



DEPARTMENT OF INSPECTOR GENERAL
OKALOOSA COUNTY, FLORIDA
JD PEACOCK II, CLERK OF CIRCUIT COURT AND COMPTROLLER



January 31, 2024

John Hofstad, County Administrator
Okaloosa County Administration Building
1250 N Eglin Pkwy, Suite 102
Shalimar, FL 32579

Mr. Hofstad,

At the request of Commissioner Mixon, we have reviewed the lessees operating the Okaloosa Island Pier (Pier Resort & Development, LLC) and the Boardwalk (Surfside Ventures Inc.).

The Boardwalk contract requires Surfside Ventures Inc. to make monthly rent payments, all of which have been made properly and on time during their tenure. The Pier contract requires Pier Resort & Development, LLC to make an annual lease payment (paid monthly) and to reimburse the County for the payment of the Florida Department of Environmental Protection "Submerged Land Lease Fees." Our review noted that there have been limited instances of Pier Resort & Development providing NSF checks to the County during the period 2019 through 2023. However, in each instance they have made the County aware of the issue before the check entered the Account Receivable process and have provided a replacement check. Aside from these, they have made all payments properly and on time.

We did, however, note that since 2022, Pier Resort & Development has paid the Submerged Land Lease Fees directly. These payments are made through an online portal maintained by FDEP. Staff at Pier Resort & Development created their own account on this portal and made the 2022 and 2023 payments directly to FDEP. The contract requires the County to make these payments and then seek reimbursement from the contractor. We recommend that the County either update the contract to allow Pier Resort & Development to make these payments directly or resume making the payments and seeking reimbursement from Pier Resort & Development to conform with the contract as written.

We appreciate the opportunity to be of service and are available to answer any questions you may have related to this matter.

Respectfully,

Andrew Thurman, Inspector General