

January 14, 2009

As you are aware, our nation's economy is experiencing extraordinary hardship, and those impacts are hitting home in Orlando. It is in these times we must pay the greatest attention to creating jobs, providing economic stimulus and remaining committed to our vision for the region's prosperity. Just as FDR used public projects in the 1930's to create jobs, build roads and pull the country out of a depression, we took deliberate action to ensure the Community Venues projects provide construction jobs and economic benefits to our citizens and businesses.

To continue building these projects in a prudent manner given the challenges we are facing, I directed the City's finance team last fall to examine the Venues funding plan and assess its viability in difficult financial markets and an economic recession. As you know, the Venues financing plan depends on various funding sources including State Sales Tax, Tourist Development Tax (TDT), Downtown Community Redevelopment Agency (CRA) and private philanthropy. The City of Orlando, Orange County and the hospitality industry forged an historic partnership leveraging TDT revenues to help build these Venues.

In January of 2007, the City and County constructed a funding plan that was based on conservative growth projections for the TDT. Although we knew that an extended downturn could be a problem, no one – including economists and financial experts foresaw either the global economic crisis, or the rate at which financial sectors around the world have deteriorated. The State Revenue Estimating Conference has projected a 10% decrease of TDT in the coming year. At a presentation to the Orange County Commission earlier this week, staff estimated a 5% reduction in TDT revenues for 2009.

Our vision of what the Community Venues can do for our region remains unchanged. However, with the disturbance in the bond markets and a sizable reduction in TDT, the Dr. P. Phillips Performing Arts Center and the Florida Citrus Bowl Stadium must be addressed. We must identify solutions and alternatives to be sure these projects move forward. We are currently reviewing cost-reduction measures including timing, project schedules, site configuration and other opportunities to reduce the overall project budget.

I have directed staff (with the guidelines below) to explore options based on the commitments the City, County, hospitality industry and the entire community has made.

- Complete all three venues. Bring the projects out of the ground to provide the economic safety net our residents and businesses need to during these challenging times.

- Develop a prudent funding model that utilizes only those public sources already committed by the City and County and does not place burden on local taxpayers.
- Preserve the commitment to downtown, and maximize the economic impact from this investment. Explore redesign or reconfiguration of the projects to leverage the investment in a revitalized urban core.
- Mitigate impacts to the project schedules. Analyze all funding options and determine which structure allows the projects to proceed and deliver much-needed economic stimulus to our community.

With continued collaboration between the City and Orange County, our goal is to complete a new Events Center, Dr. P. Phillips Performing Arts Center and renovated Citrus Bowl stadium. This package of public works projects will position Orlando and Orange County for future, quality growth, provide thousands of jobs and infuse millions of dollars into our community.

I anticipate bringing forward recommendations when staff has concluded its analysis and formulated alternatives. I appreciate your continued support as we bring our long-term vision for Orlando to fruition.

A handwritten signature in black ink that reads "Buddy Dyer". The signature is written in a cursive, flowing style.