



ORANGE COUNTY MAYOR

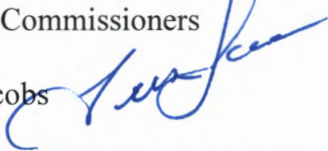
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August 8, 2013

To: Board of County Commissioners

From: Mayor Teresa Jacobs 

Subject: Proposed Uses of Tourist Development Taxes

As our tourism industry has been recovering over the last couple of years, there have been growing discussions about potential uses of the tourist development tax (TDT). As you know, this past Tuesday the Board held a workshop on this topic. During our meeting, we heard presentations from the Dr. Phillips Center for the Performing Arts (DPAC), Florida Citrus Sports, Orlando City Soccer and Visit Orlando. At the conclusion of the presentations, the Board discussed these projects and proposed uses of TDT.

Tomorrow afternoon, the Tourist Development Council (TDC) will meet to consider these proposals. As you are aware, any final decision for proposed TDT uses would require an amendment to the TDT Plan at a BCC public hearing. I am proposing a framework to set in motion a path forward for bringing these issues back to the Board. The general outline of this framework is summarized below:

1. An additional \$5 million per year over the next five years to be allocated to Visit Orlando and incorporated in their funding agreement. This amount would be used to bolster marketing and advertising efforts, as legally allowed, with an emphasis in the South American markets. This funding would come from TDT reserves and be contingent upon maintaining a \$130 million reserve fund.
2. An additional \$500,000 per year over the next five years to be allocated to Visit Orlando and incorporated in their funding agreement. This amount would be earmarked for the Central Florida Sports Commission to increase their efforts to bring major sporting events to Orange County, especially during non-peak tourism months. This funding would come from TDT reserves and be contingent upon maintaining a \$130 million reserve fund.
3. An additional \$10 million to be set aside in a separate reserve account for future capital needs at the Convention Center. This funding would come from TDT reserves and be contingent upon maintaining a \$130 million reserve fund.
4. To provide an additional \$25 million to the Dr. Phillips Center for the Performing Arts in order to complete Stage II construction. This funding would be contingent on DPAC and the City having all of the funds necessary to complete the final phase of construction committed and secured, and construction commencing prior to the end of December 2014. This would be an amendment to the 2007 Venues Agreement.

5. To Provide an additional \$12 million to the Citrus Bowl project contingent upon Florida Citrus Sports providing an additional \$6 million. This additional funding would allow "Competitive Scope" elements to be added back into the project. This would be an amendment to the 2007 Venues Agreement.
6. To provide a \$20 million contribution to the proposed multi-use stadium, contingent upon the award of an Major League Soccer franchise. Since this is a new project, this funding would be subject to the successful negotiation of appropriate agreements between the County, City and Orlando City Soccer that at a minimum provides similar terms, conditions and protections as included in the 2007 Community Venues Agreement. This provision would be an amendment to the 2007 Community Venues Agreement.

As you know, the TDC acts as an advisory board to the BCC. As such, the final decision and approval rests with the BCC. Over the next several weeks, County staff will be working with City staff to draft the various proposed agreements and amendment to the TDT Plan ordinance. Once this process is complete, I will schedule this item for a public hearing so that the Board can make the final decision on these various proposals.

In the meantime, I have asked County staff to schedule individual briefings with each commissioner to review the TDT financial model and proposed projects.

Should you have any questions, please contact Ajit Lalchandani or Eric Gassman.

c: Martha O. Haynie, Orange County Comptroller
Ajit Lalchandani, County Administrator
Eric Gassman, Deputy County Administrator