



Inspector General Insights

Background: The Immokalee Accelerator opened in 2018 with the goal of helping new business start-ups to develop through food service education and entrepreneurship. It is a member-based facility providing full commercial food preparation equipment and is managed by an experienced chef. Per the June 11, 2024, Executive Summary, the Accelerator startup operations and equipment were partially funded by State and Federal grants totaling approximately \$1.9 million.

In 2023, the Accelerator had 12 active members who provided \$41,000 of rental income. Total 2023 net expenses, net of member income, resulted in a net loss of (\$272,000). The overall department budget for the Accelerator included funding from the Seminole Tribe of Florida Compact distributions, which was \$306,000 in 2023.



Figure 1 - Pictured is one of Immokalee Accelerator's Food Preparation Rooms and Walk-in Refrigeration

Objective: The objective of this review consisted of the following:

- Verify that the Immokalee Culinary Accelerator is adequately and accurately reporting their results.
- Evaluate the metrics reported to determine if the Immokalee Culinary Accelerator program is achieving their mission, which is to start and grow culinary businesses in Collier County.

Scope: The scope of the Office of Inspector General (OIG) review included the following:

- Analyzed the historical financial results and performance outcomes related to the Accelerator, stored in the Systems Applications and Products (SAP) financial system, from its inception through 2023.
- Referenced reported results based on the Auditor's Compilation report of Economic Incubators, Inc. (EII) for 2018 through June 2019 (the termination of EII contract).

- Reviewed details of the leasehold improvements and equipment purchased from 2016 through 2018.
- Visited the Accelerator, met with the manager, and observed two members who were utilizing the facility.
- Met with County Growth Management leadership and financial resources, who have responsibility for the Accelerator.

Observations: The following observations were made:

- Resolution No. 2009-89 approves support of a Seminole Indian Gaming Compact, which includes a revenue sharing agreement with affected local governments that would provide five (5) percent of casino revenues directly to local governments. These revenues are unrelated to the Immokalee Culinary Accelerator, although they were budgeted as income to this cost center. The original Executive Summary for the Accelerator first included Seminole distributions, and upon questioning, this item was removed as an offsetting revenue.
- The OIG reviewed the Furniture, Fixtures, and Equipment and observed that the equipment purchased, and the improvements made for the Immokalee Accelerator totaled \$1,254,856.24, as shown in the table below.

Description	Date Purchased	Amount
Leasehold Improvements	2017	\$ 991,658.90
Initial Kitchen Equipment	2018	223,960.00
Office Furniture, Display, Cameras	2016 - 2018	18,069.37
UF Lab Equipment	2017	13,381.85
Kitchen Supplies, Cookware	2018	7,786.12
Total Immokalee Accelerator Equipment & Improvements		\$ 1,254,856.24

- The abbreviated income statements reflect the revenue and expenses of the Accelerator from 2018 through 2023:

Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
Revenue	\$ 18,927.00	\$ 40,204.00	\$ 39,687.61	\$ 22,110.31	\$ 45,197.00	\$ 40,551.00	\$ 206,676.92
Expenses:							
Salaries & Benefits	(145,457.00)	(186,669.53)	(150,041.09)	(158,544.40)	(169,415.10)	(185,102.32)	(995,229.44)
Rent and Utility	(44,880.00)	(48,676.19)	(56,211.90)	(67,973.72)	(74,663.84)	(76,838.78)	(369,244.43)
Other Expense	(64,421.00)	(37,440.00)	(39,346.49)	(32,955.00)	(88,774.12)	(50,122.65)	(313,059.26)
Net Operating Losses	\$ (235,831.00)	\$ (232,581.72)	\$ (205,911.87)	\$ (237,362.81)	\$ (287,656.06)	\$ (271,512.75)	\$(1,470,856.21)
Leasehold Improvements & Equipment Purchased	(1,254,856.24)						(1,254,856.24)
Total Invested	\$(1,490,687.24)	\$ (232,581.72)	\$ (205,911.87)	\$ (237,362.81)	\$ (287,656.06)	\$ (271,512.75)	\$(2,725,712.45)

In years 2018 through 2021, the revenues and expenses of both the Immokalee Culinary Accelerator and the Naples Accelerator were consolidated, making it challenging to discern which expenses and revenues corresponded to each accelerator. Funds should have been segregated by location.

Revenue and expenses for fiscal 2022 and 2023 have been relatively stable, with Net Expense totaling (\$287,656.06) and (\$271,512.75), respectively.

- The OIG reviewed the table as provided by the division, and noted the results we were able to verify to the right.

Immokalee Culinary Accelerator	FY18	FY19	FY20	FY21	FY22	FY23	Total	OIG Verified
Active Members Per FY	18	21	10	10	9	14	14 average	N/A
Businesses Created	18	8	4	3	6	7	46	27
Jobs Created	63	28	14	8	8	9	130	N/A
Businesses Graduated	11	6	2	2	2	0	23	N/A
Business Still Active	10	5	2	2	3	7	29	29
Business Still in Collier	7	4	1	2	2	5	21	20
Business lasted less than 2-years	4	3	0	1	2	n/a	10	N/A
Business lasted more than 2-years	14	5	4	2	4	4	33	N/A

The OIG reviewed the table as provided by the division, and determined the following:

- There are 19 businesses that were registered with the State on Sunbiz prior to the business joining the Immokalee Culinary Accelerator, which are included in the businesses created line item. Out of these businesses, 11 were registered with the State on Sunbiz prior to 2018, which is when the Immokalee Accelerator was opened. Hence, the OIG determined that the Culinary Accelerator created only 27 businesses as compared to the 46 businesses reported by the division. The rest of the 19 businesses may have been sustained by the Culinary Accelerator rather than created.
- There are 14 businesses that did not maintain an active Collier County business tax license while members of the Immokalee Accelerator. This was a prior finding in our 2018 audit, and this type of business registration should have been part of the curriculum of the Accelerator program.
- There are 20 businesses still in Collier County when compared to the 21 businesses reported by the County division.
- There are 3 businesses that had a local business tax license in surrounding Counties.
- There are 3 businesses not registered with the State in any manner.
- There is 1 business that joined the Culinary Accelerator in FY 2024, but it is counted as a business in FY 2023.
- The average cost to provide Accelerator services to each member for FY 2022 and FY 2023 were \$31,961.78 and \$19,393.77, respectively. When considering the total net operating losses of \$1,470,856.21 to date, and the equipment purchased of \$1,254,856.24, the total investment through fiscal year 2023 was \$2,725,712.45. When divided over the 27 businesses verified by the OIG as “created”, the total spent per business was \$100,952.31 per business since 2018.

- The Executive Summary contains an appraisal of the equipment stationed at the Culinary Accelerator. Upon discussion with the vendor who created the appraisal, it was determined that this total appraisal represents the value of the equipment to the County as installed. It does not represent the replacement or resale value.

Recommendations:

- The OIG questioned the verbiage on the original Executive Summary, which included the Seminole Distribution. Consequently, the Seminole funding was removed, as an offsetting revenue.
- It is recommended that, in a program with multiple locations, the reporting of separate activity centers should be segregated for each location for cost tracking purposes.
- In the table shown above, the County division could add a second category for businesses sustained, instead of only businesses created, in order to evaluate the true value of this program.

Management response:

- As noted in the report below, on June 11, 2024, after receiving an update on the performance of the Culinary Accelerator in Immokalee, the BCC directed staff to develop and release an Invitation to Negotiate (ITN) to seek an entity to assume the lease of the Culinary Accelerator and purchase its assets.
- The ITN was released on July 15, 2024, and closed on August 19, 2024. Three bids have been received. The Procurement Services Division is currently evaluating the bids for responsiveness/responsibleness before releasing them to be evaluated and ranked by the selection committee.
- It is anticipated that a Notice of Recommended Award will be brought to the BCC in October or November of this year. Once a transition process is completed, the Growth Management and Community Development Department and Collier County Government in general will have no further affiliation with the Culinary Accelerator in Immokalee.
- In the event the County's Culinary Accelerator program continues into the FY25-26 fiscal year, the Office of Inspector General's above recommendations will be fully incorporated into future Culinary Accelerator activities.

Conclusion: The OIG was able to partially validate the information provided by County Management. The County should routinely prepare and communicate financial and performance results annually to key County Management, so that the Board of County Commissioners can evaluate whether the Accelerator is achieving its mission.

On June 11, 2024, the BCC directed staff to go out with an Invitation to Negotiate (ITN) to sell the assets and lease the facility back. That ITN was originally scheduled for bid opening on August 5, 2024. The due date was later pushed to August 19, 2024.

Total # Transactions	Amounts Audited or Reviewed	Questioned Costs	Taxpayer Savings	# Observations / Recommendations
3,477	\$2,725,712.45	N/A	N/A	3