





GREGORY C. HARRELL
CLERK OF COURT AND COMPTROLLER – MARION COUNTY, FLORIDA

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CUSTODIAN OF COUNTY FUNDS AND COUNTY AUDITOR

POST OFFICE BOX 1030
OCALA, FLORIDA 34478-1030
TELEPHONE (352) 671-5604
WWW.MARIONCOUNTYCLERK.ORG

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

FROM: Gregory C. Harrell, Clerk of Court and Comptroller 
Sachiko Horikawa, Internal Audit Director 

DATE: January 13, 2021

RE: Report No. 2021-01: Economic Development Financial Incentive Grant Compliance
Review: **Paramount Transportation Logistic Service, LLC**

Purpose

Internal Audit performed a compliance review of the performance measures for the Paramount Transportation Logistic Service, LLC (grantee) pursuant to the Economic Development Financial Incentive Grant Agreement (agreement).

Background

The Board of County Commissioners awarded to the grantee an Economic Development Financial Incentive Grant in the total amount of up to \$100,000 effective November 3, 2015. The grant was to be paid to the grantee over five annual installments not to exceed \$20,000 each year.

The grantee was required to:

- 1) Provide a minimum capital investment of \$8.4 million in purchase and renovations or rehabilitation of existing facility, computers, and communications equipment or related tangible personal property or cause to be relocated a similar value of equipment or tangible personal property from location(s) beyond Marion County within the first year.
- 2) Create and maintain up to 200 new to Marion County full-time logistics-related jobs (full-time jobs) within 60 months of occupancy with an average annual wage in excess of \$38,000.
- 3) Provide all applicable reports by January 31st for activities concerning the previous reporting year.

Paramount did not timely submit the required reports for the first three reporting years (2016, 2017 and 2018). Per the agreement, failure to report forfeits the payment for that reporting year but does not result in termination. The grantee's incentives were forfeited for the respective reporting years.

Objective

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:

- Completion of capital improvements requirement
- The number of new to Marion County full-time jobs
- Compliance with the applicable sections of the grant agreement for reporting year 2019

Scope and Approach

The scope included verification of compliance with the applicable requirements for the reporting year.

We reviewed the submitted documentation and performed analytical procedures to independently assess the timeliness of the grantee's reporting, the amount spent on facility construction, machinery and equipment, and the number of full-time jobs. We compared our results with the County Administration's assessment to determine if it was reasonable and supported by sufficient documentation.

Results

Our opinion is that the County Administration's assessment was reasonable and supported by sufficient documentation.

We agree that the grantee:

- Timely submitted the report for reporting year 2019.
- Provided a minimum capital investment of \$8.4 million in purchases, renovations, and rehabilitation of existing facility.
- Exceeded the 200 minimum new to Marion County full-time jobs requirement.

The grantee is due a grant payment of \$20,000 for reporting year 2019.

Acknowledgement

We would like to thank the representatives of the County Administration and Paramount Transportation Logistic Service, LLC for their cooperation during our review.

This review was conducted by Aracelis Maldonado and Heather Ewing.

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