

Community Venues



Development and Operations

May 21, 2007



City Council Workshop Agenda

- General Overview of Projects
- The Blueprint for a Sustainable Economic Impact
- Community Venues Financing Summary
- Citrus Bowl Agreement Outline
- Events Center Agreement Outline
- Performing Arts Center Agreement Outline
- Mayor/Commissioner Comments



To make Orlando a place for families and individuals to live, work and enjoy by fostering a rich cultural life, accessible to all residents and visitors, and by contributing to the economic development and vitality of the community through the provision of high quality cultural opportunities.

-Goal, City of Orlando Growth Management Plan

It's about Our Quality of Life

The Community Venues

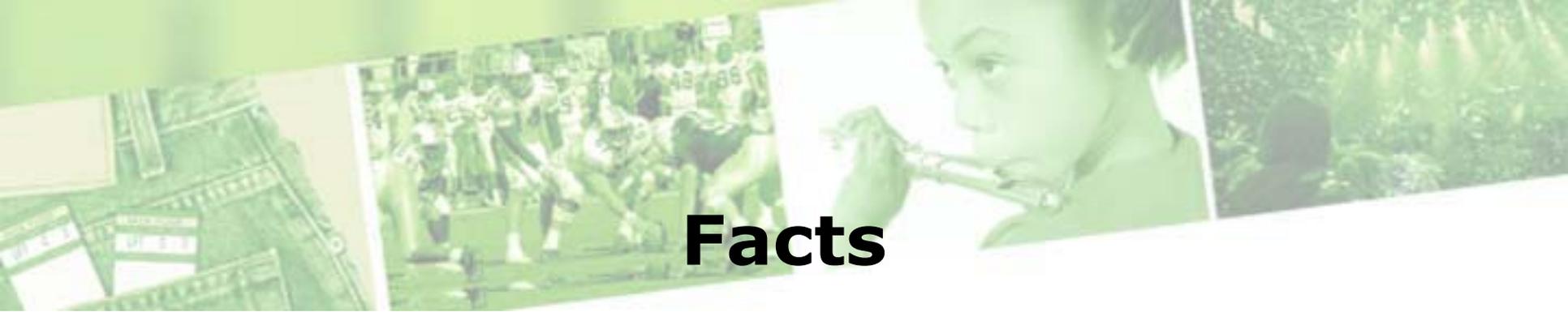
- New Events Center
- New Performing Arts Center
- Renovation of Florida Citrus Bowl Stadium



Community Venues Regional Benefits

- Downtown Defines a Region
- Vision Matters
- Enhancing Education
- Making Memories

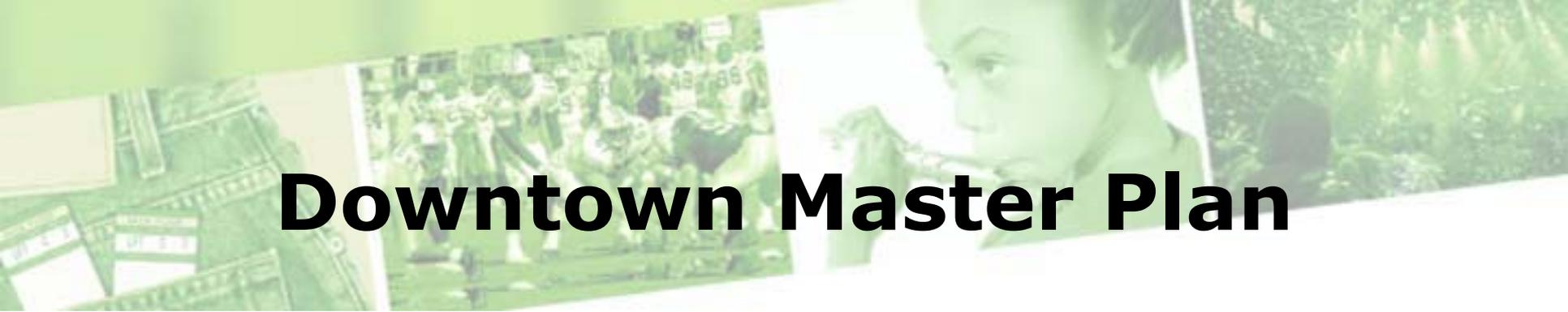




Facts

Orlando's venues are some of the oldest in the Southeast:

- Amway Arena – built in 1989 (the seventh oldest NBA stadium);
- The Bob Carr Performing Arts Center – built in 1926 (hasn't been significantly renovated since 1977);
- Citrus Bowl – built in 1936 (the most recent addition was in 1989)



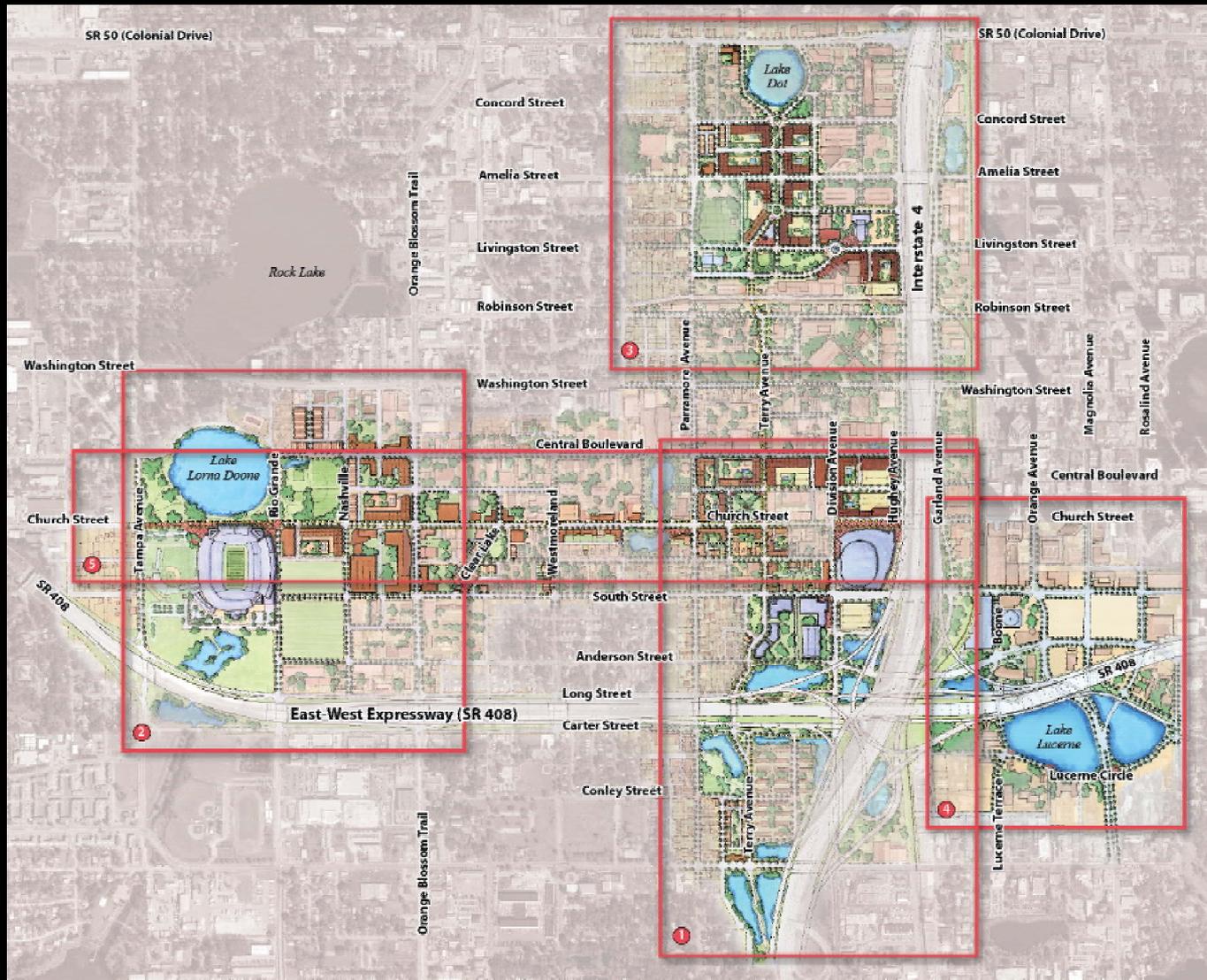
Downtown Master Plan

The Master Plan guides the placement and design of the Community Venues so they:

- *Improve the quality of life for Orlando and Central Florida;*
- *Strengthen economic development opportunities for the region; and*
- *Support the continued revitalization of Downtown, while protecting the history and heritage of the area and surrounding neighborhoods*

Reference: Downtown Orlando Community Venues Master Plan, Glattig Jackson, November, 2007.

Overall Master Plan





Economic Impact Construction

Total Direct Spending	\$595 million
Total Output	\$1.1 billion
Total Earnings	\$452.9 million
Total Employment	10,800 jobs (over 3-4 years)

Source: Economic Impact Analysis of the Proposed Community Venues, presented to Metro Orlando Economic Development Commission by CSL, August 15, 2006.



Economic Impact Operations

Total Direct Spending	\$416 million
Total Output (annual)	\$619 million
Total Earning (annual)	\$247 million
Total Employment	7,500 jobs per year

Source: Economic Impact Analysis of the Proposed Community Venues, presented to Metro Orlando Economic Development Commission by CSL, August 15, 2006.



Economic Impacts

Community Investment	Community Benefit
\$1.1 billion	\$9.9 billion



JUNE
2003

- Mayor Dyer's Downtown Strategic Transition Team is Formed

APRIL
2004

- OPAC Formation by Mayors Dyer/Crotty and UCF President Dr. Hitt
- Events Center Facility Review & Planning
- Citrus Bowl Facility Review & Planning

NOV
2005

- Appointment of Joint City/County Planning Effort
- Initiate City Development & Funding Effort
- City Council Initiates Comprehensive Downtown Master Planning

DEC
2005

- Economic Impact Study Commissioned

Timeline of Key Activities



MAY
2006

- Master Plan Phase I Presentation to City Council
- Mayor's Neighborhood & Community Summit
- Economic Development Commission Board of Governors Signs Resolution of Support
- Begin Phase 2 of Master Planning Process

JUNE
2006

- Downtown Orlando Community Redevelopment Agency Analysis Begins
- Orlando Regional Chamber of Commerce Signs Resolution of Support
- Winter Park Chamber of Commerce Signs Resolution of Support
- West Orange Chamber of Commerce Signs Resolution of Support
- East Orlando Chamber of Commerce Signs Resolution of Support
- TDC Meeting--Recommend TDT Sixth Cent

JULY
2006

- County Commission Approval of TDT Sixth Cent
- Orlando Philharmonic Orchestra Board Signs Resolution of Support

Timeline of Key Activities



AUG
2006

- Launch of Community Venues Web Site
- Mayor and Commissioners Host Community Venues Neighborhood Update Meetings (10)
- Regional Community Venues Findings & Report Distributed
- Orlando Performing Arts Center Presentation to County Commission
- Citrus Bowl Presentation to County Commission
- Mayor Begins Neighborhood and Business Community Updates

SEPT
2006

- Master Plan Phase II and Economic Impact Presentations to City Council
- Events Center Presentation to County Commission
- Venue Partner Presentations to City Council
- Economic Impact Presentation to County Commission
- LOU Signed and Memorialized by City/County Mayors

Timeline of Key Activities



OCT
2006

- Downtown Transportation Plan and Master Plan Phase III Presentations to City Council
- City Council Approval of M/WBE Resolution

NOV
2006

- Financial Plan Presentation to County Commission
- State of Downtown Address
- Master Financing Plan Presentation to City Council
- Acquisition of Events Center Site Authorized by City Council

DEC
2006

- Creative Village Concept Team Presentation to City Council

JAN
2007

- Events Center Development & Operations City Council Workshop

FEB
2007

- Parramore Creative Village Plan Community Forum

APRIL
2007

- Commissioner Lynum Hosts Construction Industry Business Forum
- Mayor's Neighborhood & Community Summit

MAY
2007

- Regional Community Venues Development and Operations Report Distributed

Timeline of Key Activities



Agreements and Approval Process

Three (3) Separate Venue Partner Agreements

Project Scope

Financial Commitments of Each Partner

Roles and Responsibilities

CRA Downtown Outlook Plan Amendment

(including CRA Boundary Expansion)

Interlocal Agreement between City and County

Convey County Funds

Projects Commitments

Financial Structure

Tourist Development Plan Amendment

Tourist Development Council

Board of County Commissioners



Community Venues Financing

Venue Sources and Uses (in Millions)

	PAC	Event Center	Citrus Bowl	Total
SOURCES				
Corporate & Philanthropic Contributions	71	50	—	121
Agreed PV of Magic Lease Payments	—	12	—	12
TDT (6th cent)	—	270	—	270
TDT (1-4 cents)	129	—	141	270
Downtown CRA	139	—	21	160
State Sources	15	31	—	46
Proceeds from Redevelopment	18	62	10	90
City Covenant Bond Proceeds	14	37	—	51
Contributed Land	27	—	—	27
Other	12	18	3	33
Total Sources	425	480	175	1080
USES				
Construction Costs	354	380	175	909
Property Contribution, Acquisition, Site Prep	30	40	—	70
Parking, Roads & Site Improvements	41	60	—	101
Total Uses of Funds	425	480	175	1080



Corporate & Philanthropic Contributions

- Magic's Contribution is upfront with interest accruing to the construction fund
- OPAC's Contributions are pay-as-you-go with cash flow support from Line of Credit and City paid interest up to \$3 million
- Both Magic and OPAC contributions are secured by Letters of Credit



City Covenant Bonds

- \$51 Million Senior Lien Issue
 - Normal coverage
 - Debt Reserve at 1 times Maximum Annual Debt Service (MADS)
 - Insured to AAA status
 - Secured by non-ad valorem general fund revenues
- \$14 Million for New Fire Complex
 - Included to answer Fire Station #1 Relocation Question
 - Part of Mayor's 2006-2007 Public Safety Package
- \$37 Million for Event Center Garage
 - Debt payments made from Event Center Garage Revenues



CRA Bonds

- **\$160 Million Senior Lien Issue**
 - Normal coverage
 - Debt Reserve at 1 times Maximum Annual Debt Service (MADS)
 - Insured to AAA status
 - Secured by tax increment revenues
- Assumes revenue growth of 3.5% annually in the CRA
- Assumes only those buildings permitted in July 2006



Contract 6th Cent TDT Bonds

- \$170 Million Senior Lien Issue
 - Normal coverage
 - Debt Reserve at .5 times Maximum Annual Debt Service (MADS)
 - Liquidity Reserve at .5 times MADS
 - Insured to AAA status
- \$100 Million Subordinate Issue
 - Increasing coverage
 - Debt Reserve at .5 times MADS
 - Liquidity Reserve at .5 times MADS
 - Insured to AAA status paid for by Magic
 - Magic obligated to pay interest premium with use of insurance
- Excess Contract Revenues will refill reserves and then prepay debt



Contract TDT Bonds (1-4 cents)

- \$270 Million Senior Lien Issue
 - Normal coverage
 - Debt Reserve at .5 times Maximum Annual Debt Service (MADS)
 - Liquidity Reserve at .5 times MADS
 - Insured to AAA status
 - Further secured by backup \$25 Million Reserve from City
- Excess Contract Revenues will refill reserves and then prepay debt



Risk Assessment

- Are the revenue projections conservative
 - CRA tax increment revenue is projected at 3.5% annual growth for 30 year projection period and new construction limited to that permitted before July, 2006
 - TDT is projected at 4% in the first 4 years and an average of 2.8% thereafter with lower percentage growth in latter part of 30 year projection period



Risk Assessment

- Have the revenue streams been tested under adverse assumptions
 - Repeat of 9-11 scenario at weakest point in revenue projections sustained in modeling
 - Property tax reform has been tested using original House and Senate proposals. The maximum effect is approximately \$30 Million in bond proceeds or less than 3% of the total Venues package.



Risk Assessment

- Is the debt structured to minimize the impact of risk on local taxpayers
 - All debt issued by CRA except for fire station and parking garage
 - All issues have debt reserves
 - All issues are insured
 - All issues with limited revenue coverage have additional credit enhancement that further protects the City
 - No general revenues are pledged on TDT or CRA debt

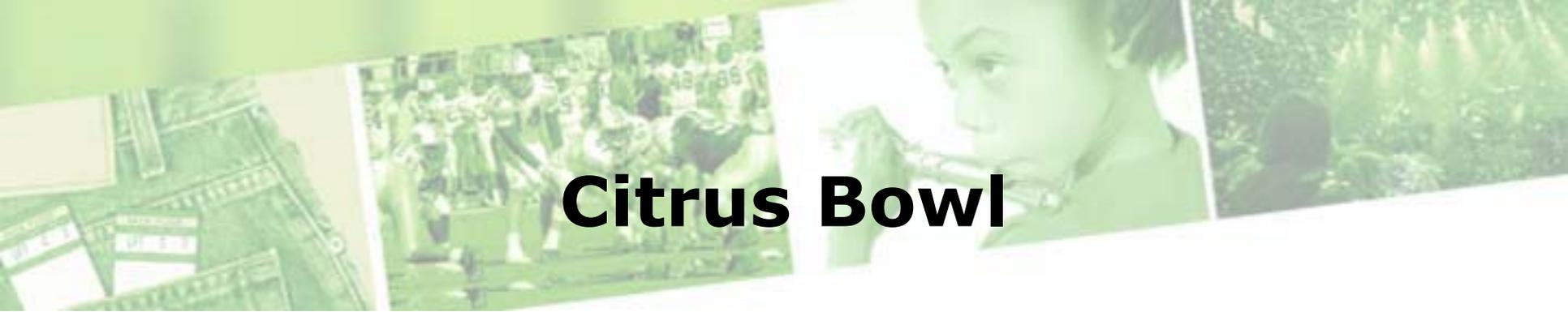


Other Common Questions

- What will be the impact of tax reform?
- Why do we have the Magic's lease payments in the operating pro forma and as a contribution to construction?
- Why do we think we can produce \$90 Million from the sale of City owned land in the Creative Village?
- Do we expect that the operation of the new venues will require additional City or County financial assistance?



Citrus Bowl Development & Operational Agreement



Citrus Bowl

Project Summary

- Demolish and reconstruct lower bowl
- Spectator seating totaling no fewer than 70,000 seats
- 4,000 club seats and approximately 10 new suites
- A 40,000 square foot Stadium Club/Banquet space
- New and enhanced concessions, locker rooms, restrooms, press facilities and associated utilities
- Improves accessibility

Venue Partner: Florida Citrus Sports

Citrus Bowl Concept





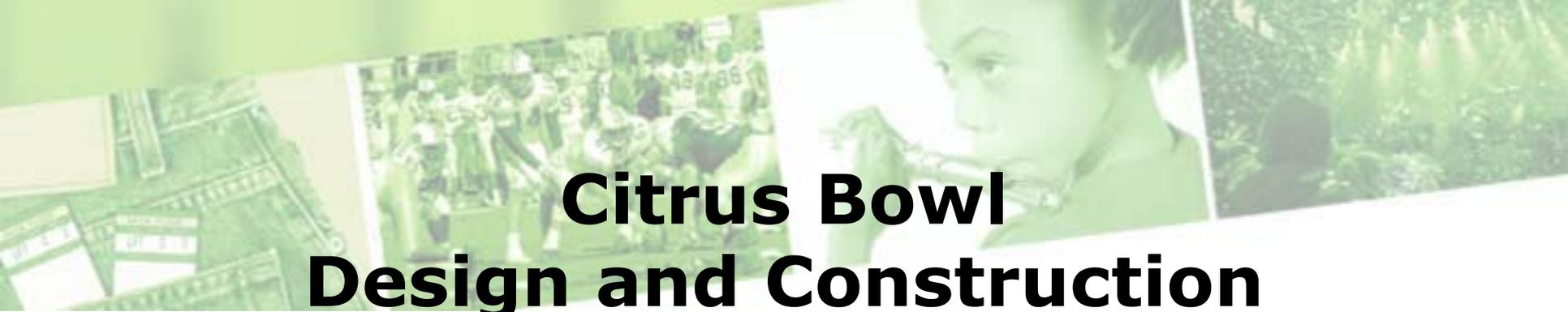
Citrus Bowl Development Funding

- The Interlocal Agreement between the City and County will provide \$175 million to fund the improvements:
 - \$145 million from 1-5th cent Tourist Development Tax (TDT) bonds backed by the CRA
 - \$10 million from redevelopment of the Centroplex
 - \$20 million from CRA Bonds
- The City and Florida Citrus Sports will endeavor to identify and solicit funding from other sources for additional improvements to the stadium



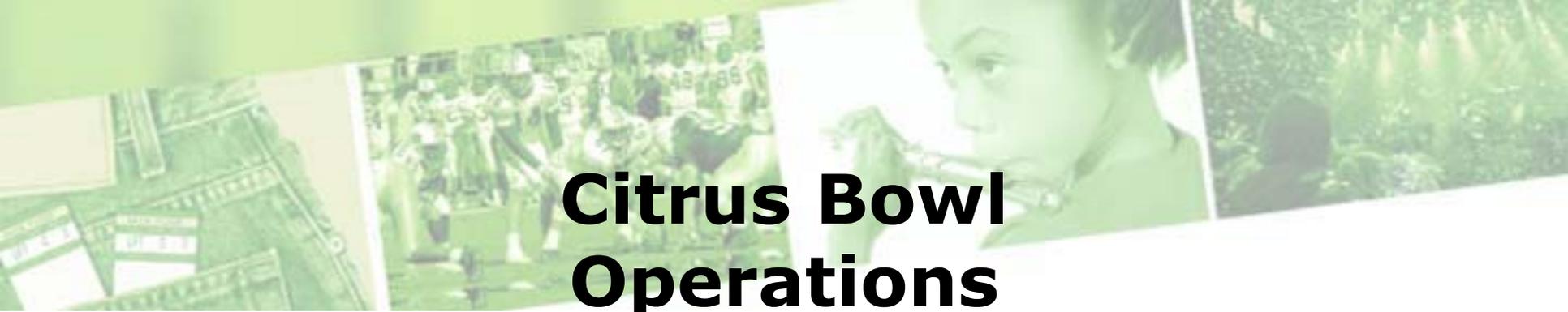
Citrus Bowl Operations Funding

- The City will continue to provide operational funding for the renovated Citrus Bowl as it currently coordinates through the Orlando Centroplex Department



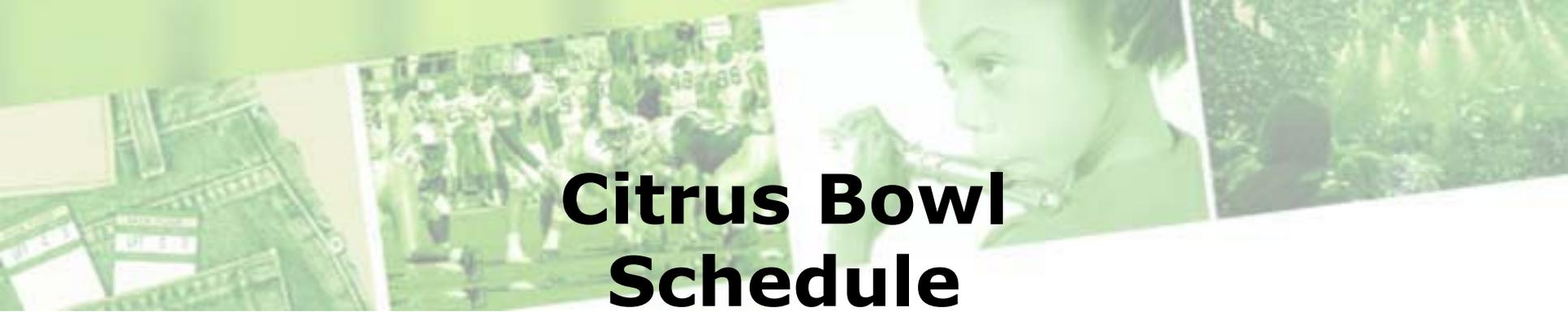
Citrus Bowl Design and Construction

- The City will procure and manage all design and construction services
- Florida Citrus Sports will have the right to review and comment on the plans, schedule, selection of architects/contractors and change orders
- Florida Citrus Sports and the City will work to provide opportunities for small, local, disadvantaged, minority and women-owned businesses in the design and construction of the improvements, as well as in conducting events after construction is completed



Citrus Bowl Operations

- The City will continue to own and operate the Citrus Bowl
- Florida Citrus Sports in conjunction with the City will seek to retain and enhance existing Bowl games and the Florida Classic and will solicit additional events, which could include bowl/conference championship games, other NCAA football games and other high impact events



Citrus Bowl Schedule

- Design will commence in 2007 with construction anticipated to be substantially complete by November 1, 2011
- Construction will be scheduled so as not to interrupt the annual events, such as the Florida Classic, Champs Sports Bowl and Capital One Bowl games



Events Center Development & Operational Agreement



Events Center

Project Summary

The Events Center will be comparable in size, scope and quality to first-class events centers recently constructed in Charlotte, Indianapolis, Memphis and San Antonio, including:

- Minimum 750,000 square feet
- Approximately 18,500 seats and at least 40 suites
- Ice hockey, basketball, arena football, indoor soccer, concerts and conventions
- Restaurants, concessions, locker rooms, dressing rooms, ticket facilities and retail spaces

Venue Partner: Orlando Magic

Events Center Concept





Events Center Magic Contributions

- \$65 Million for Construction
 - \$50 Million Cash
 - \$12 Million in agreed present value of 25 Million
(\$1 Million annual lease payment for 25 years)
 - \$3 Million in interest earnings
- \$10 Million for Financing
 - \$5.5 Million for Bond Insurance
 - \$4.5 Million for potential obligation to fund insurer's additional interest
- \$42 Million for Operations
 - \$24 Million in Suite and Advertising Revenues
 - \$18 Million in Naming Rights Revenue
- \$117 Million Total for Construction, Financing and Operations

Additionally,

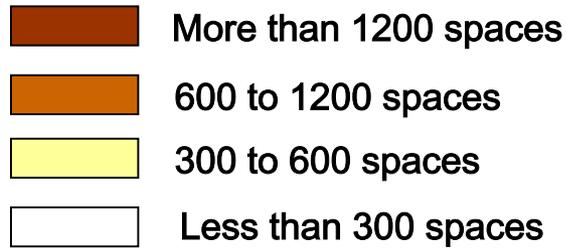
- \$18 Million concessions provided to the Orlando Predators
- **Total value of Magic Contributions** **\$135 Million**



Events Center Infrastructure & Site Assembly

- Infrastructure
 - Construction budget will cover on-site utilities
 - City will bring utilities to the perimeter of the site
 - City to provide buildable site
 - Parking Structure
- Site Assembly
 - City acquires and owns the land on which the Events Center will be constructed

5- Minute Service Areas from Parking Av Garages



Amway Arena (17,250 seats):

Within 5-Minute Walk: 3,300 spaces

Within 10-Minute Walk: 5,800 spaces

Spaces needed @ 1 per 2.6 seats=6,600

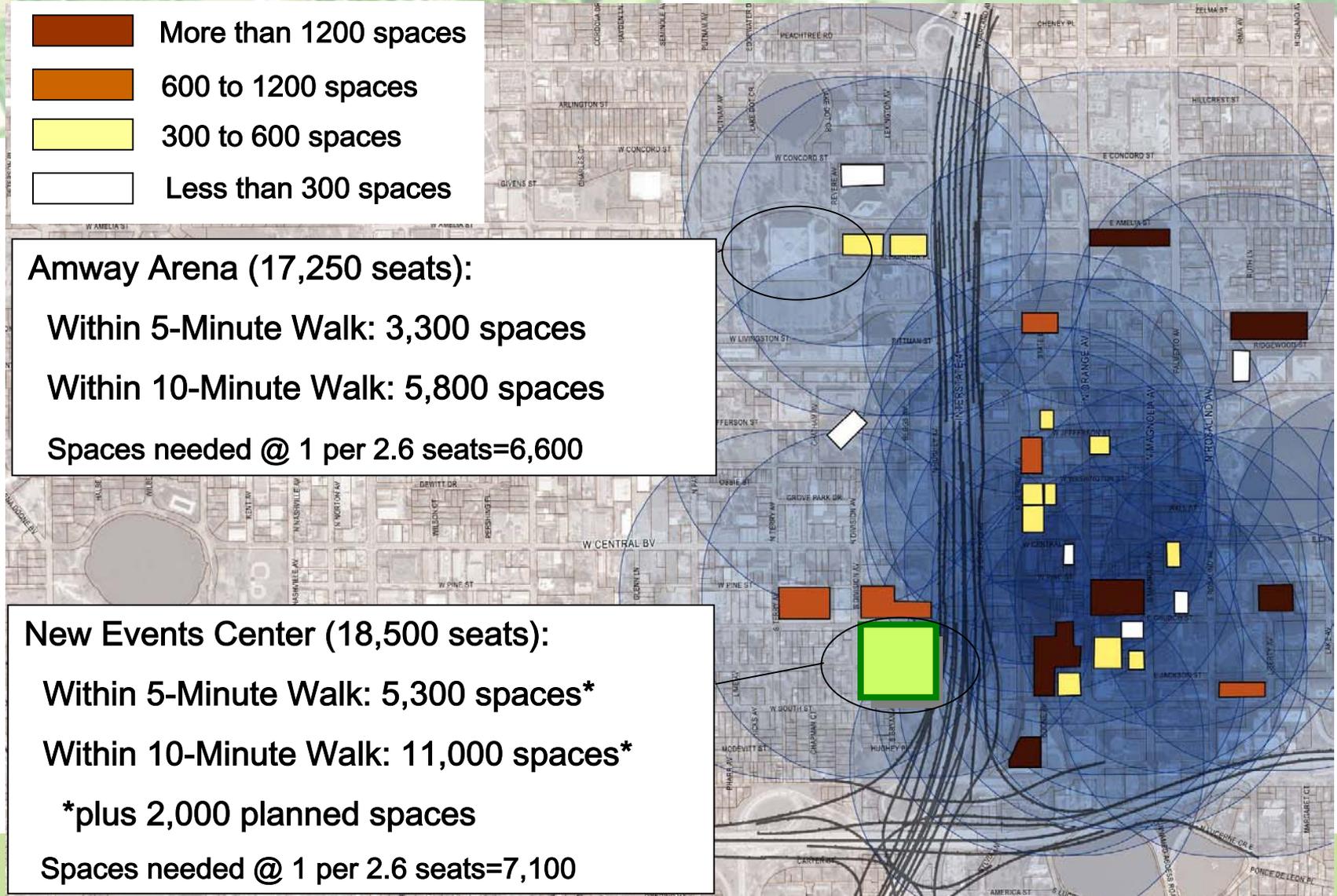
New Events Center (18,500 seats):

Within 5-Minute Walk: 5,300 spaces*

Within 10-Minute Walk: 11,000 spaces*

*plus 2,000 planned spaces

Spaces needed @ 1 per 2.6 seats=7,100





Events Center Capital Repairs

- City and Magic will continue existing system of collecting a facility fee and proceeds will be allocated to the Capital Reserve Fund. Any remainder will be used for Events Center operations and maintenance
- City will establish Capital Reserve Fund and allocate \$3 million to this fund in the first five years of the Magic lease term, with minimum annual contribution of \$500,000 per year. For balance of Magic lease, the City will allocate \$1 million annually from the Facility Fee proceeds to this fund



Events Center Operations

- Operating Expense Contribution
 - Magic guarantee the City \$750,000 per year from naming rights revenues and \$1 million per year from suite revenues, escalating by 3% per year, towards Events Center operating expenses
 - This represents an increase of over \$500,000 over current receipts and guarantees the City will receive these operational funds annually, rather than the amount fluctuate from year to year
- Operations
 - The City will own and operate the Events Center



Events Center Construction and Procurement

- Magic will construct the Events Center and assume all cost overruns; City to fund City requested change orders
- Magic will utilize a competitive procurement process in selection of design and construction team (with exception of Magic Parties' construction representative)
- Magic to meet or exceed minority business enterprise and women-owned business enterprise requirements of Chapter 57, City Code



Events Center Magic Lease

- 25-year lease with 5-year option
- \$1 million per year for first 25 years
- \$2 million per year for 26th year (thereafter CPI increase)
- Non-relocation covenant providing amortized repayment of public funds, payment of remaining rent, naming rights and advertising revenues, and payment of any penalties required by the state with respect to sales tax rebates



Events Center Magic Lease (continued)

- City collects 100% of revenues for all non-Magic events held at Events Center—including concessions, merchandise, ticket sales and parking-Magic collects Magic event revenue, including suite sales (except for other sports)



Events Center City Oversight

- City-appointed construction representative has right to review and provide input at all phases of design and construction process of the Events Center
- City-appointed construction representative will assist in preparation of budget and must approve program statement, specifications, schematics, plans, drawings and design documents
- Magic Parties agree to cooperate with public oversight and audits in connection with use of public funds



Events Center Schedule

- Bonds required to fund public contribution of project development fund will be issued by November 1, 2007
- City will acquire site and complete all site work necessary for Magic to commence construction by March 1, 2008
- Magic and City will work together to cause Substantial Completion by target opening date of September 1, 2010



Orlando Performing Arts Center Development & Operations



Performing Arts Center

Project Summary

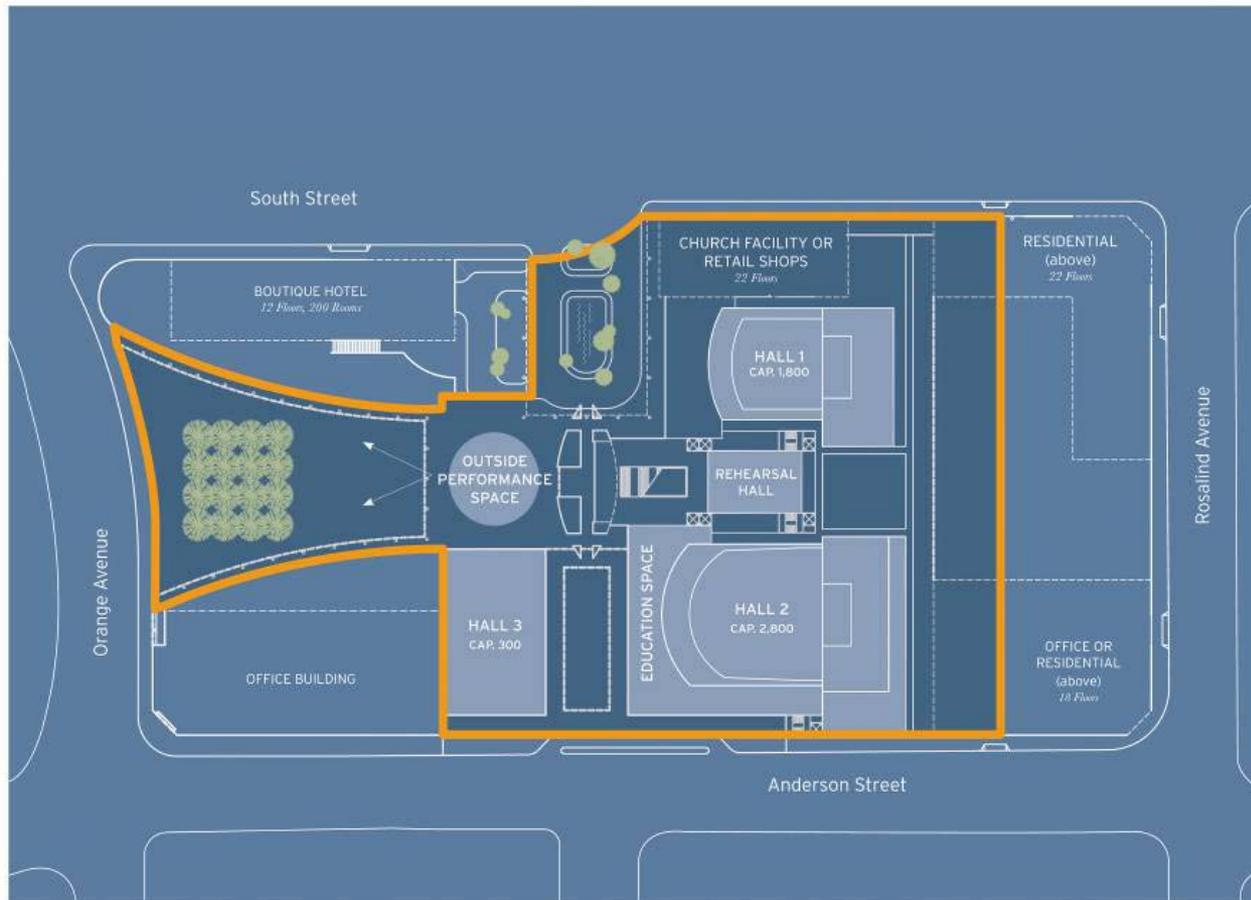
Unique, world class destination to showcase region's performance groups, including Orlando Philharmonic, Orlando Ballet, Orlando Opera, Festival of Orchestras, other regional groups and touring shows

The PAC will include:

- 2,800 seat Amplified Hall for large scale productions
- 1,800 seat Acoustical Hall for concert, opera, dance and drama
- 300 seat Multi-Purpose Hall for small groups
- Rehearsal Hall
- Common areas, including plaza, lobby, box office, catering and food service, offices, administrative and service areas
- Education space

Venue Partner: Orlando Performing Arts Center Corporation

Performing Arts Center Concept Plan





Performing Arts Center Quality Standard

PAC to be developed and operated substantially equivalent to:

- The Pearlman Theatre at the Kimmel Center in Philadelphia, PA
- The Cerritos Performing Arts Center in Los Angeles, CA
- The Tampa Bay Performing Arts Centre in Tampa, FL
- The New Jersey Performing Arts Center in Newark, NJ
- The Kodak Theatre in Los Angeles, CA



Performing Arts Center Location & Site Assembly

- Located on approx 9-acre site bounded by Orange Ave., Rosalind Ave., Anderson St. and South St.
- City owns portion of site
- OPAC will acquire Maguire and Church parcels within the site, funded from private donations or redesign site
- OPAC and City will exchange property to create parcels for commercial development and so City will own land under Performing Arts Center



Performing Arts Center Development Funding

- \$125 million provided by OPAC from donations
- \$268 million provided by City of Orlando and Orange County
- \$15 million provided by State grant through UCF
- \$408 million total (includes \$379 million plus \$25 million endowment)



Performing Arts Center Commercial Development

- OPAC to develop OPAC-owned commercial parcels privately
- Any City-owned commercial parcels to be developed through open public process



Performing Arts Center Procurement

- OPAC to use an open and competitive procurement process to select production architect, contractor and any other design/construction consultants
- Procurement committee to oversee selection of production architect, prime contractor, and general consultants
 - Chaired by OPAC Chairman
 - 2 other OPAC appointees
 - 2 City Mayor appointees
- Production architect, prime contractor and general consultants selection (and their respective contracts) go to City Council for approval
- All contracts entered into by OPAC with City named a third-party beneficiary
- Contracts to comply with City M/WBE ordinance



Performing Arts Center Development & Construction Oversight

- OPAC to manage development of PAC and any related commercial development
- OPAC to contract with a qualified development manager selected by OPAC and paid from private donations
- City to oversee and monitor construction process with City appointed construction representative
- City to fund City-requested change orders; OPAC to fund OPAC-requested change orders
- OPAC to provide periodic reporting to City, County and any community oversight board established



Performing Arts Center Operations Funding

- CRA Tax Increment revenues from new commercial development on site
- Earnings on proceeds of sale of on-site OPAC development parcels
- Earnings on investment of Endowment Fund
- Rent or lease revenues generated from any OPAC on-site development parcels
- \$1.5 million in annual funding for maintenance, repair and replacement from the City (increasing 3% annually)
- \$1 million minimum in annual OPAC fundraising
- Income from building use fees, concessions, and other operating revenue



Performing Arts Center Investments

- OPAC to establish and maintain separate trust accounts to protect endowment and other investments
- Amounts to automatically transfer to operating account for OPAC or its successor
- OPAC to direct all investment activities; report annually to City and County



Performing Arts Center Operations & Controls

- OPAC to operate PAC for 99 year term
- OPAC to implement all pre-opening activities
- OPAC to manage all PAC operations, maintenance and repairs
- OPAC to submit annual budgets to City
- OPAC to submit annual reports and audited financial statements to City
- OPAC management contract terminated if:
 - Stated mission of OPAC is not fulfilled
 - Loss of 501 c(3) status
 - Default on a material term of the agreement
 - If operating sources (operating revenues, private fund raising, endowment earnings, ancillary development revenues, and any other sources) earned or transferred to OPAC are less than operating expenses for three consecutive years or three years in a seven year period, subject to extension due to any force majeure events



Performing Arts Center Funding

- OPAC private donations to fund: Maguire and Church site acquisition, development manager fees, design architect fees, OPAC pre-opening costs and endowment
- OPAC to establish a line of credit of approximately \$25 million for costs expended prior to receipt of donations, City to pay for interest and fees
- OPAC to provide letter of credit to secure uncollected donations that fund the construction budget



Performing Arts Center Schedule

- RFQ/P for Production Design Team
- Anticipated Design Period – 22 months
- Anticipated Construction Period – 36 months
- Anticipated Project Completion – Fall 2012



Mayor/Commissioner Comments

www.CityofOrlando.net

