

RATINGS:**Moody's: "Aaa" (Ambac Insured)****"A2" (Underlying)****Fitch: "AAA" (Ambac Insured)****"A+" (Underlying)****S&P: "AAA" (Ambac Insured)****"A" (Underlying)****(See "FINANCIAL GUARANTY INSURANCE" and "RATINGS" herein)****NEW ISSUE: BOOK-ENTRY ONLY**

In the opinion of Bond Counsel, assuming continuing compliance by the Agency with various covenants in the Bond Resolution, under existing statutes, regulations, and judicial decisions, the interest on the 2004 Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Bond Counsel is further of the opinion that the 2004 Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes imposed by Chapter 198, Florida Statutes, and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined therein. See "TAX MATTERS" herein for a description of alternative minimum tax treatment and certain other tax consequences to holders of the 2004 Bonds.

\$9,855,000

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY**

Tax Increment Revenue Refunding Bonds

(Downtown District),

Series 2004

Dated: Date of Delivery

Due: October 1 in the years shown on the inside cover page

The City of Orlando, Florida Community Redevelopment Agency Tax Increment Revenue Refunding Bonds (Downtown District), Series 2004 (the "2004 Bonds") will be issued by the City of Orlando, Florida Community Redevelopment Agency (the "Agency"), a public body corporate and politic organized under the laws of the State of Florida to (i) finance the refunding of the Agency's Tax Increment Revenue Refunding Bonds, Series 1993 (the "Refunded Bonds"), including the cost of the redemption premium, and (ii) pay the costs of the issuance thereof, including the premium for financial guaranty insurance.

The 2004 Bonds are issuable as fully registered bonds in denominations of \$5,000 and integral multiples thereof, and when issued will be registered in the name of Cede & Co., as Bondholder and securities depository nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases of beneficial interest in the 2004 Bonds will be made in book-entry form only through DTC Participants in the principal amount of \$5,000 or any integral multiple thereof. Purchasers of beneficial interest in the 2004 Bonds will not receive physical delivery of bond certificates. Interest on the 2004 Bonds will be paid semi-annually on April 1 and October 1 of each year, commencing April 1, 2004 (each, an "Interest Payment Date"). Payments of principal of and interest on the 2004 Bonds will be made to purchasers of beneficial interests in the 2004 Bonds by DTC Participants (see "THE 2004 BONDS - Book-Entry-Only System" herein). U.S. Bank Trust National Association will serve as Paying Agent and Registrar for the 2004 Bonds.

The 2004 Bonds are not subject to redemption prior to maturity.

The payment of the principal of and interest on the 2004 Bonds when due will be insured by a financial guaranty insurance policy to be issued by Ambac Assurance Corporation simultaneously with the delivery of the 2004 Bonds.

[AMBAC LOGO]

SEE INSIDE COVER PAGE FOR MATURITY SCHEDULE

The 2004 Bonds and the interest thereon are payable solely from and secured by an irrevocable lien upon and pledge of the Pledged Revenues described herein as Tax Increment Revenues and investment earnings and moneys in certain accounts set forth in the Bond Resolution. The 2004 Bonds shall not constitute a lien upon any real or personal property or revenue sources of the Agency, the City of Orlando, Florida (the "City"), or any part thereof, or any other tangible personal property of the Agency or the City, but shall be secured solely by a lien only on such Pledged Revenues. The Agency has previously issued its Tax Increment Revenue Refunding and Revenue Bonds (Downtown District Project), Series 2002 (the "2002 Bonds"), currently outstanding in the principal amount of \$11,335,000, and the Refunded Bonds. The 2002 Bonds are secured equally and ratably under the Bond Resolution with the 2004 Bonds.

The 2004 Bonds are limited obligations of the Agency and are not a debt, liability or obligation of the City, Orange County, Florida (the "County"), the City of Orlando Downtown Development Board, the State of Florida, or any political subdivision thereof. Neither the general credit of the Agency, nor the faith and credit or taxing power of the City, the County, the City of Orlando Downtown Development Board, the State of Florida, or any political subdivision thereof is pledged to the payment of the 2004 Bonds or any interest thereon. The Agency has no taxing power. The owners of the 2004 Bonds shall never have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the City, the County, the City of Orlando Downtown Development Board or any other political subdivision in the State of Florida or taxation in any form on any real or personal property for the payment of the principal of and interest on the 2004 Bonds or for the payment of any other amounts provided for in the Bond Resolution described herein. Neither the officials of the Agency, the City or the City of Orlando Downtown Development Board, nor any persons executing the 2004 Bonds are liable personally on the 2004 Bonds.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The 2004 Bonds are offered for delivery when, as and if issued, and received by the Underwriters, subject to the delivery of an approving opinion as to the legality of the 2004 Bonds by Bryant Miller & Olive P.A., Orlando, Florida, Bond Counsel. Certain legal matters will be passed upon for the Agency by its Disclosure Counsel, Holland & Knight LLP, Orlando, Florida, and by its Special Legal Counsel, Shutts & Bowen LLP, Orlando, Florida. Certain other legal matters will be passed upon for the Agency by the Office of Legal Affairs of the City. Marianne Edmonds Inc., St. Petersburg, Florida, is serving as the financial advisor to the Agency in connection with the issuance and delivery of the 2004 Bonds. It is expected that the 2004 Bonds will be available for delivery through DTC in New York, New York, on or about February 5, 2004.

UBS Financial Services Inc.

First Southwest Company

Guzman & Company

January 23, 2004

AMOUNTS, MATURITIES, INTEREST RATES, YIELDS AND INITIAL CUSIP NUMBERS

\$9,855,000 Serial Bonds

<u>Amount</u>	<u>Maturity (October 1)</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Initial Cusip Number</u>
\$1,435,000	2004	2.000%	1.100%	686430DR7
1,000,000	2005	1.650	1.100	686430DS5
335,000	2005	2.000	1.100	686430DT3
1,360,000	2006	2.000	1.420	686430DU0
1,390,000	2007	2.000	1.720	686430DV8
1,415,000	2008	2.000	2.050	686430DW6
1,440,000	2009	2.250	2.330	686430DX4
1,480,000	2010	2.500	2.590	686430DY2

CITY OF ORLANDO
COMMUNITY REDEVELOPMENT AGENCY
201 South Orange Avenue, Suite 1230
Orlando, Florida 32801

Members of the Community Redevelopment Agency⁽¹⁾

Phil Diamond Betty T. Wyman Daisy W. Lynum	Mayor Buddy Dyer, Chairman	Ernest Page Patty Sheehan Vicki Vargo
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CRA OFFICIALS

Executive Director⁽²⁾
William Franklin Billingsley, III

Assistant Director
Joyce Sellen

CRA ADVISORY BOARD

Sarah Kelly, Chair Robert McClelland, Vice Chair Pat Christiansen, Secretary	Jennifer Quigley John Hillenmeyer Mary I. Johnson James P. Caruso
--	--

SUPPORTING CITY OF ORLANDO STAFF

Chief Executive Officer
Mayor Buddy Dyer

Chief Financial Officer⁽³⁾
G. Michael Miller, CPA, CIA, CGFO, CGFM

Director of Economic Development⁽²⁾⁽³⁾
Richard L. Levey

Director of Management, Budget and Accounting⁽³⁾
Robert R. Garner, CPA, CMA, CGFO

City Attorney⁽³⁾
A. Wayne Rich, Esq.

Treasurer
Kent R. Olson, CGFO

Assistant City Attorney
Wesley C. Powell, Esq.

CONSULTANTS

Bond Counsel
Bryant Miller & Olive P.A.
Orlando, Florida

Special Legal Counsel
Shutts & Bowen LLP
Orlando, Florida

Disclosure Counsel
Holland & Knight LLP
Orlando, Florida

Independent Certified Public Accountants
KPMG LLP
Orlando, Florida

Financial Advisor
Marianne Edmonds, Inc.
St. Petersburg, Florida

-
- (1) The Members of the City Council of the City of Orlando, Florida, serve as the members of the City of Orlando Community Redevelopment Agency.
(2) The CRA's Executive Director reports to the Director of Economic Development of the City.
(3) Member of the Mayor's Cabinet.

No dealer, broker, salesman or other person has been authorized by the Agency or the Underwriters to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2004 Bonds, by any person in any jurisdiction in which it is unlawful for such a person to make such offer, solicitation or sale. The information set forth herein (which includes the Appendices) has been obtained from the Agency, the Insurer and other sources that are believed to be reliable but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters. The information and expressions of opinions herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the matters described herein since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

THE 2004 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAVE THE RESOLUTIONS BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE 2004 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE 2004 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE 2004 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2004 BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

Relating to

\$9,855,000

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY
Tax Increment Revenue Refunding Bonds
(Downtown District),
Series 2004**

INTRODUCTION

This introduction is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement and should not be considered to be a complete statement of the facts material to the making of an investment decision. The offering by the City of Orlando, Florida Community Redevelopment Agency (the "Agency") of its City of Orlando, Florida Community Redevelopment Agency Tax Increment Revenue Refunding Bonds (Downtown District), Series 2004 (the "2004 Bonds"), to potential investors is made only by means of the entire Official Statement, including all appendices attached hereto. All capitalized undefined terms used in this introduction shall have the meaning set forth elsewhere in this Official Statement.

The Agency has previously issued its (i) Tax Increment Revenue Refunding and Revenue Bonds (Downtown District Project), Series 2002 (the "2002 Bonds"), of which \$11,335,000 in principal amount are currently outstanding, and (ii) Tax Increment Revenue Refunding Bonds, Series 1993 (the "Refunded Bonds"), of which \$9,410,000 in principal amount are currently outstanding. The 2002 Bonds and the Refunded Bonds both relate to the financing of improvements in a community redevelopment area referred to as the "Downtown District," see "The Agency" below.

The proceeds of the 2004 Bonds will be used, together with available Agency funds, to (i) finance the refunding of the Refunded Bonds, including the cost of the redemption premium, and (ii) pay the costs of issuance of the 2004 Bonds, including the premium for municipal bond insurance.

The Agency

On February 11, 1980, the City Council (the "City Council") of the City of Orlando, Florida (the "City") adopted a resolution (i) determining that the need existed for a community redevelopment agency to carry out the redevelopment of slum and blighted areas in the City as authorized by Chapter 163, Part III, Florida Statutes, as amended (the "Redevelopment Act"), (ii) creating the Agency, (iii) appointing the City Council as the members of the Agency, (iv) determining that a portion of the City's downtown area (which portion of downtown is referred to as the "CRA I") was blighted, and placing CRA I under the jurisdiction of the Agency. CRA I is within the confines of a larger geographic area under the jurisdiction of the City of Orlando Downtown Development Board (the "DDB"). While completely separate in function and governance, the Agency and the DDB provide for complementary and coordinated approaches to many issues and programs.

On March 26, 1990, the City Council found additional areas within the downtown area of the City to be slum or blighted areas within the meaning of the Redevelopment Act, which additional area is referred to as the "CRA Expansion Area." The City Council merged the CRA Expansion Area and CRA I into a combined community redevelopment area (the "Downtown District"). The Downtown District consists of a total of approximately 1,620 acres in the heart of the downtown area of the City. On May 14, 1990, the City approved a revised community redevelopment plan for the Downtown District. During the year 2000, this plan was updated again and the newest plan is known as the "Downtown Outlook 2000 Plan."

On July 12, 1982, the City Council also enacted an ordinance which established a Community Redevelopment Trust Fund (the "Downtown District Redevelopment Trust Fund"). Pursuant to this ordinance, certain taxing authorities which levy ad valorem taxes on real property subject to taxation located within the Downtown District, as more fully described herein, are required in each year to pay to the Downtown District Redevelopment Trust Fund certain amounts as required by the Act (see "TAX INCREMENT REVENUES" herein). On June 18, 1990, after the creation of the CRA Expansion Area and the Downtown District, such ordinance was supplemented and amended. The June 18, 1990 Trust Fund Ordinance was amended again on October 23, 2000. The 2004 Bonds are secured by the Tax Increment Revenues received with respect to the Downtown District (see "SECURITY FOR THE 2004 BONDS"). **The Agency has other redevelopment areas each with their own separate trust funds which do not secure payment of the 2004 Bonds.**

For additional information concerning the City, please see "Appendix A – GENERAL INFORMATION - THE CITY OF ORLANDO, FLORIDA" attached hereto.

The 2004 Bonds

The 2004 Bonds are being issued in book-entry-only form as fully registered bonds in denominations equal to the principal amount of each maturity set forth on the inside cover page, and when issued, shall, as described herein, be registered in the name of Cede & Co., as Bondholder and securities depository nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases of beneficial interests in the 2004 Bonds will be made in book-entry form only through Direct Participants, as described herein. Interest will be calculated from the dated date of the 2004 Bonds and be payable on April 1, 2004 and semiannually thereafter on each April 1 and October 1. The 2004 Bonds are not subject to optional redemption prior to maturity.

Security for the 2004 Bonds

The 2004 Bonds are limited obligations of the Agency payable solely from and secured by an irrevocable lien on the Pledged Revenues consisting of (i) Tax Increment Revenues received by the Agency from each non-exempt taxing authority within the Downtown District which are the City, Orange County, Florida (the "County") and the DDB, (ii) the income received from the investment of moneys to be deposited into certain funds and accounts created by and pledged under the Bond Resolution, and (iii) moneys in certain of the accounts set forth in the Bond Resolution. See "TAX INCREMENT REVENUES" and "SUBORDINATE LIENS ON TAX INCREMENT REVENUES" herein regarding the Tax Increment Revenues. The 2004 Bonds shall be payable on a parity in all respects with the 2002 Bonds.

The 2004 Bonds are limited obligations of the Agency and are not a debt, liability or obligation of the City, the County, the DDB, the State of Florida, or any political subdivision thereof. Neither the general credit of the Agency, nor the faith and credit or taxing power of the City, the County, the DDB, the State of Florida, or any political subdivision thereof is pledged to the payment of the 2004 Bonds or any interest or premium thereon. The Agency has no taxing power. The owners of the 2004 Bonds shall never have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the City, the County, the DDB, the State of Florida, or any other political subdivision thereof or taxation in any form on any real or personal property for the payment of the principal of, redemption premium, if any, and interest on the 2004 Bonds or for the payment of any other amounts provided for in the Bond Resolution described herein.

Financial Guaranty Insurance

The timely payment of the principal of and interest on the 2004 Bonds will be insured by a financial guaranty insurance policy (the "Financial Guaranty Insurance Policy") to be issued by Ambac Assurance Corporation (the "Insurer" or "Ambac Assurance") simultaneously with the issuance of the 2004 Bonds. For a discussion of the terms and provisions of such policy, including the limitations thereof, see "FINANCIAL GUARANTY INSURANCE" herein.

Authority for the 2004 Bonds

The 2004 Bonds are being issued pursuant to a resolution enacted by the Agency on October 24, 1983, as amended and restated on June 2, 1986, and as further amended and supplemented on June 2, 1986, June 30, 1986, December 10, 1990, August 12, 1991, August 17, 1992, January 11, 1993, October 29, 2001, January 28, 2002, April 22, 2002, and December 8, 2003 (collectively referred to as the "Bond Resolution"). The 2004 Bonds are being issued and the Bond Resolution was adopted under the Redevelopment Act.

Any capitalized term not otherwise defined in this Official Statement shall have the meaning ascribed to it in the Bond Resolution. See "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" in Appendix B hereto.

The City

The City was incorporated on July 31, 1875 and the City Charter was adopted on February 4, 1885. The City is centrally located in the State of Florida, approximately 150 miles south of the Florida-Georgia state line, 50 miles west of the Atlantic Ocean and 75 miles east of the Gulf of Mexico. The City covers an area of approximately 107 square miles and has a population of approximately 202,000. The Orlando Metropolitan Statistical Area ("MSA") consisting of Lake, Orange, Osceola, and Seminole Counties has a population of approximately 1,801,000. Data from the United States Bureau of Census indicates that the Orlando MSA is one of the nation's fastest growing metropolitan areas, with a 22.6% growth in population since 1990.

The City operates under a mayor-council form of government. The Mayor is the City's chief executive officer and is elected for a term of four years. In addition to serving as the presiding officer and a voting member of the City Council, the Mayor's responsibilities include the enforcement of laws, control of City departments and divisions, appointment and removal of

officers and employees, supervision of City property and negotiation of contracts. The Mayor makes recommendations for creation of ordinances and resolutions to the City Council and presents the annual budget for approval.

Downtown Development Board

The DDB, created by referendum in 1972 as a result of a special act of the legislature in 1971, serves as the agency responsible for the revitalization of the City's core area. Under the guidance of a five-member board, plans and projects designed to stimulate private investment are carried out. The DDB provides economic and legislative information, market data, professional and technical assistance to private developers, short and long-range planning and coordination of a special events program, and representation before public agencies. The area known as "Downtown Orlando" is administered by the DDB and consists of approximately the area bounded by Lake Ivanhoe on the north, Summerlin Avenue on the east, Gore Street to the south and Parramore Avenue to the west. Approximately 60,000 people utilize this two square-mile area on a daily basis.

Additional Information

This Official Statement speaks only as of its date and the information contained herein is subject to change. This Official Statement contains certain information concerning the Insurer and its policy of municipal bond insurance on the 2004 Bonds. Such information has not been provided by the Agency and the Agency does not certify as to the accuracy or sufficiency of the disclosure practices or content of information provided by the Insurer and is not responsible for the information provided by the Insurer.

A copy of the Bond Resolution and all documents of the Agency referred to herein, including copies of the audited financial statements of the Agency, may be obtained from the City of Orlando, Florida Community Redevelopment Agency, 201 South Orange Avenue, Suite 1230, Orlando, Florida 32801.

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ESTIMATED SOURCES AND USES OF FUNDS

The funds provided and the sources thereof, in connection with the issuance of the 2004 Bonds are expected to be as follows:

Sources of Funds:

Par Amount of 2004 Bonds	\$9,855,000
Plus Net Original Issue Premium	39,113.65
Other Available Moneys	<u>194,397.16</u>
Total Sources	<u>\$10,088,510.81</u>

Uses of Funds:

Deposit to 1993 Escrow Fund	\$9,836,433.16
Underwriters' Discount	34,878.17
Costs of Issuance including Financial Guaranty Insurance Premium	<u>217,199.48</u>
Total Uses	<u>\$10,088,510.81</u>

PLAN OF FINANCING

Refunding of Refunded Bonds

The Agency has determined that it is desirable to provide for the refunding of the Refunded Bonds in order to obtain debt service savings.

A portion of the proceeds of the sale of the 2004 Bonds, together with other available Agency moneys, will be used to refund the Refunded Bonds. To effect the refunding of the Refunded Bonds, the Agency will enter into an Escrow Deposit Agreement (the "Escrow Agreement") on or prior to the delivery of the 2004 Bonds with The Bank of New York, New York, New York, as escrow agent (the "Escrow Agent"). Pursuant to the terms of the Escrow Agreement, the Agency will deposit a portion of the net proceeds of the 2004 Bonds, together with other legally available moneys, into an Escrow Deposit Trust Fund (the "Escrow Fund") held by the Escrow Agent. A portion of such proceeds and moneys deposited in the Escrow Fund will be applied on the date of the delivery of the 2004 Bonds to the purchase of non-callable direct obligations of the United States of America ("Government Obligations"). The Government Obligations, together with the interest thereon, and cash balances on deposit in the Escrow Fund will be sufficient to pay all principal of and redemption premium, and interest on the Refunded Bonds to the call date. The Refunded Bonds will be called for redemption on or about March 11, 2004 at a redemption price of 102% of the principal amount thereof.

By deposit of the Government Obligations and uninvested cash with the Escrow Agent pursuant to the Escrow Agreement and the giving of certain instructions as required by the Bond Resolution, the Agency will have effected the defeasance of the Refunded Bonds under the Bond Resolution. As a result of such defeasance, it is the opinion of Bond Counsel (rendered in

reliance upon various certificates and opinions, and upon the verification of Dufresne & Associates, CPA, PA described under "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein) that the Refunded Bonds shall be deemed to be paid and no longer Outstanding under the Bond Resolution.

The maturing principal of and interest on the Government Obligations and uninvested cash held by the Escrow Agent will not be available to pay debt service on the 2004 Bonds.

THE 2004 BONDS

General

The 2004 Bonds are being issued as Parity Bonds under the Bond Resolution and will bear interest at the rates and will mature on the dates and in the amounts shown on the inside front cover of this Official Statement.

The 2004 Bonds will be dated as of the date of delivery thereof, and will bear interest from such date. Interest on all Bonds will be payable semiannually on April 1 and October 1 of each year, with the first interest payment to be made on April 1, 2004. U.S. Bank Trust National Association will serve as Registrar and Paying Agent for the 2004 Bonds.

The 2004 Bonds will be issued in fully registered form in denominations equal to the principal amount of each maturity shown on the cover page in book-entry form only as described below under "THE SERIES 2004 Bonds - Book-Entry-Only System."

No Redemption

The 2004 Bonds are not subject to redemption prior to maturity.

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the 2004 Bonds. The 2004 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of the 2004 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE 2004 BONDS, AS NOMINEE OF DTC, REFERENCES IN THIS OFFICIAL STATEMENT TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE 2004 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL HOLDERS OF THE 2004 BONDS.

THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORDKEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE 2004 BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE 2004 BONDS TO DTC PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL HOLDERS OF THE 2004 BONDS, CONFIRMATION AND TRANSFER OF

BENEFICIAL OWNERSHIP INTERESTS IN THE 2004 BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DTC PARTICIPANTS AND BENEFICIAL HOLDERS OF THE 2004 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE AGENCY NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of bond certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, GSCC, MBSCC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC and the National Association of Securities Dealers Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of beneficial interests in 2004 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such 2004 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the "Beneficial Holder") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Holders will not receive written confirmation from DTC of their purchase. Beneficial Holders are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Holder entered into the transaction. Transfers of ownership interests in the 2004 Bonds will be accomplished by entries on the books of Direct and Indirect Participants acting on behalf of Beneficial Holders. Beneficial Holders will not receive certificates representing their ownership interests in the 2004 Bonds, except in the event that use of the book-entry system for the 2004 Bonds is discontinued.

To facilitate subsequent transfers, all 2004 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name

as may be requested by an authorized representative of DTC. The deposit of 2004 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Holders of the 2004 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2004 Bonds are credited, which may or may not be the Beneficial Holders. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Holders will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Holders of 2004 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2004 Bonds, such as redemptions, defaults and proposed amendments to the Series 2004 Bond documents. For example, Beneficial Holders of 2004 Bonds may wish to ascertain that the nominee holding the 2004 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Holders.

Neither DTC nor Cede & Co. (nor any DTC nominee) will consent or vote with respect to the 2004 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Agency as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2004 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 2004 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Agency, the Registrar or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Holders will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Agency, or the Paying Agent, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Agency and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Holders will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2004 Bonds at any time by giving reasonable notice to the Agency under the terms described in the Bond Resolution. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The Agency may decide, in its sole discretion, to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, 2004 Bond certificates will be printed and delivered.

The Agency does not have any responsibility or obligations to the DTC Participants, Indirect Participants or the Beneficial Holders with respect to (a) the accuracy of any records maintained by DTC or any DTC Participant or Indirect Participant; (b) the payment by DTC or any DTC Participant or Indirect Participant of any amount due to any Beneficial Holder in respect of the principal of and premium, if any, and interest on the 2004 Bonds; (c) the delivery or timeliness of delivery by DTC or any DTC Participant or Indirect Participant of any notice to any Beneficial Holder which is required or permitted under the terms of the Bond Resolution to be given to Bondholders; (d) the timely delivery or implementation of any optional or mandatory tender notices or payments to, among, or between the Agency, the Paying Agent, DTC, the Participants or the Beneficial Holders; (e) the selection of the Beneficial Holders to receive payments in the event of any partial redemption of the 2004 Bonds; or (f) any consent given or other action taken by DTC, or its nominee, Cede & Co., as Bondholder.

SECURITY FOR THE 2004 BONDS

The Pledged Revenues

The 2004 Bonds are limited obligations of the Agency payable solely from and secured by an irrevocable lien on the Pledged Revenues relating to the Downtown District and consisting of (i) Tax Increment Revenues received by the Agency, (see "TAX INCREMENT REVENUES" and "SUBORDINATE LIENS ON TAX INCREMENT REVENUES" herein for a more complete discussion); (ii) the income received from the investment of moneys to be deposited into certain funds and accounts created by and pledged under the Bond Resolution; and (iii) moneys in certain accounts set forth in the Bond Resolution. The 2004 Bonds shall be payable on a parity in all respects with the 2002 Bonds and any other Parity Bonds issued from time to time under the Bond Resolution.

The 2004 Bonds will not constitute general obligations or indebtedness of the Agency, or a debt, liability or obligation of the City, the County, the DDB, the State of Florida, or any political subdivision thereof. Neither the general credit of the Agency, nor the faith and credit or taxing power of the City, the County, the DDB, the State of Florida, or any political subdivision thereof is pledged to the payment of the 2004 Bonds or any interest or premiums thereon. The Agency has no taxing power. The owners of the 2004 Bonds shall never have the right, directly or indirectly, to require or compel the exercise of the taxing power of the City, the County, the DDB, the State of Florida or any political subdivision thereof, or taxation in any form on any real or personal property for the payment of the 2004 Bonds or any interest or premium thereon or for any other payments required pursuant to the Bond Resolution. Neither the officials of the Agency, the City or the DDB, nor any persons executing the 2004 Bonds are liable personally for the 2004 Bonds.

Flow of Funds

Tax Increment Revenues are required to be deposited as received into the Community Redevelopment Trust Fund. The particular Community Redevelopment Trust Fund for the Bonds is sometimes referred to herein as the "Downtown District Redevelopment Trust Fund". Pursuant to the Bond Resolution, Tax Increment Revenues and Investment Earnings (other than interest earned on moneys in the Construction Account or the Rebate Account) shall then be applied in each Sinking Fund Year by the Agency as follows: First, by transfer into the Interest Account and the Principal Account an amount equal to the Interest Requirement and the Principal Requirement of the then current Sinking Fund Year (without taking into account any moneys in the Interest Account or the Principal Account at the beginning of such Sinking Fund Year, and to be used for payments on the first interest or principal payment date in such Sinking Fund Year). Second, to payments into the Bond Reserve Account and/or to the issuers of Reserve Account Credit Facilities if necessary, as specified in the Bond Resolution. Third, to payments into the Rebate Account in an amount which, together with other amounts on deposit therein, shall equal the Rebate Amount as of the most recent calculation date. Fourth, to payments into the Redevelopment Account of all such remaining Investment Earnings and other Tax Increment Revenues received by the Downtown District Redevelopment Trust Fund for use by the Agency for any lawful purpose as provided in the Bond Resolution.

Bond Reserve Account

On the date of issuance of the 2004 Bonds amounts then on deposit in the Bond Reserve Account will equal the Maximum Annual Debt Service on the 2004 Bonds and the 2002 Bonds. Pursuant to the Bond Resolution, the Agency has covenanted that so long as any of the 2004 Bonds are Outstanding, the Agency shall cause to be maintained in the Bond Reserve Account for the equal benefit of all Bonds and Parity Bonds Outstanding from time to time an amount (including amounts available under any Reserve Account Credit Facilities) equal to Maximum Annual Debt Service (the "Reserve Requirement").

Moneys in the Bond Reserve Account may only be invested in Permitted Investments which mature or are redeemable at the option of the holder on or before the final maturity of the Bonds and may be used only for the purpose of curing deficiencies in the Interest Account or Principal Account when amounts on deposit therein are insufficient to meet the total Interest Requirement and Principal Requirement coming due on the Bonds and Parity Bonds (including the 2004 Bonds). Priority is given to curing deficiencies in the Interest Account. To the extent that such transfer does not cure such deficiency, the Paying Agent shall draw upon any Reserve Account Credit Facilities. Permitted Investments and moneys in the Bond Reserve Account shall be valued by the Agency as of April 1 of each year at the current market value, or at the redemption price thereof, if then remarketable at the option of the holder. If the value of such Permitted Investments and other moneys and amounts available under Reserve Account Credit Facilities falls below the Reserve Requirement for any reason by more than 5% thereof, the Agency is required to restore such deficiency from Pledged Revenues to the extent the same are available for such purpose and are not required to make deposits to the Interest Account or the Principal Account. If the value of Permitted Investments and other moneys and amounts available under Reserve Account Credit Facilities in the Bond Reserve Account exceeds the Reserve Requirement on all Bonds and Parity Bonds Outstanding, such excess shall be transferred into the Redevelopment Account in the Community Redevelopment Trust Fund at

such times as shall be consistent with the maturity of the investments in the Bond Reserve Account.

Notwithstanding anything to the contrary contained in the Bond Resolution, in lieu of the required deposits into the Bond Reserve Account, or in substitution for all or a portion of the cash and/or Permitted Investments on deposit in the Bond Reserve Account, the Agency may cause to be deposited one or more Reserve Account Credit Facilities to the credit of the Bond Reserve Account. Such Reserve Account Credit Facilities shall be available to be drawn by the Paying Agent (upon the giving of notice as required thereunder) on any interest or principal payment date on which a deficiency exists which cannot be cured by amounts on deposit in the Bond Reserve Account available for such purpose. The issuer providing any such Reserve Account Credit Facility shall be either (a) an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in one of the two highest rating categories (without regard to numerical or other modifiers) by one or more of the nationally recognized rating services, or (b) a commercial bank, insurance company or other financial institution, the bonds payable or guaranteed by which have been, or whose obligation to pay is guaranteed by a commercial bank, insurance company or other financial institution which has been assigned a rating by one or more of the nationally recognized rating services, in one of the two highest rating categories (without regard to numerical or other modifiers). Notwithstanding anything to the contrary contained in the Bond Resolution, if any Reserve Account Credit Facility is substituted for cash and/or Permitted Investments on deposit in the Bond Reserve Account, such cash and/or Permitted Investments shall be applied to fund any deficiency in the amounts then required to be on deposit in the funds and accounts created by the Bond Resolution and any remaining balance shall be deemed surplus, be released from the lien of the Bond Resolution and may be used by the Agency for any lawful purpose.

In the event that upon the occurrence of any deficiency in the Interest Account or Principal Account, the Bond Reserve Account is then funded with one or more Reserve Account Credit Facilities, the Paying Agent shall, on or prior to the interest or principal payment date to which such deficiency relates, draw upon such Reserve Account Credit Facilities, on a pro-rata basis if more than one, an amount sufficient (or such lesser amount available thereunder) to remedy such deficiency, in accordance with the terms and provisions of such Reserve Account Credit Facilities; provided, however, that if at the time of such deficiency the Bond Reserve Account is only partially funded with one or more Reserve Account Credit Facilities, prior to drawing on such facilities, there shall first be applied any cash and Permitted Investments on deposit in the Bond Reserve Account to remedy the deficiency and, if after such application a deficiency still exists, the Paying Agent shall draw upon such Reserve Account Credit Facilities.

If a disbursement is made from a Reserve Account Credit Facility, the Agency shall be obligated, solely from Pledged Revenues as provided in Section 7.2.1 of the Bond Resolution, to either reinstate the maximum limits of such Reserve Account Credit Facility following such disbursement by making all required payments to the issuer thereof in accordance with the terms and provisions of the reimbursement or other agreement governing such Reserve Account Credit Facility or deposit into the Bond Reserve Account funds in the amount of the disbursement made under such Reserve Account Credit Facility or to undertake a combination of such alternatives.

Parity Bonds

Covenants of the Agency under the Bond Resolution provide that it shall not issue any other obligations of any kind or nature (other than refunding bonds) payable from or enjoying a lien on the Pledged Revenues of the Downtown District or any part thereof having priority over the Bonds or Parity Bonds (including the 2004 Bonds), or on a parity with the Bonds or Parity Bonds (including the 2004 Bonds) except for those permitted under the Bond Resolution as described below.

Series of Bonds and Parity Bonds for the Downtown District (including any debt obligations issued other than under the Bond Resolution) on a parity with the 2004 Bonds may be issued if all of the following conditions are satisfied:

(a) With respect to Bonds or Parity Bonds to be issued in any Fiscal Year, there shall have been filed with the Agency, available for public inspection, a statement by an Independent Certified Public Accountant reciting the opinion, based upon necessary information, that the Modified Pledged Revenues (defined below) received or to be received by the Agency in that Fiscal Year are equal to or exceed 150% of the Maximum Annual Debt Service computed on a basis which includes all Bonds (including Parity Bonds) to be Outstanding immediately after the issuance of such Bonds or Parity Bonds, or accession of junior lien obligations to parity status in accordance with the Bond Resolution as described below.

(b) Said statement shall further express the opinion that the payments required to be made into the Interest Account, the Principal Account and the Bond Reserve Account are current.

(c) At or before delivery of any such Bonds or Parity Bonds, the amount in the Bond Reserve Account (including any amounts available under any Reserve Account Credit Facilities on deposit therein), shall be increased to an amount required to be deposited therein, if any, pursuant to the supplemental resolutions previously adopted confirming the sale and delivery of any series of Bonds or Parity Bonds, which amount, if any, may be satisfied by the deposit of a Reserve Account Credit Facility.

(d) Such Bonds or Parity Bonds must be payable as to principal on October 1 of each year in which principal falls due and payable as to interest on October 1 and April 1 of each year, except that the first interest payment shall fall due on any October 1 or April 1 not more than one year from the date of original issuance of such Parity Bonds.

Modified Pledged Revenues as defined in the Bond Resolution means the Pledged Revenues received and/or estimated to be received by the Agency in the current Fiscal Year modified to reflect the Tax Increment Revenues which the Agency would have received in such Fiscal Year if (i) the total assessed valuation of the taxable real property in the Redevelopment Area used to determine the amount of the Tax Increment Revenues to be received by the Agency in such Fiscal Year had been equal to the total assessed valuation of the taxable real property in the Redevelopment Area determined in the most recent Property Assessment Certification of the County Property Appraiser, or the total assessed valuation of such taxable real property after the final determination of all property assessment appeals to the property appraisal assessment

board, or any successor review board appointed under Florida law, whichever is most recent; and (ii) the millage rates of the taxing authorities contributing to the Fund used to determine the amount of the Tax Increment Revenues to be received by the Agency in the current Fiscal Year had been reduced or rolled-back, in accordance with applicable law then in effect, to reflect the increase in the assessed valuation of the taxable real property in the Redevelopment Area set forth in (i) above, or the actual millage rates adopted by such taxing authorities subsequent to the most recent Property Assessment Certification referred to above, if then available; provided, however, that such Tax Increment Revenues determined in accordance with (i) and (ii) shall be pro-rated for a partial year assessment, if applicable.

By proceedings authorizing debt obligations of the Agency for the Downtown District junior in lien on the Pledged Revenues to the Bonds and Parity Bonds, but which meet the requirements of the Bond Resolution pertaining to dates of maturity and payment of interest, and the reserve accumulation requirements of the Bond Resolution, the Agency may provide for the accession of such junior lien obligations to the status of parity with the Bonds and Parity Bonds when there shall have been filed with the Executive Director and available for public inspection a certificate of an Independent Certified Public Accountant stating that the principal and interest coverage requirements of the Bond Resolution described above have been met, and further reciting the opinion:

(a) That all payments into the Interest Account, Principal Account and Bond Reserve Account are current as of the date of accession; and

(b) That said accounts contain the respective amounts which would have been required to be accumulated therein on the date of accession if said junior lien obligations had originally been issued as Parity Bonds; such amounts shall be set forth in said certificate.

The Bond Resolution permits the refunding of the Bonds and Parity Bonds and the issuance of refunding Parity Bonds for such purposes so long as the following conditions have been met: There shall have been filed with the Agency a certificate of an Independent Certified Public Accountant (i) setting forth the aggregate amount of Interest Requirements and Principal Requirements falling due during the then current and all future Sinking Fund Years to and including the Sinking Fund Year of the last maturity of any Bonds then Outstanding (A) with respect to the Bonds and Parity Bonds of all series to be Outstanding immediately prior to the date of delivery of such refunding Parity Bonds, and (B) with respect to the Bonds and Parity Bonds of all series to be Outstanding thereafter, and (ii) demonstrating that the aggregate amount set forth for all Sinking Fund Years pursuant to (B) above is no greater than the aggregate amount set forth for all Sinking Fund Years pursuant to (A) above.

The Agency is not prohibited in any manner from issuing debt obligations which are junior in lien status to the 2002 Bonds, the 2004 Bonds and any Parity Bonds.

Insurer Right to Consent to Amendments

For purposes of approving proposed amendments to the Bond Resolution, the Insurer shall be deemed to be the Bondholder of all 2004 Bonds insured by it, except that the Insurer shall not be deemed to be the Bondholder of such insured 2004 Bonds for the purpose of

consenting to amendments with respect to changes in the maturity, principal amount, interest rates or payment dates with respect to the 2004 Bonds. Such rights of the Insurer shall not apply if the Insurer shall default under its obligations under the financial guaranty insurance policy securing the 2004 Bonds or if certain events related to the insolvency or bankruptcy of the Insurer shall occur.

FINANCIAL GUARANTY INSURANCE

The following information has been furnished by Ambac Assurance for use in this Official Statement. Reference is made to Appendix D for a specimen of Ambac Assurance's policy.

Payment Pursuant to Financial Guaranty Insurance Policy

Ambac Assurance has made a commitment to issue a financial guaranty insurance policy (the "Financial Guaranty Insurance Policy") relating to the 2004 Bonds effective as of the date of issuance of the 2004 Bonds. Under the terms of the Financial Guaranty Insurance Policy, Ambac Assurance will pay to The Bank of New York, in New York, New York or any successor thereto (the "Insurance Trustee") that portion of the principal of and interest on the 2004 Bonds which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Agency (as such terms are defined in the Financial Guaranty Insurance Policy). Ambac Assurance will make such payments to the Insurance Trustee on the later of the date on which such principal and interest becomes Due for Payment or within one business day following the date on which Ambac Assurance shall have received notice of Nonpayment from the Paying Agent. The insurance will extend for the term of the 2004 Bonds and, once issued, cannot be canceled by Ambac Assurance.

The Financial Guaranty Insurance Policy will insure payment only on stated maturity dates and on mandatory sinking fund installment dates, in the case of principal, and on stated dates for payment, in the case of interest. If the 2004 Bonds become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding 2004 Bonds, Ambac Assurance will remain obligated to pay principal of and interest on outstanding 2004 Bonds on the originally scheduled interest and principal payment dates including mandatory sinking fund redemption dates. In the event of any acceleration of the principal of the 2004 Bonds, the insured payments will be made at such times and in such amounts as would have been made had there not been an acceleration.

In the event the Paying Agent has notice that any payment of principal of or interest on an Obligation which has become Due for Payment and which is made to a Holder by or on behalf of the Agency has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available.

The Financial Guaranty Insurance Policy does **not** insure any risk other than Nonpayment, as defined in the Policy. Specifically, the Financial Guaranty Insurance Policy does **not** cover:

1. payment on acceleration, as a result of a call for redemption (other than mandatory sinking fund redemption) or as a result of any other advancement of maturity.

2. payment of any redemption, prepayment or acceleration premium.
3. nonpayment of principal or interest caused by the insolvency or negligence of any trustee, Paying Agent or Bond Registrar, if any.

If it becomes necessary to call upon the Financial Guaranty Insurance Policy, payment of principal requires surrender of 2004 Bonds to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such 2004 Bonds to be registered in the name of Ambac Assurance to the extent of the payment under the Financial Guaranty Insurance Policy. Payment of interest pursuant to the Financial Guaranty Insurance Policy requires proof of Holder entitlement to interest payments and an appropriate assignment of the Holder's right to payment to Ambac Assurance.

Upon payment of the insurance benefits, Ambac Assurance will become the owner of the Obligation, appurtenant coupon, if any, or right to payment of principal or interest on such Obligation and will be fully subrogated to the surrendering Holder's rights to payment.

The insurance provided by the Financial Guaranty Insurance Policy is not covered by the Florida Insurance Guaranty Association.

Ambac Assurance Corporation

Ambac Assurance is a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin and licensed to do business in 50 states, the District of Columbia, the Territory of Guam, the Commonwealth of Puerto Rico and the U.S. Virgin Islands, with admitted assets of approximately **\$6,993,000,000** (unaudited) and statutory capital of approximately **\$4,195,000,000** (unaudited) as of **September 30, 2003**. Statutory capital consists of Ambac Assurance's policyholders' surplus and statutory contingency reserve. Standard & Poor's Credit Markets Services, a Division of The McGraw-Hill Companies, Moody's Investors Service and Fitch Ratings have each assigned a triple-A financial strength rating to Ambac Assurance.

Ambac Assurance has obtained a ruling from the Internal Revenue Service to the effect that the insuring of an obligation by Ambac Assurance will not affect the treatment for federal income tax purposes of interest on such obligation and that insurance proceeds representing maturing interest paid by Ambac Assurance under policy provisions substantially identical to those contained in its financial guaranty insurance policy shall be treated for federal income tax purposes in the same manner as if such payments were made by the Agency.

Ambac Assurance makes no representation regarding the 2004 Bonds or the advisability of investing in the 2004 Bonds and makes no representation regarding, nor has it participated in the preparation of, the Official Statement other than the information supplied by Ambac Assurance and presented under the heading "FINANCIAL GUARANTY INSURANCE" and "Appendix D – FORM OF FINANCIAL GUARANTY INSURANCE POLICY."

Available Information

The parent company of Ambac Assurance, Ambac Financial Group, Inc. (the "Company"), is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). These reports, proxy statements and other information can be read and copied at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC maintains an internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding companies that file electronically with the SEC, including the Company . These reports, proxy statements and other information can also be read at the offices of the New York Stock Exchange, Inc. (the "NYSE"), 20 Broad Street, New York, New York 10005.

Copies of Ambac Assurance's financial statements prepared in accordance with statutory accounting standards are available from Ambac Assurance. The address of Ambac Assurance's administrative offices and its telephone number are One State Street Plaza, 19th Floor, New York, New York 10004 and (212) 668-0340.

Incorporation of Certain Documents by Reference

The following documents filed by the Company with the SEC (File No. 1-10777) are incorporated by reference in this Official Statement:

1. The Company's Current Report on Form 8-K dated January 23, 2003 and filed on January 24, 2003;
2. The Company's Current Report on Form 8-K dated February 25, 2003 and filed on February 28, 2003;
3. The Company's Current Report on Form 8-K dated February 25, 2003 and filed on March 4, 2003;
4. The Company's Current Report on Form 8-K dated March 18, 2003 and filed on March 20, 2003;
5. The Company's Current Report on Form 8-K dated March 19, 2003 and filed on March 26, 2003;
6. The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 and filed on March 28, 2003;
7. The Company's Current Report on Form 8-K dated March 25, 2003 and filed on March 31, 2003;
8. The Company's Current Report on Form 8-K dated April 17, 2003 and filed on April 21, 2003;

9. The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended March 31, 2003 and filed on May 15, 2003;
10. The Company's Current Report on Form 8-K dated July 17, 2003 and filed on July 18, 2003;
11. The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended June 30, 2003 and filed on August 14, 2003;
12. The Company's Current Report on Form 8-K dated October 16, 2003 and filed on October 17, 2003;
13. The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended September 30, 2003 and filed on November 14, 2003; and
14. The Company's Annual Report amendment No. 1 on Form 10-K/A for the fiscal year ended December 31, 2002 and filed on November 19, 2003.

All documents subsequently filed by the Company pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in the same manner as described above in "**Available Information**".

TAX INCREMENT REVENUES

General

The 2004 Bonds are secured primarily by the pledge of Tax Increment Revenues deposited into the Downtown District Redevelopment Trust Fund established by an ordinance adopted on July 12, 1982 by the City Council as amended on June 18, 1990 and October 23, 2000 (the "1982 Ordinance"), pursuant to Section 163.387, Florida Statutes. Each taxing authority (the City, the County, Florida and the DDB) that is required to make payments to the Downtown District Redevelopment Trust Fund is by law required to do so on or before January 1st of each year.

In the event that the Agency designates additional areas to be slum or blighted areas within the meaning of the Redevelopment Act, any tax increment revenues generated within such additional areas shall not constitute Tax Increment Revenues for purposes of the Bond Resolution and shall not be subject to the pledge and lien created by the Bond Resolution securing the Bonds and Parity Bonds unless (a) the 1982 Ordinance is amended to require the tax increment revenues generated within such additional areas to be deposited in the Downtown District Redevelopment Trust Fund and (b) the Bond Resolution is supplemented to expressly add such additional areas to the Expanded CRA and to pledge such tax increment revenues generated within such additional areas to the payment of the Bonds and Parity Bonds.

Sources of Tax Increment Revenues

Required payments by the taxing authorities to the Downtown District Redevelopment Trust Fund are based on the assessed valuation of taxable real property as of the previous January 1. Pursuant to the Redevelopment Act and the 1982 Ordinance, on or before each

January 1, each such taxing authority levying taxes in CRA I must appropriate and pay to the Downtown District Redevelopment Trust Fund an amount equal to 95% of the difference between:

(a) The amount of ad valorem taxes levied each year by that taxing authority, exclusive of any amount from any debt service millage, on taxable real property contained within the geographic boundaries of the CRA I; and

(b) The amount of ad valorem taxes which would have been produced by the then current millage rate of that taxing authority, exclusive of any debt service millage, had it been applied to the assessed valuation of the taxable real property in the CRA I as of January 1, 1981.

Pursuant to the Redevelopment Act and the 1982 Ordinance, on or before each January 1, each taxing authority levying taxes in the CRA Expansion Area must appropriate and pay to the Downtown District Redevelopment Trust Fund an amount equal to 95% of the difference between:

(a) The amount of ad valorem taxes levied each year by that taxing authority, exclusive of any amount from any debt service millage, on taxable real property contained within the geographic boundaries of the CRA Expansion Area; and

(b) The amount of ad valorem taxes which would have been produced by the then current millage rate of that taxing authority, exclusive of any debt service millage, had it been applied to the assessed valuation of the taxable real property in the CRA Expansion Area as of January 1, 1989.

Current and future tax increment revenue accruing within CRA I and the CRA Expansion Area (both inside and outside of the DDB) is predicated upon increases in assessed real property valuations in excess of taxable values recognized for a specific base year. The increases are measured in terms of the different base year(s) indicated below.

Base Year Taxable Values

<u>Tax Area</u>	<u>Acreage</u>	<u>Base Year</u>	<u>Taxable Value(s) in Base Year</u>
CRA I	596	1981	\$136,557,113
CRA Expansion Area Inside DDB	407 (est)	1989	315,256,000
CRA Expansion Area Outside DDB	<u>617 (est)</u>	1989	<u>85,483,000</u>
TOTAL DOWNTOWN DISTRICT	1,620		\$537,296,113

The incremental increase in ad valorem taxes previously described is used to measure the amount of the contribution which must be appropriated and contributed by each taxing authority which is required to make payments. The taxing authorities cannot be compelled to levy ad valorem taxes to make such payments. The statutory obligation of a taxing authority to make the required payments to a community redevelopment trust fund continues for so long as a

community redevelopment agency has indebtedness pledging Tax Increment Revenues to the payment thereof outstanding, but not to exceed thirty (30) years from the date the redevelopment plan is last amended. In the case of the Downtown District, this obligation will continue until 2030 under the current Downtown Outlook 2000 Plan. Additionally, the obligation of the governing body which established the community redevelopment agency to fund the community redevelopment trust fund annually continues until all loans, advances and indebtedness, if any, and interest thereof, of a community redevelopment agency incurred as a result of redevelopment in a community redevelopment area have been paid. The Agency has covenanted in the Bond Resolution to diligently enforce its right to receive and dispose of the Pledged Revenues and has agreed that it shall not take any action which will impair or adversely affect the Pledged Revenues or the right to receive such revenues.

The Bond Resolution also defines Tax Increment Revenues to include moneys received by the Agency from the rental or resale of any projects owned by the Agency within the Downtown District.

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**COMMUNITY REDEVELOPMENT AGENCY
DOWNTOWN DISTRICT
Assessment Values and Incremental Values 1982-2004**

Fiscal Year Ending Sept. 30,	CRA I		CRA Expansion Area ⁽¹⁾		Total
	Assessment Values	Incremental Value	Assessment Values	Incremental Value	Incremental Value
1982	\$136,557,113				\$ -
1983	208,768,439	\$72,211,326			72,211,326
1984	237,071,163	100,514,050			100,514,050
1985	250,699,163	114,142,050			114,142,050
1986	363,152,467	226,595,354			226,595,354
1987	420,796,432	284,239,319			284,239,319
1988	462,834,491	326,277,378			326,277,378
1989	545,855,243	409,298,130			409,298,130
1990	642,111,595	505,554,482	\$400,739,585		505,554,482
1991	685,204,803	548,647,690	445,383,576	\$44,643,991	593,291,681
1992	666,770,094	530,212,981	436,648,608	35,909,023	566,122,004
1993	635,370,277	498,813,164	420,164,594	19,425,009	518,238,173
1994	571,709,456	435,152,343	385,613,727	-	435,152,343
1995	550,131,878	413,574,765	380,120,345	-	413,574,765
1996	558,844,615	422,287,502	377,213,077	-	422,287,502
1997	551,609,137	415,052,024	372,204,948	-	415,052,024
1998	658,957,759	522,400,646	403,984,178	3,244,593	525,645,239
1999	682,512,279	545,955,166	426,522,959	25,783,374	571,738,540
2000	692,538,708	555,981,595	444,738,015	43,998,430	599,980,025
2001	736,986,386	600,429,273	492,260,772	91,521,187	691,950,460
2002	793,929,541	657,372,428	544,001,128	143,261,543	800,633,971
2003	816,230,192	679,673,079	582,595,221	181,855,636	861,528,715
2004	829,329,714	692,772,601	617,680,390	216,940,805	909,713,406

(1) The CRA Expansion Area was established in 1990.

Calculation of Tax Increment Revenues

To understand the method of measuring and calculating the contribution required to be made by the taxing authorities, the general method of fixing millage must be considered.

Florida law currently mandates the following procedures in fixing millage rates¹:

(a) January 1 of each year is the statutory measurement date used by the County Property Appraiser for establishing just value of real property within the County. Real property having improvements or portions not substantially completed on January 1 is deemed to have no value placed thereon and substantially completed property as of January 1 shall be assessed by the County Property Appraiser based on its just value.

(b) On or before July 1 of each year, the County Property Appraiser is required to complete his assessment of the value of all property located within the County (unless extended for good cause by the Florida Department of Revenue). Upon completion of this assessment the County Property Appraiser is required to certify to each taxing authority the taxable value within the jurisdiction of the taxing authority. This certification includes the just value of new construction, additions to structures, deletions, and property added due to geographic boundary changes substantially complete as of January 1 of such year.

(c) Each taxing authority is required to compute the millage known as the "rolled back rate". That rate is the rate which, exclusive of (i) any increase in the assessed value of taxable real property by which a tax increment is measured for such taxing authority pursuant to Section 163.387, (ii) new construction, (iii) additions to structures, (iv) deletions, and (v) property added due to geographic boundary changes, will provide the same ad valorem tax revenue for each taxing authority as was levied during the prior year.

(d) Upon preparation of a tentative budget, but prior to adoption thereof, each taxing authority in addition to computing the "rolled back rate" is required to compute the proposed millage rate which would be necessary to fund the tentative budget, other than the portion of the budget to be funded from other than ad valorem taxes. In computing proposed millage rates, each taxing authority shall utilize not less than 95% of the taxable value certified by the County Property Appraiser. In establishing the tentative budget and proposed millage rate the taxing authority is not bound by the "rolled back rate" and in accordance with Florida law may exceed the "rolled back rate" or may even adopt a

¹ The final millage rate is that millage rate used to calculate the tax increment payments required to be made to the specific Community Redevelopment Trust Fund on or before January 1 of the next year. Final millage rates generally should have been adopted by October 1 of each year to allow sufficient time for taxing authorities to calculate the required payment to the specific Community Redevelopment Trust Fund and submit same on or before January 1. Pursuant to statute, unless otherwise permitted by law, final budgets must be adopted by taxing authorities prior to the beginning of a taxing authority's fiscal year, which is October 1. Typically, property tax statements are mailed on or about November 1, with collection through November 30 providing a maximum discount of 4% and descending to 0% as of March 1 of the following year. Taxes are delinquent as of April 1. It should be noted that pursuant to the Redevelopment Act, tax increment payments are to be made to the specific Community Redevelopment Trust Fund on January 1 of each year based on the statutory calculation without regard to the actual collections or adjustments made by the taxing authority.

tentative budget and proposed millage rate which would be less than the "rolled back rate".

(e) Within 30 days of the County Property Appraiser's certification, each taxing authority is required to advise the County Property Appraiser of its proposed millage rate and the date and time at which a public hearing will be held to consider the proposed millage rate and the tentative budget. The County Property Appraiser utilizes this information in preparing the notice of proposed property taxes required to be mailed to property owners. Additionally, if this information is not provided in a timely fashion as required by statute, the taxing authority is prohibited from levying a millage rate greater than the "rolled back rate" for the upcoming fiscal year.

(f) Each taxing authority is statutorily required to hold a minimum of two public hearings on the proposed millage rate and tentative budget prior to adopting a final millage rate and a final budget. At the first public hearing the taxing authority may amend the tentative budget and proposed millage rate as it sees fit and adopt a tentative budget and proposed millage rate. At the second public hearing the taxing authority may adopt the final budget and final millage rate. The final budget and final millage rate adopted at the second hearing cannot exceed the tentative budget and tentative millage rate adopted at the first public hearing, unless a separate hearing is held after due notice. Except as otherwise provided by statute, no millage rate (exclusive of ad valorem debt service millage) for the County and the City shall annually exceed 10 mills each and 1 mill for the DDB without voter approval.

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Millage Rates

The table below summarizes the historic millage rates levied.

Historic Millage Rates

<u>Fiscal Year Ended September 30</u>	<u>City of Orlando⁽¹⁾</u>	<u>Orange County⁽¹⁾</u>	<u>Downtown Development Board⁽²⁾</u>	<u>Total</u>
1982	6.5400	5.9908	0.7900	13.3208
1983	5.2900	4.9908	0.6900	10.9708
1984	4.8539	4.4148	0.6026	9.8713
1985	4.6048	4.1166	0.5977	9.3191
1986	4.6048	4.9611	1.0000	10.5659
1987	4.1906	4.5144	1.0000	9.7050
1988	4.1906	4.5144	1.0000	9.7050
1989	6.0666	4.5389	1.0000	10.6055
1990	6.0666	5.2889	1.0000	12.3555
1991	6.0666	5.2889	1.0000	12.3555
1992	6.0666	5.2889	1.0000	12.3555
1993	6.0666	5.2889	1.0000	12.3555
1994	6.0666	5.2889	1.0000	12.3555
1995	6.0666	5.2889	1.0000	12.3555
1996	6.0666	5.2889	1.0000	12.3555
1997	6.0666	5.2889	1.0000	12.3555
1998	6.0666	5.2889	1.0000	12.3555
1999	6.0666	5.2889	1.0000	12.3555
2000	6.0666	5.2264	1.0000	12.2930
2001	6.0666	5.1639	1.0000	12.2305
2002	5.6916	5.1639	1.0000	11.8555
2003	5.6916	5.1639	1.0000	11.8555
2004	5.6916	5.1639	1.0000	11.8555

(1) The Florida Constitution limits the City and County millage capacity (non-debt related) to 10.000 mills each.

(2) The Downtown Development Board, by special act, has a 1.000 millage capacity.

Established Tax Increment Revenues

The aggregate assessed valuation of taxable real property in CRA I as of January 1, 1981 used for determining the incremental assessed valuation in future years was \$136,557,113. The aggregate assessed valuation of taxable real property in the CRA Expansion Area as of January 1, 1989 used for determining the incremental assessed valuation in future years was \$400,739,589. Such valuations are referred to herein as the "Base Year Taxable Value". The amount of Tax Increment Revenues to be received in any future year is dependent on the assessed valuation of taxable real property in the Downtown District as of each January 1, the

incremental increase in such valuation above the Base Year Taxable Value and the total millage rate levied by the relevant taxing authorities; all of which factors are completely beyond the control of the Agency. See "TAX INCREMENT REVENUES -Factors Affecting Tax Increment Revenues" herein.

Factors Affecting Tax Increment Revenues

Neither the City nor any other taxing authority levying ad valorem taxes within the Downtown District has covenanted or pledged to levy ad valorem taxes on taxable real property within the Downtown District at a level sufficient to generate Tax Increment Revenues in any amount or at all. **The pledge of Tax Increment Revenues does not constitute a pledge of the ad valorem taxing power of the City, the County or the DDB.**

Consequently, the amount of Tax Increment Revenues to be deposited in the Downtown District Redevelopment Trust Fund and pledged to the 2004 Bonds is dependent upon, among other things, (i) the millage rates, if any, established by the City, Orange County and the DDB and (ii) growth in the assessed valuation of taxable real property in the Downtown District, which increase will be affected by the annual appraisal at one hundred percent (100%) of the "just value" of taxable real property, including new construction completed, within the Downtown District.

On November 3, 1992, the voters of the State of Florida passed an amendment to Article VII, Section 4 of the Florida Constitution establishing a limitation of the lesser of 3% or the increase in the Consumer Price Index during the relevant year, on the annual increase in assessed valuation of homestead (primary residence) property, except in the event of a sale thereof during such year, and except as to improvements thereto during such year. The amendment became effective January 1, 1995. The amendment did not alter any caps on millage rates otherwise set forth in the Florida Constitution. The Agency estimates that approximately 5.11% of the taxable assessed value in the Downtown District is currently homestead property subject to the homestead exemption in the year 2003. The rest of the real property is currently commercial in nature and is not subject to the foregoing limitation on assessed valuation.

By Joint Resolution of the Florida Legislature in 1998, the State constitutional amendment was ratified, effective January 1, 1999, authorizing the Legislature to allow counties and municipalities to grant an additional homestead tax exemption to persons 65 years of age and older, with certain household income limitations. Section 196.075, Florida Statutes, gives the governing authority of any county or municipality the power to adopt an ordinance to allow an additional homestead exemption of up to \$25,000 for any person who has the legal or equitable title to real estate and maintains thereon the permanent residence of the owner, who has attained age 65, and whose household income does not exceed \$20,000 (a "qualified resident").

On October 23, 2000, the City Council enacted an Ordinance, bearing City Documentary No. 33338, granting the additional homestead exemption to qualified residents of the City. Qualified residents apply for the exemption each year with the Orange County Property Appraiser by filing a sworn statement of household income. The Ordinance provides for an annual cost-of-living adjustment to the household income limitation beginning January 1, 2001, based on the average of the monthly consumer price index over the relevant 12-month period. The additional homestead exemption began with the 2001 property tax bill and will apply only to

ad valorem taxes levied by the City at the City's millage rate, not to those of any dependent special district or municipal service taxing unit within the City limits.

The 2004 Bonds are payable solely from Tax Increment Revenues deposited into the Downtown District Redevelopment Trust Fund. The lien of the 2004 Bonds does not attach until the revenues are deposited into the Downtown District Redevelopment Trust Fund, and the holders of the 2004 Bonds have no right to require the imposition of any tax or the establishment of any rate of taxation in order to pay the principal and interest on the 2004 Bonds.

**Historic and Current Tax Increment Revenues
City of Orlando Community Redevelopment Agency**

<u>Fiscal Year Ended September 30</u>	<u>Total Collections</u>	<u>Annual Rate of Growth</u>
1982	\$ 0	--
1983	277,000	--
1984	943,000	240.43%
1985	998,000	5.83
1986	2,270,000	127.45
1987	2,616,000	15.24
1988	3,030,000	14.79
1989	4,119,000	37.16
1990	5,928,000	43.92
1991	6,942,000	17.11
1992	6,633,000	-4.45
1993	6,053,000	-8.74
1994	5,108,000	-15.61
1995	4,854,000	-4.97
1996	4,957,000	2.12
1997	4,872,000	-1.71
1998	6,167,000	26.58
1999	6,696,000	8.58
2000	6,970,000	4.09
2001	7,991,000	14.65
2002	8,971,000	12.26
2003*	9,455,000	5.40
2004**	9,891,000	4.61

Note: Incremental revenues from the CRA Expansion Area began in Fiscal Year 1991.
Rounded to the nearest \$1,000.

*Unaudited

**Estimated by the City of Orlando

**ESTIMATED DEBT SERVICE SCHEDULE AND COVERAGE
BASED ON HISTORIC REVENUES**

Maturing October 1	2004 Bonds		2002 Bonds		Combined Total Debt Service	Estimated Tax Increment Revenue ⁽¹⁾	Estimated Combined Total Debt Service Coverage
	Principal	Interest	Principal	Interest			
2004	\$1,435,000	\$134,127	\$700,000	\$450,191	\$2,719,318	\$9,890,863	3.64
2005	1,335,000	175,900	725,000	429,191	2,665,091	9,890,863	3.71
2006	1,360,000	152,700	740,000	409,254	2,661,954	9,890,863	3.72
2007	1,390,000	125,500	770,000	385,574	2,671,074	9,890,863	3.70
2008	1,415,000	97,700	790,000	358,624	2,661,324	9,890,863	3.72
2009	1,440,000	69,400	825,000	329,986	2,664,386	9,890,863	3.71
2010	1,480,000	37,000	855,000	298,018	2,670,018	9,890,863	3.70
2011	---	---	890,000	263,818	1,153,818	9,890,863	8.57
2012	---	---	920,000	227,105	1,147,105	9,890,863	8.62
2013	---	---	960,000	188,005	1,148,005	9,890,863	8.62
2014	---	---	1,005,000	146,005	1,151,005	9,890,863	8.59
2015	---	---	1,055,000	100,780	1,155,780	9,890,863	8.56
2016	---	---	<u>1,100,000</u>	<u>52,250</u>	<u>1,152,250</u>	9,890,863	8.58
Totals	<u>\$9,855,000</u>	<u>\$792,327</u>	<u>\$11,335,000</u>	<u>\$3,638,801</u>	<u>\$25,621,128</u>	<u>\$128,581,219</u>	

(1) For the October 1, 2004 maturity, utilizes Tax Increment Revenue collected within the Downtown District in the fiscal year ending September 30, 2004 (collected as of December 31, 2003). For maturities after October 1, 2004, assumes Tax Increment Revenues collected during the fiscal year ending September 30, 2004 will remain constant through September 30, 2016.

THE COMMUNITY REDEVELOPMENT AGENCY

The Redevelopment Act authorizes a municipality to create a community redevelopment agency, after finding that slum or blighted areas exist within the municipality and that the rehabilitation, conservation or redevelopment, or combination thereof, is necessary in the interest of public health, safety, morals or welfare of the residents of the municipality. The Agency was created in February, 1980 by resolution of the City Council after a finding that slum or blighted areas existed within the downtown area of the City pursuant to the Redevelopment Act. The resolution also set forth the area to be designated as CRA I, approximately 596 acres in the heart of the downtown area of the City, and placed that area under the jurisdiction of the Agency.

Pursuant to the Redevelopment Act, the City Council designated itself as the Agency. In July 1982, the City Council adopted a resolution approving the initial redevelopment plan (the "Original Redevelopment Plan"). This plan provided a framework for new development and reuse of existing land and facilities in CRA I.

In March of 1990, the Agency expanded CRA I to include an adjacent area that consisted of blighted areas within the meaning of the Redevelopment Act and adopted the 1990 Redevelopment Plan. This adjacent area, which consists of 1,024 acres, is the CRA Expansion Area. The City also decided that CRA I and the CRA Expansion Area should function as a single redevelopment area; and that the Agency should function as the community redevelopment agency for CRA I and the CRA Expansion Area. Together, CRA I and the CRA Expansion Area, totaling 1,620 acres, are referred to as the "Downtown District." The Redevelopment Act does not prohibit the City from declaring other areas to be areas of slum or

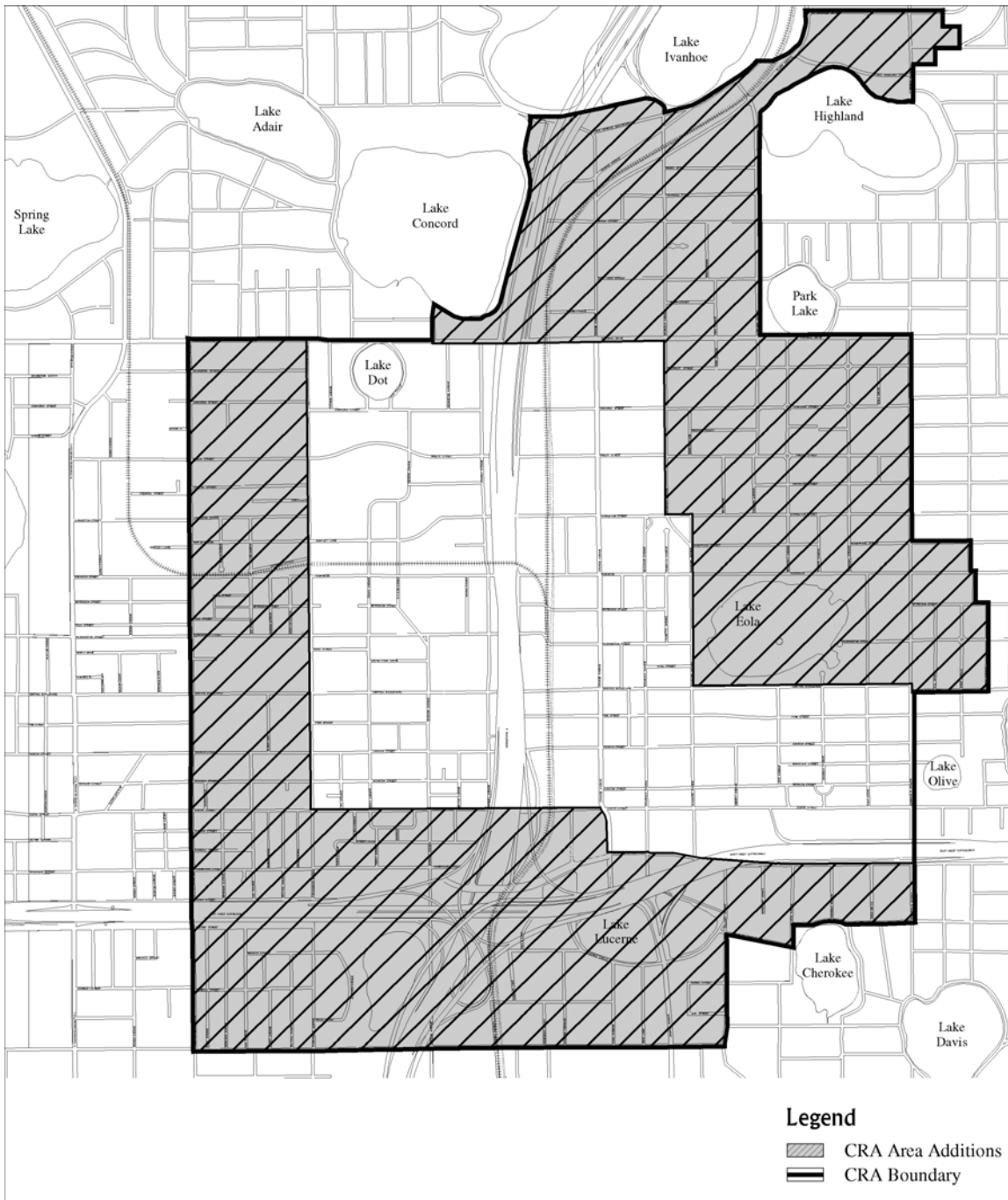
blight within the meaning of the Redevelopment Act. The City has made findings concerning other areas of slum or blight which are separate redevelopment areas and are not included within the Downtown District.

The maps appearing on the following pages respectively depict (i) the location of the Downtown Community Redevelopment Area within the City and (ii) the 1990 Community Redevelopment Area Expansion.

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INSERT
CITY OF ORLANDO DOWNTOWN COMMUNITY REDEVELOPMENT AREA MAP

Figure 1-1: 1990 Community Redevelopment Area Expansion



In 2000, the 1990 Redevelopment Plan was updated to create the "Downtown Outlook 2000 Plan." The Downtown Outlook 2000 Plan responds to the area's development needs through 2020. The Downtown Outlook 2000 Plan was adopted by the Agency on October 9, 2000 and was prepared with extensive citizen participation throughout the planning process.

The Redevelopment Act provides that upon creation of a community redevelopment agency, a municipality may establish on behalf of the community redevelopment agency, a community redevelopment trust fund. With respect to the Downtown District, the City established the Downtown District Redevelopment Trust Fund which was created in 1982 and was supplemented in 1990. "Taxing Authorities," as defined in the Redevelopment Act, which levy ad valorem taxes on real property subject to taxation located within the Downtown District, are required by January 1 of each year to deposit into the Downtown District Redevelopment Trust Fund an amount as described herein under "Tax Increment Revenues."

The City, the County, and the DDB are the taxing authorities required to make annual deposits to the Downtown District Redevelopment Trust Fund. These deposits are currently being made.

Agency Members and Staff

The members of the Agency are the seven members of the City Council with the Mayor serving as Chairman of the Agency and the Mayor Pro-Tem serving as the Vice Chairman. The Agency's Downtown District staff consists of William Franklin Billingsley, III, Executive Director; Joyce Sellen, Assistant Director; and Patricia M. Dellacona, Administrative Coordinator/Recording Secretary.

William Franklin (Frank) Billingsley, III, was appointed as Executive Director of the Community Redevelopment Agency as of May 1, 2002. Frank Billingsley was previously the Director of the City of Orlando's Office of Permitting Services for 4 ½ years. For the three years before that, Frank established and managed the Downtown Development Board's Downtown Real Estate Resource Center and also directed the Mayor's Business Assistance Team. Before accepting his position with the City, Frank was the Community and Business Information Manager with the Greater Orlando Chamber of Commerce – a position he held for 5 ½ years. For the five years preceding Frank's recruitment to Orlando by the Chamber, he served as a planner with the Atlanta Regional Commission – Atlanta's Regional Planning Authority.

Joyce Sellen has been the Agency's Assistant Director since May 1983. She is past President of the Florida Redevelopment Association. Before joining the Agency's staff, she was Assistant Director of the Planning Department for Seminole County for four years, after serving as planner and senior planner for four years. As Assistant Director for the Agency, she is responsible for budgeting, program development and program implementation.

Patricia Dellacona is the Agency's Administrative Coordinator. She is responsible for contracts, invoice payments, budgets, and general financial monitoring for all Agency projects.

The Redevelopment Act provides that the governing body of the municipality acting as the members of the Agency shall constitute the head of a legal entity, separate, distinct and

independent from the governing body of the municipality. Under the Redevelopment Act, the Agency is a separate public body corporate and politic, independent of the City.

In order to receive comments and advice on actions proposed to be undertaken within the Downtown District, the Agency established an Official Advisory Board (the "Advisory Board") composed of the members of the Downtown Development Board, plus two representatives recommended by the Board of County Commissioners of Orange County and approved by the City Council. Although the Agency is responsible for all final decisions, all matters relating to the goals and objectives, projects and the budget of the Agency are required to be reviewed by the Advisory Board.

City Management

Having been elected by special election on February 25, 2003 to fill a remaining one-year term, Mayor Buddy Dyer initiated a citizen-based 90-day Transition Team review of the City's organization. Following the delivery of the Transition Team's report, the Mayor implemented a true strong Mayor form of government, replacing the previously utilized Mayor/Chief Administrative Officer (CAO) structure. The Mayor is the Chief Executive Officer with nine departments reporting to him (Housing; Finance; City Clerk/General Administration; Police; Fire; Management, Budget and Accounting; Public Works; Economic Development; and Families, Parks and Recreation). Separately, under the Mayor's Chief of Staff, there are six offices (Communication/Neighborhood Enhancement; Art, Entertainment and Sports; Human Relations; Audit & Evaluation; Government Relations; and Children & Education). Under the strong Mayor structure, the Mayor meets with his Cabinet (the nine Department Heads, the City Attorney and the Mayor's Chief of Staff) on a scheduled, twice-weekly basis. The Cabinet process is designed to enhance team spirit and peer interaction and improve interdepartmental cooperation and coordination.

The Agency, consisting of three separate districts, Downtown, Republic Drive and Conroy Road, is reported within the City's financial statements as a Major Governmental Fund, with segment like District summaries reported in the notes, included. Operationally, the Executive Director of the Agency reports to the Director of Economic Development.

Mayor Buddy Dyer is a native of Central Florida, born in Orlando and raised in the nearby city of Kissimmee. He was awarded a scholarship to Brown University where he studied civil engineering. Upon graduation, Mayor Dyer returned to Orlando to work as an environmental engineer, later enrolling in the University of Florida Law School, where he was named editor-in-chief of the University of Florida Law Review. Mayor Dyer began his legal career with the Orlando law firm of Winderweelde, Haines, Ward & Woodman. Prior to becoming Mayor, Buddy Dyer served the Orlando area for 10 years as State Senator in the Florida Legislature.

Richard L. Levey, AICP was named the Acting Director of Economic Development, in addition to his reduced role as Chief Administrative Officer (CAO), in June 2003. Mr. Levey, a nationally-certified city planner, became the City's CAO under the City's previous strong Mayor/CAO organizational structure in April 1999. Mr. Levey previously served as a Deputy Chief Administrative Officer (July 1994-April 1999); Assistant Chief Administrative Officer (November 1992-July 1994); and the Bureau Chief of City Planning and Deputy Director of Planning and Development (October 1986-October 1992). Under his direction, the City of

Orlando developed and adopted the 1991 Growth Management Plan, which contains the State of Florida mandated "concurrency" provisions. Prior to coming to Orlando, Mr. Levey served in professional planning and management positions for Alachua County, Florida and in private consulting.

Financial and Budgetary Support Systems

As of June 2003, the Chief Financial Officer (CFO) and the Director of Management, Budget and Accounting (MB&A) share responsibilities for the oversight of the City's financial affairs, financial management and related systems. The CFO is principally responsible for debt, investment, pension, risk and real estate management. The Director of MB&A is principally responsible for the Comptrollership (including payables, receivables, payroll, cashiering and financial accounting), budget development and monitoring, the 5-year capital improvement program and a new 5-year financial forecasting model currently being developed to address both capital and operating costs. Both the CFO and the Director of MB&A are actively involved in financial reporting, counseling to various Departments and Business Units, strategic planning and investor relations.

The City has been recognized for both its Comprehensive Annual Financial Report and its annual budget document. A Certificate of Achievement for Excellence in Financial Reporting has been awarded to the City by the Government Finance Officers Association in the United States and Canada ("GFOA") for each fiscal year since 1978. The City was also an early participant in the GFOA's Budget Awards program and received the budget award for its budget document for fiscal years 1984 through 1989. Due to perceived problems with consistency in the budget awards program at the time, the City elected to discontinue participation but maintains internally the high standards which had been recognized. The Director of MB&A intends to submit the City's 2003-2004 Budget document for consideration.

G. Michael "Mickey" Miller, C.P.A., C.I.A., C.G.F.O., C.G.F.M., has been the CFO (previously titled Director of Finance) since December 1979. Mr. Miller has guided the City of Orlando's financial activities to a position of recognized leadership in the areas of financial reporting, debt and investment management practices. Previously, he was the City's Budget Officer/Internal Auditor for two years and had been with the City of Jacksonville's Finance Department and Council Auditor's Office for the preceding five years.

Robert R. Garner, C.P.A., C.M.A., C.G.F.O., in June 2003 became the City's Director of MB&A. Prior to his appointment, he had served as the City's Comptroller since March 1984. Mr. Garner joined the City staff in February 1979 as Assistant Comptroller and has been principally responsible for the modernization of the City's financial management information systems. Prior to joining the city staff, he was the Director of Finance for the City of Port Orange, Florida for two years.

Kent R. Olson, C.G.F.O., was appointed in November, 2003 as City Treasurer to replace retiring Treasurer Bruce C. Harter. Mr. Olson previously served as the Assistant Treasurer/Investment Officer for the City of Orlando since July 2001. Prior to that, he served for a total of fourteen years as a Finance Director for three different communities in Florida and Illinois. Mr. Olson holds a Master's degree in Public Administration with a concentration in

State and Local Government Finance from the Maxwell School of Citizenship and Public Affairs at Syracuse University.

THE DOWNTOWN DEVELOPMENT BOARD

The Downtown Development Board (DDB) was created by referendum in 1972 as a result of a special act of the Legislature in 1971 (Chapter 71-810, Laws of Florida, as amended by Chapter 78-577, Laws of Florida) and ratified by the voters within its jurisdiction. The geographic area under the jurisdiction of the five member DDB governing board consists of approximately one thousand (1,000) acres of downtown Orlando bordered on the north by Ivanhoe Boulevard, on the west by Parramore Avenue, on the south by Gore Street and on the east by Summerlin Avenue. Downtown Orlando and the Downtown District are in the heart of the City. The five member governing board is appointed by the Mayor of the City for three-year rotating terms. The DDB has ad valorem taxing powers and may levy up to 1 mill in accordance with the special act creating the DDB and the Constitution of the State of Florida.

While completely separate in function and governance, the Agency and the DDB provide for complementary and coordinated approaches to many issues and programs. In an effort to avoid the hiring of additional staff, the DDB and the Agency have entered into an interagency agreement. Through this agreement the Agency contracts with the DDB to share certain staff time, office overhead and other required services, including consultant services. This enables downtown redevelopment planning, projects and financial resources to be administered by one staff and executive director. The DDB plus two members recommended by the County constitute the Community Redevelopment Agency Advisory Board. This Advisory Board makes recommendations to the Agency based upon their review of projects and programs proposed by the Agency staff. This unique combination has provided the City of Orlando with two very strong and effective downtown organizations.

ORIGINAL REDEVELOPMENT PLAN AND 1990 REDEVELOPMENT PLAN

Pursuant to the Original Redevelopment Plan and the 1990 Redevelopment Plan, the Agency has worked to encourage private development in the downtown area. Toward this end, the Agency allocated much of its funding in its initial years to upgrading infrastructure needs. These projects have included:

- Sanitary & stormwater sewer system improvements
- Roadway resurfacing
- Streetscaping pedestrian corridors
- Parking facilities construction
- Traffic signal modernization

In addition to the basic infrastructure needs, overall image enhancements including development or refurbishment of open space areas, parks, plazas and recreational facilities were completed. Low and moderate income housing was developed to accommodate the growing

downtown workforce. A special emphasis was also placed on enhancing retail opportunities and improving the marketability of downtown to the hospitality and convention industries.

The initial work of the Agency produced two public/private ventures resulting in the development of Church Street Market and a downtown hotel now known as the Orlando Marriott Downtown (formerly the Omni International Hotel). The hotel is a 290 room, \$30 million development, constructed on publicly owned land. Church Street Market is a 75,000 square foot, \$20 million specialty retail center developed on a former public parking lot. Both projects were instrumental in changing both attitudes and market perception of downtown's economic viability. The hotel was opened in 1986 and the Church Street Market was opened in 1988. These two projects have annual assessed valuations of more than \$19,000,000 in annual assessed values on property that previously had generated no tax dollars in the previous 50 years.

DOWNTOWN OUTLOOK 2000 PLAN

General

The Downtown Outlook 2000 Plan (the "2000 Plan") views the downtown area as a regional economic hub for government, financial, legal and corporate operations. The 2000 Plan provides a long-term vision and action strategies to ensure Downtown Orlando is a place for families and individuals to live, work and enjoy. While the 2000 Plan covers the entire 1,620 acre Downtown District, the Downtown District has been divided into four planning areas, allowing recognition of their unique individual characteristics.

During the past 20 years, portions of the Downtown District have undergone significant change and redevelopment. The 2000 Plan is intended to encourage these changes to continue to shape future growth. It is anticipated that the majority of redevelopment activity in the Downtown District will occur in the area under the jurisdiction of the DDB. The other areas within the Downtown District will primarily experience residential development and associated neighborhood commercial uses.

In order to eliminate blight and to implement a vision for downtown as a whole and for each of its neighborhoods, the following redevelopment strategies, actions and projects have been identified in the 2000 Plan.

Community Character

The 2000 Plan seeks to promote community character by establishing a sense of community that offers something for everyone: families, singles, seniors and visitors. To accomplish this, the 2000 Plan addresses physical design, public policy, safety and security, education, housing and neighborhood preservation. The 2000 Plan recognizes the need for a full range of housing for all income levels in and around downtown.

Family Connections

Connecting people to the various functional areas of downtown is integral to the 2000 Plan, with special emphasis on pedestrian movement. Pedestrian improvements called for by the Plan include such projects as streetscape, treescape, sidewalks and railroadscape projects.

Streetscaping has been used as a catalyst to improve the image of downtown Orlando. The Downtown Outlook 2000 Plan envisions connecting neighborhoods through a network of public open spaces, cultural facilities and civic spaces linked with tree-lined pedestrian friendly streets. In addition, the 2000 Plan calls for support for the Florida Center for the Arts and Education, plus the cultural corridor and arts district.

Getting Around

In order to improve accessibility to and around downtown, the 2000 Plan calls for improving the balance between cars and alternative modes of transportation such as mass transit, bicycling and the pedestrian environment. Providing a balanced transportation system with multiple options for getting around downtown and the region will enhance downtown's marketability to businesses and residences. The 2000 Plan calls for the improvement of I-4 and the East-West Expressway (SR 408), making Anderson Street and South Street two-way between Westmoreland Drive and Rosalind Avenue, extending Division Avenue and Terry Avenue north through Centroplex property to connect and tie into Amelia Street, and realigning and creating new streets to facilitate proposed parks in the Uptown, Parramore and the Eola planning areas.

The 2000 Plan calls for mass transit to become a more prominent transportation alternative. The addition of other transit circulator routes connecting the four planning areas and the existing LYMMO downtown circulator would provide additional alternatives to improve mobility around downtown. A new inter-modal transportation center at Garland Avenue and Livingston Street is proposed to serve as the hub for all transit modes. In addition, the development of commuter rail and/or light rail systems would provide both regional and local access to downtown.

Improving connectivity for pedestrians and bicyclists is a key element in building community and improving the sustainability of downtown. In addition to recreational use, a comprehensive pedestrian and bicycle network is proposed to provide real transportation alternatives. The 2000 Plan calls for expanding the City of Orlando's proposed bikeway projects within downtown throughout the four planning areas and enhancing the pedestrian experience. Proposed bikeway projects include improvements to Park Lake Street, Division Avenue, Parramore Avenue, Osceola Avenue and Jackson Street.

Pedestrian circulation throughout downtown would be enhanced through streetscape or green link projects to streets such as Colonial Drive, Orange and Magnolia Avenues, Parramore and Westmoreland Avenues, Central Boulevard, Robinson Street, Amelia Street and numerous others.

Market Potential

The goals and objectives identified for Community Character, Family Connections and Getting Around form the framework for the redevelopment strategy. However, for the 2000 Plan to be feasible, the objectives must be grounded in reality. To ensure that the action statements and projects identified in the 2000 Plan are responsive to changing market conditions and economically feasible, studies of the three primary target markets: retail, office and residential were completed. The 2000 Plan calls for expanding the downtown residential and retail incentive programs; supporting retail, cultural and arts projects; providing incentives for office

development and incentives to encourage conferences, small conventions and meetings downtown.

Projects Identified

A summary of the major projects identified in the 2000 Plan is provided below in the various categories:

Pedestrian Improvements:

- Central Boulevard and Colonial Drive streetscape
- Orange Avenue Streetscape / Narrowing
- Magnolia Avenue Streetscape/Narrowing
- I-4 and East-West Expressway Underpass improvements
- Other pedestrian improvements

Open Space/Beautification:

- Anderson, South Street, Lake Olive and Park Lake Street Parks
- Park Improvements at Orlando Utilities Commission (OUC)/Lake Highland Site
- Crescent Park at Osceola Avenue
- Central Boulevard Park
- Other Open space and beautification improvements

Transportation:

- Division Avenue Streetscape/Realignment
- Transit Circulators
- Light Rail transit
- Additional Public Parking
- Other transit and road improvements

Housing:

- Otey Place Sale and Development
- Housing Incentives
- South Street Area Land Acquisition and Development
- Other housing projects and programs

Economic Development:

- Charter Schools
- Centroplex Improvements and Redevelopment
- Retail and Hospitality Incentives
- Facade Grants
- Other economic development projects and programs

Cultural/Other:

- Cultural Corridor and Arts District Support
- Florida Center for the Arts and education
- Regional History Center
- Cultural Arts and Programs Support
- Other Cultural projects and programs

Conclusion

The community building approach of the 2000 Plan incorporates the principles of sustainability and livability. The 2000 Plan evokes the ideals of a balanced community that equally accommodates development and the environment, commerce and society and the balance between the past and the future.

DOWNTOWN OUTLOOK 2000 IMPLEMENTATION

Housing/Neighborhood Preservation

To date, twenty-four 24 single-family homes that were formerly rental units have been renovated and sold to owner occupants, with the proceeds reinvested in additional residential redevelopment. The Agency has acquired 3.5 acres of property known as Otey Place for the development of more market-rate and low-income owner-occupied homes. The Agency and the City have received proposals from developers for the development of the Otey Place site in accordance with established design criteria. The Agency anticipates selling and/or donating all or a portion of the site as an incentive for developing the site in compliance with the required design criteria and restrictions placed upon the property.

During 1998-99, the Agency developed an incentive package to encourage market-rate rental development in the District. The incentive package had three elements: (a) \$3,750 per space partial offset for structured parking cost (estimated at \$7,000 to \$9,000 per space in incremental development cost); (b) a partial offset for certain City imposed impact fees; and (c) a density bonus for maximizing available development on the parcel. The Agency agreed to limit the available incentive to the five projects listed below with a total of 1,387 units, for an amount not to exceed \$13,226,780.

<u>Name</u>	<u>Location</u>	<u># of Units</u>
Parkside by Post	Central Avenue	245
The Waverly at Lake Eola	Central Avenue	230
Echelon at Uptown	North Orange Avenue	244
Echelon at Cheney Place	North Orange Avenue	303
Lincoln at Delaney Square	Rosalind Avenue & South Avenue	365

All five projects have been completed.

Having completed five market rate housing projects in the core District, the Agency was interested in market rate residential and office development in the Parramore District, which would also be a pioneering project in this low-income neighborhood. Bank of America ("B of A") proposed to develop a mixed use project (market-rate residential, retail and office) on Church Street between Division Avenue and Terry Avenue. This new project includes 266 residential units, 25,000 sq. ft. of retail and a 200,000 sq. ft. office tower that would serve as the corporate headquarters for Hughes Supply Company ("Hughes"), a locally based publicly traded corporation. The Agency provided a \$12,500,000 B of A/Hughes incentive package, including \$8,700,000 to offset the cost of a 1,000 car parking garage, \$2,100,000 to assist in offsetting

permitting and impact fees for the retail/residential component, a \$1,350,000 cash payment related to a land swap (to assemble the parcel) and \$350,000 to assist in offsetting permitting and impact fees associated with the office tower.

The majority of the five market rate housing and B of A/Hughes project incentives (\$13,000,000 and \$12,500,000, respectively), was financed through the Second Lien Internal Banking Fund loans (see "SUBORDINATE LIENS ON TAX INCREMENT REVENUES – Junior Lien Obligations – Second Lien Level").

To build upon the success of the initial residential incentive program and continue to promote residential development as a vital base for revitalizing downtown Orlando, the Agency adopted a new residential incentive program in 2003. This Residential Development Catalyst Program is designed to offer a tax increment rebate on a project-by-project basis. This program is entirely performance based and does not involve any up-front cash incentive payments. The rebate for each project is expected to decrease incrementally over the life of the agreement.

During 2002-2003, the Agency entered into an agreement with GDC Properties, Inc. to provide a Residential Development Catalyst incentive to facilitate the development of approximately 300 market-rate residential housing units and approximately 20,000 sq. ft. of retail space at the Uptown site adjacent to the Echelon at Uptown and Echelon at Cheney Place projects which provides for a 12-year percentage recovery (50% for years 1-6, 45% for years 7-10, and 40% for years 11 and 12) related to the estimated \$33,900,000 mixed-use project.

New Commercial/Commercial Revitalization

Pursuant to the 2000 Plan, the Agency adopted an incentive program for new retail construction to be funded on a pay-as-you-go basis. The program has three elements: (a) \$3,500 per parking space partial offset for structured parking cost; (b) a partial offset for certain City imposed impact fees; and (c) an additional impact/building permit fee credit of \$30 per square foot for a retail grocery store of 4,000 square feet or more. A complementary retail incentive program for existing buildings was also developed. A total retail incentive funding cap of \$1.5 million was recommended.

The retail incentive program has evolved into a Destination Catalyst Program, which targets destination activities. As a critical mass emerges, these targets may also expand the traffic generating power of downtown Orlando, thereby enabling downtown to become a more significant regional destination for a variety of trip purposes.

On December 8, 2003, the City Council approved a Memorandum of Understanding (MOU) between the City, the Agency and Downtown Land Holdings LLC (the Developer of the "Plaza on Orange Avenue" project) that will involve substantially all of the programmed Destination Catalyst Program incentive, plus a new Major Cornerstone Project Catalyst Program and an application of the new Residential Development Catalyst Program, as well. The MOU is designed to gain City Council's conceptual approval (acting both as the City Council and separately as governing body of the Agency) of a framework of the project and the incentive. The Plaza on Orange Avenue project is located at the corner of Orange Avenue and Church Street generally considered to be the central intersection for the City of Orlando, and will replace buildings which have been vacant for over a decade. This Project is proposed to include 170 –

220 condominium residential units, 370,000 sq. ft. of office space, 53,000 sq. ft. of retail space and a 53,000 sq. ft. 12 – 14 screen movie theater. The Destination Catalyst incentive will be related to the theater and will be paid in annual installments of \$350,000 a year for 10 years from the CRA Downtown District cash flow (payments are estimated to start in 2005-2006). The Major Cornerstone Project Incentive (\$3,500,000) would be paid early in the project in the form of a grant from the Agency, and would be financed by an Internal Loan to the Agency for the Downtown District. The Residential Development Incentive would be based exclusively on the residential component of the project and involve a 12 year partial tax increment rebate (35% for 4 years, 30% for 4 years and 25% for 4 years) estimated to be \$100,000 a year and will be paid from the Downtown's District's cash flow, estimated to start in 2007-2008. The MOU will lead to the execution of a formal Economic Development Incentive Agreement, wherein the payment of the incentives will be contingent upon the Developer's performance of certain benchmarks relating to the construction and operation of the Project.

Hotel Incentive

While metropolitan Orlando has seen significant growth of new hotels, the Downtown District had seen little progress for the last 10 to 15 years. The City, using a special assessment financing tool, and the Agency, through partial tax increment rebate have incentivized two hotel projects: the Westin Grand Bohemian across from City Hall and the Embassy Suite at Rosalind Avenue and Central Avenue.

Church Street Retail and Development

Over the past three years, business along Church Street (including the Church Street Station and the Church Street Market) extending from Orange Avenue to Garland Avenue has experienced a significant drop in retail and pedestrian activity. This has led to an increase in vacancies of retail space approaching 85%. The decrease in activity is a result of various factors including the increased nighttime competition for tourists from Downtown Disney and Universal City Walk. In addition, the past ownership of the nationally acclaimed Church Street Station during this period was reluctant to upgrade facilities and entertainment to meet the emerging competition. The decline in attendance of the NBA's Orlando Magic over the same time period has particularly impacted restaurant business.

Church Street Station

The owners of the Church Street Station property, which ceased operations in December, 2001, proposed to redevelop the property bringing 500 new jobs, by relocating Transcontinental Studios and Transcontinental Records (a major Orlando based record/CD producer) recording studios, opening a new restaurant and retail establishments along Church Street and reopening the Presidential Ball Room (on the south side of the property). The proposal included a request from the developer for various economic development incentives from the City, the City's Parking System, and the Agency. The Parking System assisted with parking spaces and the City agreed to provide a special assessment financing tool. The Agency agreed to provide partial tax increment rebate (35% of the increment revenue between the 2002 valuation base of \$10,658,819 and the 1996 valuation base of \$26,071,647, and 50% of the increment revenue above the 1996 valuation base of \$26,071,647 for twelve (12) years) to support the redevelopment initiatives. Currently, it appears that the developer may not have met the performance benchmarks set forth

in the agreement, which could cause the incentive package to be void. A report regarding compliance with the performance benchmarks is due to be delivered to the City by the developer on January 31, 2004.

55 West

On December 8, 2003, the City Council (acting as both the City Council and separately as the Agency) gave conceptual approval to a Memorandum of Understanding (MOU) between the City, the Agency and 55 West on the Esplanade, Inc., the developer for the redevelopment of the Church Street Market. The new project, 55 West on the Esplanade (55 West) will include 350 condominium residential units, 80,000 sq. ft. of retail (largely revitalizing the current retail space), a 25,000 sq. ft. fitness center and 20,000 sq. ft. of office space. The City's Parking System will agree to the demolition and replacement of its adjacent 380 space parking garage and an air right lease to the project, the City will provide two special assessment financing arrangements and the Agency will provide a partial tax increment rebate from the Downtown District above a \$12,000,000 floor (established at the 1996 valuation level). The recapture will be for a 12 year period (35% for 4 years, 30% for 4 years and 25% for 4 years), to be paid on a third lien basis (see "SUBORDINATE LIENS NO TAX INCREMENT REVENUE – Junior Lien Obligation – Third Lien Level" herein), estimated to begin in 2007-2008.

Nearby Development

Also impacting the future economics of Church Street is the construction of the B of A/Hughes project (see "Housing/Neighborhood Preservation") only two blocks west of this area on Church Street and Division Avenue.

Other Components

Two new planned projects are the 260,000 square foot Federal Courthouse, just three blocks northwest of the downtown area and the Florida A&M University College of Law and its 700 full-time students, one block north of the Courthouse. These two projects will be under construction within the next few months and represent over \$97 million in new development.

SUBORDINATE LIENS ON TAX INCREMENT REVENUES

As described above under "SECURITY FOR THE 2004 BONDS" and "TAX INCREMENT REVENUES," the 2004 Bonds and the 2002 Bonds are payable solely from and secured by a parity lien on the Pledged Revenues, including Tax Increment Revenues received by the Agency and deposited into the Downtown District Redevelopment Trust Fund. The Bond Resolution does not prohibit the Agency in any manner from issuing debt obligations of any kind secured by a lien on Pledged Revenues which is junior to the lien thereon of the 2004 Bonds, the 2002 Bonds and any Parity Bonds (collectively, the "Senior Lien Debt"). The Agency has incurred the following subordinate lien obligations, each as more fully described below: (i) Junior Lien Obligation and (ii) operating and administrative costs and capital expenses of the Agency (collectively, the "Operational Expenses").

After all payments required by the Bond Resolution have been made in any particular Sinking Fund Year (see "SECURITY FOR THE 2004 BONDS - Flow of Funds" above), all

excess Tax Increment Revenues (the "Excess Revenues") are deposited in the Redevelopment Account and are used for any lawful purpose as provided in the Bond Resolution, which includes the payment of the junior lien obligations.

Junior Lien Obligation – Second Lien Level

Excess revenues are used by the Agency to secure loans from the City's Internal Loan Fund. The Internal Loan Fund utilizes bond proceeds from external bond issues to provide a source of funds that are loaned to internal loan "participants" (City departments, CRA, etc.) for specific City projects. The external bond issues include a combination of fixed, medium term and variable rate debt instruments which are then repaid by debt service payments from the loan "participants" to the Internal Loan Fund. The Internal Loan Fund charges its participant borrowers the blended effective interest rate including carrying costs (letter or line of credit, remarketing, etc.), if any. The CRA has existing loans and additional commitments from the Internal Loan Fund which will result in more internal loans being made as commitments are translated into expenditures.

The currently outstanding Second Lien Internal Loan Fund loans to the Agency and commitments are:

<u>Project</u>	<u>Term</u> <u>Years</u>	<u>Maturity</u>	<u>2002-2003</u> <u>Payment</u>	Amount	2007-2008 ⁽³⁾
				<u>Outstanding</u> <u>10-01-03</u>	<u>Estimated</u> <u>Payment</u>
Orlando Arena Contribution	15	2003	\$786,300	\$-0-	\$-0-
Market Rate Housing	13	2016	338,095 ⁽¹⁾	10,995,257	\$1,309,581
BofA/Hughes	18	2021	371,747 ⁽¹⁾	11,990,000	996,730
Nap Ford Charter Schools	10	2010	203,963	1,381,345	234,173
Plaza on Orange Ave ⁽²⁾	15	2019	-0-	-0-	394,889
Total			\$1,700,105	\$24,366,602	\$2,935,370

- (1) Interest only payments. Principal amortization begins in FY2004.
- (2) Memorandum of Understanding conceptually approved commitment (see "New Commercial/Commercial Revitalization").
- (3) The major projects discussed above under "Downtown Outlook 2000 Implementation Plan" are forecasted to be completed and incentive payments with respect thereto to have commenced in the 2007-2008 Fiscal Year.

Junior Lien Obligation – Third Lien Level

The third lien level is used to support a variety of non-borrowed incentive payments over time. This category currently includes the Hotel, Residential Catalyst, and Destination Catalyst Incentive obligations. The third lien obligation is prior to the Agency's operating and pay-as-you-go capital and/or one-time incentive programs. While subordinate to the first two lien levels, this Third Lien Level is designed to give reasonable comfort to private sector incentive recipients that these funding commitments will be paid as scheduled.

The currently outstanding Third Lien Incentive commitments are:

<u>Project</u>	<u>Years</u>	<u>Term</u> <u>Maturity</u>	<u>2002-2003</u> <u>Payment</u>	<u>2007-2008⁽²⁾</u> <u>Estimated</u> <u>Payment</u>
<u>Hotel:</u>				
Grand Bohemian	12	2014	\$75,088	\$87,047
Embassy Suites	12	2013	36,296	42,077
<u>Residential:</u>				
GDC-Uptown	12	2018	-0-	100,118
<u>Mixed Use:</u>				
55 West ⁽¹⁾	12	2019	-0-	304,516
Plaza on Orange Avenue ⁽¹⁾			-0-	
Destination	10	2016	-0-	350,000
Residential	12	2019	-0-	103,740
<u>Other:</u>				
Church St. Station	12	2016	-0-	40,431
Total			\$111,384	\$1,027,929

- (1) Estimated commitment, including conceptual Memorandum of Understanding approval.
(2) The major projects discussed above under "Implementation Plan" are forecasted to be completed and incentive payments with respect thereto to have commenced in the 2007-2008 Fiscal Year.

Junior Lien Obligation – Fourth Lien Level

In addition to the projects funded and/or financed through the first three lien priority levels, the Agency primarily pays its operating costs (staff, lease, consultants, etc.), some incremental maintenance costs, smaller one-time incentive payments and annual pay-as-you-go capital project costs with respect to the Downtown District at this level. The following schedule illustrates the cost of these various categories for each of the last five years.

	(presented in thousands)				
	<u>1998-1999</u>	<u>1999-2000</u>	<u>2000-2001</u>	<u>2001-2002</u>	<u>2002-2003*</u>
Operating Cost	\$1,126.33	\$1,036.72	\$870.22	\$933.73	\$1,219.45
Maintenance Cost	371.04	440.06	509.82	587.82	623.82
Incentive	200.08	124.74	187.95	549.29	401.51
Capital Projects	1,708.35	3,670.49	3,016.74	1,874.96	119.30
Total	\$3,405.80	\$5,272.01	\$4,584.73	\$3,495.80	\$2,364.08

*Unaudited

Forecast of Revenues Available For Operating and Capital Expenditures

The following schedule reflects the Tax Increment Revenues available for Operational and Capital Expenditures after making debt service payments on the Senior Lien Debt, required under the terms of the Bond Resolution, the debt service payments on the Second Lien Level Internal Loan Fund Loan(s) and the Third Lien Level Incentive Payment(s).

By separate arrangement between the City and the Agency, the City has extended a line of credit to the Agency in an amount not to exceed \$2,300,000 to be used exclusively to make up any shortfalls in current year operations not available within the Agency's operating funds. As of September 30, 2003, there was no outstanding balance on the line of credit.

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**COMMUNITY REDEVELOPMENT AGENCY
DOWNTOWN DISTRICT**

Forecast of Revenues Available for Operating and Capital Expenditures

Fiscal Year Ending Sept. 30	Tax Increment Revenue ⁽¹⁾	Combined Senior Debt Service	Available After Senior Lien Debt	2 nd Lien Debt Service ⁽²⁾	3 rd Lien Payments ⁽³⁾	Available For 4 th Lien (Operational and Capital) Expenditures
2003	\$9,455,284	\$2,594,137	\$6,861,147	\$1,700,107	\$111,384	\$5,049,656
2004	9,890,863	2,719,318	7,171,545	2,418,049	114,725	4,638,771
2005	10,341,372	2,665,091	7,676,281	2,649,979	155,167	4,871,135
2006	10,341,372	2,661,954	7,679,418	2,694,196	509,822	4,475,400
2007	10,911,603	2,671,074	8,240,529	2,704,582	612,772	4,923,175
2008	12,868,502	2,661,324	10,207,178	2,935,373	1,027,925	6,243,880
2009	12,868,502	2,664,386	10,204,116	2,946,821	1,080,706	6,176,589
2010	12,868,502	2,670,018	10,198,484	2,958,841	1,099,119	6,140,524
2011	12,868,502	1,153,818	11,714,684	2,732,739	1,117,950	7,863,995
2012	12,868,502	1,147,105	11,721,397	2,744,321	1,072,876	7,904,200
2013	12,868,502	1,148,005	11,720,497	2,756,482	1,076,105	7,887,910
2014	12,868,502	1,151,005	11,717,497	2,769,251	1,044,109	7,904,137
2015	12,868,502	1,155,780	11,712,722	2,782,658	954,215	7,975,849
2016	12,868,502	1,152,250	11,716,252	2,796,737	547,707	8,371,808
2017	12,868,502	--	12,868,502	1,433,368	491,763	10,943,371
2018	12,868,502	--	12,868,502	1,439,243	503,063	10,926,196
2019	12,868,502	--	12,868,502	1,445,409	380,404	11,042,689
2020	12,868,502	--	12,868,502	1,056,997	--	11,811,505
2021	12,868,502	--	12,868,502	1,063,795	--	11,804,707

- (1) For years ending September 30, 2003 and 2004, utilizes Tax Increment Revenue collected within the Downtown District during each fiscal year. For years ending 2005 through 2021, utilizes the Tax Increment Revenues (within the Downtown District) received for the fiscal year ending September 30, 2004 (collected as of December 31, 2003) plus a projection of the tax increment revenue assumed to be generated upon the anticipated addition of the Bank of America/Hughes Supply project in FY 2005; the GDC Development and CNL Office Tower in FY 2007; and The Plaza and 55 West projects in FY 2008. Negotiated incentives are only payable if such projects are completed. Since 1990, the average annual increase in tax increment revenue has been approximately 4 percent.
- (2) Reflects actual loan payments for the fiscal year ended September 30, 2003. The table reflects loan commitments through September 30, 2003 that have not yet been funded. Internal loans have a blended interest rate which is charged equally to all loan participants. The blended rate is based on actual variable and fixed rates incurred on the external debt underlying the Internal Loan Fund Program. The estimated interest rate for fiscal years 2004 through 2021 is 4.30%.
- (3) Reflects actual payments for the fiscal year ended September 30, 2003. For years ending 2004 through 2019, utilizes projected assessed values and current millage rates.

GROUNDWATER CONTAMINATION

During 1993-1994, the Florida Department of Environmental Protection (FDEP) conducted a field study of the North Downtown Orlando area to delineate suspected groundwater contamination. The study was released in June of 1994 and identified three plumes two of which were composed of predominantly trichloroethene (TCE) and the third of tetrachloroethene (PCE). TCE was commonly used as a degreaser in the 1960-1980 era, and PCE was used as a dry cleaning solvent. Two sources for the plumes were identified in the report. Further actions to protect Lake Concord, which is in the plume path and, two drainage wells, were discussed.

Extensive negotiations between the FDEP, the City and Sentinel Communications Company were held during 1994-95 with the intended result to provide a means to bring about a long-term cleanup program. While the City had no responsibility for any of the plumes, it was felt that the City could act as a facilitator to bring the parties together with the ultimate goal being rapid implementation of a cleanup program.

The negotiations have been completed resulting in three agreements related to the implementation of the cleanup program. The three agreements are as follows:

- a. Consent Decree entered by a local Circuit Court between the State of Florida Department of Environmental Protection and Sentinel Communications Company.
- b. Memorandum of Understanding between the FDEP and the City of Orlando.
- c. Agreement between the City of Orlando and Sentinel Communications Company.

The City, as a result of the Agreement and the Memorandum of Understanding, voluntarily agreed to take on the financial responsibility for the cleanup of Plume "C" (the PCE plume). While the City did not cause the contamination, the City concluded that it was in its best interest to become financially involved in order to provide for the cleanup since the alleged responsible party for this plume was no longer in business.

Approximately 20% of the overall capital and operating clean up costs for the three plume remediation system were borne by the City with FDEP's share being a similar 20% for the costs of Plume "B" (the TCE plume) for which no responsible party was found. The City is acting as the FDEP's contractor under the Memorandum of Understanding for the state's involvement with Plume "B". The Sentinel's share of the project cost is approximately 60% for Plume "A". Total capital costs for the design and construction of the cleanup system were approximately \$1,200,000 with total operating costs of approximately \$350,000 per year. The cleanup system has been in operation for six years and has removed significant quantities of TCE from the groundwater. While progress is encouraging, it is anticipated that the system will need to continue operating for a number of years before appropriate cleanup of the TCE contamination can be accomplished.

The effects of these plumes are minimal at this stage, with the majority of the contamination being thirty feet below the ground surface. A consultant for the FDEP analyzed the draft report and opined that the danger to Lake Concord was insignificant because the mixing of the lake and the volume of water present dilutes the contaminants as they enter the lake. There were some concerns that the contaminants could enter the Upper Floridan aquifer; however, on-going monitoring of deep wells installed by FDEP continues to show no effect on the Floridan aquifer from the plumes. In part, the cleanup described above has allowed for recent development of three substantial projects: the 204 room Marriott Courtyard Hotel, the 304 unit Echelon at Cheney Place and the 244 unit Echelon Uptown apartment complex. These projects total over \$60 million in private investment.

On another front, in February, 1997, the FDEP released a report on the TCE contamination of the groundwater north of Lake Highland, which is located in the northern section of the CRA. This contamination was originally discovered by the Orlando Utilities Commission (OUC) during a petroleum tank closeout study in 1993 on property which served as the maintenance facility for OUC.

The FDEP's consultant determined that the likely source of the TCE contamination was from land previously owned by Spellman Engineering, which is located east of Ferris Avenue on the south side of Brookhaven Drive. The contamination is generally located some 15 to 35 feet below the ground surface and does not appear to pose any threat to residents in the area or to the OUC drinking water wells located nearby.

The FDEP referred this site in late 1997 to the U.S. Environmental Protection Agency (EPA) in Atlanta for inclusion on the Superfund cleanup list. The City was concerned that bringing in the federal government could unnecessarily extend the time frame for cleanup in that that has been the history of the Superfund process. The City and OUC officials met with FDEP officials to determine if there might be alternative solutions that could be pursued, short of referring the matter for action to EPA. FDEP indicated their support for a local initiative that would lead toward a clean up program. Following these discussions, the City and FDEP met with the EPA Regional Administrator in Atlanta in September 1998 to explore opportunities for the City to take on a portion of the project on a voluntary basis. The City believed that it would be in its best interests to work with EPA to avoid the stigma which would likely result from this area of the City being named as a "Superfund" site. The EPA Regional Administrator pledged to work with the City to bring such a voluntary action to fruition.

Negotiations were commenced between the City and EPA for the City to conduct the Remedial Investigation/Feasibility Study (RI/FS) phase of the work. In the fall of 2000, an agreement was reached between all parties with City Council and the OUC Board approval of the funding and administration of the RI/FS. The agreements were executed in early February, 2001.

The fieldwork phase of the RI/FS commenced in May of 2001 after public meetings were held in the area. Professional Service Industries (PSI) was retained by OUC to conduct the fieldwork and prepare a report on their findings. The RI/FS study will cost approximately \$900,000 to be split equally between the City and OUC. The study was originally scheduled to take about 21 months to complete but with the need for some additional fieldwork, this schedule was extended by four months. The draft Remedial Investigation (RI) report was submitted to the City in early summer of 2003 with the Baseline Risk Assessment report and the Feasibility Study being submitted to the City in early summer of 2003. All of the reports will have been submitted to the EPA for their final review and approval by January 2004. EPA will conduct a formal RI/FS process which includes public notification, a public hearing, and finalization of the Record of Decision (ROD). This process will continue through 2004. Once this process is complete, a final determination will be made on the cleanup technologies that will be employed for this site. The City and OUC are not required to participate in or fund any further work after the RI/FS is successfully completed including specifically any remediation effort. If the City and OUC do not participate, it is probable that the site will be placed on EPA's National Priority List which could have negative impacts on property values in the immediate area.

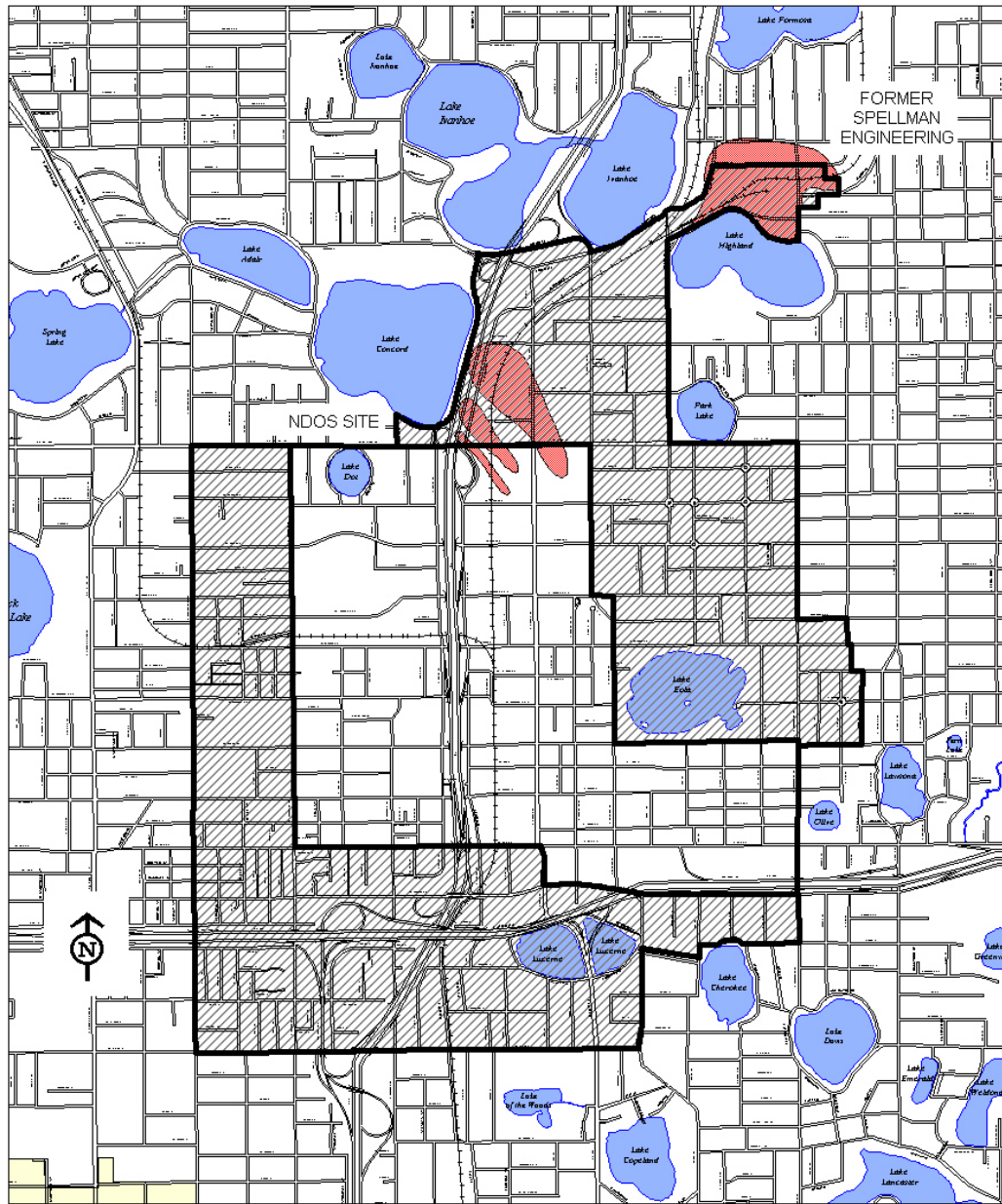
Orlando Coal Gasification Plant

Located in the 600 block of West Robinson Street, which is in the West Central portion of the CRA Expansion Area, the Orlando Coal Gasification plant manufactured coal gas from 1887 to 1960. Various studies of the potential soil and groundwater contamination emanating from this facility have been conducted over the past fifteen years. In 1988-89, the United States Geological Survey conducted a water quality monitoring study of the Upper Floridan aquifer, which serves as a drinking water source for other utilities in the Central Florida region. This aquifer is about 200 feet below ground surface. The Orlando Utilities Commission (OUC), which provides drinking water to the City of Orlando, has as its water source the Lower Floridan aquifer which is approximately 1,200 feet below ground surface. This study showed some evidence of contamination in the Upper Floridan that could have resulted from the disposal of by-products from the coal gasification manufacturing process.

The U. S. Environmental Protection Agency (EPA), Region IV, has commissioned two surficial groundwater studies, one in 1990, and the other in 1996. Based on that work, EPA had placed this site on a low priority list for further investigation in 1996. No investigation of the Upper Floridan water quality was conducted during these two studies.

More recently, in 2002, under an order from the U. S. Environmental Protection Agency, a consortium of present and former landowners of the coal gasification site has conducted an Expanded Site Investigation (ESI) study of the soil and groundwater on and adjacent to the coal gasification site. This study focused on the condition of both the surficial groundwater and the waters of the Upper Floridan aquifer. Fieldwork was completed in the summer of 2002, with the subsequent report on the findings showing certain areas where coal tar contamination had entered into the upper reaches of the Upper Floridan aquifer. The conclusion of the 2002 ESI study was that this contamination appeared to have entered the aquifer through a direct conduit such as a drainage well(s). As a result of this ESI study, EPA is requiring the consortium to enter into an agreement to conduct a full Remedial Investigation/Feasibility Study (RI/FS).

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**FORMER SPELLMAN ENGINEERING & NDOS
SITE PLUME MAP
DOWNTOWN ORLANDO CRA DISTRICT**

Due to the fact that the City of Orlando maintains a drainage well (#62) on West Robinson Street several hundred feet to the east of the site and the fact that this drainage well may have been a conduit for contamination to reach the Upper Floridan, the consortium approached the City on becoming an active participant in the conduct of the environmental work as a Potentially Responsible Party (PRP). While it has not been conclusively proven that the contamination entered the Upper Floridan through Drainage Well #62, it cannot be definitively shown that it did not. There were also discussions between EPA staff and City staff regarding the desirability of the City becoming involved in the program as a PRP, in addition to the City's past role as a facilitator and provider of access for study purposes.

To that end, staff negotiated a participation level of three percent (3%) for the City to pay for environmental work done to date and further investigatory work (RI/FS) to be accomplished over the next year at the site. The City's cost at this level of participation is estimated to be \$71,000. The work to be accomplished will be under EPA's Remedial Investigation/Feasibility Study (RI/FS) guidelines similar to the work that the City and OUC are completing for the Lake Highland site. Any future remediation costs (unknown at this time) may also become an obligation of the City at a then to be determined level. City representatives will be on a steering committee for the consortium. This committee will provide oversight of the RI/FS process as it progresses.

To memorialize the City's participation in this program, there are five separate agreements which were approved by City Council and executed by the Mayor on November 10, 2003. The principal agreement is the RI/FS Administrative Order on Consent between the City, EPA, Florida Power Corp., Peoples Gas System, and Atlanta Gas Light. This document binds the City to the program as a PRP.

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AGENCY FINANCIAL INFORMATION

Financial information of the Agency for the years 1999 through 2003 (each ending as of September 30) is shown in the table below. The Agency has not produced its own separate financial statements since Fiscal Year 2000.

CITY OF ORLANDO, FLORIDA COMMUNITY REDEVELOPMENT AGENCY DOWNTOWN DISTRICT FIVE-YEAR INFORMATION FOR THE YEARS 1998/99 THROUGH 2002/03

	(Audited) Fiscal Year Ended <u>9/30/1999</u>	(Audited) Fiscal Year Ended <u>9/30/2000</u>	(Audited) Fiscal Year Ended <u>9/30/2001</u>	(Audited) Fiscal Year Ended <u>9/30/2002</u>	(Unaudited) Fiscal Year Ended <u>9/30/2003</u>
Assets					
Current Assets	\$4,738,161	\$5,039,876	\$3,318,363	\$4,610,111	\$6,030,704
Restricted Assets	5,582,638	5,863,353	5,228,496	5,126,842	5,361,691
Other Assets	<u>31,892</u>	<u>33,746</u>	<u>33,746</u>	<u>12,690</u>	--
Total Assets	<u>\$10,352,691</u>	<u>\$10,936,975</u>	<u>\$8,580,605</u>	<u>\$9,749,643</u>	<u>\$11,392,395</u>
Liabilities and Fund Balances					
Current Liabilities	<u>\$799,945</u>	<u>\$2,871,003</u>	<u>\$879,692</u>	<u>\$2,972,263</u>	<u>\$890,629</u>
Fund Balances					
Reserved for:					
Debt Service	4,798,530	5,112,442	4,511,639	4,547,906	4,817,510
Prepaid Items	31,892	33,746	33,746	---	--
Encumbrances	179	347,827	930	21,702	--
Unreserved, reported in:					
Special Revenue Funds	4,142,940	2,573,939	3,209,170	2,216,987	5,684,256
Capital Project Funds	<u>579,205</u>	<u>(1,982)</u>	<u>(54,572)</u>	<u>(9,215)</u>	---
Total Fund Balances	<u>9,552,746</u>	<u>8,065,972</u>	<u>7,700,913</u>	<u>6,777,380</u>	<u>10,501,766</u>
Total Liabilities and Fund Balances	<u>\$10,352,691</u>	<u>\$10,936,975</u>	<u>\$8,580,605</u>	<u>\$9,749,643</u>	<u>\$11,392,395</u>
Operating Revenues					
Tax Increment Fees	\$6,696,256	\$6,969,843	\$7,990,792	\$8,996,103	\$9,455,284
Other Fees	3,225	4,847	2,896	714	2,499
Income on Investments	369,418	549,049	637,985	355,867	320,716
Other	<u>7,862</u>	<u>697</u>	<u>30,731</u>	<u>5,358</u>	<u>1,565,733</u>
Total Operating Revenues	<u>7,076,761</u>	<u>7,524,436</u>	<u>8,662,404</u>	<u>9,358,042</u>	<u>11,344,232</u>
Operating Expenditures					
Salaries, Wages and Benefits	375,700	384,557	425,760	445,079	509,564
Contractual Services, Materials and Supplies	781,698	731,512	580,669	668,175	596,945
Impact Fee Assistance and Other*	3,397,023	2,993,137	4,684,919	9,052,862	6,613,461
Capital Improvements	1,708,347	3,670,494	3,016,743	1,874,965	119,300
Debt Service:					
Principal	2,305,300	2,445,100	2,662,156	4,096,866	3,303,476
Interest and Other	<u>1,829,066</u>	<u>1,933,968</u>	<u>1,904,891</u>	<u>2,351,214</u>	<u>1,915,068</u>
Total Operating Expenditures	<u>10,397,134</u>	<u>12,158,768</u>	<u>13,275,138</u>	<u>18,489,161</u>	<u>13,057,814</u>
Operating Income (Loss)	<u>(3,320,373)</u>	<u>(4,634,332)</u>	<u>(4,612,734)</u>	<u>(9,131,119)</u>	<u>(1,713,582)</u>
Non-Operating Revenue (Expenditures)					
Operating Transfers (Net)	(1,034,101)	(1,065,442)	(1,002,325)	(1,294,223)	(1,327,032)
Proceeds of Refunding Bonds	--	--	--	10,995,000	--
Discount on Refunding Bonds	--	--	--	(27,916)	--
Payment to Refunded Bond Escrow Agent	--	--	--	(10,598,575)	--
Bond and Loan Proceeds*	<u>3,000,000</u>	<u>4,213,000</u>	<u>5,250,000</u>	<u>9,133,300</u>	<u>6,765,000</u>
Total Non-Operating Revenue (Expenditures)	<u>1,965,899</u>	<u>3,147,558</u>	<u>5,247,675</u>	<u>8,207,586</u>	<u>5,437,968</u>
Net Change in Fund Balances	(1,354,474)	(1,486,774)	(365,059)	(923,533)	3,724,386
Fund Balances-Beginning	<u>10,907,220</u>	<u>9,552,746</u>	<u>8,065,972</u>	<u>7,700,913</u>	<u>6,777,380</u>
Fund Balances - Ending	<u>\$9,552,746</u>	<u>\$8,065,972</u>	<u>\$7,700,913</u>	<u>\$6,777,380</u>	<u>\$10,501,766</u>

*A portion of the Impact Fee and Other expenditures are funded by Bond and Loan Proceeds.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the validity of the 2004 Bonds and the issuance thereof by the Agency are subject to the approval of Bryant Miller & Olive P.A., Orlando, Florida, Bond Counsel, whose approving opinion (in substantially the form attached hereto as Appendix C) will be delivered concurrently with the issuance of the 2004 Bonds. Bond Counsel has not undertaken to verify and therefore expresses no opinion as to the accuracy, completeness or sufficiency of any of the information or statements contained in this Official Statement or any exhibits, schedules or appendices hereto, except as to the accuracy and correctness of the information in the sections hereof entitled "THE 2004 BONDS," (other than the information contained under the caption "Book-Entry-Only System" as to which no opinion will be expressed), "SECURITY FOR THE 2004 BONDS," and in Appendix B - "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" to the extent such statements purport to summarize certain provisions of the Bond Resolution or the 2004 Bonds and the accuracy of the information under the caption "TAX MATTERS."

Certain legal matters will be passed upon for the Agency by its Disclosure Counsel, Holland & Knight LLP, Orlando, Florida, by its Special Legal Counsel, Shutts & Bowen LLP, Orlando, Florida, and by the City's Office of Legal Affairs.

ENFORCEABILITY OF REMEDIES

The remedies available to the Paying Agent or the owners of the 2004 Bonds upon an Event of Default under the Bond Resolution or upon nonpayment by the Insurer under its Bond Insurance Policy are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the remedies provided in the Bond Resolution may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2004 Bonds and the Bond Insurance Policy will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

LITIGATION

There is no pending or, to the knowledge of the Agency or the City, any threatened litigation against the Agency or the City which in any way questions or affects the validity of the 2004 Bonds, or any proceedings or transactions relating to their issuance, sale or delivery, or the adoption of the Bond Resolution, or which may materially adversely affect the imposition, collection and pledge of the revenues pledged for the payment of the 2004 Bonds.

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements which must be met subsequent to the issuance and delivery of the 2004 Bonds in order that interest on the 2004 Bonds will be and remain excluded from gross income for

purposes of federal income taxation. Non-compliance may cause interest on the 2004 Bonds to be included in federal gross income retroactive to the date of issuance of the 2004 Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the 2004 Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The Agency has covenanted in the Bond Resolution to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the 2004 Bonds.

In the opinion of Bond Counsel, assuming compliance with the aforementioned covenants, under existing statutes, regulations and judicial decisions, interest on the 2004 Bonds is excluded from gross income for purposes of federal income taxation, and interest on the 2004 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Bond Counsel is further of the opinion that the 2004 Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes imposed by Chapter 198, Florida Statutes, and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined therein. However, interest on the 2004 Bonds may be subject to the alternative minimum tax when any Series 2004 Bond is held by a corporation. The alternative minimum taxable income of a corporation must be increased by 75% of the excess of such corporation's adjusted current earnings over its alternative minimum taxable income (before this adjustment and the alternative tax net operating loss deduction). "Adjusted current earnings" will include interest on the 2004 Bonds.

Except as described above, Bond Counsel expresses no opinion regarding other federal tax consequences resulting from ownership of, receipt or accrual of interest on, or disposition of the 2004 Bonds. Prospective purchasers of the 2004 Bonds should be aware that (i) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the 2004 Bonds; (ii) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15% of the sum of certain items, including interest on the 2004 Bonds; (iii) interest on the 2004 Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code; (iv) passive investments income, including interest on the 2004 Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporations is passive investment income; and (v) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the 2004 Bonds. Other provisions of the Code may give rise to adverse federal income tax consequences to particular holders of the 2004 Bonds. Holders of the 2004 Bonds should consult their own tax advisors with respect to the tax consequences to them of owning the 2004 Bonds.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the 2004 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax

consequences may have affected the market value of obligations similar to the 2004 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the 2004 Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the 2004 Bonds.

Tax Treatment of Bond Premium

The difference between the principal amount of the 2004 Bonds maturing in the years 2004 through 2007 and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such 2004 Bonds of the same maturity was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of such 2004 Bonds which ends on the earlier of the maturity or call date for such 2004 Bonds which minimizes the yield on said 2004 Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of such 2004 Bonds, an initial offering price is required to decrease such purchaser's adjusted basis in such 2004 Bonds annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning 2004 Bonds. Owners of such 2004 Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such 2004 Bonds.

Tax Treatment of Bond Discount

Under the Code, the difference between the maturity amounts of the 2004 Bonds maturing in years 2008 through 2010 and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the 2004 Bonds of the same maturity was sold is "original issue discount." Original issue discount will accrue over the term of such 2004 Bonds at a constant interest rate compounded periodically. A purchaser who acquires such 2004 Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for Federal income tax purpose equal to the original issue discount accruing during the period he or she holds such 2004 Bonds, and will increase his or her adjusted basis in such 2004 Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such 2004 Bonds. The Federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the 2004 Bonds which are not purchased in the initial offering at the initial offering price may be determine according to rules which differ from those above. Owners of such 2004 Bonds should consult their own tax advisors with respect to the precise determination for Federal income tax purposes of interest accrued upon sale, redemption or other disposition of the 2004 Bonds and with respect to the state and local tax consequences of owning and disposing of such 2004 Bonds.

CONTINUING DISCLOSURE

The Agency has covenanted for the benefit of 2004 Bondholders to provide certain financial information and operating data relating to the Agency and the 2004 Bonds in each year, and to provide notices of the occurrence of certain enumerated material events.

Annual financial information and operating data and the audited financial statements will be filed by the Agency with each Nationally Recognized Municipal Securities Information Repository (the "NRMSIRs"), as well as any state information depository that is subsequently established in the State of Florida (the "SID"). The notices of material events, when and if they occur, shall be timely filed by the Agency with the NRMSIRs or the Municipal Securities Rulemaking Board, and with the SID. The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details on the undertaking are more fully described in the "CONTINUING DISCLOSURE COMMITMENT," in Appendix E attached hereto.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Dufresne & Associates, CPA, PA will verify from the information provided to them the mathematical accuracy as of the date of the closing on the 2004 Bonds of the computations contained in the provided schedules to determine that the anticipated receipts from the securities and cash deposits listed in UBS Financial Services Inc. schedules, to be held in escrow, will be sufficient to pay, when due, the principal, interest and call premium payment requirements of the Refunded Bonds. Dufresne & Associates, CPA, PA will express no opinion on the assumptions provided to them, nor as to the exclusion from gross income for federal income tax purposes of the interest on the 2004 Bonds.

RATINGS

The 2004 Bonds are anticipated to be rated "Aaa" by Moody's Investors Service ("Moody's"), "AAA" by Fitch, Inc. ("Fitch") and "AAA" by Standard & Poor's Ratings Services ("S&P"), based in each case upon the understanding that the Financial Guaranty Insurance Policy will be issued upon the delivery of the 2004 Bonds. The Agency has received underlying ratings on the 2004 Bonds without regard to the Financial Guaranty Insurance Policy of "A2" from Moody's, "A+" from Fitch, and "A" from S&P. Such ratings reflect only the views of such organizations at the time such ratings are given and the Agency makes no representation as to the appropriateness of the ratings. An explanation of the significance of such ratings may be obtained only from such organizations. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such organizations if, in the judgment of said organizations, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse affect on the market price of the 2004 Bonds.

INDEPENDENT AUDITORS

The general purpose financial statements of the City of Orlando, Florida as of and for the year ended September 30, 2002 have been audited by KPMG, LLP, independent auditors and are

presented within the City's Comprehensive Annual Financial Report, which is available on the City's website at www.cityoforlando.net.

FINANCIAL ADVISOR

The Agency has retained Marianne Edmonds, Inc. as financial advisor (the "Financial Advisor") in connection with issuance, sale and delivery of the 2004 Bonds. The Financial Advisor has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

UNDERWRITING

The 2004 Bonds are being purchased by the underwriters listed on the cover page hereof (the "Underwriters"), subject to certain terms and conditions. The aggregate purchase price payable to the Agency is \$9,859,235.48 (\$9,855,000 principal amount plus net original issue premium of \$39,113.65 and less Underwriters' discount of \$34,878.17). The Underwriters are committed to purchase all the 2004 Bonds if any are purchased. The 2004 Bonds are offered for sale to the public at the prices derived from the yields set forth on the cover page of this Official Statement. The 2004 Bonds may be offered and sold to certain dealers (including dealers depositing 2004 Bonds into investment trusts) at prices lower than such offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder (the "Disclosure Act") requires that the Agency make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served only as a conduit issuer such as industrial development or private activity bonds issued on behalf of private businesses). The Agency is not and has not since December 31, 1975 been in default as to principal and interest on its bonds or other debt obligations.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the 2004 Bonds, the security for the payment of the 2004 Bonds and the rights and obligations of the holders thereof. Copies of such documents may be obtained from the Agency at the office located at 201 South Orange Avenue, Suite 1230, Orlando, Florida 32801.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any

implication that there has been no change in the affairs of the Agency or the City since the date hereof.

**AUTHORIZATION AND CERTIFICATION
CONCERNING OFFICIAL STATEMENT**

This Official Statement has been authorized by the Agency. Concurrently with the delivery of the 2004 Bonds, the undersigned will furnish their certificate to the effect that, to the best of their knowledge, this Official Statement did not as of its date contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which this Official Statement is to be used, or which is necessary in order to make the statements contained herein, in the light of the circumstances in which they were made, not misleading.

The execution and delivery of this Official Statement by the Chairman and Executive Director of the Agency have been duly authorized by the Agency.

CITY OF ORLANDO, FLORIDA COMMUNITY
REDEVELOPMENT AGENCY

By: /s/ Buddy Dyer
Name: Buddy Dyer
Title: Chairman

By: /s/ William Franklin Billingsley, III
Name: William Franklin Billingsley, III
Title: Executive Director

**APPENDIX A
GENERAL INFORMATION
THE CITY OF ORLANDO, FLORIDA**

GENERAL

The City was incorporated on July 31, 1875, and is located in the approximate center of the State in Orange County (the “County”). The County, established by the Florida Legislature in 1824, is located midway between Jacksonville to the north and Miami to the south, between St. Petersburg-Tampa on the Gulf of Mexico on the west and Daytona Beach on the Atlantic coast on the east. Two of the State’s major highways, Interstate 4 for east-west travel and the Florida Turnpike for north-south travel, intersect just outside of the City. The County encompasses approximately 1,003 square miles, ranking nineteenth in the State in terms of land area. The County enjoys an excellent climate, with temperatures ranging from an average of approximately 60° (F.) in January to an average of approximately 83° (F.) in August.

City Government

The City operates under a strong Mayor form of government. The Mayor, who is the City’s Chief Executive Officer and the presiding officer of the City Council, is elected for a term of four years. The Mayor’s responsibilities include the enforcement of laws, control of City departments and divisions, appointment and removal of officers and employees, supervision of City property, and negotiation of contracts. The Mayor sets the Council meeting agendas, makes recommendations for the creation of ordinances and resolutions, and presents the annual budget for approval to the City Council.

The City Council is the legislative branch of City government, and is responsible for taxation, finances, zoning regulations, and boundaries. The City Council (six district City Commissioners and the Mayor) review plans and specifications for public improvements, enact legislation governing City operations, and approve the City budget. They are elected for rotating four-year terms.

Population

The 2000 Census by the United States Bureau of the Census documents that the Orlando Metropolitan Statistical Area (MSA) is one of the nation’s fastest growing metropolitan areas. The following Table 1 indicates the strong population increases of the County and the City since 1960. Table 2 shows historic and projected population levels in five-year intervals. As with Table 1, the projections from the University of Florida’s Bureau of Economic and Business Research anticipate continuing growth for the Orlando metropolitan area.

TABLE 1
CITY OF ORLANDO, ORANGE COUNTY, ORLANDO MSA AND FLORIDA POPULATION
(1960-2003)
(in thousands)

Year	City of Orlando (1)		Orange County (1)		Orlando MSA (2)		Florida (2)	
	Population	% Change	Population	% Change	Population	% Change	Population	% Change
1960	88.1	. %	263.5	. %	337.5	. %	4,951.6	. %
1970	99.0	12.4	344.3	30.7	453.3	34.3	6,791.4	37.2
1980	130.4	31.7	481.7	39.9	723.9	59.7	9,747.0	43.5
1990	164.7	26.3	677.5	40.6	1,072.7	48.2	12,937.9	32.7
1991	168.5	2.3	701.3	3.5	1,113.8	3.8	13,196.0	1.5
1992	169.7	0.7	712.6	1.6	1,300.8(3)	16.8	13,424.4	1.7
1993	172.0	1.4	727.8	2.1	1,330.8	2.3	13,608.6	1.4
1994	170.8(4)	(0.7)	740.2	1.7	1,359.0	2.1	13,878.9	2.0
1995	170.3	(0.3)	759.0	2.5	1,397.0	2.8	14,149.3	1.9
1996	173.1	1.6	777.5	2.4	1,428.6	2.3	14,408.3	1.8
1997	176.4	1.9	803.6	3.4	1,473.3	3.1	14,712.9	2.1
1998	180.5	2.0	824.1	2.6	1,522.2	3.3	15,000.5	2.0
1999	184.6	2.3	846.3	2.7	1,575.5	3.5	15,322.0	2.1
2000	188.0	1.8	867.2	2.5	1,644.6	4.4	15,982.4	4.3
2001	192.0	2.1	884.7	2.0	1,684.6	2.4	16,261.0	1.7
2002	194.9	1.5	955.9	8.1	1,762.9	4.9	16,713.1	2.8
2003	201.9	3.6	980.2	2.5	1,801.3	2.2	16,917.3	1.2

- (1) Florida Population Studies, University of Florida Bureau of Economic and Business Research.
(2) U.S. Census of Population (1960, 1970, 1980, 1990 and 2000). Estimates: ECFRPC, University of Florida Bureau of Economic and Business Research.
(3) As of December 31, 1992, Lake County (population 231,072) was added to the Orlando MSA.
(4) The drop in Orlando's population resulted from the decline in Navy Base-related personnel.

TABLE 2
ORANGE COUNTY AND ORLANDO MSA HISTORICAL AND PROJECTED POPULATION
(1990-2020)
(in thousands)

Year	Orange County Population	Orlando MSA Population	% Change
1990	677.5	1,072.7	--
1995	759.0	1,397.0(1)	30.2%
2000	867.2	1,644.6	17.7
2005	1,003.8	1,844.9	12.2
2010	1,112.2	2,047.1	11.0
2015	1,223.5	2,254.9	10.2
2020	1,338.3	2,469.3	9.5

Source: Projections: University of Florida Bureau of Economic and Business Research, *Florida Estimates of Population*, May 1, 2001.

- (1) As of December 31, 1992, Lake County (population 231,072) was added to the Orlando MSA.

REVENUE SOURCES OF THE CITY

General

The City relies on a broad mix of general revenues to finance primary government operations. These revenues include local tax revenues and monies received from State revenue sharing. The local tax revenues for the City are comprised of: a Real Estate and Personal Property Tax, the Municipal Public Service Tax (a.k.a. Utilities Services Tax), and Franchise Fees. The State revenue sharing is comprised of: the Motor Fuel Tax, the Beverage License Tax, Sales Tax, and the Insurance Premium Tax. Effective October 1, 2001, the City's Municipal Public Service Tax on telecommunications was repealed and the collection of Franchise Fees on telecommunications and cable services was prohibited under Florida Law, however such revenues were replaced by the Communications Services Tax on telecommunications and cable services authorized by Chapter 202, Florida Statutes. This change to the new Communications Services Tax revenue was intended by the State to have a revenue-neutral impact on municipalities and counties.

The City's various local taxes produced \$132,782,335 for the Fiscal Year ending September 30, 2003. During the period 1993-2003, all of the City's taxes produced revenues as shown in the following Table 3.

**TABLE 3
CITY OF ORLANDO, FLORIDA
TAX REVENUES BY SOURCE**

Fiscal Year	Property Taxes		Franchise Fees	Utilities	Total Taxes
	Operations	Debt Service		Service Taxes (1)	
1993	42,936,662	-	13,090,817	20,157,360	76,184,839
1994	42,770,637	-	13,743,111	21,631,723	78,145,471
1995	44,830,696	-	14,305,818	22,606,912	81,743,426
1996	45,086,129	-	15,088,673	25,543,013	85,717,815
1997	47,183,672	-	15,256,556	27,975,875	90,416,103
1998	51,285,519	-	16,748,733	29,397,561	97,431,813
1999	53,911,928	-	17,654,965	29,881,899	101,448,792
2000	57,589,699	-	18,625,360	33,478,429	109,693,488
2001	68,984,150	-	20,732,223	32,689,117	122,405,490
2002	68,620,497	-	21,725,686	40,004,796	130,350,979
2003	71,676,753	-	22,643,184	38,462,398	132,782,335

Source: City's Department of Management, Budget, and Accounting.

- (1) Tax receipts are pledged as collateral for the payment of debt service for the City's outstanding wastewater revenue bonds and, if not needed, is released monthly. The released Utilities Services Tax revenues are placed in a Special Revenue fund.

Property Tax Rates, Collections and Uses. The Real Estate and Personal Property Taxes provide the City with a major source of revenue for a variety of functions. The City is limited by the Constitution of the State to an ad valorem tax levy of 10 mills on each dollar of assessed valuation for operating expenditures. The millage rate for all non-exempt real and tangible personal property in the City is established annually by the City Council. The Orange County Property Appraiser is charged with

determining the value of such property, whereupon property taxes are collected by the Orange County Tax Collector.

In Table 4, the City's record of property tax rates and tax levies, including all overlapping governments, is presented for the Fiscal Years 1995-2004.

In Table 5, the City's assessed and estimated actual valuations are presented for calendar years 1994-2003. The assessed value for each Fiscal Year is determined on January 1 of the prior calendar year. For example, the assessed value on January 1, 1994, is used to determine the tax levy for Fiscal Year 1995.

**TABLE 4
CITY OF ORLANDO, FLORIDA
PROPERTY TAX RATES AND LEVIES
ALL OVERLAPPING GOVERNMENTS**

Millage Rates (\$1.00 per \$1,000 of taxable value)

<u>Fiscal Year</u>	<u>City of Orlando</u>	<u>Orange County</u>	<u>Orange County School Board</u>	<u>Total (1)</u>
1995	6.0666	5.2889	9.3240	20.6795
1996	6.0666	5.2889	9.3750	20.7305
1997	6.0666	5.2889	9.1770	20.5325
1998	6.0666	5.2889	9.0770	20.4325
1999	6.0666	5.2889	9.0420	20.3975
2000	6.0666	5.2264	8.6120	19.9095
2001	6.0666	5.1639	8.5770	19.8075
2002	5.6916	5.1639	8.4320	19.2875
2003	5.6916	5.1639	7.8780	18.7335
2004	5.6916	5.1639	7.8880	18,7435

Tax Levies

<u>Fiscal Year</u>	<u>Orlando</u>	<u>Orange County</u>	<u>Orange County School Board</u>	<u>Total (1)</u>
1995	46,153,001	180,137,403	317,570,978	544,890,954
1996	47,100,053	186,443,169	330,485,490	564,990,138
1997	48,732,876	196,792,906	341,463,915	587,978,829
1998	53,246,307	213,350,935	366,166,520	610,857,532
1999	56,198,217	231,726,135	396,163,232	685,049,950
2000	59,819,952	244,953,979	403,632,264	709,522,956
2001	69,246,507	266,295,545	442,304,630	779,260,324
2002	71,619,345	289,554,023	472,805,346	835,288,614
2003	74,900,751	304,442,689	465,261,662	844,605,102
2004	80,335,154	322,167,250	492,807,405	895,309,809

Source: Orange County Property Appraiser.

(1) Tax rates and levies of a fraction of one mill assessed in various years by other units against districts covering less than the entire City or County are omitted here. (Example: Property in the Downtown Development District was subject to a \$1.00 per thousand tax.)

TABLE 5
CITY OF ORLANDO, FLORIDA
ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY
NET OF EXEMPTIONS

Calendar Year	<u>Real Property</u>		<u>Personal Property</u>		<u>Total</u>	
	<u>Assessed Value</u>	<u>Estimated* Actual Value</u>	<u>Assessed Value</u>	<u>Estimated** Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Assessed Value</u>
1994	6,303,653,388	7,416,062,809	1,304,176,891	2,371,230,711	7,607,830,279	9,787,293,520
1995	6,402,373,781	7,532,204,448	1,361,552,611	2,475,550,202	7,763,926,392	10,007,754,650
1996	6,609,441,679	7,775,813,740	1,423,718,337	2,588,578,795	8,033,160,016	10,364,392,535
1997	7,228,749,511	8,504,411,189	1,548,308,496	2,815,106,356	8,777,058,007	11,319,517,546
1998	7,681,067,592	9,036,550,108	1,582,582,525	2,877,422,773	9,263,650,117	11,913,972,881
1999	8,246,105,113	9,701,300,133	1,614,560,062	2,935,563,749	9,860,665,175	12,636,863,882
2000	9,406,864,847	11,066,899,820	2,007,656,526	3,650,284,593	11,414,521,373	14,717,184,413
2001	10,401,534,347	12,237,099,232	2,181,941,004	3,967,165,462	12,583,475,351	16,204,264,694
2002	11,106,733,091	13,066,744,813	2,053,283,775	3,733,243,227	13,160,016,866	16,799,988,040
2003	12,116,917,563	14,255,197,133	1,997,916,571	3,632,575,584	14,114,834,134	17,887,772,717

Source: Orange County Property Appraiser

*Real Property is assessed at 85% of estimated market value.

**Personal Property assessments are approximately 55% of the estimated actual value.

Property Assessments. All real property is assessed at 85% estimated market value and personal property is assessed at 55% estimated actual value. Utilities and Carriers (railroads, truck lines, air lines, bus lines, etc.) are assessed by the County Property Appraiser, and some intangible personal property related to banks is assessed by the State Department of Revenue. The County Property Appraiser reports to the State's Department of Revenue in Tallahassee. Property assessments are made on a continuing basis.

Utilities Service Taxes

The Utilities Service Tax (also referred to herein as "Utilities Tax") is assessed at 10% of the sales price of bottled or metered gas, water and electricity, and as a \$.04 per gallon tax on fuel oil. Through September 30, 2002, there was also an assessed 7% Utilities Service Tax on telecommunications services; however, this revenue source has been replaced by the local portion of the Communications Services Tax on telecommunications and cable services authorized by the State of Florida. The rate for the local portion of the Communications Service Tax adopted by the City was 5.3% during the transition period from October 1, 2001, through September 30, 2002, and 5.0% starting October 1, 2002. These rates were set with the expectation that the City would be kept revenue neutral with the communications services tax replacement of the utilities services tax on telecommunications as well as franchise fees on telecommunications and cable services.

Franchise Fees

Franchise fees are received by the City from firms which are permitted to operate and provide various public services to the residents of the City. Fees received by the City for local services provided by the telephone company, the gas system, and cable television are based on a percentage of the gross revenues with a minimum annual fee. Refuse collection firms pay fees to the City based on the number of monthly pick-ups and a minimum annual fee. As part of the Communications Services Tax Simplification Act enacted by the State of Florida, effective October 1, 2001, counties and municipalities are prohibited from requiring the payment of franchise fees on telecommunications and cable services. The Utilities Service Taxes and Franchise Fees had significant increases as a result of the State's new Communications Tax.

State Revenue Sharing

The City receives certain funds from the State which are derived from the motor fuel tax, sales tax and beverage licenses. Additionally, the City receives funds from the Insurance Premium Tax for Municipal Police and Firefighter Retirement Funds, and also a small amount from mobile home license fees.

TAXPAYERS

In the 2003 Fiscal Year, the total assessed valuation of taxable property was \$14,114,834,134. Of this amount, the assessed valuation for the ten largest taxpayers of the City's property tax represents 12.43% of the total assessed valuation for all property as shown in Table 6.

TABLE 6
CITY OF ORLANDO, FLORIDA
SCHEDULE OF TEN LARGEST TAXPAYERS
September 30, 2003

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Valuation</u>	<u>Percentage</u>
Universal City Fla. Partners	Entertainment	\$ 1,025,778,398	7.27%
Highwood/Florida Holdings LP	Developer	164,271,822	1.16
Forbes Taubman Orlando	Developer	120,364,124	0.85
ZML-Sun Center LLP	Developer	99,650,845	0.71
MMM Lakewood, Ltd.	Developer	85,242,168	0.60
Orlando Outlet World	Commercial	62,486,799	0.44
US Office Holdings	Developer	56,883,119	0.40
Orlando NTC Partners	Developer	48,829,793	0.35
Magnolia Associates LTD	Commercial	45,864,877	0.32
Weingarten Nostat Inc.	Commercial	<u>45,081,241</u>	<u>0.32</u>
Total Taxable Assessed Value of 10 Largest Taxpayers		1,754,453,185	12.43
Total Taxable Assessed Value of Other Taxpayers		<u>12,360,380,949</u>	<u>87.57</u>
Total Taxable Assessed Value of All Taxpayers		<u>\$14,114,834,134</u>	<u>100.00%</u>

Source: Orange County Property Appraiser.

INDUSTRY AND COMMERCE

The Orlando area is located in the center of Florida's High Tech Corridor. This Corridor, which extends from the Tampa Bay region through Metro Orlando and on to Volusia County and the Space Coast, includes 6 primary clusters in the State of Florida. Fortune, Business Week, Entrepreneur and Time magazines have touted the region, using such terms as emerging leader; fastest growing; and among the best cities in the nation for high technology, film, television and digital media production, and business development. The City's advantageous location, quality workforce, and progressive business environment draw corporations to Metro Orlando.

Corporate Headquarters. Corporate headquarters based in Metro Orlando benefit from a strong pro-business atmosphere and unlimited potential that only the nation's very best business communities can offer. Neighbors include Hughes Supply, American Automobile Association, Chep USA, Dixon Technologies, Hilton and Tupperware International.

High Technology. Today in Metro Orlando, over 3,800 high-tech companies employ more than 78,000 skilled workers. Over the last 10 years, employment in high-tech industries has more than doubled, with approximately 79% of the total manufacturing growth since 1980 occurring in high-tech industries. Today, there are as many Central Floridians working in high tech jobs as in theme parks jobs. Major high technology companies in Orlando include: AT&T, Brite Voice Systems, Convergys, Datametrics, Inviro Research, Oracle and HTE.

Manufacturing: Plants, Sites and Parks magazine lists Metro Orlando as one of the top 50 MSA's for manufacturing. There are a total of 2,981 manufacturers in the region, including some of the industries most prestigious names, such as Lockheed Martin, Siemens ICN, Agere Systems, Tri-City, Recoton, and Transpo.

Digital Media. The progressive digital media sector in Orlando has sprung from the convergence of several established fields in the region, including modeling, simulation and training, location-based entertainment, film and television production, electronic gaming, animation and e-learning. Today, the region is positioned in the heart of one of the top 12 clusters for digital media in the country. As new applications for digital technology have continued to emerge, the industry has kept pace in Orlando. With a focus on content creation and enabling technologies, more than 1,000 digital media companies are currently located in the region, employing 30,000 people and generating annual revenue of an estimated \$9 billion (figure includes location-based entertainment).

Film, Television and Commercial Production. Orlando is also a leading destination for film, television and commercial production. State-of-the-art soundstages and unique venues have helped the region become one of the busiest production centers in the United States. Year-round filming capabilities, a highly-skilled local crew base, and supportive local communities have helped advance this region's reputation as among the world's best for film production. It is no wonder that, in the past 15 years, this region has grown from a \$2.5 million to a \$586 million annual production market.

Warehouse Distribution. The area's excellent transportation network and central location have made Orlando a major warehouse and distribution center for Florida, the Southeast and the Americas. More than 60 industrial/business parks, totaling 87.1 million square feet of space are available to serve the distribution effort. Major warehouse distributors include: Burris Logistics, Daimler Chrysler, Kraft Made, Tire Kingdom, Ringhaver and Walgreens.

International. Orlando has worked hard and cohesively to position itself as an international force in global business. Department of Commerce statistics show that Metro Orlando leads the state in major markets in terms of export growth. The region's multi-faceted transportation infrastructure and central location between North America, South America, Europe and Asia, offer easy access to the world's major markets. In addition, Orlando International Airport and nearby Port Canaveral both offer global export and import possibilities for businesses involved in international trade.

Workforce. Metro Orlando boasts a population that is fast growing, young, well educated and diverse. Not coincidentally, the region is at, or near, the top of national charts in several demographic and labor-related categories. Metro Orlando's civilian labor force ensures a strong, stable labor pool for a community that is expected to remain among the nation's top 10 metropolitan areas.

Nationally recognized programs are in place to provide customized training for employees. Florida's Workforce Development Program, available at minimal or no cost to the company, designs and provides job-specific training. For example, the University of Central Florida and Valencia Community College have customized training programs specifically focused on the skills necessary to work in the semiconductor industry.

Tables 7-9 describe the impact of Orlando's increased economic activity.

TABLE 7
ORLANDO MSA
SCHEDULE OF LARGEST EMPLOYERS
September 30, 2002

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>	<u>Percentage</u>
Walt Disney World	Entertainment	55,900	6.17%
Orange County Public Schools	Government	19,608	2.16
Florida Hospital	Health	18,797	2.07
Publix Super Markets, Inc.	Service	15,628	1.72
Universal Studios Florida	Entertainment	12,000	1.32
Orlando Regional Healthcare	Health	12,000	1.32
Wal-Mart	Service	11,125	1.23
Orange County Government	Government	10,356	1.14
Seminole County Public Schools	Government	8,522	0.94
Winn Dixie Stores	Service	8,045	0.89
Lockheed Martin	Defense	7,998	0.88
Seminole County Government	Government	7,943	0.88
Other Employers	Various	<u>718,278</u>	<u>79.28</u>
Total		<u>906,200</u>	<u>100.00%</u>

Source: Economic Development Commission of Mid-Florida, Inc.

TABLE 8
ORLANDO MSA
EMPLOYMENT SECTOR
(In Thousands)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Manufacturing (durable/nondurable)	51.8	50.2	51.1	51.7	52.3	53.8	54.4	54.7	54.4	51.9
Construction	33.5	35.8	37.0	39.9	43.2	46.3	48.6	51.6	53.7	48.3
Transportation, Communication and Public Utilities	37.1	38.0	38.0	39.3	40.9	42.9	44.2	44.1	44.0	42.3
Trade, Wholesale and Retail	1161.6	169.8	177.9	186.2	198.5	205.5	214.5	218.9	223.0	220.4
Finance, Insurance and Real Estate	38.8	40.8	42.2	44.7	46.0	49.7	54.0	50.8	51.7	52.2
Service & Miscellaneous	249.6	268.5	288.2	305.4	329.7	352.5	371.5	395.0	419.8	392.2
Government	<u>77.5</u>	<u>79.6</u>	<u>79.6</u>	<u>81.4</u>	<u>83.9</u>	<u>86.8</u>	<u>89.0</u>	<u>92.3</u>	<u>95.9</u>	<u>98.9</u>
Total (including Other)	1649.9	682.7	714.0	748.6	794.5	837.5	876.2	907.4	942.5	906.2

Source: Florida Department of Labor and Employment Security, Bureau of Labor Statistics, "Current Employment Statistics, U.S. Department of Labor" (Statistical Data Based on Annual Average).

Note: The above figures do not include self-employed, unpaid family or domestic laborers.

TABLE 9
ORLANDO MSA
COMPARISON OF UNEMPLOYMENT RATES
(Percentage)

<u>Calendar Year</u>	<u>Orlando Metropolitan Area(1)</u>	<u>Florida</u>	<u>United States</u>
1993	6.2	7.0	6.8
1994	5.6	6.6	6.1
1995	4.2	5.5	5.6
1996	3.8	5.1	5.4
1997	3.4	4.8	4.9
1998	3.0	4.3	4.5
1999	2.7	3.9	4.2
2000	2.6	3.6	4.0
2001	4.4	5.0	5.0
2002	5.3	5.5	5.8

Source: Florida Research & Economic Database (<http://fred.labormarketinfo.com>)

(1) Includes Orange, Osceola and Seminole Counties.

TRANSPORTATION

The terminal facility at Orlando International Airport (OIA) opened at its present location in 1981. The airport currently has three parallel runways (two of which can be used concurrently) and covers almost 15,000 acres, which makes OIA the third largest airport in the United States. In 2000, the airport's fourth airside terminal was opened. In 2002, OIA served 26.7 million passengers. The airport

has 93 jet gates, a 2.6 million square foot landside terminal with retail, restaurants, the 446-room Hyatt Hotel and 50,000 square feet of convention/meeting space. A total of 9,500 parking spaces are located in the terminal area as well as rental car and commercial ground transportation facilities and there are 9,300 remote satellite parking spaces available.

In 2002, the airport was served by 52 airlines of which 9 were all-cargo carriers. OIA has direct service to almost 100 cities worldwide with the number of air passengers growing to 26.7 million in 2002 making it the 16th largest airport in the United States and the 28th largest in the world. The airport authority continues to implement capacity projects to meet projected demand. OIA is adding a fourth runway (third concurrent) that is scheduled to open in December 2003. In addition, OIA will implement Phase I of the future South Terminal Complex. OIA projects the airport will handle 53M passengers annually by 2021.

The Orlando area is also served by two general aviation airports, Orlando Executive and Kissimmee Municipal. The Orlando Executive Airport opened a new 10,000 square foot terminal in 2000 and has two fixed-base operators and 400 based aircraft on the 1,056 acre site. The Kissimmee Municipal airport has a terminal, two runways, four fixed-base operators two of which are currently expanding their operations and 270 aircraft based on its 871 acres. Additionally the Orlando-Sanford Airport serves the Orlando area and has general aviation and terminal facilities for domestic and international charter operation. The Orlando-Sanford airport has seen tremendous growth during the late 90's. In 2000, it was ranked 16th in the nation for nonstop passenger volume and operations to/from Europe and carried over 1 million passengers. Three satellite airports also serve Orlando. Located between Tavares and Leesburg, the Leesburg Municipal Airport has a 5,000-foot asphalt runway. Mid-Florida Airport, which is located near Mount Dora, Florida, has a well-maintained 3,000-foot lighted runway suitable for most general aviation. OCAV, Inc. Airport, located in Plymouth, Florida, has a 3,000-foot paved runway. This airport provides flight instruction, FBO facilities, hangar space and nonstop charter service to southern U.S. and island locations.

The Orlando area is criss-crossed by the Florida Turnpike and Interstate 4. Currently the \$2.7B I-4 expansion project is in progress and consists of phased construction projects including the addition of general use lanes, High Occupancy Vehicle (HOV) lanes and interchange improvements. These improvements began construction in 2000 and will be completed throughout a 20-year period. The Martin Andersen Bee Line Expressway (State Road 528) links the east coast beaches with Interstate 4 and the Florida Turnpike. State Road 408 (formerly the Holland East-West Expressway) expedites traffic through the City of Orlando and to outlying cities and counties.

Concurrent planning and construction is now underway for a beltway road system around the Orlando area. More than three quarters of the beltway, called the Central Florida Greenway and Western Beltway, is now in use. The regional 20-year cost feasible plan calls for light rail to connect Seminole, Orange and Osceola counties with the City of Orlando. Additional light rail segments as well as commuter and high speed rail are currently being studied.

The Orlando MSA is served by 122 carrier truck lines, parcel delivery and package express services, most of which have local terminals. The Orlando area is fast becoming a staging point for Florida freight movements—nearly two thirds of all of Florida's north/south flows are to, from or through Orlando.

Greyhound Bus Lines offers charter, express and passenger services. CSX Transportation provides freight service with an average of 16 trains per day passing through Orlando. Rail passenger stations in the Orlando area are the busiest in the southeast. Amtrak operates four trips per day through the Orlando metropolitan area.

APPENDIX B

**SUMMARY OF CERTAIN PROVISIONS
OF THE BOND RESOLUTION**

APPENDIX C

PROPOSED FORM OF BOND COUNSEL OPINION

APPENDIX D

FORM OF FINANCIAL GUARANTY INSURANCE POLICY

APPENDIX E
CONTINUING DISCLOSURE COMMITMENT

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