

Date: November 6, 2018



## **CLERK OF THE CIRCUIT COURT – AGENDA ITEM Marion County Commission**

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**SUBJECT: Present Report No. 2018-10: EDIG Compliance Review of Hotel Development and Management Group, LLC and Nature Coast Eco Friends, LLC**

**INITIATOR: Sachiko H. León, Internal Audit Director**

**DEPARTMENT: Clerk of Court**

**DESCRIPTION/BACKGROUND: Hotel Development and Management Group, LLC and Nature Coast Eco Friends, LLC submitted their required report. Internal Audit agreed with the County Administration's conclusion that the grantee was in compliance with the applicable sections of the grant agreement. All obligations of both Marion County and the grantee pertaining to the agreement have been satisfied.**



**BUDGET IMPACT: None**

**RECOMMENDED ACTION: None, for informational purposes only**



**CLERK OF THE CIRCUIT COURT AND COMPTROLLER**  
**David R. Ellspermann**

**TO:** Board of County Commissioners, individually  
Mounir Bouyounes, County Administrator

**FROM:** David R. Ellspermann, Clerk of the Circuit Court and Comptroller   
Sachiko H. León, Internal Audit Director 

**DATE:** October 10, 2018

**RE:** Report No. 2018-10: Economic Development Infrastructure Grant Compliance Review:  
**Hotel Development and Management Group, LLC and Nature Coast Eco Friends, LLC**

**Purpose and Objective**

Internal Audit performed a compliance review of the performance measures of the Hotel Development and Management Group, LLC and Nature Coast Eco Friends, LLC (grantee) pursuant to the Economic Development Infrastructure Grant Agreement (agreement).

The objective was to determine if the County Administration's assessment of the grantee was reasonable and supported by sufficient documentation on the following criteria:

- creating a minimum of 20 full-time equivalent jobs
- providing copies of all related invoices and proof of payment related to the utility connection

**Results**

**Our opinion is that** the County Administration's assessment was reasonable and supported by sufficient documentation. The grantee was in compliance with the applicable sections of the agreement. All obligations of both Marion County and the grantee pertaining to this agreement have been satisfied.

**Scope and Approach**

The scope included verification of compliance with the applicable requirements for 24 months of activity from July 7, 2015 to July 7, 2017.

We performed analytical procedures to independently determine the number of FTE and reviewed the proof of payment related to the utility connection.

## **Background**

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The Board of County Commissioners awarded to Hotel Development and Management Group, LLC (HDG) on July 7, 2015, an Economic Development Infrastructure Grant (EDIG) in the total amount of \$20,000. This amount has been paid in full and was to be used as a contribution toward the utility connection needs of HDG. HDG had committed funding and secured loan guarantees to establish a \$6.9 million capital investment for the development and opening of a 71-unit all-suites hotel in Dunnellon and proposed to create up to 25 new full and part-time jobs and to be an economic driver for the community. HDG was to 1) create a minimum of 20 FTE by July 7, 2017, 2) provide all related invoices and proof of payment related to the utility connection to verify overall costs, 3) demonstrate actions being taken to begin the hiring process for the proposed workforce required to support the hotel's opening and operation, and 4) provide access to their Employer's Quarterly Reports (formerly known as quarterly State Unemployment Compensation Reports) filed with the State of Florida. The agreement was amended on August 7, 2018 to incorporate Nature Coast Eco Friends, LLC, a subsidiary of HDG.

## **Acknowledgement**

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We would like to thank the representatives of the County Administration and the grantee for their cooperation during our review.

This review was conducted by Andrew Gibb and Sachiko H. León.

**Report Distribution List**

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<b>Azim Saju</b>	Managing Member, Hotel Development and Management Group, LLC, and Nature Coast Eco Friends, LLC