also charged a facility/program services fee to cover the cost of community events, seminars, promotional material, and internship development.</p>	<b>No</b>	

**MEDIUM PRIORITY RISKS**

**RESOLVED**

**Expenditure Transfer to Move  
Tenant-Related Costs**

Account Code	Expense	Fund	Dept.	Product	Amount
56500-Facilities Rental	Rent	10009	542300	LK9004 (BSE)	\$23,364.76
56500-Facilities Rental	Utilities	10009	542300	LK9004 (BSE)	3,237.50
52050-IT Services	IT Services	10009	542300	LK9004 (BSE)	1,825.00
52500-Utilities	Utilities	10009	542300	LK9003 (BSW)	1,712.50
52050-IT Services	IT Services	10009	542300	LK9003 (BSW)	2,475.00
<b>Total</b>					<b>\$32,614.76</b>

Expenditures related to the incubator facility are incurred based on utilization and not based on collection; therefore, the costs incurred and not recovered should have been moved. None of the operating costs associated with the virtual clients and/or other services have been transferred into the auxiliary fund.

**Recommendation:** USF Polytechnic should distribute the portion of the incubator operating costs (rent, utilities, information technology costs, cleaning costs, etc.) being offset by tenant rentals to the auxiliary fund on a monthly basis as the expenditures are being incurred, or during the monthly tenant billing process. A new chartfield should be set up to record due to/due from USFF account LC011. This will permit all incubator operating costs being funded with donations (in the USFF) to be paid by USF directly. This will permit more accurate and timely reporting of activities.

**Management Attention Required:**     Immediate         Urgent         Timely

**Resources/Effort Required:**         Significant         Moderate         Minimal

**EXHIBIT A**

**USFP Lease Obligations  
As of 6/30/11**

<b>Facility</b>	<b>Begin</b>	<b>End</b>	<b>Months</b>	<b>Base Rent as of 6/30/11</b>	<b>Other Obligations</b>	<b>Remaining Base Rent Obligation</b>	<b>Other Obligations (Utilities, CAM<sup>1</sup>)</b>	<b>Current Funding Source</b>
BSW	08/01/09	7/31/12	13	\$1,500		\$19,500	N/A	USFF
BSE Incubator	9/15/09	9/30/12	15	4,250	\$2,329	63,750	\$34,935	USFF
BSE Media Lab	1/10/10	9/30/12	15	4,700	2,603	70,500	39,045	USF
Blue Sky Wauchula/ Recruiting Facility	2/1/10	1/31/13	19	1,000		19,000	N/A	USFP <sup>2</sup>
USFP Brain Lab	2/1/11	2/1/14	31	2,519	\$727	78,089	\$22,537	USFP <sup>2</sup>
CTI/RFID	2/1/10	1/31/13	19	14,023		266,437	N/A	USFP
One Poly Place (prepaid)	4/1/11	3/31/14	9 12 12	11,458.33 11,802.08 12,156.14		390,624	N/A	USFP
Rath Center/ International Partnerships	5/1/11	4/30/14	34	\$5,467		\$185,878	Build-out reimbursement obligation <sup>3</sup>	USFF <sup>4</sup> USFP
<b>Total</b>						<b>\$1,093,778</b>	<b>\$96,517</b>	

<sup>1</sup>Common area maintenance/pass-through costs at current commitment; these are subject to increase.

<sup>2</sup>Hernando County Industrial Development Authority paid \$500 of the rent from July 2010 - January 2011.

<sup>3</sup>The lease includes a build-out allowance of \$115,770. In the event the lease is terminated, the pro-rated cost of the build-out must be reimbursed.

<sup>4</sup>\$1,667.67 a month is funded by USFF account LC0015 (USFP Applied Neurological & Cognitive Electronics Lab) through March 31, 2012. The City of Winter Haven Community Redevelopment Agency donated \$15,000 toward startup costs.

**EXHIBIT B**

**Incubator Tenant-Related  
Operational Costs<sup>1</sup>  
March 1, 2011 – March 31, 2012**

<b>Incubator</b>	<b>Expenditure Description</b>	<b>Funding Source</b>	<b>Expenditure Amount</b>	<b>Allocated to Incubator<sup>2</sup></b>	<b>Billed Cost</b>	<b>Unrecovered Costs</b>
BSE	Rent	USFF (LC011)	\$55,250	\$24,310	\$13,727	\$10,583
BSE	CAM	USFF (LC011) USFP (10009) <sup>3</sup>	15,977 569	7,280	(in above)	7,280
BSE	Utilities	USFF (LC011) USFP(10009) <sup>3</sup>	13,815 1,818	6,879	4,112	2,767
BSE	Cleaning Costs	USFP (10009)	4,800	2,112	0	2,112
BSE	Verizon/ Bright House	USFP (10009)	4,136	1,820	2,350	(530)
BSE	Copier	USFP (10009)	296	130	0	130
BSE	Refreshments	USFP (10009)	3,300	1,452	0	1,452
BSE	Other Recovered Costs			N/A	16,450	(16,450)
<b>Subtotal</b>			<b>\$99,961</b>	<b>\$43,983</b>	<b>\$36,639</b>	<b>\$7,344</b>
BSW	Rent	USFF	19,500	9,360	13,143	(3,783)
BSW	Utilities	USFP (10009)	13,148	6,311	1,837	4,474

Incubator	Expenditure Description	Funding Source	Expenditure Amount	Allocated to Incubator <sup>2</sup>	Billed Cost	Unrecovered Costs
BSW	Verizon/ Bright House	USFF (LC011) USFP (10009)	1,320 5,155	3,108	2,550	558
BSW	Cleaning	USFP (10009)	4,235	2,033		2,033
BSW	Copier	USFP (10009)	1,628	781		781
BSW	Security	USFP (10009)	721	346		346
BSW	Other Program Services			N/A	22,850	(22,850)
<b>Subtotal</b>			<b>\$45,707</b>	<b>\$21,939</b>	<b>\$40,380</b>	<b>(\$18,441)</b>
Other					50	(50)
<b>Total</b>			<b>\$145,668</b>	<b>\$65,922</b>	<b>\$77,069</b>	<b>(\$11,147)</b>

<sup>1</sup>Expenditures included above are not comprehensive. Only ongoing obligations which could be associated with a specific incubator location have been included. This includes USFP expenditures properly coded to LK90003 and LK9004 and USFF expenditures related to the operating lease and internet. USFF expenditures were not being differentiated by incubator space; therefore, no other costs could be allocated, including programmatic costs. We did not perform a search for additional expenditures that may have been miscoded or not otherwise identified as BSE or BSW.

<sup>2</sup>BSE incubator space is 1,500 square feet or 44% (1,500/3,400). BSW incubator space is 1,800 square feet or 48% (1,800/3,760). The remaining square footage of BSW is common area, per the rate worksheet provided to UAC by USFP.

<sup>3</sup>CAM and utilities adjustment in July 2011 were charged to Fund 10009, not to the USFF.

## Appendix B



Invoice 110  
Del. 3  
100% Compl.

# ECONOMIC INCUBATOR, INC.

## *Invoice Submittal Package*

Grant Agreement – State of Florida – Department of Economic Opportunity

Agreement # SL025

*Grant Period: July 1, 2016- June 30, 2017*

*Request Date: June 28, 2017*

*Task 3 – Development of the Immokalee Culinary*

*Arts & Service Incubator Facility*

Economic Incubators, Inc.  
Naples Accelerator  
3510 Kraft Road, Suite #200  
Naples, Florida 34105  
(239) 249-5911  
[www.naplesaccelerator.com](http://www.naplesaccelerator.com)

# Reimbursement Request

## *Invoice Submittal Package*

This project is being funded by the State of Florida grant we received, of which \$1,200,000 goes to this specific effort.

## *Invoice*

# Economic Incubators, Inc.

# INVOICE

INVOICE NO.: 16  
 INVOICE DATE: June 28, 2017

**TO:**  
 Florida Dept. of Economic Opportunity  
 Attn: Katie Smith  
 107 E. Madison Street,  
 Caldwell Bldg. MSC 80  
 Tallahassee, Florida 32399-1160

**For:**  
 Economic Incubators, Inc.  
 3510 Kraft Road, Suite 200  
 Naples, Florida 34105  
 (239) 249-5911

FEID NO.	GRANT NO.	SERVICE PERIOD	
		FROM	TO
47-1997241	SL025	May 8, 2017	June 28, 2017

DELIVERABLE NO.	DESCRIPTION	AMOUNT DUE
1	Naples Accelerator Expansion: Contractual - Task is 100% Complete	\$0.00
2	Recruitment of National and International Partnerships : Contractual - - Task is 100% Complete	\$0.00
3	Immokalee Culinary: Contractual - Task is 100% Complete	\$1,200,000.00
	<b>Less Advanced Payment - Immokalee</b>	<b>-\$200,000.00</b>
	<b>Paid Invoice # 9 - Contractual</b>	<b>-127,763.00</b>
4	FGCU Runway Program: Contractual - Task is 100% Complete	\$0.00
5	Snack Shop: Contractual- Task is 100% Complete	\$0.00
	<b>Total</b>	<b>\$872,237.00</b>

Make all checks payable to Economic Incubators, Inc.

If you have questions or concerns regarding the attached invoice, please contact Marshall Goodman or Jennifer Pellechio at (239) 249-5911 or email at [mgoodman@naplesaccelerator.com](mailto:mgoodman@naplesaccelerator.com) or [jpellechio@naplesaccelerator.com](mailto:jpellechio@naplesaccelerator.com)

  
 Signature of Provider Authorized Representative

Marshall Goodman, President/CEO  
 Printed Name and Title

# Economic Incubators, Inc.

## TRANSACTION REPORT

May 8 - June 28, 2017

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT	SPLIT	AMOUNT	BALANCE
State								
05/26/2017	Bill	10722	BSSW	Culinary Arts and Services Facility Immokalee Airport	State:Task 3/Immokalee	Accounts Payable (A/P)	9,934.00	9,934.00
05/26/2017	Bill	10704	BSSW	Culinary Arts and Services Facility Immokalee Airport	State:Task 3/Immokalee	Accounts Payable (A/P)	1,282.50	11,216.50
05/26/2017	Bill	17-1315	Compass Construction, Inc.	Contract Application 4	State:Task 3/Immokalee	Accounts Payable (A/P)	151,576.20	162,792.70
05/26/2017	Bill	MSA-1059	Onward Technology Solutions	Professional Services - Cloud Management	State:Task 3/Immokalee	Accounts Payable (A/P)	3,550.00	166,342.70
06/14/2017	Bill	5	Compass Construction, Inc.	Contract Application 5	State:Task 3/Immokalee	Accounts Payable (A/P)	109,816.20	276,158.90
06/14/2017	Bill	275	Recite Me, LTD	Professional Services - Web Services	State:Task 3/Immokalee	Accounts Payable (A/P)	1,995.00	278,153.90
06/14/2017	Bill	01728	Elephant Marketing & Media, LLC	Professional Services - Marketing	State:Task 3/Immokalee	Accounts Payable (A/P)	1,037.90	279,191.80
06/14/2017	Bill		Direct Line Development	Professional Services - Web Design	State:Task 3/Immokalee	Accounts Payable (A/P)	2,500.00	281,691.80
06/14/2017	Bill	113463	Tuscan & Company, PA	Professional Services - Financial Audit billing #3	State:Task 3/Immokalee	Accounts Payable (A/P)	2,000.00	283,691.80
06/26/2017	Bill		Collier County Business & Economic Development Division	Equipment - Match to USDA Grant	State:Task 3/Immokalee	Accounts Payable (A/P)	111,424.00	395,115.80
06/27/2017	Bill	10736	BSSW	Professional Services for the Period May 1 to May 31, 2017 Team Meeting Culinary Arts & Services Facility Immokalee Airport	State:Task 3/Immokalee	Accounts Payable (A/P)	5,599.75	400,715.55
06/27/2017	Bill	10737	BSSW	Professional Services for the Period May 1 to May 31, 2017 Naples Culinary 100%	State:Task 3/Immokalee	Accounts Payable (A/P)	2,375.00	403,090.55
06/28/2017	Bill		Compass Construction, Inc.	Contract Application 6 - Final	State:Task 3/Immokalee	Accounts Payable (A/P)	441,374.10	844,464.65
06/28/2017	Bill		Fisher Scientific	UF Lab Equipment	State:Task 3/Immokalee	Accounts Payable (A/P)	9,401.90	853,866.55
06/28/2017	Bill		Meter Group, INC.	UF Lab Equipment	State:Task 3/Immokalee	Accounts Payable (A/P)	9,703.90	863,570.45
06/28/2017	Bill		BSSW	Professional Services for the Period February 1, 2017 - February 28, 2017 Naples Culinary 100%	State:Task 3/Immokalee	Accounts Payable (A/P)	3,359.12	866,929.57
06/28/2017	Bill	101	DB Consulting, Inc.	Consulting Hours for Immokalee Accelerator	State:Task 3/Immokalee	Accounts Payable (A/P)	5,000.00	871,929.57
06/28/2017	Bill	1231	On the Spot Printing LLC	Vinyl Decal	State:Task 3/Immokalee	Accounts Payable (A/P)	307.40	872,236.97
Total for Task 3/Immokalee							<b>\$872,236.97</b>	
Total for State							<b>\$872,236.97</b>	
<b>TOTAL</b>							<b>\$872,236.97</b>	

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Economic Incubators, Inc.

TRANSACTION REPORT  
July 1, 2016 - June 28, 2017

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT	SPLIT	AMOUNT	BALANCE
State								
Task 3/Immokalee								
10/31/2016	Check	2010	Wegner Law PLLC	Legal	State:Task 3/Immokalee	FFIB-9341 EII (State Grant)	126.50	126.50
11/02/2016	Bill	10408	BSSW	Construction Documents	State:Task 3/Immokalee	Accounts Payable (A/P)	12,000.00	12,126.50
11/02/2016	Bill	10408	BSSW	Permitting	State:Task 3/Immokalee	Accounts Payable (A/P)	7,500.00	19,626.50
11/02/2016	Bill	10408	BSSW	Permitting Fees	State:Task 3/Immokalee	Accounts Payable (A/P)	343.00	19,969.50
11/02/2016	Bill	01685	Elephant Marketing & Media, LLC	Marketing	State:Task 3/Immokalee	Accounts Payable (A/P)	660.00	20,629.50
12/02/2016	Bill	01674	Elephant Marketing & Media, LLC	Branding Meeting	State:Task 3/Immokalee	Accounts Payable (A/P)	715.00	21,344.50
12/20/2016	Bill	10445	BSSW	Permitting	State:Task 3/Immokalee	Accounts Payable (A/P)	3,750.00	25,094.50
01/03/2017	Bill	01686	Elephant Marketing & Media, LLC	Mood boards logo options	State:Task 3/Immokalee	Accounts Payable (A/P)	935.00	26,029.50
01/03/2017	Bill	10485	BSSW	Permitting	State:Task 3/Immokalee	Accounts Payable (A/P)	3,000.00	29,029.50
01/03/2017	Bill	10485	BSSW	Bidding & Bid Evaluation	State:Task 3/Immokalee	Accounts Payable (A/P)	1,600.00	30,629.50
01/03/2017	Bill	10485	BSSW	Reimbursable Expenses Claudia Roncoroni	State:Task 3/Immokalee	Accounts Payable (A/P)	15.05	30,644.55
01/12/2017	Bill	58	Wegner Law PLLC	Began Drafting Commitment Letter Requested by the EDA	State:Task 3/Immokalee	Accounts Payable (A/P)	57.50	30,702.05
01/12/2017	Bill	58	Wegner Law PLLC	Continued Drafting Letter to EDA re: Commitment for Operation	State:Task 3/Immokalee	Accounts Payable (A/P)	80.50	30,782.55
02/01/2017	Bill	01700	Elephant Marketing & Media, LLC	Home Page Design of Website	State:Task 3/Immokalee	Accounts Payable (A/P)	220.00	31,002.55
02/07/2017	Expenditure		GoDaddy.com	DNH*GODADD DBT CRD 1116	State:Task 3/Immokalee	FFIB-9341 EII (State Grant)	375.22	31,377.77
02/07/2017	Expenditure		GoDaddy.com	Technology - DNH*GODADD 55895488	State:Task 3/Immokalee	FFIB-9341 EII (State Grant)	201.06	31,578.83
02/09/2017	Bill		Collier County Growth Mgmt Div	Convenience Fee	State:Task 3/Immokalee	Accounts Payable (A/P)	117.58	31,696.41
02/09/2017	Bill		Collier County Growth Mgmt Div	Permits for Immokalee	State:Task 3/Immokalee	Accounts Payable (A/P)	4,275.55	35,971.96
02/10/2017	Bill	01703	Elephant Marketing & Media, LLC	Website Set up	State:Task 3/Immokalee	Accounts Payable (A/P)	1,435.00	37,406.96
02/10/2017	Bill	68	Wegner Law PLLC	Review Agreement	State:Task 3/Immokalee	Accounts Payable (A/P)	793.50	38,200.46
02/16/2017	Expenditure		GoDaddy.com	02/15/17 80754312	State:Task 3/Immokalee	FFIB-9341 EII (State Grant)	199.98	38,400.44
02/24/2017	Bill		Elephant Marketing & Media, LLC	Paper	State:Task 3/Immokalee	Accounts Payable (A/P)	11.54	38,411.98
03/02/2017	Bill	01708	Elephant Marketing & Media, LLC	Posters, flyers banner	State:Task 3/Immokalee	Accounts Payable (A/P)	990.00	39,401.98
03/16/2017	Bill	10548	BSSW	Permitting Immokalee Culinary	State:Task 3/Immokalee	Accounts Payable (A/P)	5.02	39,407.00
03/16/2017	Bill	83	Wegner Law PLLC	Revised Liquidated damages	State:Task 3/Immokalee	Accounts Payable (A/P)	448.50	39,855.50
03/16/2017	Bill		Compass Construction, Inc.	Contract	State:Task 3/Immokalee	Accounts Payable (A/P)	34,894.80	74,750.30
03/16/2017	Bill	10548	BSSW	Bidding & Bid Evaluation	State:Task 3/Immokalee	Accounts Payable (A/P)	5,600.00	80,350.30
03/16/2017	Bill	10582	BSSW	Meeting with Owner	State:Task 3/Immokalee	Accounts Payable (A/P)	10.03	80,360.33
03/16/2017	Bill	10582	BSSW	Permitting	State:Task 3/Immokalee	Accounts Payable (A/P)	750.00	81,110.33
03/16/2017	Bill	10582	BSSW	Bidding & Bid Evaluation	State:Task 3/Immokalee	Accounts Payable (A/P)	800.00	81,910.33
04/06/2017	Bill		Compass Construction, Inc.	Contract	State:Task 3/Immokalee	Accounts Payable (A/P)	117,650.70	199,561.03
04/27/2017	Bill	3	Compass Construction, Inc.	Contract Application 3	State:Task 3/Immokalee	Accounts Payable (A/P)	124,902.00	324,463.03
05/04/2017	Bill	10695	BSSW	Construction Administration	State:Task 3/Immokalee	Accounts Payable (A/P)	3,300.00	327,763.03
05/26/2017	Bill	10722	BSSW	Culinary Arts and Services Facility Immokalee Airport	State:Task 3/Immokalee	Accounts Payable (A/P)	9,934.00	337,697.03
05/26/2017	Bill	10704	BSSW	Culinary Arts and Services Facility Immokalee Airport	State:Task 3/Immokalee	Accounts Payable (A/P)	1,282.50	338,979.53
05/26/2017	Bill	MSA-1059	Onward Technology Solutions	Professional Services - Cloud Management	State:Task 3/Immokalee	Accounts Payable (A/P)	3,550.00	342,529.53
05/26/2017	Bill	17-1315	Compass Construction, Inc.	Contract Application 4	State:Task 3/Immokalee	Accounts Payable (A/P)	151,576.20	494,105.73
06/14/2017	Bill		Direct Line Development	Professional Services - Web Design	State:Task 3/Immokalee	Accounts Payable (A/P)	2,500.00	496,605.73
06/14/2017	Bill	01728	Elephant Marketing & Media, LLC	Professional Services - Marketing	State:Task 3/Immokalee	Accounts Payable (A/P)	1,037.90	497,643.63
06/14/2017	Bill	5	Compass Construction, Inc.	Contract Application 5	State:Task 3/Immokalee	Accounts Payable (A/P)	109,816.20	607,459.83
06/14/2017	Bill	275	Recite Me, LTD	Professional Services - Web Services	State:Task 3/Immokalee	Accounts Payable (A/P)	1,995.00	609,454.83
06/14/2017	Bill	113463	Tuscan & Company, PA	Professional Services - Financial Audit billing #3	State:Task 3/Immokalee	Accounts Payable (A/P)	2,000.00	611,454.83
06/26/2017	Bill		Collier County Business & Economic Development Division	Equipment - Match to USDA Grant	State:Task 3/Immokalee	Accounts Payable (A/P)	111,424.00	722,878.83
06/27/2017	Bill	10737	BSSW	Professional Services for the Period May 1 to May 31, 2017 Naples Culinary 100%	State:Task 3/Immokalee	Accounts Payable (A/P)	2,375.00	725,253.83
06/27/2017	Bill	10736	BSSW	Professional Services for the Period May 1 to May 31, 2017 Team Meeting Culinary Arts & Services Facility Immokalee	State:Task 3/Immokalee	Accounts Payable (A/P)	5,599.75	730,853.58

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT	SPLIT	AMOUNT	BALANCE
06/28/2017	Bill		BSSW	Airport Professional Services for the Period February 1, 2017 - February 28, 2017 Naples Cullinary 100%	State:Task 3/Immokalee	Accounts Payable (A/P)	3,359.12	734,212.70
06/28/2017	Bill		Fisher Scientific	UF Lab Equipment	State:Task 3/Immokalee	Accounts Payable (A/P)	9,401.90	743,614.60
06/28/2017	Bill		Compass Construction, Inc.	Contract Application 6 - Final	State:Task 3/Immokalee	Accounts Payable (A/P)	441,374.10	1,184,988.70
06/28/2017	Bill		Meter Group, INC.	UF Lab Equipment	State:Task 3/Immokalee	Accounts Payable (A/P)	9,703.90	1,194,692.60
06/28/2017	Bill	101	DB Consulting, Inc.	Consulting Hours for Immokalee Accelerator	State:Task 3/Immokalee	Accounts Payable (A/P)	5,000.00	1,199,692.60
06/28/2017	Bill	1231	On the Spot Printing LLC	Vinyl Decal	State:Task 3/Immokalee	Accounts Payable (A/P)	307.40	1,200,000.00
Total for Task 3/Immokalee							<b>\$1,200,000.00</b>	
Total for State							<b>\$1,200,000.00</b>	
<b>TOTAL</b>							<b>\$1,200,000.00</b>	

*Overall Summary of the Project Tasks*

**3. Development of the Immokalee Culinary Arts & Service Incubator Facility**

**a. Construction and space setup – the setup subtasks include:**

**i. Negotiation of new lease terms**

EII has worked closely with Collier County on negotiation of the lease terms for the location of the Florida Culinary Accelerator @ Immokalee. The lease agreement has been complete; however, execution was pending announcement of an US EDA grant award. The Federal agency notified EII that lease was not able to be executed. This property is county owned and therefore the lease will be executed at the July 11, 2017 Commissioner meeting.

**100% Complete**

**COLLIER COUNTY AIRPORT AUTHORITY  
STANDARD FORM LEASE**

This Collier County Airport Authority Standard Form Lease, hereinafter referred to as 'Lease,' is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by and between ECONOMIC INCUBATORS, INC., a Florida not-for-profit corporation, whose address is 3530 Kraft Road, Suite 201, Naples, FL 34105 hereinafter referred to as 'Lessee,' and the Collier County Airport Authority, with administrative offices located at 2005 Mainsail Drive, Suite 1, Naples, Florida 34114, hereinafter referred to as 'Lessor,' collectively stated as the 'Parties.'

**WITNESSETH:**

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration exchanged amongst the Parties, and in consideration of the covenants contained herein, the Parties hereby enter into this Lease on the following terms and conditions:

1. **Conveyance.** On the terms and conditions set forth in this Lease, and in consideration of Lessee's performance under this Lease, the Lessor conveys to the Lessee the present possessory interest in the Leased Premises described below.

2. **Description of Leased Premises.** The leased area, which is the subject of this Lease, is a warehouse/manufacturing space totaling 5,274 square feet and exterior storage cage totaling 3,600 square feet, located at the Immokalee Regional Airport, in Collier County, Florida, 170 Airpark Boulevard, Units A and B, Immokalee, Florida 34142, as shown in Exhibit "A," hereinafter referred to as the 'Premises.'

3. **Conditions to Conveyance.** Lessee warrants and represents to Lessor that it has examined the title and boundaries of the Premises. Accordingly, this conveyance is subject to all of the following:

- a. Any and all conditions, restrictions, encumbrances and limitations now recorded against the Premises;
- b. Any and all existing or future zoning laws or ordinances;
- c. Any questions of title and survey that may arise in the future; and
- d. Lessee's satisfactory performance of all terms and conditions of this Lease.

4. **Use of Premises.** Lessee shall utilize the Leased Premises for the following uses and activities:

- a. Support and launching of culinary and food preparation production and assembly of culinary related businesses.
- b. Brewing and Distillation of alcohol.
- c. Food and food safety laboratory.
- d. Administrative activities.
- e. Other business and incubator and accelerator related operations.



Lessor shall have the right to terminate this Lease should Lessee utilize the Premises in any manner inconsistent with the approved use. In the event Lessee shall cease to use the Premises for the purposes described above, and such cessation of use shall continue for a period of sixty (60) days, this Lease, at the option of the Lessor, upon thirty (30) days written notice to the Lessee, shall be terminated and Lessee shall surrender and vacate the Premises to the Lessor within thirty (30) days after notice of such termination. Provided, however, said sixty (60) day period shall be tolled if such cessation is caused by events beyond the control of the Lessee such as acts of God or if such cessation is due to closing for reconstruction or repairs to the building constructed by Lessee on the Leased Premises.

5. Permissible Alterations and Additions to Premises. Lessee may make alterations and additions to the Premises that are consistent with the design plans attached hereto as Exhibit "B" or that otherwise keep with the intended use of the Premises as described in Paragraph 4 of this Standard Form Lease and Lessee will submit design plans at the 60% completion for Lessor's written approval and Lessee will submit design plans at the 100% completion for Lessor's written approval.

6. Term of Lease. The term of this Lease shall commence on August 1, 2016 and terminate on July 31, 2021. Either party may terminate for convenience by providing the other party with sixty (60) days written notice.

7. Rent. Lessee hereby covenants and agrees to pay as rent for the Premises as of July 1, 2016, the sum of \$2,680.20 per month (\$2,637.00 warehouse/manufacturing space and \$43.20 exterior storage cage), plus sales tax, if applicable, and shall be due and payable by the first day of every calendar month during the term hereof. If the terms of this Lease shall commence on a day other than the first day of the month, Lessee shall pay rental equal to one thirtieth (1/30<sup>th</sup>) of the monthly rental multiplied by the number of rental days of such fractional month. The lease rental rate shall at no time be less than the Base Rental. The Authority and Lessee, however, agree and stipulate that the lease rental rate may be unilaterally increased by the Authority, annually, effective October 1 of each year, in accordance with the Authority's lease rental rate adjustment program. Currently the adjustment program is based on changes in the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index (the Index for U.S. City Average for Urban consumers). All rents and fees shall be made payable to the Collier County Airport Authority, and mailed by first class letter, postage prepaid, or personally delivered, to the Administrative Offices at 2005 Mainsail Drive, Suite 1, Naples, Florida 34114, or such other address as the Airport Manager may designate in writing.

8. Net Lease. This is a fully net lease, with Lessee responsible for all costs, fees and charges concerning the Premises. Accordingly, Lessee shall promptly pay when due and prior to any delinquency all costs, fees, taxes, trash removal services, assessments, utility charges, future impact fees and obligations of any kind that relate to the Premises. Lessee will indemnify and hold Lessor harmless from any and all claims, costs and obligations arising from Lessee's use of the Premises. In case any action or proceeding is brought against Lessor by reason of Lessee's use of the Premises, Lessee shall pay all costs, attorneys' fees, expenses and liabilities resulting therefrom and shall defend such action or proceeding if Lessor shall so request, at Lessee's



expense, by counsel reasonably satisfactory to Lessor. It is specifically agreed however, that Lessor may at its own cost and expense participate in the legal defense of such claim, with legal counsel of its choosing.

9. Lessee's Liens and Mortgages. Lessee shall not in any way encumber the Premises. All persons to whom these presents may come are put upon notice of the fact that the interest of the Lessor in the Premises shall not be subject to liens for improvements made by the Lessee and liens for improvements made by the Lessee are specifically prohibited from attaching to or becoming a lien on the interest of the Lessor in the Premises or any part of either. This notice is given pursuant to the provisions of and in compliance with Section 713.10, Florida Statutes.

10. Lessee's Obligation to Maintain Premises and Comply with All Lawful Requirements. Lessee, throughout the term of this Lease, at its own cost, and without any expense to the Lessor, shall keep and maintain the Premises in good, sanitary and neat order, condition and repair, and shall abide with all lawful requirements. Such maintenance and repair shall include, but not be limited to, landscaping, painting, janitorial, fixtures and appurtenances (lighting, heating, plumbing, and air conditioning). Such repair may also include structural repair, if deemed necessary by the Lessee. If the Premises are not in such compliance in the reasonable opinion of Lessor, Lessee will be so advised in writing. If corrective action is not begun within thirty (30) days of the receipt of such notice and prosecuted diligently until corrective action is completed, Lessor may cause the same to be corrected and Lessee shall promptly reimburse Lessor for the expenses incurred by Lessor, together with a 5% administrative fee.

11. Quiet Enjoyment. Lessee shall be entitled to quiet enjoyment so long as Lessee has not defaulted on any of the terms of this Lease. Accordingly, Lessee shall have the exclusive right to use the Premises during the term of this Lease. Lessor hereby confirms that Lessee, its employees, agents, contractors, and other business invitees, shall have full and complete access to the Premises by way of appropriate roadways and entranceways providing access to the Premises from a public thoroughfare. Said access shall be available twenty-four (24) hours per day, seven (7) days per week. During the term of this Lease, Lessee may erect appropriate signage on the Leased Premises and the improvements constructed by Lessee thereon. Any such signage shall be in compliance with all applicable codes and ordinances and approved by the Lessor; Lessor's consent will not be unreasonably withheld.

12. Casualty and Condemnation

a. Casualty. If the Premises are destroyed, rendered substantially untenable, or damaged to any material extent, as reasonably determined by Lessee and Lessor, by fire or other casualty, Lessee must use the insurance proceeds, hereinafter referred to as "Proceeds," to rebuild or restore the Premises to substantially its condition prior to such casualty event unless the Lessor provides the Lessee with a written determination that rebuilding or restoring the Premises to such a condition with the Proceeds within a reasonable period of time is impracticable or would not be in the best interests of the Lessor, in which event, Proceeds shall be promptly remitted to Lessor. If the Lessor elects not to repair or replace the improvements,



then Lessee or Lessor may terminate this Lease by providing notice to the other party within ninety (90) days after the occurrence of such casualty. The termination will be effective on the ninetieth (90th) day after such fire or other casualty, unless extended by mutual written agreement of the Parties. During the period between the date of such casualty and the date of termination, Lessee will cease its operations as may be necessary or appropriate. If this Lease is not terminated as set forth herein, or if the Premises is damaged to a less than material extent, as reasonably determined by Lessee and Lessor, Lessee will proceed with reasonable diligence, at no cost or expense to Lessor, to rebuild and repair the Premises to substantially the condition as existed prior to the casualty. The Executive Director reserves the right to waive rental payments or a portion thereof in the case of a natural disaster that renders the building untenable.

b. **Condemnation.** Lessor may terminate this Lease by written notice as part of a condemnation project. Lessor will use its best efforts to mitigate any damage caused to Lessee as a result of such termination; however, in no event will Lessor be liable to Lessee for any compensation as a result of such termination.

13. **Access to Premises.** Lessor, its duly authorized agents, contractors, representatives and employees, shall have the right after reasonable oral notice to Lessee, to enter into and upon the Premises during normal business hours, or such other times with the consent of Lessee, to inspect the Premises, verify compliance with the terms of this Lease, or make any required repairs not being timely completed by Lessee.

14. **Termination and Surrender.** Unless otherwise mutually agreed by the Parties, no later than the final day of the lease term, Lessee shall redeliver possession of the Premises to Lessor in good condition and repair. Lessee shall have the right at any time during Lessee's occupancy of the Premises to remove any of its personal property, equipment, and signs provided, however, at the termination of this Lease, Lessor shall have the option of either requiring Lessee to demolish and remove all improvements made by Lessee to the Premises upon Lessee's vacation thereof, or to require Lessee to retain said improvements with fixtures on the Premises which improvements and fixtures will become the property of the Lessor upon Lessee's vacation of the Premises.

15. **Assignment.** Lessee may not assign this Lease or sublet any portion of the building constructed on the Premises by Lessee without the express prior written consent of the Lessor, which consent may be withheld in Lessor's sole discretion. Any purported assignment or sublet without the express written consent of Lessor shall be considered void from its inception, and shall be grounds for the immediate termination of this Lease. Lessor may freely assign this Lease upon written notice to Lessee.

16. **Insurance.** The Lessee shall provide all insurance deemed appropriate by the Authority, as determined by the Collier County Risk Management Department, as set forth on the attached Exhibit "C".

17. Defaults and Remedies.

a. Defaults by Lessee. The occurrence of any of the following events and the expiration of the applicable cure period set forth below without such event being cured or remedied will constitute a "Default by Lessee" to the greatest extent then allowed by law:

- i. Abandonment of Premises or discontinuation of Lessee's operation.
- ii. Lessee's material misrepresentation of any matter related to this Lease.
- iii. Filing of insolvency, reorganization, plan or arrangement of bankruptcy.
- iv. Adjudication as bankrupt.
- v. Making of a general assignment of the benefit of creditors.
- vi. If Lessee suffers this Lease to be taken under any writ of execution and/or other process of law or equity.
- vii. Lessee's failure to utilize the Premises as set forth in Paragraph 4 of this Standard Form Lease.
- viii. Any lien is filed against the Premises or Lessee's interest therein or any part thereof in violation of this Lease, or otherwise, and the same remains unreleased for a period of sixty (60) days from the date of filing unless within such period Lessee is contesting in good faith the validity of such lien and such lien is appropriately bonded.
- ix. Failure of Lessee to perform or comply with any material covenant or condition made under this Lease, which failure is not cured within ninety (90) days from receipt of Lessor's written notice stating the non-compliance shall constitute a default (other than those covenants for which a different cure period is provided), whereby Lessor may, at its option, terminate this Lease by giving Lessee thirty (30) days written notice unless the default is fully cured within that thirty (30) day notice period (or such additional time as is agreed to in writing by Lessor as being reasonably required to correct such default). However, the occurrence of any of the events set forth above shall constitute a material breach and default by Lessee, and this Lease may be immediately terminated by Lessor except to the extent then prohibited by law.

b. Remedies of Lessor.

- i. In the event of the occurrence of any of the foregoing defaults, Lessor, in addition to any other rights and remedies it may have, shall have the immediate right to re-enter and remove all individuals, entities and/or property from the Premises. Such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Lessee, all without service of notice or resort to legal process and without being deemed guilty of trespass, or being liable for any loss or damage which may be occasioned thereby. If Lessee does not cure the defaults in the time frames as set forth above, and Lessor has removed and stored



property, Lessor shall not be required to store for more than thirty (30) days. After such time, such property shall be deemed abandoned and Lessor shall dispose of such property in any manner it so chooses and shall not be liable to Lessee for such disposal.

- ii. If Lessee fails to promptly pay, when due, any full installment of rent or any other sum payable to Lessor under this Lease, and if said sum remains unpaid for more than five (5) days past the due date, the Lessee shall pay Lessor a late payment charge equal to five percent (5%) of each such payment not paid promptly and in full when due. Any amounts not paid promptly when due shall also accrue compounded interest of two (2%) percent per month or the highest interest rate then allowed by Florida law, whichever is higher ("Default Rate"), which interest shall be promptly paid by Lessee to Lessor.
- iii. Lessor may sue for direct, actual damages arising out of such an uncured default of Lessee or apply for injunctive relief as may appear necessary or desirable to enforce the performance and observance of any obligation, agreement or covenant of Lessee under this Lease, or otherwise. Lessor shall be entitled to reasonable attorneys fees and costs incurred arising out of Lessee's default under this Lease.

c. Default by Lessor. Lessor shall in no event unless access to the Premises has been denied be charged with default in the performance of any of its obligations hereunder unless and until Lessor shall have failed to perform such obligations within thirty (30) days (or such additional time as is reasonably required to correct such default) after written notice to Lessor by Lessee properly and in meaningful detail specifying wherein, in Lessee's judgment or opinion, Lessor has failed to perform any such obligation(s).

d. Remedies of Lessee. In partial consideration for the nominal rent charged to Lessee, Lessee hereby waives any claim it may have to direct or indirect monetary damages it incurs as a result of Lessor's breach of this Lease, and also waives any claim it might have to attorneys' fees and costs arising out of Lessor's breach of this Lease. Lessee's remedies for Lessor's default under this Lease shall be limited to the following:

- i. For injunctive relief as may appear necessary or desirable to enforce the performance and observance of any obligation, agreement or covenant of Lessor under this Lease.
- ii. Lessee may cure any default of Lessor and pay all sums or do all reasonably necessary work and incur all reasonable costs on behalf of and at the expense of Lessor. Lessor will pay Lessee on demand all reasonable costs incurred and any amounts so paid by Lessee on behalf of Lessor, with no interest.

e. No Remedy Exclusive. No remedy herein conferred upon or reserved to either party is intended to be exclusive of any other available remedy or remedies, but each and every such remedy will be cumulative and in addition to every other remedy given under this Lease or hereafter existing under law or in equity. No delay or omission to exercise any right or power accruing upon any event of default will impair any such right or power nor be construed to be waived, but any such right and power maybe exercised from time to time and as often as may be deemed expedient.

f. Non-Waiver. Every provision hereof imposing an obligation upon Lessee is a material inducement and consideration for the execution of this Lease by Lessee and Lessor. No waiver by Lessee or Lessor of any breach of any provision of this Lease will be deemed for any purpose to be a waiver of any breach of any other provision hereof or of any continuing or subsequent breach of the same provision, irrespective of the length of time that the respective breach may have continued.

18. Lease Manual. Lessee shall be provided with the Authority's Lease Manual (if any), which the Authority may be amend from time to time. The terms of this manual shall be deemed to be incorporated by reference into this Agreement, and Lessee shall be bound by the terms of this Lease Manual, as of the 1<sup>st</sup> day of the second month Lessee receives a copy of the Lease Manual or an amended Lease Manual. With respect to any terms in this Lease Agreement which are in conflict with the Lease Manual, the Lease Manual shall control.

19. Rules and Regulations. Lessee shall comply with the Authority's published Rules and Regulations for this airport, which are on file at the address set forth above, as such regulations may be amended from time to time by the Authority including such reasonable rates or charges, as may from time to time be levied for airfield operational privileges and/or services provided at the Airport. Lessee shall also comply with any and all applicable governmental statutes, rules, orders and regulations.

#### **Miscellaneous Legal Matters**

20. This Lease shall be construed by and controlled under the laws of the State of Florida. In the event of a dispute under this Lease, the Parties shall first use the County's then-current Alternative Dispute Resolution Procedure. Following the conclusion of this procedure, either party may file an action in the Circuit Court of Collier County to enforce the terms of this Lease, which Court the Parties agree to have the sole and exclusive jurisdiction.

21. This Lease contains the entire agreement of the Parties with respect to the matters covered by this Lease and no other agreement, statement or promise made any party, or to any employee, officer or agent of any party, which is not contained in this Lease shall be binding or valid. Time is of the essence in the doing, performance and observation of each and every term, covenant and condition of this Lease by the Parties.

22. In the event state or federal laws are enacted after the execution of this Lease, which are applicable to and preclude in whole or in part the Parties' compliance with the terms of this Lease, then in such event this Lease shall be modified or revoked as is necessary to comply with such laws, in a manner which best reflects the intent of this Lease.

23. Except as otherwise provided herein, this Lease shall only be amended by mutual written consent of the Parties hereto or by their successors in interest. Notices hereunder shall be given to the Parties set forth below and shall be made by hand delivery, facsimile, overnight delivery or by regular mail. If given by regular mail, the notice shall be deemed to have been given within a required time if deposited in the U.S. Mail, postage prepaid, within the time limit. For the purpose of calculating time limits which run from the giving of a particular notice the time shall be calculated from actual receipt of the notice. Notices shall be addressed as follows:

If to Lessor:           Immokalee Regional Airport Manager  
                                  Collier County Airport Authority  
                                  2005 Mainsail Drive, Suite 1  
                                  Naples, Florida 34114

CC:   Real Property Management  
          3335 Tamiami Trail, Suite 101  
          Naples, Florida 34112

If to Lessee:           Economic Incubators, Inc.,  
                                  3530 Kraft Road, Suite 201  
                                  Naples, Florida 34105

Notice shall be deemed to have been given on the next successive business day to the date of the courier waybill if sent by nationally recognized overnight delivery service.

24. Lessee is an independent contractor, and is not any agent or representative or employee of Lessor. During the term of this Lease, neither Lessee, nor anyone acting on behalf of Lessee, shall hold itself out as an employee, servant, representative or agent of Lessor. Neither party will have the right or authority to bind the other party without express written authorization of such other party to any obligation to any third party. No third party is intended by the Parties to be a beneficiary of this Lease or to have any rights to enforce this Lease against either party hereto or otherwise. Nothing contained in this Lease will constitute the Parties as partners or joint ventures for any purpose, it being the express intention of the Parties that no such partnership or joint venture exists or will exist. Lessee acknowledges that Lessor is not providing any vacation time, sick pay, or other welfare or retirement benefits normally associated with an employee-employer relationship and that Lessor excludes Lessee and its employees from participation in all health and welfare benefit plans including vacation, sick leave, severance, life, accident, health and disability insurance, deferred compensation, retirement and grievance rights or privileges.

25. Neither party to this Lease will be liable for any delay in the performance of any obligation under this Lease or of any inability to perform an obligation under this Lease if and to the extent that such delay in performance or inability to perform is caused by an event or circumstance beyond the reasonable control of and without the fault or negligence of the party claiming Force Majeure. "Force Majeure" shall include an act of God, war (declared or undeclared), sabotage, riot, insurrection, civil unrest or disturbance, military or guerrilla action, economic sanction or embargo, civil strike, work stoppage, slow-down or lock-out, explosion, fire, earthquake, abnormal weather condition, hurricane, flood, lightning, wind, drought, and the binding order of any governmental authority.

26. Lessee, without prior permission from the Executive Director or designee, will not transport, use, store, maintain, generate, manufacture, handle, dispose, release or discharge any Hazardous Materials upon or about the Leased Premises, nor permit employees, representatives, agents, contractors, sub-contractors, sub-sub-contractors, material men and/or suppliers to engage in such activities upon or about the Leased Premises.

27. In compliance with Section 404.056, Florida Statutes, all Parties are hereby made aware of the following: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your County Public Health Department.

28. Airport Development. The Authority reserves the right to further develop or improve the landing and other areas of the Airport as it sees fit, regardless of the convenience, desires or view of the Lessee, and without interference or hindrance.

29. Airport Operations. Lessee shall prevent any use of the Premises which would interfere with or adversely affect the operation or maintenance of the Airport, or otherwise constitute an airport hazard, and will restrict the height of structures, objects of natural growth and other obstructions on the Premises to such height as comply with Federal Aviation Regulations, Part 77.

30. Nondiscrimination Clause. The Lessee for himself, his personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that (1) no person on the grounds of race, color, or national origin shall be excluded in participating in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises; (2) that in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participating in, denied the benefits of, or otherwise subjected to discrimination; (3) that the Lessee shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, as said



regulations may be amended. That in the event of breach of any of the above nondiscrimination covenants, Lessor shall have the right to terminate this Lease and to re-enter and as if the Lease had never been made or issued. The provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including exercise or expiration of appeal rights.

31. Dominant Agreements and Property Rights Reserved. This Lease is subordinate and subject to all existing agreements between the Authority and the Federal Aviation Administration, the Authority and the State of Florida, and the Authority and Collier County. During the time of war or national emergency, the Authority shall have the right to lease the landing area or any part thereof to the United States Government for military or naval or similar use, and, if such lease is executed, the provisions of this Lease Agreement insofar as they are inconsistent with the provisions of the lease to the Government, shall be suspended. This Lease and all provisions hereof are subject and subordinate to the terms and conditions of the instruments and documents under which the Airport Owner acquired the subject property from the United States of America and shall be given only such effect as will not conflict or be inconsistent with the terms and conditions contained in the lease of said lands from the Airport Owner, and any existing or subsequent amendments thereto, and are subject to any ordinances, rules or regulations which have been, or may hereafter be adopted by the Airport Owner pertaining to the Immokalee Regional Airport.

32. Lessee shall execute this Lease prior to it being submitted for approval by the Collier County Airport Authority. This Lease may be recorded by the County in the Official Records of Collier County, Florida, within fourteen (14) days after the County enters into this Lease, at Lessee's sole cost and expense.

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK  
SIGNATURE PAGE TO FOLLOW**

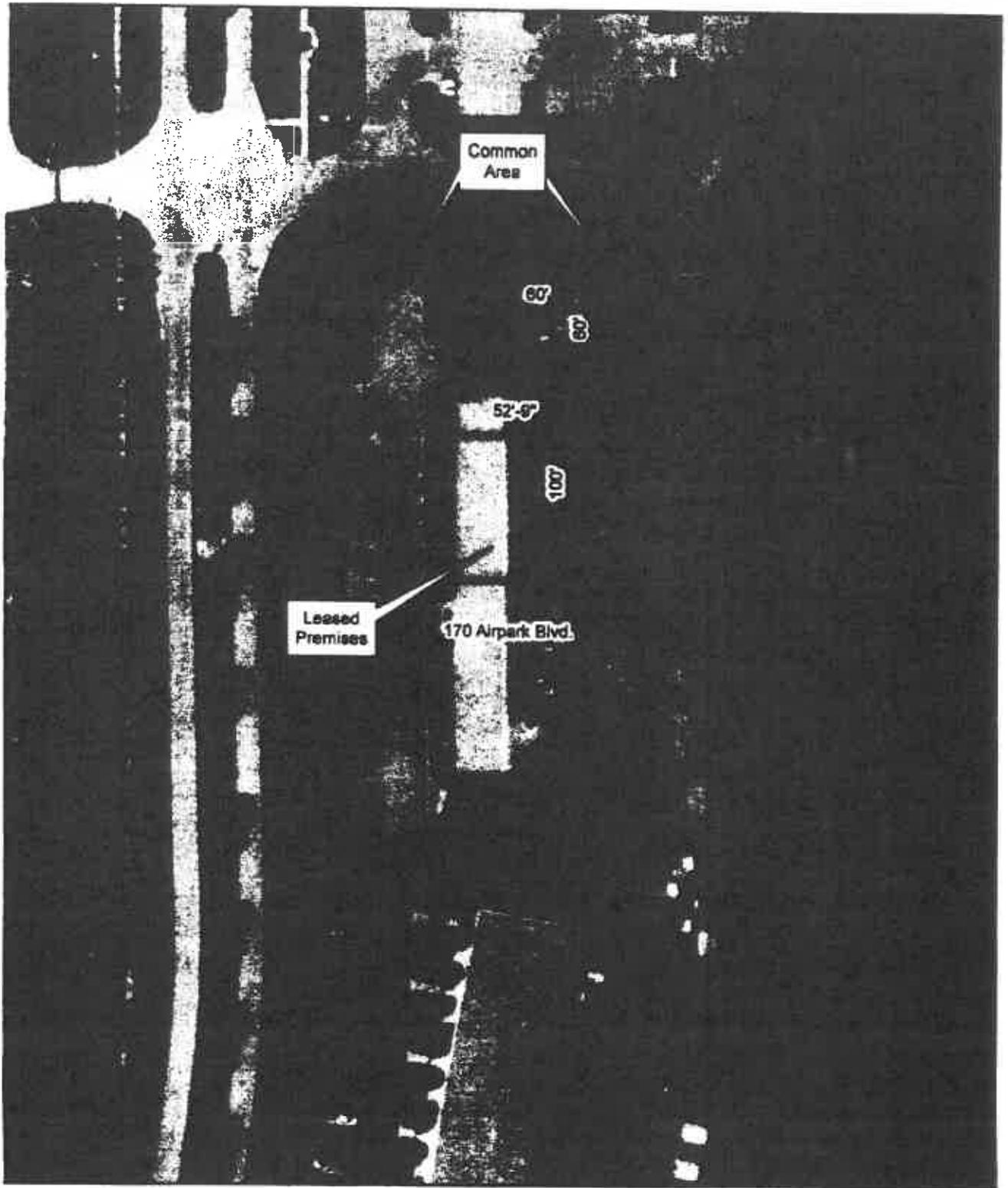




## Addendum

1. In addition to the monthly rent, the Lessee shall reimburse the Authority for the cost of water used to irrigate and the cost of maintaining the landscaping within the Common Area surrounding the Premises. The cost of these services will be twenty-five percent of the actual costs incurred by the Authority. The Authority will submit an invoice for payment to the Lessee each month, which shall be paid in full within ten days of receipt.
2. This Lease has been generated based on the Collier County Innovation Accelerator Business Plan, which was approved by the Board of County Commissioners on May 13, 2014, agenda item 11 A and the Agreement between Collier County and Economic Incubator, Inc. dated October 1, 2014, a copy of the Agreement is attached hereto and made a part hereof this Lease, as Exhibit 'C'.
3. Lessor shall not be required or responsible to maintain, repair or replace any of the equipment for Lessee's operation within the Premises.
4. Lessor shall be responsible for all costs related to the exterior of the Premises.





Economic Incubators, Inc.



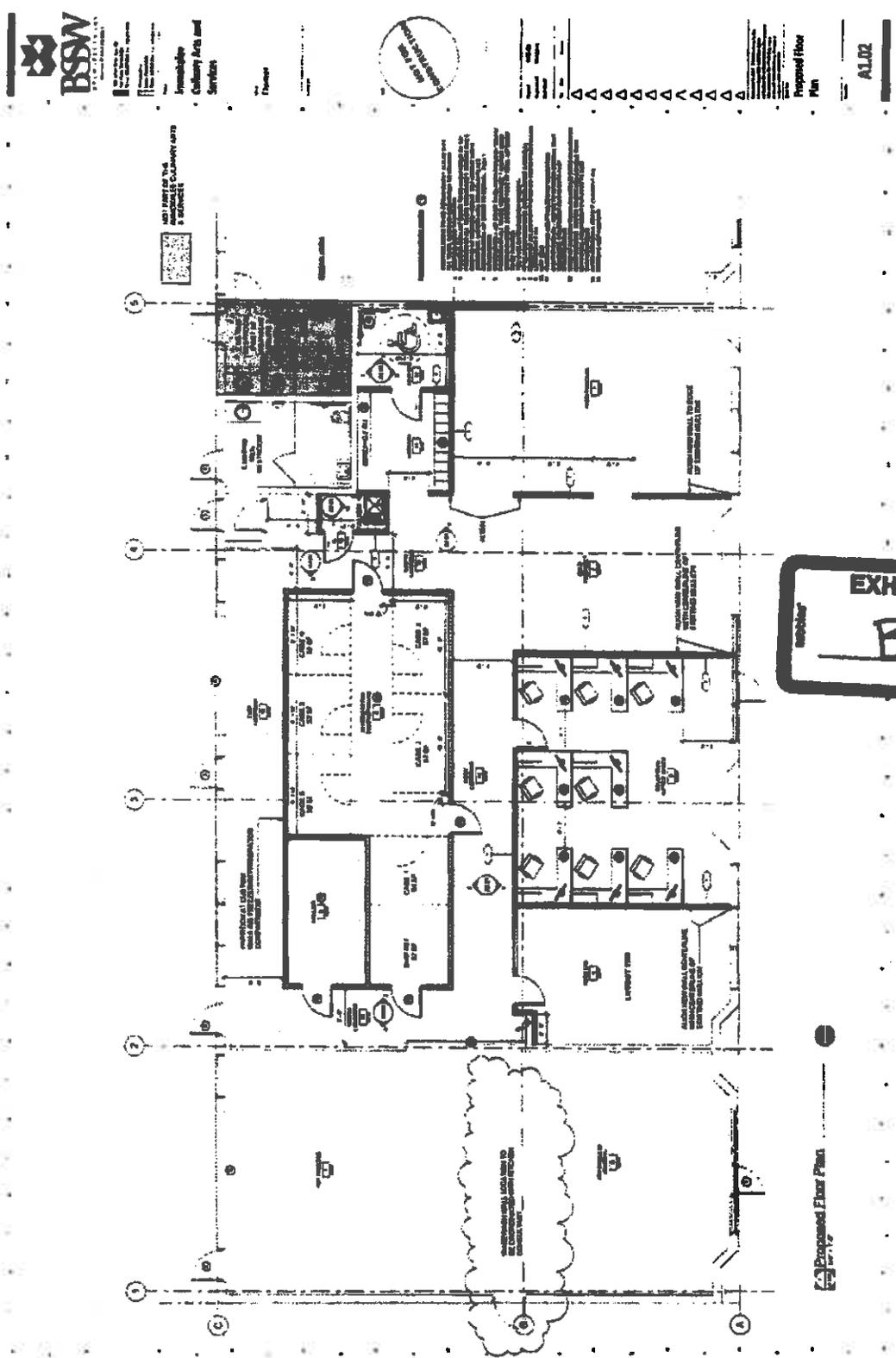


EXHIBIT  
B

Proposed Floor Plan  
A1.02



RLC 5/3/2016

**Lessee's Insurance Statement**

We understand the insurance requirements of these specifications and that the evidence of insurability may be required within five (5) days of the award of this Lease agreement.

Name of Firm \_\_\_\_\_ Date \_\_\_\_\_

Lessee Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Insurance Agency \_\_\_\_\_

Agent Name \_\_\_\_\_ Telephone Number \_\_\_\_\_

**ii. Approval of Final Remodeling plans**

The final remodeling plans were approved two years ago and modifications were made to incorporate new code changes. The plans were approved by Collier County.

**100% Complete**

**iii. Acquisition of all necessary state and local permits**

On Friday September 30, plans were submitted for the Immokalee Culinary Incubator project for Building Permit review.

The project was originally permitted under the 2012 code, and as you are aware the project was defunded by the state and the permit expired. The state has now funded the project and it is moving forward.

The only change from the original documents are changes that were required by the adoption of the current building and fire codes.

Permit #: PRBD20160937356

**100% Complete**

## Collier County Payment Slip - Permits

**Date:** September 30, 2016

**Contact:** System Administrator  
<NO STREET ADDRESS>

**Owner:** USA % ASSISTANT US ATTORNEY KYLE S COHEN  
COLLIER CNTY BOARD OF COUNTY COMMISSIONERS

**Permit Location:** 170 Airpark BLVD, Unit:103

**FEES:**

Description	Application Number	Permit Number	Fee	Paid Fee
Structural Fee - Commercial - Application (Valuation =<\$5000)	PRBD20160937356	PRBD2016093735601	\$50.00	\$0.00
	PRBD20160937356	PRBD2016093735601	\$50.00	\$0.00
Zoning Review - Application				
	PRBD20160937356	PRBD2016093735601	\$135.00	\$0.00
FIRE Application - Architectural				
		<b>Total:</b>	\$235.00	\$0.00

**Total Owing: \$235.00**

**Bonds:**

Item	Type	Balance

**Job Description:** this project will be a partial renonovation of an existing 1 story building that is currently occupied by a manu facting  
170 airport park unit 103

**Collier County  
Growth Management Division**

2800 Horseshoe Drive N.  
Naples, FL 34104  
239-252-2400

**RECEIPT OF PAYMENT**

**Receipt Number:** 2016357560  
**Transaction Number:** 2016-064198  
**Date Paid:** 09/30/2016  
**Amount Due:** \$235.00

<b>Payment Details:</b>	<u>Payment Method</u>	<u>Amount Paid</u>	<u>Check Number</u>
	Check	\$235.00	1460

**Amount Paid:** \$235.00  
**Change / Overage:** \$0.00  
**Contact:** SUMMERS, DANIEL A & SHARON S  
 335 5TH ST N  
 NAPLES , FL 34102

**FEE DETAILS:**

<u>Fee Description</u>	<u>Reference Number</u>	<u>Original Fee</u>	<u>Amount Paid</u>	<u>GL Account</u>
Structural Fee - Commercial - Application (Valuation =<\$5000)	PRBD20160937356	\$50.00	\$50.00	113-138900-322110-000000
Zoning Review - Application	PRBD20160937356	\$50.00	\$50.00	131-138326-343990
FIRE Application - Architectural	PRBD20160937356	\$135.00	\$135.00	113-000000-209105

**Cashier Name:** ElizabethMendez  
**Batch Number:** 5710  
**Entered By:** JamesForma

**Collier County  
Growth Management Division**

2800 Horseshoe Drive N.  
Naples, FL 34104  
239-252-2400

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FIRE Application - Architectural	PRBD20160937356	\$135.00	\$135.00	113-000000-209105

**Cashier Name:** ElizabethMendez  
**Batch Number:** 5710  
**Entered By:** JamesForma

**Immokalee Progress:**

**December 19, 2016**

The following is a list of Contractors to receive email invitation to bid the Culinary Arts Project. They will be contacted by BSSW today.

[JHayes@gatesinc.com](mailto:JHayes@gatesinc.com) – John Hayes – Gates Construction  
[bdowns@compassconstruction.com](mailto:bdowns@compassconstruction.com) – Bruce Downs – Compass Construction  
[DOUG@DECContracting.COM](mailto:DOUG@DECContracting.COM) – Doug Masch  
[johnd@deangelisdiamond.com](mailto:johnd@deangelisdiamond.com) – John De Angelis – DeAngelis Diamond Construction  
[bzino@pbscontractors.com](mailto:bzino@pbscontractors.com) – Bart Zino – PBS Contractors  
[BKoenig@christelconstruction.com](mailto:BKoenig@christelconstruction.com) – Bob Keenig – Christel Construction

The Contractors have been contacted and they have been invited to the Bid.

Bidding Documents are available through the following Dropbox

link:<https://www.dropbox.com/sh/sgvdfcg9pbqmw4/AACNrIMoIEm0B0oxWp1kypxla?dl=0>

BSSW has decided to have the pre-bid meeting with the General contractors on Friday from 9-12 am at the Immokalee accelerator building. Therefore kindly make arrangements for access to the Accelerator building at that time. BSSW will further let us know whether they will have one group tour or individual tours with each General contractor. However that shouldn't be material for your staff.

**January 10, 2017**

We had a productive meeting at the site on Friday with the 4 contractors who are bidding the job.

Consensus was that they needed an additional week to provide accurate and competitive bidding, so one of the addenda items is extending the bid date to January 20, 2017.

Other items in the addendum are self explanatory.

You may want to pass the construction contract by your legal counsel before the bid date to see if they suggest any specific language or language required by the grant.

## Notes from Construction Meeting – January 27, 2017

It was a pleasure meeting with you again today.

Please see my notes from our meeting this morning.

Attendees:- Jace, Marshall, Dan, Claudia, Chris, Troy, Bruce Downs via phone, and you.

- Compass Construction represented by Bruce Downs has agreed to the following items:

1. - A "reasonable" penalty fee in the form of liquidated damages will be added to contract and will be considered by Compass.

2. Compass construction has agreed to a late start date of Feb. 13th and if possible an earlier start date during the week of Feb. 6th. The actual start date will be contingent upon finalization of building permit and initiating final construction contract.

3. Compass has agreed to a final completion date including Certificate of Occupancy and all punch items on or before June 30, 2016.

4. Compass has agreed to provide an updated Fee Schedule and Construction Schedule combined to incorporate an actual working line item with associated costs. This was discussed and understood by all parties as critical to maintain a consistent payment and billing cycle. Compass agreed that all work would be billed at 100% completed and represented via invoice with a bi-weekly progressive cycle. (This may take, and I encourage, a working meeting with Compass to ensure accuracy)

5. Compass will require the necessary "Change of Contractor" forms from the County and submit these asap.

6. There will be a Groundbreaking ceremony either on Feb. 17th or 24th.

7. Deduct Alternate #1 has been refused. The tank will be installed.

8. Deduct Alternate #2 has been refused. The Dumpster Enclosure will be built.

9. Add Alternative #5 will be refused. The OFDC (furniture) will be provided by Owner.

- Permit is due to be ready for pick-up the week of Jan. 30.

- It is still unknown regarding the status of the fire alarm scope of work. The site will be investigated by a sub-contractor recommended by Compass. BSSW will then adjust drawings and resubmit to the County per the Fire Marshall. This will not hold up the release of the permit.

- Some equipment will be purchased by County. BSSW recommends the equipment that needs to be attached with plumbing connections or hard wired electrical connections be provided and purchased by Compass.

Notes proved by Troy Rush



Naples Accelerator  
3510 Kraft Road, Suite 200  
Naples, FL 34105

**ARCHITECTURAL SERVICES PROPOSAL FOR THE  
CULINARY ARTS AND SERVICES FACILITY AT THE IMMOKALEE AIRPORT**

**Naples, Florida**

**September 1, 2016**

**A. Project Background and Scope of Project**

BSSW Architects, Inc. completed the design and construction documents for the Culinary Arts and Services Facility at the Immokalee Airport in April of 2015. Soon thereafter the project was indefinitely put on hold due to factors outside the control of the owner. The Owner now wishes to resume the project as designed and planned so this proposal addresses the resumption of the work not completed in the original effort plus the updating of the Construction and Permitting documents to incorporate Florida Building Code changes.

**B. Scope of Architectural Services**

**Phase I – Update of Construction Documents**

**Phase I Deliverables:**

- Original Construction and Permit documents updated to current Florida Building Code requirements.

**Phase II – Permitting**

Apply for, on behalf of the Owner, and cause to obtain all necessary State, Local and Federal permits by submitting construction plans, calculations, and any other materials required by the permitting agencies. Design of all modifications and additions to the existing building will be in compliance with applicable Codes and Standards, the Collier County Vertical Standards, Florida Building Code, including FBC Plumbing, and NEC, and the ADA – Americans with Disabilities Act.

**Phase II Deliverables**

- Preparation of permitting documents and application for Building Permit.

#VA-CO01838

FORT MYERS  
1600 JACKSON ST #200 FORT MYERS, FL 33901  
PH: 239.275.3838 FX: 239.275.5055

NAPLES  
849 CENTRAL AVENUE NAPLES, FL 34102  
PH: 239.843.1103

### **Phase III – Bidding and Bid Evaluation**

#### **Bid Phase Services**

- Post Design services to include bidding, shop drawing review, RFI's, project closeout documents, as-built drawing in CAD and PDF format, and all final certifications.
- Prepare Base Bid and Alternate Bid Schedule
- Attend Pre-bid Meeting
- Respond to Online Q&A in a timely manner
- Prepare Addenda
- Review Bids and Alternates
- Recommendation for Award of Construction Contract

#### **Phase III Deliverables**

- Bid form.

### **Phase IV - Construction Administration**

- Attend Preconstruction Meeting
- Review Contractors Construction Schedule
- Review Contractors Schedule of Values
- Prepare Submittal and Shop Drawing Schedule
- Review and Approve Contractors Submittal and Shop Drawings
- Review and Approve Contractors Monthly Payment Applications
- Review Proposed Change Orders
- Respond to Contractors Requests for Information
- Review Contractors Closeout Documents
- Update Record Plans with Contractors Revisions – in AutoCAD format and supply to Owner
- Onsite A/E Construction Administration Services
- Observe Work Progress and Prepare Field Reports (twice monthly)
- Attend OAC Meetings onsite twice monthly
- Substantial Completion Meeting and Punch List Preparation and Review
- Final Completion Meeting and Punch List review
- Final Certifications or closeout documents for all agencies and permits to include but not limited to SFWMD, ACOE, FDEP, SDPA, and Collier County Building and Development Services

#### **Phase IV Deliverables**

- FDA and Florida Health Department Certificates.
- As-Built Drawings in AutoCad and PDF format
- Final Permit Certifications.

**ARCHITECTURAL SERVICES PROPOSAL FOR THE  
CULINARY ARTS AND SERVICES FACILITY AT THE IMMOKALEE AIRPORT**

Naples, Florida

September 1, 2016

Page -3-

**C. Services Included:**

- Update of project construction/permit documents

**D. Services Excluded:**

- Zoning and/or land use approvals
- Permit review and or application fees
- Design of security and communications systems or other specialty systems
- Landscape design or modifications

**E. Professional Fees**

**1. Summary of Fees for Architectural and Engineering Services:**

- |   |                  |
|---|------------------|
| • Phase I                                     | \$ 12,000.00     |
| • Phase II                                    | 15,000.00        |
| • Phase III                                   | 8,000.00         |
| • Phase IV                                    | <u>22,000.00</u> |
| • Total fixed fee for basic services outlined | \$ 57,000.00     |
| • Reimbursable Expenses at cost.              | \$ 3,500.00      |

Services to be billed monthly on percentage of task complete

**F. Schedule:**

Project to proceed on a mutually agreeable schedule.

**G. Form of Agreement**

- AIA Document B101 – Standard form of Agreement Between Owner and Architect.

**BSSW ARCHITECTS, INC.**



**Daniel A. Summers, AIA  
President**

# AIA<sup>®</sup> Document A101<sup>™</sup> - 2007

**Standard Form of Agreement Between Owner and Contractor**  
where the basis of payment is a Stipulated Sum

AGREEMENT made as of the « » day of « » in the year «Two Thousand Seventeen »  
(In words, indicate day, month and year.)

**BETWEEN the Owner:**  
(Name, legal status, address and other information)

Economic Incubators Inc. » « »  
«3500 Kraft Road  
Suite 200  
Naples FL 34105»  
« »  
« »

and the Contractor:  
(Name, legal status, address and other information)

« Compass Construction Inc. » « »  
« 824 Lafayette Street  
« Cape Coral, FL 33904»  
« »

for the following Project:  
(Name, location and detailed description)

«Immokalee Culinary Arts and Services»  
«170 Airpark Boulevard  
Immokalee FL 34142»  
« »

**The Architect:**  
(Name, legal status, address and other information)

«BSSW Architects, Inc » « »  
«949 Central Avenue  
Naples FL 34102»  
« »  
« »

The Owner and Contractor agree as follows.

**ADDITIONS AND DELETIONS:**  
The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201<sup>™</sup>-2007, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

**ELECTRONIC COPYING** of any portion of this AIA<sup>®</sup> Document to another electronic file is prohibited and constitutes a violation of copyright laws as set forth in the footer of this document.

**TABLE OF ARTICLES**

- 1 THE CONTRACT DOCUMENTS**
- 2 THE WORK OF THIS CONTRACT**
- 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION**
- 4 CONTRACT SUM**
- 5 PAYMENTS**
- 6 DISPUTE RESOLUTION**
- 7 TERMINATION OR SUSPENSION**
- 8 MISCELLANEOUS PROVISIONS**
- 9 ENUMERATION OF CONTRACT DOCUMENTS**
- 10 INSURANCE AND BONDS**

**ARTICLE 1 THE CONTRACT DOCUMENTS**

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement, all of which form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. An enumeration of the Contract Documents, other than a Modification, appears in Article 9.

**ARTICLE 2 THE WORK OF THIS CONTRACT**

The Contractor shall fully execute the Work described in the Contract Documents, except as specifically indicated in the Contract Documents to be the responsibility of others.

**ARTICLE 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION**

**§ 3.1** Date of commencement will be after the later of the following: Receipt of Notice to Proceed from owner, Issuance of all Building Permits from Collier County, Verification of construction funds in an amount sufficient to support this contract amount, and a recorded Notice of Commencement

It is further agreed that contractor may elect to proceed with preliminary mobilization and selective demolition prior to receipt of Collier County Building Permits, but the contract time will remain as outlined in article 3.3 of this agreement.

*(Insert the date of commencement if it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed.)*

« »

If, prior to the commencement of the Work, the Owner requires time to file mortgages and other security interests, the Owner's time requirement shall be as follows:

« »

**§ 3.2** The Contract Time shall be measured from the date of commencement.

§ 3.3 The Contractor shall achieve Substantial Completion of the entire Work not later than «One Hundred and Thirty-Seven» ( «137» ) days from the date of commencement, or as follows:  
*(Insert number of calendar days. Alternatively, a calendar date may be used when coordinated with the date of commencement. If appropriate, insert requirements for earlier Substantial Completion of certain portions of the Work.)*

«The Contractor shall achieve Substantial Completion of the entire Work not later than June 15, 2017.»

Portion of Work	Substantial Completion Date
«»	

, subject to adjustments of this Contract Time as provided in the Contract Documents.  
*(Insert provisions, if any, for liquidated damages relating to failure to achieve Substantial Completion on time or for bonus payments for early completion of the Work.)*

« Pursuant to a separate grant agreement (the "Grant") by and between the Owner and the State of Florida, the state is reimbursing the Owner for all costs due to the Contractor under this agreement, as well as other costs associated with completion of this project, provided, however that all relevant items or services have been delivered or provided, paid for by the Owner and submitted to the State on or before the close of business on June 30, 2017 (the "Grant End Date").

The builder, in recognition of the above circumstances, expressly acknowledges that Owner will experience actual damages in the event of delay and, therefore, will endeavor to take all reasonable efforts to complete the agreement in a timely fashion.

**ARTICLE 4 CONTRACT SUM**

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be «One Million, One Hundred and Forty-Three Thousand, One Hundred and Ninety Four Dollars and No Cents» (\$ «1,143,194.00» ),

§ 4.2 The Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:  
*(State the numbers or other identification of accepted alternates. If the bidding or proposal documents permit the Owner to accept other alternates subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date when that amount expires.)*

- « (a) Deduct Alternate #1 has been refused. The tank will be installed.
- (b) Deduct Alternate #2 has been refused. The Dumpster Enclosure will be built.
- (c) Add Alternative #5 will be refused. The OFDC (furniture) will be provided by Owner.»

Base Bid Only. No alternatives accepted at time of agreement

§ 4.3 Unit prices, if any:  
*(Identify and state the unit price; state quantity limitations, if any, to which the unit price will be applicable.)*

Item	Units and Limitations	Price Per Unit (\$0.00)
« »		

§ 4.4 Allowances included in the Contract Sum, if any:  
*(Identify allowance and state exclusions, if any, from the allowance price.)*

Item	Price
«Owner Fee »	\$15,000.00

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 User Notes:

**ARTICLE 5 PAYMENTS**

**§ 5.1 PROGRESS PAYMENTS**

**§ 5.1.1** Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

**§ 5.1.2** The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

« »

**§ 5.1.3** Provided that an Application for Payment is received by the Architect not later than the « 5 » day of a month, the Owner shall make payment of the certified amount to the Contractor not later than the « 15 » day of the « same » month. If an Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the Owner not later than « 15 » ( « » ) days after the Architect receives the Application for Payment.

*(Federal, state or local laws may require payment within a certain period of time.)*

**§ 5.1.4** Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

**§ 5.1.5** Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

**§ 5.1.6** Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

- .1** Take that portion of the Contract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work by the share of the Contract Sum allocated to that portion of the Work in the schedule of values, less retainage of « ten » percent ( « 10 » %). Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section 7.3.9 of AIA Document A201™-2007, General Conditions of the Contract for Construction;
- .2** Add that portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction (or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing), less retainage of « ten » percent ( « 10 » %);
- .3** Subtract the aggregate of previous payments made by the Owner; and
- .4** Subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Section 9.5 of AIA Document A201-2007.

**§ 5.1.7** The progress payment amount determined in accordance with Section 5.1.6 shall be further modified under the following circumstances:

- .1** Add, upon Substantial Completion of the Work, a sum sufficient to increase the total payments to the full amount of the Contract Sum, less such amounts as the Architect shall determine for incomplete Work, retainage applicable to such work and unsettled claims; and  
*(Section 9.8.5 of AIA Document A201-2007 requires release of applicable retainage upon Substantial Completion of Work with consent of surety, if any.)*
- .2** Add, if final completion of the Work is thereafter materially delayed through no fault of the Contractor, any additional amounts payable in accordance with Section 9.10.3 of AIA Document A201-2007.

**§ 5.1.8** Reduction or limitation of retainage, if any, shall be as follows:

*(If it is intended, prior to Substantial Completion of the entire Work, to reduce or limit the retainage resulting from the percentages inserted in Sections 5.1.6.1 and 5.1.6.2 above, and this is not explained elsewhere in the Contract Documents, insert here provisions for such reduction or limitation.)*

« At 50% of project completion, retainage shall be reduced to 5% providing that the project is on schedule and work to date is acceptable to Owner and Architect.»

§ 5.1.9 Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

## § 5.2 FINAL PAYMENT

§ 5.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when

- .1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Section 12.2.2 of AIA Document A201-2007, and to satisfy other requirements, if any, which extend beyond final payment; and
- .2 a final Certificate for Payment has been issued by the Architect.

§ 5.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

« »

## ARTICLE 6 DISPUTE RESOLUTION

### § 6.1 INITIAL DECISION MAKER

The Architect will serve as Initial Decision Maker pursuant to Section 15.2 of AIA Document A201-2007, unless the parties appoint below another individual, not a party to this Agreement, to serve as Initial Decision Maker. *(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)*

« »

« »

« »

« »

### § 6.2 BINDING DISPUTE RESOLUTION

For any Claim subject to, but not resolved by, mediation pursuant to Section 15.3 of AIA Document A201-2007, the method of binding dispute resolution shall be as follows:

*(Check the appropriate box. If the Owner and Contractor do not select a method of binding dispute resolution below, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.)*

Arbitration pursuant to Section 15.4 of AIA Document A201-2007

Litigation in a court of competent jurisdiction

Other *(Specify)*

« »

## ARTICLE 7 TERMINATION OR SUSPENSION

§ 7.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document A201-2007.

§ 7.2 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201-2007.

## ARTICLE 8 MISCELLANEOUS PROVISIONS

§ 8.1 Where reference is made in this Agreement to a provision of AIA Document A201-2007 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

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(J89ADA1E)

§ 8.2 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

(Insert rate of interest agreed upon, if any.)

« » % « »

§ 8.3 The Owner's representative:  
(Name, address and other information)

« » Jennifer Pellechio  
« » Economic Incubators Inc  
« » 3510 Kraft Road  
« » Suite 200  
« » Naples, FL 34105

Daniel Summers  
BSSW Architects, Inc.  
949 Central Avenue  
Naples, Florida 34102

§ 8.4 The Contractor's representative:  
(Name, address and other information)

« Bruce Downs  
Compass Construction, Inc.  
824 Lafayette Street  
Cape Coral, FL 33904 »

§ 8.5 Neither the Owner's nor the Contractor's representative shall be changed without ten days written notice to the other party.

§ 8.6 Other provisions:

« Contractor understands that Owner is receiving Grant funding from the State of Florida, and as such agrees to cooperate with Owner to provide necessary assistance and proper documentation of the project. This may include items such as the following: Detailed Schedule of Values broken down into sufficient detail to allow the Owner and Architect to easily determine the value of work in place at the time of each application for payment. Interim payment applications on a twice a month basis if desired to assist the owner in their grant reimbursement documentation. Close coordination with Owner on final selection and procurement of long lead items including all kitchen equipment. Timely and adequate documentation of any unforeseen circumstances on the project which might have an adverse effect on the project schedule. »

**ARTICLE 9 ENUMERATION OF CONTRACT DOCUMENTS**

§ 9.1 The Contract Documents, except for Modifications issued after execution of this Agreement, are enumerated in the sections below.

§ 9.1.1 The Agreement is this executed AIA Document A101-2007, Standard Form of Agreement Between Owner and Contractor.

§ 9.1.2 The General Conditions are AIA Document A201-2007, General Conditions of the Contract for Construction.

§ 9.1.3 The Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages
« »			

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§ 9.1.4 The Specifications:

*(Either list the Specifications here or refer to an exhibit attached to this Agreement.)*

«Enumeration of Contract Documents (Attachment A) »

Section	Title	Date	Pages
« »			

§ 9.1.5 The Drawings:

*(Either list the Drawings here or refer to an exhibit attached to this Agreement.)*

«Enumeration of Contract Documents (Attachment A) »

Number	Title	Date
« »		

§ 9.1.6 The Addenda, if any:

Number	Date	Pages
« No. 1 »	01-09-17	47

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 9.

§ 9.1.7 Additional documents, if any, forming part of the Contract Documents:

- 1 AIA Document E201™-2007, Digital Data Protocol Exhibit, if completed by the parties, or the following:

«»

- 2 Other documents, if any, listed below:

*(List here any additional documents that are intended to form part of the Contract Documents. AIA Document A201-2007 provides that bidding requirements such as advertisement or invitation to bid, Instructions to Bidders, sample forms and the Contractor's bid are not part of the Contract Documents unless enumerated in this Agreement. They should be listed here only if intended to be part of the Contract Documents.)*

« »

**ARTICLE 10 INSURANCE AND BONDS**

The Contractor shall purchase and maintain insurance and provide bonds as set forth in Article 11 of AIA Document A201-2007.

*(State bonding requirements, if any, and limits of liability for insurance required in Article 11 of AIA Document A201-2007.)*

Type of insurance or bond	Limit of liability or bond amount (\$0.00)
« Performance and Payment Bonds »	Contract price

This Agreement entered into as of the day and year first written above.

« »   
 OWNER (Signature)

« » « » MARK WILL COOTNER, CEO  
 (Printed name and title)

« »   
 CONTRACTOR (Signature)

« » « » DAVE OLIVER, PRESIDENT  
 (Printed name and title)



**IMMOKALEE CULINARY ARTS & SERVICES**

**LIST OF DRAWINGS, PROJECT MANUAL & SPECIFICATIONS**

**GENERAL INFORMATION SHEETS:**

G0.01: 12-01-2016  
G0.02: 12-01-2016

**SITE DEVELOPMENT PLAN- CIVIL**

SHEET 1: 03-13-2015  
SHEET 2: 03-11-2015  
SDP-1: 03-13-15

**ARCHITECTURAL SHEETS:**

A0.01: 12-01-2016  
A0.02A: 12-01-2016  
A0.02B: 12-01-2016  
A1.00: 12-01-2016  
A1.01: 12-01-2016  
A1.02: 12-01-2016  
A1.03: 12-01-2016  
A2.01: 12-01-2016  
A2.02: 12-01-2016  
A3.01: 12-01-2016

**FOOD SERVICE EQUIPMENT SHEETS:**

KA.01: 12-01-2016  
KA.02: 12-01-2016  
KA.02A: 12-01-2016  
KA.03: 12-01-2016  
KA.03A: 12-01-2016  
KA.04: 12-01-2016  
KA.04A: 12-01-2016  
RDT 1.1: 02-18-15  
AquaMatic 1: 03-02-15  
AquaMatic 2: 03-02-15

**FIRE ALARM SHEETS:**

FA1.01: 12-01-2016  
FA2.01: 12-01-2016

**PLUMBING SHEETS:**

P1.01: 12-01-2016  
P2.01: 12-01-2016  
P3.01: 12-01-2016  
P4.01: 12-01-2016  
P4.02: 12-01-2016

**MECHANICAL SHEETS:**

M1.01: 12-01-2016  
M2.01: 12-01-2016  
M2.02: 12-01-2016  
M3.01: 12-01-2016

**ELECTRICAL SHEETS:**

E1.01: 12-01-2016  
E2.01: 12-01-2016  
E2.02: 12-01-2016  
E2.03: 12-01-2016  
E3.01: 12-01-2016  
E3.02: 12-01-2016

**MEP PENETRATION DETAILS SHEET:**

PD1.01:12-01-16

**PROJECT MANUAL &  
SPECIFICATIONS:**

12-01-2016

**ADDENDA**

Addendum No. 1: 01-09-17

AA-C001836

**FORT MYERS**  
1500 JACKSON ST. #200 FORT MYERS, FL 33901  
PH: 239.278.3838 FX: 239.275.5356

**NAPLES**  
949 CENTRAL AVENUE NAPLES, FL 34102  
PH: 239.643.3103

INNOVATION AND PERFORMANCE IN ARCHITECTURE \* PLANNING - INTERIOR DESIGN



# ECONOMIC INCUBATOR, INC.

## *Invoice Submittal Package*

Grant Agreement – State of Florida – Department of Economic Opportunity  
Agreement # SL025

***Grant Period: July 1, 2016- June 30, 2017***

***Request Date: June 28, 2017***

### ***Task 3 – Development of the Immokalee Culinary Arts & Service Incubator Facility***

Economic Incubators, Inc.  
**Naples Accelerator**  
3510 Kraft Road, Suite #200  
Naples, Florida 34105  
(239) 249-5911  
[www.naplesaccelerator.com](http://www.naplesaccelerator.com)

**iv. Construction/remodeling of the space**

The contract was awarded to the lowest bidder.

Bidding Documents were made available through the following Dropbox

[link:https://www.dropbox.com/sh/sgvdfcg9pbqmww4/AACNrIMoIEm0B0oxWp1kypxla?dl=0](https://www.dropbox.com/sh/sgvdfcg9pbqmww4/AACNrIMoIEm0B0oxWp1kypxla?dl=0)

Construction began late February 2017 with the ground-breaking event that was held on March 2<sup>nd</sup>. The construction/remodeling of the space is complete as of June 30, 2017.

**100% Complete**

ECONOMIC INCUBATORS INC  
OPERATING ACCOUNT  
3530 KRAFT RD STE 201  
NAPLES, FL 34105

FIRST FLORIDA INTEGRITY BANK  
3580 PINE RIDGE ROAD  
NAPLES, FL 34109

10

2114

05/26/2017

PAY TO THE  
ORDER OF

BSSW

\$ \*\*1,282.50

One thousand two hundred eighty-two and 50/100\*\*\*\*\*  
DOLLARS

BSSW  
1500 Jackson Street Suite 200  
Fort Myers, Florida 339601

  
AUTHORIZED SIGNATURE

MEMO

[Redacted]

ECONOMIC INCUBATORS INC  
05/26/2017 BSSW OPERATING ACCOUNT

2114

Date	Type	Reference	Original Amount	Balance Due	Payment
05/26/2017	Bill	10704	1,282.50	1,282.50	1,282.50
		Check Amount			1,282.50

[Redacted]

1,282.50

ECONOMIC INCUBATORS INC  
05/26/2017 BSSW OPERATING ACCOUNT

2114

Date	Type	Reference	Original Amount	Balance Due	Payment
05/26/2017	Bill	10704	1,282.50	1,282.50	1,282.50
		Check Amount			1,282.50

[Redacted]

1,282.50



1500 Jackson St, Suite 200  
 Fort Myers, FL 33901  
 Phone (239) 278-3838

**Invoice**

May 24, 2017  
 Invoice No: 10704

Marshall Goodman  
 Naples Accelerator  
 3510 Kraft Road, Suite 200  
 Naples 34105

Project 1615.03 Culinary Arts and Services Facility Immokalee Airport - Revisions  
 jpellechio@naplesaccelerator.com

**Professional Services for the Period: April 01, 2017 to April 30, 2017**

**Professional Personnel**

	Hours	Rate	Amount	
Intern Architect	13.50	95.00	1,282.50	
Totals	13.50		1,282.50	
<b>Total Labor</b>				<b>1,282.50</b>
		<b>Phase Total</b>		<b>\$1,282.50</b>
		<b>Total Project Invoice Amount</b>		<b>\$1,282.50</b>

**ECONOMIC INCUBATORS INC  
OPERATING ACCOUNT**  
3530 KRAFT RD STE 201  
NAPLES, FL 34105

FIRST FLORIDA INTEGRITY BANK 63-1632/670  
3580 PINE RIDGE ROAD 10  
NAPLES, FL 34109

2116

05/26/2017

PAY TO THE ORDER OF BSSW \$ **\*\*9,934.00**

Nine thousand nine hundred thirty-four and 00/100\*\*\*\*\*  
DOLLARS

BSSW  
1500 Jackson Street Suite 200  
Fort Myers, Florida 339601

  
AUTHORIZED SIGNATURE

MEMO

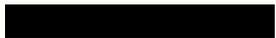


ECONOMIC INCUBATORS INC.		OPERATING ACCOUNT				2116
05/26/2017		BSSW				
<b>Date</b>	<b>Type</b>	<b>Reference</b>	<b>Original Amount</b>	<b>Balance Due</b>	<b>Payment</b>	
05/26/2017	Bill	10722	9,934.00	9,934.00	9,934.00	
			Check Amount		9,934.00	

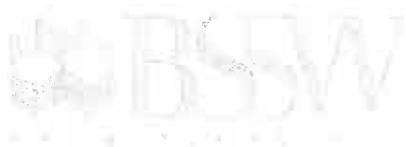


9,934.00

ECONOMIC INCUBATORS INC.		OPERATING ACCOUNT				2116
05/26/2017		BSSW				
<b>Date</b>	<b>Type</b>	<b>Reference</b>	<b>Original Amount</b>	<b>Balance Due</b>	<b>Payment</b>	
05/26/2017	Bill	10722	9,934.00	9,934.00	9,934.00	
			Check Amount		9,934.00	



9,934.00



**Invoice**

May 25, 2017

Invoice No: 10722

1500 Jackson St, Suite 200  
Fort Myers, FL 33901  
Phone (239) 278-3838

Marshall Goodman  
Naples Accelerator  
3510 Kraft Road, Suite 200  
Naples 34105

Project 1615.00 Culinary Arts and Services Facility Immokalee Airport  
jpellechio@naplesaccelerator.com

**Professional Services for the Period: April 01, 2017 to April 30, 2017**

Phase	Fee	% Complete	Fee Earned	Prior Billing	Current Billing
Construction Documents	12,000.00	100.00	12,000.00	12,000.00	0.00
Permitting	15,000.00	100.00	15,000.00	15,000.00	0.00
Bidding and Bid Evaluation	8,000.00	100.00	8,000.00	8,000.00	0.00
Construction Administration	22,000.00	75.00	16,500.00	6,600.00	9,900.00
<b>Total Fee</b>	<b>57,000.00</b>		<b>51,500.00</b>	<b>41,600.00</b>	<b>9,900.00</b>
	<b>Total Fee</b>			<b>9,900.00</b>	
			<b>Phase Total</b>	<b>\$9,900.00</b>	

**Reimbursable Expenses**

<b>Reimbursable Postage/Delivery/Courier</b>					
4/30/2017	MAIL STATION COURIER	4/21 bssw c.r. - cari @ elephant mktg		22.00	
4/30/2017	MAIL STATION COURIER	4/26 bssw c.r. - cari @ elephant mktg		12.00	
	<b>Total Reimbursables</b>	<b>1.0 times</b>		<b>34.00</b>	<b>34.00</b>
			<b>Phase Total</b>		<b>\$34.00</b>
			<b>Total Project Invoice Amount</b>		<b>\$9,934.00</b>

**MAIL STATION COURIER**

Local and Long Distance  
Courier Service  
Naples Office  
436-3910

2338 Immokalee Road, Suite 403  
Naples, FL 34110

Daily Scheduled Routes  
Naples - Ft. Myers - Sarasota

Ft. Myers  
1-800-287-9825

PICK UP FROM:

Company BSSW ARCHITECTS  
Name CLAUDIA

Phone 643 3103

Address 999 CENTAL AVE - NAPLES -  
Date 4/21/17 Time 11:45 Signature \_\_\_\_\_

DELIVER TO:

Company ELEPHANT MARKETING & MEDIA  
Name CARI JONES

Phone 349 6107

Address 3515 KRATT RD #200 - NAPLES  
DATE 4/21/17 TIME 12:00 SIGNATURE A. Myers

Route	SERVICE	Paid cash amount	_____
4 Hour	<u>20 MIN</u>	Paid check amount	_____
2 Hour	<u>WART</u>	Charge Amount	<u>100</u>
Direct	<u>+10</u>	Bill to	_____
		Customer Reference #	_____

Ticket 05200 Driver Initial BSB

\*A copy of contract & the registration is provided to the driver at the start of the shift. \$100.00 unless you indicate in the form where you want payment for actual time in driver's possession.

**MAIL STATION COURIER**

Local and Long Distance  
Courier Service

2338 Immokalee Road, Suite 403  
Naples, FL 34110

Daily Scheduled Routes  
Naples - Ft. Myers - Sarasota

Naples Office  
436-3910

Ft. Myers  
1-800-287-9825

PICK UP FROM:

Company JESSE ARCHITECTS Name CLAUDIA Phone 239 643 3103

Address 149 CENTRAL AVE

Date 4/26 Time 9:51 Signature \_\_\_\_\_

DELIVER TO:

Company ELEMENT HARKENTWIT & MEDIA Name CAROLYNES VITEN REUCILLID Phone 239 446 6157

Address 3515 KRAFT RD # 200

DATE 4/26/17 TIME 11:22 SIGNATURE [Signature]

Route	SERVICE	Paid cash amount	_____
4 Hour	_____	Paid check amount	_____
2 Hour	_____	Charge Amount	<u>15</u>
Direct	_____	Bill to	_____
		Customer Reference #	_____

Ticket 05201 Driver Initial [Signature]

MAIL STATION COURIER, INC. Driver Liability  
This receipt is connected with the shipment described in the letter of advice and receipt of goods and is void without it. It is not valid unless accompanied by a copy of the letter of advice and receipt of goods.

**ECONOMIC INCUBATORS INC  
OPERATING ACCOUNT**  
3530 KRAFT RD STE 201  
NAPLES, FL 34105

FIRST FLORIDA INTEGRITY BANK 63-1632/670  
3580 PINE RIDGE ROAD 10  
NAPLES, FL 34109

2119

05/26/2017

PAY TO THE ORDER OF Compass Construction, Inc. \$ **\*\*151,576.20**

One hundred fifty-one thousand five hundred seventy-six and 20/100\*\*\*\*\*  
DOLLARS

Compass Construction, Inc.  
824 Lafayette Street  
Cape Coral, Florida 33904



AUTHORIZED SIGNATURE

MEMO



ECONOMIC INCUBATORS INC 05/26/2017		OPERATING ACCOUNT Compass Construction, Inc.				2119
<b>Date</b>	<b>Type</b>	<b>Reference</b>	<b>Original Amount</b>	<b>Balance Due</b>	<b>Payment</b>	
05/26/2017	Bill	17-1315	151,576.20	151,576.20	151,576.20	
			Check Amount		151,576.20	



151,576.20

ECONOMIC INCUBATORS INC 05/26/2017		OPERATING ACCOUNT Compass Construction, Inc.				2119
<b>Date</b>	<b>Type</b>	<b>Reference</b>	<b>Original Amount</b>	<b>Balance Due</b>	<b>Payment</b>	
05/26/2017	Bill	17-1315	151,576.20	151,576.20	151,576.20	
			Check Amount		151,576.20	



151,576.20

✓

**APPLICATION AND CERTIFICATION FOR PAYMENT** AIA DOCUMENT G702 PAGE ONE OF 2 PAGES

TO OWNER Naples Accelerator PROJECT: Immokalee Culinary Arts and Services APPLICATION NO 4  
 3500 Kraft Road, Suite 200 PERIOD TO: 5/26/2017  
 Naples, FL 34105

FROM CONTRACTOR COMPASS CONSTRUCTION, INC. ARCHITECT: BSSW Architects, Inc.  
 824 Lafayette Street  
 Cape Coral, FL 33904

CONTRACT FOR: Immokalee Culinary Arts and Services CONTRACT DATE 2/13/17

**CONTRACTOR'S APPLICATION FOR PAYMENT**  
 Application is made for payment, as shown below, in connection with the Contract, Certification Sheet, AIA Document G703, is attached.

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR Campus Construction, Inc.  
 By: *[Signature]* Date: *5/25/17*  
 Grace Downs, Project Manager County of Lee

State of Florida  
 Subscribed and sworn to before me this 25th day of May 2017  
 Notary Public  
 My Commission expires 08/16/2018

**ARCHITECT'S CERTIFICATE FOR PAYMENT**  
 In accordance with the Contract Documents, based on on-site observations and the data comparing the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.  
 AMOUNT CERTIFIED \$ 151,576.20

1. ORIGINAL CONTRACT SUM	5	1,143,194.00	
2. Net change by Change Orders		0.00	
3. CONTRACT SUM TO DATE (Line 1 + 2)		1,143,194.00	
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)		476,693.00	
5. RETAINAGE:			
a. 10% of Completed Work (Column D + E on G703)	\$	47,669.30	
b. % of Stored Material (Column F on G703)			
Total Retainage (Lines 5a + 5b or Total in Column I of G703)		47,669.30	
6. TOTAL EARNED, LESS RETAINAGE (Line 4 Less Line 5 Total)		429,023.70	
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)		277,447.50	
8. CURRENT PAYMENT DUE		151,576.20	
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	\$	714,170.30	

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$0.00	
Total approved this Month	\$0.00	
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order		\$0.00

Users may obtain validation of this document by requesting a completed AIA Document D401 - Certification of Document's Authenticity from the Licensee.

CONTINUATION SHEET				APPLICATION NUMBER: 4				APPLICATION DATE: 5/25/2017					
Immobiles Culinary Arts & Services				PERIOD TO: 4/30/17-6/28/17				PROJECT NUMBER: 17-1318					
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	CHANGE ORDER NO.	CHANGE ORDER AMOUNT	CHANGE ORDER DESCRIPTION	REVISED VALUE	WORK COMPLETED PREVIOUS APPLICATION	THIS PERIOD	STORIED MATERIALS	TOTAL COMPLETED & STORIED TO DATE	% COMP.	BALANCE TO FINISH	RETAINAGE
10	General Conditions	73,176.00				73,176.00	44,000.00	18,000.00		82,000.00	85%	11,176.00	6,200.00
20	Bond	16,537.00				16,537.00	16,537.00			16,537.00	100%		1,653.70
30	Demolition	11,235.00				11,235.00	11,235.00			11,235.00	100%		1,123.50
40	Slewwork	22,601.00				22,601.00	11,200.00			11,200.00	80%	11,401.00	1,120.00
50	Concrete/Masonry	14,780.00				14,780.00	14,780.00			14,780.00	100%		1,478.00
60	Metals	19,410.00				19,410.00	4,800.00			11,900.00	80%	7,810.00	1,160.00
70	Carpentry & Casework Install	5,775.00				5,775.00					0%	5,775.00	
80	Thermal & Moisture	5,775.00				5,775.00					0%	5,775.00	
90	Doors, Frames and Hardware	12,624.00				12,624.00	9,458.00	3,450.00		12,624.00	60%	2,325.00	345.00
100	Drywall & Metal Studs	34,598.00				34,598.00	25,790.00	5,200.00		30,990.00	80%	3,818.00	1,282.40
110	Quarry Tile and Base	80,325.00				80,325.00				48,000.00	60%	32,325.00	3,098.00
120	Acoustical Ceilings	16,800.00				16,800.00				13,500.00	80%	3,300.00	1,360.00
130	FRP	19,845.00				19,845.00				14,900.00	75%	4,945.00	1,480.00
140	Painting	10,405.00				10,405.00				6,200.00	60%	4,205.00	520.00
150	Signage	20,433.00				20,433.00					0%	20,433.00	
160	Misc. Specialties	2,615.00				2,615.00					0%	2,615.00	
170	Metal Lockers	3,476.00				3,476.00					0%	3,476.00	
180	Food Equipment	438,068.00				438,068.00					0%	438,068.00	
190	Pumping	81,900.00				81,900.00	56,970.00	8,200.00		65,170.00	80%	16,730.00	6,517.00
200	Gas Piping	9,975.00				9,975.00				88,610.00	80%	10,680.00	8,951.00
210	HVAC	98,700.00				98,700.00	88,610.00	20,000.00		108,610.00	80%	10,680.00	8,951.00
220	Kitchen Hoods	32,802.00				32,802.00	41,707.00	21,000.00		62,707.00	75%	20,827.00	6,270.70
230	Electrical	83,534.00				83,534.00	3,200.00			3,200.00	25%	9,695.00	320.00
240	Fire Alarm	12,805.00				12,805.00					0%	12,805.00	
250	Owner Contingency	15,000.00				15,000.00					0%	15,000.00	
<b>TOTALS</b>		<b>1,143,194.00</b>				<b>1,143,194.00</b>	<b>308,275.00</b>	<b>188,418.00</b>		<b>476,593.00</b>	<b>42%</b>	<b>668,501.00</b>	<b>47,889.30</b>

Need Check



1500 Jackson St, Suite 200  
 Fort Myers, FL 33901  
 Phone (239) 278-3838

**Invoice**

March 24, 2017  
 Invoice No: 10616

Marshall Goodman  
 Naples Accelerator  
 3510 Kraft Road, Suite 200  
 Naples 34105

Project 1615.00 Culinary Arts and Services Facility Immokalee Airport  
 jpellechio@naplesaccelerator.com

**Professional Services for the Period: February 01, 2017 to February 28, 2017**

Phase	Fee	% Complete	Fee Earned	Prior Billing	Current Billing
Construction Documents	12,000.00	100.00	12,000.00	12,000.00	0.00
Permitting	15,000.00	100.00	15,000.00	15,000.00	0.00
Bidding and Bid Evaluation	8,000.00	100.00	8,000.00	8,000.00	0.00
Construction Administration	22,000.00	15.00	3,300.00	0.00	3,300.00
<b>Total Fee</b>	<b>57,000.00</b>		<b>38,300.00</b>	<b>35,000.00</b>	<b>3,300.00</b>
	<b>Total Fee</b>			<b>3,300.00</b>	
			<b>Phase Total</b>	<b>\$3,300.00</b>	

**Reimbursable Expenses**

<b>Reimbursable Travel Expense</b>					
2/1/2017	Roncoroni, Claudia	Meeting at Naples Accelerator		9.12	
<b>Reimbursables-Consultant</b>					
2/20/2017	BURGESS BRANT, CONSULTING ENGINEERS	re prints - code revisions		32.00	
2/20/2017	BURGESS BRANT, CONSULTING ENGINEERS	coastal courier		18.00	
	<b>Total Reimbursables</b>	<b>1.0 times</b>		<b>59.12</b>	<b>59.12</b>
			<b>Phase Total</b>	<b>\$59.12</b>	
			<b>Total Project Invoice Amount</b>		<b>\$3,359.12</b>

**ECONOMIC INCUBATORS INC  
OPERATING ACCOUNT**  
3530 KRAFT RD STE 201  
NAPLES, FL 34105

FIRST FLORIDA INTEGRITY BANK 63-1632/670  
3580 PINE RIDGE ROAD 10  
NAPLES, FL 34109

2129

06/27/2017

PAY TO THE ORDER OF BSSW \$ \*\*2,375.00

Two thousand three hundred seventy-five and 00/100\*\*\*\*\*  
DOLLARS

BSSW  
1500 Jackson Street Suite 200  
Fort Myers, Florida 339601



AUTHORIZED SIGNATURE

MEMO

[Redacted]

ECONOMIC INCUBATORS INC OPERATING ACCOUNT  
06/27/2017 BSSW

2129

Date	Type	Reference	Original Amount	Balance Due	Payment
06/27/2017	Bill	10737	2,375.00	2,375.00	2,375.00
			Check Amount		2,375.00

[Redacted]

2,375.00

ECONOMIC INCUBATORS INC OPERATING ACCOUNT  
06/27/2017 BSSW

2129

Date	Type	Reference	Original Amount	Balance Due	Payment
06/27/2017	Bill	10737	2,375.00	2,375.00	2,375.00
			Check Amount		2,375.00

[Redacted]

2,375.00



1500 Jackson St, Suite 200  
 Fort Myers, FL 33901  
 Phone (239) 278-3838



**Invoice**

June 23, 2017  
 Invoice No: 10737

Marshall Goodman  
 Naples Accelerator  
 3510 Kraft Road, Suite 200  
 Naples 34105

Project 1615.03 Culinary Arts and Services Facility Immokalee Airport - Revisions  
 jpellechio@naplesaccelerator.com

Professional Services for the Period: May 01, 2017 to May 31, 2017

Professional Personnel

	Hours	Rate	Amount
Intern Architect	10.00	95.00	950.00
Totals	10.00		950.00
Total Labor			850.00
<b>Reimbursable Expenses</b>			
Reimbursable Expenses			
5/23/2017 CLEVENGER FRABLE	naples culinary 100%	1,425.00	
LAVALEE	revisions		
Total Reimbursables	1.0 times	1,425.00	1,425.00
	Phase Total		\$2,375.00
Total Project Invoice Amount			\$2,375.00

**ECONOMIC INCUBATORS INC  
OPERATING ACCOUNT**  
3530 KRAFT RD STE 201  
NAPLES, FL 34105

FIRST FLORIDA INTEGRITY BANK 63-1692/670  
3580 PINE RIDGE ROAD 10  
NAPLES, FL 34109

2130

06/27/2017

PAY TO THE  
ORDER OF

BSSW

\$ \*\*5,599.75

Five thousand five hundred ninety-nine and 75/100\*\*\*\*\*

DOLLARS

BSSW  
1500 Jackson Street Suite 200  
Fort Myers, Florida 339601



AUTHORIZED SIGNATURE

MEMO

[Redacted]

ECONOMIC INCUBATORS INC  
06/27/2017

BSSW

OPERATING ACCOUNT

2130

Date	Type	Reference	Original Amount	Balance Due	Payment
06/27/2017	Bill	10736	5,599.75	5,599.75	5,599.75
			Check Amount		5,599.75

[Redacted]

5,599.75

ECONOMIC INCUBATORS INC  
06/27/2017

BSSW

OPERATING ACCOUNT

2130

Date	Type	Reference	Original Amount	Balance Due	Payment
06/27/2017	Bill	10736	5,599.75	5,599.75	5,599.75
			Check Amount		5,599.75

[Redacted]

5,599.75



1500 Jackson St, Suite 200  
 Fort Myers, FL 33901  
 Phone (239) 278-3838

**Invoice**

June 23, 2017  
 Invoice No: 10736

Marshall Goodman  
 Naples Accelerator  
 3510 Kraft Road, Suite 200  
 Naples 34105

Project 1615.00 Culinary Arts and Services Facility Immokalee Airport  
 jpellechio@naplesaccelerator.com

**Professional Services for the Period: May 01, 2017 to May 31, 2017**

Phase	Fee	% Complete	Fee Earned	Prior Billing	Current Billing
Construction Documents	12,000.00	100.00	12,000.00	12,000.00	0.00
Permitting	15,000.00	100.00	15,000.00	15,000.00	0.00
Bidding and Bid Evaluation	8,000.00	100.00	8,000.00	8,000.00	0.00
Construction Administration	22,000.00	100.00	22,000.00	16,500.00	5,500.00
<b>Total Fee</b>	<b>57,000.00</b>		<b>57,000.00</b>	<b>51,500.00</b>	<b>5,500.00</b>
<b>Total Fee</b>					<b>5,500.00</b>
				<b>Phase Total</b>	<b>\$5,500.00</b>

**Reimbursable Expenses**

Reimbursable Travel Expense				
4/6/2017	Roncoroni, Claudia	Team Meeting	49.02	
5/31/2017	Roncoroni, Claudia	Meeting Owner GC	50.73	
<b>Total Reimbursables</b>		<b>1.0 times</b>	<b>99.75</b>	<b>99.75</b>
				<b>Phase Total</b>
				<b>\$99.75</b>

**Total Project Invoice Amount \$5,599.75**

**ECONOMIC INCUBATORS INC  
OPERATING ACCOUNT**  
3530 KRAFT RD STE 201  
NAPLES, FL 34105

FIRST FLORIDA INTEGRITY BANK 63-1632/670  
3580 PINE RIDGE ROAD 10  
NAPLES, FL 34109

2123

06/14/2017

PAY TO THE ORDER OF Compass Construction, Inc. \$ **\*\*109,816.20**

One hundred nine thousand eight hundred sixteen and 20/100\*\*\*\*\*  
DOLLARS

Compass Construction, Inc.  
824 Lafayette Street  
Cape Coral, Florida 33904

*Jennifer Kelleher*  
AUTHORIZED SIGNATURE

MEMO

[REDACTED]

ECONOMIC INCUBATORS INC		OPERATING ACCOUNT				2123
06/14/2017		Compass Construction, Inc.				
Date	Type	Reference	Original Amount	Balance Due	Payment	
06/14/2017	Bill	5	109,816.20	109,816.20	109,816.20	
			Check Amount		109,816.20	

[REDACTED]

109,816.20

ECONOMIC INCUBATORS INC		OPERATING ACCOUNT				2123
06/14/2017		Compass Construction, Inc.				
Date	Type	Reference	Original Amount	Balance Due	Payment	
06/14/2017	Bill	5	109,816.20	109,816.20	109,816.20	
			Check Amount		109,816.20	

[REDACTED]

109,816.20

**APPLICATION AND CERTIFICATION FOR PAYMENT**

AAA DOCUMENT G702

PAGE ONE OF 1 2 PAGES

TO OWNER Naples Accelerator  
3500 Kraft Road, Suite 200  
Naples, FL 34105

PROJECT: Immaculate Culinary Arts and Services

APPLICATION NO 5

PERIOD TO: 6/9/2017

Distribution to:

- OWNER
- CONTRACTOR
- ARCHITECT
- LENDER
- CIVIL ENGINEER

FROM CONTRACTOR:  
COMPASS CONSTRUCTION, INC.  
824 Luluyelle Street  
Cape Coral, FL 33904

ARCHITECT: BSSW Architects, Inc.

PROJECT NO: 17-1315

CONTRACT DATE 2/13/17

**CONTRACTOR'S APPLICATION FOR PAYMENT**

Application is made for payment, as shown below, in connection with the Contract, Certification Sheet, AAA Document G702, is attached.

1. ORIGINAL CONTRACT SUM 1,143,139.00

2. Net change by Change Orders (171,139.00)

3. CONTRACT SUM TO DATE (Line 1 + 2) 972,000.00

4. TOTAL COMPLETED & STORED TO DATE (Column O on G702) 598,711.00

5. RETAINAGE

a. 10% of Completed Work 59,871.10

b. % of Stored Material

(Column F on G702)

Total Retainage (Lines 5a + 5b or Total in Column I of G702) 59,871.10

6. TOTAL EARNED LESS RETAINAGE 429,023.70

(Line 4 Less Line 5 Total)

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) 109,816.20

8. CURRENT PAYMENT DUE 433,213.10

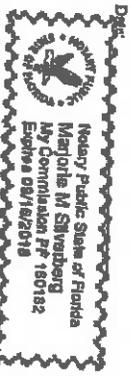
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous orders by Owner	(\$171,139.00)	
Total approved this Month	(\$171,139.00)	
TOTALS		\$0.00
NET CHANGES by Change Order		(\$171,139.00)

The undersigned Contractor certifies that to the best of his Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Compass Construction, Inc.

By:   
Blake Downs, Project Manager  
State of Florida  
Subscribed and sworn to before me this 9th day of June 2017  
Notary Public, Volusia Co., Florida  
My Commission expires 01/01/2018



**ARCHITECT'S CERTIFICATE FOR PAYMENT**

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, and is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED ..... \$ 109,816.20

(Attach explanation if amount certified differs from the amount applied. Initial all figures on the application and enter Condition/Item Sheet that are changed as compared with the amount certified.)  
Architect: BSSW Architects, Inc.  
By:   
Date: 6-12-17

AAA DOCUMENT G702 - APPLICATION AND CERTIFICATION FOR PAYMENT - 1982 EDITION - AA - 19123  
Users may obtain validation of this document by requesting a completed AAA Document D401 - Certification of Documents Authentically from the Licensee.  
THE AMERICAN INSTITUTE OF CERTIFIERS, 1702 NEW YORK AVE., N.W., WASHINGTON, DC 20005-4222

CONTINUATION SHEET													
Innokinkee Culinary Arts & Services													
APPLICATION NUMBER: 5													
APPLICATION DATE: 6/7/2017													
PERIOD TO: 5/26/17-6/9/17													
PROJECT NUMBER: 17-1315													
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	CHANGE ORDER NO.	CHANGE ORDER AMOUNT	CHANGE ORDER DESCRIPTION	REVISED VALUE	PREVIOUS APPLICATION	THIS PERIOD	STORED MATERIALS	TOTAL COMPLETED & STORED TO DATE	% COMP.	BALANCE TO FINISH	RETAINAGE
10	General Conditions	73,176.00				73,176.00	62,000.00	3,500.00		65,500.00	90%	7,678.00	8,550.00
20	Bond	18,537.00				18,537.00	16,537.00			16,537.00	100%		1,653.70
30	Demolition	11,235.00				11,235.00	11,235.00			11,235.00	100%		1,123.50
40	Silework	22,601.00				22,601.00	11,220.00	4,700.00		15,920.00	70%	8,701.00	1,590.00
50	Concrete/Masonry	14,780.00				14,780.00	14,780.00			14,780.00	100%		1,478.00
60	Merits	18,410.00				18,410.00	11,600.00			11,600.00	60%	7,810.00	1,160.00
70	Carpentry & Casework Install	5,775.00				5,775.00					0%	5,775.00	345.00
80	Thermal & Moisture	5,775.00				5,775.00					0%	2,325.00	1,282.40
90	Doors, Frames and Hardware	12,624.00				12,624.00	12,624.00			12,624.00	100%		3,388.00
100	Drywall & Metal Studs	34,598.00				34,598.00	30,980.00	16,000.00		33,980.00	98%	818.00	8,400.00
110	Quarry Tile and Base	80,325.00				80,325.00	48,000.00	1,800.00		64,000.00	80%	16,325.00	1,510.00
120	Acoustical Ceilings	18,800.00				18,800.00	13,500.00	1,800.00		15,100.00	80%	1,700.00	1,840.00
130	FRP	19,845.00				19,845.00	14,500.00	4,500.00		19,400.00	98%	445.00	850.00
140	Painting	10,405.00				10,405.00	5,200.00	2,100.00		8,300.00	80%	2,105.00	1,523.00
150	Signage	20,433.00				20,433.00				5,200.00	25%	15,233.00	528.00
160	Misc. Specialties	2,615.00				2,615.00					0%	2,615.00	
170	Meal Lockers	3,478.00				3,478.00					0%	3,478.00	
180	Food Equipment	438,088.00				438,088.00				219,000.00	50%	219,088.00	21,900.00
190	Plumbing	81,900.00				81,900.00	65,170.00			65,170.00	80%	16,730.00	6,517.00
200	Gas Piping	9,975.00				9,975.00					0%	9,975.00	
210	HVAC	88,700.00				88,700.00	88,610.00	15,500.00		88,610.00	90%	10,090.00	8,861.00
220	Kitchen Hoods	82,802.00				82,802.00	62,707.00	8,500.00		16,500.00	50%	18,302.00	1,650.00
230	Electrical	83,534.00				83,534.00	62,707.00			71,207.00	85%	12,327.00	7,120.70
240	Fire Alarm	12,805.00				12,805.00	3,200.00			3,200.00	25%	9,605.00	320.00
250	Owner Contingency	15,000.00				15,000.00					0%	15,000.00	
260	Change Order No. 1			-171,138.00						(171,138.00)	95%	(8,557.00)	(16,253.20)
<b>TOTALS</b>		<b>1,143,184.00</b>		<b>(171,138.00)</b>		<b>972,055.00</b>	<b>476,693.00</b>	<b>122,018.00</b>		<b>598,711.00</b>	<b>62%</b>	<b>373,344.00</b>	<b>59,871.10</b>

**Need Check**

**APPLICATION AND CERTIFICATION FOR PAYMENT**

AIA DOCUMENT G702

TO OWNER Naples Accelerator  
 3500 Kraft Road, Suite 200  
 Naples, FL 34105

PROJECT: Innokalee Culinary Arts and Services

Distribution to:

XX	OWNER
XX	CONTRACTOR
XX	ARCHITECT
	LENDER
	CIVIL ENGINEER

FROM CONTRACTOR:  
 COMPASS CONSTRUCTION, INC.  
 824 Lafayette Street  
 Cape Coral, FL 33904

ARCHITECT: BSSW Architects, Inc.  
 PROJECT NO: 17-1315

CONTRACT FOR: Innokalee Culinary Arts and Services

PERIOD TO: 6/30/2017  
 CONTRACT DATE: 2/13/17

**CONTRACTOR'S APPLICATION FOR PAYMENT**

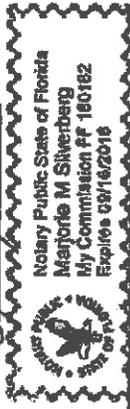
Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

1. ORIGINAL CONTRACT SUM	\$ 1,143,191.00
2. Net change by Change Orders	(162,980.00)
3. CONTRACT SUM TO DATE (Line 1 + 2)	980,211.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	980,211.00
5. RETAINAGE:	
a. 0% of Completed Work	
b. (Column D + E on G703)	
% of Stored Material	
(Column F on G703)	
Total Retainage (Lines 5a + 5b or Total in Column I of G703)	0.00
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	980,211.00
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	538,356.90
8. CURRENT PAYMENT DUE	441,854.10
9. BALANCE TO FINISH, EXCLUDING RETAINAGE (Line 3 less Line 6)	\$ -

CONTRACTOR: Compass Construction, Inc.

By: *Bruce Downs*  
 Bruce Downs, Project Manager  
 State of Florida  
 County of Lee  
 Subscribed and sworn to before me this 28th day of June 2017  
 Notary Public *Margaret M. Silverberg*  
 My Commission expires: 5/16/2018



**ARCHITECT'S CERTIFICATE FOR PAYMENT**

In accordance with the Contract Document, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated. The quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED ..... \$ 441,854.10

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	(\$171,139.00)	
Total approved this Month	\$8,153.00	
<b>TOTALS</b>	(\$162,980.00)	\$0.00
<b>NET CHANGES by Change Order</b>		(\$162,980.00)

Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are subject to change with the contract certified.)  
 Architect: BSSW Architects, Inc.

By: \_\_\_\_\_ Date: \_\_\_\_\_  
 This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CONTINUATION SHEET		APPLICATION NUMBER: 6 Final APPLICATION DATE: 6/7/2017 PERIOD TO: 6/9/17-6/30/17 PROJECT NUMBER: 17-1315											
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	HANG ORDER NO.	CHANGE ORDER AMOUNT	CHANGE ORDER DESCRIPTION	REVISED VALUE	PREVIOUS APPLICATION	WORK COMPLETED THIS PERIOD	STORED MATERIALS	TOTAL COMPLETED & STORED TO DATE	% COMP.	BALANCE TO FINISH	RETAINAGE
10	General Conditions	73,176.00				73,176.00	65,500.00	7,676.00		73,176.00	100%	-	-
20	Bond	16,537.00				16,537.00	16,537.00			16,537.00	100%	-	-
30	Demolition	11,235.00				11,235.00	11,235.00			11,235.00	100%	-	-
40	Sitework	22,601.00				22,601.00	15,900.00	6,701.00		22,601.00	100%	-	-
50	Concrete/Masonry	14,780.00				14,780.00	14,780.00			14,780.00	100%	-	-
60	Metals	19,410.00				19,410.00	11,600.00	7,810.00		19,410.00	100%	-	-
70	Carpentry & Casework Install	5,775.00				5,775.00	3,450.00	2,325.00		5,775.00	100%	-	-
80	Thermal & Moisture	5,775.00				5,775.00	3,450.00	2,325.00		5,775.00	100%	-	-
90	Doors, Frames and Hardware	12,624.00				12,624.00	12,624.00			12,624.00	100%	-	-
100	Drywall & Metal Studs	34,598.00				34,598.00	33,980.00	618.00		34,598.00	100%	-	-
110	Quarry Tile and Base	80,325.00				80,325.00	64,000.00	16,325.00		80,325.00	100%	-	-
120	Acoustical Ceilings	16,800.00				16,800.00	15,100.00	1,700.00		16,800.00	100%	-	-
130	FRP	19,845.00				19,845.00	18,400.00	1,445.00		19,845.00	100%	-	-
140	Painting	10,405.00				10,405.00	8,300.00	2,105.00		10,405.00	100%	-	-
150	Signage	20,433.00				20,433.00	5,200.00	15,233.00		20,433.00	100%	-	-
160	Misc. Specialties	2,615.00				2,615.00		2,615.00		2,615.00	100%	-	-
170	Metal Lockers	3,476.00				3,476.00		3,476.00		3,476.00	100%	-	-
180	Food Equipment	438,068.00				438,068.00	219,000.00	219,068.00		438,068.00	100%	-	-
190	Plumbing	81,900.00				81,900.00	65,170.00	16,730.00		81,900.00	100%	-	-
200	Gas Piping	9,975.00				9,975.00		9,975.00		9,975.00	100%	-	-
210	HVAC	98,700.00				98,700.00	88,610.00	10,090.00		98,700.00	100%	-	-
220	Kitchen Hoods	32,802.00				32,802.00	16,500.00	16,302.00		32,802.00	100%	-	-
230	Electrical	83,534.00				83,534.00	71,207.00	12,327.00		83,534.00	100%	-	-
240	Fire Alarm	12,805.00				12,805.00	3,200.00	9,605.00		12,805.00	100%	-	-
250	Owner Contingency	15,000.00				15,000.00		15,000.00		15,000.00	100%	-	-
260	Change Order No. 1		1	-171,139.00		(171,139.00)	(162,582.00)	(8,557.00)		(171,139.00)	100%	-	-
260	Change Order No. 2		2	8,159.00	Pipe Bollards/Eye Wash/Fire Alarm Devices	8,159.00	8,159.00	8,159.00		8,159.00	100%	-	-
<b>TOTALS</b>		<b>1,143,184.00</b>		<b>(162,980.00)</b>		<b>980,214.00</b>	<b>596,711.00</b>	<b>391,503.00</b>	<b>-</b>	<b>980,214.00</b>	<b>100%</b>	<b>-</b>	<b>-</b>

**BSSW Architects, Inc.**  
 949 Central Ave.  
 Naples, FL 34102



**Project**  
**Naples Accelerator**  
**Innokalee Culinary Arts & Services**  
 170 Airpark Blvd.  
 Immokalee, Florida

Bid Submission: Friday January 20, 2017  
 4:00 p.m.

**Bid Tabulation**

Contractors	Base Bid	Deduct Alternate 1	Deduct Alternate 2	Deduct Alternate 3	Deduct Alternate 4	Add Alternate 5	Company Qualifications	Bid Bond & Performance Bond	Bid Proposal Form	Schedule and Time of Completion	Receipt of Addenda No. 1
<b>Chris-Tel Construction</b> Kevin James 2534-A Edison Ave. Ft Myers, FL 33901	\$1,424,304.00	\$3,878.54	\$28,025.00	Provided	No-Bid	No-bid	Provided	Provided	Provided	Provided	Provided
<b>Compass Construction, Inc.</b> Doug Oliver 824 Lafayette Street Cape Coral, FL 33904	\$1,143,194.00	\$2,000.00	\$26,812.00	Provided	No-Bid	\$19,740.00	Provided	Provided	Provided	Provided	Provided
<b>DEC Contracting Group, Inc</b> Douglas R. Masch II 1560 Matthew Dr. Ste. B FL Myers, FL 33907	\$1,180,430.00	-0-	\$27,047.00	Provided	No-Bid	\$26,595.00	Provided	Provided	Provided	Provided	Provided
<b>Stultz Inc.</b> Jeff Stultz 5276 Summerlin Commons Way # 701 FL Myers, FL 33907	\$1,259,000.00	\$5,600.00	\$26,000.00	Provided	No-Bid	\$18,354.00	Provided	Provided	Provided	NA	Provided

v. **Purchase, Lease and installation of commercial equipment**

The facility required specialized equipment identified by the kitchen consultant working closely with the Engineer and the UF lab. All equipment has been purchased.

EII partnered with the University of Florida purchasing department to order directly from their vendors and receive state and school discounts. The designated staff person provided the list of equipment necessary to open the lab at this facility.

Collier County was awarded a Federal USDA grant for \$112,536, that leverages the state money originally estimated at \$87,043 for a total equipment and installation package of \$199,579. Collier County purchasing policies required an invitation to bid. The bid received was \$223,960.00.

Bid 17-7167 Amount	223,960.00
USDA Award	<u>112,536.00</u>
Balance	111,424.00
Planned local amount from EII	<u>87,043.00</u>
Additional match required	<u><u>24,381.00</u></u>
Funding	
USDA	112,536.00
EII (State DEO) Local Match	<u>111,424.00</u>
	<u><u>223,960.00</u></u>

**100% Complete**

**ECONOMIC INCUBATORS INC**  
**OPERATING ACCOUNT**  
 3530 KRAFT RD STE 201  
 NAPLES, FL 34105

FIRST FLORIDA INTEGRITY BANK 63-1632/670  
 3580 PINE RIDGE ROAD 10  
 NAPLES, FL 34109

2126

06/26/2017

PAY TO THE ORDER OF Collier County Business & Economic Development Division \$ **\*\*111,424.00**

One hundred eleven thousand four hundred twenty-four and 00/100\*\*\*\*\* DOLLARS

Collier County Business & Economic Development D  
 2660 N Horse Drive  
 Suite 105  
 Naples, Florida 34104



AUTHORIZED SIGNATURE

MEMO

[REDACTED]

**ECONOMIC INCUBATORS INC** **OPERATING ACCOUNT**  
**06/26/2017** **Collier County Business & Economic Development Division**

2126

Date	Type	Reference	Original Amount	Balance Due	Payment
06/26/2017	Bill		111,424.00	111,424.00	111,424.00
		Check Amount			111,424.00

[REDACTED]

111,424.00

**ECONOMIC INCUBATORS INC** **OPERATING ACCOUNT**  
**06/26/2017** **Collier County Business & Economic Development Division**

2126

Date	Type	Reference	Original Amount	Balance Due	Payment
06/26/2017	Bill		111,424.00	111,424.00	111,424.00
		Check Amount			111,424.00

[REDACTED]

111,424.00



**Collier County**  
Business & Economic  
Development Division

June 20, 2017

Economic Incubators, Inc.  
Attn: Dr. Marshall Goodman, CEO  
3510 Kraft Road, Suite 200  
Naples, FL 34105

Dear Marshall:

Collier County has been awarded \$112,536 in federal funding (FAIN R087213 53185) from the U.S. Department of Agriculture's Rural Business Development Program to equip the Florida Culinary Accelerator @ Immokalee. The county bid the equipment under solicitation 17-7167 and plans to make a recommendation to award the contract to W.H. Reynolds Distributor LLC, a subsidiary of TriMark Strategic Equipment, in the amount of \$223,960, which is 12.2% higher than original estimate of \$200,000 in the original grant application.

As our partner, and per the USDA application and award, EII has committed to provide the required cash match and, as we recently discussed, an additional amount outlined below. Collier County will issue a purchase order in the amount of \$223,960 to the vendor on or about June 27, 2017. Please plan to remit funding in the amount of \$111,424.00 as soon as possible.

USDA Award	\$112,536
EII Funding	<u>\$111,424</u>
Bid Amount	\$223,960

We appreciate EII's partnership with Collier and tenacity in obtaining the matching funds.

Sincerely,



Jace Kentner



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Office of Business & Economic Development • 2660 N. Horseshoe Dr., Suite 105 • Naples, Florida 34104 • 239-252-8990

6/28/2017

Account Transactions: FIRST FLORIDA INTEGRITY BANK

06/28/2017

D/C SETTLEMENT TFS\*FISHERSCI-COG LOC: 724-517-2372 PA

(9,401.90)

## Sales Quotation

Quote Nbr	Creation Date	Due Date	Page
7172-5181-67	06/21/2017		1 of 8
Payment Terms		Delivery Terms	
NET 30 DAYS		DEST	
Valid To		Prepared By	
07/21/2017		VIRDEN, ROGER	
Customer Reference		Sales Representative	
SUPPLIES QUOTE		ROGER VIRDEN	
To place an order	Ph: 800-766-7000	Fx: 800-926-1166	
Submitted To:		Customer Account: <b>072310-001</b>	
JENNIFER PELLECHIO JPELLECHIO@NAPLESACCELERATOR.COM  239-249-5911 X701		ECONOMIC INCUBATORS INC 3510 KRAFT ROAD SUITE #200 NAPLES FL 34105	



FISHER SCIENTIFIC COMPANY LLC  
4500 TURNBERRY DRIVE  
HANOVER PARK IL 60133-5491

**PLEASE REFER TO THE QUOTE NUMBER ON ALL CORRESPONDENCE**

THANK YOU FOR YOUR INTEREST IN FISHER SCIENTIFIC COMPANY LLC

FOR COMPLETE TERMS AND CONDITIONS VISIT OUR WEBSITE AT  
[www.fishersci.com/salesterms](http://www.fishersci.com/salesterms)

**Quote Comments:** STATE CONTRACT 41120000-15-ACS FREE SHIPPING

Nbr	Qty	UN	Catalog Number	Description	Unit Price	Extended Price
1	1	EA	13 624 500	 <p>PH ALL IN ONE BUFFER KIT Kit, pH Buffer; Thermo Scientific Orion; Standard All-in-One; Color coded, pH 4.01 (pink), pH 7 (yellow), pH 10.01 (blue); Packaged w/buffer/temperature tables; Includes pint bottles of 4, 7, 10 buffers, electrode storage solution, bottle Vendor Catalog # 910199 This item is being sold as 1 per each</p>	80.64	80.64
2	1	EA	10ECEETSA	 <p>THERMOSCI 10CF EP COMBO 120/60 Refrigerator/Freezer, Explosion-proof; Thermo Scientific; 10.1 cu. ft. (286L); Ref: 1 to 12C; Frz: -12 to -20C; UL listed meets NFPA 45 and 70; 120V/60Hz Vendor Catalog # 10ECEETSA Hazardous Material This item is being sold as 1 per each</p>	3,040.22	3,040.22
3	1	EA	14 509 17	 <p>2-SPEED BLENDER SS 120VAC 60HZ Blender, Laboratory; Waring; Two-speed Commercial; Capacity: 1L; 1Qt. SS container; 18,000/22,000rpm; 8.5L x 7.25W x 15 in.H; 115/120V 50/60Hz, 3.6A, 432w, 0.4hp Vendor Catalog # 7011S This item is being sold as 1 per each</p>	500.54	500.54

# Sales Quotation



Quote Nbr	Customer Reference	Page
7172-5181-67	SUPPLIES QUOTE	2 of 8

Nbr	Qty	UN	Catalog Number	Description	Unit Price	Extended Price
4	2	EA	11 520 49SH	 <p>HOTPLATE STIR ANALOG 7X7 120V Hotplate, Stirring; Fisherbrand; Ceramic top; Top plate dimensions: 7 x 7 in.; Overall dimensions: 11.1 x 8.3 x 5.1 in. Vendor Catalog # SP193125 This item is being sold as 1 per each</p>	377.24	754.48
5	5	EA	14 513 51	 <p>STIR BAR OCTAGONAL 1X3/8IN Bar, Stirring; Fisherbrand; Magnetic; Octagonal with pivot rings; Coating: PTFE; Color: White; Dia. x L: 0.37 x 1 in. (0.9 x 2.5cm) Vendor Catalog # F371105009 This item is being sold as 1 per each</p>	5.10	25.50
6	1	EA	01 922 404	 <p>OHAUS PORT BAL W LCD SCREEN Balance, SPX Portable; OHAUS; Scout; Model: SPX2202; Capacity: 2200g; Readability: 0.01g; Repeatability: 0.02g; ABS housing and stainless steel pan Vendor Catalog # 30253023 This item is being sold as 1 per each</p>	693.38	693.38
7	1	EA	13 690 032	 <p>RESEARCH PLUS 100-1000UL BLUE Pipette, Single-Channel; Eppendorf; Adjustable Volume; Button color code: Blue; Volume Range: 100 to 1,000µL; No. of increments: 1µL Vendor Catalog # 3123000063 This item is being sold as 1 per each</p>	322.22	322.22
8	1	EA	13 690 029	 <p>RESEARCH PLUS 10-100UL YELLOW Pipette, Single-Channel; Eppendorf; Adjustable Volume; Button color code: Yellow; Volume Range: 10 to 100µL; No. of increments: 0.1µL Vendor Catalog # 3123000047 This item is being sold as 1 per each</p>	322.22	322.22
9	1	PK	02 681 2	<p>200UL YELLOW TIP 1000/PK Tips, Pipette; Fisherbrand; Standard; For use with: Pipetman, Costar, Onepette, 8 and 12 Pette, Eppendorf, Finnpiquette, Labpette, 8 and 12 Channel, Nichiryo, Oxford-Benchmate, Rainin EDP2, SocorexTitertek, Digital; Yellow; 1 to 200uL Vendor Catalog # 110-11 This item is being sold as 1000 each per pack</p>	12.73	12.73
10	1	PK	02 681 4	<p>1ML BLUE TIP RACKED 1000/PK</p>	26.34	26.34

# Sales Quotation



Quote Nbr	Customer Reference	Page
7172-5181-67	SUPPLIES QUOTE	3 of 8

Nbr	Qty	UN	Catalog Number	Description	Unit Price	Extended Price
				Tips, Pipette; Fisherbrand; Standard; Blue; Racked, 100 tips/rack; For use with: Pipetman, Costar, Eppendorf, Finnpipette, Nichiryo, Oxford-Benchmate, Rainin EDP2, SMI Airpettor, Socorex, Titertek, Volac; 101-1000uL Vendor Catalog # 111-R100 This item is being sold as 1000 each per pack		
11	1	EA	05 718 40	<b>DRYING RACK</b>  Rack, Drying; Fisherbrand; Polystyrene; Holds cylinders and flasks; No. of holes: 72; Size: 17W x 24 in. H (43.1 x 60.9cm) Vendor Catalog # 259184 This item is being sold as 1 per each	220.60	220.60
12	1	EA	14 557 175	<b>BAL MOISTURE SARTORIUS MA35M-V</b>  Analyzer, Moisture; Sartorius; Infrared; Measures moisture content from 0.05 to 100%; Built-in calibration weight; Temp. range: 40deg. to 160deg.C; Weighing range: 35g; Method: IR-drying/metal rod heater; Equipped with glass panels Vendor Catalog # MA35M-1US This item is being sold as 1 per each	1,901.63	1,901.63
13	1	DZ	19 025 803	<b>GLOVE GRIPNHOT MILL7/7 12PR/DZ</b>  Gloves; North; Grip N Hot Mill; Nitrile palm coating; Knitwrist; Protects against intermittent heat up to 400deg.F; Excellent grip; Color: cream/red; Size: Men's 10 (X-Large) Vendor Catalog # 51/7147 This item is being sold as 12 each per 12	74.29	74.29
14	2	EA	14 955 110	<b>FB UNIVERSAL PIPET FILL 10ML G</b>  Pump, Pipet; Fisherbrand; Polyethylene; Accepts glass or serological pipets; Mechanical; Thumbwheel-driven draw/dispense; Quick-release side lever; Markings down to 0.10mL; 10mL; Green Vendor Catalog # 801102 This item is being sold as 1 per each	27.76	55.52
15	1	CS	13 675 3C	<b>PIPET STER 2ML(0.01GRAD)500/CS</b>  Pipet, Serological; Fisherbrand; Polystyrene; Disposable; With magnifier stripe; Sterile; Nonwetable; Color code: Green; Tip style: Standard; Subdivisions: 0.01mL; Capacity: 2mL; Tolerance: +/-0.04mL; Individual all-plastic wrap Vendor Catalog # 4320	113.83	113.83

# Sales Quotation



Quote Nbr	Customer Reference	Page
7172-5181-67	SUPPLIES QUOTE	4 of 8

Nbr	Qty	UN	Catalog Number	Description	Unit Price	Extended Price
				This item is being sold as 500 each per case		
16	1	CS	13 676 10F	PIPET STER 10ML(0.1GRAD)500/CS Pipet, Serological; Fisherbrand; Polystyrene; Disposable; With magnifier stripe; Sterile; Nonwetable; Color code: Orange; Tip style: Standard; Subdivisions: 0.10mL; Capacity: 10mL; Tolerance: +/-0.02mL; Bulkpack Vendor Catalog # 4341 This item is being sold as 500 each per case	129.58	129.58
17	1	CS	13 676 10R	PIPET STER 50ML(0.5GRAD)100/CS Pipet, Serological; Fisherbrand; Polystyrene; Disposable; With magnifier stripe; Sterile; Nonwetable; Color code: Purple; Tip style: Standard; Subdivisions: 0.50mL; Capacity: 50mL; Tolerance: +/-1mL; Individual all-plastic wrap Vendor Catalog # 4360 This item is being sold as 100 each per case	173.68	173.68
18	1	EA	03 395 621	SMALL LABELING TAPE DISPENSER Vendor Catalog # L1001 This item is being sold as 1 per each	35.79	35.79
19	5	EA	15 959	TAPE LABELNG SLMN 3/4X500IN RL Tape, Label; Fisherbrand; Colored; Water-, oil- acid-, and temperature-resistant; Can be written on; Sticks to most surfaces; Core width: 1in.; Salmon; 0.75 in. x 14 yd. (1.9cm x 13m) Vendor Catalog # 15959 This item is being sold as 1 per each	3.28	16.40
20	2	EA	15 953	TIME TAPE BLUE 2IN Tape, Label; Fisherbrand; Colored; Water-, oil- acid-, and temperature-resistant; Can be written; Stick to most surfaces; Core width: 1in.; Blue; 2 in. x 14 yd. (5cm x 13m) Vendor Catalog # 15953 This item is being sold as 1 per each	6.72	13.44

# Sales Quotation



Quote Nbr	Customer Reference	Page
7172-5181-67	SUPPLIES QUOTE	5 of 8

Nbr	Qty	UN	Catalog Number	Description	Unit Price	Extended Price
21	2	EA	15 952	 <b>TIME TAPE GREEN 2IN</b> Tape, Label; Fisherbrand; Colored; Water-, oil- acid-, and temperature-resistant; Can be written; Stick to most surfaces; Core width: 1in.; Green; 2 in. x 14 yd. (5cm x 13m) Vendor Catalog # 15952 This item is being sold as 1 per each	6.72	13.44
22	1	CS	19 121 676	<b>ABSORBENT PAPER 18X20IN 400/CS</b> Paper, Lab Countertop; Tidi Polyback Air Laid; White; 18 x 20 in. (46 x 51cm) Vendor Catalog # 980984 This item is being sold as 400 each per case	124.80	124.80
23	2	PK	08 666A	 <b>KIMWIPE SML 4-1/2X8-1/2 280/PK</b> Wiper, General-Purpose; Kimberly-Clark; Kimwipes; For delicate tasks; Nonabrasive, soft, low lint cellulose fibers; Single wiper dispenser; White; 1-ply; 4.4 x 8.4 in. (11.2 x 21.3cm) Vendor Catalog # 34155 Shelf Life 5Y This item is being sold as 280 each per pack	2.62	5.24
24	1	EA	19 130 2483	 <b>10P PL NORTH BULK KIT</b> Kit, First Aid; Bulk; North; 10-person size; Waterproof plastic case; ANSI Z308.1-2003 compliant; Ideal for manufacturing settings where a wide variety of first aid items are required Vendor Catalog # 019700-4500F Hazardous Material This item is being sold as 1 per each	19.08	19.08
25	1	PK	19 149 863B	 <b>EXAMGLV NITR 9.5 SZ M 100EA/PK</b> Gloves, Exam; Kimberly-Clark Professional; Purple Nitrile; Acrylonitrile butadiene; Ambidextrous; Latex- and powder-free; Textured fingertips; Beaded cuff; Odorless; Single-use; Thickness: 6mil; Length: 9.5 in.; Medium Vendor Catalog # 55082 Shelf Life 5Y This item is being sold as 100 each per pack Medical Device	12.30	12.30

# Sales Quotation



Quote Nbr	Customer Reference	Page
7172-5181-67	SUPPLIES QUOTE	6 of 8

Nbr	Qty	UN	Catalog Number	Description	Unit Price	Extended Price
26	2	PK	19 149 863	 <p><b>EXAMGLV NITR 9.5 SZXS 100EA/PK</b>                      Gloves, Exam; Kimberly-Clark Professional; Purple Nitrile;                      Acrylonitrile butadiene; Ambidextrous; Latex- and powder-free;                      Textured fingertips; Beaded cuff; Odorless; Single-use; Thickness:                      6mil; Length: 9.5 in.; X-Small                      Vendor Catalog # 55080                      Shelf Life 5Y                      This item is being sold as 100 each per                      pack                      Medical Device</p>	12.30	24.60
27	1	PK	02 540L	 <p><b>BEAKER GRIFFIN 400ML 12/PK</b>                      Beaker, Reusable; Corning; PYREX; Griffin; Glass; White marking area;                      Capacity: 400mL; Graduations: 25mL; O.D. x H: 77 x 110mm; 12/Pk.                      Vendor Catalog # 1000-400                      This item is being sold as 12 each per                      pack</p>	28.52	28.52
28	1	PK	02 540K	 <p><b>BEAKER GRIFFIN 250ML 12/PK</b>                      Beaker, Reusable; Corning; PYREX; Griffin; Glass; White marking area;                      Capacity: 250mL; Graduations: 25mL; O.D. x H: 68 x 90mm; 12/Pk.                      Vendor Catalog # 1000-250                      This item is being sold as 12 each per                      pack</p>	24.91	24.91
29	1	PK	02 540M	 <p><b>BEAKER GRIFFIN 600ML 6/PK</b>                      Beaker, Reusable; Corning; PYREX; Griffin; Glass; White marking area;                      Capacity: 600mL; Graduations: 50mL; O.D. x H: 90 x 124mm; 6/Pk.                      Vendor Catalog # 1000-600                      This item is being sold as 6 each per                      pack</p>	17.24	17.24
30	1	PK	02 202 102	 <p><b>WEIGH BOATS LARGE 500/PK</b>                      Dish, Weighing; Fisherbrand; Hexagonal; Flat bottom with sloping                      sides; Polystyrene; For solids or liquids; Top I.D: 4 in. (10.2cm);                      Base I.D: 3.3 in. (8.5cm); Depth: 0.875 in. (2.2cm); Approx. wt.:                      0.02 oz. (0.6g); Large                      Vendor Catalog # 02202102                      Shelf Life 5Y                      This item is being sold as 500 each per                      pack</p>	76.56	76.56

# Sales Quotation



Quote Nbr	Customer Reference	Page
7172-5181-67	SUPPLIES QUOTE	7 of 8

Nbr	Qty	UN	Catalog Number	Description	Unit Price	Extended Price
31	1	PK	02 202 100	<b>WEIGH BOATS SMALL 500/PK</b>  Dish, Weighing; Fisherbrand; Hexagonal; Flat bottom with sloping sides; Polystyrene; For solids or liquids; Top I.D.: 1.4 in. (3.6cm); Base I.D.: 0.9 in. (2.4cm); Depth: 0.4 in. (0.95cm); Approximate weight: 0.02 oz. (0.6g); Small; 500/Pk. Vendor Catalog # 02202100 Shelf Life 5Y This item is being sold as 500 each per pack	30.31	30.31
32	1	CS	04 355 451	<b>ETH ALC 200PRF TX INC 1 GAL</b> Ethanol, 200 proof (100%); Tax-paid; Colorless Liquid; Decon Labs; 4 x 1 gal.; Plastic Bottle; M.P.: -114deg.C (-173deg.F); B.P.: 78.3deg.C (173deg.F); CAS: 64-17-5 Vendor Catalog # 2701TP Hazardous Material Shelf Life 5Y This item is being sold as 4 each per case	286.28	286.28
33	1	CS	07 210 123	<b>ICE BUCKET, ROUND 4L, BLUE</b>  Bucket, Ice; Corning; Round with lid; 4L; EVA; Multi-purpose; Non-toxic; Highly insulative; Stackable; Lightweight; Leak-proof; For use with ice, dry ice, liquid nitrogen, alcohol, or saline solutions; Blue Vendor Catalog # 432123 This item is being sold as 1 per case	86.87	86.87
34	1	EA	02 963A	<b>CARBOY W/SPIG LDPE 2.5 GAL</b>  Carboy, Round; Thermo Scientific Nalgene; With spigot; LDPE; Molded-in graduations in gal. and L; Leakproof; Graduated; Polypropylene screw caps; Screw cap size: 83B; Neck I.D. x O.D.: 64 x 250mm; Capacity: 2.5 gal. (10L) Vendor Catalog # 2318-0020 This item is being sold as 1 per each	138.72	138.72

**MERCHANDISE TOTAL**

**9,401.90**

**NOTES:**

Returns are subject to manufacturer terms and conditions.

# Sales Quotation



Quote Nbr	Customer Reference	Page
7172-5181-67	SUPPLIES QUOTE	8 of 8

We now offer highly competitive financing with low monthly payments. Please contact your local sales representative for more information.

Tell us about your recent customer service experience by completing a short survey. This should take no longer than three minutes. Enter the link into your browser and enter the passcode: USA-PGH-CS2

<http://survey.medallia.com/fishersci>

6/28/2017

Account Transactions: FIRST FLORIDA INTEGRITY BANK

06/28/2017

Pre auth METER GROUP LOC: PULLMAN WA

(9,703.90)



**METER Group, Inc. USA**  
 2365 NE Hopkins Court, Pullman, WA 99163  
 T 509.332.2756 F 509.332.5158  
 E info@metergroup.com W metergroup.com

**METER**

**QUOTE**

Date	Quote #	Cust #	Pg
06-21-17	2017053027	22431	1

**Bill To:** Naples Accelerator  
 3510 Kraft Rd  
 Ste 200  
 Naples, FL 34105

**Phone:** 239-249-5911  
**Fax:**

**Ship To:** University of Florida  
 Inst. of Food and Ag Sciences  
 2685 Highway 29 N  
 Immokalee, FL 34142  
 United States  
 ATTN: Matt Krug  
**Phone:** 239-658-3400

Valid Thru	Terms	Sales Rep	Ship Via
07-21-17	NET30	MARILLA.HURS	FedEx Ground

Qty	Part #	Description	Unit Price	Ext. Price
1.00	40530	AquaLab 4TE Dewpoint Water Activity Meter with Temperature Control	\$8,440.00	\$8,440.00
		Includes: Cleaning Kit-One Year Supply Trial Sample Cups & Lids Trial Verification Standards 1 year Warranty		
1.00	40107	AquaLab Sample Cups 500 qty bottoms	\$203.00	\$203.00
1.00	40460	Water Activity Standards 6.00 mol/kg NaCl (0.76 aw) Box of 50 vials	\$100.00	\$100.00
1.00	40462	Water Activity Standards 13.41 mol/kg LiCl (.25 aw) Box of 50 vials	\$100.00	\$100.00
1.00	320057	Horiba, Model F-71 pH/ORP Laboratory 5114 Meter	\$650.00	\$650.00
1.00	320036	Horiba, Model 9625-10D pH (3in1) 0505 Electrode	\$175.00	\$175.00

Shipping & Handling 35.90  
**\$9,703.90**

This Quote is good for 30 days unless otherwise noted. All prices in U.S. Dollars (USD) unless otherwise noted. Shipping charges, if not quoted, may be added to the final invoice. All Custom Orders are final and non-refundable.

**METER Group, Inc. USA 2365 NE Hopkins Ct, Pullman, WA 99163**  
**T 509.332.2756 F 509.332.5158 E info@metergroup.com W metergroup.com**



**METER**

METER Group, Inc. USA 2385 NE Hopkins Court, Pullman, WA 99163

## **METER Group, Inc. USA Terms and Conditions**

- 1. CONTRACT FORMATION.** All requests for goods and/or services by METER Group, Inc. USA ("METER") are subject to the customer's acceptance of these Terms and Conditions. The Buyer will be deemed to have irrevocably accepted these Terms and Conditions of Sale upon the first to occur of the Buyer's issuance of a Purchase Order and/or request for goods or services. Unless expressly assented to in writing by METER, terms and conditions different, therefore, are expressly rejected. No course of dealing between the parties hereto shall be deemed to affect or to modify, amend or discharge any provisions of this agreement.
- 2. PRICES AND PAYMENT.** Invoice prices will be based upon METER's prices as quoted or at METER's list price in effect at the time an order is received by the Seller. Prices do not include any state or federal taxes, duties, fees or charges now or hereafter enacted applicable to the Goods or to this transaction, all of which are the responsibility of the Buyer. Unless otherwise specified on the invoice, all accounts are due and payable thirty (30) days from the date of invoice. Unpaid accounts extending beyond 30 days will be subject to a service charge of 2% per month (24% per annum). Should Seller initiate any legal action or proceeding to collect on any unpaid invoice, Seller shall be entitled to recover from Buyer all costs and expenses incurred in connection therewith, including court costs and reasonable attorney's fees.
- 3. RISK OF LOSS AND DELIVERY TITLE.** Liability for loss or damage passes to the Buyer when the Seller delivers the Goods on the Seller's dock or upon deliver to the transporting agent, whichever occurs first. The Seller has the right to deliver the Goods in installments. Shipping and delivery dates communicated by the Seller to the Buyer are approximate only .
- 4. SHIPMENT.** In the absence of specific shipping instructions, the Seller, if and as requested by the buyer, will ship the Goods by the method the Seller deems most advantageous. Where the Seller ships the Goods, the Buyer will pay all transportation charges that are payable on delivery or, if transportation charges are prepaid by the Seller, the Buyer will reimburse the Seller upon Receipt of an invoice from the Seller. The Buyer is obligated to obtain insurance against damage to the Goods being shipped. Unless otherwise specified, the Goods will be shipped in the standard Seller commercial packaging. When special packing is required or, in the opinion of the Seller, required under the circumstances, the cost of the special packaging shall be the responsibility of the Buyer.
- 5. INSPECTION AND ACCEPTANCE.** Goods will be conclusively deemed accepted by the Buyer unless a written notice setting out reasonable particulars of the rejected Goods and the reason for the rejection sent by the Buyer to the Seller within 10 days of delivery of the Goods. The Buyer will place rejected Goods in safe storage at a reasonably accessible location for inspection by the Seller.
- 6. CUSTOM GOODS.** There is no refund or return for custom and/or non-standard goods.
- 7. WARRANTIES.** The Seller warrants all equipment manufactured by it to be free from defects in parts and labor on for a period of one year from the date of shipment from factory. The liability of the Seller applies solely to repairing, replacing, or issuing credit (at the Seller's sole discretion) for any equipment manufactured by it and returned by the Buyer during the warranty period. SELLER MAKES NO SEPARATE OR OTHER WARRANTY OF ANY NATURE WHATSOEVER, EXPRESS OR IMPLIED, INCLUDING THE WARRANTY OF MERCHANTABILITY OR FOR A PARTICULAR PURPOSE. There shall be no other obligations either expressed or implied.
- 8. LIMITATION OF LIABILITY.** Seller will not be liable to the Buyer or any other person or entity for indirect special, incidental, consequential, punitive or exemplary damages arising out of in connection with this transaction or any acts or omissions associated there with or relating to the sale or use of any Goods whether such claim is based on breach of warranty, contract, tort or other legal theory and regardless of the causes of such loss or damages or whether any other remedy provided herein fails. In no event will the Seller's total liability under this contract exceed an amount equal to the total amount paid for the Goods purchased hereunder.
- 9. WAIVER.** In the event of any default under or breach of the contract by the Buyer, the Seller has the right to refuse to make further shipments. The Seller's failure to enforce at any time or for any period of time the provisions of this contract will not constitute a waiver of such provisions or the right of the Seller to enforce each and every provision.
- 10. GOVERNING LAW.** The validity, construction and performance of the contract and the transactions to which it relates will be governed by the laws of the United States of America. All actions, claims or legal proceedings in any way pertaining to this contract, or such transactions will be commenced and maintained in the courts of Whitman County, State of Washington, and the parties hereto each agree to submit themselves to the jurisdiction of such court.
- 11. SEVERABILITY.** If any of the Terms and Conditions set out in this contract are declared to be invalid by a court, agency, commission or other tribunal or entity having jurisdiction over the interpretation and enforcement of this contract, the applications of such provisions to parties or circumstances other than those as to which it is held invalid or unenforceable will not be affected and each term not so declared invalid or unenforceable will be valid and enforced to the fullest extent permitted by law and the rights and obligations of the parties will be construed and enforced as though a valid commercially reasonable term consistent with the undertaking of the parties under the order has been substituted in place of the invalid provision.
- 12. SET-OFF.** The Buyer may not set-off any amount owing from the Seller to the Buyer against any amount payable by the Buyer to the Seller whether or not related to this contract.

**METER Group, Inc. USA**  
2385 NE Hopkins Court, Pullman, WA 99163  
T 509.332.2756 F 509.332.5158  
E info@metergroup.com W metergroup.com



# ECONOMIC INCUBATOR, INC.

## *Invoice Submittal Package*

Grant Agreement – State of Florida – Department of Economic Opportunity

Agreement # SL025

***Grant Period: July 1, 2016- June 30, 2017***

***Request Date: June 28, 2017***

### ***Task 3 – Development of the Immokalee Culinary Arts & Service Incubator Facility***

Economic Incubators, Inc.  
**Naples Accelerator**  
3510 Kraft Road, Suite #200  
Naples, Florida 34105  
(239) 249-5911  
[www.naplesaccelerator.com](http://www.naplesaccelerator.com)

- vi. **Provision of services such as necessary legal, accounting, marketing education and information technology**

The professional services have been instrumental to the success of this project. This is the critical backbone to operations and while more is the future will be necessary, now, this task is complete.

**100% Complete**

**ECONOMIC INCUBATORS INC**  
**OPERATING ACCOUNT**  
 3530 KRAFT RD STE 201  
 NAPLES, FL 34105

FIRST FLORIDA INTEGRITY BANK 63-1832/670  
 3580 PINE RIDGE ROAD 10  
 NAPLES, FL 34109

2124

06/14/2017

PAY TO THE ORDER OF Tuscan & Company, PA \$ \*\*2,000.00

Two thousand and 00/100\*\*\*\*\* DOLLARS

Tuscan & Company, PA  
 12621 World Plaza Lane  
 Fort Myers, Florida 33907

*Jennifer Pellecchio*  
 AUTHORIZED SIGNATURE

MEMO

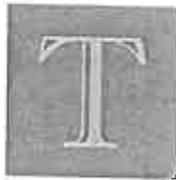


ECONOMIC INCUBATORS INC		OPERATING ACCOUNT				2124
06/14/2017		Tuscan & Company, PA				
<b>Date</b>	<b>Type</b>	<b>Reference</b>	<b>Original Amount</b>	<b>Balance Due</b>	<b>Payment</b>	
06/14/2017	Bill	113463	2,000.00	2,000.00	2,000.00	
			Check Amount		2,000.00	

2,000.00

ECONOMIC INCUBATORS INC		OPERATING ACCOUNT				2124
06/14/2017		Tuscan & Company, PA				
<b>Date</b>	<b>Type</b>	<b>Reference</b>	<b>Original Amount</b>	<b>Balance Due</b>	<b>Payment</b>	
06/14/2017	Bill	113463	2,000.00	2,000.00	2,000.00	
			Check Amount		2,000.00	

2,000.00



**TUSCAN**

**& Company, PA**

**Certified Public Accountants & Consultants**

Jennifer Pellechio  
Economic Incubators  
3510 Kraft Road, Suite 200  
Naples, FL 34105

Invoice No. 113463  
Date 06/09/2017  
Client No. 63108

**For Professional Services Rendered:**

Progress billing #3 for the financial audit for the year ending  
September 30, 2016.

Current Invoice

\$ 2,000.00

**Thank you for your business. We appreciate the opportunity to serve you.**

*For your convenience, all major credit cards are now accepted.*

**INTEGRITY.....SERVICE.....EXPERIENCE**

12621 World Plaza Lane, Bldg 55 • Fort Myers, FL 33907 • Phone 239-333-2090 • Fax 239-333-2097

**ECONOMIC INCUBATORS INC  
OPERATING ACCOUNT**  
3530 KRAFT RD STE 201  
NAPLES, FL 34105

FIRST FLORIDA INTEGRITY BANK 63-1632/670  
3580 PINE RIDGE ROAD 10  
NAPLES, FL 34109

2115

05/26/2017

PAY TO THE ORDER OF Onward Technology Solutions

\$ \*\*3,550.00

Three thousand five hundred fifty and 00/100\*\*\*\*\* DOLLARS

Edmundo L Pena Jr  
Onward Technology Solutions, LLC  
17940 N Tamiami Trail Suite 110 #220  
North Fort Myers, Florida  
33903

  
AUTHORIZED SIGNATURE

MEMO



ECONOMIC INCUBATORS INC 05/26/2017		OPERATING ACCOUNT Onward Technology Solutions				2115
<b>Date</b>	<b>Type</b>	<b>Reference</b>	<b>Original Amount</b>	<b>Balance Due</b>	<b>Payment</b>	
05/26/2017	Bill	MSA-1059	3,550.00	3,550.00	3,550.00	
			Check Amount		3,550.00	



3,550.00

ECONOMIC INCUBATORS INC 05/26/2017		OPERATING ACCOUNT Onward Technology Solutions				2115
<b>Date</b>	<b>Type</b>	<b>Reference</b>	<b>Original Amount</b>	<b>Balance Due</b>	<b>Payment</b>	
05/26/2017	Bill	MSA-1059	3,550.00	3,550.00	3,550.00	
			Check Amount		3,550.00	



3,550.00

TASK # 3 ✓



Onward Technology Solutions  
 17940 N. Tamiami Trl. Ste 110 #220  
 North Fort Myers, FL 33903  
 (239) 984-0580

<b>Bill To:</b>
Economic Incubators Attn: Jennifer Pellechio 3510 Kraft Rd Suite 200 Naples, FL 34105 United States

<b>Date</b>	<b>Invoice</b>
06/01/2017	MSA-1059
<b>Account</b>	
Economic Incubators	

<b>Terms</b>	<b>Due Date</b>	<b>PO Number</b>	<b>Reference</b>
Due Upon Receipt	06/01/2017		Monthly Billing for June

Managed Services Details	Quantity	Price	Amount
Agreement: Managed IT Services Agreement			\$3,550.00
Cloud Managed Network:	1.00	\$0.00	\$0.00
+ Support			
- Unlimited Technical Support			
- Service Availability Monitoring			
- Remote Control Capabilities			
+ Maintenance			
- Firmware Updates			
- Event Log Monitoring			
+ Security			
- Security Auditing			
- Threat & Virus Remediation			
Workstation Management:	8.00	\$0.00	\$0.00
+Support			
-Unlimited Technical Support			
-Service Availability Monitoring			
-Remote Control Capabilities			
+Maintenance			
-Line of Business Application Management			
-Workstation Optimization & Management			
-Microsoft Patch Management			
-Third Party Patch Management			
-Event Log Monitoring			
-Log File Maintenance			
-Drive Space Monitoring			
-Printer Management			
+Security			
-User Account Administration			
-Security Auditing			
-Threat & Virus Remediation			
User Management:	4.00	\$0.00	\$0.00
+ Unlimited Technical Support for:			
- Approved Applications			
- Approved Workstations			
- Approved Mobile Devices			
- Approved Business Processes			
Mobile Device Management:	6.00	\$0.00	\$0.00
+Support			
-Unlimited Technical Support			
-Service Availability Monitoring			
-Remote Control Capabilities			

<ul style="list-style-type: none"> <li>+Maintenance</li> <li>-Line of Business Application Management</li> <li>-Workstation Optimization &amp; Management</li> <li>-Microsoft Patch Management</li> <li>-Third Party Patch Management</li> <li>-Event Log Monitoring</li> <li>-Log File Maintenance</li> <li>-Drive Space Monitoring</li> <li>-Printer Management</li> <li>+Security</li> <li>-User Account Administration</li> <li>-Security Auditing</li> <li>-Threat &amp; Virus Remediation</li> </ul>			
Virtual CIO Services:	1.00	\$0.00	\$0.00
<ul style="list-style-type: none"> <li>- Technology Planning</li> <li>- Yearly IT Budget Planning &amp; 3-5 Year Forecasting</li> <li>- Vendor Account Management</li> </ul>			
Technology Roadmap Services:	1.00	\$0.00	\$0.00
<ul style="list-style-type: none"> <li>- Unlimited labor for projects Identified in the Technology Roadmap</li> </ul>			
<b>Total Managed Services Details:</b>			<b>\$3,550.00</b>
Please make checks payable to Onward Technology Solutions	<b>Invoice Subtotal:</b>		<b>\$3,550.00</b>
	<b>Tax Exempt:</b>		<b>\$0.00</b>
	<b>Invoice Total:</b>		<b>\$3,550.00</b>

Thank You For Your Business!

**ECONOMIC INCUBATORS INC  
OPERATING ACCOUNT**  
3530 KRAFT RD STE 201  
NAPLES, FL 34105

FIRST FLORIDA INTEGRITY BANK 63-1632/670  
3580 PINE RIDGE ROAD 10  
NAPLES, FL 34109

2120

06/14/2017

PAY TO THE ORDER OF Direct Line Development

\$ \*\*2,500.00

Two thousand five hundred and 00/100\*\*\*\*\*  
DOLLARS

Direct Line Development  
100 West Ave Suite 918W  
Jenkintown, PA 19046

*Jennifer Pellerito*  
AUTHORIZED SIGNATURE

MEMO

[REDACTED]

ECONOMIC INCUBATORS INC 06/14/2017		OPERATING ACCOUNT Direct Line Development				2120
Date	Type	Reference	Original Amount	Balance Due	Payment	
06/14/2017	Bill		2,500.00	2,500.00	2,500.00	
			Check Amount		2,500.00	

[REDACTED]

2,500.00

ECONOMIC INCUBATORS INC 06/14/2017		OPERATING ACCOUNT Direct Line Development				2120
Date	Type	Reference	Original Amount	Balance Due	Payment	
06/14/2017	Bill		2,500.00	2,500.00	2,500.00	
			Check Amount		2,500.00	

[REDACTED]

2,500.00



# WEB DESIGN AND DEVELOPMENT

## WEBSITE ENHANCEMENT

Of the listed work, as much will be completed within the allotted 100 hours

1. Improve Economic Incubators Websites performance performance:
  - a. naplesaccelerator.com
  - b. theculinaryaccelerator.com
  - c. woodstocksmarket.com
2. Integrate ReciteMe to the websites listed above
3. Integrate Nexodus Portal instead of building a solution from scratch

If hours remain:

-New member content will be update to the main site

100 Hours

\$2500

  
Signature

**Method of Payment:**

The total price for all of the work set forth in the Agreement shall be \$2,500.  
If CLIENT chooses to pay for services in a number of installments totaling more than ONE,  
both CLIENT and DEVELOPER agree that payments will be made by CLIENT on the \_\_\_\_\_  
of each month, starting in \_\_\_\_\_, with each installment totaling \$\_\_\_\_\_.

If the Agreement requires more than 3 (three) payments the CLIENT have to fill out the  
form below to subscribe for the automatic payments.

Card Holder's Name \_\_\_\_\_

Credit Card Number \_\_\_\_\_

Expiry Date \_\_\_\_\_

Address \_\_\_\_\_

In the case that the CLIENT signed up for payment in installments, the access to the  
website code can be given to CLIENT only after the full Agreement amount is paid.



Check# \_\_\_\_\_

Amount \$2500

I have received and accepted the Terms and Conditions

ECONOMIC INCUBATORS INC.  
Company Name

Client Name:

Client Signature

Date:

Jennifer Kellechio  
JKellechio  
6-14-19

Developer Name:

Signature

Date:

Direct Line Development Inc.  
\_\_\_\_\_  
\_\_\_\_\_

**ECONOMIC INCUBATORS INC  
OPERATING ACCOUNT**  
3530 KRAFT RD STE 201  
NAPLES, FL 34105

FIRST FLORIDA INTEGRITY BANK 63-1632/670  
3580 PINE RIDGE ROAD  
NAPLES, FL 34109 10

2121

06/14/2017

PAY TO THE ORDER OF Elephant Marketing & Media, LLC

\$ \*\*1,265.00

One thousand two hundred sixty-five and 00/100\*\*\*\*\*  
DOLLARS

Carolyn Hansen  
Elephant Marketing & Media, LLC  
1307 Corso Palermo Court #1  
Naples, FL 34105

*Jennifer Kelleher*  
AUTHORIZED SIGNATURE

MEMO



ECONOMIC INCUBATORS INC		OPERATING ACCOUNT				2121
06/14/2017		Elephant Marketing & Media, LLC				
<b>Date</b>	<b>Type</b>	<b>Reference</b>	<b>Original Amount</b>	<b>Balance Due</b>	<b>Payment</b>	
06/14/2017	Bill	01728	1,265.00	1,265.00	1,265.00	
			Check Amount		1,265.00	

\$1037.90 - Task 3  
\$227.10 - Business Income  
Total = \$1265.00



1,265.00

ECONOMIC INCUBATORS INC		Elephant Marketing & Media, LLC				2121
06/14/2017		Elephant Marketing & Media, LLC				
<b>Date</b>	<b>Type</b>	<b>Reference</b>	<b>Original Amount</b>	<b>Balance Due</b>	<b>Payment</b>	
06/14/2017	Bill	01728	1,265.00	1,265.00	1,265.00	
			Check Amount		1,265.00	



1,265.00

6/14/2017

Invoice #01728 - Elephant Marketing & Media, LLC



Task 3 ✓

FROM Elephant Marketing & Media, LLC  
27821 S. Tamiami Trail, Suite 2  
Bonita Springs, FL 34134

INVOICE 01728  
ISSUED June 6, 2017  
DUE DATE June 13, 2017

INVOICE TO Economic Incubators  
Jennifer Pellechio  
3510 Kraft Rd #200  
Naples, FL 34105

ITEM	QUANTITY	PRICE	TOTAL
Accelerator Rate May 13, 2017 (Culinary news log updates on website.)	1.5	\$110.00	\$165.00
Accelerator Rate May 16, 2017 (Woodstocks instagram access from Hannah. Update account and schedule posts. )	0.75	\$110.00	\$82.50
Accelerator Rate May 19, 2017 (On site meeting. Marketing to-do list overview. Website updates. Forms updates. Onboarding document update discussion. Pricing template update. Next steps discussion. )	3.5	\$110.00	\$385.00
Accelerator Rate May 22, 2017 (Add June event info and new Chef info on website. )	1.5	\$110.00	\$165.00
Accelerator Rate May 22, 2017 (New Social Ad)	1	\$110.00	\$110.00
Accelerator Rate May 24, 2017 (Social promotion, email blast creation and set up for culinary information events in June. )	1.75	\$110.00	\$192.50

6/14/2017

Invoice #01728 - Elephant Marketing & Media, LLC

ITEM	QUANTITY	PRICE	TOTAL
Accelerator Rate May 29, 2017 (Social schedule for next 7 days. )	1.5	\$110.00	\$165.00
		Subtotal:	\$1,265.00
		Tax:	\$0.00
		<b>TOTAL:</b>	<b>\$1,265.00</b>
		Balance Due:	\$1,265.00

NOTES TASK #3

**ECONOMIC INCUBATORS INC  
OPERATING ACCOUNT**

3530 KRAFT RD STE 201  
NAPLES, FL 34105

FIRST FLORIDA INTEGRITY BANK  
3580 PINE RIDGE ROAD  
NAPLES, FL 34109

63-1632/670  
10

2122

06/14/2017

PAY TO THE  
ORDER OF

Recite Me, LTD

\$ \*\*1,995.00

One thousand nine hundred ninety-five and 00/100\*\*\*\*\*

DOLLARS

Recite Me, LTD  
Office 3.04 Baltimore House  
Gateshead  
NE8 3DF

*Jennifer Kellert*  
AUTHORIZED SIGNATURE

MEMO



ECONOMIC INCUBATORS INC  
06/14/2017

OPERATING ACCOUNT  
Recite Me, LTD

2122

Date  
06/14/2017

Type  
Bill

Reference  
275

Original Amount  
1,995.00

Balance Due  
1,995.00

Payment  
1,995.00  
1,995.00

Check Amount



1,995.00

ECONOMIC INCUBATORS INC  
06/14/2017

OPERATING ACCOUNT  
Recite Me, LTD

2122

Date  
06/14/2017

Type  
Bill

Reference  
275

Original Amount  
1,995.00

Balance Due  
1,995.00

Payment  
1,995.00  
1,995.00

Check Amount



1,995.00

✓  
TASK 3  
- State

RECITE ME LTD  
Office 3.04 Baltimore House  
Gateshead  
NE8 3DF  
finance@reciteme.com  
www.reciteme.com



# INVOICE

**INVOICE TO**  
The Naples Accelerator  
3510 Kraft Road,  
Suite 200  
Naples

**SHIP TO**  
The Naples Accelerator  
3510 Kraft Road,  
Suite 200  
Naples

**INVOICE NO.** 275  
**DATE** 25/05/2017  
**DUE DATE** 24/06/2017  
**TERMS** Net 30

ACTIVITY	QTY	RATE	AMOUNT
1yr Recite me License Annual License for Recite me accessibility software for: Naplesaccelerator.com Woodstocksmarket.com Theculinaryaccelerator.com	1	1,995.00	1,995.00

**Terms and Conditions:**  
Please make all cheques payable to Recite Me Ltd  
Payment terms: Payment is due within 30 days

**BALANCE DUE** **USD 1,995.00**

**Bank Details**  
Barclays Bank  
Sort Code: 20-33-51  
Account Code: 68214666  
SWIFTBIC: BARCGB22  
IBAN: GB19 BARC 2033 5168 2146 66

Recite me Ltd  
Office 3.04, Baltimore House Baltic Business Quarter Gateshead  
Tyne and Wear NE83DF

**ECONOMIC INCUBATORS INC  
OPERATING ACCOUNT**  
3530 KRAFT RD STE 201  
NAPLES, FL 34105

FIRST FLORIDA INTEGRITY BANK 63-1632/670  
3580 PINE RIDGE ROAD 10  
NAPLES, FL 34109

2131

06/28/2017

PAY TO THE  
ORDER OF

DB Consulting, Inc.

\$ \*\*5,000.00

Five thousand and 00/100\*\*\*\*\*

DOLLARS

DB Consulting, Inc.  
275 Indies Way #1105  
Naples, Florida 34110



AUTHORIZED SIGNATURE

MEMO



**ECONOMIC INCUBATORS INC** **OPERATING ACCOUNT**  
06/28/2017 DB Consulting, Inc.

2131

Date	Type	Reference	Original Amount	Balance Due	Payment
06/28/2017	Bill	101	5,000.00	5,000.00	5,000.00
			Check Amount		5,000.00



5,000.00

**ECONOMIC INCUBATORS INC** **OPERATING ACCOUNT**  
06/28/2017 DB Consulting, Inc.

2131

Date	Type	Reference	Original Amount	Balance Due	Payment
06/28/2017	Bill	101	5,000.00	5,000.00	5,000.00
			Check Amount		5,000.00



5,000.00



6/28/2017

Account Transactions: FIRST FLORIDA INTEGRITY BANK

06/27/2017

D/C SETTLEMENT ON THE SPOT PRINTING L LOC: IMMOKALEE

(307.40)

Need  
Invoice

JOIN OR LEARN MORE  
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Membership Only

Commercial  
Kitchen

Commercial  
Equipment

170 Airpark Blvd  
#103



PLEASE USE  
MAIN DOOR



### **Tasks for Deliverable 3**

- **Copies of all designs, plans and permits obtained for required to be obtained for accomplishing the project.**

# AIA<sup>®</sup> Document G701<sup>™</sup> – 2001

## Change Order

<b>PROJECT</b> <i>(Name and address):</i> Immokalee Culinary Arts Services 170 Airpark Boulevard Immokalee, FL 34142	<b>CHANGE ORDER NUMBER:</b> 001 <b>DATE:</b> June 7, 2017	<b>OWNER:</b> <input checked="" type="checkbox"/> <b>ARCHITECT:</b> <input checked="" type="checkbox"/> <b>CONTRACTOR:</b> <input checked="" type="checkbox"/> <b>FIELD:</b> <input type="checkbox"/> <b>OTHER:</b> <input type="checkbox"/>
<b>TO CONTRACTOR</b> <i>(Name and address):</i> Compass Construction, Inc. 824 Lafayette Street Cape Coral, FL 33904	<b>ARCHITECT'S PROJECT NUMBER:</b> 17-1315 <b>CONTRACT DATE:</b> 2/13/17 <b>CONTRACT FOR:</b> General Construction	

**THE CONTRACT IS CHANGED AS FOLLOWS:**  
*(Include, where applicable, any undisputed amount attributable to previously executed Construction Change Directives)*  
Costs associated with the following changes:

1) Credit for Kitchen equipment per Alternate #3 .....	<\$203,296.00>
2) Add for food service equipment drawings for Beltram .....	\$ 3,084.00
3) Add for toilet accessories added to existing restroom .....	\$ 1,669.00
4) Relocate existing outdoor condenser unit for Shutter Shop .....	\$ 5,302.00
5) Relocate (4) floor drains with demo & concrete pour back .....	\$ 5,431.00
6) Locate existing water lines not in place as shown on drawings .....	\$ 998.00
7) Relocate restroom lavatory .....	\$ 767.00
8) Replace (11) EM lights and (4) exit lights .....	\$ 1,503.00
9) Add hand sink in kitchen area per ASI #2 .....	\$ 416.00
10) Work associated with ASI #1 including moving, adding wall & door .....	\$ 2,486.00
11) Clean out existing sewer lines .....	\$ 713.00
12) Electric changes for various equipment .....	\$ 9,350.00
13) Add hose bib at south side .....	\$ 438.00

**TOTAL CHANGE ORDER NO. 001** .....<\$171,139.00>

The original Contract Sum was	\$ 1,143,194.00
The net change by previously authorized Change Orders	\$ 0.00
The Contract Sum prior to this Change Order was	\$ 1,143,194.00
The Contract Sum will be decreased by this Change Order in the amount of	\$ 171,139.00
The new Contract Sum including this Change Order will be	\$ 972,055.00

The Contract Time will be increased by Zero (0) days.  
The date of Substantial Completion as of the date of this Change Order therefore is

**NOTE:** This Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive

**NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.**

<u>BSSW Architects, Inc.</u> ARCHITECT <i>(Firm name)</i>	<u>Compass Construction, Inc.</u> CONTRACTOR <i>(Firm name)</i>	<u>Economic Incubators, Inc.</u> OWNER <i>(Firm name)</i>
949 Central Avenue Naples, FL 34102 ADDRESS	824 Lafayette Street Cape Coral, FL 33904 ADDRESS	3500 Kraft Road, Suite 200 Naples, FL 34105 ADDRESS

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User Notes:

(3B9ADA16)

*D.A. Summers*

BY (Signature)  
Daniel A Summers, Pres  
(Typed name)  
6-12-17  
DATE

BY (Signature)  
Bruce Downs  
(Typed name)  
June 7, 2017  
DATE

*W. Goodman*

BY (Signature)  
MARSHALL GOODMAN  
(Typed name)  
6-13-17  
DATE



May 30, 2017

Jennifer Pelechio  
Naples Accelerator  
3500 Kraft Road, Suite 200  
Naples, FL 34105

RE: Request for Change Order  
Various Items

Dear Jennifer;

Listed below are the associated cost amounts and descriptions regarding the various changes made to the project.

- 1) Credit Kitchen equipment as per Alternate #3 as listed on original bid form and corresponds to email dated 5/11/17 listing equipment to be purchased and installed by others. Note this does not include 500 Gallon Gas Tank which was purchased already as part of the gas piping system and the Packaging Label Applicator which was added after the bid and never was part of our contract

Deduct: <\$203,296.00>

- 2) Add for Food Service Equipment Drawings, Shop Drawings and Administration costs for Beltram associated with the deduct of the kitchen equipment \$2,600.00
- |  |                  |
|--|------------------|
| Compass Construction General Conditions including bond | <u>\$ 204.00</u> |
| Subtotal   | \$2,804.00       |
| Compass Construction Markup                            | <u>\$ 280.00</u> |
| Total  | \$3,084.00       |

- 3) Add for Toilet Accessories added to existing restroom because existing accessories that were to be reused were either broken or missing

Toilet Accessories	\$1,405.00
Compass Construction General Conditions including bond	<u>\$ 112.00</u>
Subtotal	\$1,517.00
Compass Construction Markup	<u>\$ 152.00</u>
Total	\$1,669.00

- 4) Relocate existing outdoor condenser unit for Shutter Shop to new location

HVAC	\$3,053.00
Electric	\$1,410.00
Compass Construction General Conditions including bond	<u>\$ 357.00</u>
Subtotal	\$4,820.00
Compass Construction Markup	<u>\$ 482.00</u>
Total	\$5,302.00

- 5) Add hand sink in kitchen area as per ASI #2

Hand Sink	\$ 350.00
Compass Construction General Conditions including bond	<u>\$ 28.00</u>

Subtotal  
~~Compass Construction Markup~~  
Total

~~\$ 375.00~~  
~~\$ 416.00~~  
\$ 416.00  
B/D  
9/6/17

6) Relocate 4 floor drains with demo and concrete pour back	
Plumbing	\$2,520.00
Demolition	\$1,210.00
Concrete	\$850.00
Compass Construction General Conditions including bond	<u>\$ 366.00</u>
Subtotal	\$4,946.00
Compass Construction Markup	<u>\$ 495.00</u>
Total	\$5,431.00
7) Locate existing water lines not in place as shown on drawings	
Plumbing	\$ 840.00
Compass Construction General Conditions including bond	<u>\$ 67.00</u>
Subtotal	\$ 907.00
Compass Construction Markup	<u>\$ 91.00</u>
Total	\$ 998.00
8) Relocate restroom lavatory	
Plumbing	\$ 645.00
Compass Construction General Conditions including bond	<u>\$ 52.00</u>
Subtotal	\$ 697.00
Compass Construction Markup	<u>\$ 70.00</u>
Total	\$ 767.00
9) Replace 11 EM lights and 4 exit lights	
Electrical	\$1,265.00
Compass Construction General Conditions including bond	<u>\$ 101.00</u>
Subtotal	\$1,366.00
Compass Construction Markup	<u>\$ 137.00</u>
Total	\$1,503.00
10) Add hand sink in kitchen area as per ASI #2	
Plumbing	\$ 350.00
Compass Construction General Conditions including bond	<u>\$ 28.00</u>
Subtotal	\$ 378.00
Compass Construction Markup	<u>\$ 38.00</u>
Total	\$ 416.00
11) Work associated with ASI 1 including moving, adding wall and door at locker room	
Framing and Drywall	\$ 825.00
Electrical	\$ 240.00
Door, frame and hardware	\$ 728.00
Painting	\$ 300.00
Compass Construction General Conditions including bond	<u>\$ 168.00</u>
Subtotal	\$2,260.00

Compass Construction Markup	<u>\$ 226.00</u>
Total	<u>\$2,486.00</u>

12) Clean out existing sewer lines	
Plumbing	\$ 600.00
Compass Construction General Conditions including bond	<u>\$ 48.00</u>
Subtotal	<u>\$ 648.00</u>
Compass Construction Markup	<u>\$ 65.00</u>
Total	<u>\$ 713.00</u>

13) Electric changes for equipment including 50 amp circuit, 3 phase for round boiling pan; circuit for fresh gelato; circuit for Alto Shaam; 2 circuits for X-1 and 220 v circuit for X-6; 90 amp circuit for air o convect oven; circuit for Vac Master, 220v, 3 phase & circuit for Master Chill, 220v, 20 amp.	
Electrical	\$ 7,870.00
Compass Construction General Conditions including bond	<u>\$ 630.00</u>
Subtotal	<u>\$ 8,500.00</u>
Compass Construction Markup	<u>\$ 850.00</u>
Total	<u>\$ 9,350.00</u>

<del>14) Additional Sawcut of Freezer / Cooler required due to dimensional difference in plans and freezer sawcut / demolition</del>	<del>\$ 1,280.00</del>
<del>    Compass Construction General Conditions including bond</del>	<del>\$ 102.00</del>
<del>    Subtotal</del>	<del>\$ 1,382.00</del>
<del>    Compass Construction Markup</del>	<del>\$ 139.00</del>
<del>    Total</del>	<del>\$ 1,521.00</del>

710  
6/6/17

15) Add hose bib south side	
Plumbing	\$ 370.00
Compass Construction General Conditions including bond	<u>\$ 28.00</u>
Subtotal	<u>\$ 398.00</u>
Compass Construction Markup	<u>\$ 40.00</u>
Total	<u>\$ 438.00</u>

If accepted, this will be included in a change order as prepared by Compass Construction, Inc.

Sincerely,  
Compass Construction, Inc.

*Bruce Downs*  
Bruce Downs  
Project Manager

Will send you fully executed - ASAP

# AIA<sup>®</sup> Document G701<sup>™</sup> – 2001

## Change Order

<b>PROJECT (Name and address):</b> Immokalee Culinary Arts Services 170 Airpark Boulevard Immokalee, FL 34142	<b>CHANGE ORDER NUMBER:</b> 002 <b>DATE:</b> June 28, 2017	<b>OWNER:</b> <input checked="" type="checkbox"/> <b>ARCHITECT:</b> <input checked="" type="checkbox"/> <b>CONTRACTOR:</b> <input checked="" type="checkbox"/> <b>FIELD:</b> <input type="checkbox"/> <b>OTHER:</b> <input type="checkbox"/>
<b>TO CONTRACTOR (Name and address):</b> Compass Construction, Inc. 824 Lafayette Street Cape Coral, FL 33904	<b>ARCHITECT'S PROJECT NUMBER:</b> 17-1315 <b>CONTRACT DATE:</b> 2/13/17 <b>CONTRACT FOR:</b> General Construction	

**THE CONTRACT IS CHANGED AS FOLLOWS:**  
(Include, where applicable, any undisputed amount attributable to previously executed Construction Change Directives)

Costs associated with the following changes:

- |   |            |
|---|------------|
| 1) Add for eye wash / shower unit next to the hand sink .....   | \$2,970.00 |
| 2) Replace existing fire alarm devices not working including 11 smoke detectors, 5 horn strobes and 4 pull stations ..... | \$2,219.00 |
| 3) Add (5) each 4" pipe bollards at propane tank .....  | \$2,970.00 |

**TOTAL CHANGE ORDER NO. 002 .....** \$8,159.00

The original Contract Sum was	\$	1,143,194.00
The net change by previously authorized Change Orders	\$	-171,139.00
The Contract Sum prior to this Change Order was	\$	972,055.00
The Contract Sum will be increased by this Change Order in the amount of	\$	8,159.00
The new Contract Sum including this Change Order will be	\$	980,214.00

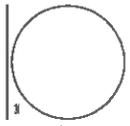
The Contract Time will be unchanged by Zero (0) days.  
The date of Substantial Completion as of the date of this Change Order therefore is

**NOTE:** This Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive

**NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.**

<u>BSSW Architects, Inc.</u> ARCHITECT (Firm name)	<u>Compass Construction, Inc.</u> CONTRACTOR (Firm name)	<u>Economic Incubators, Inc.</u> OWNER (Firm name)
<u>949 Central Avenue</u> <u>Naples, FL 34102</u> ADDRESS	<u>824 Lafayette Street</u> <u>Cape Coral, FL 33904</u> ADDRESS	<u>3500 Kraft Road, Suite 200</u> <u>Naples, FL 34105</u> ADDRESS
<u></u> BY (Signature)	<u></u> BY (Signature)	<u></u> BY (Signature)
<u>Bruce Downs</u> (Typed name)	<u>Bruce Downs, Project Manager</u> (Typed name)	<u></u> (Typed name)
<u>June 28, 2017</u> DATE	<u>June 28, 2017</u> DATE	<u></u> DATE

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User Notes: (369ADA2F)



**BID SET**

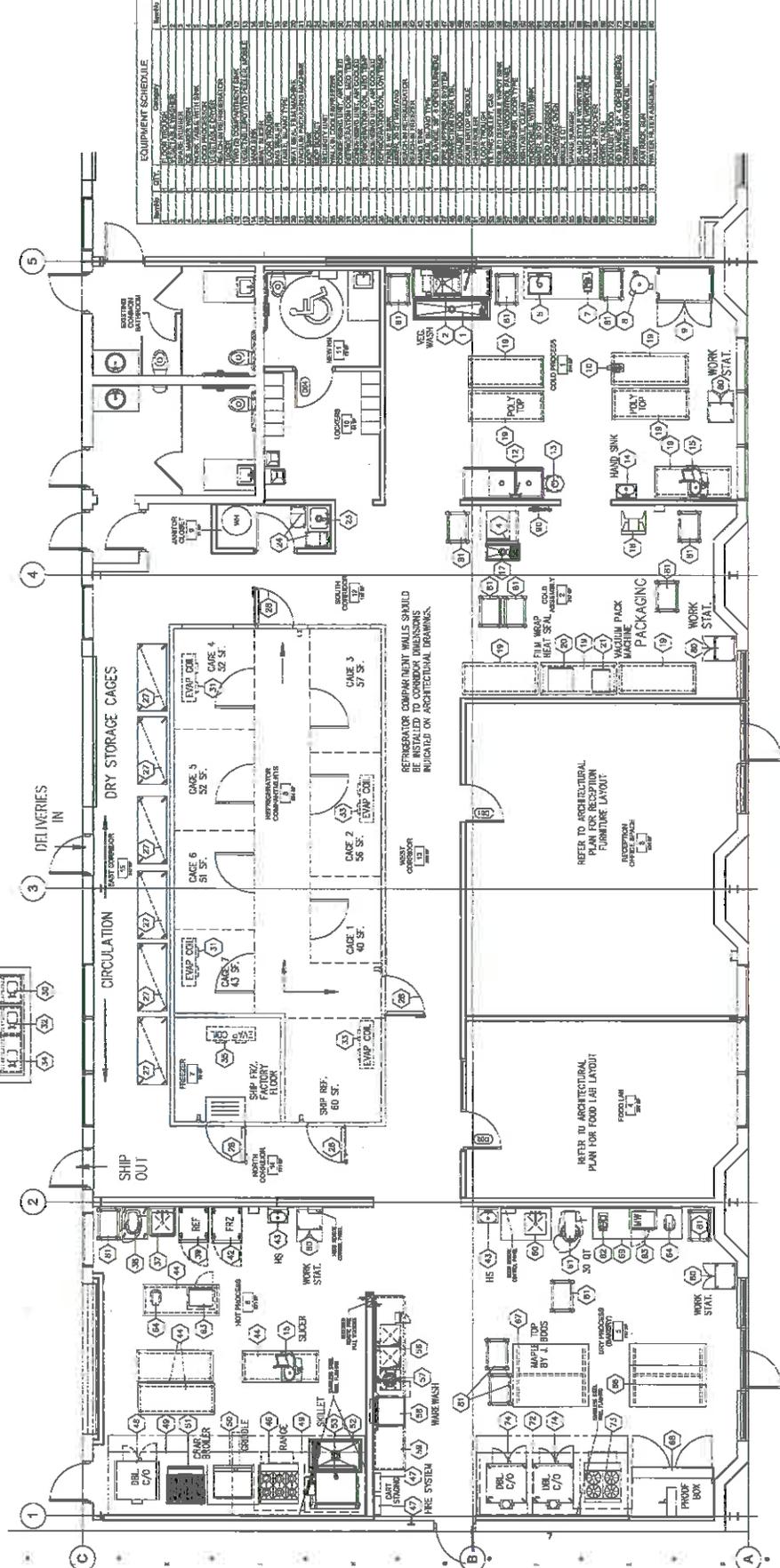
Project:	11/15/20
Prepared:	1/21/18 14:00:00
Revised:	
By:	
Notes:	

**EQUIPMENT  
 PLAN**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100



- ENVIRONMENTAL NOTICES**
1. THE WORK SHALL BE INSTALLED IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL BUILDING CODES (IBC) AND THE INTERNATIONAL PLUMBING AND MECHANICAL CODES (IMC). ALL WORK SHALL BE INSTALLED WITHIN THE SPECIFIED FOOTPRINT AND SHALL BE INSTALLED IN ACCORDANCE WITH THE LATEST EDITIONS OF THE MANUFACTURER'S INSTALLATION INSTRUCTIONS. ALL WORK SHALL BE INSTALLED IN ACCORDANCE WITH THE LATEST EDITIONS OF THE MANUFACTURER'S INSTALLATION INSTRUCTIONS. ALL WORK SHALL BE INSTALLED IN ACCORDANCE WITH THE LATEST EDITIONS OF THE MANUFACTURER'S INSTALLATION INSTRUCTIONS.
  2. ALL REFRIGERATION SYSTEMS SHALL BE INSTALLED IN ACCORDANCE WITH THE LATEST EDITIONS OF THE MANUFACTURER'S INSTALLATION INSTRUCTIONS. ALL REFRIGERATION SYSTEMS SHALL BE INSTALLED IN ACCORDANCE WITH THE LATEST EDITIONS OF THE MANUFACTURER'S INSTALLATION INSTRUCTIONS. ALL REFRIGERATION SYSTEMS SHALL BE INSTALLED IN ACCORDANCE WITH THE LATEST EDITIONS OF THE MANUFACTURER'S INSTALLATION INSTRUCTIONS.
  3. ALL ELECTRICAL SYSTEMS SHALL BE INSTALLED IN ACCORDANCE WITH THE LATEST EDITIONS OF THE NATIONAL ELECTRICAL CODE (NEC). ALL ELECTRICAL SYSTEMS SHALL BE INSTALLED IN ACCORDANCE WITH THE LATEST EDITIONS OF THE NATIONAL ELECTRICAL CODE (NEC). ALL ELECTRICAL SYSTEMS SHALL BE INSTALLED IN ACCORDANCE WITH THE LATEST EDITIONS OF THE NATIONAL ELECTRICAL CODE (NEC).
  4. ALL MECHANICAL SYSTEMS SHALL BE INSTALLED IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL MECHANICAL CODE (IMC). ALL MECHANICAL SYSTEMS SHALL BE INSTALLED IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL MECHANICAL CODE (IMC). ALL MECHANICAL SYSTEMS SHALL BE INSTALLED IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL MECHANICAL CODE (IMC).

TO AVOID ACCIDENTS, PROTECTORS SHALL BE INSTALLED IN ALL AREAS WHERE WORK IS BEING PERFORMED. ALL WORK SHALL BE INSTALLED IN ACCORDANCE WITH THE LATEST EDITIONS OF THE MANUFACTURER'S INSTALLATION INSTRUCTIONS. ALL WORK SHALL BE INSTALLED IN ACCORDANCE WITH THE LATEST EDITIONS OF THE MANUFACTURER'S INSTALLATION INSTRUCTIONS. ALL WORK SHALL BE INSTALLED IN ACCORDANCE WITH THE LATEST EDITIONS OF THE MANUFACTURER'S INSTALLATION INSTRUCTIONS.





# Economic Incubators, Inc.

## TRANSACTION REPORT

May 8 - June 28, 2017

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT	SPLIT	AMOUNT	BALANCE
State								
05/26/2017	Bill	10722	BSSW	Culinary Arts and Services Facility Immokalee Airport	State:Task 3/Immokalee	Accounts Payable (A/P)	9,934.00	9,934.00 ✓
05/26/2017	Bill	10704	BSSW	Culinary Arts and Services Facility Immokalee Airport	State:Task 3/Immokalee	Accounts Payable (A/P)	1,282.50	11,216.50 ✓
05/26/2017	Bill	17-1315	Compass Construction, Inc.	Contract Application 4	State:Task 3/Immokalee	Accounts Payable (A/P)	151,576.20	162,792.70 ✓
05/26/2017	Bill	MSA-1059	Onward Technology Solutions	Professional Services - Cloud Management	State:Task 3/Immokalee	Accounts Payable (A/P)	3,550.00	166,342.70 ✓
06/14/2017	Bill	5	Compass Construction, Inc.	Contract Application 5	State:Task 3/Immokalee	Accounts Payable (A/P)	109,816.20	276,158.90 ✓
06/14/2017	Bill	275	Recite Me, LTD	Professional Services - Web Services	State:Task 3/Immokalee	Accounts Payable (A/P)	1,995.00	278,153.90 ✓
06/14/2017	Bill	01728	Elephant Marketing & Media, LLC	Professional Services - Marketing	State:Task 3/Immokalee	Accounts Payable (A/P)	1,037.90	279,191.80 ✓
06/14/2017	Bill		Direct Line Development	Professional Services - Web Design	State:Task 3/Immokalee	Accounts Payable (A/P)	2,500.00	281,691.80 ✓
06/14/2017	Bill	113463	Tuscan & Company, PA	Professional Services - Financial Audit billing #3	State:Task 3/Immokalee	Accounts Payable (A/P)	2,000.00	283,691.80 ✓
06/26/2017	Bill		Collier County Business & Economic Development Division	Equipment - Match to USDA Grant	State:Task 3/Immokalee	Accounts Payable (A/P)	111,424.00	395,115.80 ✓
06/27/2017	Bill	10736	BSSW	Professional Services for the Period May 1 to May 31, 2017 Team Meeting Culinary Arts & Services Facility Immokalee Airport	State:Task 3/Immokalee	Accounts Payable (A/P)	5,599.75	400,715.55 ✓
06/27/2017	Bill	10737	BSSW	Professional Services for the Period May 1 to May 31, 2017 Naples Culinary 100%	State:Task 3/Immokalee	Accounts Payable (A/P)	2,375.00	403,090.55 ✓
06/28/2017	Bill		Compass Construction, Inc.	Contract Application 6 - Final	State:Task 3/Immokalee	Accounts Payable (A/P)	441,374.10	844,464.65 ✓ <i>che</i>
06/28/2017	Bill		Fisher Scientific	UF Lab Equipment	State:Task 3/Immokalee	Accounts Payable (A/P)	9,401.90	853,866.55 ✓ <i>che</i>
06/28/2017	Bill		Meter Group, INC.	UF Lab Equipment	State:Task 3/Immokalee	Accounts Payable (A/P)	9,703.90	863,570.45 ✓
06/28/2017	Bill		BSSW	Professional Services for the Period February 1, 2017 - February 28, 2017 Naples Culinary 100%	State:Task 3/Immokalee	Accounts Payable (A/P)	3,359.12	866,929.57 ✓ <i>che</i>
06/28/2017	Bill	101	DB Consulting, Inc.	Consulting Hours for Immokalee Accelerator	State:Task 3/Immokalee	Accounts Payable (A/P)	5,000.00	871,929.57 ✓
06/28/2017	Bill	1231	On the Spot Printing LLC	Vinyl Decal	State:Task 3/Immokalee	Accounts Payable (A/P)	307.40	872,236.97 ✓ <i>imo</i>
Total for Task 3/Immokalee							<b>\$872,236.97</b>	
Total for State							<b>\$872,236.97</b>	
<b>TOTAL</b>							<b>\$872,236.97</b>	

ECONOMIC INCUBATORS INC  
OPERATING ACCOUNT  
3530 KRAFT RD STE 201  
NAPLES, FL 34105

FIRST FLORIDA INTEGRITY BANK  
3580 PINE RIDGE ROAD  
NAPLES, FL 34109



2132

06/29/2017

PAY TO THE  
ORDER OF

BSSW

\$ \*\*3,359.12

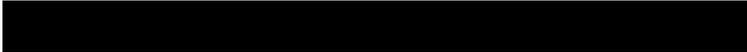
Three thousand three hundred fifty-nine and 12/100\*\*\*\*\*

DOLLARS

BSSW  
1500 Jackson Street Suite 200  
Fort Myers, Florida 339601

AUTHORIZED SIGNATURE

MEMO



ECONOMIC INCUBATORS INC  
OPERATING ACCOUNT  
06/29/2017 BSSW

2132

Date	Type	Reference	Original Amount	Balance Due	Payment
06/28/2017	Bill	10616	3,359.12	3,359.12	3,359.12
			Check Amount		3,359.12



3,359.12

ECONOMIC INCUBATORS INC  
OPERATING ACCOUNT  
06/29/2017 BSSW

2132

Date	Type	Reference	Original Amount	Balance Due	Payment
06/28/2017	Bill	10616	3,359.12	3,359.12	3,359.12
			Check Amount		3,359.12



3,359.12

**ECONOMIC INCUBATORS INC  
OPERATING ACCOUNT**  
3530 KRAFT RD STE 201  
NAPLES, FL 34105

FIRST FLORIDA INTEGRITY BANK  
3580 PINE RIDGE ROAD  
NAPLES, FL 34109

10

2133

06/29/2017

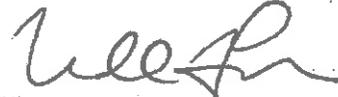
PAY TO THE ORDER OF Compass Construction, Inc.

\$ \*\*441,374.10

Four hundred forty-one thousand three hundred seventy-four and 10/100\*\*\*\*\*

DOLLARS

Compass Construction, Inc.  
824 Lafayette Street  
Cape Coral, Florida 33904



AUTHORIZED SIGNATURE

MEMO

[Redacted]

ECONOMIC INCUBATORS INC 06/29/2017 OPERATING ACCOUNT  
Compass Construction, Inc.

2133

Date	Type	Reference	Original Amount	Balance Due	Payment
06/28/2017	Bill	Application 6	441,374.10	441,374.10	441,374.10
		Check Amount			441,374.10

[Redacted]

441,374.10

ECONOMIC INCUBATORS INC 06/29/2017 OPERATING ACCOUNT  
Compass Construction, Inc.

2133

Date	Type	Reference	Original Amount	Balance Due	Payment
06/28/2017	Bill	Application 6	441,374.10	441,374.10	441,374.10
		Check Amount			441,374.10

[Redacted]

441,374.10



On The Spot Printing LLC  
1390 N 15th Street, Suite 300  
Immokalee, FL 34142  
(239)658-5026  
onthespotprintshop@gmail.com

## Invoice

**BILL TO**

Jennifer Pellechio  
jpellechio@naplesacclerator.com  
239-707-3788

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
1231	06/22/2017	\$307.40	07/22/2017	Net 30	

ACTIVITY	QTY	RATE	AMOUNT
<b>Vinyl Decal</b> Store Front Door and 2 Windows vinyl cut and installed	1	210.00	210.00
<b>Vinyl Decal</b> Store Front Door # 2	1	80.00	97.49
		<b>SUBTOTAL</b>	307.40
		<b>TAX (6%)</b>	0.00
		<b>TOTAL</b>	307.40
		<b>BALANCE DUE</b>	<b>\$307.40</b>

Please make all checks payable to: On The Spot Printing LLC

Thank you for your business!

**Additional documentation for equipment**

## STRATEGIC

**To:**  
 Collier County Board of County  
 Commissioners  
 Swainson Hall  
 Attn: Accounts Payable  
 3299 Tamiami Trail E Ste 700  
 Naples, FL 34112  
 239-252-8935 (Contact)

**Project:**  
 FL Collier County - 4500178967-  
 ITB #17-7167, Florida Culinary  
 Accelerator at Immokalee Kitchen,  
 June 2017

**From:**  
 Strategic Equipment, LLC  
 Stacy L Parrish  
 5843 Barry Road  
 Tampa, FL 33634  
 (813)983-2130

Item	Qty	Description	Sell	Sell Total
74	1 ea	<b>COMBI OVEN, GAS</b> Electrolux Professional Model No. 269753 (AOS102GCP1) Air-O-Convect® Combi Oven, natural gas, boilerless, full-size, (10) 18" x 26" full size sheet pan capacity, automatic moistener with (11) settings, core temperature probe, variable fan speed, hold and cooling function, automatic and built in self-cleaning, double glazed door, stainless steel interior & exterior, 120v/60/1-ph, 105,871 BTU, cETLus, ETL-Sanitation(replaces discontinued PNC 269553) <b>Note: Owner revised quantity to One (1) each.</b>	\$10,507.22	\$10,507.22
	1 ea	The following are included in the purchase of Electrolux Professional Heavy Equipment (excludes Food preparation and Libero Equipment) 1.) Pre-installation site survey 2.) Start-up performed by an Electrolux authorized service partner 3.) Platinum Warranty: 2 years parts & 1 year labor (Warranty activated upon completion of mandatory Electrolux authorized service partner start-up) 4.) Chef Training: available after registration of Electrolux authorized service partner start-up (Chef Training applies only to: Combi Ovens, Blast Chillers/Shock Freezers, Braising Pans, Pressure Braising Pans and Kettles) 5.) Performance Check: 12th month performance maintenance check  Please contact your local Electrolux Manufacturers' Representative to schedule all of the above.		
	1 ea	It is obligatory upon the end-user to supply the combi with water that conforms to the specifications attached within AQ Documents section for this PNC/Model. A properly sized system combined with a disciplined filter replacement regimen will ensure the maximum life of the oven		
	1 ea	Gas type to be specified		
	1 ea	9R0066 Reverse Osmosis System, RO-175, 40-80 psi, self-contained storage tank, .5 / .27 gallon draw down, built-in TDS meter, 100° F temperature; includes: (1) primary chlorine/scale control & (1) membrane, for all Air-O-Convect Manual & Touchline Combi Ovens, included components are: 1 qt. internal tank (all necessary tubing &	\$708.26	\$708.26

Item	Qty	Description	Sell	Sell Total
		fitting to connect unit), mounting bracket & external filter housing (Servicing & Warranty supplied by manufacturer, Southeastern Filtration & Equipment Systems 1-800-935-8500)		
1 ea	922062 (AOSAC29)	304 stainless steel grid, 12"x20" (replaces discontinued PNC 922017)	\$18.68	\$18.68
1 ea	922036 (2GR118C)	Chicken Racks, pair (2) (fits 8 chickens per rack)	\$99.42	\$99.42
1 ea	922239 (OAC100)	Pair of frying baskets	\$99.42	\$99.42
1 ea	922283 (DRAINKIT)	Drain Kit, T-Shape 2"diameter (50mm)	\$110.70	\$110.70
1 ea	922198 (AOSQAC014)	Open base with rack guides, for 62 and 102 oven	\$722.71	\$722.71
1 ea	922171 (OAC71)	External side spray unit	\$119.51	\$119.51
1 ea	T&S Brass HG-4C-48SK	Safe-T-Link Gas Connector Kit, 1/2" connection, 48"L, stainless steel braid with extruded coating, (1) quick disconnect, (2) SwiveLink swivels, (1) 90° elbow, ball valve, restraining cable adjustable for 3' to 5'	\$146.72	\$146.72
1 ea	TRIMARK STRATEGIC INSTALL	Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$593.75	\$593.75
			<b>ITEM TOTAL:</b>	<b>\$13,126.39</b>
80	4 ea	<b>DESK</b> Winholt Equipment Model No. OTE-78 Desk, Receiving/Shop, mobile stand up design, sloped top writing surface, enclosed cabinet base, standard color beige enamel finish	\$224.00	\$896.00
			<b>ITEM TOTAL:</b>	<b>\$896.00</b>
81	13 ea	<b>BUN / SHEET PAN RACK</b> Cres Cor Model No. 207-1812-SD Utility Rack, mobile, angle ledge, super duty, full height, open sides, riveted pan slides with extruded angles, 5-1/8" centers, (24) 14" x 18" tray or (12) 18" x 26" pan capacity, end loading, fully welded Hi-Tensile aluminum frame construction, (4) 5" swivel casters (2) braked, NSF <b>Verify if 12 or 13 units are required.</b>	\$545.29	\$7,088.77
	13 ea	Standard Warranty: 3 yr parts, 1-year labor warranty, lifetime guarantee against rust & corrosion		
	13 ea	1032-001 Pan Stop, prevents accidental push through of pans	\$93.18	\$1,211.34
	13 ea	1056-012 Corner Bumpers, for racks with stem casters	\$83.52	\$1,085.76
	13 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$18.55	\$241.15
			<b>ITEM TOTAL:</b>	<b>\$9,627.02</b>
90	1 ea	<b>WATER FILTRATION SYSTEM</b> Everpure Model No. EV932523 INSURICE Triple PF-i4000 <sup>2</sup> System, 36,000 gallon capacity, 5 gpm flow rate, 0.5-micron precoat filtration (3) i4000 <sup>2</sup> Cartridges, with self- contained scale inhibitor feed (1) EC210 sediment prefilter Cartridge, pressure gauge, flushing valve, high flow rate 5.0 gpm	\$494.67	\$494.67
	3 ea	EV961232 i4000 <sup>2</sup> Replacement Cartridge, 12,000 gallon capacity, 1.67 gpm flow rate, 0.5-micron rating	\$56.78	\$170.34
	6 ea	EV953426 Everpure® EC210 Prefilter Cartridge, fits most 20" drop-in housings, 10 micron rating (6 each per case)	\$5.53	\$33.18

Item	Qty	Description	Sell	Sell Total
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$33.40	\$33.40
			<b>ITEM TOTAL:</b>	<b>\$731.59</b>
			Merchandise	\$24,381.00
			Freight	
			Total	\$24,381.00



**STRATEGIC**

# Invoice 4500178958

**To:**  
 Collier County Board of County Commissioners  
 Swainson Hall  
 Attn: Accounts Payable  
 3299 Tamiami Trail E Ste 700  
 Naples, FL 34112  
 239-252-8935 (Contact)

**Project:**  
 FL Collier County - PO #4500178958 - ITB #17-7167, Florida Culinary Accelerator at Immokalee Kitchen, June 2017

**From:**  
 Strategic Equipment, LLC  
 Stacy L Parrish  
 5843 Barry Road  
 Tampa, FL 33634  
 (813)983-2130

Item	Qty	Description	Sell	Sell Total
2	1 ea	<b>POWER SOAK</b> Power Soak Model No. 50PSP75L3B1 Power Soak Sink	\$10,471.75	\$10,471.75
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$396.74	\$396.74
			<b>ITEM TOTAL:</b>	<b>\$10,868.49</b>
4	1 ea	<b>ICE CUBER</b> Hoshizaki Model No. KM-515MAH Ice Maker, Cube-Style, air-cooled, self-contained condenser, production capacity up to 527 lb/24 hours at 70°/50° (450 lb AHRI certified at 90°/70°), stainless steel finish, crescent cube style, R-404A refrigerant, 115v/60/1-ph, 11.7 amps, NSF, UL, ENERGY STAR®	\$2,401.63	\$2,401.63
	1 ea	Warranty: 3-Year parts & labor on entire machine		
	1 ea	Warranty: 5-Year parts & labor on evaporator		
	1 ea	Warranty: 5-Year parts on compressor & air-cooled condenser		
	1 ea	B-500SF Ice Bin, top-hinged front-opening door, AHRI certified 500-lb ice storage capacity, for top-mounted ice maker, stainless steel exterior, painted legs included, protected with H-GUARD Plus Antimicrobial Agent, ETL-Sanitation	\$881.95	\$881.95
	1 ea	HS-2033 Top Kit, 8", ABS	\$87.74	\$87.74
	1 ea	Warranty: 3-Year parts & labor for bin		
	1 ea	H9320-51 Water Filtration System, single configuration	\$153.78	\$153.78
	1 ea	9795-80 Pre-Filter System, E-10 Prefilter, NSF	\$88.65	\$88.65
	1 ea	Dormont W25BP2Q48 Dormont Hi-PSI® Water Connector, 1/4" dia., 48" long, covered with stainless steel braid, coated with gray antimicrobial PVC, brass two-way Quick Disconnect coupling, 2-year warranty	\$89.25	\$89.25
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$370.29	\$370.29
			<b>ITEM TOTAL:</b>	<b>\$4,073.29</b>
5	1 ea	<b>WORK TABLE</b> Eagle Group Model No. SPECFAB Spec-Master® Series Work Table, 72"W x 30"D, 4-1/2"H backsplash,	\$799.19	\$799.19

Item	Qty	Description	Sell	Sell Total
		14/300 series stainless steel top, rolled front edge, 20" x 20" x 14" sink bowl, twist bracket, welded base, 18/300 series stainless steel undershelf with marine edge, Uni-Lok® gusset system, (4) stainless steel legs & adjustable bullet feet, NSF		
1 ea		313920 T&S Faucet, splash mount, 8" centers, 8" swing spout, extra-heavy duty	\$222.20	\$222.20
1 ea		SPECFAB T&S Twist Handle Drain, 1-1/2 or 2" NPS connection	\$92.52	\$92.52
1 ea		TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$132.25	\$132.25
			<b>ITEM TOTAL:</b>	<b>\$1,246.16</b>
7	1 ea	<b>FOOD PROCESSOR</b> Berkel Model No. M2000-5 Food Processor, continuous gravity feed with automatic start/stop function, single speed (350 rpm), 600-650 lbs/hr slicing & 650-800 lbs/hr dicing capacity, removable hinged feed hopper lid with magnetic safety lock, dual feed openings with safety pusher, disk ejection system, HD motor with poly-v-belt, polished cast aluminum & stainless steel housing, 1/8" slicing plate, 1/8" shredding plate, 1/2 HP, 115v/60/1-ph, 6 ft cord, 7.5 amps, made in USA, cULus, NSF	\$2,258.58	\$2,258.58
	1 ea	1 year parts & labor warranty (cutting edges & dicing grids not included, standard)		
	1 ea	MPLATE-6PACK Accessory Package, includes SLICER-S2, SLICER-S3, SLICER-S11, SHRED-SH3, DICE-D11, SLICER-J6X6; for M2000 & M3000 vegetable cutters, made in USA, NSF	\$1,271.91	\$1,271.91
	1 ea	ACCY-RACK6 Storage Rack, 6 disc, table	\$81.00	\$81.00
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$79.35	\$79.35
			<b>ITEM TOTAL:</b>	<b>\$3,690.84</b>
8	1 ea	<b>VEGETABLE DRYER</b> Hobart 2017 Model No. SDPE-11 Salad Dryer, floor model, 20-gallon capacity (approximately 16 heads of lettuce), 406 RPM, polyethylene outer tub & lid, polyethylene spin basket with handle grips, fully sealed polyethylene base, 5-minute timer, permanently lubricated gear drive, drain pipe extension tube, stainless steel motor splashguard, casters with brakes, 1/4 HP motor with thermal overload, 115v/60/1-ph, 2.5 amps, UL, NSF	\$2,000.79	\$2,000.79
	1 ea	Standard warranty - 1-Year parts, labor & travel time during normal working hours within the USA		
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$79.35	\$79.35
			<b>ITEM TOTAL:</b>	<b>\$2,080.14</b>
9	1 ea	<b>BLAST CHILLER FREEZER, 30" - 42"H</b> Master-Bilt Products Model No. MBCF48/28-4A Master-Chill™ Blast Chiller/Freezer, undercounter, single section, self-contained refrigeration, auto chill cycle control, electric defrost, accommodates (5) 12" x 20" x 2-1/2" pans, stainless steel interior &	\$8,297.78	\$8,297.78

Item	Qty	Description	Sell	Sell Total
		exterior, adjustable legs, 1 hp, 220v/60/1-ph, 7.5 amps, ETL listed in US & Canada, ETL-Sanitation		
	1 ea	1 year parts and labor warranty		
	1 ea	5 year compressor part warranty		
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$211.59	\$211.59
			<b>ITEM TOTAL:</b>	<b>\$8,509.37</b>
12	1 ea	<b>TWO (2) COMPARTMENT SINK</b> Eagle Group Model No. FN2448-2-24R14/3 Spec-Master® FN Series Sink, two compartment, 77-1/2"W x 31"D, 14/304 stainless steel top, 24" x 24" x 14" deep compartments, 24" drainboard on right, 9-1/2"H backsplash with 1" upturn & tile edge, 8" O.C. splash mount faucet holes, rolled edges on front & sides, includes 3-1/2" basket drains, stainless steel crossbracing on all sides, stainless steel legs & adjustable bullet feet, NSF	\$2,168.44	\$2,168.44
	2 ea	313293 T&S Faucet, splash-mounted, 8" centers, 12" swing spout, extra heavy duty	\$228.03	\$456.06
	2 ea	SPECFAB T&S Twist Handle Drain, 1-1/2 or 2" NPS connection	\$92.52	\$185.04
	2 ea	-TB Twist bracket, per drain	\$10.93	\$21.86
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$290.94	\$290.94
			<b>ITEM TOTAL:</b>	<b>\$3,122.34</b>
13	1 ea	<b>NOT IN CONTRACT</b> Not in Contract Model No. NOT IN CONTRACT Not in Contract - Peeler, Eliminated by Owner		
15	1 ea	<b>MEAT SLICER</b> Berkel Model No. X13E-PLUS 120/60/1 Food Slicer, 1/2 HP knife motor, manual operation only, includes no volt release, US/EXP configuration	\$2,678.47	\$2,678.47
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points. <b>Note: Revised to Quantity of One (1) by Owner</b>	\$105.80	\$105.80
			<b>ITEM TOTAL:</b>	<b>\$2,784.27</b>
18	1 ea	<b>ULTRAVAC</b> UltraSource LLC Model No. 560605 Ultravac Solutions Foot Operated Impulse Sealer	\$428.48	\$428.48
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$100.51	\$100.51
			<b>ITEM TOTAL:</b>	<b>\$528.99</b>
19	2 ea	<b>WORK TABLE WITH CUTTING BOARD TOP</b> Eagle Group Model No. SPECFAB Cutting Table, 72"W x 30"D x 34-1/2"H, 1/2" thick removable polymer top, 1-1/2" square stainless steel tubular frame, self-cleaning tabs lock top in place, stainless steel legs & side/rear crossrails, adjustable	\$826.51	\$1,653.02

Item	Qty	Description	Sell	Sell Total
		metal feet, unit ships assembled & crated, all welded construction, s/s undershelf, NSF		
6 ea		SPECFAB Spec-Master® Series Work Table, 72"W x 30"D, 14/300 series stainless steel top, rolled edge on front & back, adjustable 18/300 series stainless steel undershelf with marine edge, Uni-Lok® gusset system, (4) stainless steel legs & adjustable bullet feet, all welded construction, NSF	\$884.79	\$5,308.74
8 st		CAHP4-SB Table Casters, set of (4), 5" diameter, (2) swivel & (2) swivel/brake, 250 lbs. capacity per caster, zinc with polymer tread, NSF	\$173.39	\$1,387.12
8 ea		TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$105.80	\$846.40
			<b>ITEM TOTAL:</b>	<b>\$9,195.28</b>
20	1 ea	<b>HEAT SEAL MACHINE</b> Winholt Equipment Model No. WHSS-1 Film Wrapping Dispenser, counter type, aluminum & stainless steel construction, 6" x 15" teflon covered hot plate, mounting axles, holds one film roll with 3" dia. core, 115v/750w with 8 amps, NSF	\$369.06	\$369.06
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$47.61	\$47.61
			<b>ITEM TOTAL:</b>	<b>\$416.67</b>
21	1 ea	<b>FOOD PACKAGING MACHINE</b> Alfa International Model No. VP680 VacMaster® Vacuum Packaging Machine, electric, floor model, 40"W x 22"D x 7"H single chamber, (2) 19-1/2" and (1) 37"removable seal bars, gas flush, sealing option switch, 20-40 second cycle time, digital control panel with pressure indicator, includes: filler, plates, maintenance kit & manual, 3HP rotary oil pump, stainless steel body, 220v/60/3-ph	\$3,847.35	\$3,847.35
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$68.77	\$68.77
			<b>ITEM TOTAL:</b>	<b>\$3,916.12</b>
22		<b>SPARE NO.</b>		
25		<b>SPARE NO.</b>		
27	6 ea	Winholt Equipment Model No. EC-3-3048/2ADJ Security Cage	\$1,014.92	\$6,089.52
	6 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$47.61	\$285.66
			<b>ITEM TOTAL:</b>	<b>\$6,375.18</b>
37	1 ea	<b>ONE (1) COMPARTMENT SINK</b> Eagle Group Model No. FN2424-1-14/3 Spec-Master® FN Series Sink, one compartment, 29"W x 31"D, 14/304 stainless steel top, 24" x 24" x 14" deep compartment, 9-1/2"H backsplash with 1" upturn & tile edge, 8" O.C. splash mount faucet	\$1,321.17	\$1,321.17

Item	Qty	Description	Sell	Sell Total
		holes, rolled edges on front & sides, includes 3-1/2" basket drain, stainless steel crossbracing on all sides, stainless steel legs & adjustable bullet feet, NSF		
	1 ea	313920 T&S Faucet, splash mount, 8" centers, 8" swing spout, extra-heavy duty	\$222.20	\$222.20
	1 ea	SPECFAB T&S Twist Handle Drain, 1-1/2 or 2" NPS connection	\$92.52	\$92.52
	1 ea	-TB Twist bracket, per drain	\$10.93	\$10.93
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$211.59	\$211.59
			<b>ITEM TOTAL:</b>	<b>\$1,858.41</b>
38	1 ea	<b>PLANETARY MIXER</b> Hobart 2017 Model No. HL200-1STD 100-120/50/60/1; Bench type mixer; with bowl, beater, & whip; US/EXP configuration Legacy Planetary Mixer, Bench, 20-quart, (3) fixed speeds plus stir speed, gear-driven transmission, 15-minute SmartTimer™, #12 taper hub, manual bowl lift, stainless steel bowl, aluminum "B" beater, stainless steel "D" wire whip, stainless steel bowl guard, 1/2 hp, cord with plug	\$4,735.09	\$4,735.09
	1 ea	Standard warranty - 1-Year parts, labor & travel time during normal working hours within the USA		
	1 ea	TABLEHW-HL2012 Mixer Table; 27"W x 32"D x 26"T, the top shelf is drilled for mounting an HL120 or HL200 mixer, includes 4 posts for storing attachments, a lower shelf for additional storage, & (4) locking 5" diameter wheels	\$1,535.89	\$1,535.89
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$211.59	\$211.59
			<b>ITEM TOTAL:</b>	<b>\$6,482.57</b>
39	1 ea	<b>REACH-IN REFRIGERATOR</b> True Food Service Equipment Model No. STA1R-1S-HC SPEC SERIES® Refrigerator, Reach-in, one-section, stainless steel front & sides, (1) stainless steel door with lock, cam-lift hinges, digital temperature control, aluminum interior sides & walls, stainless floor & ceiling, (3) chrome shelves, LED interior lights, 5" castors, R290 Hydrocarbon refrigerant, 1/4 HP, 115v/60/1, 3.8 amps, NEMA 5-15P, cULus, UL EPH Classified, MADE IN USA, ENERGY STAR®	\$4,206.79	\$4,206.79
	1 ea	Warranty - 3 year parts and labor, please visit <a href="http://www.Truemfg.com">www.Truemfg.com</a> for specifics		
	1 ea	Warranty - 5 year compressor (self-contained only), please visit <a href="http://www.Truemfg.com">www.Truemfg.com</a> for specifics		
	1 ea	Door hinged right standard		
	1 ea	(3) chrome shelves and shelf supports standard per section		
	1 st	5" castors, set of 4, standard		
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$211.59	\$211.59
			<b>ITEM TOTAL:</b>	<b>\$4,418.38</b>

Item	Qty	Description	Sell	Sell Total
40		SPARE NO.		
41		SPARE NO.		
42	1 ea	<b>REACH-IN FREEZER</b> True Food Service Equipment Model No. STA1F-1S-HC SPEC SERIES® Freezer, Reach-in, -10°F, one-section, stainless steel front & sides, (1) stainless steel door with lock, cam-lift hinges, digital temperature control, aluminum interior, (3) chrome shelves, LED interior lights, 5" castors, R290 Hydrocarbon refrigerant, 3/4 HP, 115v/60/1, 7.0 amps, NEMA 5-15P, MADE IN USA	\$5,258.76	\$5,258.76
	1 ea	Warranty - 3 year parts and labor, please visit www.Truemfg.com for specifics		
	1 ea	Warranty - 5 year compressor (self-contained only), please visit www.Truemfg.com for specifics		
	1 ea	Door hinged right standard		
	1 ea	(3) chrome shelves and shelf supports standard per section		
	1 st	5" castors, set of 4, standard		
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$211.59	\$211.59
			<b>ITEM TOTAL:</b>	<b>\$5,470.35</b>
43	2 ea	<b>NOT IN CONTRACT</b> Not in Contract Model No. NOT IN CONTRACT Not in Contract - Hand Sink, Removed from Bid		
44	4 ea	<b>WORK TABLE</b> Eagle Group Model No. T3072SE Spec-Master® Series Work Table, 72"W x 30"D, 14/300 series stainless steel top, rolled edge on front & back, adjustable 18/300 series stainless steel undershelf with marine edge, Uni-Lok® gusset system, (4) stainless steel legs & adjustable bullet feet, NSF	\$666.23	\$2,664.92
	4 ea	E36A All welded construction, welded base (legs & undershelf)	\$128.58	\$514.32
	4 st	CAHP4-SB Table Casters, set of (4), 5" diameter, (2) swivel & (2) swivel/brake, 250 lbs. capacity per caster, zinc with polymer tread, NSF	\$173.39	\$693.56
	4 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$68.77	\$275.08
			<b>ITEM TOTAL:</b>	<b>\$4,147.88</b>
45		SPARE NO.		
46	1 ea	<b>HD RANGE, 36", 6 OPEN BURNERS</b> Garland/US Range Model No. C836-6 Cuisine Series Heavy Duty Range, gas, 36", (6) 30,000 BTU open burners, standard oven, includes (1) rack, 6" backguard, stainless steel front & sides, 6" adjustable legs, 220,000 BTU , CSA Flame, CSA Star, NSF (US Range)	\$3,859.86	\$3,859.86
	1 ea	Two year limited parts and labor warranty, covers products purchased and installed in the USA only, standard		
	1 ea	LP gas, specify elevation if over 2,000 ft		
	1 ea	2670300 Propane Gas Regulator, 3/4" N.P.T. (Consult spec sheet and	\$134.08	\$134.08

Item	Qty	Description	Sell	Sell Total
		specify)		
	1 ea	3/4" Rear gas connection, including end cap & cover (Consult spec sheet and specify)	\$257.91	\$257.91
	1 ea	G01517-1 Gas Shut-off Valve, 3/4" N.P.T., for Cuisine series (Consult spec sheet and specify)	\$134.08	\$134.08
	1 ea	Stainless steel oven interior with porcelain oven bottom, standard		
	1 ea	Swivel Casters, polyurethane wheels (non-marking)	\$272.93	\$272.93
	1 ea	CCDHS-36 Cuisine Backguard/Flue Riser, with double high shelves, 35" high, 36" wide, stainless steel front, sides and shelves, Cuisine series ranges, Add-A-Units, & spreaders (U S Range)	\$709.62	\$709.62
	1 ea	T&S Brass HG-4D-48SK Safe-T-Link Gas Connector Kit, 3/4" connection, 48"L, stainless steel braid with extruded coating, (1) quick disconnect, (2) SwiveLink swivels, (1) 90° elbow, ball valve, restraining cable adjustable for 3' to 5'	\$242.85	\$242.85
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$290.94	\$290.94
		<b>ITEM TOTAL:</b>		<b>\$5,902.27</b>
48	1 ea	<b>CONVECTION OVEN, GAS</b> Blodgett Oven Model No. DFG-100 DBL Convection Oven, gas, double-deck, standard depth, capacity (5) 18" x 26" pans per compartment, (SSD) solid state digital controls, 2-speed fans, , interior light, simultaneous operated doors with glass, porcelain crumb tray, stainless steel front, sides & top, 6" stainless steel legs, flue connector, (2) 1/2 HP, 55,000 BTU each, cETL, NSF, CE	\$13,753.65	\$13,753.65
	1 ea	3 year parts, 2 year labor and 2 additional year door warranty (parts only), standard		
	1 ea	LP gas		
	2 ea	115v/60/1-ph, 6.0 amps, 3-wire with ground, 6' cord, NEMA 5-15P, 1/2 hp (per deck), standard		
	1 ea	SSD Top Oven: Solid State digital with Pulse Plus® and Cook & Hold, standard		
	1 ea	SSD Bottom Oven: Solid State digital with Pulse Plus® and Cook & Hold, standard		
	1 ea	Draft diverter or Draft hood must be selected below		
	1 st	6" plate casters (set), in lieu of legs	\$194.67	\$194.67
	2 ea	T&S Brass HG-4D-48SK Safe-T-Link Gas Connector Kit, 3/4" connection, 48"L, stainless steel braid with extruded coating, (1) quick disconnect, (2) SwiveLink swivels, (1) 90° elbow, ball valve, restraining cable adjustable for 3' to 5'	\$242.85	\$485.70
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$523.70	\$523.70
		<b>ITEM TOTAL:</b>		<b>\$14,957.72</b>
50	1 ea	<b>GAS COUNTERTOP GRIDDLE</b> Vulcan Model No. 936RX Heavy Duty Griddle, countertop, gas, 36" W x 24" D cooking surface, 1" thick polished steel griddle plate, embedded mechanical snap action	\$4,656.77	\$4,656.77

Item	Qty	Description	Sell	Sell Total
		thermostat every 12", millivolt pilot safety, electric spark or manual ignition, front manifold gas shut-off valve, low profile, stainless steel front, sides, front grease trough, 4" back & tapered side splashes, 4" adjustable legs, 81,000 BTU, CSA, NSF		
	1 ea	1 year limited parts & labor warranty, standard		
	1 ea	LP gas (add -2 suffix) (specify elevation if over 2,000 ft.)		
	1 ea	120v/50/60/1-ph, 1.0 amp, NEMA 5-15P, standard		
	1 ea	ISTAND-36 Equipment Stand, integrated into griddle unit, 34" cooking height, stainless steel, 5" casters	\$1,150.40	\$1,150.40
	1 ea	T&S Brass HG-4D-48SK Safe-T-Link Gas Connector Kit, 3/4" connection, 48"L, stainless steel braid with extruded coating, (1) quick disconnect, (2) SwiveLink swivels, (1) 90° elbow, ball valve, restraining cable adjustable for 3' to 5'	\$242.85	\$242.85
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$290.94	\$290.94
			<b>ITEM TOTAL:</b>	<b>\$6,340.96</b>
51	1 ea	<b>CHARBROILER, GAS, FLOOR MODEL</b> Magikitch'n Model No. FM-RMB-636 Radiant Charbroiler, floor model, gas, 36" wide, 34" high, free floating round rod top grate with EZ tilt to front grease trough, stainless steel radiants, 95% stainless steel unit, 6" service shelf with utility bar, water tubs, open cabinet base, 6" adjustable legs, top grid scraper	\$4,201.49	\$4,201.49
	1 ea	1 year limited parts and labor warranty, standard		
	1 ea	LP gas, specify elevation if over 2000 feet		
	1 ea	High output burners, 140,000 BTU	\$231.20	\$231.20
	1 ea	Stainless steel service shelf, 8" deep	\$298.00	\$298.00
	1 ea	Casters, (2) locking (set of 4)	\$193.89	\$193.89
	1 ea	T&S Brass HG-4D-48SK Safe-T-Link Gas Connector Kit, 3/4" connection, 48"L, stainless steel braid with extruded coating, (1) quick disconnect, (2) SwiveLink swivels, (1) 90° elbow, ball valve, restraining cable adjustable for 3' to 5'	\$242.85	\$242.85
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$290.94	\$290.94
			<b>ITEM TOTAL:</b>	<b>\$5,458.37</b>
53	1 ea	<b>COOK HOLD OVEN CABINET SMOKER, ELECTRIC</b> Alto-Shaam Model No. 1767-SK/III Halo Heat® Slo Cook Hold & Smoker Oven, electric, double-deck, standard depth, 100 lb. capacity each - (1) rib rack shelf per compartment, (9) 12" x 20" x 2-1/2" full-size pans, deluxe controller and probe, includes (1) sample bag each of cherry, hickory, apple & maple wood chips, heavy-duty stainless steel construction with solid door, 5" casters; 2 rigid, 2 swivel with brakes, EcoSmart®, cULus, UL EPH ANSI/NSF 4, CE, IP X4, EAC, TUV NORD	\$9,539.04	\$9,539.04
	1 ea	12 month extended warranty to begin at the end of std. warranty & continue for 12 additional months - NO CHARGE		
	1 ea	208-240v/60/1-ph, 32.0-36.3 amps, 7.7-8.7kW (no cord or plug), standard		

Item	Qty	Description	Sell	Sell Total
	1 ea	Solid door, hinged on right, standard		
	1 ea	Stainless steel exterior, standard		
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$317.39	\$317.39
			<b>ITEM TOTAL:</b>	<b>\$9,856.43</b>
54		<b>SPARE NO.</b>		
55		<b>SPARE NO.</b>		
56	1 ea	<b>SOILED DISHTABLE</b> Eagle Group Model No. SPECFAB Spec-Master® Soiled Dishtable, straight design, 96"W x 30"D x 43-1/2"H, right-to-left operation, 14/304 stainless steel top, 10"H backsplash turned down with z-clips, 20" x 20" x 7" Deep pre-rinse sink with basket drain, rack slide, (1) deck mount faucet hole for pre-rinse, (2) 20" x 20" x 14" sink bowls with twist brackets, raised rolled edges on front & side, stainless steel legs & side bracing, adjustable feet, NSF	\$3,263.77	\$3,263.77
	1 ea	E41 Disposal provision package, includes weldment only for collar which are furnished by others, control panel bracket weldment, & holes for pre-rinse & anti-siphon vacuum breaker		<Included>
	1 ea	313295 T&S Pre-Rinse Spray, deck mount with mixing valve, wall bracket, extra heavy-duty	\$524.17	\$524.17
	1 ea	313297 T&S Add-A-Faucet, 12" spout, use with 313296 pre-rinse spray unit	\$138.42	\$138.42
	1 ea	313293 T&S Faucet, splash-mounted, 8" centers, 12" swing spout, extra heavy duty	\$228.03	\$228.03
	2 ea	SPECFAB T&S Twist Handle Drain, 1-1/2 or 2" NPS connection	\$92.52	\$185.04
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$238.04	\$238.04
			<b>ITEM TOTAL:</b>	<b>\$4,577.47</b>
57	1 ea	<b>DISPOSER</b> InSinkErator Model No. SS-300-7-AS101 SS-300™ Complete Disposer Package, sink mount system, 6-5/8" diameter inlet, with #7 collar adaptor for sink installation, 3 HP motor, stainless steel construction, includes syphon breaker, (2) solenoid valves, (2) flow control valves, removable splash baffle, stainless steel sink stopper, programmable AquaSaver® Control Center AS-101 with water-saving technology, automatic water saving function, auto reversing, timed run, post flush		
	1 ea	(3) years parts & labor warranty from date of installation (standard)		
	1 ea	Standard height disposer body		
	1 ea	Voltage to be determined later		
	1 ea	SYPHON STD Syphon breaker standard, 1/2" (11477)		
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$238.04	\$238.04
			<b>ITEM TOTAL:</b>	<b>\$3,960.52</b>

Item	Qty	Description	Sell	Sell Total
58	1 ea	<b>DISHWASHER, DOOR TYPE</b> Hobart 2017 Model No. AM15T-2 Dishwasher, door type, Tall Chamber, hot water/chemical sanitizing, 58-65 racks/hour, straight-thru or corner, solid-state controls with digital status, with booster heater, electric tank heat, PRV included, auto-fill, stainless steel tank, frame, doors & feet, 208-240/60/3, sheet pan rack, ENERGY STAR®	\$13,597.81	\$13,597.81
	1 ea	Standard warranty - 1-Year parts, labor & travel time during normal working hours within the USA		
	1 ea	DWT-AM15 Drain water tempering kit	\$608.16	\$608.16
	1 ea	On-site DWT installation by local Hobart Service Office (this price is available only if the local Hobart Service Office completes the installation of the dishwasher within a 50 mile radius & during normal business hours). Price is available only with machine purchase (if purchased separately local installation rates will apply)	\$317.39	\$317.39
	1 ea	DISHRAK-PEG20 Peg rack	\$58.54	\$58.54
	1 ea	DISHRAK-COM20 Combination rack	\$58.54	\$58.54
	1 ea	RACK-6PAN 6 pan rack to hold sheet pans (Tall only)	\$225.91	\$225.91
	1 ea	SPEC-KIT Single point electrical connect AM15 kit (field installation required) (3 phase booster machines only)	\$108.82	\$108.82
	1 ea	Everpure EV979911 HTS-11 Kleenware™ System, Cartridge incorporates HydroBlend, a specially blended compound that inhibits limescale build-up and reduces corrosion	\$330.09	\$330.09
	1 ea	Everpure EV979922 HT-10 Kleenware™ Cartridge, fits Kleenware HTS-11 system, Cartridge incorporates HydroBlend, a specially blended compound that inhibits lime scale build-up and reduces corrosion (6 each per pack)	\$274.54	\$274.54
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$1,269.57	\$1,269.57
		<b>ITEM TOTAL:</b>		<b>\$16,849.37</b>
59	1 ea	<b>CLEAN DISHTABLE</b> Eagle Group Model No. SPECFAB Spec-Master® Clean Dishtable, straight design, 42"W x 30"D x 43-1/2"H, right-to-left operation, 14/304 stainless steel top, 10"H backsplash, raised rolled edges on front & side, s/s undershelf, stainless steel legs & crossbracing, adjustable metal feet, NSF	\$1,128.84	\$1,128.84
	1 ea	SPECFAB Shelf, splash-mounted, 42"W x 12"D, rolled front edge, 1-1/2" upturn on rear & ends, includes stainless steel mounting brackets stud welded to shelf, 16/304 stainless steel construction, NSF	\$260.08	\$260.08
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points. <b>Note: Quoted shelf as optional, not shown on floor plan. Verify requirements.</b>	\$264.49	\$264.49
		<b>ITEM TOTAL:</b>		<b>\$1,653.41</b>
60	1 ea	<b>WORK TABLE</b> Eagle Group Model No. SPECFAB Spec-Master® Series Work Table, 48"W x 30"D, 4-1/2"H backsplash,	\$1,422.07	\$1,422.07

Item	Qty	Description	Sell	Sell Total
		14/300 series stainless steel top, rolled front edge, 20" x 20" x 14" sink bowl with twist bracket, welded base, 18/300 series stainless steel undershelf with marine edge, Uni-Lok® gusset system, (4) stainless steel legs & adjustable bullet feet, NSF		
	1 ea	313920 T&S Faucet, splash mount, 8" centers, 8" swing spout, extra-heavy duty	\$222.20	\$222.20
	1 ea	SPECFAB T&S Twist Handle Drain, 1-1/2 or 2" NPS connection	\$92.52	\$92.52
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$185.15	\$185.15
			<b>ITEM TOTAL:</b>	<b>\$1,921.94</b>
61	1 ea	<b>PLANETARY MIXER</b> Hobart 2017 Model No. HL300-1STD 200-240/50/60/3 Mixer; with bowl, beater, & "D" whip; US/EXP configuration Legacy Planetary Mixer, 3/4 hp, 30-qt. capacity, (3) fixed speeds, gear-driven transmission, 15-Minute SmartTimer™, #12 taper attachment hub, manual bowl lift, bowl guard, stainless steel bowl, "B" beater, "D" whip	\$8,578.27	\$8,578.27
	1 ea	Standard warranty: 1-Year parts, labor & travel time during normal working hours within the USA		
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$211.59	\$211.59
			<b>ITEM TOTAL:</b>	<b>\$8,789.86</b>
63	1 ea	<b>MICROWAVE OVEN</b> MenuMaster Model No. MCS10DSE MenuMaster® Commercial Microwave Oven, countertop, 1000 watts convection, 1.2 cu. ft. capacity, stainless steel interior & exterior, 4 power levels, 10 min. dial timer, stackable, interior light, Grab & Go door handle, non-removable air filter, side hinged door with glass window, 120v/60/1-ph, 1550 total watts, 13.0 amps, cord, NEMA 5-15P, ETL, cETLus	\$294.22	\$294.22
	1 ea	3-year limited warranty (1 year full)		
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$47.61	\$47.61
			<b>ITEM TOTAL:</b>	<b>\$341.83</b>
64	1 ea	<b>PLANETARY MIXER</b> Hobart 2017 Model No. N50-60 100-120/60/1 Mixer with bowl, aluminum beater, whip, & dough arm; US/EXP configuration Mixer, Planetary, Bench, 5-qt., (3) fixed speeds, gear-driven transmission, #10 taper attachment hub, manual bowl lift, Hobart Gray enamel housing, stainless steel bowl, alum "B" beater, stainless steel "D" wire whip, alum dough hook, 1/6 hp, cord with plug	\$2,193.64	\$2,193.64
	1 ea	Standard warranty: 1-Year parts, labor & travel time during normal working hours within the USA		
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$68.77	\$68.77

Item	Qty	Description	Sell	Sell Total
		uncrate, set in place, and connection to proper utilities within 4 ft of connection points. <b>Note: Quantity revised to One (1) by Owner</b>		
			<b>ITEM TOTAL:</b>	<b>\$2,262.41</b>
66	1 ea	<b>WORK TABLE TOP</b> John Boos Model No. BKSC340 Work Table Top, wood, 72"W x 60"D, 2-1/4" butt jointed laminated Hard Rock maple flat top with penetrating oil finish, commercial grade, NSF	\$696.99	\$696.99
	1 ea	SBO-S11 Baker's Table Frame, fits 84"W x 60"D top, stainless steel legs & bullet feet, without bin stops, centered bracing, welded set-up, NSF	\$611.26	\$611.26
	1 ea	X-0002L Stainless Steel Top, size modification to reduce size, price next largest size	\$84.15	\$84.15
	1 ea	X-0115X Modified to specifications, PER SKETCH (used when changing size)  Modify to be 72"		
	1 ea	Baker's table frame only, standard		
	1 ea	SLS760 Work Table Undershelf, 84"W x 60"D, 16 gauge stainless steel, for SBO frame	\$593.32	\$593.32
	1 ea	OS1872-C Overshelf, single, 18" W x 72" L, stainless steel, for maple top, center mounted 18" above table top	\$394.55	\$394.55
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$132.25	\$132.25
			<b>ITEM TOTAL:</b>	<b>\$2,512.52</b>
67	1 ea	<b>WORK TABLE TOP</b> John Boos Model No. BKSC340 Work Table Top, wood, 72"W x 60"D, 2-1/4" butt jointed laminated Hard Rock maple flat top with penetrating oil finish, commercial grade, NSF	\$696.99	\$696.99
	1 ea	SBO-S11 Baker's Table Frame, fits 84"W x 60"D top, stainless steel legs & bullet feet, without bin stops, centered bracing, welded set-up, NSF	\$611.26	\$611.26
	1 ea	X-0002L Stainless Steel Top, size modification to reduce size, price next largest size	\$84.15	\$84.15
	1 ea	X-0115X Modified to specifications, PER SKETCH (used when changing size)  Modify to be 72"		
	1 ea	Baker's table frame only, standard		
	1 ea	SLS760 Work Table Undershelf, 84"W x 60"D, 16 gauge stainless steel, for SBO frame	\$593.32	\$593.32
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$132.25	\$132.25
			<b>ITEM TOTAL:</b>	<b>\$2,117.97</b>
68	1 ea	<b>PROOFER CABINET, ROLL-IN</b> Doyon Baking Equipment Model No. E236TLO	\$9,042.15	\$9,042.15

Item	Qty	Description	Sell	Sell Total
		Proofer Cabinet, roll-in, two-section, capacity two (TLOI) double racks or four single racks, solid state heat/humidity controls, auto. water entry, full view glass doors, stainless steel interior and exterior		
	1 ea	Two year parts and one year labor warranty, standard		
	1 ea	120/240v/60/1-ph, 31.0 amps, 7.2 kw, 3 wire		
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$1,057.97	\$1,057.97
			<b>ITEM TOTAL:</b>	<b>\$10,100.12</b>
69	1 ea	<b>WORK TABLE</b> Eagle Group Model No. T3084SE-BS Spec-Master® Series Work Table, 84"W x 30"D, 4-1/2"H backsplash, 14/300 series stainless steel top, rolled front edge, adjustable 18/300 series stainless steel undershelf with marine edge, Uni-Lok® gusset system, (4) stainless steel legs & adjustable bullet feet, NSF	\$984.60	\$984.60
	1 ea	E36A All welded construction, welded base (legs & undershelf)	\$128.58	\$128.58
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$58.19	\$58.19
			<b>ITEM TOTAL:</b>	<b>\$1,171.37</b>
70		<b>SPARE NO.</b>		
71		<b>SPARE NO.</b>		
73	1 ea	<b>HD RANGE, 34", 4 OPEN BURNERS</b> Garland/US Range Model No. M44R Master Series Heavy Duty Range, gas, 34", (4) 35,000 BTU two-piece Starfire burners, removable heads, standard oven, piezo ignition, drip tray, porcelainized oven interior, stainless steel front & sides, 6" chrome steel adjustable legs, 180,000 BTU, CSA Flame, CSA Star, NSF (Garland)	\$3,446.62	\$3,446.62
	1 ea	Two year limited parts and labor warranty, covers products purchased and installed in the USA only, standard		
	1 ea	Note: All Master Series Ranges, storage, modular, fryers, attachment & under-fired char broilers require a high shelf or back guard attachment		
	1 ea	LP gas, specify elevation if over 2,000 ft		
	1 ea	3/4" Rear gas connection, including "Tee" in manifold, end cap & cover (Consult spec sheet and specify)	\$257.91	\$257.91
	1 ea	2670300 Propane Gas Regulator, 3/4" N.P.T. (Consult spec sheet and specify)	\$134.08	\$134.08
	1 ea	2669900 Gas Shut-Off Valve, 3/4" N.P.T., for Master series (Consult spec sheet and specify)	\$134.08	\$134.08
	1 ea	Swivel Casters, with Polyurethane wheels (non-marking)	\$272.93	\$272.93
	1 ea	NOTE: Oven base ranges require either Highshelf or backguard		
	1 ea	M34DD Master Series double-deck High Shelf, 34-1/2" H x 34" W, stainless steel (Garland)	\$773.73	\$773.73
	1 ea	T&S Brass HG-4D-48SK Safe-T-Link Gas Connector Kit, 3/4" connection, 48"L, stainless steel braid with extruded coating, (1) quick disconnect, (2) SwiveLink swivels, (1) 90° elbow, ball valve, restraining cable adjustable for 3' to 5'	\$242.85	\$242.85

Item	Qty	Description	Sell	Sell Total
	1 ea	TRIMARK STRATEGIC INSTALL Installation includes inside delivery, uncrate, set in place, and connection to proper utilities within 4 ft of connection points.	\$370.29	\$370.29
			<b>ITEM TOTAL:</b>	<b>\$5,632.49</b>
74	1 ea	<b>COMBI OVEN, GAS</b> Electrolux Professional Model No. 269753 (AOS102GCP1) Air-O-Convect® Combi Oven, natural gas, boilerless, full-size, (10) 18" x 26" full size sheet pan capacity, automatic moistener with (11) settings, core temperature probe, variable fan speed, hold and cooling function, automatic and built in self-cleaning, double glazed door, stainless steel interior & exterior, 120v/60/1-ph, 105,871 BTU, cETLus, ETL-Sanitation(replaces discontinued PNC 269553) <b>Note: Owner revised quantity to One (1) each.</b>	\$14,977.64	\$14,977.64
	1 ea	The following are included in the purchase of Electrolux Professional Heavy Equipment (excludes Food preparation and Libero Equipment) 1.) Pre-installation site survey 2.) Start-up performed by an Electrolux authorized service partner 3.) Platinum Warranty: 2 years parts & 1 year labor (Warranty activated upon completion of mandatory Electrolux authorized service partner start-up) 4.) Chef Training: available after registration of Electrolux authorized service partner start-up (Chef Training applies only to: Combi Ovens, Blast Chillers/Shock Freezers, Braising Pans, Pressure Braising Pans and Kettles) 5.) Performance Check: 12th month performance maintenance check  Please contact your local Electrolux Manufacturers' Representative to schedule all of the above.		
	1 ea	It is obligatory upon the end-user to supply the combi with water that conforms to the specifications attached within AQ Documents section for this PNC/Model. A properly sized system combined with a disciplined filter replacement regimen will ensure the maximum life of the oven		
	1 ea	Gas type to be specified		
	1 ea	9R0066 Reverse Osmosis System, RO-175, 40-80 psi, self-contained storage tank, .5 / .27 gallon draw down, built-in TDS meter, 100° F temperature, includes: (1) primary chlorine/scale control & (1) membrane, for all Air-O-Convect Manual & Touchline Combi Ovens, included components are: 1 qt. internal tank (all necessary tubing & fitting to connect unit), mounting bracket & external filter housing (Servicing & Warranty supplied by manufacturer, Southeastern Filtration & Equipment Systems 1-800-935-8500)	\$1,009.60	\$1,009.60
	1 ea	922062 (AOSAC29) 304 stainless steel grid, 12"x20" (replaces discontinued PNC 922017)	\$25.18	<Optional>
	1 ea	922036 (2GR118C) Chicken Racks, pair (2) (fits 8 chickens per rack)	\$133.95	<Optional>
	1 ea	922239 (OAC100) Pair of frying baskets	\$133.95	<Optional>
	1 ea	922171 (OAC71) External side spray unit	\$161.03	<Optional>
			<b>ITEM TOTAL:</b>	<b>\$15,987.24</b>

Merchandise	\$199,579.00
Freight	
Total	\$199,579.00

**GRANT AGREEMENT  
STATE OF FLORIDA  
DEPARTMENT OF ECONOMIC OPPORTUNITY**

**THIS GRANT AGREEMENT ("Agreement") is made and entered into by and between the State of Florida, Department of Economic Opportunity ("DEO"), and Economic Incubators, Inc. ("Grantee"). DEO and Grantee are sometimes referred to herein individually as a "Party" and collectively as "the Parties."**

**I. GRANTEE AGREES:**

**A. Performance Requirements:**

Grantee shall perform the services specified herein in accordance with the terms and conditions of this Agreement and all of its attachments and/or exhibits, which are incorporated by reference herein.

**B. Type of Agreement:**

This Agreement is a cost reimbursement agreement.

**C. Agreement Period:**

**The term of this Agreement begins on July 1, 2016, and ends on June 30, 2017. DEO is not obligated to pay for costs incurred by Grantee related to this Agreement prior to its beginning date or after its ending date.** Grantee acknowledges that while no extension of this Agreement is contemplated, if an extension is necessary due to events beyond the control of Grantee, any consideration of an extension will be subject to the availability of funds and further conditioned upon Grantee's satisfactory performance of all duties and obligations hereunder, as determined by DEO.

**D. Agreement Payment:**

This Agreement shall not exceed **\$2,000,000.00** which shall be paid by DEO in consideration for Grantee's provision of services as set forth by the terms and conditions of this Agreement. The State of Florida and DEO's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature. DEO shall be the final authority as to the availability of funds for this Agreement, and as to what constitutes an "annual appropriation" of funds to complete this Agreement. If such funds are not appropriated or available for the Agreement purpose, such event will not constitute a default on DEO or the State. DEO agrees to notify Grantee in writing at the earliest possible time if funds are not appropriated or available. The cost for services rendered under any other Agreement or to be paid from any other source is not eligible for reimbursement under this Agreement.

**E. Requirements of paragraphs (a) – (i) of subsection 287.058(1), Florida Statutes (F.S.):**

1. Grantee shall submit bills for fees or other compensation for services or expenses in sufficient detail for a proper pre-audit and post-audit thereof.
2. If travel expenses are authorized, Grantee shall submit bills for such travel expenses and shall be reimbursed only in accordance with section 112.061, F.S.
3. Grantee shall allow public access to all documents, papers, letters or other materials made or received by Grantee in conjunction with this Agreement, unless the records are exempt from section 24(a) of Article I of the State Constitution and section 119.07(1), F.S. It is expressly understood that DEO may unilaterally cancel this Agreement for Grantee's refusal to comply with this provision.
4. Grantee shall perform all tasks contained in Attachment 1, Scope of Work.
5. Receipt by Grantee of DEO's written acceptance of the units of deliverables specified herein is a condition precedent to payment under this Agreement and is contingent upon Grantee's compliance with the specified performance measure (i.e., each deliverable must satisfy at least the minimum acceptable level of service specified in the Scope of Work and DEO shall apply the applicable criteria stated in the Scope of Work to determine satisfactory completion of each deliverable).
6. Grantee shall comply with the criteria and final date by which such criteria must be met for completion of this Agreement.
7. Renewal: This Agreement may not be renewed.
8. If Grantee fails to perform in accordance with the Agreement, DEO shall apply the financial consequences specified herein.
9. Unless otherwise agreed in writing, intellectual property rights to preexisting property will remain with Grantee; whereas, intellectual property rights to all property created or otherwise developed by Grantee specifically for DEO will be owned by the State of Florida through DEO. Proceeds derived from the sale, licensing, marketing, or other authorization related to any such DEO-controlled intellectual property right shall be handled in the manner specified by applicable state statute.

**F. Governing Laws of the State of Florida:**

1. Grantee agrees that this Agreement is executed and entered into in the State of Florida, and shall be construed, performed, and enforced in all respects in accordance with the laws, rules, and regulations of the State of Florida. Each Party shall perform its obligations herein in accordance with the terms and conditions of the Agreement. Without limiting the provisions of Section II.D., Dispute Resolution, the exclusive venue of any legal or equitable action that arises out of or relates to the Agreement shall be the appropriate state court in Leon County, Florida; in any such action, the Parties waive any right to jury trial. For avoidance of doubt, should any term of this Agreement conflict with any applicable law,

rule, or regulation, the law, rule, or regulation shall control over the provisions of this Agreement.

2. If applicable, Grantee agrees that it is in compliance with the rules for e-procurement as directed by Rule 60A-1.030, F.A.C. and that it will maintain eligibility for this Agreement through the MyFloridaMarketplace.com system.
3. DEO shall ensure compliance with section 11.062, F.S., and section 216.347, F.S. Grantee shall not, in connection with this or any other agreement with the State, directly or indirectly: (1) offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for any State officer or employee's decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty; or (2) offer, give, or agree to give to anyone any gratuity for the benefit of, or at the direction or request of, any State officer or employee. For purposes of clause (2), "gratuity" means any payment of more than nominal monetary value in the form of cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. Upon request of DEO's Inspector General, or other authorized State official, Grantee shall provide any type of information the Inspector General deems relevant to Grantee's integrity or responsibility. Such information may include, but shall not be limited to, Grantee's business or financial records, documents, or files of any type or form that refer to or relate to this Agreement. Grantee shall retain such records in accordance with the record retention requirements of Part V of Attachment 2, Audit Requirements.
4. Grantee agrees to reimburse the State for the reasonable costs of investigation incurred by the Inspector General or other authorized State official for investigations of Grantee's compliance with the terms of this or any other agreement between Grantee and the State which results in the suspension or debarment of Grantee. Such costs shall include, but shall not be limited to: salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. Grantee shall not be responsible for any costs of investigations that do not result in Grantee's suspension or debarment. Grantee understands and will comply with the requirements of subsection 20.055(5), F.S., including but not necessarily limited to, the duty of Grantee and any of Grantee's subcontractors to cooperate with the inspector general in any investigation, audit, inspection, review, or hearing pursuant to section 20.055, F.S.
5. **Public Entity Crime:** Pursuant to section 287.133(2)(a), F.S., a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on an agreement to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on an agreement with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a Grantee, supplier, subcontractor or consultant under an agreement with any public entity and may not transact business with any public entity in excess of the threshold amount provided in section 287.017, F.S., for Category Two for a period of thirty-six (36) months from the date of being placed on the convicted vendor list.
6. **Advertising:** Subject to chapter 119, F.S., Grantee shall not publicly disseminate any information concerning this Agreement without prior written approval from DEO, including,

but not limited to mentioning this Agreement in a press release or other promotional material, identifying DEO or the State as a reference, or otherwise linking Grantee's name and either a description of the Agreement or the name of DEO or the State in any material published, either in print or electronically, to any entity that is not a Party to this Agreement, except potential or actual authorized distributors, dealers, resellers, or service representatives.

7. **Sponsorship:** As required by section 286.25, F.S., if Grantee is a nongovernmental organization which sponsors a program financed wholly or in part by state funds, including any funds obtained through this Agreement, it shall, in publicizing, advertising, or describing the sponsorship of the program, state: "Sponsored by (Grantee's name) and the State of Florida, Department of Economic Opportunity." If the sponsorship reference is in written material, the words "State of Florida, Department of Economic Opportunity" shall appear in the same size letters or type as the name of the organization.

**8. Mandatory Disclosure Requirements:**

- a. **Conflict of Interest:** This Agreement is subject to chapter 112, F.S. Grantee shall disclose the name of any officer, director, employee, or other agent who is also an employee of the State. Grantee shall also disclose the name of any State employee who owns, directly or indirectly, more than a five percent (5%) interest in Grantee or its affiliates.
- b. **Convicted Vendors:** Grantee shall disclose to DEO if it, or any of its affiliates, as defined in section 287.133(1)(a) of the Florida Statutes, is on the convicted vendor list. A person or affiliate placed on the convicted vendor list following a conviction for a public entity crime is prohibited from doing any of the activities listed in Section I.F.5 above for a period of thirty-six (36) months from the date of being placed on the convicted vendor list.
- c. **Vendors on Scrutinized Companies Lists:** If this Agreement is in the amount of \$1 million or more, in executing this Agreement, Grantee certifies that it is not listed on either the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, created pursuant to section 215.473, F.S., or engaged in business operations in Cuba or Syria.
  - 1) Pursuant to section 287.135(5), F.S., DEO may immediately terminate this Agreement for cause if Grantee is found to have submitted a false certification or if Grantee is placed on the Scrutinized Companies with Activities in Sudan List, the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List or has been engaged in business operations in Cuba or Syria, during the term of the Agreement.
  - 2) If DEO determines that Grantee has submitted a false certification, DEO will provide written notice to Grantee. Unless Grantee demonstrates in writing, within ninety (90) days of receipt of the notice, that DEO's determination of false certification was made in error, DEO shall bring a civil action against Grantee. If DEO's determination is upheld, a civil penalty equal to the greater of \$2 million or twice the amount of

this Agreement shall be imposed on Grantee, and Grantee will be ineligible to bid on any Agreement with an agency or local governmental entity for three (3) years after the date of DEO's determination of false certification by the Grantee.

3) In the event that federal law ceases to authorize the states to adopt and enforce the contracting prohibition identified herein, this provision shall be null and void.

**d. Discriminatory Vendors:** Grantee shall disclose to DEO if it or any of its affiliates, as defined by section 287.134(1)(a.), F.S. appears on the discriminatory vendor list. An entity or affiliate placed on the discriminatory vendor list pursuant to section 287.134, F.S. may not:

- 1) submit a bid, proposal, or reply on a contract or agreement to provide any goods or services to a public entity;
- 2) submit a bid, proposal, or reply on a contract or agreement with a public entity for the construction or repair of a public building or public work;
- 3) submit bids, proposals, or replies on leases of real property to a public entity;
- 4) be awarded or perform work as a contractor, subcontractor, Grantee, supplier, sub-Grantee, or consultant under a contract or agreement with any public entity; or
- 5) transact business with any public entity.

**9. Abuse, Neglect, and Exploitation Incident Reporting:**

In compliance with sections 39.201 and 415.1034, F.S., an employee of Grantee who knows or has reasonable cause to suspect that a child, aged person, or disabled adult is or has been abused, neglected, or exploited shall immediately report such knowledge or suspicion to the Florida Abuse Hotline by calling 1-800-96ABUSE, or via the web reporting option at <http://www.dcf.state.fl.us/abuse/report/>, or via fax at 1-800-914-0004.

**10. Information Release:**

a. Grantee shall keep and maintain public records required by DEO to perform Grantee's responsibilities hereunder. Grantee shall, upon request from DEO's custodian of public records, provide DEO with a copy of the requested records or allow the records to be inspected or copied within a reasonable time per the cost structure provided in chapter 119, F.S., and in accordance with all other requirements of chapter 119, F.S., or as otherwise provided by law. Upon expiration or termination of this Agreement, Grantee shall transfer, at no cost, to DEO all public records in possession of Grantee or keep and maintain public records required by DEO to perform the service. If the Grantee keeps and maintains public records upon completion of the Agreement, the Grantee shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to DEO, upon request from the DEO's custodian of records, in a format that is compatible with the information technology systems of DEO.

- b. If DEO does not possess a record requested through a public records request, DEO shall notify the Grantee of the request as soon as practicable, and Grantee must provide the records to DEO or allow the records to be inspected or copied within a reasonable time. If Grantee does not comply with DEO's request for records, DEO shall enforce the provisions set forth in this Agreement. A Grantee who fails to provide public records to DEO within a reasonable time may be subject to penalties under section 119.10, F.S.
- c. DEO does not endorse any Grantee, commodity, or service. No public disclosure or news release pertaining to this Agreement shall be made without the prior written approval of DEO. Grantee is prohibited from using Agreement information, sales values/volumes and/or DEO customers in sales brochures or other promotions, including press releases, unless prior written approval is obtained from DEO.
- d. Grantee acknowledges that DEO is subject to the provisions of chapter 119, F.S., relating to public records and that reports, invoices, and other documents Grantee submits to DEO under this Agreement may constitute public records under Florida Statutes. Grantee shall cooperate with DEO regarding DEO's efforts to comply with the requirements of chapter 119, F.S.
- e. If Grantee submits records to DEO that are confidential and exempt from public disclosure as trade secrets or proprietary confidential business information, such records should be identified as such by Grantee prior to submittal to DEO. Failure to identify the legal basis for each exemption from the requirements of chapter 119, F.S., prior to submittal of the record to DEO serves as Grantee's waiver of a claim of exemption. Grantee shall ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement term and following completion of the Agreement if the Grantee does not transfer the records to DEO upon termination of the Agreement.
- f. Grantee shall allow public access to all records made or received by Grantee in conjunction with this Agreement, unless the records are exempt from section 24(a) of Article I of the State Constitution and section 119.07(1), F.S. For records made or received by Grantee in conjunction with this Agreement, Grantee shall respond to requests to inspect or copy such records in accordance with chapter 119, F.S.
- g. In addition to Grantee's responsibility to directly respond to each request it receives for records made or received by Grantee in conjunction with this Agreement and to provide the applicable public records in response to such request, Grantee shall notify DEO of the receipt and content of such request by sending an e-mail to [PRRequest@deo.myflorida.com](mailto:PRRequest@deo.myflorida.com) within one (1) business day from receipt of such request.
- h. Grantee shall notify DEO verbally within twenty-four (24) chronological hours and in writing within seventy-two (72) chronological hours if any data in Grantee's possession related to this Agreement is subpoenaed or improperly used, copied, or removed (except in the ordinary course of business) by anyone except an authorized representative of DEO. Grantee shall cooperate with DEO in taking all steps as DEO

deems advisable to prevent misuse, regain possession, and/or otherwise protect the State's rights and the data subject's privacy.

- I. IF THE GRANTEE HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE GRANTEE'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS by telephone at 850-245-7140, via e-mail at [PRRequest@deo.myflorida.com](mailto:PRRequest@deo.myflorida.com), or by mail at Department of Economic Opportunity, Public Records Coordinator, 107 East Madison Street, Caldwell Building, Tallahassee, Florida 32399-4128.**

**11. Funding Requirements of Section 215.971(1), F.S.:**

- a. Grantee and its subcontractors may only expend funding under this Agreement for allowable costs resulting from obligations incurred during the Agreement period. To be eligible for reimbursement, costs must be in compliance with laws, rules and regulations applicable to expenditures of State funds, including, but not limited to, the Reference Guide for State Expenditures ([http://www.myfloridacfo.com/aadir/reference\\_guide/](http://www.myfloridacfo.com/aadir/reference_guide/)).
- b. Grantee shall refund to DEO any balance of unobligated funds which has been advanced or paid to Grantee.
- c. Grantee shall refund to DEO all funds paid in excess of the amount to which Grantee or its subcontractors are entitled under the terms and conditions of the Agreement.

**G. Grantee Payments:**

- 1. Grantee will provide DEO's Agreement Manager invoices in accordance with the requirements of the State of Florida Reference Guide for State Expenditures (with detail sufficient for a proper pre-audit and post-audit thereof. Invoices must also comply with the following:**
  - a. Invoices must be legible and must clearly reflect the goods/services that were provided in accordance with the terms of the Agreement for the invoice period. Payment does not become due under the Agreement until the invoiced deliverable(s) and any required report(s) are approved and accepted by DEO.
  - b. Invoices must contain the Grantee's name, address, federal employer identification number or other applicable Grantee identification number, the Agreement number, the invoice number, and the invoice period. DEO or the State may require any additional information from Grantee that DEO or the State deems necessary to process an invoice.
  - c. Invoices must be submitted in accordance with the time requirements specified in the Scope of Work.

2. At DEO's or the State's option, Grantee may be required to invoice electronically pursuant to guidelines of the Department of Management Services. Current guidelines require that Grantee supply electronic invoices in lieu of paper-based invoices for those transactions processed through the system. Electronic invoices shall be submitted to DEO's Agreement Manager through the Ariba Supplier Network (ASN) in one of the following mechanisms – EDI 810, cXML, or web-based invoice entry within the ASN.
3. Payment shall be made in accordance with section 215.422, F.S., Rule 69I-24, F.A.C., and section 287.0585, F.S., which govern time limits for payment of invoices. Section 215.422, F.S., provides that agencies have five (5) working days to inspect and approve goods and services unless the Scope of Work specify otherwise. DEO has twenty (20) days to deliver a request for payment (voucher) to the Department of Financial Services. The twenty (20) days are measured from the latter of the date the invoice is received or the goods or services are received, inspected and approved. The Scope of Work may specify conditions for retainage. Invoices returned to a Grantee due to preparation errors will result in a delay of payment. Invoice payment requirements do not start until a properly completed invoice is provided to DEO. DEO is responsible for all payments under the Agreement.
4. Section 55.03(1), F.S., identifies the process applicable to the determination of the rate of interest payable on judgments and decrees, and pursuant to section 215.422(3)(b), F.S., this same process applies to the determination of the rate of interest applicable to late payments to vendors for goods and services purchased by the State and for contracts which do not specify a rate of interest. The applicable rate of interest is published at:

<http://www.myfloridacfo.com/aadir/interest.htm>

**H. Final Invoice:**

Grantee shall submit the final invoice for payment to DEO no later than 45 days after the Agreement ends or is terminated. If Grantee fails to do so, DEO, in its sole discretion, may refuse to honor any requests submitted after this time period and may consider Grantee to have forfeited any and all rights to payment under this Agreement.

**I. Return or Recoupment of Funds:**

1. Grantee shall return to DEO any overpayments due to unearned funds or funds disallowed pursuant to the terms of this Agreement that were disbursed to Grantee by DEO. In the event that Grantee or its independent auditor discovers that overpayment has been made, Grantee shall repay said overpayment within forty (40) calendar days without prior notification from DEO. In the event that DEO first discovers an overpayment has been made, DEO will notify Grantee by letter. Should repayment not be made in a timely manner, DEO shall be entitled to charge interest at the lawful rate of interest on the outstanding balance beginning forty (40) calendar days after the date of notification or discovery. Refunds should be sent to DEO's Agreement Manager, and made payable to the "Department of Economic Opportunity."
2. If authorized and approved, Grantee may be provided an advance as part of this Agreement.

3. Notwithstanding the damages limitations of Section II.F., if Grantee's non-compliance with any provision of the Agreement results in additional cost or monetary loss to DEO or the State of Florida, DEO can recoup that cost or loss from monies owed to Grantee under this Agreement or any other Agreement between Grantee and any State entity. In the event that the discovery of this cost or loss arises when no monies are available under this Agreement or any other Agreement between Grantee and any State entity, Grantee will repay such cost or loss in full to DEO within thirty (30) days of the date of notice of the amount owed, unless DEO agrees, in writing, to an alternative timeframe.

**J. Vendor Ombudsman:**

A Vendor Ombudsman has been established within the Department of Financial Services. The duties of this individual include acting as an advocate for vendors who may be experiencing problems in obtaining timely payment(s) from a state agency. The Vendor Ombudsman may be contacted at (850) 413-5516 or by calling the Chief Financial Officer's Hotline, (800) 342-2762.

**K. Audits and Records:**

1. Representatives of DEO, the Chief Financial Officer of the State of Florida, the Auditor General of the State of Florida, the Florida Office of Program Policy Analysis and Government Accountability or representatives of the federal government and their duly authorized representatives shall have access to any of Grantee's books, documents, papers, and records, including electronic storage media, as they may relate to this Agreement, for the purposes of conducting audits or examinations or making excerpts or transcriptions.
2. Grantee shall maintain books, records, and documents in accordance with generally accepted accounting procedures and practices which sufficiently and properly reflect all expenditures of funds provided by DEO under this Agreement.
3. Grantee shall comply with all applicable requirements of section 215.97, F.S., and Attachment 2, Audit Requirements; and, if an audit is required thereunder, Grantee shall disclose all related party transactions to the auditor.
4. Grantee shall retain all Grantee records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to this Agreement in accordance with the record retention requirements of Part V of Attachment 2, Audit Requirements. Grantee shall cooperate with DEO to facilitate the duplication and transfer of such records or documents upon request of DEO.
5. Grantee shall include the aforementioned audit and record keeping requirements in all approved subrecipient subcontracts and assignments.
6. Within sixty (60) days of the close of Grantee's fiscal year, on an annual basis, Grantee shall electronically submit a completed Audit Compliance Certification (a version of this certification is attached hereto as Attachment 3) to [audit@deo.myflorida.com](mailto:audit@deo.myflorida.com). Grantee's timely submittal of one completed Audit Compliance Certification for each applicable fiscal year will fulfill this requirement within all agreements (e.g., contracts, grants,

memorandums of understanding, memorandums of agreement, economic incentive award agreements, etc.) between DEO and Grantee.

7. Grantee shall (i) maintain all funds provided under this Agreement in a separate bank account, or (ii) Grantee's accounting system shall have sufficient internal controls to separately track the funds from this Agreement. There shall be no commingling of funds provided under this Agreement, with any other funds, projects, or programs. DEO may, in its sole discretion, disallow costs that result from purchases made with commingled funds.

**L. Employment Eligibility Verification:**

1. Executive Order 11-116, signed May 27, 2011, by the Governor of Florida, requires DEO contracts in excess of nominal value to expressly require Grantee to:
  - a. Utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by Grantee during the Agreement term; and,
  - b. Include in all subcontracts under this Agreement, the requirement that subcontractors performing work or providing services pursuant to this Agreement utilize the E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the term of the subcontract.
2. E-Verify is an internet-based system that allows an employer, using information reported on an employee's Form I-9, Employment Eligibility Verification, to determine the eligibility of all new employees hired to work in the United States after the effective date of the required Memorandum of Understanding (MOU); the responsibilities and elections of federal contractors, however, may vary, as stated in Article II.D.1.c. of the MOU. There is no charge to employers to use E-Verify. The Department of Homeland Security's E-Verify system can be found at:

[http://www.dhs.gov/files/programs/gc\\_1185221678150.shtm](http://www.dhs.gov/files/programs/gc_1185221678150.shtm)

3. If Grantee does not have an E-Verify MOU in effect, Grantee must enroll in the E-Verify system prior to hiring any new employee after the effective date of this Agreement.

**M. Duty of Continuing Disclosure of Legal Proceedings:**

1. Prior to execution of this Agreement, Grantee must disclose all prior or on-going civil or criminal litigation, investigations, arbitration or administrative proceedings (Proceedings) involving Grantee (and each subcontractor) in a written statement to DEO's Agreement Manager. Thereafter, Grantee has a continuing duty to promptly disclose all Proceedings upon occurrence.
2. This duty of disclosure applies to Grantee's or subcontractor's officers and directors when any Proceeding relates to the officer or director's business or financial activities. Details of settlements that are prevented from disclosure by the terms of the settlement may be annotated as such.

3. Grantee shall promptly notify DEO's Agreement Manager of any Proceeding relating to or affecting the Grantee's or subcontractor's business. If the existence of such Proceeding causes the State concern that the Grantee's ability or willingness to perform the Agreement is jeopardized, Grantee shall be required to provide DEO's Agreement Manager all reasonable assurances requested by DEO to demonstrate that:
  - a. Grantee will be able to perform the Agreement in accordance with its terms and conditions; and
  - b. Grantee and/or its employees, agents, or subcontractor(s) have not and will not engage in conduct in performing services for DEO which is similar in nature to the conduct alleged in such Proceeding.

**N. Assignments and Subcontracts:**

1. Grantee agrees to neither assign the responsibility for this Agreement to another party nor subcontract for any of the work contemplated under this Agreement, or amend any such assignment or subcontract, without prior written approval of DEO. Any sublicense, assignment, or transfer occurring without the prior approval of DEO, shall be null and void.
2. Grantee agrees to be responsible for all work performed and all expenses incurred in fulfilling the obligations of this Agreement. If DEO permits Grantee to subcontract all or part of the work contemplated under this Agreement, including entering into subcontracts with vendors for services, it is understood by Grantee that all such subcontract arrangements shall be evidenced by a written document containing all provisions necessary to ensure subcontractor's compliance with applicable state and federal law. Grantee further agrees that DEO shall not be liable to the subcontractor for any expenses or liabilities incurred under the subcontract and Grantee shall be solely liable to the subcontractor for all expenses and liabilities incurred under the subcontract. Grantee, at its expense, will defend DEO against such claims.
3. Grantee agrees that all Grantee employees, subcontractors, or agents performing work under the Agreement shall be properly trained technicians who meet or exceed any specified training qualifications. Upon request, Grantee shall furnish a copy of technical certification or other proof of qualification. All Grantee employees, subcontractors, or agents performing work under the Agreement must comply with all DEO security and administrative requirements identified herein. DEO may conduct, and Grantee shall cooperate in, a security background check or otherwise assess any employee, subcontractor, or agent furnished by Grantee. DEO may refuse access to, or require replacement of, any of Grantee's employees, subcontractors, or agents for cause, including, but not limited to, technical or training qualifications, quality of work, change in security status, or non-compliance with DEO's security or administrative requirements identified herein. Such refusal shall not relieve Grantee of its obligation to perform all work in compliance with the Agreement. DEO may reject and bar from any facility for cause any of Grantee's employees, subcontractors, or agents.

4. Grantee agrees that the State of Florida shall at all times be entitled to assign or transfer its rights, duties, or obligations under this Agreement to another governmental agency in the State of Florida, upon giving prior written notice to Grantee. In the event the State of Florida approves transfer of Grantee's obligations, Grantee remains responsible for all work performed and all expenses incurred in connection with the Agreement. In addition, this Agreement shall bind the successors, assigns, and legal representatives of Grantee and of any legal entity that succeeds to the obligations of the State of Florida.
  5. Grantee agrees to make payments to the subcontractor within seven (7) working days after receipt of full or partial payments from DEO in accordance with section 287.0585, F.S., unless otherwise stated in the Agreement between Grantee and subcontractor. Grantee's failure to pay its subcontractors within seven (7) working days will result in a penalty charged against Grantee and paid to the subcontractor in the amount of one-half of one (1) percent of the amount due per day from the expiration of the period allowed herein for payment. Such penalty shall be in addition to actual payments owed and shall not exceed fifteen (15) percent of the outstanding balance due.
  6. Grantee shall provide a monthly Minority and Service-Disabled Veteran Business Enterprise Report for each invoice period summarizing the participation of certified and non-certified minority and service-disabled veteran subcontractors/material suppliers for that period, and project to date. The report shall include the names, addresses and dollar amount of each certified and non-certified Minority Business Enterprise and Service-Disabled Veteran Enterprise participant and a copy must be forwarded to DEO's Agreement Manager. The Office of Supplier Diversity at (850) 487-0915 will assist in furnishing names of qualified minorities. DEO's Minority Coordinator at (850) 245-7260 will assist with questions and answers.
  7. DEO shall retain the right to reject any of Grantee's or subcontractor's employees whose qualifications or performance, in DEO's judgment, are insufficient.
- O. MyFloridaMarketPlace Transaction Fee:** disbursements of State financial assistance to a recipient are exempt from this Transaction Fee pursuant to Rule 60A-1.032(1)(i), F.A.C.
- P. Nonexpendable Property:**
1. For the requirements of this Section of the Agreement, "nonexpendable property" is the same as "property" as defined in section 273.02, F.S., (equipment, fixtures, and other tangible personal property of a non-consumable and nonexpendable nature, with a value or cost of \$1,000 or more, and a normal expected life of one year or more; hardback-covered bound books that are circulated to students or the general public, with a value or cost of \$25 or more; and hardback-covered bound books, with a value or cost of \$250 or more).
  2. All nonexpendable property, purchased under this Agreement, shall be listed on the property records of Grantee. Grantee shall inventory annually and maintain accounting records for all nonexpendable property purchased and submit an inventory report to DEO with the final expenditure report. The records shall include, at a minimum, the following information: property tag identification number, description of the item(s), physical location, name, make or manufacturer, year, and/or model, manufacturer's serial number(s), date of acquisition, and the current condition of the item.

3. At no time shall Grantee dispose of nonexpendable property purchased under this Agreement for these services without the written permission of and in accordance with instructions from DEO.
4. Immediately upon discovery, Grantee shall notify DEO, in writing, of any property loss with the date and reason(s) for the loss.
5. Grantee shall be responsible for the correct use of all nonexpendable property furnished under this Agreement.
6. A formal Agreement amendment is required prior to the purchase of any item of nonexpendable property not specifically listed in the approved Agreement budget.
7. Title (ownership) to all nonexpendable property acquired with funds from this Agreement shall be vested in DEO and said property shall be transferred to DEO upon completion or termination of the Agreement unless otherwise authorized in writing by DEO.

**Q. Requirements Applicable to the Purchase of or Improvements to Real Property:**

Pursuant to section 287.05805, F.S., if funding provided under this Agreement is used for the purchase of or improvements to real property, such funds are contingent upon Grantee granting to DEO a security interest in the property in the amount of the funding provided by this Agreement for the purchase of or improvements to the real property for five (5) years from the date of purchase or the completion of the improvements or as further required by law.

**R. Information Resource Acquisition:**

Grantee shall obtain prior written approval from the appropriate DEO approving authority before purchasing any Information Technology Resource (ITR) or conducting any activity that will impact DEO's electronic information technology equipment or software, as both terms are defined in DEO Policy Number 5.01, in any way. ITR includes computer hardware, software, networks, devices, connections, applications, and data.

**S. Insurance:**

During the Agreement, including the initial Agreement term, renewal(s), and extensions, Grantee, at its sole expense, shall maintain insurance coverage of such types and with such terms and limits as may be reasonably associated with the Agreement. Providing and maintaining adequate insurance coverage is a material obligation of Grantee, and failure to maintain such coverage may void the Agreement. The limits of coverage under each policy maintained by Grantee shall not be interpreted as limiting Grantee's liability and obligations under the Agreement. All insurance policies shall be through insurers licensed and authorized to write policies in Florida.

Upon execution of this Agreement, Grantee shall provide DEO written verification of the existence and amount for each type of applicable insurance coverage. Within thirty (30) days of the effective date of the Agreement, Grantee shall furnish DEO proof of applicable insurance

coverage by standard ACORD form certificates of insurance. In the event that any applicable coverage is cancelled by the insurer for any reason, Grantee shall immediately notify DEO of such cancellation and shall obtain adequate replacement coverage conforming to the requirements herein and provide proof of such replacement coverage within fifteen (15) business days after the cancellation of coverage. The insurance certificate must name DEO as an additional insured and identify DEO's Agreement Number. Copies of new insurance certificates must be provided to DEO's Agreement Manager with each insurance renewal.

DEO shall be exempt from, and in no way liable for, any sums of money representing a deductible in any insurance policy. The payment of such deductible shall be the sole responsibility of Grantee providing such insurance. The following types of insurance are required.

**1. Grantee's Commercial General Liability Insurance:**

Unless Grantee is a state agency or subdivision as defined by section 768.28(2), F.S., Grantee shall provide adequate commercial general liability insurance coverage and hold such liability insurance at all times during this Agreement. A self-insurance program established and operating under the laws of the State of Florida may provide such coverage.

**2. Workers' Compensation and Employer's Liability Insurance:**

Grantee, at all times during the Agreement, at its sole expense, shall provide commercial insurance of such a type and with such terms and limits as may be reasonably associated with the Agreement, which, as a minimum, shall be: workers' compensation and employer's liability insurance in accordance with chapter 440, F.S., with minimum employer's liability limits of \$100,000 per accident, \$100,000 per person, and \$500,000 policy aggregate. Such policy shall cover all employees engaged in any Agreement work.

**3. Other Insurance:**

During the Agreement term, Grantee shall maintain any other insurance as required in Attachment 1, Scope of Work.

**T. Confidentiality and Safeguarding Information:**

1. Each Party may have access to confidential information made available by the other. The provisions of the Florida Public Records Act, Chapter 119, F.S., and other applicable state and federal laws will govern disclosure of any confidential information received by the State of Florida.
2. Grantee must implement procedures to ensure the appropriate protection and confidentiality of all data, files, and records involved with this Agreement.
3. Except as necessary to fulfill the terms of this Agreement and with the permission of DEO, Grantee shall not divulge to third parties any confidential information obtained by Grantee or its agents, distributors, resellers, subcontractors, officers, or employees in the course of performing Agreement work, including, but not limited to, security procedures, business

operations information, or commercial proprietary information in the possession of the State or DEO.

4. Grantee agrees not to use or disclose any information concerning a recipient of services under this Agreement for any purpose not in conformity with state and federal law or regulations except upon written consent of the recipient, or his responsible parent or guardian when authorized by law, if applicable.
5. If Grantee has access to either DEO's network or any DEO applications, or both, in order to fulfill Grantee's obligations under this Agreement, Grantee agrees to abide by all applicable DEO Information Technology Security procedures and policies. Grantee (including its employees, sub-contractors, agents, or any other individuals to whom Grantee exposes confidential information obtained under this Agreement), shall not store, or allow to be stored, any confidential information on any portable storage media (*e.g.*, laptops, thumb drives, hard drives, *etc.*) or peripheral device with the capacity to hold information. Failure to strictly comply with this provision shall constitute a breach of Agreement.
6. Grantee shall notify DEO in writing of any disclosure of unsecured confidential information of DEO by Grantee, its employees, agents, or representatives which is not in compliance with the terms of this Agreement (of which it becomes aware). Grantee also shall report to DEO any Security Incidents of which it becomes aware, including those incidents reported to Grantee by its sub-contractors or agents. For purposes of this Agreement, "Security Incident" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of DEO information in Grantee's possession or electronic interference with DEO operations; however, random attempts at access shall not be considered a security incident. Grantee shall make a report to DEO not more than seven (7) business days after Grantee learns of such use or disclosure. Grantee's report shall identify, to the extent known: (i) the nature of the unauthorized use or disclosure, (ii) the confidential information used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure, (iv) what Grantee has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, and (v) what corrective action Grantee has taken or shall take to prevent future similar unauthorized use or disclosure. Grantee shall provide such other information, including a written report, as reasonably requested by DEO's Information Security Manager.
7. In the event of a breach of security concerning confidential personal information involved with this Agreement, Grantee shall comply with section 501.171, F.S., as applicable. When notification to affected persons is required under this section of the statute, Grantee shall provide that notification, but only after receipt of DEO's approval of the contents of the notice. Defined statutorily, and for purposes of this Agreement, "breach of security" or "breach" means the unauthorized access of data in electronic form containing personal data. Good faith acquisition of personal information by an employee or agent of the Grantee is not a breach, provided the information is not used for a purpose unrelated to the Grantee's obligations under this Agreement or is not subject to further unauthorized use.

**U. Warranty of Ability to Perform:**

Grantee warrants that, to the best of its knowledge, there is no pending or threatened action, proceeding, or investigation, or any other legal or financial condition, that would in any way prohibit, restrain, or diminish Grantee's ability to satisfy its Agreement obligations. Grantee warrants that neither it nor any affiliate is currently on the convicted vendor list maintained pursuant to section 287.133, F.S., or on any similar list maintained by any other state or the federal government. Grantee shall immediately notify DEO in writing if its ability to perform is compromised in any manner during the term of the Agreement.

**V. Patents, Copyrights, and Royalties:**

1. Pursuant to section 286.021, F.S., if any discovery or invention arises or is developed in the course or as a result of work or services performed with funds from this Agreement, Grantee shall refer the discovery or invention to DEO who will refer it to the Department of State to determine whether patent protection will be sought in the name of the State of Florida. Any and all patent rights accruing under or in connection with the performance of the Agreement are hereby reserved to the State of Florida. The rights to any invention resulting from this Agreement that is for the performance of experimental, developmental, or research work are governed by 37 CFR Part 401 and any of its implementing regulations as applicable.
2. Where activities supported by this Agreement produce original writings, sound recordings, pictorial reproductions, drawings or other graphic representations and works of any similar nature, DEO has the right to use, duplicate, and disclose such materials in whole or in part, in any manner, for any purpose whatsoever and to allow others acting on behalf of DEO to do so. In the event that any books, manuals, films, websites, web elements, electronic information, or other copyrightable materials are produced Grantee shall notify DEO. Any and all copyrights accruing under or in connection with the performance funded by this Agreement are hereby reserved to the State of Florida.
3. In accordance with the provisions of section 1004.23, F.S., a State University is authorized in its own name to perform all things necessary to secure letters of patent, copyrights, and trademarks on any works it produces. Any action taken by the university in securing or exploiting such trademarks, copyrights, or patents shall, within thirty (30) days, be reported in writing by the president of the university to the Department of State in accordance with section 1004.23(6), F.S.

**W. Independent Contractor Status:**

In Grantee's performance of its duties and responsibilities under this Agreement, it is mutually understood and agreed that Grantee is at all times acting and performing as an independent Contractor. DEO shall neither have nor exercise any control or direction over the methods by which Grantee shall perform its work and functions other than as provided herein. Nothing in this Agreement is intended to or shall be deemed to constitute a partnership or joint venture between the Parties.

1. Except where Grantee is a state agency, Grantee, its officers, agents, employees, subcontractors, or assignees, in performance of this Agreement shall act in the capacity of an independent Contractor and not as an officer, employee, or agent of the State of Florida.

Nor shall Grantee represent to others that, as Grantee, it has the authority to bind DEO unless specifically authorized to do so.

2. Except where Grantee is a state agency, neither Grantee, nor its officers, agents, employees, subcontractors, or assignees are entitled to state retirement or state leave benefits, or to any other compensation of state employment as a result of performing the duties and obligations of this Agreement.
3. Grantee agrees to take such actions as may be necessary to ensure that each subcontractor will be deemed to be an independent contractor and will not be considered or permitted to be an agent, servant, joint venturer, or partner of the State of Florida.
4. Unless justified by Grantee, and agreed to by DEO in Attachment 1, Scope of Work, DEO will not furnish services of support (*e.g.*, office space, office supplies, telephone service, secretarial, or clerical support) to Grantee or its subcontractor or assignee.
5. DEO shall not be responsible for withholding taxes with respect to Grantee's compensation hereunder. Grantee shall have no claim against DEO for vacation pay, sick leave, retirement benefits, social security, workers' compensation, health or disability benefits, reemployment assistance benefits, or employee benefits of any kind. Grantee shall ensure that its employees, subcontractors, and other agents, receive benefits and necessary insurance (health, workers' compensation, reemployment assistance benefits) from an employer other than the State of Florida.
6. Grantee, at all times during the Agreement, must comply with the reporting and Reemployment Assistance contribution payment requirements of chapter 443, F.S.

**X. Electronic Funds Transfer:**

Grantee agrees to enroll in Electronic Funds Transfer (EFT), offered by the State's Chief Financial Officer within thirty (30) days of the date the last Party has signed this Agreement. Copies of the Authorization form and a sample blank enrollment letter can be found on the vendor instruction page at:

[http://www.fldfs.com/aadir/direct\\_deposit\\_web/Vendors.htm](http://www.fldfs.com/aadir/direct_deposit_web/Vendors.htm)

Questions should be directed to the EFT Section at (850) 413-5517. Once enrolled, invoice payments will be made by EFT.

**II. GRANTEE AND DEO AGREE:**

**A. Renegotiation or Modification:**

The Parties agree to renegotiate this Agreement if federal and/or state revisions of any applicable laws or regulations make changes to this Agreement necessary. In addition to changes necessitated by law, DEO may at any time, with written notice to Grantee, make changes within the general scope of this Agreement. Such changes may include modification of the requirements, changes to processing procedures, or other changes as decided by DEO. Any

investigation necessary to determine the impact of the change shall be the responsibility of Grantee. Modifications of provisions of this Agreement shall only be valid when they have been reduced to writing and duly signed and dated by all Parties.

**B. Time is of the Essence:**

Time is of the essence regarding the performance obligations set forth in this Agreement. Any additional deadlines for performance for Grantee's obligation to timely provide deliverables under this Agreement including but not limited to timely submittal of reports, are contained in Attachment 1, Scope of Work.

**C. Termination:**

**1. Termination Due to the Lack of Funds:**

In the event funds to finance this Agreement become unavailable or if federal or state funds upon which this Agreement is dependent are withdrawn or redirected, DEO may terminate this Agreement upon no less than twenty-four (24) hour notice in writing to Grantee. DEO shall be the final authority as to the availability of funds and will not reallocate funds earmarked for this Agreement to another program thus causing "lack of funds." In the event of termination of this Agreement under this provision, Grantee will be compensated for any work satisfactorily completed prior to notification of termination.

**2. Termination for Cause:**

DEO may terminate the Agreement if Grantee fails to: (1) deliver the services within the time specified in the Agreement or any extension; (2) maintain adequate progress, thus endangering performance of the Agreement; (3) honor any term of the Agreement; or (4) abide by any statutory, regulatory, or licensing requirement. Rule 60A-1.006(3), F.A.C., governs the procedure and consequences of default. Grantee shall continue to perform any work not terminated. The rights and remedies of DEO in this clause are in addition to any other rights and remedies provided by law or under the Agreement. Grantee shall not be entitled to recover any cancellation charges or lost profits.

**3. Termination for Convenience:**

DEO, by written notice to Grantee, may terminate this Agreement in whole or in part when DEO determines in its sole discretion that it is in the State's interest to do so. Grantee shall not furnish any product after it receives the notice of termination, except as necessary to complete the continued portion of the Agreement, if any. Grantee shall not be entitled to recover any cancellation charges or lost profits.

**D. Dispute Resolution:**

Unless otherwise stated in Attachment 1, Scope of Work, disputes concerning the performance of the Agreement shall be decided by DEO, who shall reduce the decision to writing and serve a copy on Grantee. The decision shall be final and conclusive unless within twenty-one (21) days from the date of receipt, Grantee files with DEO a petition for administrative hearing. DEO's

final order on the petition shall be final, subject to any right of Grantee to judicial review pursuant to chapter 120.68, F.S. Exhaustion of administrative remedies is an absolute condition precedent to Grantee's ability to pursue any other form of dispute resolution; provided however, that the Parties may employ the alternative dispute resolution procedures outlined in chapter 120, F.S.

**E. Indemnification** (NOTE: If Grantee is a state agency or subdivision, as defined in section 768.28(2), F.S., pursuant to section 768.28(19), F.S., neither Party indemnifies nor insures or assumes any liability for the other Party for the other Party's negligence):

1. Grantee shall be fully liable for the actions of its agents, employees, partners, or subcontractors and shall fully indemnify, defend, and hold harmless the State and DEO, and their officers, agents, and employees, from suits, actions, damages, and costs of every name and description, including attorneys' fees, arising from or relating to personal injury and damage to real or personal tangible property alleged to be caused in whole or in part by Grantee, its agents, employees, partners, or subcontractors, provided, however, that Grantee shall not indemnify for that portion of any loss or damages proximately caused by the negligent act or omission of the State or DEO.
2. Further, Grantee shall fully indemnify, defend, and hold harmless the State and DEO from any suits, actions, damages, and costs of every name and description, including attorneys' fees, arising from or relating to violation or infringement of a trademark, copyright, patent, trade secret or intellectual property right, provided, however, that the foregoing obligation shall not apply to DEO's misuse or modification of Grantee's products or DEO's operation or use of Grantee's products in a manner not contemplated by the Agreement or the purchase order. If any product is the subject of an infringement suit, or in Grantee's opinion is likely to become the subject of such a suit, Grantee may at its sole expense procure for DEO the right to continue using the product or to modify it to become non-infringing. If Grantee is not reasonably able to modify or otherwise secure DEO the right to continue using the product, Grantee shall remove the product and refund DEO the amounts paid in excess of a reasonable rental for past use. DEO shall not be liable for any royalties.
3. Grantee's obligations under the preceding two paragraphs with respect to any legal action are contingent upon the State or DEO giving Grantee (1) written notice of any action or threatened action, (2) the opportunity to take over and settle or defend any such action at Grantee's sole expense, and (3) assistance in defending the action at Grantee's sole expense. Grantee shall not be liable for any cost, expense, or compromise incurred or made by the State or DEO in any legal action without Grantee's prior written consent, which shall not be unreasonably withheld.

**F. Limitation of Liability:**

For all claims against Grantee under this Agreement, and regardless of the basis on which the claim is made, Grantee's liability under this Agreement for direct damages shall be limited to the greater of \$100,000 or the dollar amount of this Agreement. This limitation shall not apply to claims arising under the Indemnity paragraphs contained in this Agreement.

Unless otherwise specifically enumerated in the Agreement or in the purchase order, no Party shall be liable to another for special, indirect, punitive, or consequential damages, including lost data or records (unless the Agreement or purchase order requires Grantee to back-up data or records), even if the Party has been advised that such damages are possible. No Party shall be liable for lost profits, lost revenue, or lost institutional operating savings. The State and DEO may, in addition to other remedies available to them at law or equity and upon notice to Grantee, retain such monies from amounts due Grantee as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them. The State may set off any liability or other obligation of Grantee or its affiliates to the State against any payments due Grantee under any Agreement with the State.

**G. Force Majeure and Notice of Delay from Force Majeure:**

Neither Party shall be liable to the other for any delay or failure to perform under this Agreement if such delay or failure is neither the fault nor the negligence of the Party or its employees or agents and the delay is due directly to acts of God, wars, acts of public enemies, strikes, fires, floods, or other similar cause wholly beyond the Party's control, or for any of the foregoing that affects subcontractors or suppliers if no alternate source of supply is available. However, in the event of delay from the foregoing causes, the Party shall take all reasonable measures to mitigate any and all resulting delay or disruption in the Party's performance obligation under this Agreement. If the delay is excusable under this paragraph, the delay will not result in any additional charge or cost under the Agreement to either Party. In the case of any delay Grantee believes is excusable under this paragraph, Grantee shall notify DEO in writing of the delay or potential delay and describe the cause of the delay either: (1) within ten (10) calendar days after the cause that creates or will create the delay first arose, if Grantee could reasonably foresee that a delay could occur as a result; or (2) within five (5) calendar days after the date Grantee first had reason to believe that a delay could result, if the delay is not reasonably foreseeable. **THE FOREGOING SHALL CONSTITUTE GRANTEE'S SOLE REMEDY OR EXCUSE WITH RESPECT TO DELAY.** Providing notice in strict accordance with this paragraph is a condition precedent to such remedy. DEO, in its sole discretion, will determine if the delay is excusable under this paragraph and will notify Grantee of its decision in writing. No claim for damages, other than for an extension of time, shall be asserted against DEO. Grantee shall not be entitled to an increase in the Agreement price or payment of any kind from DEO for direct, indirect, consequential, impact, or other costs, expenses or damages, including but not limited to costs of acceleration or inefficiency arising because of delay, disruption, interference, or hindrance from any cause whatsoever. If performance is suspended or delayed, in whole or in part, due to any of the causes described in this paragraph, after the causes have ceased to exist, Grantee shall perform at no increased cost, unless DEO determines, in its sole discretion, that the delay will significantly impair the value of the Agreement to DEO or the State, in which case, DEO may do any or all of the following: (1) accept allocated performance or deliveries from Grantee, provided that Grantee grants preferential treatment to DEO with respect to products or services subjected to allocation; (2) purchase from other sources (without recourse to and by Grantee for the related costs and expenses) to replace all or part of the products or services that are the subject of the delay, which purchases may be deducted from the Agreement quantity; or (3) terminate the Agreement in whole or in part.

**H. Severability:**

If any provision, in whole or in part, of this Agreement is held to be void or unenforceable by a court of competent jurisdiction, that provision shall be enforced only to the extent that it is not in violation of law or is not otherwise unenforceable, and all other provisions remain in full force and effect.

**I. Authority of Grantee's Signatory:**

Upon execution, Grantee shall return the executed copies of this Agreement in accordance with the instructions provided by DEO along with documentation ensuring that the below signatory has authority to bind Grantee to this Agreement as of the date of execution. Documentation may be in the form of a legal opinion from the Grantee's attorney, or other reliable documentation demonstrating such authority, and is hereby incorporated by reference. DEO may, at its discretion, request additional documentation related to the below signatory's authority to bind Grantee to this Agreement.

**J. Execution in Counterparts:**

This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**K. Contact Information for Grantee and DEO Contacts:**

**Grantee's Payee:**

**Grantee's Agreement Manager:**

Economic Incubators, Inc.	Dr. Marshall Goodman
3510 Kraft Road, Suite 200	3510 Kraft Road, Suite 200
Naples, Florida 34105	Naples, Florida 34105
863-660-2987	863-660-2987
MGoodman.CCatalyst@gmail.com	MGoodman.CCatalyst@gmail.com

**DEO's Agreement Manager:**

Katie Smith

107 East Madison Street, Caldwell  
Building, MSC 80

Tallahassee, Florida 32399

850-717-8976

850-410-4770

Katie.Smith@deo.myflorida.com

In the event that any of the information provided in Section II.K. above changes, including the designation of a new Agreement Manager, after the execution of this Agreement, the Party making such change will notify all other Parties in writing of such change. Such changes shall not require a formal amendment to the Agreement.

**L. Notices:**

The contact information provided in accordance with Section II.K. above shall be used by the Parties for all communications under this Agreement. Where the term "written notice" is used to specify a notice requirement herein, said notice shall be deemed to have been given (i) when personally delivered; (ii) when transmitted via facsimile with confirmation of receipt or email with confirmation of receipt if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid); (iii) the day following the day (except if not a business day then the next business day) on which the same has been delivered prepaid to a recognized overnight delivery service; or (iv) the third business day following the day on which the same is sent by certified or registered mail, postage prepaid, with return receipt.

**M. Attachments and Exhibits:** Attached to and made part of this Agreement are the following Attachments and/or Exhibits, each of which is incorporated into, and is an integral part of, this Agreement:

- **Attachment 1:** Scope of Work
- **Attachment 2 and Exhibit 1 to Attachment 2:** Audit Requirements
- **Attachment 3:** Audit Compliance Certification

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**N. Execution:**

I have read the above Agreement and the attachments and exhibits thereto and understand each section and paragraph.

**IN WITNESS THEREOF**, and in consideration of the mutual covenants set forth above and in the attachments hereto, the Parties have caused to be executed this Agreement by their undersigned officials duly authorized.

**DEPARTMENT OF ECONOMIC OPPORTUNITY**

By   
Signature

Title Dean Izzo  
Chief of Staff

Date 7-22-16

**ECONOMIC INCUBATORS, INC.**

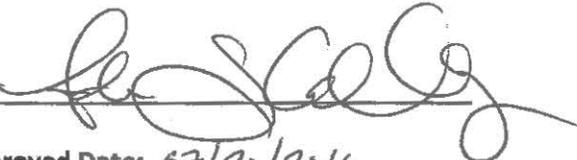
By   
Signature

Title Dr. Marshall Goodman  
President and CEO

Date 7/15/16

**Approved as to form and legal sufficiency, subject only to full and proper execution by the Parties.**

**OFFICE OF GENERAL COUNSEL  
DEPARTMENT OF ECONOMIC OPPORTUNITY**

By:   
Approved Date: 07/20/2016

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## Attachment 1

### SCOPE OF WORK

**1. Project Description:** For State Fiscal Year 2016-2017, in Specific Appropriation line item 2234, the Florida Legislature appropriated two million dollars (\$2,000,000) for the SouthWest Florida Collier County Immokalee/Naples Business Accelerator Program, of which two hundred and fifty thousand (\$250,000) is dedicated to the Florida Gulf Coast University Institute for Entrepreneurship and Economic Incubators, Inc. The entity designated to receive the funds and complete the activities is Economic Incubators, Inc. (Grantee). This program consists of two parts, The Naples Accelerator-Innovation Center and the Immokalee Culinary Arts & Services Incubator Facility.

The Naples Business Accelerator Program was funded through a previous state appropriation. The Innovation Center represents an international platform to foster the convergence of technology, entrepreneurial energy and private capital with the region's existing industry. The project was also appropriated with the intention of providing today's entrepreneur and innovator with a full suite of 21<sup>st</sup> Century tools (information technology support; computer modeling software) and the hardware and equipment necessary to build prototype models and designs critical for venture funding acquisition.

**The purpose of this grant is to establish the Immokalee Culinary Arts & Services Incubator Facility.** The funding will be used for the development, build-out, and equipment necessary for an applied food sciences laboratory, commercial kitchen, and packaging facilities that will support the creation and commercialization of new food products and delivery mechanisms. The addition of enhanced capacity for food laboratory quality and safety analytical equipment will complement the current progress of the business accelerator network. The collaboration among the local government, educational institutions and private business in agricultural and technology related business diversification will render long-term economic advances in the Collier County and Southwest Florida economies by advancing innovation in entrepreneurship of food products and related agribusiness industries.

#### **2. Grantee Responsibilities:**

- A. Perform the tasks as defined in the Agreement and this Scope of Work;
- B. Provide documentation for all work associated with the Project as outlined in this Scope of Work;
- C. Provide DEO grant manager an estimated timeline and payment plan.
- D. Provide the DEO grant manager any other information, which DEO may require from Grantee, that DEO deems necessary to verify that the services have been rendered under the Agreement.
- E. During the term of this Agreement and to the extent required by law, the Grantee shall perform in accordance with the provisions of Chapter 255, F.S.
- F. The Grantee shall complete the following activities:

##### **1. Naples Soft-Landing Business Accelerator Expansion**

The Naples Soft-Landing Business Accelerator (Accelerator) provides entrepreneurs with office space and equipment, as well as assistance with business plan development, formulation of marketing plans and strategies, venture funding, and distribution logistics. The Accelerator is currently looking to expand their office set up in order to provide additional services and

features to the local and regional entrepreneurial community. In order to complete this activity, the Grantee shall perform the following tasks:

**a. Space Setup:** The Accelerator's expansion efforts will include a remodel of the Accelerator's 10,000 square foot space and additional offices to house new business clients and accelerator staff. The set up activities will include:

- i. Negotiation of new lease terms. Grantee shall provide a copy of the executed lease to DEO.
- ii. Approval of final remodeling plans. Grantee shall provide a copy of the plans to DEO.
- iii. Acquisition of all necessary state and local permits. Grantee shall provide a copy of the state and local permits to DEO.
- iv. The purchase of technical equipment such as audio-visual media, printers, copiers and specialty equipment.
- v. The provision of services such as necessary legal, accounting, marketing, education and information technology services.

**b. Develop a Visa EB-5 Regional Center:** The U.S government created the EB-5 program in 1990 to stimulate the U.S. economy through job creation and capital investment by foreign investors. In 1992, the U.S. government created the Immigrant Investor Program, also known as the Regional Center Program. This sets aside EB-5 visas for participants who invest in commercial enterprises associated with regional center approved by the U.S. Citizenship and Immigrant Services based on proposals for promoting economic growth. The Grantee shall hire one or more Consultants to:

- i. Review the requirements of the EB-5 program;
- ii. Collect the necessary information and prepare the application for the Accelerator to become an EB-5 regional center;
- iii. Develop partnerships both in Florida and internationally to promote the EB-5 investment opportunities in Southwest Florida; and
- iv. Market the EB-5 program internationally to investors and firms seeking entree into the U.S. market.

**c. Develop a French Tech Hub:** A French Tech Hub is a designation provided by the French government to locations in the U.S. that help French technology companies efficiently enter and accelerate growth in the U.S. Currently there are 3 French Tech Hubs in the U.S. in New York, Boston, and San Francisco. The Grantee shall hire one or more Consultants that will, in coordination with Florida and French economic development officials, help write a proposal for the Naples Accelerator to serve as a French Tech Hub for the State of Florida. Grantee shall ensure that the Consultants:

- i. Review all requirements of the French Tech hub program, consult with French officials , Enterprise Florida's France Office located in Paris, and collect data and information required for the application;
- ii. Write a narrative and compile all information required for a successful application;
- iii. Consult with necessary parties, i.e. counties, municipalities, cities, or local governments, in the key metropolitan areas of Florida that would be part of a statewide French Tech Hub initiative;
- iv. Assist with the marketing and recruitment of innovation companies to be part of a Naples French Tech Hub in France, the European Union, and Florida, as well as facilitate business opportunities for those companies in creating jobs in Florida.

Grantee shall provide quarterly reports to DEO of consultant's progress

## **2. Recruitment of National and International Partnerships**

Grantee's staff will meet with potential international and national clients and food companies to recruit them to the Accelerator(s). In order to complete this activity, the Grantee shall perform the following tasks:

- a. Meet with current clients to facilitate their start-up business needs.
- b. Begin procurement process for construction and operations for clients.
- c. Client recruiting and partnering:
  - i. Recruiting national and international companies into the Southwest Florida marketplace and helping to leverage partnership opportunities with companies across South Florida.
  - ii. Attend and partner at trade shows and other events to market Southwest Florida and the Accelerator program.

## **3. Development of the Immokalee Culinary Arts & Services Incubator Facility**

The Incubator will be located in Immokalee, in a leased facility adjacent to the Immokalee Airport. The Immokalee facility will be equipped with commercial kitchen equipment, food and beverage product development, processing, distillation and testing equipment, and cold food storage equipment. **The Grantee shall build** the facility to meet all applicable FDA, USDA, and state and local requirements, in accordance with the Accelerator's approved construction plans. **In order to complete this activity**, the Grantee shall perform the following tasks:

- a. **Construction and Space Setup:** The future leased space for the culinary food accelerator is anticipated to be approximately 5,000-6,000 square feet of both indoor and outdoor spaces, and requires extensive remodeling, and commercial equipment. In addition, a food laboratory **will be built** and equipped within the facility that will be utilized by the University of Florida, for food science and product testing and safety. The setup subtasks will include:
  - i. Negotiation of lease terms. Grantee shall provide a copy of the executed lease to DEO.
  - ii. Approval of final remodeling plans. Grantee shall provide a copy of the plans to DEO.
  - iii. **Acquisition of all necessary state and local permits.** Grantee shall provide a copy of the state and local permits to DEO.
  - iv. **Construction/remodeling of the space in accordance with the approved final remodeling plans.**
  - v. **The purchase, lease, and installation of commercial equipment in accordance with the plan.**
  - vi. The provision of services such as necessary legal, accounting, marketing, education, and information technology services.

## **4. Development of the Florida Gulf Coast University (FGCU) Runway Program.**

The Runway Program seeks to work with students, faculty, and staff through the FGCU Institute for Entrepreneurship to help accelerate the launch of startup and innovation companies started by FGCU students. During the program, students will be provided with entrepreneurship faculty instruction in business and entrepreneurship, mentorship, and support to facilitate the startup of their business. At the end of their program, the students will pitch to an Investment Committee who will review the grant submissions and business plans to determine which team(s) will be eligible for a grant to be used to accelerate their business. Once these students

complete the program, they should be ready to compete in the Governor's Cup and other competitions across the Florida and the United States. The cost of the program includes instructors, materials, equipment and supplies. The Grantee shall provide a copy of the approved construction plan, as necessary, to the DEO. In order to complete this activity, the Grantee shall perform the following tasks:

**a. Incubator Space Setup:** The incubator at the Emergent Technology Institute (ETI) will include appropriate office, conference room, and classroom space and a Student Prototype Lab. All spaces are being provided to the project at no cost for the period of the grant. The FGCU Student Prototyping Lab will be outfitted with equipment and software programs to include a 3-D printer, laser cutter, foam cutter, and Solid Works. The subtasks will include:

- i. Approval of final remodeling plans. Grantee shall provide a copy of the plans to DEO.
- ii. Acquisition of all necessary state and local permits. Grantee shall provide a copy of the state and local permits to DEO.
- iii. The purchase of commercial equipment in accordance with the plan. Grantee shall provide a copy of the invoice to DEO.

**b. Design FGCU'S Competitive Application Process for the FGCU Runway Program:** Marketing and promotion for the new FGCU Runway Program will begin in early August 2016. This process will be used as a mechanism to select a minimum of 20 participants for the student runway program during the 2016-2017 year. These set up program activities subtasks will include:

- i. Invoices for the marketing and promotional items. Grantee shall provide a copy of the invoices to DEO.

**c. Design and Implement FGCU's Runway Program:** Student(s) will be required to complete a 12 week program with a minimum of 10 hours a week working in the Incubator as well as a minimum 3-5 hours per week outside of the Incubator. Students will be provided with entrepreneurship faculty instruction in business and entrepreneurship, mentorship, materials, supplies as well as some fees to facilitate the student's initial startup of their business. The program will also require design of the program and implementation by staff, faculty and administration. These program subtasks will include:

- i. The purchase of materials and supplies, and fees for the program. Grantee shall provide a copy of the invoices to DEO.
- ii. Pay stubs for faculty and staff. Grantee shall provide copies of the pay stubs to DEO.

**d. Design and Implement a Competitive Grant(s) Program for students who have completed the Project Runway Program.** The students will pitch to an Investment Committee who will review the grant submissions and business plans to determine which team(s) will be eligible for a grant to be used to accelerate their business. The committee will also select the two teams that will be granted free office space for one year by Naples Accelerator. The program subtasks will include:

- i. Committee reviewed papers of student submissions for competitive grant. Grantee shall provide copies of submissions to DEO.

**e. Provide a minimum of 15 student internships.** Students will be provided paid internships from the FGCU Institute for Entrepreneurship to work in the Incubator and the Institute for Entrepreneurship within the College of Business. Types of jobs will include website design, social media marketing, program administration, updating database, research assistant, development and distribution of materials, lab support, new program initiatives and other community entrepreneurship programs supported by the Institute for Entrepreneurship. The internship subtasks will include:

- i. Ad placed in the school’s career services for the fall and spring semester for these positions. Grantee shall provide copy of the ad to DEO.
  - ii. Interns will be required to work a minimum of 150 hours per semester and to submit periodic time sheets and performance reports. Grantee shall provide copies of the timesheets to DEO.
  - iii. At the completion of the internship, the student is required to write a paper to demonstrate how the internship experience will help them in their future career. Grantee will provide a copy of the paper to DEO.
- f. Naples Accelerator Staff at Incubator:** Provide a .5 FTE staff and office for the Naples Accelerator Office who will work in the Incubator at FGCU.
- i. Timesheets for the staff at the incubator. Grantee will provide Copies of timesheet to DEO.

**5. Retail Outlet for Food and Beverage Products at 3510 Kraft Rd.**

An outlet for the sale of food and beverage products to the community will require the remodel of approximately 200 square ft. on the first floor of the building at 3510 Kraft Rd.

- a. Construction and Space Setup:** The future leased space for the retail outlet requires remodeling, and purchase of equipment. The setup activities will include:
- i. Negotiation of leased terms. Grantee shall provide a copy of the executed lease to DEO.
  - ii. Approval of final remodeling plans. Grantee shall provide a copy of the plans to DEO.
  - iii. Acquisition of all necessary local permits. Grantee shall provide a copy of the state and local permits to DEO.
  - iv. The purchase of commercial equipment in accordance with the plan.
  - v. Marketing to publicize the new market facility to the public and potential users.

**3. DEO’s Responsibilities:**

- A. Monitor the ongoing activities and progress of Grantee, as DEO deems necessary, to verify that all activities are being performed in accordance with the Agreement;
- B. Perform Agreement management responsibilities as stated herein;
- C. Reply to reasonable inquiries pursuant to the Agreement;
- D. Review Grantee’s invoices for accuracy and thoroughness, and if accepted, process invoices on a timely basis; and
- E. Maintain paper or electronic copies of all documents submitted pursuant to Sections 5 and 6 of this Scope of Work.
- F. Process any request for an advance of funds under this Agreement in accordance with the requirements of section 216.181(16), F.S., Chapter 69I-40.120, Florida Administrative Code, and the Florida Department of Financial Services Reference Guide for State Expenditures. Once any advance request has been approved and provided, additional Agreement disbursements shall only be made on a reimbursement basis.

**4. Deliverables:** Recipient agrees to provide the following deliverables as specified below:

DELIVERABLE 1		
Deliverables and Tasks	Minimum Performance Standards	Financial Consequence

<p><b>Naples Soft-Landing Business Accelerator Expansion</b></p> <p>Grantee shall complete the expansion tasks as outlined in Section 2.F.1. of this Scope of Work.</p>	<p>At a minimum, Grantee shall complete one expansion task at 100% as outlined in Section 2.F.1. and as evidenced by submittal of the following, as applicable:</p> <ul style="list-style-type: none"> <li>• Statement from a licensed professional certifying that the work is complete.</li> <li>• Copy of the executed contractor's agreement.</li> <li>• Copy of Visa EB-5 Regional Center designation application.</li> <li>• Copy of the French Tech HUB designation application.</li> </ul>	<p>Failure to complete the minimum level of service will result in non-payment.</p>
<p><b>Total Cost of this Deliverable Not to Exceed: \$400,000.00</b></p>		

<b>DELIVERABLE 2</b>		
<b>Deliverables and Tasks</b>	<b>Minimum Performance Standards</b>	<b>Financial Consequence</b>
<p><b>Recruitment and Selection of National and International Partnerships</b></p> <p>Grantee shall complete the recruitment and selection of businesses as outlined in Section 2.F.2. of this Scope of Work.</p>	<p>At a minimum, Grantee shall enter into an agreement with one national or international business as outlined in Section 2.F.2. and as evidenced by submittal of the following, as applicable:</p> <ul style="list-style-type: none"> <li>• Copy of the executed partner agreement.</li> </ul>	<p>Failure to complete the minimum level of service will result in non-payment.</p>
<p><b>Total Cost of this Deliverable Not to Exceed: \$50,000.00</b></p>		

<b>DELIVERABLE 3</b>		
<b>Deliverables and Tasks</b>	<b>Minimum Performance Standards</b>	<b>Financial Consequence</b>
<p><b>Development of the Immokalee Culinary Arts &amp; Services Facility</b></p> <p>Grantee shall complete the construction and space set up of the facility as outlined in Section 2.F.3. of this Scope of Work.</p>	<p>At a minimum, the Grantee shall complete one construction and space setup of the facility task as outlined in Section 2.F.3. as evidenced by submittal of the following, as applicable:</p> <ul style="list-style-type: none"> <li>• Copies of all designs, plans, and permits obtained or required to be obtained for</li> </ul>	<p>Failure to complete the minimum level of service will result in non-payment.</p>

	<p><b>the purpose of accomplishing the project</b></p>	
<p><b>Total Cost of this Deliverable Not to Exceed: \$1,200,000.00</b></p>		

<b>DELIVERABLE 4</b>		
<b>Deliverables and Tasks</b>	<b>Minimum Performance Standards</b>	<b>Financial Consequence</b>
<p><b>Develop the FGCU Runway Program</b></p> <p>Grantee shall complete the FGCU Runway Program program task as defined in Section 2.F.4. of this Scope of Work</p>	<p>At a minimum, Grantee shall complete one development subtask at 100% as defined in Section 2.F.4. and as evidenced by submittal of the following, as applicable:</p> <ul style="list-style-type: none"> <li>• Copy of final remodeling plans.</li> <li>• Copies of all state and local permits.</li> <li>• Copies of all marketing materials and promotional items.</li> <li>• Copies of pay stubs for faculty and staff.</li> <li>• Committee reviewed papers of student submissions for competitive grant</li> <li>• List of participants for the Runway Program.</li> <li>• List of the Investment Team Members &amp; judging criteria and names of the grantees.</li> <li>• Copy of ad placed in the school's career services for the fall and spring semester for positions.</li> <li>• Copies of timesheets and performance reports of interns.</li> <li>• Copies of papers written by interns on experience and their future career.</li> <li>• Copies of timesheets for the staff at the incubator.</li> </ul>	<p>Failure to complete the minimum level of service will result in non-payment.</p>
<p><b>Total Cost of this Deliverable Not to Exceed: \$250,000.00</b></p>		

<b>DELIVERABLE 5</b>		
<b>Deliverables and Tasks</b>	<b>Minimum Performance Standards</b>	<b>Financial Consequences</b>
<p><b>Retail Outlet for Food and Beverage Products at 3510 Kraft Road</b></p> <p>Grantee shall complete the construction and space set up of the facility as outlined in Section 2.F.5. of this Scope of Work.</p>	<p>At a minimum, the Grantee shall complete the construction and space setup of the facility at 100% as outlined in Section 2.F.5. as evidenced by submittal of the following, as applicable:</p> <ul style="list-style-type: none"> <li>• A copy of the new executed lease agreement</li> <li>• Copies of all designs, plans, and permits obtained or required to be obtained for the purpose of accomplishing the project</li> <li>• Copies of all marketing materials and promotional items.</li> </ul>	<p>Failure to complete the minimum level of service will result in non-payment.</p>
<b>Total Cost of this Deliverable Not to Exceed: \$100,000.00</b>		
<b>Total Cost Not to Exceed: \$2,000,000.00</b>		

**Cost Shifting:** The deliverable amounts specified within the Deliverables section above are established based on the Parties' estimation of sufficient delivery of services fulfilling grant purposes under the Agreement in order to designate payment points during the Agreement Period; however, this is not intended to restrict DEO's ability to approve and reimburse allowable costs, incurred by Grantee in providing the deliverables herein. Prior written approval from DEO's Agreement Manager is required for changes to the above Deliverable amounts that do not exceed **ten (10) percent** of each deliverable total funding amount. Changes that exceed **ten (10) percent** of each deliverable total funding amount will require a formal written amendment, as described in Section II.A. of the Agreement. Regardless, in no event shall DEO reimburse costs of more than the total amount of this Agreement.

**5. Invoice Submittal and Payment Schedule:**

DEO agrees to disburse funds under this Agreement in accordance with the following schedule in the amount identified per deliverable in Section 4 above. The deliverable amount specified does not establish the value of the deliverable. In accordance with Section I.F.11, Funding Requirements of Section 215.971, F.S., of this Agreement, Grantee's entitlement to retain funds paid by DEO is dependent upon the amount of allowable costs incurred and expended by Grantee in carrying out the Project. Grantee's invoices shall include the date, period in which work was performed, amount of reimbursement, and percent of work completed to date.

Grantee shall provide one (1) invoice per Deliverable for all services rendered during the applicable period of time.

- A. Grantee's invoice package shall be neatly organized with supporting documentation for each Deliverable; and include a cover letter on Grantee's letterhead signed by Grantee's Agreement Manager certifying that all costs:**
1. Were incurred after June 30, 2016 and on or before July 1, 2017.
  2. Are for one or more of the tasks as outlined in this Scope of Work. Documentation of payment shall include:
    - i. An overall summary of the project tasks with specific details of the progress accomplished during the payment period.
    - ii. Proof of payment for related Project costs in the form of a copy of the cancelled check, electronic transfer or, a copy of a check and the bank statement highlighting the cancelled check;
    - iii. Invoices for all work associated with the Deliverable as outlined in this Scope of Work paid by Grantee (see Section 6.B for contractor invoice requirements);
    - iv. Grantee's invoices shall include the date, period in which work was performed, amount of reimbursement, and percent of work completed to date;
    - v. Invoices shall include the following statement above the Grantee's signature block: "I certify, by evidence of my signature below, the information as presented on this invoice is true and correct; the goods and services have been satisfactorily received and payment is now due. I understand the DEO and other state personal have authority to require additional documentation and/or conduct audits or inspections of grant records."
    - vi. Documentation necessary to support payment request and successful completion of deliverables, as required in Section 4 of this Scope of Work;
    - vii. All travel documentation in accordance with Section 112.061 Florida Statutes; and
    - viii. If applicable, completed Photographer Release Form, and/or Model Release Form as required in Section 14 of this Scope of Work.
    - ix. Site work photographs of the pre and post construction and remodeling.
    - x. A certification by a licensed engineer using AIA forms G702 and G703, or their substantive equivalents, certifying that the project, or a quantifiable portion of the project for reach reimbursement is sought, is complete.
- B. All documentation necessary to support payment requests must be submitted with Grantee's invoice, as described in Section I.G. of the Agreement, for DEO's review. All supporting documents must:**
1. be on company letterhead with contractors name and address;
  2. include a date;
  3. invoice number;
  4. include period of performance;
  5. description of work performed;
  6. include unit cost and quantity; and
  7. include a statement certifying that the work for which reimbursement is sought is complete.
- C. Any other information which DEO may require from Grantee that DEO deems necessary to verify that the services have been rendered under the Agreement. The State may require any other information from Grantee that the State deems necessary to verify that the services have been rendered under the Agreement.**

**6. Return on Investment:**

- a. Beginning at the end of the first full quarter following execution of this Agreement, Grantee shall provide quarterly update reports directly to EOG/OPB documenting the positive return on investment to the state that results from the Grantee's project and its use of monies provided under this Agreement.
- b. Quarterly update reports shall be provided to EOG/OPB within 30 days after the end of each quarter thereafter until Grantee is instructed by EOG/OPB that no further reports are needed.
- c. All reports shall be submitted to Jessica.Doyle@laspbs.state.fl.us, and a copy shall also be submitted to DEO's Agreement Manager.

**7. Financial Consequences for Failure to Timely and Satisfactorily Perform:**

Failure to complete all deliverables in accordance with the requirements of this Agreement, and in particular, as specified above in Section 4, Deliverables, will result in assessment by DEO of the specified financial consequences. If applicable, should the Parties agree to a corrective action plan, the plan shall specify the applicable financial consequences to be applied after the effective date of the corrective action plan.

This provision for financial consequences shall in no manner affect DEO's right to terminate the Agreement as provided elsewhere in DEO's Core Agreement.

**8. Notification of Instances of Fraud:**

All instances known or suspected by Grantee of Grantee operational fraud or criminal activities shall be reported to DEO's Agreement Manager in writing within twenty-four (24) chronological hours.

**9. Grantee's Responsibilities upon Termination:**

If DEO issues a Notice of Termination to Grantee, except as otherwise specified by DEO in that notice, the Grantee shall:

- a. Stop work under this Agreement on the date and to the extent specified in the notice.
- b. Complete performance of such part of the work as shall not have been terminated by DEO.
- c. Take such action as may be necessary, or as DEO may specify, to protect and preserve any property which is in the possession of Grantee and in which DEO has or may acquire an interest.
- d. Upon the effective date of termination of this Agreement, Grantee shall transfer, assign, and make available to the DEO all property and materials belonging to DEO. No extra compensation will be paid to Grantee for its services in connection with such transfer or assignment.

**10. Confidentiality and Safeguarding Information:**

Grantee may have access to confidential information during the course of performing these services. Grantee must implement procedures to ensure protection and confidentiality of data, files and records involved with this Agreement. All Grantee personnel assigned to this Project

must sign a confidentiality statement which will be provided by DEO. Grantee's confidentiality procedures must be approved by DEO and must comply with all State and Federal confidentiality requirements, including, but not limited to, section 443.1715(1), F.S., and 20 C.F.R. part 603. All Grantee employees working in performance of this Agreement, will be appropriately screened in a manner comparable to sections 435.03 and 435.04, F.S.

**11. Ownership and Intellectual Property Rights:**

All rights, title, and interest, including copyright interests and any other intellectual property, in and to the work developed or produced under the Agreement, alone or in combination with DEO and/or its employees, under this Agreement shall be the property of DEO. Grantee agrees that any contribution by the Grantee or its employees to the creation of such works, including all copyright interest therein, shall be considered works made for hire by the Grantee for DEO and that such works shall, upon their creation, be owned exclusively by DEO. To the extent that any such works may not be considered works made for hire for DEO under applicable law, Grantee agrees to assign and, upon their creation, automatically assigns to DEO the ownership of such works, including copyright interests and any other intellectual property therein, without the necessity of any further consideration.

**12. Non-Discrimination:**

Grantee shall not discriminate unlawfully against any individual employed in the performance of this Agreement because of race, religion, color, sex, physical handicap unrelated to such person's ability to engage in this work, national origin, ancestry, or age. Grantee shall provide a harassment-free workplace, with any allegation of harassment to be given priority attention and action.

**13. Disposition of Project Property:**

- a. Pursuant to Section I.P.7. of this Agreement, upon termination of the Agreement period, Grantee is authorized to retain ownership of any nonexpendable property purchased under this Agreement; however, Grantee hereby grants to DEO a right of first refusal in all such property prior to disposition of any such property during its depreciable life, in accordance with the depreciation schedule in use by Grantee, Grantee shall provide written notice of any such planned disposition and await DEO's response prior to disposing of the property. "Disposition" as used herein, shall include, but is not limited to, Grantee no longer using the nonexpendable property for the uses authorized herein; the sale, exchange, transfer, trade-in, or disposal of any such nonexpendable property. DEO, in its sole discretion, may require Grantee to refund to DEO the fair market value of the nonexpendable property at the time of disposition rather than taking possession of the nonexpendable property.
- b. Grantee shall provide advance written notification to DEO, if during the five (5) year period following the termination of the Agreement period, Grantee proposes to take any action that will impact its ownership of the Project property or modify the use of the Project property from the purposes authorized herein. If either of these situations arise, DEO shall have the right, with its sole discretion, to demand that Grantee reimburse DEO for part or all of the funding provided to Grantee under this Agreement.

- c. Upon termination of the Agreement period, Grantee shall be authorized to retain ownership of the improvements to real property set forth in this Agreement in accordance with the following:
  - i. Grantee is authorized to retain ownership of the improvements to real property so long as:
    1. Grantee is not sold, merged or acquired;
    2. The real property subject to the improvements is owned by Grantee; and
    3. The real property subject to the improvements is used for the purposes provided in this Agreement.
    4. If within five (5) years of the termination of this Agreement, Grantee is unable to satisfy the requirements stated in (i) above, Grantee shall notify DEO in writing of the circumstances that will result in the deficiency upon learning of it, but no later than thirty (30) days prior to the deficiency occurring. In such event, DEO shall have the right, within its sole discretion, to demand reimbursement of part or all of the funding provided to Grantee under this Agreement.

**14. Releases:**

If Grant funds are used for any photographic or video purposes, Grantee will obtain Photographic/Videography Rights Releases, Photographer/Videographer Release Form, and Model Release Form, allowing the use by DEO of all photographs and videos funded by this Agreement. These forms can be provided by DEO upon request.

**15. Advance Payment:**

Grantee is allowed to request an advance amount of Agreement funding to ensure timely payment of costs. This advance shall not exceed the expected cash needs of the Grantee within the initial three months. Approval of an advance may be subject to prior approval by the Department of Financial Services, to the extent required by law. Any advance payment under this Agreement is subject to section 216.181(16), F.S. To ensure compliance with this directive:

- a. Reconciliation of the advance will ensure an overpayment of the grant is not made and will be conducted when three quarters of the grant has been paid.
- b. The Grantee's performance and compliance to the advance expenditure requirement during this Agreement will be taken into consideration for any advances requested in future Agreements.
- c. Grantee must maintain a separate interest-bearing account in a Florida banking institution for funds provided under this Contract, and remit interest earned on the account to DEO within 30 days of expiration or termination of the Agreement, or apply interest earned against DEO's obligation to pay under this the Agreement.

All payments subsequent to the advance payment shall be made upon presentation of an invoice documenting expenditures and completeness.

*- End of Attachment 1 (Scope of Work) -*

## Attachment 2

### AUDIT REQUIREMENTS

The administration of resources awarded by DEO to the recipient may be subject to audits and/or monitoring by DEO as described in this section.

#### MONITORING

In addition to reviews of audits conducted in accordance with OMB Circular A-133 and Section 215.97, F.S., as revised (see "AUDITS" below), monitoring procedures may include, but not be limited to, on-site visits by DEO staff, limited scope audits as defined by OMB Circular A-133, as revised, and/or other procedures. By entering into this agreement, the recipient agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by DEO. In the event DEO determines that a limited scope audit of the recipient is appropriate, the recipient agrees to comply with any additional instructions provided by DEO staff to the recipient regarding such audit. The recipient further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Chief Financial Officer (CFO) or Auditor General.

#### AUDITS

##### **PART I: FEDERALLY FUNDED**

This part is applicable if the recipient is a State or local government or a non-profit organization as defined in OMB Circular A-133, as revised.

1. In the event that the recipient expends \$300,000 (*\$500,000 for fiscal years ending after December 31, 2003*) or more in Federal awards in its fiscal year, the recipient must have a single or program-specific audit conducted in accordance with the provisions of OMB Circular A-133, as revised. EXHIBIT 1 to this agreement indicates Federal resources awarded through DEO by this agreement. In determining the Federal awards expended in its fiscal year, the recipient shall consider all sources of Federal awards, including Federal resources received from DEO. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by OMB Circular A-133, as revised. An audit of the recipient conducted by the Auditor General in accordance with the provisions of OMB Circular A-133, as revised, will meet the requirements of this part.
2. In connection with the audit requirements addressed in Part I, paragraph 1, the recipient shall fulfill the requirements relative to auditee responsibilities as provided in Subpart C of OMB Circular A-133, as revised.
3. If the recipient expends less than \$300,000 (*\$500,000 for fiscal years ending after December 31, 2003*) in Federal awards in its fiscal year, an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, is not required. In the event that the recipient expends less than \$300,000 (*\$500,000 for fiscal years ending after December 31, 2003*) in Federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, the cost of the audit must be paid from non-Federal resources (i.e.,

the cost of such an audit must be paid from the recipient resources obtained from other than Federal entities).

4. Title 2 CFR Part 200, entitled Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, also known as the Super Circular, supersedes and consolidates the requirements of OMB Circulars A-21, A-87, A-110, A-122, A-89, A-102 and A-133 and is effective for Federal awards or increments of awards issued on or after December 26, 2014. Please refer to 2 CFR Part 200 for revised definitions, reporting requirements and auditing thresholds referenced in this attachment and agreement accordingly.

## **PART II: STATE FUNDED**

This part is applicable if the recipient is a non-state entity as defined by Section 215.97(2), Florida Statutes.

1. In the event that the recipient expends a total amount of state financial assistance equal to or in excess of \$500,000 in any fiscal year of such recipient (for fiscal years ending September 30, 2004 or thereafter), the recipient must have a State single or project-specific audit for such fiscal year in accordance with Section 215.97, Florida Statutes; applicable rules of the Department of Financial Services; and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. EXHIBIT 1 to this agreement indicates state financial assistance awarded through DEO by this agreement. In determining the state financial assistance expended in its fiscal year, the recipient shall consider all sources of state financial assistance, including state financial assistance received from DEO, other state agencies, and other non-state entities. State financial assistance does not include Federal direct or pass-through awards and resources received by a nonstate entity for Federal program matching requirements.
2. In connection with the audit requirements addressed in Part II, paragraph 1, the recipient shall ensure that the audit complies with the requirements of Section 215.97(8), Florida Statutes. This includes submission of a financial reporting package as defined by Section 215.97(2), Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.
3. If the recipient expends less than \$500,000 in state financial assistance in its fiscal year (for fiscal years ending September 30, 2004 or thereafter), an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, is not required. In the event that the recipient expends less than \$500,000 in state financial assistance in its fiscal year and elects to have an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, the cost of the audit must be paid from the nonstate entity's resources (i.e., the cost of such an audit must be paid from the recipient's resources obtained from other than State entities).
4. Additional information regarding the Florida Single Audit Act can be found at:  
<http://www.myflorida.com/audgen/pages/flsaa.htm>

## **PART III: OTHER AUDIT REQUIREMENTS**

N/A

#### **PART IV: REPORT SUBMISSION**

1. Copies of reporting packages for audits conducted in accordance with OMB Circular A-133, as revised, and required by Part I of this agreement shall be submitted, when required by Section .320 (d), OMB Circular A-133, as revised, by or on behalf of the recipient directly to each of the following:

- A. DEO at each of the following addresses:

Electronic copies (preferred): [Audit@deo.myflorida.com](mailto:Audit@deo.myflorida.com)

or

Paper (hard copy):

Department Economic Opportunity  
MSC # 130, Caldwell Building  
107 East Madison Street  
Tallahassee, FL 32399-4126

- B. The Federal Audit Clearinghouse designated in OMB Circular A-133, as revised (the number of copies required by Sections .320 (d)(1) and (2), OMB Circular A-133, as revised, should be submitted to the Federal Audit Clearinghouse), at the following address:

Federal Audit Clearinghouse  
Bureau of the Census  
1201 East 10<sup>th</sup> Street  
Jeffersonville, IN 47132

- C. Other Federal agencies and pass-through entities in accordance with Sections .320 (e) and (f), OMB Circular A-133, as revised.

2. Pursuant to Section .320 (f), OMB Circular A-133, as revised, the recipient shall submit a copy of the reporting package described in Section .320 (c), OMB Circular A-133, as revised, and any management letter issued by the auditor, to DEO at each of the following addresses:

Electronic copies (preferred): [Audit@deo.myflorida.com](mailto:Audit@deo.myflorida.com)

or

Paper (hard copy):

Department Economic Opportunity  
MSC # 130, Caldwell Building  
107 East Madison Street  
Tallahassee, FL. 32399-4126

3. Copies of financial reporting packages required by PART II of this agreement shall be submitted by or on behalf of the recipient directly to each of the following:
  - A. DEO at each of the following addresses:

Electronic copies (preferred): [Audit@deo.myflorida.com](mailto:Audit@deo.myflorida.com)

or

Paper (hard copy):

Department Economic Opportunity  
MSC # 130, Caldwell Building  
107 East Madison Street  
Tallahassee, FL 32399-4126
  - B. The Auditor General's Office at the following address:

Auditor General  
Local Government Audits/342  
Claude Pepper Building, Room 401  
111 West Madison Street  
Tallahassee, FL 32399-1450

Email Address: [flaudgen\\_localgovt@aud.state.fl.us](mailto:flaudgen_localgovt@aud.state.fl.us)
4. Copies of reports or the management letter required by Part III of this agreement shall be submitted by or on behalf of the recipient directly to:
  - A. DEO at each of the following addresses:

Department Economic Opportunity  
MSC # 130, Caldwell Building  
107 East Madison Street  
Tallahassee, FL 32399-4126
5. Any reports, management letter, or other information required to be submitted to DEO pursuant to this agreement shall be submitted timely in accordance with OMB Circular A-133, Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.
6. Recipients, when submitting financial reporting packages to DEO for audits done in accordance with OMB Circular A-133 or Chapters 10.550 (local governmental entities) or 10.650 (non-profit and for-profit organizations), Rules of the Auditor General, should indicate the date that the reporting package was delivered to the recipient in correspondence accompanying the reporting package.

#### **PART V: RECORD RETENTION**

1. The recipient shall retain sufficient records demonstrating its compliance with the terms of this agreement for a period of five (5) years from the date the audit report is issued, or five (5) state fiscal years after all reporting requirements are satisfied and final payments have been received, whichever period is longer, and shall allow DEO, or its designee, CFO, or Auditor General access to such records upon request. The recipient shall ensure that audit working papers are made available to DEO, or its designee, CFO, or Auditor General upon request for a period of five (5) years from the date the audit report is issued, unless extended in writing by DEO. In addition, if any litigation, claim, negotiation, audit, or other action involving the records has been started prior to the expiration of the controlling period as identified above, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the controlling period as identified above, whichever is longer.

*- Remainder of Page Intentionally Left Blank -*

**EXHIBIT 1 to Attachment 2**

**FEDERAL RESOURCES AWARDED TO THE RECIPIENT PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:**

N/A

**COMPLIANCE REQUIREMENTS APPLICABLE TO THE FEDERAL RESOURCES AWARDED PURSUANT TO THIS AGREEMENT ARE AS FOLLOWS:**

N/A

**STATE RESOURCES AWARDED TO THE RECIPIENT PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:**

**MATCHING RESOURCES FOR FEDERAL PROGRAMS:**

N/A

**SUBJECT TO SECTION 215.97, FLORIDA STATUTES:**

State Project:

State Awarding Agency:	Florida Department of Economic Opportunity
Catalog of State Financial Assistance Number:	40.012
Catalog of State Financial Assistance Title:	Local Economic Development Initiatives
Total State Award Amount:	\$2,000,000

**COMPLIANCE REQUIREMENTS APPLICABLE TO STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT ARE AS FOLLOWS:**

1. Activities are limited to those in Attachment 1, Scope of Work, of this Agreement.

NOTE: Title 2 CFR § 200.331, as revised, and Section 215.97(5), Florida Statutes, require that the information about Federal Programs and State Projects included in Exhibit 1 be provided to the recipient.

***- Remainder of Page Intentionally Left Blank -***

Attachment 3

AUDIT COMPLIANCE CERTIFICATION

Grantee Name: \_\_\_\_\_

FEIN: \_\_\_\_\_ Grantee's Fiscal Year: \_\_\_\_\_

Contact Person Name and Phone Number: \_\_\_\_\_

Contact Person Email Address: \_\_\_\_\_

- 1. Did Grantee expend state financial assistance, during its fiscal year, that it received under any agreement (e.g., agreement, grant, memorandum of agreement, memorandum of understanding, economic incentive award agreement, etc.) between Grantee and the Department of Economic Opportunity (DEO)?  Yes  No

If the above answer is yes, also answer the following before proceeding to item 2:

Did Grantee expend \$500,000 or more of state financial assistance (from DEO and all other sources of state financial assistance combined) during its fiscal year?  Yes  No

If yes, Grantee certifies that it will timely comply with all applicable state single or project-specific audit requirements of section 215.97, Florida Statutes, and the applicable rules of the Department of Financial Services and the Auditor General.

- 2. Did Grantee expend federal awards, during its fiscal year that it received under any agreement (e.g., agreement, grant, memorandum of agreement, memorandum of understanding, economic incentive award agreement, etc.) between Grantee and DEO?  Yes  No

If the above answer is yes, also answer the following before proceeding to execution of this certification:

Did Grantee expend \$750,000 or more in federal awards (from DEO and all other sources of federal awards combined) during its fiscal year?  Yes  No

If yes, Grantee certifies that it will timely comply with all applicable single or program-specific audit requirements of 2 CFR 200, Subpart F, as revised.

By signing below, I certify, on behalf of Grantee, that the above representations for items 1 and 2 are true and correct.

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Authorized Representative

\_\_\_\_\_  
Title of Authorized Representative



## Grant Disbursement Information

[Back to Search](#)

File not found.

### Summary

**Agency Name:** DEPARTMENT OF ECONOMIC OPPORTUNITY **Agency Contract ID:** SL025

**Long Title:** SouthWest Florida Collier County Immokalee/Naples

Business A

**Vendor Name:** ECONOMIC INCUBATORS, INC.

**Total Contract Amount:** \$2,000,000.00

**Total Budgetary Amount:** \$2,000,000.00

**Total Payment To Date:** \$1,127,763.00

**Date of Execution:** 07/22/2016

**General Description:** "For State Fiscal Year 2016-2017, in Specific Appropriation line item 2234, the Florida Legislature appropriated two million dollars (\$2,000,000) for the SouthWest Florida Collier County Immokalee/Naples Business Accelerator Program, of which two hundred and fifty thousand (\$250,000) is dedicated to the Florida Gulf Coast University Institute for Entrepreneurship and Economic Incubators, Inc. The purpose of this grant is to establish the Immokalee Culinary Arts & Services Incubator Facility. The collaboration among the local government, educational institutions and private business in agricultural and technology related business diversification will render long-term economic advances in the Collier County and Southwest Florida economies by advancing innovation in entrepreneurship of food products and related agribusiness industries. "

Details

Deliverables

Payments

**Documents**

Audits

### Grant Disbursement Documents

*Click on the pdf icon or Agency Document Link to view the document*

DOCUMENT TYPE	DOCUMENT REFERENCE #	EXECUTED DATE	DOCUMENT ADD DATE	AGENCY DOCUMENT LINK	VIEW
Original Contract	Original Contract - SL025	07/22/2016	7/27/2016 1:50:16 PM		
Amendment	A1	05/23/2017	6/14/2017 8:41:48 AM		

\*\*\*Unable to download the Amendment as of 7/9/17 (smb)\*\*\*

[BACK TO TOP](#)

# Appendix D

**From:** [James D. Molenaar](#)  
**To:** ["adam.callaway@deo.myflorida.com"](#)  
**Cc:** ["rick.scott@EOG.myflorida.com"](#); ["sarah.schlesinger@deo.myflorida.com"](#); ["Anthony Pires"](#); ["Peter.penrod@deo.myflorida.com"](#); ["Cissy.proctor@deo.myflorida.com"](#); ["Damon.steffens@deo.myflorida.com"](#); [Dwight E. Brock](#); [Crystal K. Kinzel](#); [Mark J. Pasek](#); [Gabriela A. Molina](#); ["Greg.Britton@deo.myflorida.com"](#); ["James.Landsberg@deo.myflorida.com"](#); ["peter.penrod@deo.myflorida.com"](#); ["Richard.corcoran@myflorida.gov"](#)  
**Subject:** Clerk of Court, Collier Co. Request for Official Written Opinion by Florida Dept. of Economic Opportunity  
**Date:** Monday, October 9, 2017 3:01:33 PM

---

Dear Mr. Callaway, Esq.;

Please allow this email to memorialize our telephone conversation between the following people on a conference call that occurred on Thursday, October 5, 2017 at 10:30 AM:

1. Hon. Dwight E. Brock, Esq., CPA, MBA, Clerk of the Circuit Court and Comptroller, Collier Co. Florida
2. Leo Ochs, Collier County Administrator
3. Jace Kentner, Director, Business & Economic Development Division of Collier Co.
4. Richard Clark Grant, Esq., Director, Economic Incubators, Inc.
5. Dr. Marshall Goodman, CEO, Economic Incubators, Inc.
6. Jennifer Pellechio, COO, Economic Incubators, Inc.
7. James D. Molenaar, Esq., Deputy Clerk, Clerk of the Cir. Court and Comptroller, Collier County Florida
8. Crystal Kinzel, Chief Deputy Clerk, Clerk of the Cir. Court and Comptroller, Collier County Florida
9. Mark Pasek, Internal Auditor, Clerk of the Cir. Court and Comptroller, Collier County Florida
10. Gabriella Molina, Internal Auditor, Clerk of the Cir. Court and Comptroller, Collier County Florida
11. Greg Britton, Director of Strategic Business Development, Florida Department of Economic Opportunity
12. Katie Smith, Agreement Manager, Florida Department of Economic Opportunity
13. Adam Scott Callaway, Esq., Florida Department of Economic Opportunity

The conference call was arranged by the Clerk of the Circuit Court and Comptroller of Collier County, Florida (hereinafter "Clerk") staff with the Florida Department of Economic Opportunity (hereinafter "DEO"), Economic Incubators, Inc. (hereinafter EII) and Collier County (hereinafter "County") staff. The purpose of the telephone conference was to discuss invoices submitted by or on behalf of EII to DEO to demonstrate compliance with Florida grant SL 025.

**Below is a summary of this telephone conversation and not a complete verbatim transcript of this call:**

1. Mr. James Molenaar, Esq. initiated the call to Ms. Smith from DEO.
2. Mr. Leo Ochs opened up discussion explaining that the reason for the meeting was to talk about Agreement SL025, and the procurement of the Immokalee Accelerator equipment.
3. It was explained to DEO that EII Inc. participated as the local match to the County USDA Grant for the procurement of the equipment and the purchase order numbers (POs) had been provided by the County.
4. Mr. Leo Ochs asked DEO, if they understood the equipment was not installed by 6/30/17.
5. Ms. Katie Smith stated, *"The paper trail is sufficient documentation to meet agreement minimum requirements."*
6. Mrs. Crystal Kinzel asked, *"The fact that equipment was not received and 'invoices' were not accurate is sufficient?"*
7. Mrs. Crystal Kinzel subsequent to the above question brought up for discussion the following parts of the Agreement (SLO25) to DEO staff: 1) **Section 2.F.3.a.v**-The purchase, lease and installation of equipment in accordance with the plan; 2) **Section 5**. Grantee's invoice package...supporting documentation for each Deliverable; and include a cover letter on Grantee's [EII] letterhead signed by Grantee's CEO certifying that all costs were incurred after June 30, 2016 and or before July 1, 2017; and

- 3) **Section 5.A.2.ii**-Proof of Payment for related Project Cost, **copy of cancelled check**, electronic transfer, a copy of the bank statement highlighting the cancelled check.
8. Mr. Greg Britton then reiterated that DEO *“had relied on the invoice submitted by EII and it was sufficient documentation.”*
  9. Discussion ensued between Hon. Dwight Brock and Mr. Greg Britton about the State’s fiscal year end. Mr. Greg Britton confirmed it was June 30, 2017 and further confirmed the State’s fiscal year ran from July 1, 2016 – June 30, 2017.
  10. Hon. Dwight Brock. explained that County’s Purchase Order (hereinafter “PO”) was dated within the states FY 16-17 but goods [culinary equipment] were not received prior to June 30, 2017.
  11. Ms. Katie Smith remarked *“the State had a certified forward period, which means that it can be paid for the previous year.”* (Note: The problem with this statement is that the goods were not received prior to the end of the State’s fiscal year. The majority of goods were not delivered until **October 3, 2017.**)
  12. Hon. Dwight Brock stated, *“The EII check [2126] presented was cut and stuck in a drawer for weeks.”* (NOTE: The check was not immediately presented for payment, rather it was stored in a desk drawer at EII for a substantial period of time, as noted by EII’s Accountant Noack & Company, Inc. of Florida, Certified Public Accountants This is significant because EII’s untimely matching grant payment pursuant to grant SLO25 to the County occurred well after June 30, 2017; and goods or services were not received until after June 30, 2017.)
  13. Ms. Katie Smith responded by stating *“The document was sufficient to demonstrate minimum level of service per the contract.”*
  14. (NOTE: Mr. James Molenaar, Esq. has attached the relevant deliverables from page 32 of the Grant contract below:)

5. **Invoice Submittal and Payment Schedule:**

DEO agrees to disburse funds under this Agreement in accordance with the following schedule in the amount identified per deliverable in Section 4 above. The deliverable amount specified does not establish the value of the deliverable. In accordance with Section I.F.11, Funding Requirements of Section 215.971, F.S., of this Agreement, Grantee's entitlement to retain funds paid by DEO is dependent upon the amount of allowable costs incurred and expended by Grantee in carrying out the Project. Grantee's invoices shall include the date, period in which work was performed, amount of reimbursement, and percent of work completed to date.

Grantee shall provide one (1) invoice per Deliverable for all services rendered during the applicable period of time.

Page 31 of 42

Version date: 04/12/2016

Exhibit "A" pg. 31

A. Grantee's invoice package shall be neatly organized with supporting documentation for each Deliverable; and include a cover letter on Grantee's letterhead signed by Grantee's Agreement Manager certifying that all costs:

1. Were incurred after June 30, 2016 and on or before July 1, 2017. Goods and Services were not received by July 1, 2017.

2. Are for one or more of the tasks as outlined in this Scope of Work. Documentation of payment shall include:

i. An overall summary of the project tasks with specific details of the progress accomplished during the payment period.

ii. Proof of payment for related Project costs in the form of a copy of the cancelled check, electronic transfer or, a copy of a check and the bank statement highlighting the cancelled check; Copy of Canceled Check was not provided to DEO, only image of front of an undeposited check.

iii. Invoices for all work associated with the Deliverable as outlined in this Scope of Work paid by Grantee (see Section 6.B for contractor invoice requirements);

iv. Grantee's invoices shall include the date, period in which work was performed, amount of reimbursement, and percent of work completed to date;

v. Invoices shall include the following statement above the Grantee's signature block:

"I certify, by evidence of my signature below, the information as presented on this invoice is true and correct; the goods and services have been satisfactorily received and payment is now due. I understand the DEO and other state personnel have authority to require additional documentation and/or conduct audits or inspections of grant records."

This required language was not submitted on invoice tendered to DEO.

vi. Documentation necessary to support payment request and successful completion of deliverables, as required in Section 4 of this Scope of Work;

vii. All travel documentation in accordance with Section 112.061 Florida Statutes; and

viii. If applicable, completed Photographer Release Form, and/or Model Release Form as required in Section 14 of this Scope of Work.

No post const. photos were obtained by DEO.

ix. Site work photographs of the pre and post construction and remodeling.

No engineer certified that project is complete.

x. A certification by a licensed engineer using AIA forms G702 and G703, or their substantive equivalents, certifying that the project, or a quantifiable portion of the project for reach reimbursement is sought, is complete.

15. Discussion ensued as to whether the contractual obligations were met.

16. Mr. Greg Britton replied, "I cannot give you a different answer" when speaking about whether contractual obligations were met.

17. Mrs. Crystal Kinzel asked DEO staff on the call "what does DEO staff deem to be a minimum level of service."

18. Mr. Greg Britton said "it was in the agreement, . . . and specified design and plans."

19. Hon. Dwight Brock cited the following example, "I submit plans for a project but never purchase the

*goods, I'm good?"*

20. DEO staff did not respond to this question.
21. Ms. Katie Smith pointed out page 31[SL025] described the invoice submittal process and requirements.
22. Hon. Dwight Brock inquired if the attorney was of the opinion that the invoice submitted was complete.
23. Mr. Greg Britton remarked, *"The attorney has not had the opportunity to review the invoice."*
24. Mr. James Molenaar, Esq. inquired, *"When will there be a time when the attorney will review the invoices and grant agreement?"*
25. Mr. Greg Britton retorted *"It is not under the attorney's purview and the attorney renders no opinion."*
26. Mr. Ochs asked DEO, *"From a programmatic standpoint. Does the equipment have to be installed and delivered in to the facility" and "Is there a requirement beyond the minimum?"*
27. Mr. Greg Britton responded *"a PO existed and an Invoice listed in detail equipment to be purchased."*  
(NOTE: An invoice is typically rendered after goods and services are received. Therefore, the expenditure of funds is typically made upon the legal obligation to disburse money or after receipt of goods or services.)
28. Ms. Katie Smith and Greg Britton *both stated that they relied on the invoice DEO received on June 28<sup>th</sup>, 2017* in spite of the fact that the Mr. James Molenaar and Mrs. Crystal Kinzel had previously informed Ms. Katie Smith that TriMark confirmed that this was not their company invoice and it was not an authentic invoice.
29. Hon. Brock asserted *"the Invoice cannot be correct because the goods had not yet been received and it was not the company [TRIMARK] who created the invoices."*
30. Mrs. Crystal Kinzel stated again to DEO staff *"the company's billing department did not create the 'Invoices.'"*
31. Mr. Greg Britton indicated that Equipment does not have to be received before the end of the fiscal year. (NOTE: the grant contract required certification of that the goods and services have been satisfactorily received; and a certification by a licensed engineer that the project is complete. There is no evidence that either of these conditions have been met.)
32. Hon. Dwight Brock kindly asked DEO staff/Mr. Greg Britton *"Will you put this in writing for me?"*
33. Mr. Greg Britton shot back *"Why do you need it?"*
34. Hon. Dwight Brock explained, *"It is useless to me if you cannot put it in writing."* Hon. Brock then explained that he simply needed it in writing to supplement the file and he could not make payment without assurances from DEO that the payment is legal. He further explained that the law requires him to only pay invoices, bills and warrants that comport with the grant application and grant requirements.
35. Hon. Dwight Brock asked once again *"Will you put it in writing?"*
36. Mr. Greg Britton responded *"That is not a decision that can be made by the people in this room."*
37. Despite repeated attempts by Hon. Dwight Brock and Mr. James Molenaar, DEO Staff did not say who could make this decision to put the statements in writing, nor if DEO staff would present this question to anyone with the authority to make this statement in writing.
  - Call ended 10:57 a.m.

In summary, I am once again reiterating that the Clerk would like DEO to put in writing its position regarding:

- 1) EII presenting an invoice that was not a true TriMark's invoice;
- 2) EII presenting a check to DEO that had not been tendered to the County in an attempt to lead DEO to believe that the requisite payment had been made;
- 3) EII's failure to provide site work photographs of the post construction and remodeling;
- 4) EII's failure to provide a certification by a licensed engineer on the proper form certifying that this project is complete;
- 5) DEO's position on EII's failure to provide a final invoice 45 days after June 30, 2017 as required on pg. 8 of 42 of Grant SL 025; and

6) DEO's assurances that it will not seek to recoup funds that that have been already disbursed to EII by DEO see pg. 18 C(2).

Mr. Callaway, if I fail to hear from you by 4:00 PM on Thursday, October 19, 2017 at 4:00 PM, we will have no choice but to conclude that you acquiesce with all of the statements made above. Furthermore, your failure to respond will lead us to conclude that DEO staff is unable provide assurances to the Clerk and the citizens of the state of Florida that EII has legally complied with all of the terms of SL 025. In the meantime, should you wish to discuss this matter further, please feel free to contact me directly at (239) 252-2283.

Very truly yours;  
/S/

James D. Molenaar, Esq., LL.M., MBA, CFE  
Internal Audit Manager  
Clerk of the Circuit Court and Comptroller  
Collier County Government Center  
3299 Tamiami Trail East, Suite# 402  
Naples, FL 34112-5746

Office: (239)252-2283

Cellular: (239)207-9565

[James.Molenaar@collierclerk.com](mailto:James.Molenaar@collierclerk.com)

# Appendix E

**From:** [Penrod, Peter](#)  
**To:** [James D. Molenaar](#)  
**Cc:** [Britton, Greg](#); [Callaway, Adam](#); [Smith, Katie](#); [Dwight E. Brock](#)  
**Subject:** RE: Clerk of Court, Collier Co. Request for Official Written Opinion by Florida Dept. of Economic Opportunity  
**Date:** Thursday, October 12, 2017 10:07:33 AM  
**Attachments:** [image002.png](#)

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Mr. Molenaar –

Please consider this email DEO's response to your below correspondence purporting to detail a conversation between the Collier County Clerk of Court and DEO.

Regarding your summary of the call and its participants, DEO offers no opinion as to its accuracy or relevance. Additionally, DEO is aware of your concerns with the invoices that Economic Incubators, Inc. submitted for remittance of payment. Please note that DEO is reviewing the matter accordingly. I am, however, unaware of any legal requirement for DEO to provide you or your office with its written position on this matter. As such, DEO is not inclined to provide a written position at this time. Similarly, DEO does not "acquiesce" to your statement of events nor does it agree with the premise in your concluding paragraph that DEO is somehow required to provide your office with "assurances" of any kind.

Finally, please direct all future correspondences from your office regarding this matter to the DEO Office of General Counsel, attention Adam Callaway.

Thank you for your attention.

**Peter L. Penrod**

General Counsel



Florida Department of Economic Opportunity

Office of the General Counsel

Office: 850.245.7150

[Peter.Penrod@deo.myflorida.com](mailto:Peter.Penrod@deo.myflorida.com)

[www.floridajobs.org](http://www.floridajobs.org)

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---

**From:** James D. Molenaar [mailto:james.molenaar@collierclerk.com]

**Sent:** Monday, October 09, 2017 3:02 PM

**To:** Callaway, Adam <Adam.Callaway@deo.myflorida.com>

**Cc:** 'rick.scott@EOG.myflorida.com' <rick.scott@EOG.myflorida.com>; Schlesinger, Sarah <Sarah.Schlesinger@deo.myflorida.com>; 'Anthony Pires' <APires@wpl-legal.com>; Penrod, Peter <Peter.Penrod@deo.myflorida.com>; Proctor, Theresa (Cissy) <Cissy.Proctor@deo.myflorida.com>; Steffens, Damon <Damon.Steffens@deo.myflorida.com>; Dwight E. Brock <Dwight.Brock@collierclerk.com>; Crystal K. Kinzel <Crystal.Kinzel@collierclerk.com>; Mark J. Pasek <Mark.Pasek@collierclerk.com>; Gabriela A. Molina <Gabriela.Molina@collierclerk.com>; Britton, Greg <Greg.Britton@deo.myflorida.com>; Landsberg, Jim <James.Landsberg@deo.myflorida.com>; Penrod, Peter <Peter.Penrod@deo.myflorida.com>; 'Richard.corcoran@myflorida.gov' <Richard.corcoran@myflorida.gov>

**Subject:** Clerk of Court, Collier Co. Request for Official Written Opinion by Florida Dept. of Economic Opportunity

Dear Mr. Callaway, Esq.;

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2. Leo Ochs, Collier County Administrator
3. Jace Kentner, Director, Business & Economic Development Division of Collier Co.
4. Richard Clark Grant, Esq., Director, Economic Incubators, Inc.
5. Dr. Marshall Goodman, CEO, Economic Incubators, Inc.
6. Jennifer Pellechio, COO, Economic Incubators, Inc.
7. James D. Molenaar, Esq., Deputy Clerk, Clerk of the Cir. Court and Comptroller, Collier County Florida
8. Crystal Kinzel, Chief Deputy Clerk, Clerk of the Cir. Court and Comptroller, Collier County Florida
9. Mark Pasek, Internal Auditor, Clerk of the Cir. Court and Comptroller, Collier County Florida
10. Gabriella Molina, Internal Auditor, Clerk of the Cir. Court and Comptroller, Collier County Florida
11. Greg Britton, Director of Strategic Business Development, Florida Department of Economic Opportunity
12. Katie Smith, Agreement Manager, Florida Department of Economic Opportunity
13. Adam Scott Callaway, Esq., Florida Department of Economic Opportunity

The conference call was arranged by the Clerk of the Circuit Court and Comptroller of Collier County, Florida (hereinafter "Clerk") staff with the Florida Department of Economic Opportunity (hereinafter "DEO"), Economic Incubators, Inc. (hereinafter EII) and Collier County (hereinafter "County") staff. The purpose of the telephone conference was to discuss invoices submitted by or on behalf of EII to DEO to demonstrate compliance with Florida grant SL 025.

**Below is a summary of this telephone conversation and not a complete verbatim transcript of this call:**

1. Mr. James Molenaar, Esq. initiated the call to Ms. Smith from DEO.
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3. It was explained to DEO that EII Inc. participated as the local match to the County USDA Grant for the procurement of the equipment and the purchase order numbers (POs) had been provided by the County.
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6. Mrs. Crystal Kinzel asked, *"The fact that equipment was not received and 'invoices' were not accurate is sufficient?"*
7. Mrs. Crystal Kinzel subsequent to the above question brought up for discussion the following parts of the Agreement (SLO25) to DEO staff: 1) **Section 2.F.3.a.v**-The purchase, lease and installation of

equipment in accordance with the plan; 2) **Section 5.** Grantee's invoice package...supporting documentation for each Deliverable; and include a cover letter on Grantee's [EII] letterhead signed by Grantee's CEO certifying that all costs were incurred after June 30, 2016 and or before July 1, 2017; and 3) **Section 5.A.2.ii**-Proof of Payment for related Project Cost, **copy of cancelled check**, electronic transfer, a copy of the bank statement highlighting the cancelled check.

8. Mr. Greg Britton then reiterated that DEO *"had relied on the invoice submitted by EII and it was sufficient documentation."*
9. Discussion ensued between Hon. Dwight Brock and Mr. Greg Britton about the State's fiscal year end. Mr. Greg Britton confirmed it was June 30, 2017 and further confirmed the State's fiscal year ran from July 1, 2016 – June 30, 2017.
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12. Hon. Dwight Brock stated, *"The EII check [2126] presented was cut and stuck in a drawer for weeks."* (NOTE: The check was not immediately presented for payment, rather it was stored in a desk drawer at EII for a substantial period of time, as noted by EII's Accountant Noack & Company, Inc. of Florida, Certified Public Accountants This is significant because EII's untimely matching grant payment pursuant to grant SLO25 to the County occurred well after June 30, 2017; and goods or services were not received until after June 30, 2017.)
13. Ms. Katie Smith responded by stating *"The document was sufficient to demonstrate minimum level of service per the contract."*
14. (NOTE: Mr. James Molenaar, Esq. has attached the relevant deliverables from page 32 of the Grant contract below:)

5. **Invoice Submittal and Payment Schedule:**

DEO agrees to disburse funds under this Agreement in accordance with the following schedule in the amount identified per deliverable in Section 4 above. The deliverable amount specified does not establish the value of the deliverable. In accordance with Section I.F.11, Funding Requirements of Section 215.971, F.S., of this Agreement, Grantee's entitlement to retain funds paid by DEO is dependent upon the amount of allowable costs incurred and expended by Grantee in carrying out the Project. Grantee's invoices shall include the date, period in which work was performed, amount of reimbursement, and percent of work completed to date.

Grantee shall provide one (1) invoice per Deliverable for all services rendered during the applicable period of time.

Page 31 of 42

Version date: 04/12/2016

Exhibit "A" pg. 31

A. Grantee's invoice package shall be neatly organized with supporting documentation for each Deliverable; and include a cover letter on Grantee's letterhead signed by Grantee's Agreement Manager certifying that all costs:

1. Were incurred after June 30, 2016 and on or before July 1, 2017.

Goods and Services were not received by July 1, 2017.

2. Are for one or more of the tasks as outlined in this Scope of Work. Documentation of payment shall include:

i. An overall summary of the project tasks with specific details of the progress accomplished during the payment period.

ii. Proof of payment for related Project costs in the form of a copy of the cancelled check, electronic transfer or, a copy of a check and the bank statement highlighting the cancelled check;

Copy of Canceled Check was not provided to DEO, only image of front of an undeposited check.

iii. Invoices for all work associated with the Deliverable as outlined in this Scope of Work paid by Grantee (see Section 6.B for contractor invoice requirements);

iv. Grantee's invoices shall include the date, period in which work was performed, amount of reimbursement, and percent of work completed to date;

v. Invoices shall include the following statement above the Grantee's signature block:

"I certify, by evidence of my signature below, the information as presented on this invoice is true and correct; the goods and services have been satisfactorily received and payment is now due. I understand the DEO and other state personal have authority to require additional documentation and/or conduct audits or inspections of grant records."

This required language was not submitted on invoice tendered to DEO.

vi. Documentation necessary to support payment request and successful completion of deliverables, as required in Section 4 of this Scope of Work;

vii. All travel documentation in accordance with Section 112.061 Florida Statutes; and

viii. If applicable, completed Photographer Release Form, and/or Model Release Form as required in Section 14 of this Scope of Work.

No post const. photos were obtained by DEO.

ix. Site work photographs of the pre and post construction and remodeling.

No engineer certified that project is complete.

x. A certification by a licensed engineer using AIA forms G702 and G703, or their substantive equivalents, certifying that the project, or a quantifiable portion of the project for reach reimbursement is sought, is complete.

15. Discussion ensued as to whether the contractual obligations were met.

16. Mr. Greg Britton replied, "I cannot give you a different answer" when speaking about whether contractual obligations were met.

17. Mrs. Crystal Kinzel asked DEO staff on the call "what does DEO staff deem to be a minimum level of service."

18. Mr. Greg Britton said "it was in the agreement, . . . and specified design and plans."

19. Hon. Dwight Brock cited the following example, "I submit plans for a project but never purchase the

*goods, I'm good?"*

20. DEO staff did not respond to this question.
21. Ms. Katie Smith pointed out page 31[SL025] described the invoice submittal process and requirements.
22. Hon. Dwight Brock inquired if the attorney was of the opinion that the invoice submitted was complete.
23. Mr. Greg Britton remarked, *"The attorney has not had the opportunity to review the invoice."*
24. Mr. James Molenaar, Esq. inquired, *"When will there be a time when the attorney will review the invoices and grant agreement?"*
25. Mr. Greg Britton retorted *"It is not under the attorney's purview and the attorney renders no opinion."*
26. Mr. Ochs asked DEO, *"From a programmatic standpoint. Does the equipment have to be installed and delivered in to the facility" and "Is there a requirement beyond the minimum?"*
27. Mr. Greg Britton responded *"a PO existed and an Invoice listed in detail equipment to be purchased."*  
(NOTE: An invoice is typically rendered after goods and services are received. Therefore, the expenditure of funds is typically made upon the legal obligation to disburse money or after receipt of goods or services.)
28. Ms. Katie Smith and Greg Britton *both stated that they relied on the invoice DEO received on June 28<sup>th</sup>, 2017* in spite of the fact that the Mr. James Molenaar and Mrs. Crystal Kinzel had previously informed Ms. Katie Smith that TriMark confirmed that this was not their company invoice and it was not an authentic invoice.
29. Hon. Brock asserted *"the Invoice cannot be correct because the goods had not yet been received and it was not the company [TRIMARK] who created the invoices."*
30. Mrs. Crystal Kinzel stated again to DEO staff *"the company's billing department did not create the 'Invoices.'"*
31. Mr. Greg Britton indicated that Equipment does not have to be received before the end of the fiscal year. (NOTE: the grant contract required certification of that the goods and services have been satisfactorily received; and a certification by a licensed engineer that the project is complete. There is no evidence that either of these conditions have been met.)
32. Hon. Dwight Brock kindly asked DEO staff/Mr. Greg Britton *"Will you put this in writing for me?"*
33. Mr. Greg Britton shot back *"Why do you need it?"*
34. Hon. Dwight Brock explained, *"It is useless to me if you cannot put it in writing."* Hon. Brock then explained that he simply needed it in writing to supplement the file and he could not make payment without assurances from DEO that the payment is legal. He further explained that the law requires him to only pay invoices, bills and warrants that comport with the grant application and grant requirements.
35. Hon. Dwight Brock asked once again *"Will you put it in writing?"*
36. Mr. Greg Britton responded *"That is not a decision that can be made by the people in this room."*
37. Despite repeated attempts by Hon. Dwight Brock and Mr. James Molenaar, DEO Staff did not say who could make this decision to put the statements in writing, nor if DEO staff would present this question to anyone with the authority to make this statement in writing.
  - Call ended 10:57 a.m.

In summary, I am once again reiterating that the Clerk would like DEO to put in writing its position regarding:

- 1) EII presenting an invoice that was not a true TriMark's invoice;
- 2) EII presenting a check to DEO that had not been tendered to the County in an attempt to lead DEO to believe that the requisite payment had been made;
- 3) EII's failure to provide site work photographs of the post construction and remodeling;
- 4) EII's failure to provide a certification by a licensed engineer on the proper form certifying that this project is complete;
- 5) DEO's position on EII's failure to provide a final invoice 45 days after June 30, 2017 as required on pg. 8 of 42 of Grant SL 025; and

6) DEO's assurances that it will not seek to recoup funds that that have been already disbursed to EII by DEO see pg. 18 C(2).

Mr. Callaway, if I fail to hear from you by 4:00 PM on Thursday, October 19, 2017 at 4:00 PM, we will have no choice but to conclude that you acquiesce with all of the statements made above. Furthermore, your failure to respond will lead us to conclude that DEO staff is unable provide assurances to the Clerk and the citizens of the state of Florida that EII has legally complied with all of the terms of SL 025. In the meantime, should you wish to discuss this matter further, please feel free to contact me directly at (239) 252-2283.

Very truly yours;  
/S/

James D. Molenaar, Esq., LL.M., MBA, CFE  
Internal Audit Manager  
Clerk of the Circuit Court and Comptroller  
Collier County Government Center  
3299 Tamiami Trail East, Suite# 402  
Naples, FL 34112-5746

Office: (239)252-2283

Cellular: (239)207-9565

[James.Molenaar@collierclerk.com](mailto:James.Molenaar@collierclerk.com)

Please visit us on the web at [www.collierclerk.com](http://www.collierclerk.com)

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## Appendix F

**From:** [Jennifer Pellechio](#)  
**To:** [KentnerJace](#)  
**Cc:** [Naples Business Accelerator](#); [Fred Krieger](#); [Fred Pezeshkan](#); [Richard Grant](#); [Crystal K. Kinzel](#); [James D. Molenaar](#); [Mark J. Pasek](#); [KraftHendrickPhyllis](#)  
**Subject:** Executed Forms SL025  
**Date:** Thursday, March 29, 2018 11:27:38 AM  
**Attachments:** [Immokalee Culinary Arts and Services - CO # 2 fullyexecuted.pdf](#)  
[Immokalee Culinary Arts and Services - Payment Application #6.pdf](#)

---

Good Morning Jace,

During the EII Single Audit, Tuscan & Company brought to our attention that the AIA document and Final pay app 6 were not executed.

Attached are the executed documents for your records.

EII is not sending this to the State DEO unless requested, as the grant has been closed out. However we have in our files for the records.

Regards,  
Jennifer

***Jennifer Pellechio, MBA, CEcD, InBIA***

***Chief Operating Officer***

Economic Incubators, Inc.

**Naples Accelerator**

3510 Kraft Road, Suite #200

Naples, FL 34105

1.239.249.5911 x 701 (office)

1.239.707.3788 (cell)

[Email](#) | [Website](#)

**The Florida Culinary Accelerator @ Immokalee**

170 Airpark Blvd. #103

Immokalee, Florida 34142

1.239.249.5911 x 1

[Website](#)



# AIA Document G701™ – 2001

## Change Order

<b>PROJECT</b> <i>(Name and address):</i> Immokalee Culinary Arts Services 170 Airpark Boulevard Immokalee, FL 34142	<b>CHANGE ORDER NUMBER:</b> 002 <b>DATE:</b> June 28, 2017	<b>OWNER:</b> <input checked="" type="checkbox"/> <b>ARCHITECT:</b> <input checked="" type="checkbox"/> <b>CONTRACTOR:</b> <input checked="" type="checkbox"/> <b>FIELD:</b> <input type="checkbox"/> <b>OTHER:</b> <input type="checkbox"/>
<b>TO CONTRACTOR</b> <i>(Name and address):</i> Compass Construction, Inc. 824 Lafayette Street Cape Coral, FL 33904	<b>ARCHITECT'S PROJECT NUMBER:</b> 17-1315 <b>CONTRACT DATE:</b> 2/13/17 <b>CONTRACT FOR:</b> General Construction	

### THE CONTRACT IS CHANGED AS FOLLOWS:

*(Include, where applicable, any undisputed amount attributable to previously executed Construction Change Directives)*

Costs associated with the following changes:

- 1) Add for eye wash / shower unit next to the hand sink ..... \$2,970.00
- 2) Replace existing fire alarm devices not working including 11 smoke detectors, 5 horn strobes and 4 pull stations ..... \$2,219.00
- 3) Add (5) each 4" pipe bollards at propane tank ..... \$2,970.00

TOTAL CHANGE ORDER NO. 002 ..... \$8,159.00

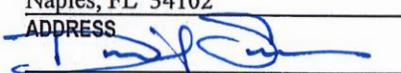
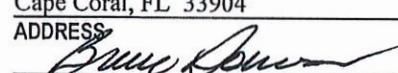
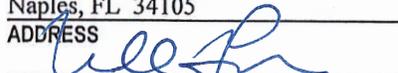
The original Contract Sum was	\$ 1,143,194.00
The net change by previously authorized Change Orders	\$ -171,139.00
The Contract Sum prior to this Change Order was	\$ 972,055.00
The Contract Sum will be increased by this Change Order in the amount of	\$ 8,159.00
The new Contract Sum including this Change Order will be	\$ 980,214.00

The Contract Time will be unchanged by Zero (0) days.

The date of Substantial Completion as of the date of this Change Order therefore is

**NOTE:** This Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive

**NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.**

<u>BSSW Architects, Inc.</u> ARCHITECT <i>(Firm name)</i>	<u>Compass Construction, Inc.</u> CONTRACTOR <i>(Firm name)</i>	<u>Economic Incubators, Inc.</u> OWNER <i>(Firm name)</i>
949 Central Avenue Naples, FL 34102 ADDRESS	824 Lafayette Street Cape Coral, FL 33904 ADDRESS	3500 Kraft Road, Suite 200 Naples, FL 34105 ADDRESS
 BY <i>(Signature)</i>	 BY <i>(Signature)</i>	 BY <i>(Signature)</i>
DANIEL A. SOMMERS <i>(Typed name)</i>	Bruce Downs, Project Manager <i>(Typed name)</i>	Marshall Goodman, Pres/CEO <i>(Typed name)</i>
3/24/18 DATE	June 28, 2017 DATE	June 28, 2017 DATE

# APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF 1 2 PAGES

TO OWNER Naples Accelerator  
3500 Kraft Road, Suite 200  
Naples, FL 34105

PROJECT: Immokalee Culinary Arts and Services  
APPLICATION NO 6 Final  
PERIOD TO: 6/30/2017

Distribution to:

<input checked="" type="checkbox"/>	OWNER
<input checked="" type="checkbox"/>	CONTRACTOR
<input checked="" type="checkbox"/>	ARCHITECT
<input type="checkbox"/>	LENDER
<input type="checkbox"/>	CIVIL ENGINEER

FROM CONTRACTOR:  
COMPASS CONSTRUCTION, INC.  
824 Lafayette Street  
Cape Coral, FL 33904

ARCHITECT: BSSW Architects, Inc.

PROJECT NO: 17-1315

CONTRACT FOR: Immokalee Culinary Arts and Services

CONTRACT DATE 2/13/17

## CONTRACTOR'S CERTIFICATE FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

1. ORIGINAL CONTRACT SUM	\$ 1,143,194.00
2. Net change by Change Orders	(162,980.00)
3. CONTRACT SUM TO DATE (Line 1 + 2)	980,214.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	980,214.00
5. RETAINAGE:	
a. 0% of Completed Work (Column D + E on G703)	
b. % of Stored Material (Column F on G703)	
Total Retainage (Lines 5a + 5b or Total in Column I of G703)	0.00
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	980,214.00
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	538,839.90
8. CURRENT PAYMENT DUE	441,374.10
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	\$ -

CONTRACTOR: Compass Construction, Inc.

By: Bruce Downs Date: 6/28/17  
Bruce Downs, Project Manager  
State of Florida County of: Lee  
Subscribed and sworn to before me this 28th day of June 2017  
Notary Public Marjorie M Silverberg  
My Commission expires: 9/16/2018  
Notary Public State of Florida  
Marjorie M Silverberg  
My Commission FF 180182  
Expires 09/16/2018

## ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED ..... \$ 441,374.10

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	(\$171,139.00)	
Total approved this Month	\$8,159.00	
TOTALS	(\$162,980.00)	\$0.00
NET CHANGES by Change Order		(\$162,980.00)

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)  
Architect: BSSW Architects, Inc.

By: [Signature] Date: 3/21/18  
This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CONTINUATION SHEET		APPLICATION NUMBER:		6 Final									
Immokalee Culinary Arts & Services		APPLICATION DATE:		6/7/2017									
		PERIOD TO:		6/9/17-6/30/17									
		PROJECT NUMBER:		17-1315									
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	HANG ORDER NO.	CHANGE ORDER DESCRIPTION	CHANGE ORDER AMOUNT	REVISD VALUE	WORK COMPLETED PREVIOUS APPLICATION	WORK COMPLETED THIS PERIOD	STORED MATERIALS	TOTAL COMPLETED & STORED TO DATE	% COMP.	BALANCE TO FINISH	RETAINAGE
10	General Conditions	73,176.00				73,176.00	65,500.00	7,676.00		73,176.00	100%	-	-
20	Bond	16,537.00				16,537.00	16,537.00			16,537.00	100%	-	-
30	Demolition	11,235.00				11,235.00	11,235.00			11,235.00	100%	-	-
40	Sitework	22,601.00				22,601.00	15,900.00	6,701.00		22,601.00	100%	-	-
50	Concrete/Masonry	14,780.00				14,780.00	14,780.00			14,780.00	100%	-	-
60	Metals	19,410.00				19,410.00	11,600.00	7,810.00		19,410.00	100%	-	-
70	Carpentry & Casework Install	5,775.00				5,775.00	3,450.00	2,325.00		5,775.00	100%	-	-
80	Thermal & Moisture	12,624.00				12,624.00	12,624.00			12,624.00	100%	-	-
90	Doors, Frames and Hardware	34,598.00				34,598.00	33,980.00	618.00		34,598.00	100%	-	-
100	Drywall & Metal Studs	80,325.00				80,325.00	64,000.00	16,325.00		80,325.00	100%	-	-
110	Quarry Tile and Base	16,800.00				16,800.00	15,100.00	1,700.00		16,800.00	100%	-	-
120	Acoustical Ceilings	19,845.00				19,845.00	19,400.00	445.00		19,845.00	100%	-	-
130	FRP	10,405.00				10,405.00	8,300.00	2,105.00		10,405.00	100%	-	-
140	Painting	20,433.00				20,433.00	5,200.00	15,233.00		20,433.00	100%	-	-
150	Signage	2,615.00				2,615.00		2,615.00		2,615.00	100%	-	-
160	Misc. Specialties	3,476.00				3,476.00		3,476.00		3,476.00	100%	-	-
170	Metal Lockers	438,068.00				438,068.00	219,000.00	219,068.00		438,068.00	100%	-	-
180	Food Equipment	81,900.00				81,900.00	65,170.00	16,730.00		81,900.00	100%	-	-
190	Plumbing	9,975.00				9,975.00		9,975.00		9,975.00	100%	-	-
200	Gas Piping	98,700.00				98,700.00	88,610.00	10,090.00		98,700.00	100%	-	-
210	HVAC	32,802.00				32,802.00	16,500.00	16,302.00		32,802.00	100%	-	-
220	Kitchen Hoods	83,534.00				83,534.00	71,207.00	12,327.00		83,534.00	100%	-	-
230	Electrical	12,805.00				12,805.00	3,200.00	9,605.00		12,805.00	100%	-	-
240	Fire Alarm	15,000.00				15,000.00		15,000.00		15,000.00	100%	-	-
250	Owner Contingency												
260	Change Order No. 1		1		-171,139.00	(171,139.00)				(171,139.00)	100%	-	-
260	Change Order No. 2		2		8,159.00	8,159.00				8,159.00	100%	-	-
<b>TOTALS</b>		1,143,194.00			(162,980.00)	980,214.00	598,711.00	381,503.00	-	980,214.00	100%	-	-

*File folder # 38  
Checks # 43*

**ECONOMIC INCUBATORS, INC.**

*Innovation & Global Soft-Landing - Naples Accelerator  
C A T A L Y S T S E R V I C E A G R E E M E N T*

Economic Incubators, Inc.  
c/o Marshall Goodman  
3510 Kraft Rd. Suite 200  
Naples, FL 34105  
Phone 863.660.2987  
Mgoodman.catalyst@gmail.com

Wegner Law PLLC  
c/o P. Christopher Wegner  
3510 Kraft Rd. Suite 200  
Naples, FL 34105  
Phone 571.2721  
chris.wegner@wegner.us

Agreement Date 8/3/2016

NAIC #	NAIC Description	Service Start Date	Service End Date
541110	Lawyers' Offices	9/1/2016	2/28/2017

**SERVICE MENU**

Qty	Description	Unit Price	Line Total
1	Month - to - Month Half Office 50%discount (6 months)	\$750.00 /mo	\$750.00 -\$375.00

Make all checks payable to ECONOMIC INCUBATORS, INC.	Subtotal	\$375.00
Late charge of \$25 for fees paid after the 5 of month.	6 % Sales Tax	\$22.50
	<b>Month Total</b>	<b>\$397.50</b>

First Month's Fee	\$375.00
Deposit	n/a
Subtotal	\$375.00
6% Sales Tax	\$22.50
<b>Total Initial Payment</b>	<b>\$397.50</b>

This Catalyst Service Agreement incorporates the House Rules which are attached hereto and incorporated herein by this reference. Both parties to this Catalyst Service Agreement agree to comply with the obligations set out in the House Rules. The signing of this Catalyst Service Agreement confirms that the undersigned has read and understood this Agreement, including the House Rules and agrees to comply with those terms, rules, and obligations, including the payment of all fees.

Your signature below creates a legally binding contract with ECONOMIC INCUBATORS, INC.

Name (printed): P. Christopher Wegner  
Title: Managing Attorney, Wegner Law PLLC  
Date: September 2016

Name (printed): Marshall Goodman  
Title: Executive Director  
Date: September 1, 2016

Signature: *P. Christopher Wegner*

Signature: *Marshall Goodman*

ETI Folder # 38  
 CLERKS # 43

# ECONOMIC INCUBATORS, INC.

Innovation & Global Soft-Landing - Naples Catalyst  
 CATALYST SERVICE AGREEMENT

Economic Incubators, Inc.  
 c/o Marshall Goodman  
 3510 Kraft Rd. Suite 200  
 Naples, FL 34105  
 Phone 863.660.2987  
 Mgoodman.catalyst@gmail.com

Wegner Law, PLLC  
 c/o Christopher Wegner  
 3510 Kraft Rd S 200  
 Naples, FL 34105  
 Phone 239.571.2721  
 cwegner@wegnerlawfirm.com

Agreement Date 3/1/2017

NAIC #	NAIC Description	Service Start Date	Service End Date
541110	Lawyers' Offices	3/1/2017	8/31/2017

### SERVICE MENU

Qty	Description	Unit Price	Line Total
1	Month-to-Month Use of Accelerator Resources Half Office	\$750.00	\$750.00
	50% discount (6 months)	-50%	-\$375.00

Make all checks payable to ECONOMIC INCUBATORS, INC.  
 Late charge of \$25 for fees paid after the 5 of month.

Subtotal	\$375.00
6 % Sales Tax	\$22.50
<b>Total</b>	<b>\$397.50</b>

First Month's Fee	\$375.00
Deposit	n/a
Subtotal	\$375.00
6% Sales Tax	\$22.50
<b>Total Initial Payment</b>	<b>\$397.50</b>

This Catalyst Service Agreement incorporates the House Rules which are attached hereto and incorporated herein by this reference. Both parties to this Catalyst Service Agreement agree to comply with the obligations set out in the House Rules. The signing of this Catalyst Service Agreement confirms that the undersigned has read and understood this Agreement, including the House Rules and agrees to comply with those terms, rules, and obligations, including the payment of all fees.

Your signature below creates a legally binding contract with ECONOMIC INCUBATORS, INC.

Name: P. Christopher Wegner  
 Title: Managing Attorney  
 Date: 2-28-17

Name (printed) Marshall Goodman  
 Title: President  
 Date: 2-28-17

Signature: [Handwritten Signature]

Signature: [Handwritten Signature]

ELL Folder #38  
 Clerks #43

# ECONOMIC INCUBATORS, INC.

*Innovation & Global Soft-Landing - Naples Catalyst*  
 C A T A L Y S T S E R V I C E A G R E E M E N T

Economic Incubators, Inc.  
 c/o Marshall Goodman  
 3510 Kraft Rd. Suite 200  
 Naples, FL 34105  
 Phone 239.249.5911  
 info@naplesaccelerator.com

Wegner Law, PLLC  
 c/o Christopher Wegner  
 3510 Kraft Rd S 200  
 Naples, FL 34105  
 Phone 239.571.2721  
 cwegner@wegnerlawfirm.com

Agreement Date 9/1/2017

NAIC #	NAIC Description	Service Start Date	Service End Date
541110	Lawyers' Offices	9/1/2017	8/31/2018

### SERVICE MENU

Qty	Description	Unit Price	Line Total
1	Month-to-Month Use of Accelerator Resources Half Office	\$750.00	\$750.00
	50% discount	-50%	-\$375.00

Make all checks payable to ECONOMIC INCUBATORS, INC.	Subtotal	\$375.00
Late charge of \$25 for fees paid after the 5 of month.	6 % Sales Tax	\$22.50
	Total	\$397.50

First Month's Fee	\$375.00
Deposit	n/a
Subtotal	\$375.00
6% Sales Tax	\$22.50
Total Initial Payment	\$397.50

This Catalyst Service Agreement incorporates the House Rules which are attached hereto and incorporated herein by this reference. Both parties to this Catalyst Service Agreement agree to comply with the obligations set out in the House Rules. The signing of this Catalyst Service Agreement confirms that the undersigned has read and understood this Agreement, including the House Rules and agrees to comply with those terms, rules, and obligations, including the payment of all fees.

Your signature below creates a legally binding contract with ECONOMIC INCUBATORS, INC.

Name: *C. Christopher Wegner*  
 Title: *Municipal Attorney*  
 Date: *9.1.17*

Name (printed) Marshall Goodman  
 Title: President  
 Date: 9.1.17

Signature: *[Handwritten Signature]*

Signature: *[Handwritten Signature]*

FI FOLDER # 42  
 CLKRS #48

# ECONOMIC INCUBATORS, INC.

*Innovation & Global Soft-Landing - Naples Catalyst*  
 C A T A L Y S T S E R V I C E A G R E E M E N T

Economic Incubators, Inc.  
 c/o Marshall Goodman  
 3510 Kraft Rd. Suite 200  
 Naples, FL 34105  
 Phone 863.660.2987  
 Mgoodman.catalyst@gmail.com

Golf Life Navigators  
 c/o Jason Becker  
 3510 Kraft Rd. S 200  
 Naples, FL 33914  
 Phone 239.292.9929

Agreement Date 11/24/2016

NAIC #	NAIC Description	Service Start Date	Service End Date
711219	Spectator Sports and Independent professionals	12/1/2016	5/31/2017

### SERVICE MENU

Qty	Description	Unit Price	Line Total
	Month-to-Month Use of Double Office Space	\$3,000.00	\$3,000.00
		50% discount	\$1,500.00

Make all checks payable to ECONOMIC INCUBATORS, INC.	Subtotal	\$1,500.00
Late charge of \$25 for fees paid after the 5 of month.	6 % Sales Tax	\$90.00
	Total	\$1,590.00

First Month's Fee	\$1,500.00
Deposit	n/a
Subtotal	\$1,500.00
6% Sales Tax	\$90.00
Total Initial Payment	\$1,590.00

This Catalyst Service Agreement incorporates the House Rules which are attached hereto and incorporated herein by this reference. Both parties to this Catalyst Service Agreement agree to comply with the obligations set out in the House Rules. The signing of this Catalyst Service Agreement confirms that the undersigned has read and understood this Agreement, including the House Rules and agrees to comply with those terms, rules, and obligations, including the payment of all fees.

Your signature below creates a legally binding contract with ECONOMIC INCUBATORS, INC.

Name: Jason Becker

Title: CEO

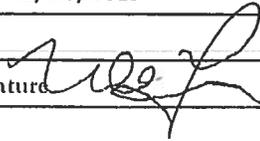
Date: 12-1-16

Signature: 

Name (printed) Marshall Goodman

Title: CEO/President

Date: 11/28/2016

Signature: 

File Folder #42  
 @CLERKS # 48

# ECONOMIC INCUBATORS, INC.

*Innovation & Global Soft-Landing - Naples Catalyst*  
 C A T A L Y S T S E R V I C E A G R E E M E N T

Economic Incubators, Inc.  
 c/o Marshall Goodman  
 3510 Kraft Rd. Suite 200  
 Naples, FL 34105  
 Phone 863.660.2987

Golf Life Navigators  
 c/o Jason Becker  
 3510 Kraft Rd. S 200  
 Naples, FL 33914  
 Phone 239.292.9929

Mgoodman.catalyst@gmail.com

Agreement Date 5/29/2017

NAIC #	NAIC Description	Service Start Date	Service End Date
711219	Spectator Sports and Independent professionals	6/1/2017	11/30/2017

### SERVICE MENU

Qty	Description	Unit Price	Line Total
	Month-to-Month Use of Double Office Space	\$3,000.00	\$3,000.00
		50% discount	\$1,500.00
Subtotal			\$1,500.00
6 % Sales Tax			\$90.00
Total			\$1,590.00

Make all checks payable to ECONOMIC INCUBATORS, INC.  
 Late charge of \$25 for fees paid after the 5 of month.

First Month's Fee	\$1,500.00
Deposit	n/a
Subtotal	\$1,500.00
6% Sales Tax	\$90.00
Total Initial Payment	\$1,590.00

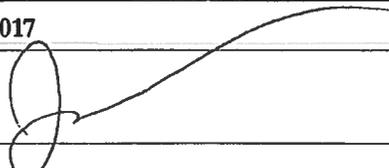
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Name: Jason Becker

Title: CEO

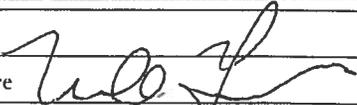
Date: 5/29/2017

Signature: 

Name (printed) Marshall Goodman

Title: CEO/President

Date: 05/29/2017

Signature: 

# ECONOMIC INCUBATORS, INC.

*Innovation & Global Soft-Landing - Naples Catalyst*  
**CATALYST SERVICE AGREEMENT**

Economic Incubators, Inc.  
 c/o Marshall Goodman  
 3510 Kraft Rd. Suite 200  
 Naples, FL 34105  
 Phone 863.660.2987

Golf Life Navigators  
 c/o Jason Becker  
 3510 Kraft Rd. S 200  
 Naples, FL 33914  
 Phone 239.292.9929

Mgoodman.catalyst@gmail.com

Agreement Date 11/30/2017

NAIC #	NAIC Description	Service Start Date	Service End Date
711219	Spectator Sports and Independent professionals	12/1/2017	1/31/2018

### SERVICE MENU

Qty	Description	Unit Price	Line Total
	Month-to-Month Use of Double Office Space	\$3,000.00	\$3,000.00
		50% discount	\$1,500.00

Make all checks payable to ECONOMIC INCUBATORS, INC.

Late charge of \$25 for fees paid after the 5 of month.

Subtotal	\$1,500.00
6 % Sales Tax	\$90.00
<b>Total</b>	<b>\$1,590.00</b>

First Month's Fee	\$1,500.00
Deposit	n/a
Subtotal	\$1,500.00
6% Sales Tax	\$90.00
<b>Total Initial Payment</b>	<b>\$1,590.00</b>

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Name: Jason Becker

Title: CEO

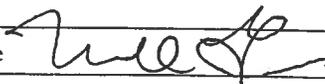
Date: 11.30.17

Signature: 

Name (printed) Marshall Goodman

Title: CEO/President

Date: 11.30.17

Signature: 

File Folder #31  
 CHECKS #40

# ECONOMIC INCUBATORS, INC.

*Innovation & Global Soft-Landing - Naples Catalyst*  
 C A T A L Y S T S E R V I C E A G R E E M E N T

Economic Incubators, Inc.  
 c/o Marshall Goodman  
 3510 Kraft Rd. Suite 200  
 Naples, FL 34105  
 Phone 863.660.2987  
 Mgoodman.catalyst@gmail.com

SeaWay Studios  
 c/o Curry Walls  
 3510 Kraft Rd. Suite 200  
 Naples, FL 34105  
 Phone: 310-880-8760  
 Email: curry@seawaystudios.com

Agreement Date 7/1/2016

NAIC #	NAIC Description	Service Start Date	Service End Date
		8/1/2016	1/1/2017

### SERVICE MENU

Qty	Description	Unit Price	Line Total
1	6 Month Use of Space and Accelerator Virtual	\$500.00/ mo for 6 months	\$3,000.00
	50 % Discount		\$1,500.00

Make all checks payable to ECONOMIC INCUBATORS, INC.  
 Late charge of \$25 for fees paid after the 5 of month.

Subtotal	\$1,500.00
6 % Sales Tax	\$0.00
6 Month Total	\$1,590.00

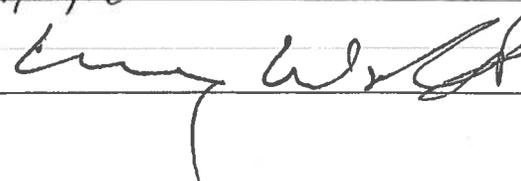
First Month's Fee	\$250.00
Deposit	n/a
Subtotal	\$250.00
6% Sales Tax	\$0.00
Total Initial Payment	\$250.00

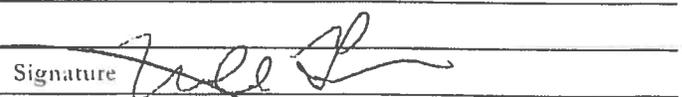
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Your signature below creates a legally binding contract with ECONOMIC INCUBATORS, INC.

Name: Curry WALL  
 Title: OWNER  
 Date: 7/12/16

Name (printed) Marshall Goodman  
 Title: Executive Director  
 Date: 7/12/16

Signature: 

Signature: 

E11 folder #31  
 Clerks #40

ECONOMIC INCUBATORS, INC.

Innovation & Global Soft-Landing - Naples Catalyst  
 CATALYST SERVICE AGREEMENT

Economic Incubators, Inc.  
 c/o Marshall Goodman  
 3510 Kraft Rd. Suite 200  
 Naples, FL 34105  
 Phone 863.660.2987  
 Mgoodman.ecatalyst@gmail.com

5th Avenue Films  
 c/o Curry Walls  
 3510 Kraft Rd. S. 200  
 Naples, FL 34105  
 Phone 310.880.8760  
 curry@5thavenuefilms.com

Agreement Date 12/29/2016

NAIC #	NAIC Description	Service Start Date	Service End Date
512110	Motion Picture and Video Production	1/1/2017	6/30/2017

SERVICE MENU

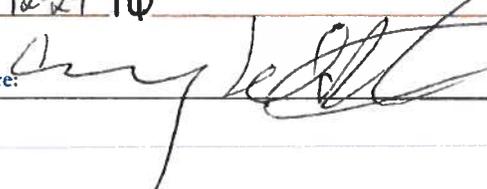
Qty	Description	Unit Price	Line Total
	Month-to-Month Virtual Space and Accelerator Resources	\$500.00/Month	\$500.00
	50% discount for 6 months	50% discount	-\$250.00

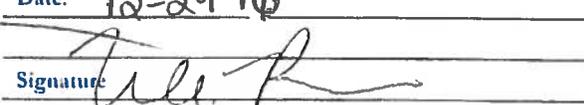
Make all checks payable to ECONOMIC INCUBATORS, INC.	Subtotal	\$250.00
Late charge of \$25 for fees paid after the 5 of month.	6% Sales Tax	n/a
	Total	\$250.00

First Month's Fee	\$250.00
Deposit	n/a
Subtotal	\$250.00
6% Sales Tax	n/a
Total Initial Payment	\$250.00

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Your signature below creates a legally binding contract with ECONOMIC INCUBATORS, INC.

Name: Curry Walls  
 Title: CEO  
 Date: 12-29-16  
 Signature: 

Name (printed) Marshall Goodman  
 Title: President  
 Date: 12-29-16  
 Signature: 

E11 Folder #31  
 Clerks #40

# ECONOMIC INCUBATORS, INC.

*Innovation & Global Soft-Landing - Naples Catalyst*  
 CATALYST SERVICE AGREEMENT

Economic Incubators, Inc.  
 c/o Marshall Goodman  
 3510 Kraft Rd. Suite 200  
 Naples, FL 34105  
 Phone 863.660.2987

5th Avenue Films  
 c/o Curry Walls  
 3510 Kraft Rd. S. 200  
 Naples, FL 34105  
 Phone 310.880.8760

Mgoodman.catalyst@gmail.com

curry@5thavenuefilms.com

Agreement Date 6/29/2017

NAIC #	NAIC Description	Service Start Date	Service End Date
512110	Motion Picture and Video Production	7/1/2017	9/30/2017

### SERVICE MENU

Qty	Description	Unit Price	Line Total
	Month-to-Month Virtual Space and Accelerator Resources	\$500.00/Month	\$500.00
	50% discount	50% discount	-\$250.00

Make all checks payable to ECONOMIC INCUBATORS, INC.  
 Late charge of \$25 for fees paid after the 5 of month.

Subtotal	\$250.00
6 % Sales Tax	n/a
<b>Total</b>	<b>\$250.00</b>

First Month's Fee	\$250.00
Deposit	n/a
Subtotal	\$250.00
6% Sales Tax	n/a
<b>Total Initial Payment</b>	<b>\$250.00</b>

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Your signature below creates a legally binding contract with ECONOMIC INCUBATORS, INC.

Name: Curry Walls  
 Title: President  
 Date: 6/29/2017

Name (printed) Marshall Goodman  
 Title: President  
 Date: 6/29/2017

Signature: [Handwritten Signature]

Signature: [Handwritten Signature]

EI1 Folder #31  
 Clerk # 40

# ECONOMIC INCUBATORS, INC.

*Innovation & Global Soft-Landing - Naples Catalyst*  
 C A T A L Y S T S E R V I C E A G R E E M E N T

Economic Incubators, Inc.  
 c/o Marshall Goodman  
 3510 Kraft Rd. Suite 200  
 Naples, FL 34105  
 Phone 239.249.5911  
 info@naplesaccelerator.com

5th Avenue Films  
 c/o Curry Walls  
 3510 Kraft Rd. S. 200  
 Naples, FL 34105  
 Phone 310.880.8760  
 curry@5thavenuefilms.com

Agreement Date 9/29/2017

NAIC #	NAIC Description	Service Start Date	Service End Date
512110	Motion Picture and Video Production	10/1/2017	9/30/2018

### SERVICE MENU

Qty	Description	Unit Price	Line Total
	Month-to-Month Virtual Space and Accelerator Resources	\$250.00/Month	\$250.00

Make all checks payable to ECONOMIC INCUBATORS, INC.  
 Late charge of \$25 for fees paid after the 5 of month.

Subtotal	\$250.00
6 % Sales Tax	n/a
<b>Total</b>	<b>\$250.00</b>

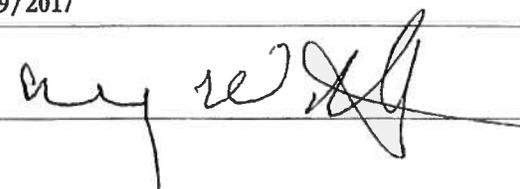
First Month's Fee	\$250.00
Deposit	n/a
Subtotal	\$250.00
6% Sales Tax	n/a
<b>Total Initial Payment</b>	<b>\$250.00</b>

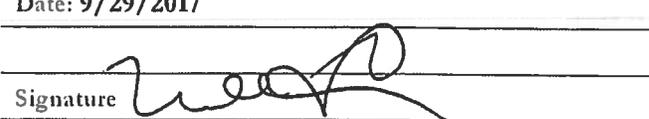
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Name: Curry Walls  
 Title: President  
 Date: 9/29/2017

Name (printed) Marshall Goodman  
 Title: President  
 Date: 9/29/2017

Signature: 

Signature: 

# Appendix H

## Revenue Reuse Plan Quarterly Report

Date Business Income Report submitted: 10/10/17 Reporting Period From 7/1/17 to 9/30/17

Description of activities that generated the Business Income (BI): (add listing if required)  
Accelerator Participant Rents + Woodstock Sales

Description of activities funded by Business Income (BI): (add listing if required)  
Operational costs not covered by State/County funding

ANNUAL BUDGET BALANCES				
Budget Category	Budget	Current Budget Balance	BI Expended this Reporting Period	Remaining Balance
Organizational expenses		\$0.00	\$0.00	\$0.00
Operational Expenses		\$0.00	\$0.00	\$0.00
Other Expenses		\$0.00	\$0.00	\$0.00
Fund Balance		\$0.00	\$0.00	\$0.00
Total		\$0.00	\$0.00	\$0.00

See separate revenue reuse report

**Certification of Preparation**

To the best of my knowledge, the data on this form is correct and all disbursements were made in accordance with grant regulations. I certify that all Business Income is maintained in a separate fund/account.

Name and Signature of Reporter: Janet Noack, CPA  
Janet Noack  
 Print Name

Name and Signature of Authorizing Official: \_\_\_\_\_  
 \_\_\_\_\_  
 Print Name

**Revised and Final 10.12.17**

Economic Incubators, Inc.  
 Revenue Reuse Report  
 Quarter 4 FY17

Budget FY 17	
Business Income	115,200
Private Donations	<u>50,000</u>
Total	165,200

Quarter 1	Budget Q1	Actual Q1	% of budget
Business Income		71,010	
Business Expense		<u>50,685</u>	
Net Business Income	28,800	<u>20,325</u>	70.57%
Private Donation Income		0	
Private In Kind Donations		23,020	
Private Donation Expense		<u>0</u>	
Net Private Donation Income	<u>12,500</u>	<u>23,020</u>	1.8416
Combined Business/Private Donation Net Income	41,300	43,345	104.95%

Quarter 2	Budget Q2	Actual Q2	% of budget
Business Income		64,452	
Business Expense		<u>46,817</u>	
Net Business Income	28,800	<u>17,635</u>	61.23%
Private Donation Income		32,023	
Private In Kind Donations		14,145	
Private Donation Expense		<u>7,405</u>	
Net Private Donation Income	<u>12,500</u>	<u>38,763</u>	3.10104
Combined Business/Private Donation Net Income	41,300	56,398	136.56%
Add Q1	<u>41,300</u>	<u>43,345</u>	<u>104.95%</u>
Year to Date (Q1 & Q2)	82,600	99,742	120.75%

Revised and Final 10.12.17

Quarter 3	Budget Q3	Actual Q3	% of budget
Business Income		68,652	
Business Expense		<u>93,326</u>	
Net Business Income	28,800	<u>-24,674</u>	-85.67%
Private Donation Income		5,500	
Private In Kind Donations		19,145	
Private Donation Expense		<u>9,862</u>	
Net Private Donation Income	<u>12,500</u>	<u>14,783</u>	1.18264
Combined Business/Private Donation Net Income	41,300	-9,891	-23.95%
Add YTD Q1 & Q2	<u>82,600</u>	<u>99,742</u>	<u>120.75%</u>
Year to Date (Q1, Q2 & Q3)	123,900	89,851	72.52%

Quarter 4	Budget Q4	Actual Q4	% of budget
Business Income		62,953	
Business Expense		52,675	
Net Business Income	28,800	10,278	35.69%
Private Donation Income		0	
Private In Kind Donations		36,645	
Private Donation Expense		0	
Net Private Donation Income	12,500	36,645	2.9316
Combined Business/Private Donation Net Income	41,300	46,923	113.62%
Add YTD Q1/Q2/Q3	123,900	89,851	72.52%
Year to Date (Q1, Q2 & Q3 & Q4)	165,200	136,774	82.79%

Revised and Final 10.12.17

## Appendix I



# Economic Incubators, Inc. Naples Accelerator

To: Jace Kentner, Business & Economic Development Division  
Director

From: Economic Incubators, Inc.

Date: March 1, 2018

Subject: Letter of Transmittal – EII Fundraising Plan

---

Enclosed is Fundraising Plan as required according to the contract.

ARTICLE XXXI  
FUNDRAISING PLAN

EII shall provide the COUNTY with its FY 2018 fundraising plan, March 1, 2018, which contemplates achievement of the budgeted annual private contributions delineated in Exhibit B1.

If you have any questions, please let us know.

Sincerely,

Marshall Goodman  
President/CEO  
Economic Incubators Inc.

# eii

## economic INCUBATORS, INC.



## EII Fundraising Plan FY2018





# TABLE OF CONTENTS

## **Per Contract: Article XXXI – Fundraising Plan**

EII shall provide the County with its FY 2018 fundraising plan, March 1, 2018, which contemplates achievement of the budgeted annual private contributions delineated in Exhibit B1.

<b>The Fund Raising Plan</b>	.....	<b>Page 3</b>
<b>The Goal</b>	.....	<b>Page 3</b>
<b>The Nonprofit</b>	.....	<b>Page 4</b>
<b>Mission and History</b>	.....	<b>Page 5</b>
<b>Fundraising Strategy</b>	.....	<b>Page 7</b>
<b>Marketing</b>	.....	<b>Page 8</b>
<b>The Timeline</b>	.....	<b>Page 9</b>
<b>Budget</b>	.....	<b>Page 10</b>
<b>Appendix Examples</b>	.....	<b>Page 11</b>

# The Fundraising Plan

## The Plan

Annual fund (unrestricted dollars) – support the ongoing operations for teaching, training, mentoring and counseling to achieve our goals.

Scholarships (restricted dollars) – for those individuals with the entrepreneurial passion without resources for culinary expansion.

Events (unrestricted dollars) – support annual events at both Naples and Immokalee locations. For example, the “Culinary Connection Day” is an annual event hosted in Immokalee.

## The Goal

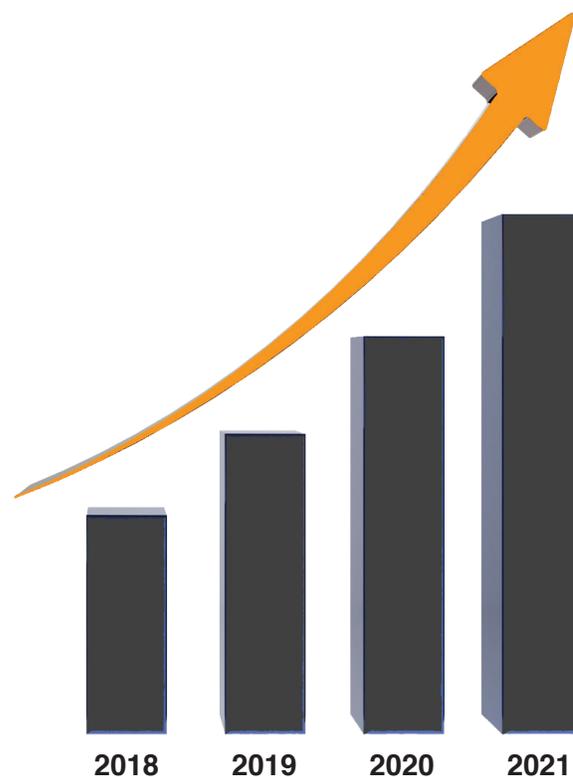
\$80,000 in funds need to be raised for fiscal year 2018 (10-1-17 to 9-30-18)

The overall fundraising goal for the following years according to the Business Plan:

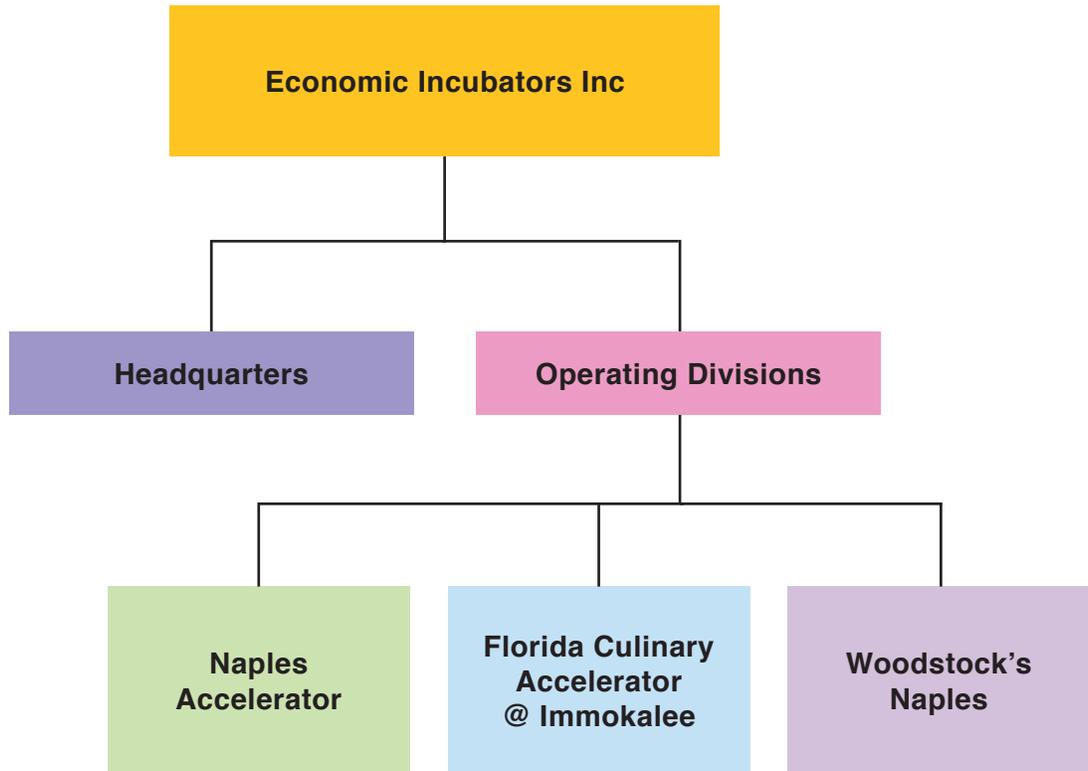
FY 2019: \$130,000

FY 2020: \$165,000

FY 2021: \$200,000



**Economic Incubators Inc – Business Structure**





# Mission & History

## **Economic Incubator Inc**

### **Mission Statement**

To help entrepreneurs with business or culinary backgrounds to succeed and achieve new heights by providing co-working space, kitchen access, mentoring, innovation, and state of art facilities.

### **Vision**

The appropriate support and resources will be made available to Southwest Florida for anyone expanding, creating or building a business.

### **About the Naples Accelerator**

Founded in 2014 as a Public—Private initiative with Collier County, the Naples Accelerator is a business accelerator focused on providing a soft landing for local, national and international companies looking to grow and fund new businesses and ideas in Southwest Florida.

### **About the Florida Culinary Accelerator @ Immokalee**

Founded in 2017, “The Florida Culinary Accelerator @ Immokalee” (FCA@I) provides the community with a licensed, 5,274-square-foot kitchen space, state-of-the-art commercial-grade equipment, a University of Florida food lab and business-support services at affordable rates. We enable food entrepreneurs to launch and grow small businesses that often wouldn’t succeed without these shared resources. FCA@I is designed to nurture and grow food businesses by transforming a product vision into a reality.

### **About Woodstock’s Market**

Founded in 2016, Woodstock’s Market is a self-serve micro market chain in Southwest Florida. The market provides locally sourced food products in a self-serve fashion for quick, easy, healthy choices on the go. Future products produced in the Culinary Accelerator @ Immokalee will be marketed and sold in all Woodstock’s Market locations. In 2018 a fundraising committee was created by the Board of Directors to energize and mentor the fund raising effort.



# Mission & History (cont.)

The current members of the Committee are:

- Steve Wheeler (Chair)
- Fred Pezeshkan
- Paul Thein
- Holly Parks
- Cathy Haworth
- Marshall Goodman
- Jennifer Pellechio
- Fred Krieger



# Fundraising Strategy

## Fundraising Strategy

Years	Amount	Goals
2018	\$80,000	Raise \$50,000 through the annual fund, \$30,000 through events and \$10,000 through Scholarships
2019	\$130,000	Raise \$60,000 through the annual fund, \$40,000 through events and \$30,000 through Scholarships
2020	\$165,000	Raise \$85,000 through the annual fund, \$40,000 through events and \$40,000 through Scholarships
2021	\$200,000	Raise \$100,000 through the annual fund, \$50,000 through events and \$50,000 through Scholarships

In addition, the fundraising committee will continue to research other funding options including:

- Individual Giving – Asking major donors to make gifts to your organization
- Major Donor Groups – May include board giving, a finance or development committee, etc
- Events – Both large and small
- Online and E-Giving
- Grants – Foundations, Corporate, Government
- Corporate Giving Programs
- Participatory Fundraising – Like walk-a-thons and chili cook-offs
- Annual Giving and Multi-Year Giving Campaign



# Marketing

## Marketing

Outline for EII marketing efforts as defined by marketing committee:

- Create collateral materials that will explain mission, vision and values
- Create donating opportunities and add to materials and website
- Outreach – Promote visibility and awareness throughout the community – staff time limited— establish outreach/ambassador committee
- Individual “ask” event – one on one meetings with board members to individuals they are comfortable asking for assistance. Prepare the appropriate “needs” for this group
- House party event – annual event that will be hosted by a board member that help raise funds allocated to the annual fund
- One annual event that will be specifically aimed to support an EII need

Other fundraising opportunities:

- Vendor support program for Culinary Accelerator
- Naming Rights for any program, room product, etc
- French Chef events
- Endowment/sustainability
- Explore other opportunities as they surface

# The Timeline

## Timeline

Each year this might vary, but the timeline of fundraising events will start off each year as such:

January – Fundraising Committee identify events and roadmap for the year

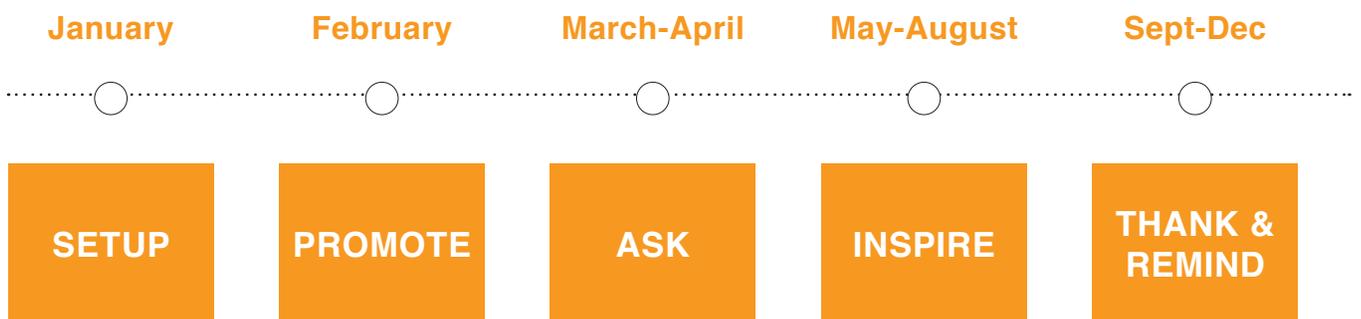
Update the master database list of EII friends (contact list)

February – Begin Fundraising Efforts

March – April – Annual Event

May – August – Scholarship Campaign

September – December – Follow up with donors from prior year





# The Budget

**Economic Incubators Inc.**  
**2018 Budget & Revenue Reuse Plan Including Use of Private Contributions**  
**Fiscal Year Ending September 30, 2018**

Exhibit B  
EII FY 2018 Budget

Description	Funding Category (Source)	Naples Accelerator	Florida Culinary Accelerator @ Immokalee	Woodstock	Headquarters	Total FY 2018
<b>Sources</b>						
Membership/Business Income	BI/PI/OTH	\$ 250,000	\$ 50,000	\$ 20,000	\$ -	\$ 320,000
Private Investment	BI/PI/OTH	62,486	17,514	-	-	80,000
Interest/Misc.	BI/PI/OTH	-	-	-	200	200
Allowance for Doubtful Accounts - 3%	BI/PI/OTH	(7,500)	(1,500)	-	-	(9,000)
Rent Promotions - 40%	BI/PI/OTH	(100,000)	-	-	-	(100,000)
<b>Sub-total Net Business Income/Private Contributions/ Other Sources</b>		<b>\$ 204,986</b>	<b>\$ 66,014</b>	<b>\$ 20,000</b>	<b>\$ 200</b>	<b>\$ 291,200</b>
<b>Collier County Resources</b>						
County Contract Reimbursement	CC	-	191,000	-	381,100	572,100
County Direct Pay (Rent)	CC	197,900	-	-	-	197,900
Other Operating/Facility Costs (Collier County)	CC	-	30,000	-	-	30,000
<b>Sub-total County Contract Amount</b>		<b>\$ 197,900</b>	<b>\$ 221,000</b>	<b>\$ -</b>	<b>\$ 381,100</b>	<b>\$ 800,000</b>
<b>Total Sources</b>		<b>\$ 402,886</b>	<b>\$ 287,014</b>	<b>\$ 20,000</b>	<b>\$ 381,300</b>	<b>\$ 1,091,200</b>
<b>Operating Expenses</b>						
Compensation, PR Taxes, Benefits, W/C, PR servicing/processing fees	CC	\$ -	\$ 189,500	\$ -	\$ 379,900	\$ 569,400
Compensation Cell Phone (\$50/per employee/month, 2 employees 12 months, 3 employee 10 months)	CC	-	1,500	-	1,200	2,700
Rent Expense (3510 Kraft Road)	CC	197,900	-	-	-	197,900
Facilities/Equipment Expense	CC	-	30,000	-	-	30,000
<b>Subtotal - County Contract Paid Expenses</b>		<b>\$ 197,900</b>	<b>\$ 221,000</b>	<b>\$ -</b>	<b>\$ 381,100</b>	<b>\$ 800,000</b>
Product Cost of Goods Sold (Woodstock's)	BI/PI/OTH	-	-	14,000	-	14,000
Rent Expense (FL Culinary Accelerator and Woodstock)	BI/PI/OTH	-	32,200	4,000	-	36,200
Professional Services	BI/PI/OTH	-	-	-	58,000	58,000
Utilities (Telephone/Internet/Garb/Misc.)	BI/PI/OTH	6,000	19,000	-	-	25,000
Contractual Services (IT, Custodial, contract labor)	BI/PI/OTH	20,000	20,000	-	-	40,000
Computer/Software Related	BI/PI/OTH	10,000	2,000	-	-	12,000
Events Sponsorships	BI/PI/OTH	10,000	10,000	-	-	20,000
USDA Grant Set Aside for Equipment Maintenance (8% estimated)	BI/PI/OTH	-	4,000	-	-	4,000
Office Supplies	BI/PI/OTH	5,000	3,000	-	-	8,000
Insurance Expense	BI/PI/OTH	2,000	5,500	-	-	7,500
Copier/Printing Expenses	BI/PI/OTH	5,200	1,500	-	-	6,700
Travel Allowance: Includes car allowance, additional business related expense allowances and phone allowance for CEO. Also provided is a car allowance for the COO.	BI/PI/OTH	-	-	-	12,600	12,600
Participant Amenities	BI/PI/OTH	12,000	2,500	-	-	14,500
Marketing/Advertising	BI/PI/OTH	7,000	3,000	-	-	10,000
Facilities/Equipment Expense (Naples Accelerator)	BI/PI/OTH	5,000	-	-	-	5,000
Building R&M	BI/PI/OTH	2,400	2,400	-	-	4,800
Licenses and Permits	BI/PI/OTH	1,000	3,000	-	-	4,000
Dues - Subscriptions	BI/PI/OTH	-	-	-	3,000	3,000
Bank Service Charges	BI/PI/OTH	-	-	-	500	500
Square Fees (Credit Card Processing Fees)	BI/PI/OTH	-	-	-	500	500
Interest/Misc.	BI/PI/OTH	-	-	-	200	200
Additional Compensation (Non-County)	BI/PI/OTH	-	-	-	-	-
<b>Sub-total - Business Income/Private Contributions Funded Expenses</b>		<b>\$ 85,600</b>	<b>\$ 108,100</b>	<b>\$ 18,000</b>	<b>\$ 74,800</b>	<b>\$ 286,500</b>
<b>Total Operating Expenses</b>		<b>\$ 283,500</b>	<b>\$ 329,100</b>	<b>\$ 18,000</b>	<b>\$ 455,900</b>	<b>\$ 1,086,500</b>
<b>Sub-total Surplus/(Deficit)</b>		<b>\$ 119,386</b>	<b>\$ (42,086)</b>	<b>\$ 2,000</b>	<b>\$ (74,600)</b>	
<b>Headquarters Allocation of Net Surplus/(Deficit):</b>						
Percent		62.5%	35.0%	2.5%		100.0%
Amount		(46,625)	(26,110)	(1,865)	74,600	-
<b>Adjusted Operating Margin/Reserves</b>		<b>\$ 72,761</b>	<b>\$ (68,196)</b>	<b>\$ 135</b>	<b>\$ -</b>	<b>\$ 4,700</b>

Notes:  
BI/PI/OTH - Funding Source = Business Income/Private Investment/Contributions and Other Sources  
CC - Funding Source = Collier County Contract



# Appendix

<b>Florida Culinary Accelerator @ Immokalee Collateral Piece</b>	<b>Page 12</b>
<b>Non Profit Letterhead</b>	<b>Page 14</b>
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## Florida Culinary Accelerator @ Immokalee Collateral Piece

Danny Gonzalez, the current president of the 60-member Immokalee Chamber of Commerce and life-long resident of Immokalee has high hopes this Culinary Accelerator is a success. Gonzalez intends to bottle the Lozano's family secret salsa recipe. Danny manages Immokalee's popular Lozano's Mexican Restaurant with his wife, Sandy, plans to expand the restaurant and salsa business. "I'm excited. Anything that pops up that's convenient and good for us, we're going to jump on it," Gonzalez said. "We want to push our sales when the snowbird season gets here. We get tons of customers. They buy salsa by the gallon and want to take it home. We just run out. We have to turn people away."

- In the 2010 census Immokalee size is 24,154,233 SQ miles including 44 local farms
- Median income is \$24,315 and 34.6% of the families below poverty line
- There is no municipal government. It is governed by Collier County
- In 2016 Immokalee was designated by the federal government as Florida's first "Promise Zone". It is 1 of only 4 rural promise zones in the country. There will be more federal money or jobs and education and will be at the front of the line for awarding federal grants

A discovery by the University of Florida research scientists before WWII was key to the farming boom. They found that applying lime to the useless swampland soil would increase the pH level, drastically improving it and making it sustainable for farming.

Immokalee now grows 90% of the national winter tomato crop sold around the US. Strawberries are a huge winter crop as well as sugar cane, cucumbers, peppers and citrus. They have the perfect winter weather, in the whole US to grow produce.

The Florida Culinary Accelerator in Immokalee wants to be an asset to the Immokalee community to help start plant-based businesses. We are close enough to Naples, Ft Myers to be a destination for new food businesses. There is an abundance of crops available to manufacture produce-based products for retail.

The Blue Zones Project is a southwest Florida project sponsored by NCH Hospital promoting a "Power Nine" plan to help people live longer. One of the components is a plant-based diet. Hundreds of restaurants, businesses, schools and churches are participating in the project and supporting plant-based eating. They are ready to purchase these products. Being a Locavore is supporting a "hundred-mile diet", eating locally grown and raised products.



## Collateral Piece (cont.)

The Florida Culinary Accelerator at Immokalee FCA, provides the community with a licensed, 5,274 square foot kitchen space, state of the art equipment, a University of Florida food lab and business support services at affordable rates to enable food entrepreneurs to launch and grow small business lifted up by these resources. FCA is the inspiration of Economic Incubators Inc and the Collier County office of Business and Economic Development who will direct and support ongoing activities at this facility.

*Prepared by Holly Park – Fundraising Committee Volunteer*



# Non Profit Letterhead

Date

Your Name

Your Organization's Name

Street

City, State ZIP

Dear (Donor's Name),

(Begin with an emotional appeal. A success story or a narrative that tugs on your donors' heart-strings hooks your readers. Keep it short, though!)

Our community/nation/world is facing (problem(s) your organization is trying to fix) While we are actively (insert current solutions your organization is attempting), we need **your** help to make our efforts go even further!

You can help us (solve the problem you're trying to fix). **Your support is crucial to our efforts to (solve the problem).**

If you're able, we'd love it if you could make a donation of (amount) to help us achieve our mission and (solve the problem).

Thank you in advance for your contribution. Your donation will go toward (insert effort, accomplishment or project).

Here are the way you can make a donation:

- Make a donation online at (URL)
- Call us at (phone number)
- Send a check in the pre-stamped envelope we've include (no cash, please!)
- Text (keyword) to (text-to-give-phone number)

Thank you again!

Sincerely,

(Signature of an organizational leader)

(Typed name of organizational leader)

P.S. (End with an update about an upcoming event, volunteer opportunity or other information)



# Annual Fund Letter

## **Annual Fund Letter**

This letter is an example of an annual fund solicitation request.

Month Day, Year

First Name Last Name

Street Address

City, State ZIP

Courtesy Title (Mr/Ms/Mrs) Last Name,

XYZ Organization can only achieve its goals with the assistance of generous donations from members of our community. Without these donations, serving those in our are would not be possible.

Since our organization relies on the generosity of individuals like you, we write to ask you to consider a donation to our cause. A donor envelope is enclosed for your convenience. We hope that you will help support our efforts.

Thank you in advance for your generosity.

Insert Your Signature

Typed Name of Signature



# General Donation Letter

## General Donation

This general donation letter can be customized for use any time you need to reach out to potential donors to request financial assistance.

Month Day, Year

First Name Last Name

Street Address

City, State ZIP

Courtesy Title (Mr/Ms/Mrs) Last Name,

XYZ Organization can only achieve its goals with the assistance of generous donations from members of our community. Without these donations, serving those in our are would not be possible.

Since our organization relies on the generosity of individuals like you, we write to ask you to consider a donation to our cause. A donor envelope is enclosed for your convenience. We hope that you will help support our efforts.

Thank you in advance for your generosity.

Insert Your Signature

Typed Name of Signature



# Auction Item Request

## **Auction Item Request**

The following letter can be used to request item donations for a charity auction fundraiser event.

Dear Insert Name Here,

Our annual fundraiser, (fill in name of event), will be held this year on (fill in date) at (fill in location). As you know, financial support is extremely important to (fill in organization name), as we rely on donation to provide services in the community that are greatly needed.

The (fill in name of event) attracts more attendees each year, but we depend on the added support of our friends in the business community who supply us with exciting auction items. Would you be willing to donate either a gift certificate or merchandise from your business?

Someone from our committee will be contacting you to discuss your contribution and to share information about individual and group tickets. It is a win/win situation when we benefit from your donation and you receive the goodwill which comes as a result of your generosity.

Our organization' ability to continue to operate is due in large part to the generous support of individual donors who believe in our mission, as well as gifts from businesses and corporations.

Thank you for your considering our request.

Sincerely,

(Print Your Name Here, Insert Title)



# Special Event Attendance

## Special Event Attendance

This sample letter is designed to help promote ticket sales for special event fundraiser events.

Month Day, Year

First Name Last Name

Street Address

City, State ZIP

Courtesy Title (Mr/Ms/Mrs) Last Name,

This year, you're invited to join us for our annual black tie event! The event will be filled with dinner, dancing and both live and silent auctions. It is a great opportunity to met others in the community who want to make a difference.

Location:

Date:

Time:

You may purchase tickets by calling \_\_\_\_\_ or by emailing \_\_\_\_\_. Tickets are priced at \$\_\_\_\_\_ and the deadline for reservations is \_\_\_\_\_.

We truly hope to see you there Thanks in advance for your support.

Sincerely,

Insert Your Signature

Typed Name of Signature



# Sponsorship Appreciation

## Sponsorship Appreciation

Be sure to thank sponsors for their generosity. If they know how much their efforts are appreciated, they'll be much more likely to continue to donate to your organization!

Month Day, Year

First Name Last Name

Street Address

City, State ZIP

Courtesy Title (Mr/Ms/Mrs) Last Name,

Thank you for agreeing to be a sponsor of this year's XYZ Benefit to be held on \_\_\_\_\_ date \_\_\_\_\_ at \_\_\_\_\_ location \_\_\_\_\_. Securing sponsors for this important fundraiser is especially important this year, as we face the daunting challenges of this economic crisis. Your support of \$\_\_\_\_\_ is a great vote of confidence in our mission. As a sponsor, you will receive thanks and recognition in the event program and will also be entitled to two tickets for the event. We look forward to seeing you there!

Please accept our most sincere thanks for your support.

Best Regards,

Insert Your Signature

Typed Name of Signature

# IMMOKALEE CULINARY CONNECTION DAY

## EVENT SPONSORSHIP OPPORTUNITIES

### MARCH 28, 2018

### Florida Culinary Accelerator @ Immokalee

170 Airpark Blvd. #103 • Immokalee, FL

#### Table / Vendor Sponsors

**\$350**

- Standard 6' table for display at the event
- Food or items for sale only. Those looking to cook and do samples, must enter as a Guest Chef sponsorship.
- Listed as Sponsor / Vendor on Event Program and Social Media
- Handouts / Freebies included in Event attendee gift bags (must be provided prior to event)
- Listed with Link on Culinary Website Event Page

#### Guest Chef / Competition Entry

**\$750**

- Perfect for established or up-and-coming local restaurants
- Showcase your signature dish in one of our cooking competition categories
- 6' Vendor / Display Table at Event
- Encouraged and welcome to give samples of your dish or specialty items
- Restaurant / Business logo on 6' banner on site
- Restaurant / Chef / Dish Listed on Event Program & Social Media
- Handouts / Freebies included in Event attendee gift bags (must be provided prior to event)
- Restaurant / Business listed with Link of Culinary Website Event Page



**New Culinary Accelerator members that join before March 20th are automatically granted a FREE competition entry & display space!**

**(\$750 Value!)**

This institution is an equal opportunity provider.

For more information: Call 239.249.5911 ext 1 or visit [www.TheCulinaryAccelerator.com](http://www.TheCulinaryAccelerator.com)

## Demonstration Sponsorship

**\$3,500**

max. 3 available

Sponsor one of our three demonstration / teaching spots in the brand new culinary kitchen. As a demonstration sponsor, your company will have naming rights to a 30-minute demonstration taught by a culinary master during the event.

- Business name and logo listed as “Your Business” Culinary Demonstration Sponsor.
- 8’ Banner on display as a backdrop during the sponsored demonstration
- Listed in event program as Official Demonstration Sponsor.
- 6’ table outdoor and indoor display space during the demonstration
- Option to speak prior to your sponsored demonstration
- Handouts / Freebies included in Event attendee gift bags (must be provided prior to event)
- Listed with Link on Culinary Website Event Page
- Business will be mentioned hourly during our sponsor recognition over the event loudspeaker

## Media Sponsor - In Kind

**\$10,000**

**In-kind sponsorship starting 6 weeks prior to event date.**

- Name and logo listed as official media sponsor on all event materials.
- Event or vendor space at event.
- Option to choose employees, friends, family as cooking competition judges (up to 2)
- 8’ Banner on display on event property
- Hourly announcements of your sponsorship during the event
- Handouts / Freebies included in Event attendee gift bags (must be provided prior to event)
- Listed with Link as Official Media Sponsor on Culinary Website Event Page

## Cooking Competition Sponsor

**\$10,000**

max. 1 available

This year, we are turning up the heat on our Culinary Connection Day with a Premiere Cooking Competition. Entries will be placed in one of five categories. As sponsor, you have the premiere opportunity to pitch your business throughout the day.

- Naming rights to the Inaugural Culinary Connection Day Cooking Competition
- Option to choose employees, friends, family as judges (up to 5)
- Banner, display and promotion place in the entire competition tent throughout the event
- Separate vendor or display space
- Hourly announcements of your business during the event
- Multiple banners with your business name / logo as the name sponsor inside the tent and event
- Listed with Link on Culinary Website Event Page
- Handouts / Freebies included in Event attendee gift bags (must be provided prior to event)
- Yearlong recognition at the Culinary Accelerator as the 2018 Competition Sponsor

## Scholarship Fund Donation

**\$1,000+**

Many of our members and potential members at the Culinary Accelerator are in need of a financial-based scholarship to begin or grow their food-based business. Donating directly to our Scholarship Fund will provide them financial assistance to offset their membership costs and allow them access to our facility and services.

**Please consider a donation to our scholarship fund. All donors will be recognized at the event and on our website.**

# SPONSORSHIP COMMITMENT FORM

I am choosing to sponsor the Immokalee Culinary Connection Day at the following level:

- |  |   |
|--|---|
| <input type="checkbox"/> TABLE OR VENDOR (\$350)         | <input type="checkbox"/> MEDIA SPONSOR (\$10,000 in kind)   |
| <input type="checkbox"/> GUEST CHEF / COMPETITOR (\$750) | <input type="checkbox"/> IN KIND DONATION OF SERVICES<br>(Printing, Event Rentals, Transportation, Food & Beverage) |
| <input type="checkbox"/> DEMONSTRATION SPONSOR (\$3,500) | <input type="checkbox"/> SCHOLARSHIP FUND DONATION  |
| <input type="checkbox"/> COMPETITION SPONSOR (\$10,000)  | Amount \$_____  |

---

## SPONSOR INFORMATION

NAME \_\_\_\_\_

COMPANY \_\_\_\_\_

ADDRESS \_\_\_\_\_

PHONE \_\_\_\_\_

EMAIL \_\_\_\_\_

SIGNATURE \_\_\_\_\_

COMPANY WEBSITE (for link): \_\_\_\_\_

- I understand that all art, materials and advertising content must be submitted before March 15 to be included at the time of the event.

For relevant sponsorship types, please send a high resolution (PDF, EPS, PNG, JPG) file to [info@theculinaryaccelerator.com](mailto:info@theculinaryaccelerator.com) for use on official materials.

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## PAYMENT INFORMATION

I WOULD LIKE TO PAY BY:  Check  Cash  Credit

Please contact us at 239.249.5911 ext.1 to make a secure payment.



**Economic Incubators, Inc.**  
**Naples Accelerator**



To: Jace Kentner, Business & Economic Development Division  
Director

From: Economic Incubators, Inc.

Date: January 3, 2017

Subject: Letter of Transmittal – Deliverable 5

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Enclosed is Final Deliverable 5 due by no later than one week before the Boards second meeting as required according to the contract.

**Deliverable 5:** Prepare and submit an updated draft business plan for the Accelerator Project. A draft for review and comment will be provided to Fiscal Agent by December 31, 2017, with the final updated **business** plan to be submitted no later than one week before the Board’s second meeting of January, 2018.

If you have any questions, please let us know.

Sincerely,

Marshall Goodman  
President/CEO  
Economic Incubators Inc.

# ECONOMIC

*Incubators, Inc.* 

## A Business Plan for Collier County Innovation Accelerators Update

**JANUARY 3, 2017**

**Deliverable 5 - Final**



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# Executive Summary

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The journey began through a white paper, business plan, and the 2014 Collier County Economic Development Plan, to embrace the concept of launching two Accelerators - one in the western part of Collier County (The Naples Accelerator) and one in the eastern part of the county (The Florida Culinary Accelerator @ Immokalee). Both accelerator concepts receiving broad acceptance and support from the community, including many local editorial pages. In addition, Collier County administrative officials, County Commissioners, and a wide variety of discussions with area university officials, business organizations, interested citizens and community based groups all supported these efforts.

Collier County has played an instrumental role in the creation, support and development of EII and its economic model. Through business model development, EII was original hosted by CareerSource of Southwest Florida. This provided supportive operational funding and integrated a joint partnership by increasing exposure to state and federal grant opportunities.

In September 2014, Economic Incubators Inc., (EII) a private non-profit 501(c)(3) was formed focused on supporting business entrepreneurship in Collier County with a public purpose. The EII current Board is composed of local business leaders supported by three professional staff, and a host of committed volunteers. EII has sought to fill a gap in the Collier County economic development landscape by creating “soft-landing” business accelerators that recruit, support, and develop both local and non-local innovation entrepreneurs, offering work space, and a range of business services. In doing so, the goal is to play a key role in diversifying the Collier County economic landscape by creating innovative 21st business opportunities and support services for our citizens and their children.

Toward that end, EII has received in partnership with Collier County, state and federal grant dollars to build two business Accelerators: one in Naples that focuses on companies Innovating in technology related business services and products, and one in Immokalee devoted to culinary products and services, as well as a local micro-market in Naples called Woodstock’s, that enables entrepreneurs direct access to a dynamic Southwest Florida food market-place.

The market supports that both Accelerators are uniquely positioned in the Southwest Florida market with opportunities for continual growth over the next several years. Picture below depicts Naples Accelerator.



# Executive Summary (cont.)

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## Mission Statement

To help entrepreneurs with business or culinary backgrounds to succeed and achieve new heights by providing co-working space, kitchen access, mentoring, innovation, and state of art facilities.

## Vision

To provide Southwest Florida people the tools, inspiration and networking necessary to Accelerate and expand their businesses.

## Goals and Objectives

The goal is to recruit and grow the next generation of business enterprises in the region that will ultimately become the economic engine that will assist the Collier County economy and bring innovation, talent, and 21st century job opportunities to our citizens. The Florida Culinary Accelerator @ Immokalee builds successful innovative food businesses.

The objectives include hiring qualified staff and developing partnerships assisting the Participants with essential support to launch their ideas and businesses. This can be accomplished through such connections to legal, administrative, marketing and funding support.



# Description of Business

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## Company Ownership/Legal Entity

Economic Incubators, Inc. is a non-profit 501 (c) 3 registered with the State of Florida.

## Overview & Operations

The Naples Accelerator has several components: it is a business accelerator, provides space and knowledge for international soft-landing companies, and supports companies looking for technology and creative co-working spaces. It operates in 10,000 sq. ft. at 3510 Kraft Road Suite #200, off Pine Ridge Road, Naples, Florida 34105 under an agreement with Collier County. It currently provides office space for 37 companies for a monthly fee, with companies tailoring their use of the accelerator space from simple co-working space, half office, full office, and access to a double suite for those with larger operations and staff.

Fee paying members of the Accelerator can select from plans that provide business support based on membership level. The Naples Accelerator offers access to basic legal, marketing, finance, and administrative support, and mentored guidance, assistance, and recommendations. In addition, the Accelerator hosts a wide range of meetings and activities that allow members to enjoy networking, venture funding and mentoring opportunities from the exceptional wealth of knowledge and experience from Collier County residents.

The Florida Culinary Accelerator @ Immokalee builds successful innovative food businesses. Its goal is to provide a one-stop opportunity for culinary entrepreneurs looking to develop or grow their culinary product or service. The leased area is a former warehouse/manufacturing space totaling 5,274 square feet, with a 3,600-square-foot exterior storage cage located at Collier County's Immokalee Regional Airport, 170 Airpark Blvd. #103, Immokalee, Florida 34142.

The Woodstock's micro market serves as a retail outlet for member companies of the Naples Accelerator and The Florida Culinary Accelerator @ Immokalee. It will provide culinary entrepreneurs direct access to innovative retail spaces, allowing them to gather experience and consumer data and feedback so critical to gaining access to a wider retail market. At the same time, it deploys state of the art technology, and provides for a test location for future retail shopping innovations. The Woodstock's micro market snack shop is 223 square feet of space located below the Naples Accelerator at 3510 Kraft Rd. #103 Naples, Florida 34105.

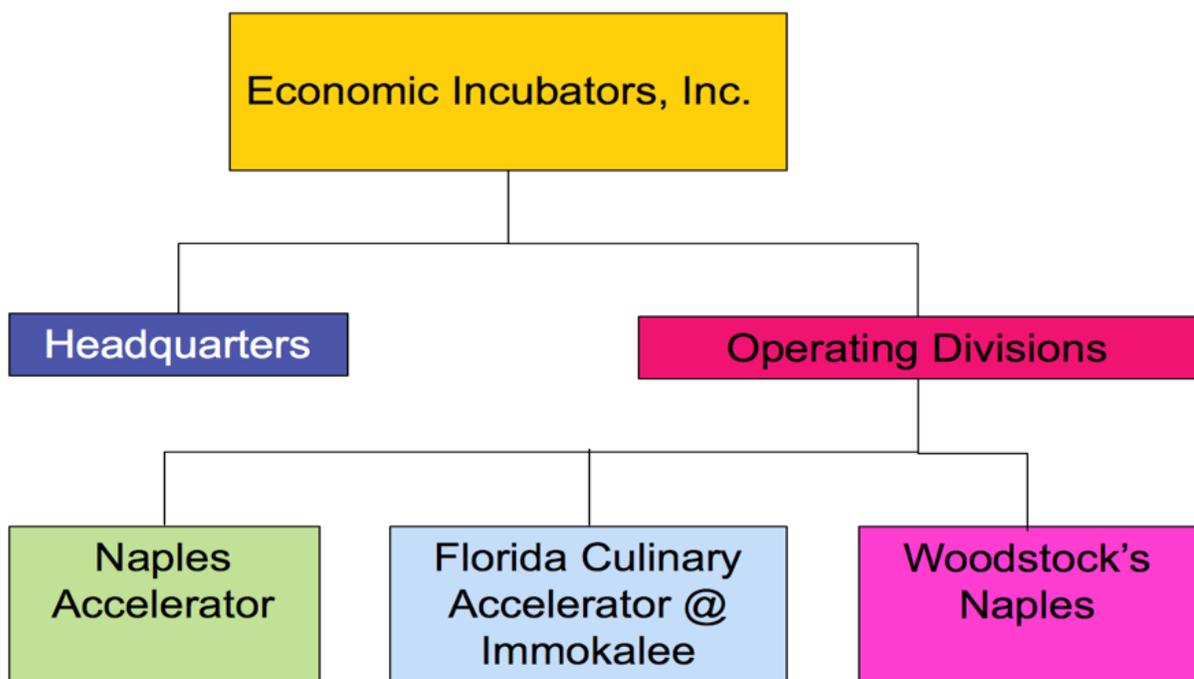
# Organization & Management

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## Organization & Structure

Economic Incubators, Inc., is the headquarters that oversees the operations of the Naples Accelerator, Culinary Accelerator and Woodstock's micro market. Staff consists of three (3) FTE positions including the President/CEO, Chief Operating Officer (COO) and Business Specialist.

The Florida Culinary Accelerator @ Immokalee will employ three (3) FTE to manage day to day operations, ensure regulatory compliance and safety, maintenance and cleanliness of equipment and stations, outreach, recruitment, and support of distribution, catering, and Woodstock's order fulfillment (please see job descriptions in the appendix). They will be assisted in the business support operations through staff from the Naples Accelerator and a cadre of volunteer professionals.



# Organization & Management (cont).

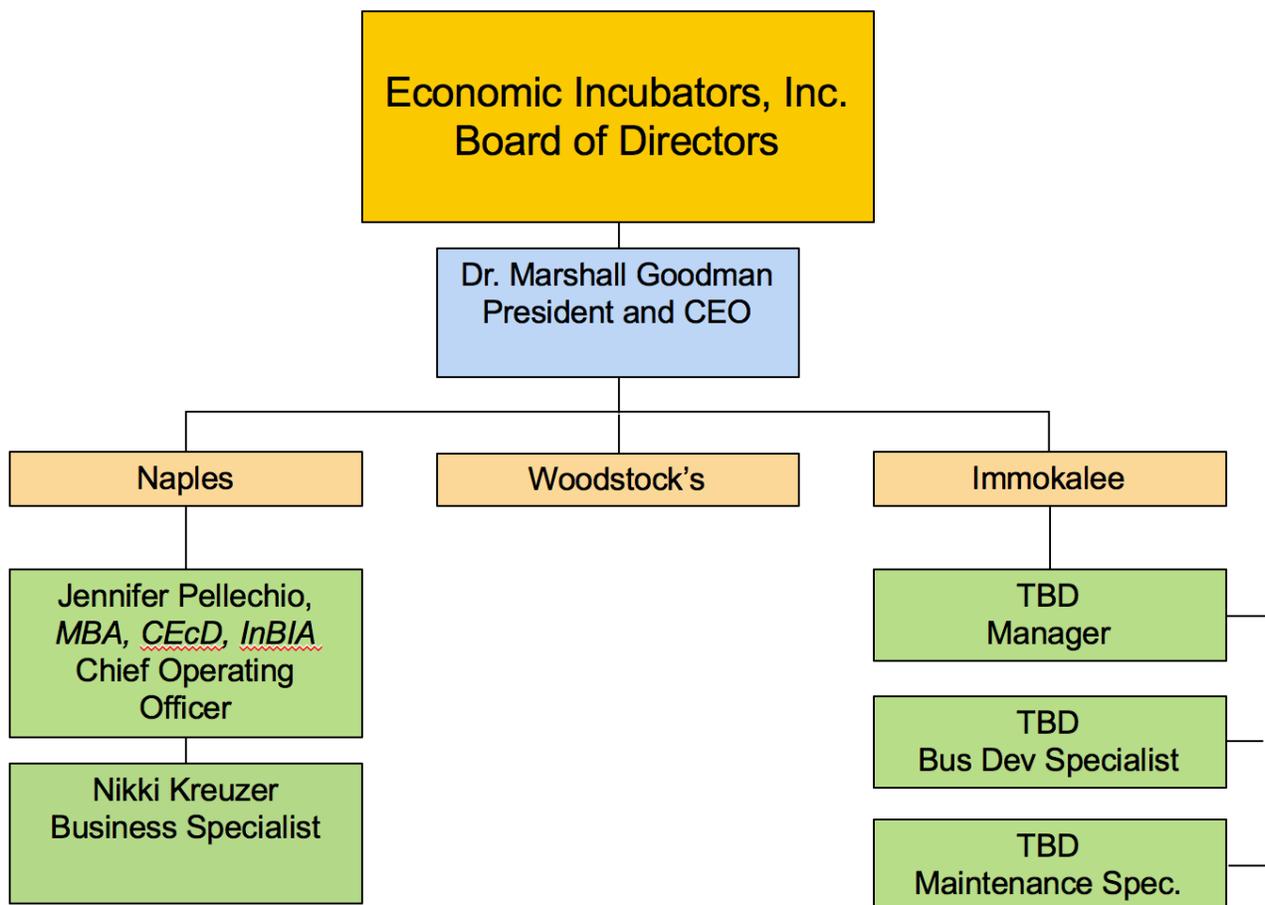
## Board of Directors

The Economic Incubators, Inc. (EII) Board of Directors (Board) serve the critical management oversight and control role for the organization. The Board shall be comprised of no more than fifteen directors. The Board meets quarterly, with an Executive Committee composed of a Chair, Vice-Chair, Treasurer, and Secretary. The Board has created three committees for the FY17-18 year: Finance; Fund-Raising; Planning.

To see a list of the current board members, visit the website link at:

<http://naplesaccelerator.com/about/team/>

## Management Team & Volunteers

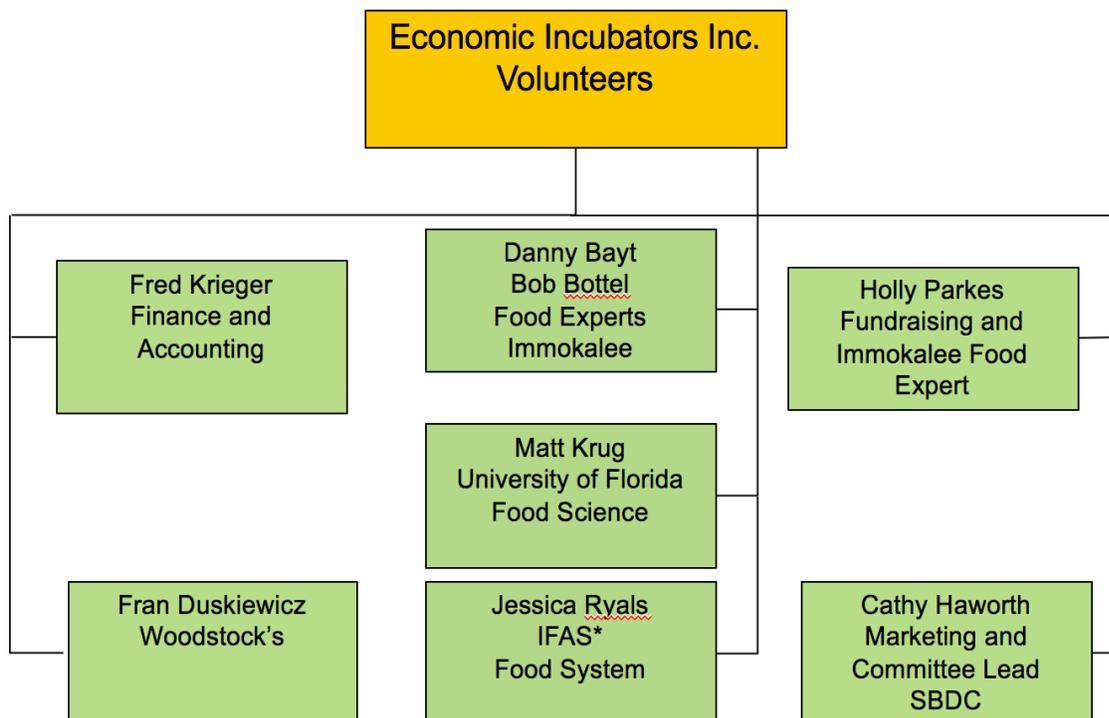


# Organization & Management (cont).

## Management Team & Volunteers (cont.)

EII is currently supplemented with a core group of volunteers with extensive industry experience.

### Economic Incubators, Inc. – Organization Chart



\* UF/Institute of Food and Agricultural Sciences

## Assisting Organizations

- Collier County Office of Business and Economic Development
- University of Florida: Institute of Food and Agricultural Sciences
- Florida Gulf Coast University
- Immokalee Chamber of Commerce
- Naples Chamber of Commerce
- Southwest Florida Regional Alliance
- SCORE
- Small Business Development Center
- Southwest Florida Regional Planning Council

# Market Analysis

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## Environmental Scan

Population growth has traditionally driven economic growth in Southwest Florida which is a favorite destination for retirees as full-time or seasonal residents. The area's competitive advantage has been its beaches, natural resources, recreational opportunities, and mild winter weather making tourism an important industry that provides employment and jobs to a large percentage of the workforce.

Additionally, agriculture continues to be an important component of the overall regional economy. For these reasons, the regional economy is very seasonal creating more employment in the busier winter season. Southwest Florida has a variety of different cultures, habitats and identities. The western coastal communities and interior agricultural lands are patchwork of vibrant coastal cities; suburban communities, and rural farm towns linked together by a central urban corridor.

Indeed, the eastern part of Collier County, along with Hendry and Glades County was designated by the U.S. Federal government as one of only four (4) "Promise Zones" in the U.S. in dramatic recognition of the lack of resources and infrastructure in these areas.

The recognition of the need for greater culinary assets to support the agriculture and tourism sectors are key rationales for the support shown in recent years by the State of Florida, the United States Department of Agriculture, and the United States Department of Economic Development Administration in grant proposals initiated through a partnership between Collier County government and EII.

The trend self serve micro markets were developing rapidly, therefore Woodstock's micro market was established. This is unique to the area, and was awarded the first license of its kind in the State of Florida (according to Carl Holzworth, Division of Food Safety, Florida Department of Agriculture and Consumer Services).

# Market Analysis (cont.)

## Target Market

State, Regional Planning Council*, and County	Population				Percent Change		
	2016	2010	2000	1990	2010 to 2016	2000 to 2010	1990 to 2000
	<b>Southwest Florida</b>	1,652,146	1,531,724	1,206,639	909,327	7.9	26.9
Charlottee	170,450	159,978	141,627	110,975	6.5	13.0	27.6
Collier	350,202	321,520	251,377	152,099	8.9	27.9	65.3
Glades	13,047	12,884	10,576	7,591	1.3	21.8	39.3
Hendry	38,370	39,140	36,210	25,773	-2.0	8.1	40.5
Lee	680,539	618,754	440,888	335,113	10.0	40.3	31.6
Sarasota	399,538	379,448	325,961	277,776	5.3	16.4	17.3

Source: [https://www.bebr.ufl.edu/sites/default/files/Research%20Reports/estimates\\_2016.pdf](https://www.bebr.ufl.edu/sites/default/files/Research%20Reports/estimates_2016.pdf)

County, City, and State	April 1 2016 Estimate	Total Change 2010–2016	April 1 2010 Census	Revenue Sharing Use Only	
				Inmates	Estimates less Inmates April 1, 2016
<b>Collier County</b>	350,202	28,682	321,520	41	350,161
Everglades	432	32	400	0	432
Marco Island	16,930	517	16,413	0	16,930
Naples	19,736	199	19,537	0	19,736
UNINCORPORATED	313,104	27,934	285,170	41	313,063

Source: [https://www.bebr.ufl.edu/sites/default/files/Research%20Reports/estimates\\_2016.pdf](https://www.bebr.ufl.edu/sites/default/files/Research%20Reports/estimates_2016.pdf)

## Market Analysis (cont.)

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### Competitors

A review of the Southwest Florida region depicts that the Naples Accelerator and The Florida Culinary Accelerator @ Immokalee are uniquely well positioned. With a range of business support services not offered by others in the area. The competition focus on Class A office space rental and not business start-up or acceleration services.

*Workspace similar to the Naples Accelerator in Naples and surrounding area:*

- Venture X - Naples  
<https://www.venturex.com/locations/florida/naples/>
- Premier Executive Center - Naples and Ft. Myers  
<http://www.premiercenter.net/>
- Regus – Naples  
<https://www.regus.com>
- Enerspace – Naples  
<http://www.enerspacecoworking.com/>
- Endeavor Innovative Workspace – Ft Myers  
<http://endeavorworkspaces.com/>
- The Rocket Lounge  
<http://therocketlounge.com/>
- Coconut Point Executive Center – Estero  
<http://coconutpointexecutivecenter.com/>



THE **ROCKET**Lounge  
Launchpad For Your Innovation

*Commercial kitchens similar to The Florida Culinary Accelerator @ Immokalee:*

- Your Pro Kitchen - CLOSED  
<https://www.yourprokitchen.com/>
- Commercial Kitchen Fort Myers LLC – Ft. Myers  
<http://commercialkitchenfortmyers.com/>

## Market Analysis (cont.)

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### Challenges

There are other accelerators, incubators, and co-working spaces located in the region. The Naples Accelerator comparative local businesses that were found in the review, are private for profit shared office space or business incubators. Thus, they are an entirely different business model with their primary goal being profit and capital gain for their owners and investors. While the Naples Accelerator embraces publicly held goals of serving the residents of the region, through education, training, mentoring by diversifying the Collier County economy.

The pricing at the Naples Accelerator for participant office space is comparable across all models, with low rates starting at \$99 per month and ranging progressively higher based on the size of space and a la carte provision of renting space (e.g., conference room) or use of equipment such as printers, laptops, computers, or display/projectors/video walls.

None of the above models provide such an array of business support services as The Naples Accelerator, none provide as broad-based connection to soft-landing services, and none bring the depth of business and local experience as does the EII board members and volunteers, and none are recognized for bringing an array of international companies and global business organizations.

It is clear that there is a scarcity of competitors in the Southwest Florida region to the Florida Culinary Accelerator @ Immokalee model, especially in the eastern region of Collier County where there are currently none in existence.

For the Woodstock's micro market, the concept of buying meals within a facility other than a traditional restaurant or fast food facility has been evolving for many years. Progressive convenience stores have partnered with franchise fast feeders for many years. Even more progressive c-store companies have created their own private branding, with sit-down eating facilities to accompany their made to order or grab and go offerings. Walmart shoppers are used to seeing McDonalds or Burger Kings within those big box stores. The convenience factor continues to drive the food retail space.

Grab and go food service has become very accomplished in the convenience industry, especially paired with mobile technology applications, as has home delivery of custom ordered meals. As BlueZone, Healthcare Network of Southwest Florida, and local school districts draw greater linkages between health, nutrition and the food we eat, the growth in this emerging market can be great especially given the wide range of fruits and vegetables grown by the Collier agricultural sector.

## Market Analysis (cont.)

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### Opportunities

In addition to a modern business services office where member companies get access to the full-line of services offered at The Naples Accelerator, the Florida Culinary Accelerator @ Immoaklee generates fee revenue through the provision of both culinary space and services. This includes the following:

### Culinary Production & Manufacturing

State-of-the art culinary equipment and work spaces divided into different stations and areas, all of which can be rented through an on-line reservation system by the hour, day, week, or month:

1. The “cold-process” station is designated for the preparation and processing of produce which is widely grown in the surrounding Immokalee area which includes post harvesting preparation, cleaning, peeling, batch drying, and size reduction.
2. A “cold assembly” station allows for limited packaging of refrigerated, frozen or ambient products, with sealing, labeling and shrink wrapping equipment.
3. A “hot process” station that provides for a range of capabilities including blanching, steaming, cooking, roasting, baking, and smoking.
4. A “dry process or bakery” station that allows for the production of fruit pies, breads, cookies, and other baked goods, as well as seasoning blends, vegetables, and herbs.
5. A rentable cold storage space is also provided through a large walk-in and divided refrigerator, and walk-in freezer which provides flexibility in handling raw and finished product.
6. A fee based food sciences laboratory staffed by the University of Florida (UF), Institute of Food and Agricultural Sciences (IFAS), that will provide food testing, FDA labeling, and consulting.

The engineering of the facility into a variety of stations with separate temperature controls allows for great flexibility in terms of “plug and play” of equipment and uses. Expectations are to enhance initial capabilities, by acquiring additional manufacturing and processing equipment as budget and demand allow.



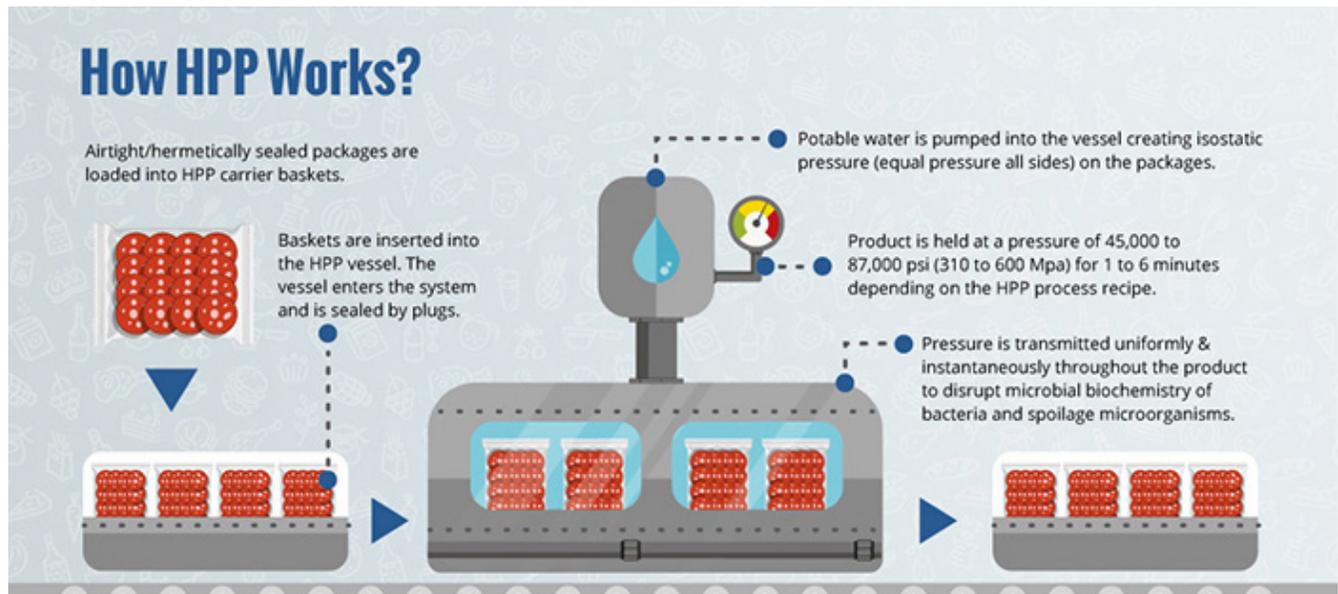
# Market Analysis (cont.)

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## Opportunities (cont.)

### Technology Advancements

EII remains highly interested in providing high pressure processing (HPP) technology to the Immokalee and Southwest Florida region. HPP technology has proven to be a successful and attractive alternative to food producers seeking to enhance the quality of the product, especially in area fruit and vegetable product categories where Florida has numerous growing advantages. EII staff will continue to explore state, federal, and private grant opportunities for acquiring the finances necessary to acquire and house this technology. In addition, staff will explore the potential for rental of this equipment so demand can be further measured.



### Culinary Product Distribution

Distribution support is a key service required by start-up entrepreneurs as they seek to enter or build their marketshare and brand recognition. By providing a fee based coordination of distribution activities from post-production to fulfillment, we will be able to provide companies with streamlined efficiencies in the distribution process, allowing companies to focus on what they do best - create profitable culinary products. The UF Food laboratory will also be utilized to provide extensive specialized analysis of culinary products and packaging, as shelf-life studies are critical to a successful distribution experience.

# Market Analysis (cont.)

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## Opportunities (cont.)

### Catering, Prepared Meals, Food Trucks

The Florida Culinary Accelerator @ Immokalee will assist for a fee, member companies with catering, prepared meals and mobile food truck opportunities throughout the region, by providing them with important resources to start and grow these equipment and technology intensive businesses. The concept of utilizing a unified online reservation system and interface, assistance with information technology, equipment rental, and assistance in negotiating agreements with local organizations, This can reduce the barriers for entry for entrepreneurs into these stable and profitable business sectors.

### Workforce & Continuing Education

Workforce and continuing education is a key aspect of the rapidly changing culinary field, from new discoveries in innovations in food and health sciences, the introduction of new technologies and techniques in both processing, packaging, marketing, and delivery of food, to an ever-changing regulatory environment at the local, state, and federal levels.

EII will provide partnerships with our local and regional educational institutions, as well as a core group of experienced volunteer professionals and community organizations. Fee based seminars, culinary master classes, and cooking and vendor demonstrations will be hosted at The Florida Culinary Accelerator @ Immokalee. These educational tools will become a focal point for food innovation and provide the needed resources for food entrepreneurs to achieve success.

Additionally, numerous state and federal grants in the workforce and continuing education area currently exist especially in terms of meeting the increasing demands and needs of Florida's food-service industry. EII will work along with CareerSource SWFL and established educational providers to apply for these awards.



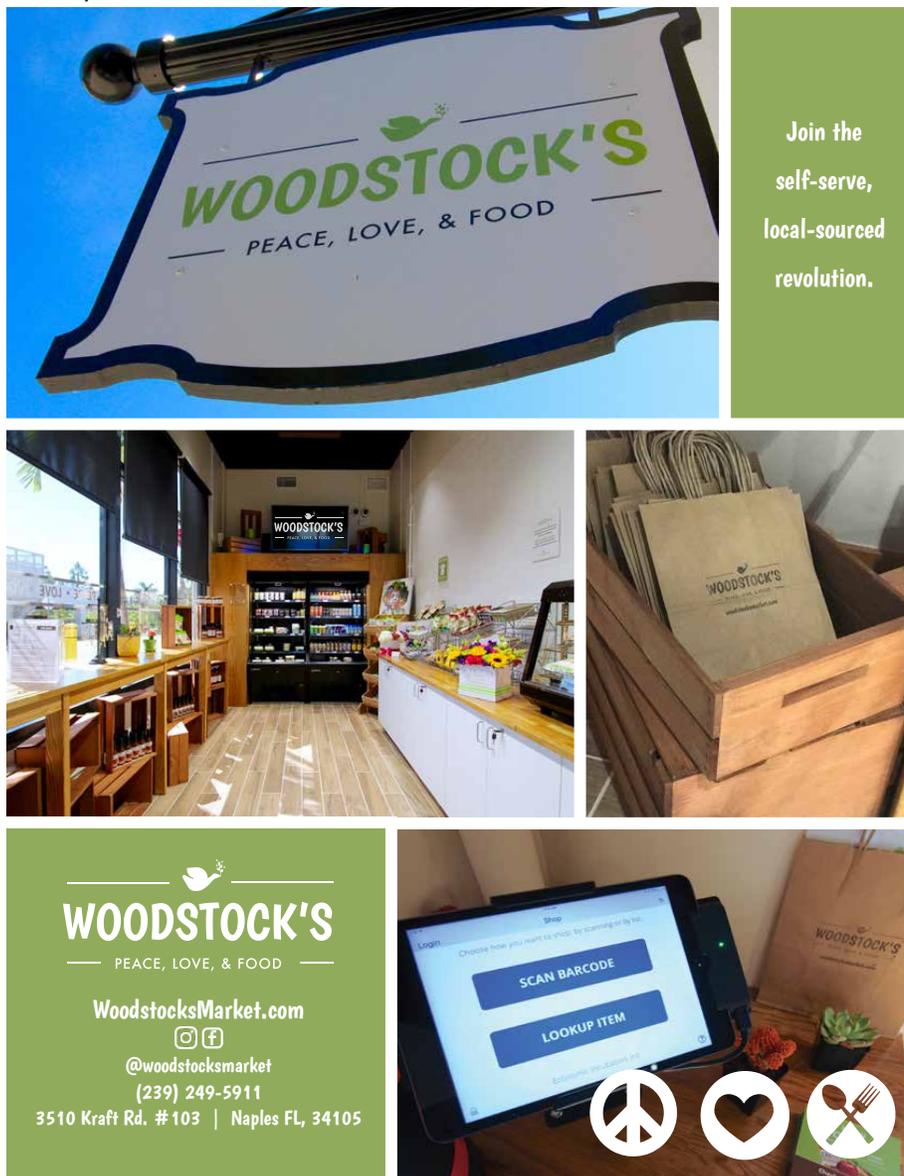
# Market Analysis (cont.)

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## Opportunities (cont.)

### Woodstock's Micro Market

Naples is deservedly noted for fine restaurants with many ethnic choices. However, the emerging micro market self help/grab and go sector in the area is weak to nonexistent. Through a planned "Made in Immokalee" campaign that will provide a branding label on food products both at the market and those developed and manufactured at The Florida Culinary Accelerator @ Immokalee, these efforts will support a strong brand presence around locally grown and crafted products.



# Marketing

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The Naples Accelerator has successfully utilized a wide range of marketing tools and approaches over the past several years. This includes the development of web pages, the heavy use of social media and related online advertising tools, widely distributed printed materials, participation in local and national business events and conferences, word-of-mouth from EII Board members, and supportive coverage from regional and local news agencies. Data support and analysis from communication professionals from Collier County government has been superb.

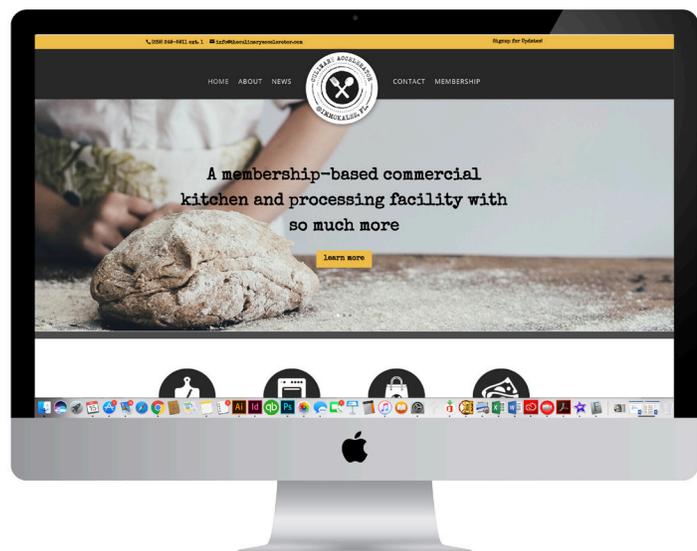
All of the previously utilized strategies will be continued, with greater synergy across audiences achieved with the opening of The Florida Culinary Accelerator @ Immokalee.

The success the Naples Accelerator has had in recruiting companies will be continued and expanded with The Florida Culinary Accelerator @ Immokalee. Given staff size, all EII staff members are expected to play a daily role in the marketing of the facilities as brand ambassadors. This includes playing a role in the development of web pages, social media, traditional marketing materials, and participation in regional and local networking events. Utilization of the broad based and institutionalized agricultural industry located in the eastern sector of Collier County, along with the prestige and visibility of the University of Florida faculty and staff will also greatly benefit marketing efforts.

In addition to marketing itself as premium convenience alternative to fast food restaurants or time-consuming sit-downs, Woodstock's Market will have the added advantage of being the prime supplier of locally crafted quality food items from The Florida Culinary Accelerator @ Immokalee.

In an age where community involvement by local businesses has become almost a requirement to attract younger shoppers and those who are actively community-aware with their purchasing power, Woodstock's support of local entrepreneurs from Immokalee will be an important marketing tool, in addition to supplying quality food service items that will not be available at other quick-serve alternatives.

A key marketing strategy of a Woodstock's Market will be reaching out to those in surrounding offices and businesses.



# Milestones & Implementation

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## Scope of Services per County Contract

- Deliverable 1 - Payroll reports
- Deliverable 2 - Monthly Financials
- Deliverable 3 - Accelerators program support
- Deliverable 4 - Budget to Actual
- Deliverable 5 - Business Plan
- Deliverable 6 - 990 Return
- Deliverable 7 - Quarterly Job & Investment Report

## Tentative Dates (subject to change)

- December 11, 2017– Immokalee Business office opens
- December/January - Staffing interviews and on board for Immokalee
- January - Immokalee opens
- FY 2018 - recruit participants to both accelerators

## Critical Path for Operations

- Staffing Selection
- Staff Hire and Orientation
- Testing Equipment

## Critical Path Item to Open the Culinary Accelerator

- HAACP Plan completed
- Certificate of Occupancy (CO) on the building
- Food Handling Permits (such as state licensing/FDA)



# Financial Plan

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The financial drivers for EII derives from the following:

**1.** Fee income generated by The Naples Accelerator, and the various services of The Florida Culinary Accelerator @ Immokalee. Since inception, the Naples Accelerator has served 68 companies, 37 which are currently active members (number varies).

This can be found online at: <http://naplesaccelerator.com/about/our-members/>

## **Fee Income Revenue Drivers:**

- Demand for co-working and private office space continues to be strong in the SWFL market. The demand for co-working space especially from the millennial generation is very high and a preferred work environment.
- Interest in business plan development, venture fund coaching, technology support is especially high.
- As more innovation companies move into the area, interest in venture/angel funding continues to grow.

**2.** Collier County financial support as detailed in the FY17-18 Collier County - EII contract.

The FY17-18 Collier County contract supports an increase in County funding from \$505,000 to \$800,000 to support the first-year initial opening and operation of The Florida Culinary Accelerator @ Immokalee. In future years, it is expected that a reduction of \$200,000 in financial support will occur in FY 18-19, with reductions in future years also expected as the both Accelerators gain self-sufficiency.

**3.** Private fund-raising, corporate gifts, and in-kind donations.

The EII Board and staff are attuned to the need to replace governmental funds in the next several years through both increases in business income and greater private fund-raising activities (private hosted dinners; naming gifts; scholarship funds). The EII Board has charged both its Planning Committee chaired by Mr. Richard Grant and its Fund-Raising Committee chaired by Mr. Steven Wheeler with further development of a program plan for enhancing income, and for a major fund-raising campaign in the coming year. Important roles in the campaign will also be played by Executive Board members Mr. Fred Pezeshkan and JP Garnier.

## Financial Plan (cont.)

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The financial analysis has been prepared by EII volunteer Mr. Fred Krieger, CPA and articulates a 4-year revenue plan. Revenue assumptions are based on 3 years of experience within the Collier County and SWFL business community for the Naples Accelerator, and informational meetings, briefings, and discussions with local companies, distributors, and universities, as well as review of similar Accelerators across the county.

In addition, a volunteer committee (composed of individuals from The University of Florida IFAS, the University of Florida, staff members of the Collier County Division of Business & Economic Development, and local and regional experienced professionals in the food manufacturer, processing, safety, and distribution industries) has worked over the past year evaluating potential pricing, occupancy rates, processes, marketing and related services for the Florida Culinary Accelerator @ Immokalee.

### Financial Plan FY 2018-FY 2021

\$ in thousands

Description	FY 2018	FY 2019	FY 2020	FY 2021
<b>Revenue</b>				
County Funds	\$ 800.0	\$ 600.0	\$ 500.0	\$ 400.0
Business Income/Donations	291.2	654.4	742.1	894.8
<b>Total Revenue</b>	<b>\$ 1,091.2</b>	<b>\$ 1,254.4</b>	<b>\$ 1,242.1</b>	<b>\$ 1,294.8</b>
<b>Expenditures</b>				
County Funds	800.0	600.0	500.0	400.0
Business Income/Donations	286.5	590.0	688.8	828.1
<b>Total Expenditures</b>	<b>\$ 1,086.5</b>	<b>\$ 1,190.0</b>	<b>\$ 1,188.8</b>	<b>\$ 1,228.1</b>
<b>Net Surplus</b>	<b>\$ 4.7</b>	<b>\$ 64.3</b>	<b>\$ 53.2</b>	<b>\$ 66.7</b>

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# Appendix

## Business Plan Financials 2018-2021

	Funding Category (Source)	2018	2019	2020	2021
<b>Business Income/Private Contributions/Other Sources</b>					
Membership/Business Income	BI/PI/OTH	\$ 320,000	\$ 592,540	648,744	\$ 771,958
Private Investment	BI/PI/OTH	80,000	130,000	165,000	200,000
Interest/Misc	BI/PI/OTH	200	500	500	500
<b>Gross Business Income/Private Contributions/Other Sources</b>		<b>\$ 400,200</b>	<b>\$ 723,040</b>	<b>\$ 814,244</b>	<b>\$ 972,458</b>
Allowance for Doubtful Accounts - 3%	BI/PI/OTH	9,000	16,666	18,186	21,691
Rent Promotions - 40% 2018, 20% Thereafter	BI/PI/OTH	100,000	52,000	54,000	56,000
<b>Total GTN Deductions</b>		<b>\$ 109,000</b>	<b>\$ 68,666</b>	<b>\$ 72,186</b>	<b>\$ 77,691</b>
<b>Net Business Income/Private Contributions/Other Sources</b>		<b>\$ 291,200</b>	<b>\$ 654,374</b>	<b>\$ 742,058</b>	<b>\$ 894,767</b>
<b>Collier County Resources</b>					
County Contract Reimbursement	CC	569,400	369,400	300,000	200,000
Compensation Cell Phone (\$50/employee/month)	CC	2,700	2,700	2,100	2,100
County Direct Pay (Rent)	CC	197,900	197,900	197,900	197,900
Other Operating/Facility Costs (Collier County)	CC	30,000	30,000	-	-
<b>County Contract Amount</b>		<b>\$ 800,000</b>	<b>\$ 600,000</b>	<b>\$ 500,000</b>	<b>\$ 400,000</b>
<b>Net Revenue</b>		<b>\$ 1,091,200</b>	<b>\$ 1,254,374</b>	<b>\$ 1,242,058</b>	<b>\$ 1,294,767</b>
<b>Operating Expenses</b>					
Compensation and Benefits	CC/BI/PI/OTH	\$ 569,400	\$ 624,871	\$ 642,993	\$ 661,639
Compensation Cell Phone (\$50/employee/month)	CC/BI/PI/OTH	2,700	2,700	3,000	3,000
Rent Expense (3510 Kraft Road)	CC/BI/PI/OTH	197,900	197,900	197,900	197,900
Facilities/Equipment Expense	CC/BI/PI/OTH	30,000	30,000	-	-
<b>Subtotal - County Contract Amount</b>		<b>\$ 800,000</b>	<b>\$ 855,471</b>	<b>\$ 843,893</b>	<b>\$ 862,539</b>
<b>Business Income/Private Funded Expenses</b>					
Professional Services (See Detail Tab)	BI/PI/OTH	58,000	59,740	61,532	63,378
Utilities (Telephone/Internet/Garb/Misc) Naples	BI/PI/OTH	25,000	25,750	26,522	27,318
Contractual Services (IT, Custodial, contract labor) Naples	BI/PI/OTH	40,000	41,200	42,436	43,710
Contracted Chef and Consulting Support - Immokalee	BI/PI/OTH	-	5,000	5,150	5,305
Computer/Software Related - Naples	BI/PI/OTH	12,000	12,360	12,731	13,113
Product Cost of Goods Sold	BI/PI/OTH	14,000	25,900	24,785	29,253
Events Sponsorships (Private) Naples	BI/PI/OTH	20,000	20,600	21,218	21,854
Rent Expense	BI/PI/OTH	36,200	37,286	38,405	39,557
USDA Share of Facility Rent (8%)	BI/PI/OTH	4,000	11,923	13,824	19,985
Office Supplies	BI/PI/OTH	8,000	8,240	8,488	8,742
Insurance Expense	BI/PI/OTH	7,500	7,725	7,957	8,196
Copier/Printing Expenses	BI/PI/OTH	6,700	6,901	7,108	7,322
Travel - Conferences/Meeting/Education	BI/PI/OTH	12,600	12,978	13,367	13,768
Participant Amenities	BI/PI/OTH	14,500	14,935	15,383	15,845
Marketing/Advertising	BI/PI/OTH	10,000	25,000	26,250	27,563
Facilities/Equipment Expense (Naples Accelerator)	BI/PI/OTH	5,000	5,150	5,305	5,464
Building R&M	BI/PI/OTH	4,800	4,944	5,092	5,244
Licenses and Permits	BI/PI/OTH	4,000	4,120	4,244	4,371
Dues - Subscriptions - Naples HQ	BI/PI/OTH	3,000	3,090	3,183	3,278
Bank Service Charges	BI/PI/OTH	500	515	530	546
Square Fees (Credit Card Processing Fees)	BI/PI/OTH	500	1,000	1,200	1,500
Interest/Misc	BI/PI/OTH	200	206	212	218
<b>Subtotal - Business Income/Private Funded Expenses</b>		<b>\$ 286,500</b>	<b>\$ 334,563</b>	<b>\$ 344,922</b>	<b>\$ 365,530</b>
<b>Total Operating Expenses</b>		<b>\$ 1,086,500</b>	<b>\$ 1,190,034</b>	<b>\$ 1,188,815</b>	<b>\$ 1,228,069</b>
<b>Operating Surplus/(Deficit)</b>		<b>\$ 4,700</b>	<b>\$ 64,340</b>	<b>\$ 53,243</b>	<b>\$ 66,698</b>

# Appendix

## Business Plan Financials - Fiscal Year 2018

Funding Category (Source)	Fiscal Year 2018					
	Naples Accelerator	Florida Culinary Accelerator @ Immokalee	Woodstock	Headquarters	Total FY 2018	
<b>Business Income/Private Contributions/Other Sources</b>						
Membership/Business Income	BI/PI/OTH	\$ 250,000	\$ 50,000	20,000	\$ -	\$ 320,000
Private Investment	BI/PI/OTH	62,486	17,514	-	-	80,000
Interest/Misc	BI/PI/OTH	-	-	-	200	200
<b>Gross Business Income/Private Contributions/Other Sources</b>						
Allowance for Doubtful Accounts - 3%	BI/PI/OTH	7,500	1,500	-	-	9,000
Rent Promotions - 40% 2018	BI/PI/OTH	100,000	-	-	-	100,000
<b>Total GTN Deductions</b>		<b>\$ 107,500</b>	<b>\$ 1,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 109,000</b>
<b>Net Business Income/Private Contributions/Other Sources</b>						
		<b>\$ 204,986</b>	<b>\$ 66,014</b>	<b>\$ 20,000</b>	<b>\$ 200</b>	<b>\$ 291,200</b>
<b>Collier County Resources</b>						
County Contract Reimbursement	CC	-	189,500	-	379,900	569,400
Compensation Cell Phone (\$50/employee/month)	CC	-	1,500	-	1,200	2,700
County Direct Pay (Rent)	CC	197,900	-	-	-	197,900
Other Operating/Facility Costs (Collier County)	CC	-	30,000	-	-	30,000
<b>County Contract Amount</b>		<b>\$ 197,900</b>	<b>\$ 221,000</b>	<b>\$ -</b>	<b>\$ 381,100</b>	<b>\$ 800,000</b>
<b>Net Revenue</b>						
		<b>\$ 402,886</b>	<b>\$ 287,014</b>	<b>\$ 20,000</b>	<b>\$ 381,300</b>	<b>\$ 1,091,200</b>
<b>Operating Expenses</b>						
Compensation and Benefits	CC/BI/PI/OTH	\$ -	\$ 189,500	\$ -	\$ 379,900	\$ 569,400
Compensation Cell Phone (\$50/employee/month)	CC/BI/PI/OTH	-	1,500	-	1,200	2,700
Rent Expense (3510 Kraft Road)	CC/BI/PI/OTH	197,900	-	-	-	197,900
Facilities/Equipment Expense	CC/BI/PI/OTH	-	30,000	-	-	30,000
<b>Subtotal - County Contract Amount</b>		<b>\$ 197,900</b>	<b>\$ 221,000</b>	<b>\$ -</b>	<b>\$ 381,100</b>	<b>\$ 800,000</b>
<b>Business Income/Private Funded Expenses</b>						
Professional Services (See Detail Tab)	BI/PI/OTH	-	-	-	58,000	58,000
Utilities (Telephone/Internet/Garb/Misc) Naples	BI/PI/OTH	6,000	19,000	-	-	25,000
Contractual Services (IT, Custodial, contract labor) Naples	BI/PI/OTH	20,000	20,000	-	-	40,000
Contracted Chef and Consulting Support - Immokalee	BI/PI/OTH	-	-	-	-	-
Computer/Software Related - Naples	BI/PI/OTH	10,000	2,000	-	-	12,000
Product Cost of Goods Sold	BI/PI/OTH	-	-	14,000	-	14,000
Events Sponsorships (Private) Naples	BI/PI/OTH	10,000	10,000	-	-	20,000
Rent Expense	BI/PI/OTH	-	32,200	4,000	-	36,200
USDA Share of Facility Rent (8%)	BI/PI/OTH	-	4,000	-	-	4,000
Office Supplies	BI/PI/OTH	5,000	3,000	-	-	8,000
Insurance Expense	BI/PI/OTH	2,000	5,500	-	-	7,500
Copier/Printing Expenses	BI/PI/OTH	5,200	1,500	-	-	6,700
Travel - Conferences/Meeting/Education	BI/PI/OTH	-	-	-	12,600	12,600
Participant Amenities	BI/PI/OTH	12,000	2,500	-	-	14,500
Marketing/Advertising	BI/PI/OTH	7,000	3,000	-	-	10,000
Facilities/Equipment Expense (Naples Accelerator)	BI/PI/OTH	5,000	-	-	-	5,000
Building R&M	BI/PI/OTH	2,400	2,400	-	-	4,800
Licenses and Permits	BI/PI/OTH	1,000	3,000	-	-	4,000
Dues - Subscriptions - Naples HQ	BI/PI/OTH	-	-	-	3,000	3,000
Bank Service Charges	BI/PI/OTH	-	-	-	500	500
Square Fees (Credit Card Processing Fees)	BI/PI/OTH	-	-	-	500	500
Interest/Misc	BI/PI/OTH	-	-	-	200	200
<b>Subtotal - Business Income/Private Funded Expenses</b>		<b>\$ 85,600</b>	<b>\$ 108,100</b>	<b>\$ 18,000</b>	<b>\$ 74,800</b>	<b>\$ 286,500</b>
<b>Total Operating Expenses</b>		<b>\$ 283,500</b>	<b>\$ 329,100</b>	<b>\$ 18,000</b>	<b>\$ 455,900</b>	<b>\$ 1,086,500</b>
<b>Operating Surplus/(Deficit)</b>		<b>\$ 119,386</b>	<b>\$ (42,086)</b>	<b>\$ 2,000</b>	<b>\$ (74,600)</b>	<b>\$ 4,700</b>
<b>Headquarters Allocation:</b>						
Percent		62.50%	35.00%	2.50%	0.00%	100.0%
Amount		(46,625)	(26,110)	(1,865)	74,600	-
<b>Total Adjusted Operating Expenses</b>		<b>\$ 330,125</b>	<b>\$ 355,210</b>	<b>\$ 19,865</b>	<b>\$ 381,300</b>	<b>\$ 1,086,500</b>
<b>Adjusted Operating Margin/Reserves</b>		<b>\$ 72,761</b>	<b>\$ (68,196)</b>	<b>\$ 135</b>	<b>\$ -</b>	<b>\$ 4,700</b>

# Appendix

## Business Plan Financials - Fiscal Year 2019

Funding Category (Source)	Fiscal Year 2019					
	Naples Accelerator	Florida Culinary Accelerator @ Immokalee	Woodstock	Headquarters	Total FY 2019	
<b>Business Income/Private Contributions/Other Sources</b>						
Membership/Business Income	BI/PI/OTH	\$ 260,000	\$ 295,540	37,000	\$ -	\$ 592,540
Private Investment	BI/PI/OTH	70,000	60,000	-	-	130,000
Interest/Misc	BI/PI/OTH	-	-	-	500	500
<b>Gross Business Income/Private Contributions/Other Sources</b>						
		\$ 330,000	\$ 355,540	\$ 37,000	\$ 500	\$ 723,040
Allowance for Doubtful Accounts - 3%	BI/PI/OTH	7,800	8,866	-	-	16,666
Rent Promotions - 20%	BI/PI/OTH	52,000	-	-	-	52,000
<b>Total GTN Deductions</b>						
		\$ 59,800	\$ 8,866	\$ -	\$ -	\$ 68,666
<b>Net Business Income/Private Contributions/Other Sources</b>						
		\$ 270,200	\$ 346,674	\$ 37,000	\$ 500	\$ 654,374
<b>Collier County Resources</b>						
County Contract Reimbursement	CC	-	169,400	-	200,000	369,400
Compensation Cell Phone (\$50/employee/month)	CC	-	1,500	-	1,200	2,700
County Direct Pay (Rent)	CC	197,900	-	-	-	197,900
Other Operating/Facility Costs (Collier County)	CC	-	30,000	-	-	30,000
<b>County Contract Amount</b>						
		\$ 197,900	\$ 200,900	\$ -	\$ 201,200	\$ 600,000
<b>Net Revenue</b>						
		\$ 468,100	\$ 547,574	\$ 37,000	\$ 201,700	\$ 1,254,374
<b>Operating Expenses</b>						
Compensation and Benefits	CC/BI/PI/OTH	\$ -	\$ 233,954	\$ -	\$ 390,917	\$ 624,871
Compensation Cell Phone (\$50/employee)	CC/BI/PI/OTH	-	1,500	-	1,200	2,700
Rent Expense (3510 Kraft Road)	CC/BI/PI/OTH	197,900	-	-	-	197,900
Facilities/Equipment Expense	CC/BI/PI/OTH	-	30,000	-	-	30,000
<b>Subtotal - County Contract Amount</b>						
		\$ 197,900	\$ 265,454	\$ -	\$ 392,117	\$ 855,471
<b>Business Income/Private Funded Expenses</b>						
Professional Services (See Detail Tab)	BI/PI/OTH	-	-	-	59,740	59,740
Utilities (Telephone/Internet/Garb/Misc) Naples	BI/PI/OTH	6,180	19,570	-	-	25,750
Contractual Services (IT, Custodial, contract labor) Naples	BI/PI/OTH	20,600	20,600	-	-	41,200
Contracted Chef and Consulting Support - Immokalee	BI/PI/OTH	5,000	-	-	-	5,000
Computer/Software Related - Naples	BI/PI/OTH	10,300	2,060	-	-	12,360
Product Cost of Goods Sold	BI/PI/OTH	-	-	25,900	-	25,900
Events Sponsorships (Private) Naples	BI/PI/OTH	10,300	10,300	-	-	20,600
Rent Expense	BI/PI/OTH	-	33,166	4,120	-	37,286
USDA Share of Facility Rent (8%)	BI/PI/OTH	-	11,923	-	-	11,923
Office Supplies	BI/PI/OTH	5,150	3,090	-	-	8,240
Insurance Expense	BI/PI/OTH	2,060	5,665	-	-	7,725
Copier/Printing Expenses	BI/PI/OTH	5,356	1,545	-	-	6,901
Travel - Conferences/Meeting/Education	BI/PI/OTH	-	-	-	12,978	12,978
Participant Amenities	BI/PI/OTH	12,360	2,575	-	-	14,935
Marketing/Advertising	BI/PI/OTH	15,000	10,000	-	-	25,000
Facilities/Equipment Expense (Naples Accelerator)	BI/PI/OTH	5,150	-	-	-	5,150
Building R&M	BI/PI/OTH	2,472	2,472	-	-	4,944
Licenses and Permits	BI/PI/OTH	1,030	3,090	-	-	4,120
Dues - Subscriptions - Naples HQ	BI/PI/OTH	-	-	-	3,090	3,090
Bank Service Charges	BI/PI/OTH	-	-	-	515	515
Square Fees (Credit Card Processing Fees)	BI/PI/OTH	-	-	-	1,000	1,000
Interest/Misc	BI/PI/OTH	-	-	-	206	206
<b>Subtotal - Business Income/Private Funded Expenses</b>						
		\$ 100,958	\$ 126,056	\$ 30,020	\$ 77,529	\$ 334,563
<b>Total Operating Expenses</b>						
		\$ 298,858	\$ 391,510	\$ 30,020	\$ 469,646	\$ 1,190,034
<b>Operating Surplus/(Deficit)</b>						
		\$ 169,242	\$ 156,064	\$ 6,980	\$ (267,946)	\$ 64,340
<b>Headquarters Allocation:</b>						
Percent		62.50%	35.00%	2.50%	0.00%	100.0%
Amount		(167,466)	(93,781)	(6,699)	267,946	-
<b>Total Adjusted Operating Expenses</b>						
		\$ 466,324	\$ 485,291	\$ 36,719	\$ 201,700	\$ 1,190,034
<b>Adjusted Operating Margin/Reserves</b>						
		\$ 1,776	\$ 62,283	\$ 281	\$ -	\$ 64,340

# Appendix

## Business Plan Financials - Fiscal Year 2020

Funding Category (Source)	Fiscal Year 2020					
	Naples Accelerator	Florida Culinary Accelerator @ Immokalee	Woodstock	Headquarters	Total FY 2020	
<b>Business Income/Private Contributions/Other Sources</b>						
Membership/Business Income	BI/PI/OTH	\$ 270,000	\$ 336,194	42,550	\$ -	\$ 648,744
Private Investment	BI/PI/OTH	100,000	65,000	-	-	165,000
Interest/Misc	BI/PI/OTH	-	-	-	500	500
<b>Gross Business Income/Private Contributions/Other Sources</b>		<b>\$ 370,000</b>	<b>\$ 401,194</b>	<b>\$ 42,550</b>	<b>\$ 500</b>	<b>\$ 814,244</b>
Allowance for Doubtful Accounts - 3%	BI/PI/OTH	8,100	10,086	-	-	18,186
Rent Promotions - 20%	BI/PI/OTH	54,000	-	-	-	54,000
<b>Total GTN Deductions</b>		<b>\$ 62,100</b>	<b>\$ 10,086</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 72,186</b>
<b>Net Business Income/Private Contributions/Other Sources</b>		<b>\$ 307,900</b>	<b>\$ 391,108</b>	<b>\$ 42,550</b>	<b>\$ 500</b>	<b>\$ 742,058</b>
<b>Collier County Resources</b>						
County Contract Reimbursement	CC	-	150,000	-	150,000	300,000
Compensation Cell Phone (\$50/employee/month)	CC	-	1,500	-	600	2,100
County Direct Pay (Rent)	CC	197,900	-	-	-	197,900
Other Operating/Facility Costs (Collier County)	CC	-	-	-	-	-
<b>County Contract Amount</b>		<b>\$ 197,900</b>	<b>\$ 151,500</b>	<b>\$ -</b>	<b>\$ 150,600</b>	<b>\$ 500,000</b>
<b>Net Revenue</b>		<b>\$ 505,800</b>	<b>\$ 542,608</b>	<b>\$ 42,550</b>	<b>\$ 151,100</b>	<b>\$ 1,242,058</b>
<b>Operating Expenses</b>						
Compensation and Benefits	CC/BI/PI/OTH	\$ -	\$ 240,739	\$ -	\$ 402,254	\$ 642,993
Compensation Cell Phone (\$50/employee)	CC/BI/PI/OTH	-	1,800	-	1,200	3,000
Rent Expense (3510 Kraft Road)	CC/BI/PI/OTH	197,900	-	-	-	197,900
Facilities/Equipment Expense	CC/BI/PI/OTH	-	-	-	-	-
<b>Subtotal - County Contract Amount</b>		<b>\$ 197,900</b>	<b>\$ 242,539</b>	<b>\$ -</b>	<b>\$ 403,454</b>	<b>\$ 843,893</b>
<b>Business Income/Private Funded Expenses</b>						
Professional Services (See Detail Tab)	BI/PI/OTH	-	-	-	61,532	61,532
Utilities (Telephone/Internet/Garb/Misc) Naples	BI/PI/OTH	6,365	20,157	-	-	26,522
Contractual Services (IT, Custodial, contract labor) Naples	BI/PI/OTH	21,218	21,218	-	-	42,436
Contracted Chef and Consulting Support - Immokalee	BI/PI/OTH	5,150	-	-	-	5,150
Computer/Software Related - Naples	BI/PI/OTH	10,609	2,122	-	-	12,731
Product Cost of Goods Sold	BI/PI/OTH	-	-	24,785	-	24,785
Events Sponsorships (Private) Naples	BI/PI/OTH	10,609	10,609	-	-	21,218
Rent Expense	BI/PI/OTH	-	34,161	4,244	-	38,405
USDA Share of Facility Rent (8%)	BI/PI/OTH	-	13,824	-	-	13,824
Office Supplies	BI/PI/OTH	5,305	3,183	-	-	8,488
Insurance Expense	BI/PI/OTH	2,122	5,835	-	-	7,957
Copier/Printing Expenses	BI/PI/OTH	5,517	1,591	-	-	7,108
Travel - Conferences/Meeting/Education	BI/PI/OTH	-	-	-	13,367	13,367
Participant Amenities	BI/PI/OTH	12,731	2,652	-	-	15,383
Marketing/Advertising	BI/PI/OTH	15,750	10,500	-	-	26,250
Facilities/Equipment Expense (Naples Accelerator)	BI/PI/OTH	5,305	-	-	-	5,305
Building R&M	BI/PI/OTH	2,546	2,546	-	-	5,092
Licenses and Permits	BI/PI/OTH	1,061	3,183	-	-	4,244
Dues - Subscriptions - Naples HQ	BI/PI/OTH	-	-	-	3,183	3,183
Bank Service Charges	BI/PI/OTH	-	-	-	530	530
Square Fees (Credit Card Processing Fees)	BI/PI/OTH	-	-	-	1,200	1,200
Interest/Misc	BI/PI/OTH	-	-	-	212	212
<b>Subtotal - Business Income/Private Funded Expenses</b>		<b>\$ 104,288</b>	<b>\$ 131,581</b>	<b>\$ 29,029</b>	<b>\$ 80,024</b>	<b>\$ 344,922</b>
<b>Total Operating Expenses</b>		<b>\$ 302,188</b>	<b>\$ 374,120</b>	<b>\$ 29,029</b>	<b>\$ 483,478</b>	<b>\$ 1,188,815</b>
<b>Operating Surplus/(Deficit)</b>		<b>\$ 203,612</b>	<b>\$ 168,488</b>	<b>\$ 13,521</b>	<b>\$ (332,378)</b>	<b>\$ 53,243</b>
<b>Headquarters Allocation:</b>						
Percent		50.00%	47.50%	2.50%	0.00%	100.00%
Amount		(166,189)	(157,880)	(8,309)	332,378	-
<b>Total Adjusted Operating Expenses</b>		<b>\$ 468,377</b>	<b>\$ 532,000</b>	<b>\$ 37,338</b>	<b>\$ 151,100</b>	<b>\$ 1,188,815</b>
<b>Adjusted Operating Margin/Reserves</b>		<b>\$ 37,423</b>	<b>\$ 10,608</b>	<b>\$ 5,212</b>	<b>\$ -</b>	<b>\$ 53,243</b>

# Appendix

## Business Plan Financials - Fiscal Year 2021

### Economic Incubators Inc. Business Plan Financials Fiscal Year 2021

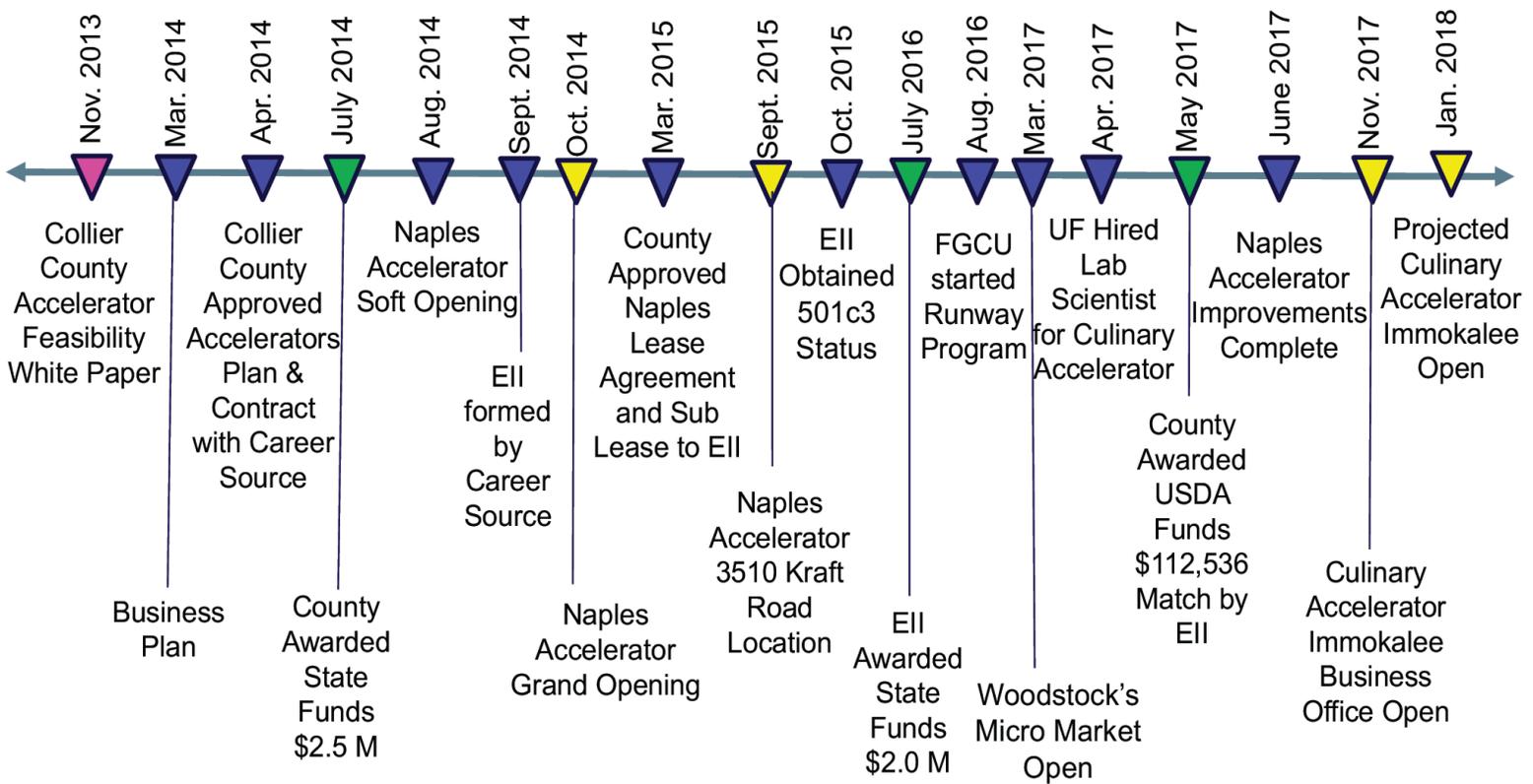
Funding Category (Source)	Fiscal Year 2021					
	Naples Accelerator	Florida Culinary Accelerator @ Immokalee	Woodstock	Headquarters	Total FY 2021	
<b>Business Income/Private Contributions/Other Sources</b>						
Membership/Business Income	BI/PI/OTH	\$ 280,000	\$ 443,025	48,933	\$ -	\$ 771,958
Private Investment	BI/PI/OTH	125,000	75,000	-	-	200,000
Interest/Misc	BI/PI/OTH	-	-	-	500	500
<b>Gross Business Income/Private Contributions/Other Sources</b>		<b>\$ 405,000</b>	<b>\$ 518,025</b>	<b>\$ 48,933</b>	<b>\$ 500</b>	<b>\$ 972,458</b>
Allowance for Doubtful Accounts - 3%	BI/PI/OTH	8,400	13,291	-	-	21,691
Rent Promotions - 20%	BI/PI/OTH	56,000	-	-	-	56,000
<b>Total GTN Deductions</b>		<b>\$ 64,400</b>	<b>\$ 13,291</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 77,691</b>
<b>Net Business Income/Private Contributions/Other Sources</b>		<b>\$ 340,600</b>	<b>\$ 504,734</b>	<b>\$ 48,933</b>	<b>\$ 500</b>	<b>\$ 894,767</b>
<b>Collier County Resources</b>						
County Contract Reimbursement	CC	-	100,000	-	100,000	200,000
Compensation Cell Phone (\$50/employee/month)	CC	-	1,500	-	600	2,100
County Direct Pay (Rent)	CC	197,900	-	-	-	197,900
Other Operating/Facility Costs (Collier County)	CC	-	-	-	-	-
<b>County Contract Amount</b>		<b>\$ 197,900</b>	<b>\$ 101,500</b>	<b>\$ -</b>	<b>\$ 100,600</b>	<b>\$ 400,000</b>
<b>Net Revenue</b>		<b>\$ 538,500</b>	<b>\$ 606,234</b>	<b>\$ 48,933</b>	<b>\$ 101,100</b>	<b>\$ 1,294,767</b>
<b>Operating Expenses</b>						
Compensation and Benefits	CC/BI/PI/OTH	\$ -	\$ 247,720	\$ -	\$ 413,919	\$ 661,639
Compensation Cell Phone (\$50/employee)	CC/BI/PI/OTH	-	1,800	-	1,200	3,000
Rent Expense (3510 Kraft Road)	CC/BI/PI/OTH	197,900	-	-	-	197,900
Facilities/Equipment Expense	CC/BI/PI/OTH	-	-	-	-	-
<b>Subtotal - County Contract Amount</b>		<b>\$ 197,900</b>	<b>\$ 249,520</b>	<b>\$ -</b>	<b>\$ 415,119</b>	<b>\$ 862,539</b>
<b>Business Income/Private Funded Expenses</b>						
Professional Services (See Detail Tab)	BI/PI/OTH	-	-	-	63,378	63,378
Utilities (Telephone/Internet/Garb/Misc) Naples	BI/PI/OTH	6,556	20,762	-	-	27,318
Contractual Services (IT, Custodial, contract labor) Naples	BI/PI/OTH	21,855	21,855	-	-	43,710
Contracted Chef and Consulting Support - Immokalee	BI/PI/OTH	5,305	-	-	-	5,305
Computer/Software Related - Naples	BI/PI/OTH	10,927	2,186	-	-	13,113
Product Cost of Goods Sold	BI/PI/OTH	-	-	29,253	-	29,253
Events Sponsorships (Private) Naples	BI/PI/OTH	10,927	10,927	-	-	21,854
Rent Expense	BI/PI/OTH	-	35,186	4,371	-	39,557
USDA Share of Facility Rent (8%)	BI/PI/OTH	-	19,985	-	-	19,985
Office Supplies	BI/PI/OTH	5,464	3,278	-	-	8,742
Insurance Expense	BI/PI/OTH	2,186	6,010	-	-	8,196
Copier/Printing Expenses	BI/PI/OTH	5,683	1,639	-	-	7,322
Travel - Conferences/Meeting/Education	BI/PI/OTH	-	-	-	13,768	13,768
Participant Amenities	BI/PI/OTH	13,113	2,732	-	-	15,845
Marketing/Advertising	BI/PI/OTH	16,538	11,025	-	-	27,563
Facilities/Equipment Expense (Naples Accelerator)	BI/PI/OTH	5,464	-	-	-	5,464
Building R&M	BI/PI/OTH	2,622	2,622	-	-	5,244
Licenses and Permits	BI/PI/OTH	1,093	3,278	-	-	4,371
Dues - Subscriptions - Naples HQ	BI/PI/OTH	-	-	-	3,278	3,278
Bank Service Charges	BI/PI/OTH	-	-	-	546	546
Square Fees (Credit Card Processing Fees)	BI/PI/OTH	-	-	-	1,500	1,500
Interest/Misc	BI/PI/OTH	-	-	-	218	218
<b>Subtotal - Business Income/Private Funded Expenses</b>		<b>\$ 107,733</b>	<b>\$ 141,485</b>	<b>\$ 33,624</b>	<b>\$ 82,688</b>	<b>\$ 365,530</b>
<b>Total Operating Expenses</b>		<b>\$ 305,633</b>	<b>\$ 391,005</b>	<b>\$ 33,624</b>	<b>\$ 497,807</b>	<b>\$ 1,228,069</b>
<b>Operating Surplus/(Deficit)</b>		<b>\$ 232,867</b>	<b>\$ 215,229</b>	<b>\$ 15,309</b>	<b>\$ (396,707)</b>	<b>\$ 66,698</b>
<b>Headquarters Allocation:</b>						
Percent		50.00%	47.50%	2.50%	0.00%	100.00%
Amount		(198,354)	(188,436)	(9,918)	396,708	-
<b>Total Adjusted Operating Expenses</b>		<b>\$ 503,987</b>	<b>\$ 579,441</b>	<b>\$ 43,542</b>	<b>\$ 101,099</b>	<b>\$ 1,228,069</b>
<b>Adjusted Operating Margin/Reserves</b>		<b>\$ 34,513</b>	<b>\$ 26,793</b>	<b>\$ 5,391</b>	<b>\$ 1</b>	<b>\$ 66,698</b>

## Timeline



### Timeline

## Collier County Office of Business and Economic Development 10 year Commitment



# Appendix

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## Technology

At the Economic Incubators Inc., Technology begins with its headquarters.

- Quickbooks Online for bookkeeping and all accounting needs minus payroll
- Trinet HR Solutions for payroll, benefits <https://www.trinet.com>
- Grasshopper - cloud based solution to run the business using cell phones. <http://grasshopper.com>
- Nexodus Spaces - Customer relationship management (CRM) currently configured for Immokalee,
- Event Brite - manage events - RSVPs
- Constant Contact - email blasts and lunch and learn invitations
- Hootsuite - social media (Facebook, Twitter, Instagram, LinkedIn, and Google Plus)
- Microsoft Sharepoint - All locations, shared files and Board Members portal
- Google docs - Master company spreadsheet for the Naples Accelerator
- CenturyLink - Fiber and Internet connections

### Woodstock's Micro Market

- Yoke - mobile application to place orders
- Vend - management system, stock control
- Heartland - banking system
- Cisco Meraki - camera system

## Immokalee Job Descriptions

**POSITION ANNOUNCEMENT:  
CULINARY PROGRAM MANAGER  
Salary Range: \$60,000- \$70,000**

Economic Incubators Inc., a non-profit that oversees Collier County's accelerators, is seeking applications for a Culinary Program Manager for our Florida Culinary Accelerator @ Immokalee. The culinary accelerator is a full-service, shared-use commercial kitchen and culinary business accelerator. The goal is to assist food entrepreneurs to become economically self-sufficient to develop and grow their businesses.

We're seeking a dynamic self-starter with a background and a passion for entrepreneurship to manage the daily administration of our culinary accelerator program. The program manager will oversee the facility and program and develop and deliver the services required to support its chefs and businesses. This position requires confidence and the ability to effectively promote the mission and communicate with a variety of people, including culinary accelerator members, the public, vendors, customers, culinary industry professionals, and government officials. The manager will be responsible for recruiting, marketing, invoicing, budgeting and fund-raising. This position reports directly to Dr. Marshall Goodman, President and CEO of the Naples Accelerator.

**Duties and Responsibilities (including, but not limited to):**

- Ensuring culinary accelerator membership agreements are executed
- Developing and controlling deadlines, budgets and activities
- Managing service contracts with outside vendors that can supply the accelerator
- Promoting the accelerator to maximize use and revenue by regularly meeting with prospective chefs to tour the accelerator and demonstrate its features and benefits
- Overseeing operations, including general kitchen use
- Training members on operations, safety and maintenance
- Enforcing sanitary food-handling methods, kitchen-use policies and procedures
- Working with outside groups and organizations to bring well-known local and nationally recognized chefs to the accelerator
- Educating consumers about locally grown produce
- Raising consumer and community consciousness about the culinary accelerator, Immokalee farmers and businesses through cooking classes and activities
- Identifying and recommending follow-up communications with businesses and community organizations that may benefit from accelerator opportunities

**Job Requirements**

- Bachelor of Science in Food Science, Culinary Arts or related field is required
- Must have a working familiarity with FDA food laws, USDA Food Safety Inspection Services regulations, HACCP, Florida and county food regulations
- Five years of professional kitchen experience/culinary training and management
- Strong computer skills, including Word, Excel, PowerPoint, database management; social media communication skills preferred, but not required
- Strong written and oral communication skills, including technical and public-speaking skills; bilingual Spanish skills preferred
- Ability to oversee food safety and quality policies, janitorial and accelerator staff
- Ability to plan, organize and supervise a large commercial kitchen and events

**To Apply:**

Send resume and cover letter to Marshall Goodman, President/CEO, at [info@naplesaccelerator.com](mailto:info@naplesaccelerator.com), with "Culinary Program Manager" in the subject line. No phone calls please.

## Immokalee Job Descriptions

**POSITION ANNOUNCEMENT:  
CULINARY BUSINESS ADMINISTRATIVE SUPPORT SPECIALIST  
Salary Range: \$35,000- \$50,000**

Economic Incubators Inc., a non-profit that oversees Collier County's accelerators, is seeking applications for a Culinary Business Administrative Specialist for the Florida Culinary Accelerator @ Immokalee. The culinary accelerator is a full-service, shared-use commercial kitchen and culinary business accelerator. The goal is to assist food entrepreneurs to become economically self-sufficient to develop and grow their businesses.

We're seeking a motivated, self-starter with administrative skills, a food science background and a passion for entrepreneurship to administer the daily operations. This position will work closely with the manager, assist in program development and deliver the services required to support its chefs and businesses. The administrative assistant will be responsible for recruiting, marketing, bookkeeping, communications and other related services. The position reports directly to Dr. Marshall Goodman, President and CEO of the Naples Accelerator.

This position requires confidence and the ability to effectively promote our mission and communicate with a variety of people, including culinary accelerator members, the public, vendors, customers, culinary industry professionals and government officials.

**Duties and Responsibilities (including, but not limited to)**

- Act as the point of contact for internal and external clients
- Use, train and provide support for the customer-relations management software
- Create and modify various documents using Microsoft Office
- Perform general office duties, such as photocopying, faxing, scanning, mail distribution and filing
- Support the manager by promoting the accelerator and events
- Ensure members keep the kitchen clean and organized
- Track and monitor members and inventory
- Order supplies and research new deals and suppliers
- Bookkeeping tasks
- Track culinary accelerator membership agreements
- Ensure day-to-day office operations are smooth and efficient

**Job Requirements**

- Bachelor's of Science in Food Science, Culinary Arts, Business or marketing related field is required
- Must have a working familiarity with FDA food laws, USDA Food Safety Inspection Services regulations, HACCP, Florida and county food regulations
- Excellent time managements skills and the ability to prioritize work
- Strong written and oral communication skills, including presentation and public speaking skills; bilingual Spanish skills preferred
- Ability to oversee food safety and quality policies, janitorial and accelerator staff
- Ability to plan, organize and supervise a large commercial kitchen and events
- Strong email and computer skills, including Word, Excel, PowerPoint, database management; social media communication skills preferred, but not required

**To Apply:**

Send resume and cover letter to Marshall Goodman, President/CEO, at [info@naplesaccelerator.com](mailto:info@naplesaccelerator.com), with "Culinary Business Administrative Support Specialist" in the subject line. No phone calls please.

## Immokalee Job Descriptions

**POSITION AVAILABLE:  
CULINARY FACILITY MAINTENANCE SPECIALIST  
Salary Range: \$25,000- \$35,000**

Economic Incubators Inc., a non-profit that oversees Collier County's business accelerators, is seeking applications for a Culinary Facility Maintenance Specialist for our Florida Culinary Accelerator @ Immokalee. The culinary accelerator is a full-service, shared-use commercial kitchen and culinary business accelerator. The goal is to assist food entrepreneurs to become economically self-sufficient to develop and grow their businesses.

The Maintenance Specialist will perform janitorial and maintenance work and ensure the facility is clean, safe and functional.

**Duties and Responsibilities (including, but not limited to):**

- Must ensure safety and cleanliness of the accelerator
- Must ensure equipment works properly; schedule timely maintenance/repairs
- Cleaning activities, such as mopping floors, trash removal
- Restroom maintenance and ware washing
- Track the small wares and equipment inventory
- Work with vendors related to pest control, equipment repair, overall maintenance
- Conducts routine facility maintenance, such replacing light bulbs
- Receives goods and services and tracks them

**Job Requirements:**

- High school diploma
- Experience as a janitor or maintenance engineer
- Prior experience in a restaurant or food-related industry preferred
- Highly organized, with excellent time-management skills
- Positive attitude, with good communication and interpersonal skills

**TO APPLY:**

Send resume and cover letter to Marshall Goodman, President/CEO, at [info@naplesaccelerator.com](mailto:info@naplesaccelerator.com), with "Maintenance Specialist" in the subject line. No phone calls please.



# Appendix L

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**From:** Jennifer Pellechio <jpellechio@naplesaccelerator.com>  
**Sent:** Thursday, March 8, 2018 3:47 PM  
**To:** James D. Molenaar; Mark J. Pasek  
**Cc:** Dwight E. Brock; Commissioner Burt Saunders; Crystal K. Kinzel; Fred Pezeshkan; Richard Grant; Naples Business Accelerator (mgoodman.catalyst@gmail.com); Fred Krieger; KentnerJace; KraftHendrickPhyllis; Ochs, Leo; Christopher Wegner  
**Subject:** 5 Day notice Public Records - Tom Grady  
**Attachments:** Re: Tom Grady Bio; Re: Tom Grady Bio; Tom Grady Bio; Re: Board Portal; Board Portal; Request by County and Tom Grady ; Re: Marketing (and financial projections and obligations); Re: Marketing (and financial projections and obligations); P - Welcome & Financials; Re: Ell Board of Directors Agenda Packet

Jim & Mark,

I might have figured out a way. Let me know if you can open these.

Regards,

Jen

***Jennifer Pellechio, MBA, CEcD, InBIA***  
***Chief Operating Officer***

Economic Incubators, Inc.

**Naples Accelerator**

3510 Kraft Road, Suite #200

Naples, FL 34105

1.239.249.5911 x 701 (office)

1.239.707.3788 (cell)

[Email](#) | [Website](#)

**The Florida Culinary Accelerator @ Immokalee**

170 Airpark Blvd. #103

Immokalee, Florida 34142

1.239.249.5911 x 1

[Website](#)

---

**From:** Nikki Kreuzer <nkreuzer.ccatalyst@gmail.com>  
**Sent:** Tuesday, January 17, 2017 3:01 PM  
**To:** Jennifer Pellechio  
**Subject:** Board Portal

All board members have been uploaded in the portal.

When you go to demonstrate and open their individual profile, try not to use Garrett Richter or Tom Grady because I don't have all of their info such as address, title within their company, etc.

--

**Nikki Kreuzer** | Associate  
**The Naples Accelerator** | 3510 Kraft Road, Suite 200 | Naples, FL  
**Mobile:** (239) 440-8884  
**E-mail:** [nkreuzer.ccatalyst@gmail.com](mailto:nkreuzer.ccatalyst@gmail.com)

---

**From:** catalyst <jpellechio.catalyst@gmail.com>  
**Sent:** Thursday, October 20, 2016 5:16 PM  
**To:** Lisa Lotocke  
**Subject:** P - Welcome & Financials

Priority

This was all raised by our Board Member. This is important.  
We will most likely need a meeting with him.

Thanks,  
Jen

---

**From:** Jennifer Pellechio  
**Date:** Wednesday, October 12, 2016 at 10:03 PM  
**To:** "Thomas R. Grady"  
**Cc:** Naples Business Accelerator , Shawn , Naples Business Accelerator  
**Subject:** Re: Welcome & Financials

Good Evening Tom,

Our CPA firm Noack & Company, LLC who Shawn Kroohn is our lead contact has the responsibilities of providing all financial statements and all accounting records.

As you might be aware I have only been with the Naples Accelerator since June 13<sup>th</sup> and also have been trying to understand our financials since inception. Below in red text I have tried to address any of your questions that I am familiar with. Most of these will be responded by our CPA firm.

There are a few facts that I found were critical to understanding the operations of EII.

- The first State award was provided directly to the County (I believe 2014)
- 2015 State money was Vetoed
- 2016 State funds were awarded to EII
- The County has an annual contract with EII that requires specific financial reporting per their requirements
- The County in FY16 contract funded staff and operating costs plus rent and insurance for the Naples Accelerator
- The County FY17 contract funds staff plus rent and insurance for the Naples Accelerator (no operating costs)

I will be glad to sit with you and our CPA at our earliest convenience and discuss this in detail. Do you have availability next week?

Regards,  
Jennifer

---

**From:** "Thomas R. Grady"  
**Date:** Wednesday, October 12, 2016 at 5:27 PM  
**To:** Jennifer Pellechio  
**Cc:** Naples Business Accelerator , Shawn  
**Subject:** Re: Welcome & Financials

Thanks, Jennifer, but I must not have been clear on what I was looking for. I see that you have copied Shawn, I believe he is our accountant, so he may be able to better respond.

Shawn, Jennifer attached financials there were only two weeks different then those accompanying the last board report. As a new board member, I am trying to get up to speed regarding financials from inception to date. To do that, I need copies of all financial statements from inception to date.

Shawn will provide this

Similarly, I want to compare our actual financial performance with our budgeted performance. I'm sure you have already done that and I don't want to reinvent the wheel. If you haven't, then I will, but I will need copies of all of our budgets to date from inception. I suspect that these have changed a lot, that is common in new organizations, but I want to know what we have represented to the county, the state and others, and how our actual performance relates to the expectations we have created.

Shawn will provide this

Do you have these materials that you could share with me? Shawn will provide this

Also, the format of these financial statements is unusual. I'm quite familiar with financial statements and these take a bit of deciphering to understand. They do not compare performance with prior years or with budgeted performance. I suspect that you could print those reports fairly easily since you have that data, would you please do so?

The first year of operation the agency financials were handled by Workforce Development Board, therefore I believe that when Noack & Company, LLC took over then started with those beginning balances. I'm not sure of the exact date. Shawn will provide more on this.

One other question I have is the inclusion of in-kind contributions. Why did we do that? Are we obtaining the treasury, state and county required documentation, if any? Do those contributions in any way affect the moneys we receive from third parties? Why are they considered revenue? What is an in-kind expenditure? Is this barter? I see the in-kind donations equal the in-kind expenditures, I have never seen this in nonprofit financials before. In-Kind is required by the County Contract. I'm not exactly sure why this is shown on our financials other than the County has requested this. Shawn will provide more on this.

The Barter is different from the in-kind. When I started I was informed that a few members had a bartering agreement. This is not encouraged or supported by the county. EII is transiting away from this.

Shawn will provide more on this.

The revenue does not make sense to me. I understand rent and payment for services and nothing else. Discounts given appears to be uncollected rent or payment for services? Is this intended to be an accrual basis statement? Cash basis? Some combination? What percent of payment for rent and services are we receiving as opposed to what we are entitled for by contract? At the last board meeting, we were advised that many companies could not afford to pay what they had agreed to pay. As a trustee and boardmember, I want to be sure that we are good stewards of the moneys we receive from donors and want to know what to expect when we rent space and

provide services. If this is realization of bad debt, we should say so, rather than describing in a way that sounds like a negotiated discount.

Shawn will provide more on this.

EII informs new clients for the first 6 months the rent is subsidized by the county at a 50% discount. However, we do not and will not ever receive this money from the County. I know we have been working on collecting A/R from clients and have been pretty successful.

Have we filed tax returns? Might I get copies? Will we at some point prepare our financial statements in accordance with GAAP? Do we intend to audit these statements? Are we required by state, county or other to audit?

Shawn will provide more on this.

When all is printed, I would appreciate the opportunity to sit down with you and walk through these, including the most recent budget. I have many more questions and it would probably be much easier to sit down and walk through them.

Thank you for your attention and patience. I have much to learn!

Tom

P.S. Jennifer, would you please send the agenda for the next board meeting? And is the first hour for the executive committee only? Shawn, will you be attending? Thanks.

The agenda will be sent out on October 18<sup>th</sup>, we are still working on the attachments. The Executive meeting is held 30 minutes prior.

Shawn can you attend?

On Sep 16, 2016, at 1:21 PM, Jennifer Pellechio <[jpellechio.ccatalyst@gmail.com](mailto:jpellechio.ccatalyst@gmail.com)> wrote:

Hello Tom,

We have attached information provided by our accountant and what we just sent to the county for reimbursement approval. I believe this is a good start to your request. I do know that I haven't had time to work with the accountant yet regarding the budget that was presented to the board at the last meeting. We understand that a few line items need to be changed.

Let us know what else you might need. Have a wonderful weekend.

Regards,  
Jennifer

On Mon, Sep 12, 2016 at 10:07 PM, Jennifer Pellechio <[jpellechio.ccatalyst@gmail.com](mailto:jpellechio.ccatalyst@gmail.com)> wrote:

Hello Tom,

I will work with our CPA and gather all the requested information. I hope to have this for you by the end of this week.

Have a wonderful evening.

Regards,  
Jennifer

On Sat, Sep 10, 2016 at 7:59 PM, Thomas R. Grady [REDACTED] > wrote:

Pretty simple, really. I'd just like to see all financials and budgets from inception to date. I would like financials to compare actual with budget (also ITD) so we can see how we have performed relative to budget and pro forma. I'm also interested in receiving all materials describing our program and our goals, including job creation predictions and actual results. I'm sure all board members would like to see, if they haven't yet.

Thanks for following up.

Tom

On Sep 9, 2016, at 3:34 PM, Jennifer Pellechio  
<[jpellechio.catalyst@gmail.com](mailto:jpellechio.catalyst@gmail.com)> wrote:

Good Afternoon Mr. Tom Grady,

I want to welcome you again to the Economic Incubators, Inc. Board of Directors. We are pleased to have your knowledge and experience serving on the board.

As we discussed briefly after the meeting, you requested documentation to assist with the financial presentation to the board. I want to make sure and provide you everything you need, therefore can you please send me a detailed list of your requested information.

Also I would like to schedule a meeting including our accountant to finalize the upcoming FY Budget. As you pointed out we have a few categories not properly depicted. Any assistance is greatly appreciated.

Regards,  
Jennifer

**Jennifer Pellechio, MBA, CEcD**

Naples Accelerator

3510 Kraft Road, Suite 200

Naples, FL 34105

[239.707.3788](tel:239.707.3788)

email: [jpellechio.catalyst@gmail.com](mailto:jpellechio.catalyst@gmail.com)

[Naplesaccelerator.com](http://Naplesaccelerator.com)

---

**From:** Jennifer Pellechio <jpellechio.catalyst@gmail.com>  
**Sent:** Tuesday, January 17, 2017 3:01 PM  
**To:** Nikki Kreuzer  
**Subject:** Re: Board Portal

Ok – thanks! I’m probably going to take the next few months to get everything correct with them.

---

**From:** Nikki Kreuzer  
**Date:** Tuesday, January 17, 2017 at 3:00 PM  
**To:** Jennifer Pellechio  
**Subject:** Board Portal

All board members have been uploaded in the portal.

When you go to demonstrate and open their individual profile, try not to use Garrett Richter or Tom Grady because I don't have all of their info such as address, title within their company, etc.

--

**Nikki Kreuzer** | Associate  
**The Naples Accelerator** | 3510 Kraft Road, Suite 200 | Naples, FL  
**Mobile:** (239) 440-8884  
**E-mail:** [nkreuzer.catalyst@gmail.com](mailto:nkreuzer.catalyst@gmail.com)

---

**From:** Jennifer Pellechio <jpellechio.catalyst@gmail.com>  
**Sent:** Wednesday, October 19, 2016 10:02 PM  
**To:** Marshall Goodman  
**Subject:** Re: Ell Board of Directors Agenda Packet

Thanks –talk tomorrow.

---

**From:** Marshall Goodman  
**Date:** Wednesday, October 19, 2016 at 9:10 PM  
**To:** Jennifer Pellechio  
**Subject:** Fwd: Ell Board of Directors Agenda Packet

FYI

Sent from my iPhone

Begin forwarded message:

**From:** Richard Grant [REDACTED]  
**Date:** October 19, 2016 at 8:07:12 PM EDT  
**To:** Goodman Marshall <[raygood32@gmail.com](mailto:raygood32@gmail.com)>  
**Subject:** Re: Ell Board of Directors Agenda Packet

Marshall

Comments. Not criticism

1. 30 minutes is not adequate for the EC to address the items on its agenda. Others will also arrive early for 10 am meeting. It's too crowded. Suggest starting it at 9 am or 8:45
2. We need to see financials before meeting full board. Tom Grady was critical of this the last time. He will rip it apart if not sent in advance. I know him
- 3 Woodstock. I've expressed my views on this to you. I don't care about a 200 SF lease. I do care about creating a business venture with modiv and what it entails and having a business plan. If we have one get it sent.
4. In my opinion the EC and board should not be asked to vote on and approve things without getting written materials that explain it in advance
5. If doing all this by next Tuesday is not realistic I suggest you call Dolph and consider postponing the full board meeting and just have the EC meet next Tuesday. The EC can approve anything needed timely.

My two cents. Your call. Not trying to be a pain. Trying to help.  
Happy to talk by phone tomorrow.

Sent from my iPhone

On Oct 19, 2016, at 7:06 PM, Jennifer Pellechio <[jpellechio@naplesaccelerator.com](mailto:jpellechio@naplesaccelerator.com)> wrote:

Executive Board Members,

The Executive Board Agenda is attached, I included the full board packet with the earlier message. Sorry for the confusion.

Have a wonderful evening.

Regards,  
Jennifer

***Jennifer Pellechio, MBA, CEcD, InBIA***

Economic Incubators, Inc.

**Naples Accelerator**

3510 Kraft Road, Suite #200

Naples, FL 34105

1.239.707.3788

[Email](#) | [Website](#)

---

**From:** Jennifer Pellechio <[jpellechio@naplesaccelerator.com](mailto:jpellechio@naplesaccelerator.com)>

**Date:** Wednesday, October 19, 2016 at 7:01 PM

**To:** Dolph Von Arx [REDACTED], Fred Pezeshkan [REDACTED],  
Richard Grant [REDACTED], Garrett Richter [REDACTED],

**Cc:** Naples Business Accelerator <[mgoodman.catalyst@gmail.com](mailto:mgoodman.catalyst@gmail.com)>, Nikki Kreuzer  
<[nkreuzer.catalyst@gmail.com](mailto:nkreuzer.catalyst@gmail.com)>, "P. Christopher Wegner" [REDACTED]

**Subject:** Ell Board of Directors Agenda Packet

Good Evening Executive Board,

Enclosed is the Agenda packet for the upcoming Executive Board of Directors Meeting. This meeting will be held next Tuesday, October 25<sup>th</sup> at 9:30am at the Naples Accelerator location.

If you have any questions, please let us know.

Regards,  
Jennifer

***Jennifer Pellechio, MBA, CEcD, InBIA***

Economic Incubators, Inc.

**Naples Accelerator**

3510 Kraft Road, Suite #200

Naples, FL 34105

1.239.707.3788

[Email](#) | [Website](#)

---

**From:** Thomas R. Grady <trgrady@gradylaw.com>  
**Sent:** Wednesday, November 16, 2016 10:07 AM  
**To:** Marshall Goodman  
**Cc:** Dolph vonArx; Fred Pezeshkan; [REDACTED]; Garrett Richter; GARNIER; Dudley Goodlette; Paterno, Joe; Carolyn Rambosk; Stephen Wheeler; [REDACTED]; [REDACTED] Jennifer Pellechio  
**Subject:** Re: Marketing (and financial projections and obligations)

That's great, Marshall, congratulations! In addition to meeting our occupancy goal, have we met all financial projections provided to the county, state, DEO, governor, and such? I think that's key to meeting our financial commitments, including making sure the County is not called on to honor its \$2.5 million money-back guarantee, honoring our pledge to be self-sustaining and, of course, creating jobs in Collier County.

Thanks!

Tom

**GRADYLAW™**

**THOMAS R. GRADY**

[REDACTED]  
720 FIFTH AVENUE S., STE. 200  
NAPLES, FLORIDA 34102

On Nov 16, 2016, at 9:52 AM, Marshall Goodman <[raygood32@gmail.com](mailto:raygood32@gmail.com)> wrote:

Board Members,

As part of our State grant, we have finally been able to put funds into marketing materials. Amazingly, we have filled a 10,000 sq. ft. Accelerator space which we had initially projected would take 3 years to fully fill out, in 1.5 years, and did it with next to zero marketing. That success was due to all of you and just good old fashion word of mouth thanks to the wonderful organizations that we partner with.

Now we plan to let the WORLD know what we are up to. Towards that end, please see the following powerpoint deck as well as 2 minute animated film that has been created. Feel free to pass it electronically to family and friends! \*\* Please note because of the size of this file, you will need to download it first to your drive before it will open.

As always, we are always open to your comments, and ways in which it can be improved. We are constantly evolving, so look forward to your insights.

In addition, by December we will be ready to fully roll out our new web page look. We currently have an under construction version up and running so please feel free to take a look:

[naplesaccelerator.com](http://naplesaccelerator.com)

 [GeneralPresentation.key](#)



---

**From:** Marshall Goodman <raygood32@gmail.com>  
**Sent:** Wednesday, November 16, 2016 11:11 AM  
**To:** Thomas R. Grady  
**Cc:** Dolph vonArx; Fred Pezeshkan; rgrant@gfpac.com; Garrett Richter; GARNIER; Dudley Goodlette; Paterno, Joe; Carolyn Rambosk; Stephen Wheeler; louis.traina@fsw.com; geogroupllc@aol.com; Jennifer Pellechio  
**Subject:** Re: Marketing (and financial projections and obligations)

Tom,

We have in fact met the financial obligation. For the record, it is not \$2.5 million. That amount was appropriated but never received. Unfortunately, the Governor vetoed our request for an extension of those funds which were delayed that year as DEO worked through new accountability requirements, so only about \$780,000 was actually received, for which a claw-back applied.

Collier County several months ago submitted all of the paperwork to DEO to release them from that obligation. Please note we had 5 years to meet the claw-back requirements. The County felt we fulfilled those obligations by year 2 of the program.

While EII is a party to this, as you noted it is a Collier County obligation since they received those funds. The packet they sent to DEO is a County document not EII. If you are interested in reviewing the material they supplied to DEO, I can certainly see if I can share it with you and the Board.

Thank you.

Marshall

On Wed, Nov 16, 2016 at 10:06 AM, Thomas R. Grady [REDACTED] > wrote:

That's great, Marshall, congratulations! In addition to meeting our occupancy goal, have we met all financial projections provided to the county, state, DEO, governor, and such? I think that's key to meeting our financial commitments, including making sure the County is not called on to honor its \$2.5 million money-back guarantee, honoring our pledge to be self-sustaining and, of course, creating jobs in Collier County.

Thanks!

Tom

**GRADYLAW™**

THOMAS R. GRADY

[REDACTED]  
720 FIFTH AVENUE S., STE. 200  
NAPLES, FLORIDA 34102

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 [GeneralPresentation.key](#)

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**From:** Jennifer Pellechio <jpellechio.catalyst@gmail.com>  
**Sent:** Monday, January 23, 2017 1:18 PM  
**To:** Nikki Kreuzer  
**Subject:** Re: Tom Grady Bio

I attached Tom Grady – can you include that one and then send to Kat so she can update.

Thanks,  
Jen

---

**From:** Nikki Kreuzer  
**Date:** Monday, January 23, 2017 at 12:51 PM  
**To:** Jennifer Pellechio  
**Cc:** "kdanks@fgcu.edu"  
**Subject:** Re: Tom Grady Bio

I do have one but it needs to be updated. It's missing Tom Grady and Garret Richter.

On Mon, Jan 23, 2017 at 12:34 PM, Jennifer Pellechio <[jpellechio.catalyst@gmail.com](mailto:jpellechio.catalyst@gmail.com)> wrote:

Do you have a master word document of all the active boards member's bios? I would like to have Kat help us make these consistent for the website.

---

**From:** Nik K <[nkreuzer.catalyst@gmail.com](mailto:nkreuzer.catalyst@gmail.com)>  
**Date:** Tuesday, October 4, 2016 at 4:15 PM  
**To:** Jennifer Pellechio <[jpellechio.catalyst@gmail.com](mailto:jpellechio.catalyst@gmail.com)>  
**Subject:** Tom Grady Bio

Here is his Bio, still waiting for Garrett Richters to create a new roster of Board Members.

--

**Nikki Kreuzer** | Associate

**The Naples Accelerator** | 3510 Kraft Road, Suite 200 | Naples, FL

**Mobile:** [\(239\) 440-8884](tel:(239)440-8884)

**E-mail:** [nkreuzer.catalyst@gmail.com](mailto:nkreuzer.catalyst@gmail.com)

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**Nikki Kreuzer** | Business Specialist

**The Naples Accelerator** | 3510 Kraft Road, Suite 200 | Naples, FL

**Mobile:** (239) 440-8884

[Website](#) | [Facebook](#) | [Twitter](#) | [Instagram](#) | [LinkedIn](#)

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**From:** Nikki Kreuzer <nkreuzer.ccatalyst@gmail.com>  
**Sent:** Monday, January 23, 2017 12:51 PM  
**To:** Jennifer Pellechio  
**Cc:** kdanks@fgcu.edu  
**Subject:** Re: Tom Grady Bio  
**Attachments:** Bios2.docx

I do have one but it needs to be updated. It's missing Tom Grady and Garret Richter.

On Mon, Jan 23, 2017 at 12:34 PM, Jennifer Pellechio <[jpellechio.ccatalyst@gmail.com](mailto:jpellechio.ccatalyst@gmail.com)> wrote:

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**Date:** Tuesday, October 4, 2016 at 4:15 PM  
**To:** Jennifer Pellechio <[jpellechio.ccatalyst@gmail.com](mailto:jpellechio.ccatalyst@gmail.com)>  
**Subject:** Tom Grady Bio

Here is his Bio, still waiting for Garrett Richters to create a new roster of Board Members.

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**Nikki Kreuzer** | Associate

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**E-mail:** [nkreuzer.ccatalyst@gmail.com](mailto:nkreuzer.ccatalyst@gmail.com)

--

**Nikki Kreuzer** | Business Specialist

**The Naples Accelerator** | 3510 Kraft Road, Suite 200 | Naples, FL

**Mobile:** (239) 440-8884

[Website](#) | [Facebook](#) | [Twitter](#) | [Instagram](#) | [LinkedIn](#)

---

**From:** Jennifer Pellechio <jpellechio.catalyst@gmail.com>  
**Sent:** Tuesday, December 20, 2016 5:07 PM  
**To:** Lisa Lotocke; Janet Noack  
**Cc:** Naples Business Accelerator  
**Subject:** Request by County and Tom Grady  
**Attachments:** FY16\_EII\_Report .docx

Hello Lisa,

Here is an example of what we need to provide to the county. Last year the only budget that EII operated from was the County budget.

Help us complete this document for submittal.

Regards,  
Jen

---

**From:** Jennifer Pellechio <jpellechio.catalyst@gmail.com>  
**Sent:** Monday, January 23, 2017 12:35 PM  
**To:** Nikki Kreuzer  
**Cc:** kdanks@fgcu.edu  
**Subject:** Tom Grady Bio  
**Attachments:** Tom Grady Bio.docx

Do you have a master word document of all the active boards member's bios? I would like to have Kat help us make these consistent for the website.

---

**From:** Nik K  
**Date:** Tuesday, October 4, 2016 at 4:15 PM  
**To:** Jennifer Pellechio  
**Subject:** Tom Grady Bio

Here is his Bio, still waiting for Garrett Richters to create a new roster of Board Members.

--

**Nikki Kreuzer** | Associate  
**The Naples Accelerator** | 3510 Kraft Road, Suite 200 | Naples, FL  
**Mobile:** (239) 440-8884  
**E-mail:** [nkreuzer.catalyst@gmail.com](mailto:nkreuzer.catalyst@gmail.com)

## Appendix M

**From:** [James D. Molenaar](#)  
**To:** "DurhamTim"  
**Cc:** [Crystal K. Kinzel](#); [Mark J. Pasek](#); [Richard Grant](#); "[Jennifer Pellechio](#)"  
**Subject:** RE: Review of Audit 2018-2 [BED Response]  
**Date:** Tuesday, April 3, 2018 12:04:18 PM

---

Tim,

Thanks for making the time to meet with us today. I also appreciate your attempt to have Jace Kentner meet with us as well. At 11:36 AM Jace telephone me and told me he was under the impression that we finished and said *"I thought we were done because Ell should have covered everything."* I encouraged him meet with us, but declined because he had to be in three different places. I told him I could make time this afternoon, but was not interested. Therefore, we are left with no choice but to rely on the statements and comments provided up to yesterday evening.

If you would like to discuss further, please telephone me at 252-2283.

Jim

---

**From:** DurhamTim <Tim.Durham@colliercountyfl.gov>  
**Sent:** Tuesday, April 3, 2018 11:02 AM  
**To:** James D. Molenaar <james.molenaar@collierclerk.com>  
**Cc:** OchsLeo <Leo.Ochs@colliercountyfl.gov>; KentnerJace <Jace.Kentner@colliercountyfl.gov>; Crystal K. Kinzel <Crystal.Kinzel@collierclerk.com>; Mark J. Pasek <Mark.Pasek@collierclerk.com>  
**Subject:** RE: Review of Audit 2018-2

Jim,

I appreciate the opportunity to state my global concerns.

Here is a recap of the same:

- a) I think it is problematic to impute motive in the internal audit. The document, for credibility's sake, should be as objective as possible.
- b) Where internal controls have been improved or corrected, that should be duly noted.
- c) The efficacy of policy decisions (BCC) and the business model, in general, are outside the scope of an examination of internal controls.
- d) Reasonable people will likely view the installation of a code compliant fire suppression system at the Immokalee facility as an "improvement."

Thanks again,

Tim

---

**From:** James D. Molenaar [<mailto:james.molenaar@collierclerk.com>]  
**Sent:** Tuesday, April 03, 2018 8:20 AM  
**To:** KentnerJace <[Jace.Kentner@colliercountyfl.gov](mailto:Jace.Kentner@colliercountyfl.gov)>  
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**Subject:** Review of Audit 2018-2

Good Morning Jace,

I left a telephone voice mail for you this am. It is my understanding that you were planning coming to meet with me first thing this morning. I have been here ready to spend time with you completing the review of audit 2018-2. If I misunderstood your intentions, please let me know. I really need to have all of your comments no later than 11:30 AM today. I need time to make any required adjustment to this report.

Thanks,  
Jim

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