



SED Workshop
November 4, 2013

Downtown Strategic Transition Team (DSTT)

- Cities are often judged by their downtowns and a vibrant, thriving downtown area is the cornerstone of a strong, robust region.
- To drive this process, Mayor Dyer established the Downtown Strategic Transition Team (DSTT) in 2003 whose charge it was to develop recommendations aimed at achieving the vision of a strong, vibrant city.



Cornerstone Plan



Cornerstone Plan

Downtown Orlando is the center for our region's businesses, government, financial services, entertainment and sports venues, and state and federal judicial systems. With thriving residential areas, beautiful green space, and a diverse and international economic base, Downtown Orlando embodies all the elements that comprise a "real" community. As the heart of the Metro Orlando region, Downtown Orlando has metropolitan facilities and institutions that cater to Central Florida residents. These large, high impact projects bring people downtown and offer a wide array of social amenities to our community.

Given the mission of analyzing specific high impact or "cornerstone" projects that have a significant public or private capital investment, the Cornerstone Subcommittee identified those projects that will have the greatest economic impact in Downtown Orlando.

The Cornerstone projects defined in the Subcommittee's recommendations are catalytic, will increase activity and demand, and spur additional redevelopment within Downtown Orlando.

Mission:

To create a vision for a 24/7 downtown, which offers a unique environment that encourages growth and enhances commerce and social interaction with sustained pedestrian activity and formulate a realistic plan to achieve this vision within a reasonable timeframe.

Team Members

Ed Timberlake, *Subcommittee Chair*
Sarah Kelly
Phil Rampy
Steve Patterson
Jodi Ruttman
Tom Wilkes

Staff Support

Tanja Gerhartz
Richard Levey

Goals

1. To identify and prioritize Cornerstone projects that will create the maximum catalytic impact for Downtown Orlando.

Purpose: To identify projects that will bring significant cultural, social and economic changes to the City's Center identified by the Cornerstone Sub-committee (*see Addendum Pgs. 98, 100 for Maps A and C.*) Critical mass needs to be created around the City Center, focusing activity within a 5- and 10-minute walking radius of the Center Core — that if

To identify and prioritize Cornerstone projects that will create the maximum catalytic impact for Downtown Orlando.

DSTT Recommendations



GOALS CORNERSTONE PLAN SUBCOMMITTEE

GOAL 1.A: Identify and prioritize Cornerstone Projects that will create the maximum catalytic impact for Downtown

Long-term Priority Projects	Recommendations
Retain Magic/NBA Presence	The presence of the Orlando Magic/NBA is critical. The loss of the Magic would have a severe negative impact on Downtown Orlando. The Basic and First Steps of the Arts, Entertainment and Sports Goal 1 should be implemented immediately.
Performing Arts Center	The Performing Arts Center would represent true incremental activity for Downtown. The CNL Block is an excellent location for this facility.
Downtown Conference Center	A Downtown Conference Center would fill an underserved market niche. The facility needs to be built in conjunction with a hotel. The Downtown Conference Center would not in any material way compete with the Orange County Convention Center. Therefore, the Orlando/Orange County Convention and Visitors Bureau and the Orange County Convention Center are supportive of this effort.

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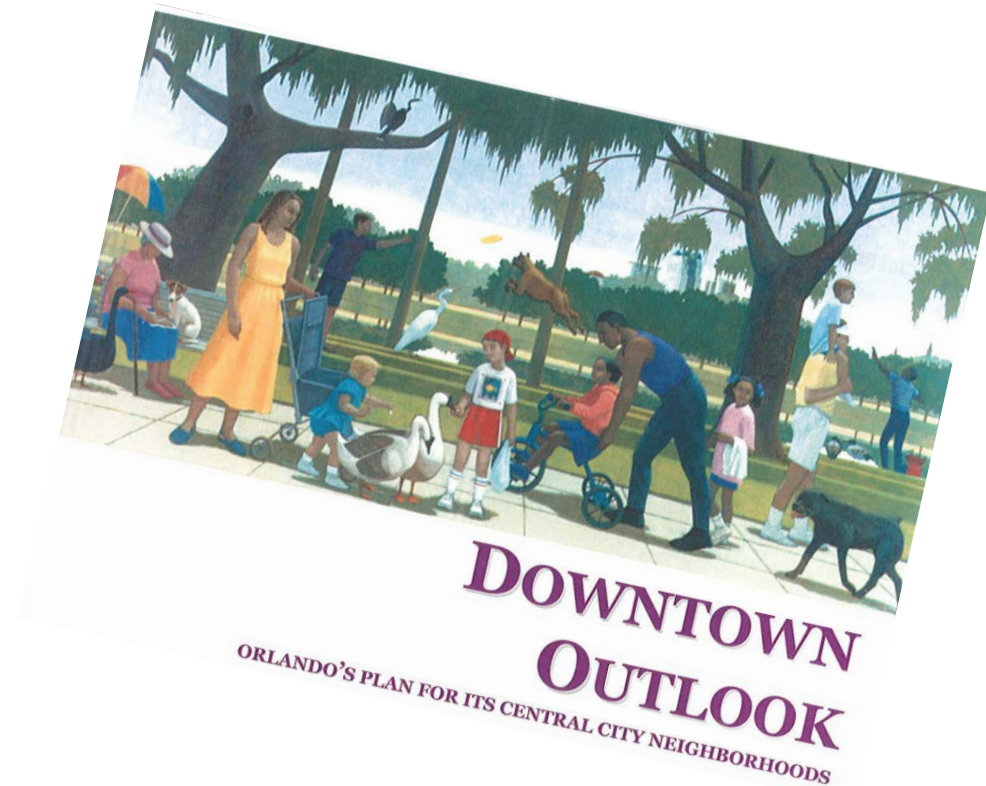
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Redevelopment Plan

- The growth of the hospitality industry supports all of the market sectors present in the Central Business District (CBD).
- **As the CBD matures, this sub-market will cater to the business traveler and the visitor seeking the urban experience.**
- The CRA may provide support and funding for new Downtown conference center(s) and hotel(s).



Target Demographic

- Downtown Orlando is known for its many entertainment and social options.
- Currently, Downtown's entertainment establishments are viewed as a destination for young adults.
- The addition of a conference center/hotel would bring in a more balanced demographic.



Conference/Convention Center



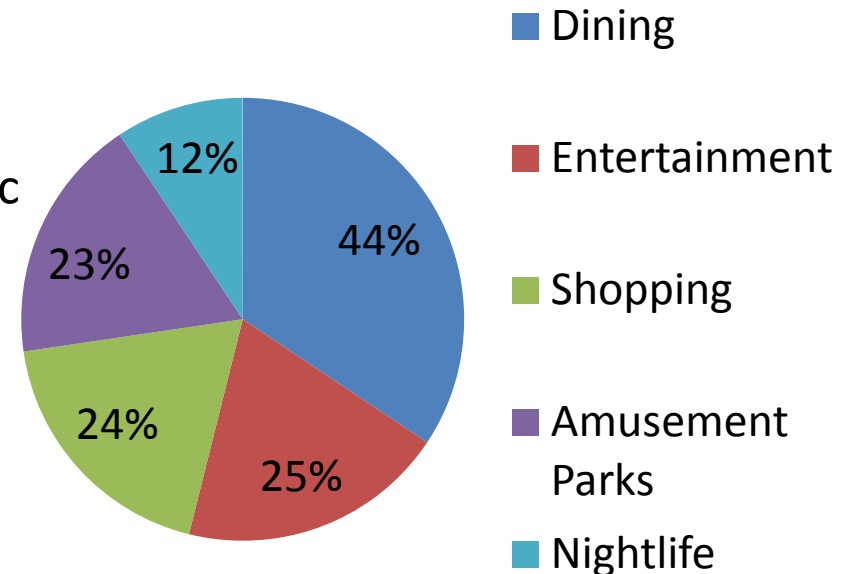
- Opportunity to build on the existing 800 conventions between 500 – 1,000 attendees that are annually held in our area. *
- A Conference/Convention Center will provide options to business and convention travelers visiting the City.
- Increase pedestrian traffic from 6 p.m. – 11 p.m. benefiting restaurants and retail
- Increase hotel occupancy

*Source: Visit Orlando

Convention Attendee Characteristics

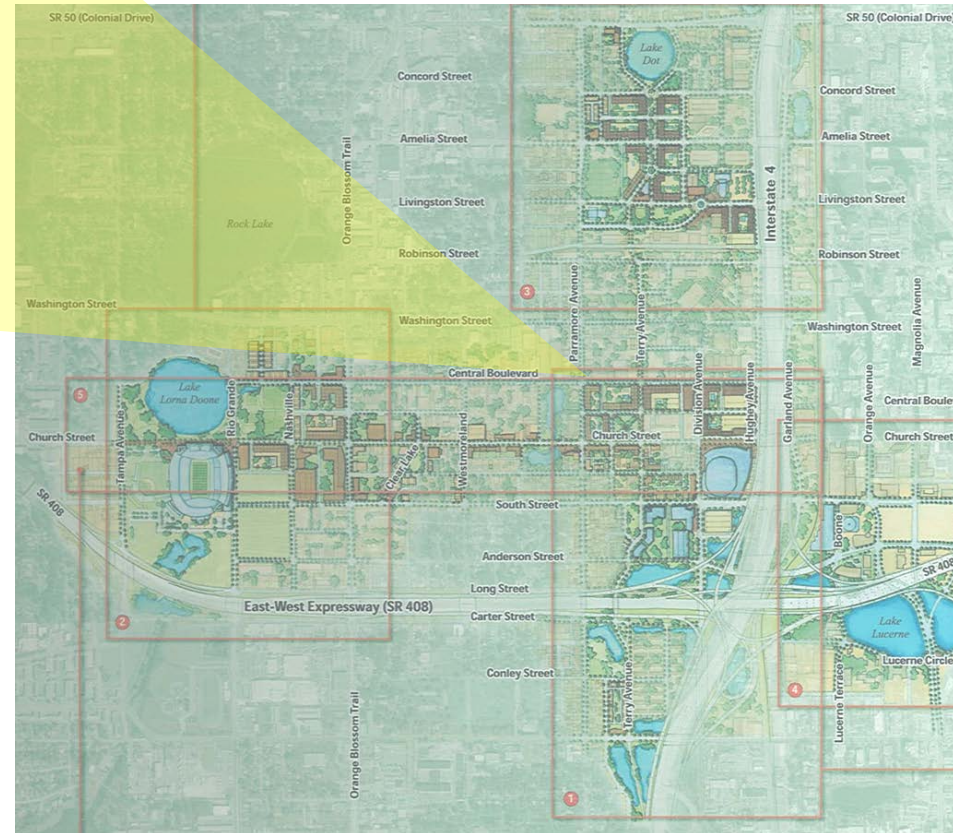
- Average household income \$126,769*
- Average overnight stay – 3 nights*
- Spending per party - \$860*
- Estimated Annual Downtown Economic Impact - \$10M
 - 50 meetings
 - 750 attendees per meeting
 - 1.6 visitors per party*
 - 60,000 annual visitors
 - 50% of expenditures Downtown

Top Activities*



*Source: Visit Orlando

Venues Plan



- Critical mass of development enhances goods and services in the Parramore community.
- Enhanced sense of place and will strengthen the urban fabric of the CBD and Parramore.
- Scale of development enhances walkability and leads to higher pedestrian counts.

Should The CRA Invest?

The CRA has financially participated in other public/private projects identified by the DSTT.

- Cobb Plaza Movie Theatre
- Publix at Paramount

Sample of other Cities who incentivized Convention Centers.

- Sacramento, California
- Ithaca, New York
- Annapolis, Maryland
- Mesa, Arizona
- Shreveport, Louisiana
- Milwaukee, Wisconsin
- Chattanooga, Tennessee
- Nashville, Tennessee
- San Jose, California
- Cleveland, Ohio



Convention centers generally cannot earn enough direct revenues to cover all of their recurring operating costs or their construction costs. However, cities, and increasingly states, sponsor convention centers with the expectation of significant direct and indirect economic benefits to the area, from spending by out-of-town convention delegates, that will increase local and state tax revenues to offset operating losses and construction costs of convention centers.



Alex Martins
Chief Executive Officer
Orlando Magic



Illustrative Plan
Full Buildout



CONCEPTUAL RENDERING – SUBJECT TO MODIFICATION UPON FINAL DESIGN



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Rebecca Sutton
Chief Financial Officer
City Of Orlando

Purchase Contract

- Total purchase price: \$12,712,560.88
- Appraised value – \$11,146,169.98 (\$34.93 per square foot)
 - Does not include the value of the land for the reconstructed Pine Street
 - City will be responsible for the construction of Pine Street from state sources
- Loss of facilities – \$1,566,390.90
 - Communications tower
 - Lost parking revenues

Purchase Contract

- Construction in phases:
- Initial Phase
 - Commercial offices include Orlando Magic headquarters
 - Parking garage
- Future Phase after the City vacates the Orlando Police Headquarters Building
 - Residential complex
 - Hotel and convention center
 - Retail Space

Purchase Contract

Police Headquarters

- City will not vacate at closing
- City will receive a below-market lease of the building after closing
 - \$100,000 plus utilities, maintenance, etc.

Purchase Contract

Convention Center

- Approximately 40,000 square feet
- \$1.7 million contribution from the CRA
- City is entitled to use the convention center 6 days each year without facility rental cost
- City will receive scheduling priority for the convention center

Why This is a Good “Business Deal” for the City

- Selling for more than appraised value
 - Appraised Value
 - Loss of Use
- Appraised value is comparable to the price of soccer site acquisition
- Moving the property onto the tax role
 - Produces from \$52 million to \$89 million for the CRA*
 - Produces from \$39 million to \$67 million for schools*
- Public Parking is being replaced within the new development at no cost to the public.

*These estimates are based on the following assumptions: 30 years and no valuation growth to 4% valuation growth

Why This is a Good “Business Deal” for the City

- Proceeds will assist in building a new OPD Headquarters while retaining access to the current OPD Headquarters until the new building is finished.
- OPD Lease back is below market.
- Addresses a CRA Downtown recommendation (conference/convention center) at a fraction of the expected cost and will be substantially funded by new tax revenue before it is provided for the building.
- City is requiring for Pine Street to be cut through the property providing better transportation access from Parramore to I-4.
- Development will provide additional hotel space and business activity to downtown restaurants and merchants.

Next Steps

- 120 day investigation period
 - OPD Lease
 - Convention Center Use and Participation Agreement
 - Environmental Insurance Policy
 - Development Agreement
 - Special Assessment

Next Steps

Closing 60 days after the 120 day investigation period ends

Single closing for both option properties



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ORLANDO™

