



Inspector General Insights

Background:

In November 2021, Collier County contracted with PARA SFM, LLC (SFM) to manage the Paradise Coast Sports Complex (PCSC). The PCSC is located in the City Gate area of Golden Gate near Collier Blvd. and Interstate 75. From November 2023 until May 2024, the PCSC hosted the third season of the Legend Concert Series (LCS) as agreed upon in the Use License Agreement from March 16, 2023, between PCSC and The Gold Lion (TGL) Agency, LLC.

Event organizer Mike Randall (Randall) is the owner of TGL. Previous seasons of the LCS were held at Sugden Regional Park in East Naples until June 2022 where the stated beneficiary of the concert proceeds was The Robert L. Zore Foundation dba Fallen Officers. Randall was subsequently charged with failing to register as a professional solicitor (§496.410) and was found adjudicated guilty of operating in violation of or failing to comply with the Solicitation of Contributions Act (§496.415 [1]). Randall was on state probation until June 10, 2024, as a result of the felony conviction and has been precluded from engaging as a board member and from writing checks for any charities.

Following the November 3, 2023, LCS event at PCSC, complaints were made known at the November 14, 2023, Board of County Commissioners (BCC) meeting. Among the complaints reported were long wait times for attendees to purchase drinks, long lines and wait times to access the restroom facilities, and concerns with the quality of food provided to the VIP attendees.

The Clerk's Office of Inspector General (OIG) became aware of potential areas of deficiencies relating to event security and liability coverage for the number of attendees as provided on the Certificate of Liability Insurance. Additionally, the OIG became aware of potential concert expenditures absorbed by the County, and the use of County staff and equipment at the previous concerts at Sugden Regional Park. Accordingly, the OIG began a review of the contractual compliance of TGL concert series.



The Legend Concert Series vehicle and banners displayed at the event honoring military & first responders.

Objective: The OIG objectives were:

- to review and ensure TGL complies with its Use License Agreement,
- to evaluate the County costs of hosting the LCS in the new venue, in contrast to the revenues received, and
- to ensure the complaints made known were addressed and issues were resolved.

Scope: The OIG scope involved:

- a comprehensive review of both SFM and TGL contractual agreements,
- an onsite meeting/tour with SFM General Manager and Collier County Parks & Recreation Regional Manager,
- an onsite tour of the PCSC grounds on the day of an LCS event,
- an observation of the PCSC and TGL operations during the February 2, 2024, concert event, and
- a reconciliation of costs and revenues associated with the concert series.

Observations:

In January 2024, after the November event, an addendum was issued to the Use License Agreement which resolved the complaints that were made at the BCC meeting. The following was resolved as part of the addendum.

- Drink lines: SFM transitioned from an outdated Point of Sale system to a newer one allowing patron transactions to process more efficiently. A second bartender was also added to drink stations where necessary.

The OIG staff did not observe long lines or wait times for drink purchases in February.

- Restrooms: The event site which originally was only designated as the East Lawn, was expanded to include the Champions Lawn and the Welcome Center restrooms. This increased the number of restrooms available to event attendees by providing two restroom locations. This eliminated long lines and wait times.

The OIG staff did not observe long lines or wait times at the restroom facilities in February.

- VIP food: The SFM waived all VIP food service responsibilities making that specific area of service the responsibility of TGL. This allows TGL to provide their food of choice to the VIP ticket holders.

The OIG staff observed that the food provided in the VIP tent was not provided by SFM in February.

Other areas of concern discovered after the November event include provided security, fire inspections, and TGL's required liability coverage. The inconsistencies with event security and the required fire inspections were included in and resolved as part of the addendum.

- Security: During the November and January events there were inconsistencies and miscommunication regarding the number of privately hired security staff and law enforcement officers required for the event. This allegedly occurred due to an inaccurate report of anticipated attendees and hired security staff by TGL. The security concerns were

remedied in the addendum by giving the Collier County Sheriff's Office (CCSO) the authority to approve the number of law enforcement officers needed for each event.

The OIG staff observed law enforcement presence during the event but did not observe any hired security staff in February.

- Fire Inspections: With the addition of food trucks, and the presence of the stage, a fire inspection is required before each event. Initially, there were delays regarding the scheduling and timeliness of the fire inspections being conducted before each event which was the responsibility of TGL. This was remedied in the addendum which now indicates the events are authorized based on a successful pre-scheduled site inspection with the Greater Naples Fire Department (GNFD), and this responsibility is now handled by SFM.

The OIG staff did not observe the fire inspection for the event in February but were informed the inspections are now being scheduled by SFM instead of TGL as originally implemented. A follow-up with the GNFD indicated that TGL had an outstanding balance due for the November event, but all other invoices due were paid by SFM.

- Insurance: During the November event, the number of attendees reported exceeded the insurance liability coverage.

There were a total of three Certificates of Liability Insurance submitted by TGL.

- The first one dated 10/13/23 covered "15" attendees with an effective date of 11/03-11/04/23. The attendance limit appears to be a typographical error and was not corrected prior to the November event ensuring adequate insurance coverage.
- The second one dated 12/08/23 covered 1,500 attendees and was effective for the months of January – May for the day of and the day before each event.
- The third one dated 02/28/24 was increased to cover 2,000 attendees and was effective for February 29, and the months of March – May for the day of and the day before each event.

Another observation by the OIG was the difficulty and inconsistencies in verifying the attendance records for each event. In the original Use License Agreement, it was stated in Exhibit B, that, "Gold Lion Agency will... retain 100% of revenue minus a \$1.00 facility fee from every ticket sold payable to para SFM, LLC." This revenue was agreed upon in addition to the advance rental rate deposit of \$2,000 per event. Although TGL was not forthcoming in providing a ticket manifest for verification, PCSC reported the November attendance was 1,932 and that they were paid for the per-ticket facility fee.

Before the January 2024 concert, an addendum was issued to the Use License Agreement that removed the \$1.00 per ticket facility fee to be paid to SFM. Since the attendance numbers were still necessary for other event requirements, the PCSC designated a volunteer to conduct counts for all future concerts. The following attendance numbers were reported by PCSC, but no ticket manifests were provided so that the counts could be verified.

Concert Dates and Attendance:

November 5, 2023	1,932
January 5, 2024	1,371
February 2, 2024	918
March 1, 2024	1,759
April 5, 2024	700

The Collier County food truck (Fuel) was utilized at the February event. The OIG staff observed a steady flow of customers, and compared to other food trucks, Fuel offered a variety of popular food items (burgers, chicken tenders, gyros, and more) at competitive prices. Two SFM staff manned the Fuel food truck, and two types of payment methods were offered. Receipts were available by email or could be printed in the Welcome Center office and provided if necessary. Electronic alert devices were provided to waiting customers as an efficient and convenient method for notification.

During the event intermission and as marketed by TGL, first responders and veterans were honored in a ceremony where attendees showed their patriotism and appreciation by waving American flags. Veterans in attendance were recognized by being called forward and official songs for each branch of the military were played in their honor.

Community leader and Collier County Commissioner Burt Saunders spoke briefly expressing his appreciation for the Legend Concert Series events. The Robert L. Zore Foundation, Inc. (aka Fallen Officers) President and SWFL Veterans Alliance, Inc. member Lois Bolin expressed her appreciation for the event and reminded the crowd of the college scholarships that are awarded in honor of fallen law enforcement officers by the Robert L. Zore Foundation, Inc. The OIG staff did not observe a direct solicitation for funds on behalf of Fallen Officers or any other charities.

The OIG was able to conduct a partial cost analysis of expenses vs. revenues of the February event. The table below includes fees charged by SFM to TGL (rental, cleaning, fence, and VIP drinks) and, SFM revenue from purchases of food and/or drinks at The Market, the County’s Fuel food truck, and two additional drink tent stations.

SFM staff were identified by assigned roles & the number of hours worked, with the exception of the hours worked by salaried administrative personnel. A ten (10) hour shift was used in calculating hours for five (5) administrative personnel. There were an additional three (3) who were supervisory staff assigned to work the entire complex, and the remaining 15 were assigned to specific duties such as bartender, facilities operations, cook or cashier. The combined staff hours scheduled for the day of the concert was 176.61.

SERVICES	Rental	Cleaning	Fence	VIP Drink Tent	Drink Tent(s)	Fuel Truck	The Market	Food Trucks	TOTAL
GROSS REV	\$2,000.00	\$500.00	\$300.00	\$912.50	\$13,259.50	\$1,394.41	\$1,751.07	\$975.64	\$21,093.12
CoGS	\$0.00	\$0.00	\$0.00	\$173.07	\$2,970.46	\$418.32	\$320.53	\$0.00	\$3,882.38
SUBNET	\$2,000.00	\$500.00	\$300.00	\$739.43	\$10,289.04	\$976.09	\$1,430.54	\$975.64	\$17,210.74

EXPENSES	Administration	Facilities	Supervisors	Bartenders	Cooks/Cashier		
Payroll	\$1,689.74	\$426.57	\$350.46	\$736.97	\$578.86		\$3,782.60
NET PROFIT							\$13,428.15

During the May 14, 2024, BCC meeting, Commissioner Saunders encouraged discussions regarding an amendment to Collier County Ordinance No. 2021-15. The amendment would specifically address allowing amplified concerts to be held at the amphitheater and the Great Lawn area of the park, which has an existing stage and accommodates a capacity of up to 2,000 people. Concert events would be held on Friday and Saturday nights between the hours of 6 p.m. - 10 p.m. One significant challenge with this area is that the sound would project northward, and the current City Gate Commerce Park Planned Unit Development (PUD) Ordinance No. 88-93, most recently amended by Ordinance No. 21-15, defines the amplified sound is restricted to projecting southward.

Discussions continued to include options of holding the concert events in the Stadium and Commissioner Rick LoCastro reintroduced the option of purchasing flooring specifically to protect the Stadium field. Logistics to consider with purchasing flooring include: 1) an additional cost (investment) by the County, 2) manpower to install/remove it at each event, 3) an additional cost to an event organizer for the installation/removal of the flooring, and 4) the storage and maintenance of the flooring. Commissioner LoCastro referenced pertaining to the LCS, “we’ve all dealt with Mike Randall and have even gone to those concerts” and “one of the things he [Randall] has said is if the cost is put on me [as an event organizer] to protect the field... it’s not worth it.”

The OIG was able to verify the rental (market) rate for the amphitheater and Great Lawn area is between \$1,500 - \$2,000, and the East Lawn has been rented for \$2,000. The rental fee for Champions Stadium is \$15,000, and for concert-type events, an additional rental fee is charged for flooring to protect specific areas of the field.

County staff were directed to conduct further research of the proposed changes and present their findings at the BCC meeting on May 28th. Their research was to include the possibility of hiring an outside sound technician to evaluate any issues regarding the amplified sound direction. All LCS events to date have been in violation of the PUD as the amplified sound projected east.

During the May 28, 2024, BCC meeting, there was further discussion about the purchase of protective flooring for the stadium and amending the PUD relating to the amplified sound. The commissioners voted to amend the current PUD, which could take more than six (6) months to complete, so in the interim, any special concert events would require an approved Special-Event Permit.

Deputy County Manager Finn added the flooring option to cover the stadium field will be a separate “business decision whether to rent or buy” to be decided when presented with an event that would require flooring. Commissioner LoCastro further remarked, “we’ve got to make sure we’re doing aggressive marketing that the main stadium is available for main stadium events” and “...I think people need to know that we’re open to negotiating the protection of the fields....”

Recommendations & Actions: The OIG recommends the following changes and/or actions:

- Attendance: TGL should provide the ticket manifest to SFM and the CCSO before each event. This could assist SFM in preparations for the event and the CCSO in determining the approved number of law enforcement officers necessary for security, and for determining compliance with the insurance coverage.
- Insurance: With the exception of the first Certificate of Liability Insurance, TGL obtained adequate coverage based on the numbers in attendance. However, the Use License Agreement included an anticipated attendance of “up to 3,000 people per event”. The limits on the Certificate of Liability Insurance should agree with the maximum on the Use License Agreement.

The “Event Description” in Exhibit B of the upcoming agreement states, “Estimated attendance for shows is 1,500 to 2,000 and may not exceed 2,500.” The Certificate of Liability Insurance should ensure coverage for the maximum number (2,500) of attendees per event.

- Per Ticket Facility Fee: Consider reinstating a per ticket facility fee (or service fee) to offset event costs for all future concert or live events. Minimal per ticket fees seem to be an industry standard for live events and are used to offset a variety of business operations and expenses.

Management Response(s):

Management acknowledges the observations and recommendations in the IG Contract Oversight Report for the Legends Concert Series.

Conclusion:

SFM was quickly able to remedy the concerns that surfaced at the BCC meeting relating to the first LCS event held in November 2023. By the third LCS event in February 2024, the OIG observations did not reveal any of the same issues, and the improvements to resolve the concerns were notable.

The OIG’s preliminary cost analysis supports a net profit of roughly \$13,500. Recommendations have been made that could potentially support an increase in County revenue from future LCS events, and any other concert events held at the PCSC. The LCS Season 4 is scheduled for December 2024 – May 2025. The last event in Season 3, previously scheduled to be held in May 2024, was postponed and will take place in November 2024.

Some significant changes in the 2024/2025 proposed Use License Agreement between SFM and TGL include:

- Event site(s): There are two location options referenced in the agreement.

Location 1: Amphitheater, Great Lawn

Location 2: East Lawn, Champions Lawn, and the Welcome Center restrooms.

It is also noted, “Use of the amphitheater is dependent on a revision to the PUD. Revisions to the PUD is a legislative process that County Staff has no control over. Option 1 is only available with a revised PUD, otherwise Location 2 is the sole option for these events.”

- Food and Beverage: PCSC will provide catering service to VIP ticket holders at a cost no less than \$25 per ticket, plus a 20% service charge and applicable taxes. However, if the TGL chooses to provide the VIP food, it will pay a \$5 fee to PCSC for each VIP ticket purchased, per event. Final menus will be confirmed no later than 30 days prior to the first LCS event.
- Golf Carts and Vehicles: The use of a golf cart is included in the upcoming agreement at no additional charge.

Providing services at no cost to vendors raises concerns with the Clerk as the contract is still being subsidized by the County, particularly for this vendor who has had multiple issues/concerns.

- Attendance Reporting: TGL is required to provide a “confirmed event ticket attendance report” 14, 7 and 2 days prior to each event, and no later than 48 hours after an event a “final event

attendance report in the form of Scanned tickets published directly from the ticket distribution vendor” is required.

- Emergency and Security Services: PCSC is providing a \$2,000 invoice credit to incentivize the sale of music events.

Offering credits for emergency and security services raises concerns with the Clerk as the contract is still being subsidized by the County, particularly for this vendor who has had multiple issues/concerns.

- Fees: The facility fee is based on the number of attendees and if TGL provides a “scanned ticket report”. If no report is provided, the fee is \$3,000. This scale was developed as an effort to incentivize promoters of music events to sell more tickets. Larger crowds would result in increased revenue associated with food and beverage sales.

Number of Scanned Tickets	Facility Fee*
No report provided, unable to verify ticket sales	\$3,000
2,250 - 2,500	\$2,000
2,001 - 2,250	\$1,500
1,751 - 2,000	\$1,000
1,501 - 1,750	\$750
1,250 - 1,500	\$500

**Facility fee variable based on Scanned ticket report provided no later than 2 days after the event.*

Changes to the County PUD are being reviewed.

Total # Transactions	Amounts Audited or Reviewed	Questioned Costs	Taxpayer Savings	# Observations / Recommendations
145	\$13,428.15	N/A	N/A	3