

**PRELIMINARY OFFICIAL STATEMENT DATED [\_\_\_\_\_, 2014]**

**NEW ISSUE – BOOK-ENTRY ONLY**

**RATINGS:**  
**See "RATINGS" herein**

*In the opinion of bond counsel, assuming compliance by the City with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2014A Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the Series 2014A Bonds shall be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations. See "TAX MATTERS" herein for a description of other tax consequences to holders of the Series 2014A Bonds.*

[\$\_\_\_\_\_]\*  
**CITY OF ORLANDO, FLORIDA  
CONTRACT TOURIST DEVELOPMENT TAX  
PAYMENTS REVENUE BONDS,  
SERIES 2014A**

**Dated: Date of Delivery**

**Due: As shown on the inside cover.**

The City of Orlando, Florida (the "City") is issuing its [\$\_\_\_\_\_]\* Contract Tourist Development Tax Payments Revenue Bonds, Series 2014A (the "Series 2014A Bonds") pursuant to the Indenture of Trust dated as of March 1, 2014 (the "Indenture"), between the City and Wells Fargo Bank, N.A., as trustee (the "Trustee") to (a) finance a portion of the costs of acquiring, constructing, renovating, expanding and equipping, as the case may be, the Series 2014A Project (as defined herein), (b) make a deposit to the Liquidity Account and the Debt Service Reserve Account established under the Indenture, (c) make a deposit to the Capitalized Interest Account established under the Indenture to pay a portion of the interest to become due on the Series 2014A Bonds, and (d) pay the costs of issuance related to the Series 2014A Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein. All capitalized terms used in this Official Statement and not otherwise defined herein shall have the meanings set forth in "APPENDIX A – EXTRACT OF MATERIAL PROVISIONS OF THE INDENTURE OF TRUST," and "APPENDIX B - COMMUNITY VENUES INTERLOCAL AGREEMENT" attached hereto, as applicable.

The Series 2014A Bonds are issuable as fully registered bonds in the principal amounts shown on the inside cover, and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Series 2014A Bonds will be made in book-entry form only through DTC Participants (as defined herein) in the principal amount of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Series 2014A Bonds will not receive physical delivery of bond certificates. Interest on the Series 2014A Bonds will be paid semi-annually on May 1 and November 1 of each year, commencing November 1, 2014. Payments of principal of

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\* Preliminary, subject to change.

and interest on the Series 2014A Bonds will be made by the Trustee to Cede & Co., as the Holder of the Series 2014A Bonds. See "DESCRIPTION OF THE SERIES 2014A BONDS - Book-Entry Only System" herein. The Trustee will also serve as registrar and paying agent for the Series 2014A Bonds.

The Series 2014A Bonds are subject to optional and mandatory redemption prior to their stated dates of maturity. See "DESCRIPTION OF THE SERIES 2014A BONDS - Redemption Provisions" herein.

The Series 2014A Bonds are limited obligations of the City payable solely from the Trust Estate consisting primarily of the Pledged Funds which include Contract TDT Revenue Payments received from Orange County, Florida (the "County") pursuant to the Amended and Restated Interlocal Agreement dated as of October 22, 2013 (the "Community Venues Interlocal Agreement"), among the City, the County, and the City of Orlando, Florida Community Redevelopment Agency (the "Agency"). See "SECURITY FOR THE SERIES 2014A BONDS" and "CONTRACT TDT REVENUES" herein. Payment of the Series 2014A Bonds from the Trust Estate is on a parity with any additional Contract TDT Bonds or Refunding Bonds that may be issued in the future under the Indenture. See "SECURITY FOR THE SERIES 2014A BONDS – Additional Bonds" herein.

**The Series 2014A Bonds shall not be deemed to constitute a general debt, liability or obligation of the City, the Agency or the County or a pledge of the faith and credit of the City, the Agency or the County or of the taxing power of the City or the County, but the Series 2014A Bonds shall be limited obligations of the City payable solely from the Trust Estate in accordance with the terms of the Indenture. The issuance of the Series 2014A Bonds shall not directly or indirectly or contingently obligate the City or the County to levy or to pledge any form of ad valorem taxation whatsoever therefor. The Agency has no taxing power. No Holder of any Series 2014A Bonds shall ever have the right to compel any exercise of the ad valorem taxing power on the part of the City or the County to pay any Series 2014A Bonds or the interest thereon or the right to enforce payment of the Series 2014A Bonds, or the interest thereon, against any property of the City, the Agency or the County, nor shall the Series 2014A Bonds constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City, the Agency or the County, except the Trust Estate in accordance with the terms of the Indenture.**

In the event of a draw on the CRA Reserve Fund and/or the Debt Service Reserve Account, any resulting deficiency in such fund or account will be replenished by surplus Contract TDT Revenues, if any. In addition, any draws on the CRA Reserve Fund may also be replenished by money in the County Reserve, if any, and/or other sources of funds, including Increment Revenues provided budgeted and appropriated by the Agency to the extent such Increment Revenues constitute Residual Capacity. See "SECURITY FOR THE SERIES 2014A BONDS" and "CRA RESERVE FUND" herein.

In the event amounts available in the funds and accounts held under the Indenture (including the Contract TDT Revenue Fund, the Sinking Fund, the Contract TDT Surplus Fund, and the CRA Reserve Fund, but excluding the Construction Fund, the Expense Fund and the Rebate Fund) are insufficient to pay Debt Service on the Series 2014A Bonds in any Bond Year,

the City has also covenanted to budget and appropriate and pay to the Trustee on or prior to each principal and interest payment date, Covenant Revenues in an amount equal to the Debt Service Deficiency (as defined herein). The obligation of the City to budget and appropriate and make payments from Covenant Revenues is subject to the availability of Covenant Revenues in the General Fund and the Utilities Services Tax Fund after the satisfaction of the funding requirements of obligations having an express lien on or pledge of such revenues and the funding requirements for essential governmental services of the City. The City has incurred and has outstanding other obligations payable from Covenant Revenues. See "CITY'S COVENANT TO BUDGET AND APPROPRIATE" herein. **Nothing shall be deemed to create a pledge of or lien on the Covenant Revenues, ad valorem tax revenues or any other revenues of the City, or to permit or constitute a mortgage or lien upon any assets of the City, other than the Trust Estate. No Bondholder shall ever have the right to compel any exercise of the ad valorem taxing power of the City for any purpose, including, without limitation, to fund any Debt Service Deficiency for the Bonds or to make any other payment required under the Indenture, or to maintain or continue any activities of the City which generate user fees, regulatory fees or other Covenant Revenues, nor shall the Bonds constitute a charge, lien or encumbrance, either legal or equitable, on any property, assets or funds of the City. The City is not obligated to maintain or continue any activities that generate Covenant Revenues.**

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 making an informed investment decision.

*The Series 2014A Bonds are offered for delivery when, as and if issued by the City and received by the underwriters noted below (collectively, the "Underwriters"), subject to the delivery of an approving opinion as to the legality of the Series 2014A Bonds by Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel. Certain legal matters will be passed upon for the City by its Co-Disclosure Counsel, Greenberg Traurig, P.A., Orlando, Florida, and D. Seaton and Associates, Orlando, Florida. Certain other legal matters will be passed upon for the City by its Special Legal Counsel, Shutts & Bowen LLP, Orlando, Florida, and the City Attorney's Office. Public Financial Management, Inc., Orlando, Florida, is serving as Financial Advisor to the City. Marchena and Graham, P.A., Orlando, Florida, is serving as counsel to the Underwriters. It is expected that the Series 2014A Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about [March \_\_, 2014].*

**BofA MERRILL LYNCH**

**CITIGROUP**

**JEFFERIES**

**J.P. MORGAN**

**STIFEL NICOLAUS**

**MORGAN STANLEY**

**RICE FINANCIAL  
PRODUCTS COMPANY**

**CABRERA CAPITAL  
MARKETS**

Dated: [\_\_\_\_\_, 2014]

**MATURITY DATE, PRINCIPAL AMOUNT, INTEREST RATE,  
PRICE, YIELD AND INITIAL CUSIP NUMBER**

\$ \_\_\_\_\_ \*

**CITY OF ORLANDO, FLORIDA  
CONTRACT TOURIST DEVELOPMENT TAX PAYMENTS REVENUE BONDS,  
SERIES 2014A**

<b>Maturity Date (November 1)</b>	<b>Principal Amount *</b>	<b>Interest Rate</b>	<b>Price</b>	<b>Yield</b>	<b>Initial CUSIP No. +</b>
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\$ \_\_\_\_\_ \* - \_\_\_\_ % Term Bonds due \_\_\_\_\_, 20\_\_ - Price \_\_\_\_\_ - Yield \_\_\_\_ %  
Initial CUSIP No. \_\_\_\_\_ +

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\* Preliminary, subject to change.

+ CUSIP numbers have been assigned to the Series 2014A Bonds by an organization not affiliated with the City. The City is not responsible for the selection or use of CUSIP numbers in this Official Statement nor is any representation being made as to their accuracy on the Series 2014A Bonds, or as indicated above. The CUSIP numbers are included herein solely for the convenience of the readers of this Official Statement.

**THE CITY OF ORLANDO, FLORIDA**  
**One City Commons**  
**400 South Orange Avenue**  
**Orlando, Florida 32801**

**COMMISSIONERS OF THE CITY COUNCIL**

	Buddy Dyer, Mayor	
Jim Gray		Patty Sheehan
Tony Ortiz		Daisy W. Lynum
Robert F. Stuart		Samuel B. Ings

**CITY OFFICIALS**

**Chief Executive Officer**

Buddy Dyer, Mayor

**Chief Financial Officer**

Rebecca W. Sutton

**City Attorney**

Mayanne Downs, Esq.

**Treasurer**

Christopher P. McCullion

**Deputy City Attorney**

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**CONSULTANTS**

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Orlando, Florida	Orlando, Florida

**Special Legal Counsel**

Shutts & Bowen LLP  
Orlando, Florida

**Financial Advisor**

Public Financial Management, Inc.  
Orlando, Florida

This Official Statement does not constitute a contract between the City and any one or more owners of Series 2014A Bonds nor does it constitute an offer to sell or the solicitation of an offer to buy the Series 2014A Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction. No dealer, salesman or any other person has been authorized by the City to give any information or to make any representations, other than those contained herein, in connection with the offering of the Series 2014A Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the City or any other person. The information set forth herein, including in the appendices, has been obtained from the City and other sources which are believed to be reliable. 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 shall, under any circumstances, create the implication that there has been no change in the matters described herein since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2014A BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2014A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2014A BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE 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 SERIES 2014A BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2014A 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 SERIES 2014A BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements in full, and all summaries herein of the Series 2014A Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE CITY FOR PURPOSES OF RULE 15c2-12 PROMULGATED UNDER THE

SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(b)(1).

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## **OFFICIAL STATEMENT**

*relating to*

[\$\_\_\_\_\_]\*

### **CITY OF ORLANDO, FLORIDA CONTRACT TOURIST DEVELOPMENT TAX PAYMENTS REVENUE BONDS, SERIES 2014A**

## **INTRODUCTION**

The purpose of this Official Statement, which includes the cover page, and the appendices attached hereto, is to furnish information in connection with the sale by the City of Orlando, Florida (the "City") of its [\$\_\_\_\_\_]\* Contract Tourist Development Tax Payments Revenue Bonds, Series 2014A (the "Series 2014A Bonds"). The Series 2014A Bonds are being issued by the City pursuant to an Indenture of Trust dated as of March 1, 2014 (the "Indenture"), between the City and Wells Fargo Bank, N.A., as trustee (the "Trustee") and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 166, Florida Statutes, the Charter of the City, Sections 125.0104(3)(c), (d) and (m) and 125.0104(5), Florida Statutes, the Amended and Restated Orlando/Orange County Interlocal Agreement, among the City, Orange County, Florida (the "County") and the City of Orlando, Florida Community Redevelopment Agency (the "Agency"), approved by the Board of County on October 22, 2013, and by the City Council of the City and the governing board of the Agency on November 4, 2013 (which Amended and Restated Orlando/Orange County Interlocal Agreement codifies the original agreement dated as of August 6, 2007, as amended on September 16, 2008, July 16, 2012 and October 22, 2013, relating to certain community venues located in the City (as supplemented and amended from time to time, the "Community Venues Interlocal Agreement") and other applicable provisions of law (collectively, the "Act").

All capitalized terms used in this Official Statement and not otherwise defined herein shall have the meanings set forth in "APPENDIX A - EXTRACT OF MATERIAL PROVISIONS OF THE INDENTURE OF TRUST" and "APPENDIX B - COMMUNITY VENUES INTERLOCAL AGREEMENT" attached hereto, as applicable.

This Official Statement and the appendices attached hereto contain descriptions of the Series 2014A Bonds, the Indenture, the Community Venues Interlocal Agreement, the CRA Interlocal Agreement (as defined herein), and the Continuing Disclosure Commitments (as defined herein). Such information, descriptions and summaries do not purport to be complete or definitive, and reference is made to each such document in full for the complete details of all the terms and conditions thereof. All references herein to the Series 2014A Bonds, the Indenture, the Community Venues Interlocal Agreement, the CRA Interlocal Agreement, and the Continuing Disclosure Commitments are qualified in their entirety by such documents. Copies of the Community Venues Interlocal Agreement, the CRA Interlocal Agreement, and the

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\* Preliminary, subject to change.

Continuing Disclosure Commitments are provided as APPENDIX B, APPENDIX C, APPENDIX E and APPENDIX F, respectively, hereto. An extract of material provisions of the Indenture is provided as APPENDIX A hereto. For a full copy of the Indenture, contact the Chief Financial Officer of the City, at One City Commons, 400 South Orange Avenue, 4<sup>th</sup> Floor, Orlando, Florida, 32801, telephone number (407) 246-2341.

### **The Series 2014A Bonds**

The Series 2014A Bonds are being issued in book-entry only form as fully registered bonds in the principal amounts 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 Series 2014A Bonds will be made in book-entry form only through Direct Participants, as described herein. See "DESCRIPTION OF THE SERIES 2014A BONDS - Book-Entry Only System" herein. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months, from the dated date of the Series 2014A Bonds, payable on each May 1 and November 1 commencing on November 1, 2014. The Trustee will also serve as paying agent and registrar for the Series 2014A Bonds.

The Series 2014A Bonds are the first series of Contract TDT Bonds authorized and issued under the Indenture. Contract TDT Bonds are authorized to be issued under the Indenture for the purpose, among other things, of funding costs for the Performing Arts Center, the MLS Stadium and the Citrus Bowl (each as defined herein). Refunding Bonds may be issued on a parity with any Outstanding Bonds for the purpose of refunding outstanding Contract TDT Bonds and Refunding Bonds. Contract TDT Bonds and previously issued Refunding Bonds (collectively, "Bonds") constitute Contract TDT Obligations under the Community Venues Interlocal Agreement. See "COMMUNITY VENUES INTERLOCAL AGREEMENT" herein for a description of the types and amounts of permitted Contract TDT Obligations.

### **Purpose of the Series 2014A Bonds**

The Series 2014A Bonds are being issued to (a) finance a portion of the costs of acquiring, constructing, renovating, expanding and equipping, as the case may be, the Series 2014A Project (as defined herein), (b) make deposits to the Liquidity Account and the Debt Service Reserve Account established under the Indenture, (c) make a deposit to the Capitalized Interest Account established under the Indenture to pay a portion of the interest due on the Series 2014A Bonds, and (d) pay the costs of issuance related to the Series 2014A Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

### **Security for the Series 2014A Bonds**

The Series 2014A Bonds are limited obligations of the City payable solely from the Trust Estate consisting primarily of the Pledged Funds which include Contract TDT Revenue Payments received from the County pursuant to the Community Venues Interlocal Agreement. See "SECURITY FOR THE SERIES 2014A BONDS" and "CONTRACT TDT REVENUES" herein.

Upon their issuance and delivery, the Series 2014A Bonds will be the only Bonds Outstanding under the Indenture. The Series 2014A Bonds are secured on a parity with any additional Contract TDT Bonds and Refunding Bonds that may be issued in the future pursuant to the Indenture. See "SECURITY FOR SERIES 2014A BONDS – Additional Bonds" herein.

**The Series 2014A Bonds shall not be deemed to constitute a general debt, liability or obligation of the City, the Agency or the County or a pledge of the faith and credit of the City, the Agency or the County or of the taxing power of the City or the County, but the Series 2014A Bonds shall be limited obligations of the City payable solely from the Trust Estate in accordance with the terms of the Indenture. The issuance of the Series 2014A Bonds shall not directly or indirectly or contingently obligate the City or the County to levy or to pledge any form of ad valorem taxation whatsoever therefor. The Agency has no taxing power. No Holder of any Series 2014A Bonds shall ever have the right to compel any exercise of the ad valorem taxing power on the part of the City or the County to pay any Series 2014A Bonds or the interest thereon or the right to enforce payment of the Series 2014A Bonds, or the interest thereon, against any property of the City, the Agency or the County, nor shall the Series 2014A Bonds constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City, the Agency or the County, except the Trust Estate in accordance with the terms of the Indenture.**

In the event of a draw on the CRA Reserve Fund and/or the Debt Service Reserve Account, any resulting deficiency in such fund or account will be replenished by surplus Contract TDT Revenues, if any. In addition, any draws on the CRA Reserve Fund may also be replenished by money in the County Reserve, if any, and/or other sources of funds, including Increment Revenues provided budgeted and appropriated by the Agency to the extent such Increment Revenues constitute Residual Capacity. See "SECURITY FOR THE SERIES 2014A BONDS" and "CRA RESERVE FUND" herein.

In addition, in the event amounts available in the funds and accounts held under the Indenture (including the Contract TDT Revenue Fund, the Sinking Fund, the Contract TDT Surplus Fund, and the CRA Reserve Fund, but excluding the Construction Fund, the Expense Fund and the Rebate Fund) are insufficient to pay Debt Service on the Series 2014A Bonds in any Bond Year, the City has also covenanted to budget and appropriate and pay to the Trustee on or prior to each principal and interest payment date, Covenant Revenues in an amount equal to the Debt Service Deficiency (as defined herein). The obligation of the City to budget and appropriate and make payments from Covenant Revenues is subject to the availability of Covenant Revenues in the General Fund and the Utilities Services Tax Fund after the satisfaction of the funding requirements of obligations having an express lien on or pledge of such revenues and the funding requirements for essential governmental services of the City. The City has incurred and has outstanding other obligations payable from Covenant Revenues. See "CITY'S COVENANT TO BUDGET AND APPROPRIATE" herein. **Nothing shall be deemed to create a pledge of or lien on the Covenant Revenues, ad valorem tax revenues or any other revenues of the City, or to permit or constitute a mortgage or lien upon any assets of the City, other than the Trust Estate. No Bondholder shall ever have the right to compel any exercise of the ad valorem taxing power of the City for any purpose, including, without limitation, to fund any Debt Service Deficiency for the Bonds or to make any other payment required under the Indenture, or to maintain or continue any activities of the City**

**which generate user fees, regulatory fees or other Covenant Revenues, nor shall the Bonds constitute a charge, lien or encumbrance, either legal or equitable, on any property, assets or funds of the City. The City is not obligated to maintain or continue any activities that generate Covenant Revenues.**

### **Community Venues Interlocal Agreement**

The Community Venues Interlocal Agreement is an agreement by and among the City, the County and the Agency to provide funding for a portion of the costs of (i) acquiring, constructing and equipping: the community events center known as the "Amway Center," which was completed in 2010 and is home to the National Basketball Association's Orlando Magic; the community performing arts center known as the "Dr. P. Phillips Center for the Performing Arts," which is still under construction (the "Performing Arts Center"); and a new professional outdoor soccer stadium for a new Major League Soccer team currently known as Orlando City Soccer (the "MLS Stadium"), and (ii) expanding and renovating the existing Citrus Bowl Stadium (the "Citrus Bowl" and, together with the Amway Center, the Performing Arts Center and the MLS Stadium, the "Community Venues"). The Community Venues Interlocal Agreement provides for, among other things, the issuance by the City or the Agency of various forms of indebtedness to finance portions of the costs for the Community Venues, with the debt service on such indebtedness being payable from certain portions of the County's tourist development tax revenues. See "COMMUNITY VENUES INTERLOCAL AGREEMENT" herein.

### **The City**

The City was incorporated on July 31, 1875 and 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 110 square miles and had an estimated 2013 population of approximately 250,415. The Orlando Metropolitan Statistical Area (the "Orlando MSA") consisting of Lake, Orange, Osceola, and Seminole Counties has an estimated 2013 population of approximately 2,225,730.

For an overview of the City and certain general, demographic and other statistical matters concerning the City reference is made to "CITY ADMINISTRATION" herein and "APPENDIX G - GENERAL INFORMATION REGARDING THE CITY OF ORLANDO, FLORIDA" attached hereto.

### **The Agency**

The City created the Agency pursuant to Chapter 163, Part III, Florida Statutes (the "Redevelopment Act") which 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 a combination thereof, is necessary in the interest of public health, safety, morals or welfare of the residents of the municipality. The City Council, as the governing body of the Agency, established three redevelopment areas and redevelopment plans for such areas. One of the Agency's redevelopment areas, the "Downtown District" includes a large portion of the City's downtown area, and specifically includes the property on which all components of the Community Venues are located. Pursuant to the

Redevelopment Act, the City established a redevelopment trust fund for the deposit of Increment Revenues (as defined herein) generated within the Downtown District (the "Redevelopment Trust Fund"). Amounts deposited in the Redevelopment Trust Fund are used to fund redevelopment projects within the Downtown District. Each of the Community Venues are redevelopment projects included in the Agency's redevelopment plan for the Downtown District. The Agency's Increment Revenues will only be available to provide the amounts necessary to replenish deficiencies in the CRA Reserve Fund and only to the extent such Increment Revenues constitute Residual Capacity. See "SECURITY FOR THE SERIES 2014A BONDS" and "CRA RESERVE FUND – Agency's Covenant to Budget and Appropriate from Residual Capacity" herein. **The Agency has other redevelopment areas, and the tax increment revenues derived therefrom are not available to pay the Agency's obligation to replenish delinquencies in the CRA Reserve Fund.**

For an overview of the Agency, the Downtown District and related statistical matters reference is made to "APPENDIX H - GENERAL INFORMATION REGARDING THE CITY OF ORLANDO, FLORIDA COMMUNITY REDEVELOPMENT AGENCY" attached hereto.

### **The County**

The County was established in 1824 and became a Charter County upon the enactment of its County Charter approved by the voters effective January 1, 1987. Its territorial limits as they presently exist were defined in 1913 and encompass approximately 1,000 square miles. The City of Orlando, the County seat, is its principal city. It is located geographically in the approximate center of the State of Florida (the "State"), midway between Jacksonville to the north and Miami to the south, between the Tampa - St. Petersburg area on the Gulf of Mexico and Daytona Beach on the Atlantic Coast. Two of the State's major highways, Interstate 4 (for east-west travel) and the Florida Turnpike (for north-south travel), intersect ten miles southwest of downtown Orlando. In 2013, the County had an estimated population of 1,202,978. For the period from 2003 to 2013, the population of the County has increased from 983,165 to 1,202,978. This represents an increase of approximately 22.4% for the County and an average annual increase of 2.1% for the 2003-2013 period.

For an overview of the County and certain general, demographic and other statistical matters concerning the County reference is made to "APPENDIX I - GENERAL INFORMATION REGARDING ORANGE COUNTY, FLORIDA" attached hereto.

The County's obligations with respect to the Bonds and any Contract TDT Obligations issued in the future are limited to (i) paying the available Contract TDT Revenue Payments (as defined herein) to the Trustee on January 15<sup>th</sup> of each year and (ii) holding and disbursing funds from the County Reserve (as defined herein), in the manner and to the extent provided in the Community Venues Interlocal Agreement. See "COMMUNITY VENUES INTERLOCAL AGREEMENT – Limited Obligations of the County with respect to Contract TDT Obligations," "CONTRACT TDT REVENUES" and "CRA RESERVE FUND - County Reserve" herein.

## **Forward Looking Statements**

This Official Statement contains certain "forward-looking statements" concerning the City's, the County's and the Agency's respective operations, performance and financial condition, including their future economic performance, plans and objectives and the likelihood of success in developing and expanding. These statements are based upon a number of assumptions and estimates which are subject to uncertainties, many of which are beyond the control of the City, the County and the Agency. The words "may," "would," "could," "will," "expect," "anticipate," "believe," "intend," "plan," "estimate" and similar expressions are meant to identify these forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements.

## **PLAN OF FINANCE**

The Series 2014A Bonds will be issued to: (a) finance a portion of the costs of acquiring, constructing, renovating, expanding and equipping, as the case may be, the Series 2014A Project, (b) make deposits to the Liquidity Account and the Debt Service Reserve Account established under the Indenture, (c) make a deposit to the Capitalized Interest Account established under the Indenture to pay a portion of the interest coming due on the Series 2014A Bonds, and (d) pay the costs of issuance related to the Series 2014A Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

As used herein, "Series 2014A Project" refers to the acquisition, construction and equipping of a portion of the Performing Arts Center, the MLS Stadium, and the expansion and renovation of the Citrus Bowl. Proceeds of the Series 2014A Bonds will provide all currently authorized funding under the Community Venues Interlocal Agreement for the MLS Stadium and the Citrus Bowl and a portion of the funding authorized for the Performing Arts Center. See "COMMUNITY VENUES INTERLOCAL AGREEMENT," "PERFORMING ARTS CENTER," "CITRUS BOWL," and "MLS STADIUM" herein for more information regarding the components of the Series 2014A Project and the additional funding for Phase Two of the Performing Arts Center. Proceeds of the Series 2014A Bonds deposited in the Construction Fund are not pledged to the payment of the Series 2014A Bonds.

The CRA Reserve Fund was created and established in accordance with the Community Venues Interlocal Agreement to provide additional security for the Bonds and has been initially funded with a deposit of \$25,000,000 from the City and the Agency. See "CRA RESERVE FUND" herein.

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## ESTIMATED SOURCES AND USES OF FUNDS

The following table reflects the estimated application of proceeds of the Series 2014A Bonds and other available funds of the City and the Agency.

### **Sources:**

Par Amount of the Series 2014A Bonds	\$
<b>[Plus/Minus: [Net] Bond Premium/Original Issue Discount]</b>	
Total Proceeds of the Series 2014A Bonds	\$
Other available funds of the City and the Agency	\$25,000,000.00
Total Sources	\$

### **Uses:**

Deposit to Construction Account	\$
Deposit to Debt Service Reserve Account	
Deposit to Liquidity Account	
Deposit to CRA Reserve Fund	25,000,000.00
Deposit to Capitalized Interest Account	
Deposit to Transaction Cost Account <sup>(1)</sup>	
Total Uses	\$

<sup>(1)</sup> Includes, among other things, Underwriters' discount, and legal, financial and administrative expenses with respect to the Series 2014A Bonds.

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## **CITY ADMINISTRATION**

The information in this section provides a brief discussion of the management and administration of the City. For more general information about the City see "APPENDIX G – GENERAL INFORMATION REGARDING THE CITY OF ORLANDO" attached hereto.

### **Management of the City**

The City operates under a mayor-council form of government. The Mayor is the City's Chief Executive Officer, elected for a term of four years. In addition to serving as presiding officer and as 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 negotiations of contracts. The Mayor makes recommendations for creation of ordinances and resolutions to the City Council and presents the annual budget for approval.

The City Council is the legislative branch of City government and is responsible for taxation, finances, zoning regulation and boundaries. The City Council (consisting of, the Mayor elected at large as Chairman and six district commissioners) reviews plans and specifications for public improvements, enacts legislation governing City operations and approves the City budget. Commissioners are elected on a district-wide basis for four-year terms on a two-year staggered basis.

The Mayor is the Chief Executive Officer with eight departments reporting to him: Business & Financial Services; Economic Development; Families, Parks and Recreation; Fire; Housing and Community Development; Orlando Venues; Police; and Public Works. The Mayor is assisted in the day-to-day oversight of city operations by the Chief Administrative Officer. Separately, under the Mayor's Chief of Staff, there are five offices: the City Clerk; Communications and Neighborhood Relations; Community Affairs; Constituent Relations; and Intergovernmental Relations.

Mayor Buddy Dyer is a native of Central Florida, born in Orlando and raised in the nearby City of Kissimmee. Following graduation from high school, he was awarded a scholarship to Brown University where his studies were concentrated on 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. Following graduation from law school, Mayor Dyer began his legal career with the Orlando law firm of Windersweedle, Haines, Ward & Woodman. Prior to becoming Mayor, Buddy Dyer served the Orlando area for ten years as State Senator in the Florida Legislature. Mayor Dyer was first elected in 2003 to fill an unexpired term and was subsequently re-elected to full-four year terms in 2004, 2008 and 2012.

### **Financial and Budgetary Support Systems**

The Chief Financial Officer (CFO) is responsible for the oversight of the City's financial affairs. This includes the functions of accounting, accounts payable, accounts receivable, operating and capital budgeting, fleet management, facilities management, real estate management, financial forecasting, financial reporting, debt management, grants management,

investment management, investor relations, payroll, pension management, purchasing, risk management, and technology management. In addition, the CFO provides counseling to various departments and business units and is an active participant in strategic planning activities.

The City has gained recognition for its Comprehensive Annual Financial Report. A Certificate of Achievement for Excellence in Financial Reporting has been awarded to the City by the Government Finance Officers Association of the United States and Canada ("GFOA") for each Fiscal Year since 1978. The City was also an early participant in the GFOA's Distinguished Budget Presentation 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 maintain internally the high standards which had been recognized. In light of substantial changes to the program, the City resumed its participation beginning with its Fiscal Year 2004 Budget document. The City has been awarded the Distinguished Budget Presentation Award for each Fiscal Year since 2004.

Rebecca W. Sutton was appointed Chief Financial Officer on December 5, 2005. Before joining the City, she served the State of Florida as its Deputy Chief Financial Officer from September 2002 to December 2005; and as Deputy Secretary/CIO for the Department of Management Services from December 2001 to September 2002. Prior to her service with the State, Ms. Sutton worked for American Management Systems (AMS) implementing ERP-like system projects for large state and local governments. Before joining AMS, she served as the Controller for the City of Dallas and the Director of Finance for Carrollton, Texas. Ms. Sutton began her career as an auditor for state and local governments for a worldwide accounting firm. She holds a Bachelor of Business Administration from Texas Tech University and a Master of Business Administration from the University of Florida.

Christopher P. McCullion was appointed City Treasurer on September 8, 2008. Prior to his appointment, Mr. McCullion served as the Assistant Treasurer for the City of Orlando. He has served in various positions in municipal government since 2000 in the areas of operating and capital budgeting, investment management, debt management and economic development. He holds a Bachelor of Science in Business Administration, a Bachelor of Arts in Political Science, and a Master of Business Administration, all from the University of Florida.

### **City Budget Policy**

The City Council annually adopts a budget resolution for all operating funds of the City except for certain restricted accounts of propriety funds and pension trust funds. Budgetary control is legally maintained at the fund level. The City's budget resolution provides transfer authority to (a) the Mayor and the Chief Financial Officer within and between departments and funds as long as the total budget of the City (net of Interfund transfers) is not increased, (b) the Chief Financial Officer to implement grant budgets as the grant applications are accepted by the City and (c) the Chief Financial Officer to amend (reappropriate) each new budget to the extent of outstanding encumbrances at year end. City Council action is required for the (a) use of budgeted Council contingency and (b) approval of a supplemental budget.

## **COMMUNITY VENUES INTERLOCAL AGREEMENT**

### **General**

The Community Venues Interlocal Agreement is an agreement by and among the City, the County and the Agency to provide funding for a portion of the costs of acquiring, constructing, equipping, expanding and renovating, as the case may be, the Community Venues. The Community Venues Interlocal Agreement provides for the issuance by the City or the Agency of various indebtedness to finance portions of the costs for the Community Venues, with the debt service on such indebtedness being payable from certain portions of the County's tourist development taxes (the "Contract Obligations"). A copy of the Community Venues Interlocal Agreement is included as APPENDIX B hereto.

### **Contract TDT Obligations**

As provided in the Community Venues Interlocal Agreement, "Contract TDT Obligations" include any bonds, refunding bonds, notes, certificates or other debt obligations of any nature issued or incurred by the City or Agency to finance or refinance costs of the Performing Arts Center, the Citrus Bowl or the MLS Stadium, the payment thereof, in whole or in part, being secured by either primarily or secondarily, or otherwise to be made from Contract TDT Revenues. The Community Venues Interlocal Agreement limits the maximum amount of net proceeds of Contract TDT Obligations for the Performing Arts Center to \$130,000,000, for the Citrus Bowl to \$140,000,000 and for the MLS Stadium to \$20,000,000; provided, that the maximum amount of net proceeds of Contract TDT Obligations authorized for the Performing Arts Center may be increased to accommodate escalations in cost by an amount equal to the lesser of the change in Consumer Price Index (as calculated pursuant to the Community Venues Interlocal Agreement) or the actual additional costs for funding Phase Two. The proceeds of the Series 2014A Bonds will provide all currently authorized funding for the MLS Stadium and the Citrus Bowl and a portion of the authorized funding for the Performing Arts Center.

The County has agreed in the Community Venues Interlocal Agreement to provide Contract TDT Revenues for payment of debt service on the Contract TDT Obligations. The Series 2014A Bonds are the first Contract TDT Obligations issued pursuant to the Community Venues Interlocal Agreement. After the issuance of the Series 2014A Bonds, in order to fund the costs of Phase Two of the Performing Arts Center, the City may (i) issue additional Contract TDT Bonds, and/or (ii) provide funding in the form of an advance from the City's internal loan fund to pay costs related to Phase Two of the Performing Arts Center (the "City Loans"). The aggregate amount of additional Contract TDT Bonds or City Loans that the City may issue is limited to providing approximately \$77 million in aggregate amount of net proceeds, plus any cost escalation for funding Phase Two of the Performing Arts Center, as described in the prior paragraph.

City Loans constitute Contract TDT Obligations and are payable from Contract TDT Revenues, but do not constitute Bonds under the Indenture and are subordinate to the Contract TDT Bonds with respect to priority of payment from Contract TDT Revenues. The amount of additional Contract TDT Bonds authorized to be issued under the Indenture and the Community Venues Interlocal Agreement will be reduced to the extent of any City Loans that are issued. See

"SECURITY FOR THE SERIES 2014A BONDS – Application of Contract TDT Revenue Payments – Payment of City Loans" and " – Additional Bonds" herein.

The City has previously issued its Senior Tourist Development Tax Revenue Bonds (6<sup>th</sup> Cent Contract Payments), Series 2008A, Second Lien Tourist Development Tax Revenue Bonds (6<sup>th</sup> Cent Contract Payments), Series 2008B, and Third Lien Tourist Development Tax Revenue Bonds (6<sup>th</sup> Cent Contract Payments), Series 2008C (collectively, the "Sixth Cent TDT Bonds") for the purpose of funding a portion of the costs for acquiring and constructing the Amway Center. **The Sixth Cent TDT Bonds constitute Contract Obligations under the Community Venues Interlocal Agreement, but are not Contract TDT Obligations and are not secured by the Contract TDT Revenue Payments or any other portion of the Trust Estate.**

### **County's Limited Obligations with respect to Contract TDT Obligations**

The County's obligations with respect to any Contract TDT Obligations are limited to (i) paying the available Contract TDT Revenue Payments to the Trustee on January 15<sup>th</sup> of each year and (ii) holding and disbursing funds from the reserve fund held by the County Comptroller for the benefit of replenishing draws on the CRA Reserve Fund (the "County Reserve"), all in the manner and to the extent provided in the Community Venues Interlocal Agreement. The County is not obligated to provide any additional Tourist Development Taxes (as defined herein) or other funds of the County to fund any shortfall of Contract TDT Revenues for payment of debt service on Bonds or other Contract TDT Obligations. However, the County has covenanted, in the Community Venues Interlocal Agreement, to continue to levy Tourist Development Taxes and to not further impair the availability of Contract TDT Revenues for payment of Contract TDT Obligations. The County's obligation to pay Contract TDT Revenues terminates upon the earlier of (a) the date that all outstanding Contract TDT Obligations are defeased or redeemed in full, or (b) December 31, 2046. See "COMMUNITY VENUES INTERLOCAL AGREEMENT," "SECURITY FOR THE SERIES 2014A BONDS" and "CRA RESERVE FUND - County Reserve" herein.

### **PERFORMING ARTS CENTER**

The City and the Agency have been engaged in efforts to build the Performing Arts Center since 2007. The Performing Arts Center is presently under construction and is being built in two phases. Phase One is scheduled to be completed in Fall 2014. The funding sources for Phase One include: (i) private funds raised by the Orlando Performing Arts Center Corporation, a Florida not-for-profit corporation ("OPAC"), (ii) proceeds of the Agency's Tax Increment Revenue Bonds, Series 2009A (Downtown District) and Taxable Tax Increment Revenue Bonds, Series 2009C (Downtown District – Direct Subsidy Build America Bonds), Tax Increment Revenue Bonds, Series 2010A (Downtown District) and Taxable Tax Increment Revenue Bonds, Series 2010B (Downtown District – Direct Subsidy Build America Bonds) (collectively, the "Agency Bonds"), (iii) Contract TDT Revenues received from the County and applied by the City on a pay-as-you-go basis prior to the issuance of Contract TDT Obligations, and (iv) a portion of the proceeds of the Series 2014A Bonds. The City, the Agency, and OPAC entered into the Orlando Performing Arts Center Agreement dated June 20, 2007, as amended (the "OPAC Agreement") which provided, among other things, for the parties to cooperate to provide

the funding, design, construction, development, operation and maintenance of the Performing Arts Center including, but not limited to, a contribution of funds by OPAC, the Agency and the City to the development and construction of the Performing Arts Center and the operation of the Performing Arts Center by OPAC upon its completion.

Phase One of the Performing Arts Center consists of a 2,700-seat performance theater, ideal for Broadway productions and concerts, a 300-seat community theater that will serve as a multipurpose space, ideal for theater, dance, concerts and education, as well as administrative offices, food and beverage facilities and educational programming space. The Performing Arts Center will open and be fully operational upon completion of Phase One.

Designed to be constructed in phases, Phase Two of the Performing Arts Center will be constructed upon the satisfaction of certain preconditions set forth in the OPAC Agreement and the Community Venues Interlocal Agreement, which include, but are not limited to, securing additional private funding and meeting certain land use and environmental criteria. The City anticipates such preconditions will be met and that construction on Phase Two on the Performing Arts Center will begin in 2015 and be completed in 2018.

Phase Two of the Performing Arts Center is designed to include a technologically superior 1,700-seat acoustical theater, ideal for symphonies, opera, theater and ballet and additional rehearsal and educational spaces.

### **MLS STADIUM**

The MLS Stadium will be a soccer-specific stadium that will serve as home to Orlando's new Major League Soccer Team, Orlando City Soccer. Upon completion, the MLS Stadium is anticipated to have seating for 19,000 to 25,000 people, 2,500 club seats and 300 suite seats. Consistent with a soccer-specific stadium design, the MLS Stadium will have grass pitch and a roof that only covers the seating section. Pursuant to the Community Venues Interlocal Agreement, the owner of the Orlando City Soccer team is responsible for all construction cost overruns for the MLS Stadium.

### **CITRUS BOWL**

The renovation and expansion of the Citrus Bowl involves the demolition and reconstruction of approximately 80% of the existing stadium, and renovation of the balance of the structure. Upon completion of the renovation and expansion, the Citrus Bowl will have 61,000 permanent seats (with the capacity to add 4,000 additional temporary seats), 6,300 club seats, 45 suites, a 360-degree main concourse level, and digital display upgrades. Renovation and expansion of the Citrus Bowl is currently estimated to be complete in Spring 2015.

## **DESCRIPTION OF THE SERIES 2014A BONDS**

### **General**

The Series 2014A Bonds will bear interest at the rates, calculated on the basis of a 360-day year consisting of twelve 30-day months, and mature on the dates and in the amounts shown on the inside cover page of this Official Statement.

The Series 2014A Bonds will be dated the date of delivery, and will bear interest from such date. Interest on all Series 2014A Bonds will be payable semiannually on May 1 and November 1 of each year, with the first interest payment to be made on November 1, 2014. The Trustee will also serve as registrar and paying agent for the Series 2014A Bonds and is hereinafter referred to in these respective capacities as, the "Paying Agent" or "Registrar," as applicable.

The Series 2014A Bonds will be issued in fully registered form in the principal amounts shown on the inside cover page in book-entry form only as described below under "DESCRIPTION OF THE SERIES 2014A BONDS - Book-Entry Only System."

So long as the Series 2014A Bonds are registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), the City, the Trustee and the Paying Agent will have no responsibility or obligation to any Direct Participant, Indirect Participant or Beneficial Owner (each as defined herein).

Without limiting the immediately preceding sentence, the City, the Trustee and the Paying Agent shall have no responsibility or obligation with respect to (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest on the Series 2014A Bonds, (B) the delivery to any Participant or any other Person other than a Bondholder, as shown in the Bond Register, of any notice with respect to the Series 2014A Bonds, including any notice of redemption, or (C) the payment to any Participant or any other Person, other than a Series 2014A Bondholder, as shown in the Bond Register kept by the Trustee, of any amount with respect to principal of, redemption premium, if any, or interest on the Series 2014A Bonds. The City, the Trustee and the Paying Agent shall treat and consider the Person in whose name each Series 2014A Bond is registered in the Bond Register as the Holder and absolute Holder of such Series 2014A Bond for the purpose of payment of principal, redemption premium, if any, and interest with respect to such Series 2014A Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Series 2014A Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, redemption premium, if any, and interest on the Series 2014A Bonds only to or upon the order of the respective Holders, as shown in the Bond Register, or their respective attorneys-in-fact duly authorized in writing, as provided in the Indenture and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal, redemption premium, if any, and interest on the Series 2014A Bonds to the extent of the sum or sums so paid. No Person other than a Holder, as shown in the Bond Register, shall receive a certificated Series 2014A Bond evidencing the obligation of the City to make payments of principal, redemption premium, if any, and interest pursuant to the provisions of the Indenture. Upon delivery by DTC to the

City of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in the Indenture with respect to transfers during the 15 days next preceding an interest payment date or mailing of notice of redemption, the words "Cede & Co." in the Indenture shall refer to such new nominee of DTC; and upon receipt of such notice, the City shall promptly deliver a copy of the same to the Trustee and the Paying Agent.

## Redemption Provisions

***Optional Redemption.*** The Series 2014A Bonds maturing before November 1, [\_\_\_\_], are not subject to optional redemption prior to maturity thereof. The Series 2014A Bonds maturing on or after November 1, [\_\_\_\_], are callable for redemption at the option of the City as a whole or in part on any date on or after November 1, [\_\_\_\_], if in part by maturities to be selected by the City, and by lot within a maturity if less than a full maturity, at a Redemption Price of 100% plus accrued interest to the redemption date.

***Mandatory Sinking Fund Redemption.*** The Series 2014A Term Bonds maturing on [November 1, \_\_\_\_], shall be subject to mandatory redemptions by operation of Sinking Fund Installments. The Trustee shall redeem the following principal amounts of Series 2014A Term Bonds on November 1 in the following years:

Series 2014A Term Bond Maturing November 1, [____]	
Year (November 1)	Sinking Fund Installments

\*

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\* Final maturity.

The Redemption Price shall be 100% of the principal amount of the Series 2014A Term Bonds or portions thereof so redeemed, plus accrued interest to the redemption date, and without redemption premium. The particular Series 2014A Term Bonds or portions thereof to be redeemed on each particular redemption date shall be selected by the Trustee by lot or by such other means as the Trustee shall determine in its discretion.

## Notice and Effect of Redemption

Notice of such redemption shall specify the Bond or Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be given by the Trustee on behalf of the City, and (A) shall be filed with the Paying Agent of such Bonds (if the Trustee is not the Paying Agent for such Bonds), and (B) shall be mailed first class, postage prepaid, at least 20 days prior to the redemption date to all Holders of Bonds to be redeemed at their addresses as they appear on the Bond Register as of the date of mailing of such notice.



Each notice of redemption shall state: (i) the CUSIP numbers of all Bonds being redeemed, (ii) the original issue date of such Bonds, (iii) the maturity date and rate of interest borne by Bond being redeemed, (iv) the redemption date, (v) the Redemption Price, (vi) the date on which such notice is mailed, (vii) if less than all Outstanding Bonds are to be redeemed, the certificate number (and, in the case of a partial redemption of any Bond, the principal amount) of each Bond to be redeemed, (viii) that on such redemption date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, (ix) that the Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price at the designated office of the Paying Agent at an address specified, and (x) the name and telephone number of a person designated by the Trustee to be responsible for such redemption.

The City may provide that a notice of redemption may be contingent upon the occurrence of certain condition(s) and that if such condition(s) do not occur the notice will be rescinded, provided notice of rescission shall be mailed in the manner described above to all affected Bondholders as soon as practicable after the City determines such condition(s) will not occur.

Failure to mail such notice to the Holders of the Bonds to be redeemed, or any defect therein, shall not affect the proceedings for redemption of Bonds as to which no such failure or defect has occurred.

On or before the date fixed for redemption, funds shall be deposited with the Paying Agent to pay the principal of, redemption premium, if any, and interest accruing thereon to the redemption date of the Bonds called for redemption. On the date fixed for redemption, notice having been given in the manner and under the conditions provided in the Indenture, the Bonds or portions thereof called for redemption shall be due and payable at the Redemption Price provided therefor, plus accrued interest to such date. If money sufficient to pay the Redemption Price of the Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, are held by the Paying Agent in trust for the Holders of Bonds to be redeemed, interest on the Bonds called for redemption shall cease to accrue; such Bonds shall cease to be entitled to any benefits or security under the Indenture; and the Holders of such Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof, plus accrued interest to the date fixed for redemption from the moneys held therefor.

### **Book-Entry Only System**

The information in this caption concerning The Depository Trust Company, New York, New York, ("DTC") and DTC's book-entry system has been obtained from DTC and neither the City nor the Underwriters makes any representation or warranty or take any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Series 2014A Bonds. The Series 2014A 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 Series 2014A Bond certificate will be issued for each maturity of the

Series 2014A Bonds for the full principal amount for such maturity set forth on the cover of this Official Statement, and will be deposited with DTC.

DTC 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 U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments that DTC's participants ("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 accounts of Direct Participants. This eliminates the need for physical movement of securities 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 is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. 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 ("Indirect Participants" and, together with the Direct Participants, the "DTC Participants"). The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 2014A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2014A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2014A Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners 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 Owner entered into the transaction. Transfers of ownership interests in the Series 2014A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2014A Bonds, except in the event that use of the book entry system for the Series 2014A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2014A 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 the Series 2014A 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 Owners of the Series 2014A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2014A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping 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 Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2014A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2014A Bonds, such as redemptions, defaults, and proposed amendments to the Indenture. For example, Beneficial Owners of Series 2014A Bonds may wish to ascertain that the nominee holding the Series 2014A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2014A Bonds within a maturity of the Series 2014A Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2014A Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2014A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City 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 Series 2014A Bonds are credited on the record date, as identified in a listing attached to the Omnibus Proxy.

Principal, redemption premium, if any, and interest payments on the Series 2014A 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 City or the Paying Agent on the payment date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners 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 registered in "street name," and will be the responsibility of such DTC Participant and not of DTC, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest on the Series 2014A Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City 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 Owners will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2014A Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2014A Bonds certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2014A Bonds certificates will be printed and delivered to DTC.

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY AND THE UNDERWRITERS BELIEVE TO BE RELIABLE, BUT THE CITY AND THE UNDERWRITERS TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF. NEITHER THE CITY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (II) DISTRIBUTION OF CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN SERIES 2014A BONDS; (III) THE PAYMENT BY DTC OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION OR PURCHASE PRICE OF, OR INTEREST ON, ANY SERIES 2014A BONDS; (IV) THE DELIVERY OF ANY NOTICE BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (V) THE ELECTION OF THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2014A BONDS; OR (VI) ANY CONSENT GIVEN OR ANY OTHER ACTION TAKEN BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT.

So long as Cede & Co. is the registered owner of the Series 2014A Bonds, as nominee for DTC, references herein to the registered owners of the Series 2014A Bonds shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2014A Bonds.

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## ESTIMATED DEBT SERVICE SCHEDULE

The following table reflects estimated Debt Service on the Series 2014A Bonds in each of the following Fiscal Years.

<b>Fiscal Year Ending September 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
TOTALS:			

## **SECURITY FOR THE SERIES 2014A BONDS**

### **General**

The payment of the principal of, redemption premium, if any, and interest on the Series 2014A Bonds shall be secured equally and ratably by a pledge of and lien upon the Trust Estate, including the Pledged Funds. The Series 2014A Bonds shall not be secured by a lien on any revenues or moneys of the City, the County or the Agency other than the Trust Estate. The Trust Estate shall immediately be subject to the lien and pledge of the Indenture without any further act, and the lien and pledge of the Indenture shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City.

As provided in the Indenture, "Pledged Funds" includes (1) Contract TDT Revenue Payments, (2) until applied in accordance with the provisions of the Indenture, all moneys, and investment securities, in the funds and accounts established under the Indenture, except the Construction Fund, the Expense Fund and the Rebate Fund and (3) all investment earnings in the funds and accounts established under the Indenture, except the Construction Fund, the Expense Fund, the Rebate Fund and the CRA Reserve Fund.

In the event of a draw on the CRA Reserve Fund and/or the Debt Service Reserve Account, any resulting deficiency in such fund or account will be replenished by surplus Contract TDT Revenues, if any. In addition, any draws on the CRA Reserve Fund may also be replenished by other sources of funds, including Increment Revenues budgeted and appropriated by the Agency to the extent such Increment Revenues constitute Residual Capacity. See "CRA RESERVE FUND" herein.

In addition, in the event amounts available in the funds and accounts held under the Indenture (including the Contract TDT Revenue Fund, the Sinking Fund, the Contract TDT Surplus Fund, and the CRA Reserve Fund, but excluding the Construction Fund, the Expense Fund and the Rebate Fund) are insufficient to pay Debt Service on the Series 2014A Bonds in any Bond Year, the City has also covenanted to budget and appropriate and pay to the Trustee on or prior to each principal and interest payment date, Covenant Revenues in an amount equal to the Debt Service Deficiency (as defined herein). The obligation of the City to budget and appropriate and make payments from Covenant Revenues is subject to the availability of Covenant Revenues in the General Fund and the Utilities Services Tax Fund after the satisfaction of the funding requirements of obligations having an express lien on or pledge of such revenues and the funding requirements for essential governmental services of the City. The City has incurred and has outstanding other obligations payable from Covenant Revenues. See "CITY'S COVENANT TO BUDGET AND APPROPRIATE" herein.

As used herein, "Debt Service" means at any time, the aggregate amount in the then applicable period of time of (1) interest required to be paid on the Outstanding Bonds during such period of time, (2) principal of Outstanding Serial Bonds maturing in such period of time, and (3) the Sinking Fund Installments coming due in such period of time.

As used herein, "Debt Service Deficiency" means, with respect to each Bond Year, the anticipated deficiency, if any, in amounts available under the Indenture to pay Debt Service

coming due in such Bond Year after application of all amounts available in the Contract TDT Revenue Fund, the Sinking Fund, the Contract TDT Surplus Fund, and the CRA Reserve Fund, which is calculated net of any additional amount deposited to replenish any amounts previously drawn from the CRA Reserve Fund and available to cure such deficiency.

### **Limited Obligations**

**The Series 2014A Bonds shall not be deemed to constitute a general debt, liability or obligation of the City, the Agency or the County or a pledge of the faith and credit of the City, the Agency or the County or of the taxing power of the City or the County, but the Series 2014A Bonds shall be limited obligations of the City payable solely from the Trust Estate in accordance with the terms of the Indenture. The issuance of the Series 2014A Bonds shall not directly or indirectly or contingently obligate the City or the County to levy or to pledge any form of ad valorem taxation whatsoever therefor. The Agency has no taxing power. No Holder of any Series 2014A Bonds shall ever have the right to compel any exercise of the ad valorem taxing power on the part of the City or the County to pay any Series 2014A Bonds or the interest thereon or the right to enforce payment of the Series 2014A Bonds, or the interest thereon, against any property of the City, the Agency or the County, nor shall the Series 2014A Bonds constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City, the Agency or the County, except the Trust Estate in accordance with the terms of the Indenture.**

**Nothing shall be deemed to create a pledge of or lien on the Covenant Revenues, ad valorem tax revenues or any other revenues of the City, or to permit or constitute a mortgage or lien upon any assets of the City, other than the Trust Estate. No Bondholder shall ever have the right to compel any exercise of the ad valorem taxing power of the City for any purpose, including, without limitation, to fund any Debt Service Deficiency for the Bonds or to make any other payment required under the Indenture, or to maintain or continue any activities of the City which generate user fees, regulatory fees or other Covenant Revenues, nor shall the Bonds constitute a charge, lien or encumbrance, either legal or equitable, on any property, assets or funds of the City. The City is not obligated to maintain or continue any activities that generate Covenant Revenues.**

### **Contract TDT Revenue Payments; Covenant Revenues**

In accordance with the Indenture, the Pledged Funds consist primarily of the "Contract TDT Revenue Payments" which for each Fiscal Year equal the payments of Contract TDT Revenues received by the Trustee from the County pursuant to the Community Venues Interlocal Agreement. The County has agreed in the Community Venues Interlocal Agreement to make an annual deposit of Contract TDT Revenues on January 15th of each year. The County's obligation to deposit Contract TDT Revenues is limited to the extent Tourist Development Taxes exceed the Base Amount (as defined herein). See "CONTRACT TDT REVENUES" herein for more information about Tourist Development Taxes (as defined herein), and the calculation of the Base Amount and Contract TDT Revenue Payments.

Pursuant to the Indenture, "Covenant Revenues" is defined to include those revenues of the City that are deposited to the credit of the City's General Fund or Utilities Services Tax Fund

derived from any source whatsoever that are legally available for the payment of debt service on Contract TDT Bonds, inclusive of operating transfers from other funds into the General Fund and exclusive of (1) revenues derived from ad valorem taxation and (2) internal transfers between the General Fund and the Utilities Services Tax Fund (to eliminate double counting). See "CITY'S COVENANT TO BUDGET AND APPROPRIATE" herein.

### **Funds and Accounts**

The following funds and accounts are created under the Indenture:

- (A) The "Contract TDT Revenue Fund," to be held by the Trustee.
- (B) The "Sinking Fund," to be held by the Trustee. The Trustee shall maintain six separate accounts in the Sinking Fund: the "Interest Account," the "Principal Account," the "Term Bonds Redemption Account," the "Liquidity Account," the "Capitalized Interest Account" and the "Debt Service Reserve Account."
- (C) The "CRA Reserve Fund," to be held by the City.
- (D) The "Expense Fund," to be held by the City.
- (E) The "Contract TDT Surplus Fund," to be held by the Trustee.
- (F) The "Rebate Fund," to be held by the Trustee.
- (G) The "Construction Fund," to be held by the City. The City shall maintain two separate accounts in the Construction Fund: the "Construction Account" and the "Transaction Cost Account."
- (H) The "Subordinated Obligations Fund," to be held by the Trustee.

Moneys in the aforementioned funds and accounts (except for moneys in the Construction Fund, the Expense Fund and the Rebate Fund), until applied in accordance with the provisions of the Indenture, shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders in accordance with the Indenture.

### **Disposition of Contract TDT Revenue Payments**

The Trustee shall deposit promptly, as received, all Contract TDT Revenue Payments to the Contract TDT Revenue Fund. Contract TDT Revenue Payments are to be deposited with the Trustee by the County on January 15<sup>th</sup> of each year. Also on each January 15<sup>th</sup>, contemporaneously with the receipt and deposit of Contract TDT Revenue Payments, the Trustee shall transfer all amounts on deposit in the Liquidity Account to the credit of the Contract TDT Revenue Fund. Hedge Receipts, if any, shall be deposited directly to the Interest Account upon receipt.



On January 16<sup>th</sup> of each year (or if such day is not a Business Day, on the next succeeding Business Day) all moneys on deposit in the Contract TDT Revenue Fund shall be disposed of by the Trustee in the following manner and in the following order of priority:

(1) Sinking Fund. The Trustee shall deposit to the credit of the Sinking Fund for deposit to the following accounts, without preference or priority, the following amounts:

(a) To the Interest Account an amount equal to the interest coming due on all Bonds Outstanding (other than Capital Appreciation Bonds) in the current Bond Year, less the amount transferred from the Capitalized Interest Account to pay such interest.

All Hedge Receipts shall be deposited directly to the credit of the Interest Account upon receipt. With respect to interest on Bonds to which a Qualified Hedge Agreement is related, interest on such Bonds during the term of such Qualified Hedge Agreement shall be deemed to include the corresponding Hedge Payments.

In computing the interest on Variable Rate Bonds payable in a Bond Year, interest shall be assumed to accrue at the Maximum Interest Rate.

(b) To the Principal Account an amount equal to the principal amount of all Serial Bonds maturing in such Bond Year and the Accreted Value of all Serial Capital Appreciation Bonds maturing in such Bond Year.

(c) To the Term Bonds Redemption Account, the Sinking Fund Installments becoming due in such Bond Year (including the Accreted Value of Capital Appreciation Term Bonds payable from Sinking Fund Installments in such Bond Year).

(2) Liquidity Account. The Trustee shall next deposit to the credit of the Liquidity Account an amount equal to the Liquidity Account Requirement.

(3) Debt Service Reserve Account. The Trustee shall next deposit to the credit of the Debt Service Reserve Account an amount necessary to restore the funds on deposit in the Debt Service Reserve Account, together with available amounts under any Reserve Account Insurance Policy and Reserve Account Letter of Credit, to an amount equal to the Reserve Account Requirement.

(4) Expense Fund. The Trustee shall next transfer to the City for deposit to the Expense Fund an amount equal to the amount of Administrative Expenses coming due in such Bond Year payable from the Expense Fund as directed by the City.

(5) Reimbursement of Prior Years Debt Service. The Trustee shall next transfer amounts on deposit in the Contract TDT Revenue Fund as directed by the City to the City or the Agency to reimburse amounts transferred to the Trustee by the City or the Agency in prior Bond Years to pay Debt Service on the Bonds, excluding amounts paid from the CRA Reserve Fund and amounts paid by the Agency to replenish the CRA Reserve Fund pursuant to the CRA Interlocal Agreement. See "CITY'S COVENANT TO BUDGET AND APPROPRIATE" herein for a description of the City's covenant to budget and appropriate Covenant Revenues to fund any Debt Service Deficiency.

(6) CRA Reserve Fund. The Trustee shall next transfer amounts on deposit in the Contract TDT Revenue Fund to the CRA Reserve Fund in an amount necessary to restore the funds on deposit therein to the CRA Reserve Requirement. See "CRA RESERVE FUND" herein.

(7) Agency Reimbursement. The Trustee shall next transfer from amounts on deposit in the Contract TDT Revenue Fund to the Agency an amount necessary to reimburse the Agency for amounts transferred by the Agency to the Trustee for deposit to the credit of the CRA Reserve Fund pursuant to the CRA Interlocal Agreement.

(8) Payment of City Loans. The Trustee shall next transfer from amounts on deposit in the Contract TDT Revenue Fund to the City (a) the amount certified by an Authorized Issuer Officer as the then accrued and unpaid debt service due on outstanding City Loans, if any, and (b) the amount necessary to reimburse debt service on City Loans, if any, paid from a source other than Contract TDT Revenue Payments, as certified to the Trustee by an Authorized Issuer Officer. See "COMMUNITY VENUES INTERLOCAL AGREEMENT – Contract TDT Obligations" above for a discussion of the amount of City Loans authorized under the Community Venues Interlocal Agreement.

(9) Rebate Fund. The Trustee shall next transfer to the Rebate Fund such amounts as shall be directed by the City.

(10) Subordinated Obligations Fund. The Trustee shall next transfer to the Subordinated Obligations Fund such amount as directed by an Authorized Issuer Officer as the amount due or anticipated to become due in such Bond Year for the payment of Subordinated Obligations.

(11) Surplus Fund. The remaining balance in the Contract TDT Revenue Fund shall:

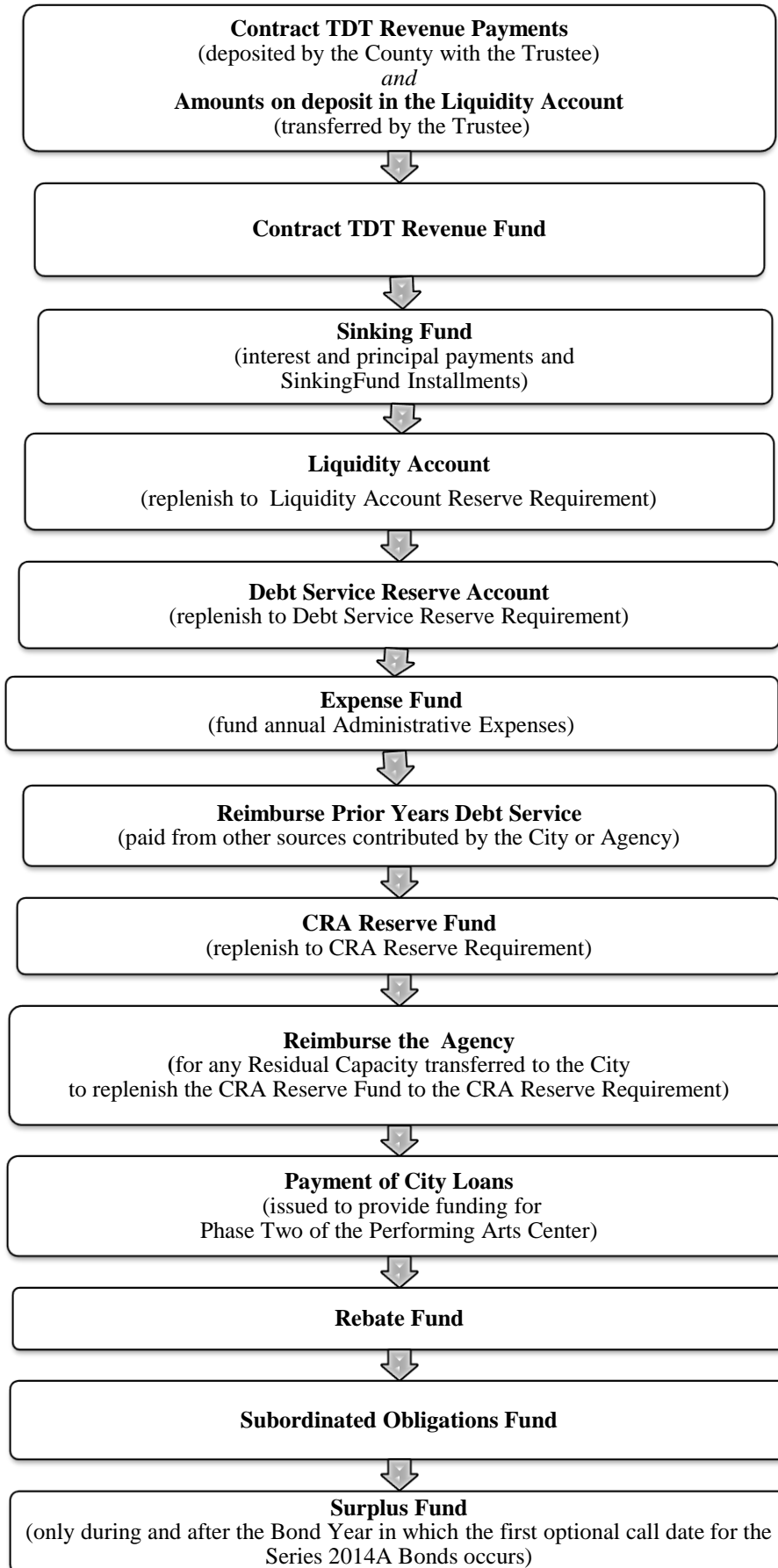
(a) Prior to the Bond Year in which the first optional call date of Bonds Outstanding occurs, be retained in the Contract TDT Revenue Fund; and

(b) In each Bond Year during or after which the first optional call date for Bonds Outstanding occurs, be transferred by the Trustee to the credit of the Contract TDT Surplus Fund.

The chart on the following page reflects the disposition of Contract TDT Revenue Payments received by the Trustee.

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**Disposition of Contract TDT Revenue Payments**  
(on each January 15<sup>th</sup>)



## **Application of Sinking Fund**

Amounts on deposit in the various accounts held within the Sinking Fund shall be applied as described below.

*Interest Account.* Moneys in the Interest Account shall be applied by the Trustee for deposit with the appropriate Paying Agent on or prior to each Interest Payment Date to pay interest coming due on Outstanding Bonds on such Interest Payment Date. With respect to any Qualified Hedge Agreement associated with Outstanding Bonds, any Hedge Payments due to the Qualified Hedge Agreement Counterparty shall be paid by the Trustee to such Qualified Hedge Counterparty from amounts on deposit in the Interest Account on parity with required interest payments on the Outstanding Bonds. Any excess amounts remaining in the Interest Account at the end of a Bond Year shall be retained therein and shall reduce the amount required to be deposited therein in the next succeeding Bond Year.

*Capitalized Interest Account.* Moneys on deposit in the Capitalized Interest Account shall be transferred to the Interest Account in an amount, to the extent available, equal to the interest coming due on the Bonds with respect to which such funds were deposited in the current Bond Year, prior to the application of funds on deposit in the Contract TDT Revenue Fund.

*Principal Account.* Moneys in the Principal Account shall be transferred by the Trustee to the appropriate Paying Agent on or before each principal payment date to pay the principal of Bonds maturing on such payment date.

The City may direct the Trustee to use moneys in the Principal Account and the Interest Account to purchase or redeem Bonds coming due on the next principal payment date, provided such purchase or redemption does not adversely affect the City's ability to pay the principal or interest coming due in such Bond Year on Bonds not so purchased or redeemed and any related Hedge Payments.

*Term Bonds Redemption Account.* Moneys in the Term Bonds Redemption Account shall be used to purchase or redeem Term Bonds in the manner provided in the Indenture.

Amounts accumulated in the Term Bonds Redemption Account with respect to any Sinking Fund Installment (together with amounts accumulated in the Interest Account with respect to interest, if any, on the Term Bonds for which such Sinking Fund Installment was established) may be applied by the Trustee, upon the written direction of an Authorized Issuer Officer, on or prior to the 60th day preceding the due date of such Sinking Fund Installment, (a) to the purchase of Term Bonds of the Series and maturity for which such Sinking Fund Installment was established, or (b) to the redemption at the applicable Redemption Prices of such Term Bonds, if then redeemable by their terms. Amounts in the Term Bonds Redemption Account which are used to redeem Term Bonds shall be credited against the next succeeding Sinking Fund Installment which shall become due on such Term Bonds. As soon as practicable after the 60th day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption on such due date, by causing notice to be given as provided in the Indenture, Term Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Term Bonds maturing on a Sinking Fund Installment date) in

such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. The Trustee shall pay out of the Term Bonds Redemption Account and the Interest Account to the appropriate Paying Agents, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption (or for the payment of such Term Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). Any expenses in connection with the purchase or redemption of Term Bonds may be paid from the Expense Fund.

*Liquidity Account.* The Liquidity Account was created for the purpose of mitigating the risk, and smoothing out the effect, of short term fluctuations in the Contract TDT Revenues. Amounts on deposit in the Liquidity Account are required to be deposited on or prior to January 15<sup>th</sup> of each year to the credit of the Contract TDT Revenue Fund and applied as part thereof pursuant to the Indenture. Upon the issuance of the Series 2014A Bonds, [\$\_\_\_\_\_] of proceeds of the Series 2014A Bonds will be deposited to the credit of the Liquidity Account to cause the amount therein to equal the Liquidity Account Requirement.

*Debt Service Reserve Account.* Upon the issuance of the Series 2014A Bonds, [\$\_\_\_\_\_] of proceeds of the Series 2014A Bonds will be deposited to the credit of the Debt Service Reserve Account to cause the amount therein to equal the Reserve Account Requirement. Moneys in the Debt Service Reserve Account shall be applied by the Trustee to cure deficiencies in the Interest Account, Principal Account and Term Bonds Redemption Account for the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds due on such principal payment date or interest payment date, but only to the extent the moneys transferred first from the Contract TDT Surplus Fund and then from the CRA Reserve Fund for such purposes are inadequate to fully provide for such insufficiency. Whenever there are surplus moneys in the Debt Service Reserve Account by reason of a decrease in the Reserve Account Requirement or as a result of a deposit in the Debt Service Reserve Account of a Reserve Account Letter of Credit or a Reserve Account Insurance Policy, such surplus moneys, to the extent practicable, will be deposited by the Trustee first into the Liquidity Account to the extent of any deficiency therein and then to the Contract TDT Surplus Fund to be used to purchase, redeem, defease or pay Debt Service on the Bonds.

Whenever the amount of cash in the Debt Service Reserve Account, together with the other amounts in the Sinking Fund and the Contract TDT Surplus Fund, are sufficient to fully pay all Outstanding Bonds and related Hedge Payments in accordance with their terms (including principal or applicable Redemption Price and interest thereon), the funds on deposit in the Debt Service Reserve Account may be transferred to the Interest Account, the Principal Account and the Term Bonds Redemption Account of the Sinking Fund for the payment of the Bonds and such Hedge Payments. Amounts on deposit in the Debt Service Reserve Account shall, in any event, be applied to make the final Debt Service payments on Outstanding Bonds.

In lieu of or in substitution of the required deposits into the Debt Service Reserve Account, the Indenture authorizes the City to cause to be deposited into the Debt Service Reserve Account a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for the benefit of the Bondholders in an amount equal to the difference between the Reserve Account Requirement applicable thereto and the sums then on deposit in the Debt Service Reserve Account, if any, at the time such Reserve Account Insurance Policy and/or Reserve Account

Letter of Credit is provided. The City may also substitute a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for cash on deposit in the Debt Service Reserve Account upon compliance with the terms of the Indenture.

The Indenture also authorizes the City to direct the Trustee to establish a separate subaccount in the Debt Service Reserve Account for any Bonds and provide a pledge of such subaccounts to the payment of such Series of Bonds apart from the pledge provided herein. To the extent a Series of Bonds is secured separately by a subaccount of the Debt Service Reserve Account, the Holders of such Bonds shall not be secured by any other moneys in the Debt Service Reserve Account.

### **Application of Contract TDT Surplus Fund**

Amounts remaining in the Contract TDT Surplus Fund, after any deficiencies in the other funds and accounts held under the Indenture have been cured, may then be applied at the written direction of an Authorized Issuer Officer to purchase, defease or redeem Bonds as soon as economically feasible, or as otherwise permitted in accordance with the Community Venues Interlocal Agreement. In connection with the final redemption or defeasance of all Bonds remaining outstanding under the Indenture, the Trustee shall request the transfer of any remaining balance of the County Reserve and apply such amount, together with other amounts available in the Sinking Fund and Contract TDT Surplus Fund under the Indenture to such redemption or defeasance. See "CRA RESERVE FUND – County Reserve" herein.

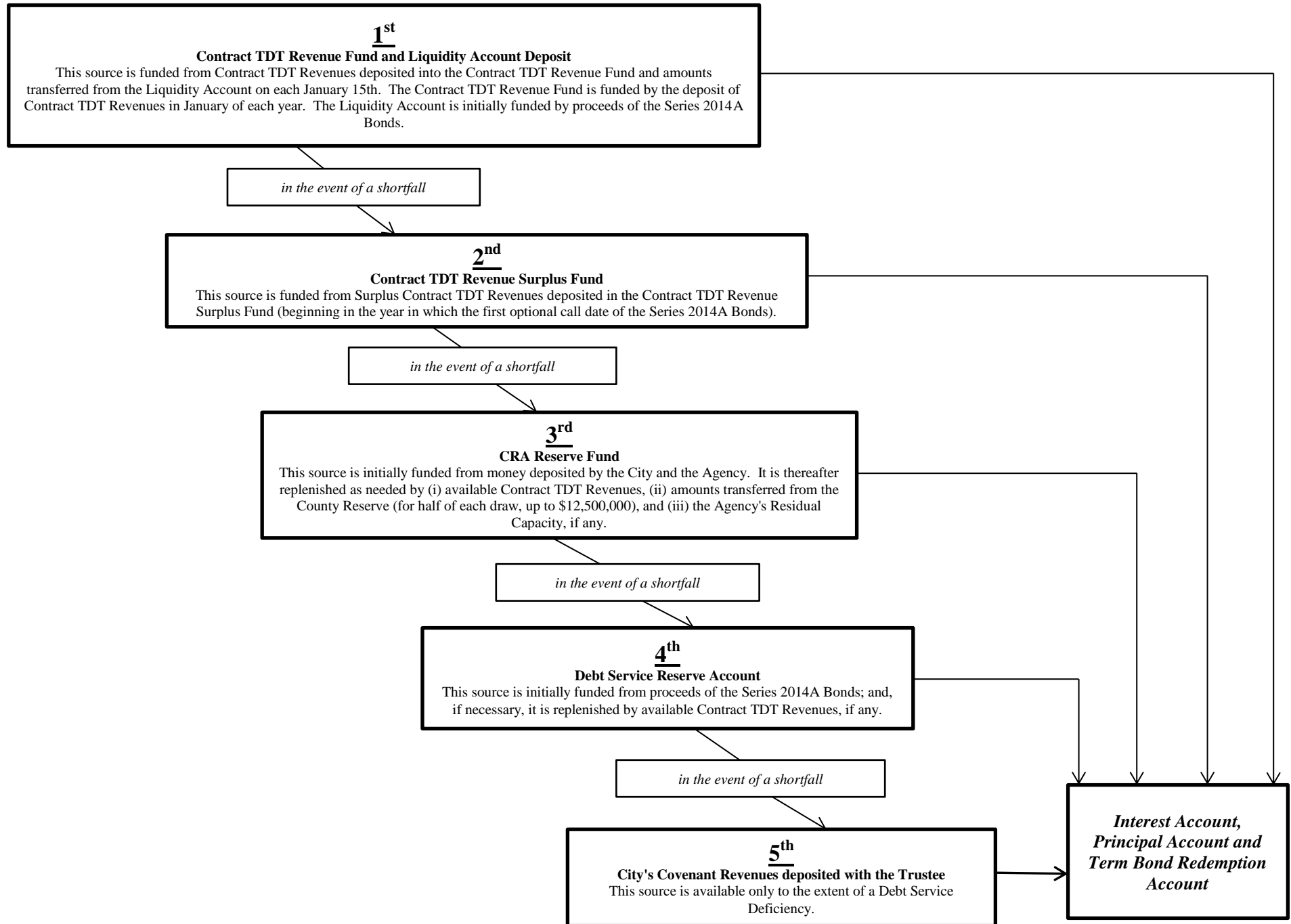
### **Application of CRA Reserve Fund**

The CRA Reserve Fund will be initially funded by amounts deposited by the City and the Agency totaling the CRA Reserve Requirement (\$25,000,000). Amounts on deposit in the CRA Reserve Fund will be applied on or prior to each principal payment date and interest payment date for the Bonds, and before application of amounts in the Debt Service Reserve Account, to cure deficiencies in the Interest Account, Principal Account and Term Bond Redemption Account for the payment of principal of or Redemption Price, if applicable, and interest on the Bonds due on such principal payment date or interest payment date. If necessary, any deficiency in the CRA Reserve Fund will be cured first from amounts available in the Contract TDT Revenue Fund, as described above, if any, and a draw on the County Reserve, in the amounts permitted under the Community Venues Interlocal Agreement, to the extent funds remain therein. Then, to the extent any shortfall remains, the replenishment of the CRA Reserve Fund will be funded by Agency's covenant to budget and appropriate from Residual Capacity, if any, in the manner and to the extent provided in the CRA Interlocal Agreement. See "CRA RESERVE FUND" herein for a discussion of the County Reserve and Agency's covenant to budget and appropriate from Residual Capacity, if any.

### **Priority of Sources for Payment of Debt Service on Bonds**

Payment of Debt Service on the Bonds will be provided from the amounts on deposit in the funds and accounts held under the Indenture in the manner and in the order of priority described in the following chart.

## PRIORITY OF SOURCES OF PAYMENT FOR DEBT SERVICE



## **Additional Bonds**

The Indenture authorizes the issuance of additional Contract TDT Bonds and Refunding Bonds, subject to the limitations described below. No additional Contract TDT Bonds and Refunding Bonds payable on parity with the Series 2014A Bonds, shall be issued except upon the conditions and in the manner provided in the Indenture. All additional Contract TDT Bonds and Refunding Bonds issued under the Indenture will constitute Contract TDT Obligations under the Community Venues Interlocal Agreement and are subject to the limitations set forth therein. See "COMMUNITY VENUES INTERLOCAL AGREEMENT" herein and "APPENDIX B – COMMUNITY VENUES INTERLOCAL AGREEMENT" attached hereto.

Except as provided in the Indenture, all Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Funds and their sources and security for payment therefrom, including the Trust Estate created under the Indenture, without preference of any Bonds over any other. Any Contract TDT Bonds or Refunding Bonds issued in the future shall also be subject to the anti-dilution limitations provided in the Ordinance bearing Documentary No. 25329, enacted by the City Council of the City on December 9, 1991 (the "Covenant Ordinance"). See "CITY'S COVENANT TO BUDGET AND APPROPRIATE – Obligations Payable from Covenant Revenues" herein.

*Additional Contract TDT Bonds.* The City may issue additional Contract TDT Bonds to finance or refinance costs of Phase Two of the Performing Arts Center, in an amount equivalent to the amount of Contract TDT Obligations authorized and unissued under the Community Venues Interlocal Agreement for such project, which is limited to the principal amount necessary to provide [\$\_\_\_\_\_] of net proceeds for the Performing Arts Center, plus the lesser of the calculated change in Consumer Price Index or the actual additional costs. The amount of additional Contract TDT Bonds to be issued in the future will be reduced to the extent that any portion of the costs for Phase Two of the Performing Arts Center are instead funded by City Loans. See "COMMUNITY VENUES INTERLOCAL AGREEMENT – Contract TDT Obligations" above for a discussion of the City's authority to issue City Loans.

City Loans constitute Contract TDT Obligations, but are not "Bonds" issued under and entitled to the security provided in the Indenture, except as described herein in "SECURITY FOR THE SERIES 2014A BONDS – Application of Contract TDT Revenue Payments – Payment of City Loans." The payment of debt service on the City Loans from Contract TDT Revenues is subordinate in all respects to the payment of the Bonds.

*Refunding Bonds.* The City may issue one or more Series of Refunding Bonds for the purpose of refunding any or all Outstanding Bonds, as permitted by the Indenture and the Community Venues Interlocal Agreement, provided an Authorized Issuer Officer shall certify to the Trustee that the provisions of the Community Venues Interlocal Agreement relating to such Refunding Bonds have been satisfied. The Community Venues Interlocal Agreement requires, among other things, that Refunding Bonds may only be issued for debt service savings. In the event the Community Venues Interlocal Agreement requires prior consent of the County, the City shall provide such consent to the Trustee at or prior to the issuance of such Refunding Bonds. The City will determine which Bonds will be refunded with the proceeds of the Refunding Bonds and the principal amount and terms of such Refunding Bonds; provided it has



submitted the aforementioned certification to the Trustee. Refunding Bonds shall be deemed to have been issued pursuant to the Indenture the same as the Outstanding Bonds, and all other covenants and other provisions of the Indenture (except as to details of such Refunding Bonds inconsistent therewith) shall be for the equal benefit, protection and securing of the Holders of all Bonds issued pursuant to the Indenture.

### **Investment of Funds and Accounts**

Moneys held in the funds and accounts established under the Indenture, other than the Construction Fund, the Expense Fund and the CRA Reserve Fund, will be separately invested and reinvested by the Trustee at the direction of the City in accordance with the provision of the Indenture. Moneys held in the Construction Fund, the Expense Fund and the CRA Reserve Fund will be invested by the City in investments permitted by applicable law and the City's written investment policy as may be amended from time to time (referred to herein as the "City's Authorized Investments"). See "INVESTMENT POLICY" herein for more information regarding the City's written investment policy.

Moneys on deposit in the Construction Fund, the Sinking Fund, the CRA Reserve Fund, the Contract TDT Surplus Fund, the Contract TDT Revenue Fund, the Expense Fund, the Subordinated Obligations Fund and the Rebate Fund will be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State. Moneys on deposit in the Contract TDT Revenue Fund, the Sinking Fund (other than the Debt Service Reserve Account), the Rebate Fund, the Subordinated Obligations Fund, and the Contract TDT Surplus Fund will be invested and reinvested by the Trustee at the written direction of the City in Authorized Investments, maturing not later than the dates on which such moneys will be needed for the purposes of such fund or account. Moneys on deposit in the Debt Service Reserve Account may be invested or reinvested by the Trustee at the written direction of the City in such Authorized Investments which shall mature on such dates as shall be necessary to ensure moneys shall be available therein to pay Debt Service on the Bonds. All amounts on deposit in the Construction Fund, the Expense Fund and the CRA Reserve Fund will be held by the City and only invested in the City's Authorized Investments maturing in such times and in such amounts as are necessary to provide money available for the purposes of such funds.

Any and all income received from the investment of moneys in the Contract TDT Surplus Fund, the Construction Fund, the Rebate Fund, the Contract TDT Revenue Fund, the Expense Fund and the Debt Service Reserve Account (to the extent such income and the other amounts in the Debt Service Reserve Account do not exceed the Reserve Account Requirement) shall be retained in such respective Fund or Account. Any income received from the accounts in the Sinking Fund, other than the Debt Service Reserve Account, will be deposited upon receipt in the Contract TDT Revenue Fund. Any and all income received from the investment of moneys in the Debt Service Reserve Account (only to the extent such income and the other amounts in the Debt Service Reserve Account exceed the Reserve Account Requirement) shall be deposited upon receipt thereof in the Contract TDT Revenue Fund. Any and all income received from the investment of moneys in the CRA Reserve Fund shall be released to the City and used for any lawful purpose.

## **City Covenants regarding the Interlocal Agreements**

The City has covenanted in the Indenture with respect to the Community Venues Interlocal Agreement: (i) to comply with the provisions thereof; and (ii) that it will not take any actions or omit to take an action relating thereto, or make any amendments thereto, that would have a material adverse affect on the security for the Bonds.

Additionally, the City has covenanted in the Indenture with respect to the CRA Interlocal Agreement to: (i) do all things necessary or required on its part thereby to receive payments from the Agency in accordance with the CRA Interlocal Agreement to cure deficiencies in the CRA Reserve Fund; (ii) comply with the provisions thereof; (iii) not take any action or omit to take an action relating thereto that would materially adversely affect the validity or enforceability thereof; and (iv) not to make any amendments that would have a material adverse effect on the security for the Bonds. The City also agrees to exercise all legally available remedies to enforce receipt of payments due from the Agency in accordance with the CRA Interlocal Agreement.

## **CONTRACT TDT REVENUES**

### **General**

The Community Venues Interlocal Agreement requires the County Comptroller to deposit Contract TDT Revenues with the Trustee commencing on each January 15<sup>th</sup> until the earlier of (a) the date that the Contract TDT Obligations are defeased or redeemed in full, or (b) December 31, 2046. See "COMMUNITY VENUES INTERLOCAL AGREEMENT – Limited Obligations of the County with respect to Contract TDT Obligations" above for a discussion of the County's limited obligation to provide Contract TDT Revenue Payments.

"Contract TDT Revenues" means for each Fiscal Year, the difference between (a) Tourist Development Taxes (as defined herein) collected on an accrual basis by the County for such Fiscal Year as reported by the County Comptroller and (b) the Base Amount (as defined herein). If the Base Amount is greater than or equal to the total Tourist Development Taxes collected for any Fiscal Year, "Contract TDT Revenues" shall be zero for such Fiscal Year. After deposit with the Trustee, "Contract TDT Revenues" also includes the investment earnings thereon.

### **Tourist Development Taxes**

Section 125.0104, Florida Statutes, as amended, known as the "Local Option Tourist Development Act" (the "TDT Act"), authorizes Florida counties to levy a tourist development tax on every person who rents, leases, or lets for consideration any living quarters or accommodations in any hotel, apartment hotel, motel, resort motel, apartment, apartment motel, rooming house, mobile home park, recreational vehicle park or condominium for a term of six months or less (herein referred to as "Tourist Rentals"). The rate of the tax varies depending upon a county's eligibility to levy particular components of the tax as discussed below.

The TDT Act requires that at least sixty days prior to the enactment of the ordinance levying such tax, the governing board of a county must adopt a resolution establishing and appointing the members of a county tourist development council and indicating the intention of

the county to consider the enactment of an ordinance levying and imposing the tourist development tax. The tourist development council, prior to the enactment of the ordinance, must prepare and submit to the county's governing body for its approval a plan for tourist development. Among other requirements, this tourist development plan must provide a list, in order of priority, of the proposed uses of the tax revenue by specific project or special use as well as the approximate cost or expense allocation for each specific project or special use.

The TDT Act, pursuant to Section 125.0104(3)(c), Florida Statutes, authorizes the levy of the original tourist development tax at a rate of one percent or two percent of each whole and major fraction of each dollar of the total rental charged for Tourist Rentals. The County originally imposed this tax at a rate of two percent, effective May 1, 1978, and adopted the initial Tourist Development Plan pursuant to the County's tourist development tax ordinance and a referendum approved by the voters of the County. The Act authorizes the imposition of an additional one percent of each dollar above the original tourist development tax pursuant to Section 125.0104(3)(d), Florida Statutes. On May 27, 1986, the County adopted the additional one percent tax pursuant to Ordinance No. 86-13, effective June 1, 1986. Section 125.0104(3)(m) of the TDT Act authorizes high tourism impact counties to levy an additional one percent tax. On August 21, 1989, the County adopted the high tourism impact tax and increased the County's tourist development tax rate to four percent, effective October 1, 1989, pursuant to its Ordinance No. 89-14. **The first four percent of the tourist development taxes imposed by the County are defined in the Community Venues Interlocal Agreement and referred to herein as the "Tourist Development Taxes."**

Pursuant to the TDT Act, the County additionally levies and collects (i) the one-cent tourist development collected by the County pursuant to Section 125.0104(3)(1), Florida Statutes, and Ordinance No. 94-25 of the County (the "Fifth Cent TDT"), and (ii) the one-cent tourist development collected by the County pursuant to Section 125.0104(3)(n), Florida Statutes, and Ordinance No. 2006-15 of the County (the "Sixth Cent TDT"). **Neither the Sixth Cent TDT nor the Fifth Cent TDT secures the payment of debt service on the Bonds or any other Contract TDT Obligations issued in accordance with the Indenture and the Community Venues Interlocal Agreement.**

On October 15, 1991, the County enacted Ordinance No. 91-22, providing for local collection and administration of the Tourist Development Taxes as of January 1, 1992. The County Comptroller currently collects and administers the Tourist Development Taxes locally. The TDT Act authorizes the County to retain a portion of the tax for costs of administration, but such portion may not exceed three percent of collections. Tourist Development Taxes may only be expended in accordance with the provisions of the TDT Act.

**For a discussion of various factors that could impact the collection of Tourist Development Taxes, see "BONDHOLDER RISK FACTORS – Factors Affecting Collections of Tourist Development Taxes" herein.**

### **Calculation of Contract TDT Revenues**

Contract TDT Revenues is calculated each Fiscal Year as the difference between (a) Tourist Development Taxes collected on an accrual basis by the County for such Fiscal Year as

reported by the County Comptroller and (b) the Base Amount. The "Base Amount" is calculated as the established amount set forth in Exhibit B to the Community Venues Interlocal Agreement (the "Listed Amount") reduced by the actual amount of Fifth Cent TDT collected by the County on an accrual basis for such Fiscal Year as reported by the County Comptroller.

**Contract TDT Revenues** = Tourist Development Taxes – Base Amount

**Base Amount** = Listed Amount – Fifth Cent TDT

The following table shows the Listed Amount as currently set forth in Exhibit B to the Community Venues Interlocal Agreement attached hereto as APPENDIX B, for each Fiscal Year through the Fiscal Year ending September 30, 2040. The County's obligation to provide Contract TDT Revenue Payments continues until the earlier of (a) the date that all outstanding Contract TDT Obligations are defeased or redeemed in full, or (b) December 31, 2046.

<b>Fiscal Year Ended September 30</b>	<b>Listed Amount</b>	<b>Fiscal Year Ended September 30</b>	<b>Listed Amount</b>
2005	\$123,000,000	2023	\$175,674,288
2006	125,460,000	2024	179,187,774
2007	127,969,200	2025	182,771,530
2008	130,528,584	2026	186,426,960
2009	133,139,156	2027	190,155,500
2010	135,801,939	2028	193,958,609
2011	138,517,978	2029	197,837,782
2012	141,288,337	2030	201,794,537
2013	144,114,104	2031	205,830,428
2014	146,996,386	2032	209,947,037
2015	149,936,314	2033	214,145,977
2016	152,935,040	2034	218,428,897
2017	155,993,741	2035	222,797,475
2018	159,113,616	2036	227,253,424
2019	162,295,888	2037	231,798,493
2020	165,541,806	2038	236,434,463
2021	168,852,642	2039	241,163,152
2022	172,229,695	2040	245,986,415

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## Historic Tourist Development Taxes and Fifth Cent TDT Revenue Collections

The following table shows historic collections of the Tourist Development Taxes and Fifth Cent TDT revenue in the County for the Fiscal Years ended September 30, 2004 through 2013.

### HISTORIC TOURIST DEVELOPMENT TAXES AND FIFTH CENT TDT REVENUE COLLECTIONS

<b>Fiscal Year Ended September 30</b>	<b>Tourist Development Taxes<sup>(1)</sup></b>	<b>Fifth Cent TDT</b>	<b>Percentage Change</b>
2004	\$ 88,813,276	\$22,203,319	--
2005	96,134,298	24,033,574	8.24%
2006	102,799,750	25,699,937	6.93
2007	108,704,514	27,176,128	5.74
2008	112,113,074	28,028,269	3.14
2009	94,816,854	23,704,213	(15.43)
2010	98,507,118	24,626,780	3.89
2011 <sup>(2)</sup>	117,236,838	29,309,209	19.01
2012 <sup>(2)</sup>	116,868,717	29,217,179	(0.31)
2013	124,641,361	31,160,340	6.65
Totals:	\$1,060,635,800	\$265,158,948	

Source: Orange County Comptroller's Office.

- <sup>(1)</sup> Tourist Development Taxes consist of the first four cents of tourist development taxes levied and collected by the County.
- <sup>(2)</sup> Tourist Development Taxes and Fifth Cent TDT revenues for Fiscal Year 2011 include a one-time payment of tourist development tax revenues from Expedia, the online travel website, paid to the County pursuant to a confidential settlement. Without taking into account receipt of the confidential settlement amount, collections of Tourist Development Taxes and Fifth Cent TDT revenues would have shown less growth in Fiscal Year 2011, and an increase, as opposed to the indicated decrease, in Fiscal Year 2012.

## Historic Calculation of Contract TDT Revenues

The following table shows historic calculation of Contract TDT Revenues for the Fiscal Years ended September 30, 2008 through 2013. The County makes an annual deposit of Contract TDT Revenues on each January 15<sup>th</sup> for each Fiscal Year.

## HISTORIC CALCULATION OF CONTRACT TDT REVENUES

<b>Fiscal Year Ending September 30</b>	<b>Tourist Development Taxes<sup>(1)</sup></b>	<b>Percentage Change</b>	<b>Fifth Cent TDT<sup>(1)</sup></b>	<b>Percentage Change</b>	<b>Listed Amount<sup>(2)</sup></b>	<b>Base Amount<sup>(3)</sup></b>	<b>Calculation of Contract TDT Revenues<sup>(4)</sup></b>	<b>Percentage Change</b>
	<b>(a)</b>		<b>(b)</b>		<b>(c)</b>	<b>(d) = (c-b)</b>	<b>(a-d)</b>	
2008 <sup>(5)</sup>	\$112,113,074	--	\$28,028,269	--	\$130,528,584	\$102,500,315	\$9,612,759	--
2009	94,816,854	(15.43%)	23,704,213	(15.43%)	133,139,156	109,434,943	\$0 <sup>(6)</sup>	(100%)
2010	98,507,118	3.89	24,626,780	3.89	135,801,939	111,175,159	\$0 <sup>(6)</sup>	n/a
2011 <sup>(7)</sup>	117,236,838	19.01	29,309,209	19.01	138,517,978	109,208,769	8,028,069	n/a
2012 <sup>(7)</sup>	116,868,717	(0.31)	29,217,179	(0.31)	141,288,337	112,071,158	4,797,559	(40.24)
2013	124,641,361	6.65	31,160,340	6.65	144,114,104	112,953,764	11,687,597	143.61

<sup>(1)</sup> Collection data and calculation of Contract TDT Revenues provided by Orange County Comptroller's Office.

<sup>(2)</sup> Listed Amount extracted from Exhibit B to Community Venues Interlocal Agreement.

<sup>(3)</sup> Base Amount calculated for each Fiscal Year as the Listed Amount minus Fifth Cent TDT revenue collections.

<sup>(4)</sup> Contract TDT Revenues calculated for each Fiscal Year as Tourist Development Taxes minus the Base Amount.

<sup>(5)</sup> Contract TDT Revenues generated prior to Fiscal Year 2008 were required, pursuant to the Community Venues Interlocal Agreement, to be applied first to the funding of certain reserve funds held by the County that do not constitute Pledged Funds under the Indenture.

<sup>(6)</sup> Contract TDT Revenue Payments in 2009 and 2010 equaled \$0 because Tourist Development Taxes did not exceed the Base Amount.

<sup>(7)</sup> Tourist Development Taxes and Fifth Cent TDT revenues for Fiscal Year 2011 include a one-time payment of tourist development tax revenues from Expedia, the online travel website, paid to the County pursuant to a confidential settlement. Without taking into account receipt of the confidential settlement amount, collections of Tourist Development Taxes and Fifth Cent TDT revenues would have shown less growth in Fiscal Year 2011, and an increase, as opposed to the indicated decrease, in Fiscal Year 2012.

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## **Changes in Contract TDT Revenue Collections**

As the prior table shows, an increase in the collection of Tourist Development Taxes results in a larger increase in the Contract TDT Revenues. Likewise, a decrease in the collection of Tourist Development Taxes can result in an even more significant decrease in Contract TDT Revenues. In order to have Contract TDT Revenues in any Fiscal Year, the County must collect Tourist Development Taxes in excess of the Base Amount. The Listed Amount set forth in the Community Venues Interlocal Agreement increases by two percent annually. Therefore, Tourist Development Taxes must grow by a corresponding rate in order to generate Contract TDT Revenues. Maximum Annual Debt Service on the Series 2014A Bonds is [\$\_\_\_\_\_.]

## **CRA RESERVE FUND**

### **General**

Pursuant to the Community Venues Interlocal Agreement, the City and the Agency deposited \$25,000,000 (the "CRA Reserve Requirement") in the CRA Reserve Fund to provide additional security for the payment of the scheduled debt service on Contract TDT Obligations, which includes Bonds issued under the Indenture. Amounts on deposit in the CRA Reserve Fund will be applied on or prior to each principal and interest payment date, and before application of amounts in the Debt Service Reserve Account, to cure deficiencies in the Interest Account, Principal Account and Term Bond Redemption Account for the payment of principal of or Redemption Price, if applicable, and interest on the Bonds. See "SECURITY FOR THE SERIES 2014A BONDS" above.

In the event of a draw on the CRA Reserve Fund, available Contract TDT Revenue Payments, and moneys drawn from the County Reserve, to the extent funds remain therein, as described below, shall be used to replenish the CRA Reserve Fund to the CRA Reserve Requirement. Then, to the extent any shortfall remains, the replenishment of the CRA Reserve Fund will be funded by Agency's covenant to budget and appropriate from Residual Capacity, if any, in the manner and to the extent provided in the CRA Interlocal Agreement. See " – Agency's Covenant to Budget and Appropriate from Residual Capacity" below.

Any amounts remaining on deposit in the CRA Reserve Fund upon the redemption, maturity and/or defeasance of the final maturities of Outstanding Bonds will be released from the pledge and lien of the Indenture and used by the City for any lawful purpose.

### **County Reserve**

The County Reserve was established by the Community Venues Interlocal Agreement as a non-revolving, one-time deposit of \$12,500,000 for the purpose of funding: (i) replenishments of one-half of each draw on the CRA Reserve Fund; and/or (ii) the final maturities of the Outstanding Bonds. The County Reserve may only fund 50% of each draw on the CRA Reserve Fund, up to an aggregate of \$12,500,000. Any amounts not withdrawn from the County Reserve to replenish the CRA Reserve Fund, will be applied to the payment of Debt Service on the final maturities of Outstanding Bonds.

**The County is not obligated to make any deposits to the County Reserve beyond the initial deposit of \$12,500,000.**

The County Reserve will be held and invested by the County Comptroller. Interest earned on amounts on deposit in the County Reserve is retained by the County and is not considered part of the County Reserve funds available be used as described above.

#### **Agency's Covenant to Budget and Appropriate from Residual Capacity**

The Agency, pursuant to the terms of that certain Interlocal Agreement dated [March \_\_, 2014], by and between the City and the Agency (the "CRA Interlocal Agreement"), has covenanted to budget and appropriate and pay from and to the extent of its Residual Capacity, if any, each Fiscal Year amounts necessary to fund deficiencies in the CRA Reserve Fund in an effort to restore the balance therein to the CRA Reserve Requirement. The Agency's covenant to replenish deficiencies in the CRA Reserve Fund is limited in each Fiscal Year only to the extent that a deficiency exists after the application of (i) all Contract TDT Revenues, (ii) moneys available in the Contract TDT Revenue Surplus Fund, and (iii) any moneys drawn from the County Reserve.

Taking into consideration the Contract TDT Revenue Payments, if any, received by the City from the County and all other amounts then on deposit in the CRA Reserve Fund, if it is projected by the City that there will be a deficiency in the CRA Reserve Fund, then on or before such ensuing February 1<sup>st</sup>, the Agency shall perform or shall cause to be performed a calculation of what Residual Capacity, if any, the Agency has available to budget and appropriate for deposit to the CRA Reserve Fund to replenish any shortfall in the CRA Reserve Fund that remains after the application of any surplus Contract TDT Revenues and money from the County Reserve. The Agency is not obligated to adjust its budget in any given year to create Residual Capacity.

"Residual Capacity" is defined in the CRA Interlocal Agreement as "the sum of all Increment Revenues plus all investment earnings thereon remaining or calculated to be remaining in the Redevelopment Trust Fund as of the end of a Fiscal Year beginning with the Fiscal Year ending September 30, 2015, after taking into account (i) all expenditures and encumbrances allowable under the Redevelopment Act and made or to be made by the City or the Agency during the Fiscal Year (including, but not limited to, those set forth in Section 163.387(6), Florida Statutes), (ii) Operational Expenses (as defined below), (iii) any payments owing on Tax Increment Obligations (as defined below) during the Fiscal Year and (iv) any payments owing on Junior Obligations (as defined below) during the Fiscal Year. The term "Residual Capacity" expressly excludes reserves and/or fund balances of the Agency on deposit in accounts of the Agency or held on behalf of the Agency on or before September 30, 2014, which may carry over from year to year.

"Increment Revenues" is defined in the CRA Interlocal Agreement as the "increment revenue" (as the term is defined in Section 163.340(22) of the Redevelopment Act) appropriated and paid each Fiscal Year by each "taxing authority" (as that term is defined in the Redevelopment Act) within the Downtown District for deposit into the Redevelopment Trust Fund. The term does not include "increment revenues" associated with any community redevelopment area other than the Downtown District.



"Junior Obligations" is defined in the CRA Interlocal Agreement as amounts payable in each Fiscal year, which may fluctuate from year to year, (i) on any and all bonds, notes, loans, capital leases or other indebtedness of the Agency payable from Increment Revenues, (ii) for management, operating and administrative costs, and capital expenses of the Agency, which may take into account such costs and expenses through the end of the calendar year (collectively, the "Operational Expenses") and (iii) any and all other contractual payment obligations of the Agency payable from Increment Revenues, all of which are obligations junior, inferior and subordinate in priority to the Tax Increment Obligations." "Junior Obligations" include any additional bonds, notes, loans, capital leases or other indebtedness of the Agency payable from Increment Revenues and any and all other contractual payment obligations of the Agency payable from Increment Revenues, junior, inferior and subordinate in priority to the Tax Increment Obligations, that the Agency may approve or enter into from time to time, including by budget amendment if necessary.

"Tax Increment Obligations" is defined in the CRA Interlocal Agreement as debt service payable on any and all bonds, notes, loans, capital leases or other indebtedness of the Agency payable from Increment Revenues and any and all other contractual payment obligations of the Agency payable from Increment Revenues, including but not limited to all payment and funding obligations with respect to the Agency's outstanding Agency Bonds and any additional bonds or parity obligations issued in the future, all in the manner and to the extent provided for in the bond resolution authorizing the Agency tax increment revenue bonds.

The Agency's covenant to budget and appropriate Residual Capacity is subject to the availability of Increment Revenues after the Agency has paid debt service on its Tax Increment Obligations and Junior Obligations. The CRA Interlocal Agreement does not prohibit the Agency from incurring additional Tax Increment Obligations or Junior Obligations in the future. For more information about the Agency and its financial information see "APPENDIX H - GENERAL INFORMATION REGARDING THE CITY OF ORLANDO, FLORIDA COMMUNITY REDEVELOPMENT AGENCY" attached hereto.

#### **Schedule of Historic Increment Revenues Collections, Tax Increment Obligations, Junior Obligations and Remaining Increment Revenues**

The following table shows for the last ten Fiscal Years, the Agency's (i) collections of Increment Revenues, (ii) annual combined debt service for Tax Increment Obligations, (iii) annual debt service and payment obligations for all Junior Obligations, and (iv) the amount of Increment Revenues that remained after such debt service and payment obligations were funded. The amounts shown below as "Remaining Increment Revenues" are the amounts which would have been available as Residual Capacity under the CRA Interlocal Agreement, if such provisions were in effect during the Fiscal Years shown below. However, the CRA Interlocal Agreement does not prohibit the Agency from incurring additional liabilities, even by means of a budget amendment, that would further reduce the amount of remaining Increment Revenues available to constitute Residual Capacity. Any reserve and/or fund balances of the Agency on deposit in accounts of the Agency or held on behalf of the Agency on or before September 30, 2014, which may carry over from year to year, are excluded from the amount of Increment Revenues available to constitute Residual Capacity.

**SCHEDULE OF HISTORIC INCREMENT REVENUES COLLECTIONS,  
TAX INCREMENT OBLIGATIONS, JUNIOR OBLIGATIONS  
AND REMAINING INCREMENT REVENUES**

Fiscal Year Ending Sept. 30	Increment Revenues	Combined Debt Service for Tax Increment Obligations	Increment Revenues Remaining After Tax Increment Obligations	Junior Obligations			
				First Level Junior Obligations Debt Service	Second Level Junior Obligations Payments	Third Level Junior Obligation Payments	Remaining Increment Revenues <sup>(1) (2) (3)</sup>
	(a)	(b)	(c) = (a-b)	(d)	(e)	(f)	(c) – (d+e+f)
2004	\$ 9,890,863	\$ 2,574,794	\$ 7,316,069	\$ 2,108,058	\$ 110,167	\$ 2,400,390	\$ 2,697,454
2005	10,707,104	2,665,091	8,042,013	2,332,489	124,938	6,555,780	(971,194)
2006	12,847,436	2,661,954	10,185,482	2,822,051	137,005	3,302,970	3,923,456
2007	17,543,982	2,611,074	14,932,908	2,871,259	410,666	3,930,710	7,720,273
2008	19,357,076	2,616,324	16,740,752	3,383,204	530,131	4,975,310	7,852,107
2009	24,584,819	2,813,998	21,770,821	2,886,658	820,988	6,302,148	11,761,027
2010	22,895,294	5,424,316 <sup>(4)</sup>	17,470,978	2,886,632	1,431,354	5,173,162	7,979,829
2011	17,626,916	8,588,860 <sup>(4)</sup>	9,038,056	2,892,746	1,058,086	5,414,617	(327,393)
2012	16,356,340	8,592,085 <sup>(4)</sup>	7,764,255	2,773,658	941,806	5,683,069	(1,634,278)
2013	15,949,624	8,739,893 <sup>(4)</sup>	7,209,731	3,161,527	996,611	6,077,041	(3,025,447)

Source: City of Orlando, Florida Community Redevelopment Agency.

- (1) The amounts shown as "Remaining Increment Revenues" are the amounts which would have been available as Residual Capacity under the CRA Interlocal Agreement, if such provisions were in effect during the Fiscal Years included in the table
- (2) The amounts shown as "Remaining Increment Revenues" do not include investment earnings for Increment Revenues on deposit in the Redevelopment Trust Fund. However, any such investment earning would be included in the calculation of Residual Capacity.
- (3) Any reserve and/or fund balances of the Agency on deposit in accounts of the Agency or held on behalf of the Agency on or before September 30, 2014, which may carry over from year to year, are excluded from the amount of Increment Revenues available to constitute Residual Capacity.
- (4) Amount shown is net of the Build America Bonds direct subsidy for 35% of annual interest payments on certain Tax Increment Obligations.

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## **CITY'S COVENANT TO BUDGET AND APPROPRIATE**

### **General**

Pursuant to the Indenture, promptly following the receipt of Contract TDT Revenues each year, the Trustee will provide a statement to the City as to the amount of Contract TDT Payments received, the amount of Debt Service coming due in the current Bond Year, the sources of funds anticipated to be available under the Indenture and the anticipated Debt Service Deficiency in such Bond Year.

In the event of a Debt Service Deficiency in any Bond Year, the City has covenanted in the Indenture to the extent permitted by and in accordance with applicable law and budgetary processes, to prepare, approve and appropriate in its Annual Budget for each Fiscal Year, by amendment if necessary, and to pay to the Trustee for deposit to the Principal Account, Interest Account or Term Bonds Redemption Account, as applicable, Covenant Revenues in an amount equal to the Debt Service Deficiency on any payment date, which is calculated net of any additional amount deposited to replenish any amounts previously drawn from the CRA Reserve Fund and available to cure such deficiency (referred to herein as the "City's Covenant"). The City's Covenant is cumulative, and shall continue until such Covenant Revenues in amounts sufficient to cure deficiencies in amounts available pursuant to the Indenture to pay Debt Service when due shall have been budgeted, appropriated and actually paid into the Principal Account, Interest Account or Term Bonds Redemption Account, as applicable; provided, however, that such covenant shall not constitute a lien, either legal or equitable, on any of the City's Covenant Revenues or other revenues, nor will it preclude the City from pledging in the future any of its Covenant Revenues or other revenues to other obligations, nor will it give the Trustee or the Bondholders a prior claim on the Covenant Revenues.

All obligations of the City under the Indenture to fund any Debt Service Deficiency for the Bonds is only secured by the Covenant Revenues actually budgeted and appropriated and deposited to the Principal Account, Interest Account or Term Bonds Redemption Account, as provided in the Indenture. The City may not expend moneys not appropriated or in excess of its current budgeted revenues. The obligation of the City to budget, appropriate and make payments from its Covenant Revenues is subject to the availability of Covenant Revenues in the General Fund and the Utilities Services Tax Fund of the City after satisfying funding requirements for obligations having an express lien on or pledge of such revenues and after satisfying funding requirements for essential governmental services of the City.

**Nothing shall be deemed to create a pledge of or lien on the Covenant Revenues, ad valorem tax revenues or any other revenues of the City, or to permit or constitute a mortgage or lien upon any assets of the City, other than the Trust Estate. No Bondholder shall ever have the right to compel any exercise of the ad valorem taxing power of the City for any purpose, including, without limitation, to fund any Debt Service Deficiency for the Bonds or to make any other payment required under the Indenture, or to maintain or continue any activities of the City which generate user fees, regulatory fees or other Covenant Revenues, nor shall the Bonds constitute a charge, lien or encumbrance, either**

**legal or equitable, on any property, assets or funds of the City. The City is not obligated to maintain or continue any activities that generate Covenant Revenues.**

See "APPENDIX A – EXTRACT OF MATERIAL PROVISIONS OF THE INDENTURE OF TRUST" attached hereto.

The City's Covenant constitutes a Covenant Obligation (as defined herein). Covenant Bonds (as defined herein) and Covenant Obligations are all payable from Covenant Revenues. See " – Obligations Payable from Covenant Revenues" and " – Calculation of Covenant Revenues and Anti-Dilution Test Limitation" below.

### **Covenant Revenues**

As described above in "SECURITY FOR THE SERIES 2014A BONDS – General" Covenant Revenues are those revenues of the City deposited to the credit of the City's General Fund or Utilities Services Tax Fund that are legally available for the payment of the debt service on obligations of the City.

**For a discussion of various factors that could impact the receipt of Covenant Revenues, see "BONDHOLDER RISK FACTORS – Factors Affecting Collections of the City's Covenant Revenues" herein.**

### **General Fund**

The following is a statement of revenues, expenditures and changes in fund balance which provides a history of revenues and transfers which have been deposited in the General Fund for the past five Fiscal Years. This table does not represent revenues which will necessarily be available for the City to budget and appropriate to fund the Debt Service Deficiency for the Bonds. Revenues which are not available for debt service include, but are not limited to, property taxes (revenues derived from ad valorem taxation). The following table shows all revenues and expenditures of the General Fund. All footnotes for the following table appear on page 46.

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**CITY OF ORLANDO, FLORIDA**  
**GENERAL FUND**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR FISCAL YEARS ENDED SEPTEMBER 30, 2009 THROUGH 2013<sup>(1)</sup>**

	2009	2010	2011	2012	Unaudited 2013
<b>Revenues</b>					
<b>Property Taxes<sup>(2)</sup></b>					
Real and Personal Property	\$136,857,559	\$121,728,733	\$102,038,441	\$98,911,357	\$98,611,877
Interest on Delinquent Taxes	378,577	440,553	262,823	231,972	169,971
<b>Total Property Taxes</b>	<b>\$137,236,136</b>	<b>\$122,169,286</b>	<b>\$102,301,264</b>	<b>\$99,143,329</b>	<b>\$98,781,848</b>
<b>Local Business Taxes and Franchise Fees</b>					
Local Business Taxes	\$8,147,487	\$8,272,742	\$8,296,804	\$8,127,299	\$8,919,725
Franchise Fees <sup>(3)</sup>	33,042,696	34,359,542	34,065,382	34,506,814	48,210,195
<b>Total Local Business Taxes and Franchise Fees</b>	<b>\$41,190,183</b>	<b>\$42,632,284</b>	<b>\$42,362,186</b>	<b>\$42,634,113</b>	<b>\$57,129,920</b>
<b>Intergovernmental</b>					
Orlando Utilities Commission Contribution	\$45,900,000	\$45,596,000	\$47,976,000	\$47,161,000	\$47,000,000
State Revenue Sharing	8,392,219	8,390,316	8,826,154	9,241,612	9,697,571
State Sales Tax	26,743,523	27,654,564	29,800,754	30,998,163	33,414,836
Insurance Premium Taxes <sup>(2)</sup>	3,226,367	4,351,594	4,215,657	4,227,746	4,542,017
Other State Shared Revenues	1,139,711	853,517	878,354	863,901	571,355
Other Intergovernmental <sup>(4)</sup>	2,552,464	2,563,018	2,625,904	2,674,233	2,115,084
<b>Total Intergovernmental</b>	<b>\$87,954,284</b>	<b>\$89,409,009</b>	<b>\$94,322,823</b>	<b>\$95,166,655</b>	<b>\$97,340,863</b>
<b>Other Licenses, Fees and Permits</b>					
Building Inspection and Permits	\$1,742,124	\$1,638,434	\$2,130,654	\$3,260,622	\$2,844,541
Police Fees	1,312,102	1,234,137	1,510,571	1,544,369	1,437,687
Recreation and Other Fees	10,281,008	10,919,425	10,730,362	20,875,647 <sup>(5)</sup>	28,946,805 <sup>(6)</sup>
<b>Total Other Licenses, Fees and Permits</b>	<b>\$13,335,234</b>	<b>\$13,791,996</b>	<b>\$14,371,587</b>	<b>\$25,680,638</b>	<b>\$33,229,033</b>
<b>Fines and Forfeitures</b>	<b>\$4,840,614</b>	<b>\$3,857,939</b>	<b>\$3,461,252</b>	<b>\$3,358,691</b>	<b>\$3,599,662</b>
<b>Other Revenue</b>					
Income (Loss) on Investments	\$11,408,481	\$7,896,741	\$5,481,698	\$10,297,351	\$(1,116,525)
Rent	1,061,826	972,335	1,086,246	1,073,928	1,143,831
Administrative Services	12,901,894	12,360,951	16,442,544	17,332,593	15,144,607
Miscellaneous Revenues	15,185,932	13,938,275	13,735,399	11,933,269	12,512,458
<b>Total Other Revenues</b>	<b>\$40,558,133</b>	<b>\$35,168,302</b>	<b>\$36,745,887</b>	<b>\$40,637,141</b>	<b>\$27,684,371</b>
<b>Total Revenues</b>	<b>\$325,114,584</b>	<b>\$307,028,816</b>	<b>\$293,564,999</b>	<b>\$306,620,567</b>	<b>\$317,765,697</b>

	2009	2010	2011	2012	Unaudited 2013
<b>Expenditures</b>					
Current Operating:					
Executive Offices	\$20,151,725 <sup>(7)</sup>	\$18,176,809	\$18,127,633	\$18,264,492	\$19,392,510
Housing	340,955	293,386	283,370	234,106	294,469
Economic Development	13,208,672	11,715,619	12,658,111 <sup>(9)</sup>	12,876,685	13,205,778
Public Works	13,843,085	15,292,099	21,728,515 <sup>(9)</sup>	20,295,800	18,548,667
Transportation	12,451,210	12,060,674	- <sup>(9)</sup>	-	-
Families, Parks and Recreation	30,647,244	28,133,393	28,519,123	27,809,959	30,242,460
Police	114,211,182	112,077,380	111,894,842	112,389,179	117,412,091
Fire	77,241,367	80,543,693	78,453,498	87,414,936 <sup>(12)</sup>	105,348,765 <sup>(12)</sup>
Business and Financial Services	28,420,927	27,145,410	27,361,591	26,539,626	24,048,040
Orlando Venues	917,566	706,825	540,835	525,659	506,643
Debt Service	13,683,255	14,343,154	15,190,766	12,751,071	19,373,332
Other Expenditures	18,376,412	18,020,079	14,388,885	13,675,325	12,567,016
<b>Total Expenditures</b>	<b>\$343,493,600</b>	<b>\$338,508,521</b>	<b>\$329,147,169</b>	<b>\$332,776,838</b>	<b>\$360,939,771</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>\$(18,379,016)</b>	<b>\$(31,479,705)</b>	<b>\$(35,582,170)</b>	<b>\$(26,156,271)</b>	<b>\$(43,174,074)</b>
<b>Other Financing Sources and (Uses)</b>					
Operating Transfers In	\$ 48,139,058	\$50,605,333	\$67,202,660 <sup>(10)</sup>	\$48,945,715	\$34,071,024
Operating Transfers (Out)	(26,912,197)	(15,177,387) <sup>(8)</sup>	(14,350,536)	(16,175,246)	(13,114,267)
Bond and Loan Proceeds	3,525,000	5,000,000	2,400,000	2,000,000	-
<b>Total Other Financing Sources and (Uses)</b>	<b>\$24,751,861</b>	<b>\$40,427,946</b>	<b>\$55,252,124</b>	<b>\$34,770,469</b>	<b>\$20,956,757</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses)	\$6,372,845	\$8,948,241	\$19,669,954	\$8,614,198	\$(22,217,317)
<b>Fund Balance at Beginning of Year As Restated</b>	<b>\$72,498,001</b>	<b>\$78,870,846</b>	<b>\$100,988,240<sup>(11)</sup></b>	<b>\$120,658,194</b>	<b>\$129,272,392</b>
<b>Fund Balance at End of Year</b>	<b>\$78,870,846</b>	<b>\$87,819,087</b>	<b>\$120,658,194</b>	<b>\$129,272,392</b>	<b>\$107,055,075</b>

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- (1) All numbers have been audited, except the numbers for Fiscal Year 2013. The numbers for Fiscal Years 2009 through 2012 were extracted from the City of Orlando's audited Comprehensive Annual Financial Reports for such Fiscal Years. The numbers for Fiscal Year 2013 were obtained from the City's Office of Business and Financial Services.
- (2) The City's Covenant Revenues in the General Fund do not include Property Taxes. In addition, Insurance Premium Taxes are required to be used solely to fund pension benefits pursuant to Chapters 175 and 185, Florida Statutes and may not be used for debt service.
- (3) Beginning in Fiscal Year 2013 all communications services tax revenues are now deposited in the General Fund. Prior to Fiscal Year 2013 a portion of the local communications services tax revenues were deposited in the Utilities Services Tax Fund.
- (4) A small portion of intergovernmental revenues may represent grants which are limited for use for specific purposes.
- (5) Includes EMS transport fees of \$10,058,968.
- (6) Includes EMS transport fees of \$18,412,585.
- (7) Human Resources Division was moved from General Administration to Executive Offices.
- (8) Primarily due to reduction in Transfers for capital improvement projects.
- (9) Transportation Department was dissolved, with a portion going to Public Works and a portion going to Economic Development.
- (10) The increase in Operating Transfers In is due to the transfer of accumulated surplus fund balance from the Utility Services Tax Fund.
- (11) In 2011, beginning fund balance was restated due to the implementation of GASB Statement 54.
- (12) Includes the EMS Transport fund (which was classified as a non-major special revenue fund in 2011).

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## **Utilities Services Tax Fund**

The Utilities Services Tax is defined in the Indenture as the taxes imposed, levied and collected by the City pursuant to Section 166.231, Florida Statutes, and other applicable provisions of law, on the purchase of electricity, fuel oil, metered or bottled gas (natural liquefied petroleum gas or manufactured), water service, and other services on which a tax may be imposed by law. The City deposits Utilities Services Taxes in the Utilities Services Tax Fund. The City's has previously issued its wastewater system revenue bonds, currently outstanding in the principal amount of \$36,170,000 (the "Wastewater Bonds"). The Wastewater Bonds have a prior lien on Utilities Services Taxes deposited in the Utilities Services Tax Fund.

Florida law authorizes any municipality in the State to levy a utilities service tax on the purchase within such municipality of electricity, metered natural gas, liquefied petroleum gas either metered or bottled, manufactured gas either metered or bottled, water service and fuel oil as well as any services competitive with those specifically enumerated. This tax may not exceed 10% of the payments received by the sellers of such utilities services from purchasers (except in the case of fuel oil, for which the maximum tax is four cents per gallon). The purchase of natural gas or fuel oil by a public or private utility either for resale or for use as fuel in the generation of electricity, or the purchase of fuel oil or kerosene for use as an aircraft engine fuel or propellant or for use in internal combustion engines, is exempt from the levy of such tax.

The following table is a statement of revenues, expenditures and changes in fund balance which provides a history of revenues which have been deposited in the Utilities Services Tax Fund for the past five Fiscal Years.

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**CITY OF ORLANDO, FLORIDA  
UTILITIES SERVICES TAX FUND  
STATEMENTS OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR FISCAL YEARS ENDED SEPTEMBER 30, 2009 THROUGH 2013<sup>(1)</sup>**

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>Unaudited 2013</b>
<b>Revenue</b>					
Electric	\$27,877,075	\$30,130,306	\$29,941,145	\$28,970,349	\$27,786,533
Communications Services Tax	16,797,799	15,953,813	13,946,582	12,665,167	_( <sup>(3)</sup> )
Other	705,099	756,240	686,616	798,367	957,029
<b>Total Utilities Service Taxes</b>	<u>\$45,379,973</u>	<u>\$46,840,359</u>	<u>\$44,574,343</u>	<u>\$42,433,883</u>	<u>\$28,743,562</u>
Income (Loss) on Investments	2,550,518	1,953,288	277,974	377,480	(12,665)
<b>Total Revenues</b>	<u>\$47,930,491</u>	<u>\$48,793,647</u>	<u>\$44,852,317</u>	<u>\$42,811,363</u>	<u>\$28,730,897</u>
<b>Expenditures</b>					
Other	<u>-</u>	<u>-</u>	<u>(1,036,385)</u>	<u>(86,032)</u>	<u>(67,597)</u>
<b>Operating Transfers</b>					
Transfers to other funds	<u>(45,308,404)</u>	<u>(47,663,011)</u>	<u>(64,315,932)<sup>(2)</sup></u>	<u>(42,725,331)</u>	<u>(33,161,653)</u>
Excess (Deficiency) of Revenues Over Expenditures and Operating Transfers	2,622,087	1,130,636	(20,500,000)	-	(4,498,353)
<b>Beginning Fund Balance</b>	<u>24,906,228</u>	<u>27,528,315</u>	<u>28,658,951</u>	<u>8,158,951</u>	<u>8,158,951</u>
<b>Ending Fund Balance</b>	<u>\$27,528,315</u>	<u>\$28,658,951</u>	<u>\$8,158,951</u>	<u>\$8,158,951</u>	<u>\$3,660,598</u>

<sup>(1)</sup> All numbers have been audited, except the numbers for Fiscal Year 2013. The numbers for Fiscal Years 2009 through 2012 were extracted from the City of Orlando's audited Comprehensive Annual Financial Reports for such Fiscal Years. The numbers for Fiscal Year 2013 were obtained from the City's Office of Business and Financial Services.

<sup>(2)</sup> Accumulated surplus fund balance was transferred to the General Fund.

<sup>(3)</sup> Beginning in Fiscal Year 2013, all communications services taxes revenue is being deposited into the General Fund.

## **Obligations Payable from Covenant Revenues**

In addition to the City's Covenant, the City has other obligations that are payable from Covenant Revenues. The City may incur additional debt obligations payable from Covenant Revenues in the future, provided that the anti-dilution limitations provided in the Covenant Ordinance are met. See " – Anti-Dilution Limitation under Covenant Ordinance" below. As of the date of this Official Statement, the City has the following obligations payable from Covenant Revenues.

*Covenant Bonds.* The City has previously issued and has outstanding as of the date of this Official Statement \$243,640,000 in aggregate principal amount of Capital Improvement Special Revenue Bonds pursuant to the Covenant Ordinance (the "Covenant Bonds"). The City presently expects to issue approximately \$67 million in aggregate principal amount of additional Covenant Bonds in Spring 2014 for purposes of funding certain capital projects.

*Sunshine State Loans.* The City has previously borrowed and has outstanding an aggregate principal amount of \$115,740,000 from the Sunshine State Governmental Financing Commission ("Sunshine State") through the Sunshine State Commercial Paper Program (the "Series H Sunshine State Loans"). The Series H Sunshine State Loans, together with any other loans hereafter obtained from the Sunshine State, are collectively referred to herein as the "Sunshine State Loans."

*Sun Rail.* As part of the effort to implement the commuter rails system known as "SunRail," the City, together with the Florida Department of Transportation ("FDOT") and Orange, Osceola, Seminole and Volusia Counties (such counties, together with the City are referred to collectively as the "Local Government Partners") developed financing and operating plans for the acquisition, construction and operation of SunRail. The financing and operating plan for SunRail is being implemented pursuant to an Interlocal Funding Agreement for Acquisition and Construction of the Central Florida Commuter Rail System entered into among FDOT and the Local Government Partners (the "Interlocal Funding Agreement"), and an Interlocal Governance Agreement for the Creation of the Central Florida Commuter Rail Commission entered into among the Local Government Partners (the "Interlocal Governance Agreement").

To fund its initial capital contribution under the Interlocal Funding Agreement, the City entered into a loan agreement with the State of Florida Infrastructure Bank Loan Program (the "SIB Loan"). The SIB Loan currently has \$11,001,786 outstanding. Repayment of the outstanding amounts is expected to continue through Fiscal Year 2021.

Pursuant to the Interlocal Governance Agreement each Local Government Partner is required to pay its "Share of Local Operating Support" to fund operating deficits of SunRail, commencing seven years after SunRail is placed in service. Each Local Government Partner's Share of Local Operating Support will be calculated pursuant to a formula based upon the number of passengers embarking and disembarking at stations located in its jurisdiction. The City has covenanted in the Interlocal Governance Agreement, to budget and appropriate Covenant Revenues in each year sufficient to pay its Share of Local Operating Support.

## **Anti-Dilution Limitation under the Covenant Ordinance**

Because the City's Covenant, the Covenant Bonds, the Sunshine State Loans, and the SIB Loan are all indebtedness of the City that is secured by or payable, either primarily or secondarily (without sufficient debt service coverage or collection history from the primary payment source), from Covenant Revenues, they each currently constitute "Non-Self Sufficient Debt" under the Covenant Ordinance.

The City has covenanted in the Covenant Ordinance not to issue any Non-Self Sufficient Debt (including Bonds issued under the Indenture) unless there shall be filed with the City a report by an independent certified public accountant, or such other party as the rating agency shall approve without withdrawing or reducing the rating then applicable to the Covenant Bonds outstanding under the Covenant Ordinance, projecting that for each of the three Fiscal Years following the Fiscal Year in which such Non-Self Sufficient Debt is issued, the following two tests will be met:

- (1) If maximum annual debt service on all then outstanding Non-Self Sufficient Debt and the Non-Self Sufficient Debt proposed to be issued, occurs more than six years from the date of calculation, then the maximum annual debt service on all then outstanding Non-Self Sufficient Debt and the Non-Self Sufficient Debt proposed to be issued cannot exceed 35% of Covenant Revenues for each of the three following Fiscal Years; or if maximum annual debt service on all then outstanding Non-Self Sufficient Debt and the Non-Self Sufficient Debt proposed to be issued, occurs less than six years from the date of calculation, then the maximum annual debt service on all then outstanding Non-Self Sufficient Debt and the Non-Self Sufficient Debt proposed to be issued cannot exceed 25% of Covenant Revenues for each of the three following Fiscal Years; and
- (2) The higher of (a) the average annual debt service requirement with respect to all Non-Self Sufficient Debt then outstanding and the Non-Self Sufficient Debt proposed to be issued, or (b) the aggregate annual debt service with respect to all such Non-Self Sufficient Debt then outstanding including the Non-Self Sufficient Debt proposed to be issued for the Fiscal Year following the year in which the calculation is made, cannot exceed 25% of the Covenant Revenues for each of the three following Fiscal Years.

## **Calculation of Covenant Revenues and Anti-Dilution Test Limitation**

The following table shows the calculation of the anti-dilution test limitation under the Covenant Ordinance, which is calculated as a percentage of Covenant Revenues for each of the past five Fiscal Years.

**CITY OF ORLANDO, FLORIDA  
CALCULATION OF COVENANT REVENUES  
AND ANTI-DILUTION TEST LIMITATION**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>COVENANT REVENUES</b>					
General Fund Revenue <sup>(1)</sup>	\$325,114,584	\$307,028,816	\$293,564,999	\$306,620,567	\$317,765,697
Interfund Transfer In	48,139,058	50,605,333	67,202,660	48,945,715	34,071,024
Utilities Services Tax Fund Revenue <sup>(1)</sup>	47,930,491	48,793,647	44,852,317	42,811,363	28,730,897
Total Revenues	<u>421,184,133</u>	<u>406,427,796</u>	<u>405,619,976</u>	<u>398,377,645</u>	<u>380,567,618</u>
Less:					
Ad-valorem Tax Revenues	137,236,136	122,169,286	102,301,264	99,143,329	98,781,848
Revenues Not Legally Available for Debt Service <sup>(2)</sup>	3,226,367	4,351,594	4,215,657	4,227,746	4,542,016
Internal Transfer <sup>(3)</sup>	45,308,404	47,663,011	64,315,932	42,725,331	33,161,653
Total Covenant Revenues	<u>\$235,413,226</u>	<u>\$232,243,905</u>	<u>\$234,787,123</u>	<u>\$252,281,239</u>	<u>\$244,082,101</u>
<b>[25% Limitation] <sup>(4)</sup></b>	\$58,853,307	\$58,060,976	\$58,696,781	\$63,070,310	\$61,020,525
Maximum Annual Debt Service on Covenant Obligations <sup>(5)</sup>	30,474,987	36,003,294	33,004,686	32,595,393	32,650,904
% of Limit	51.78%	62.01%	15.23%	51.68%	53.51%
% of Covenant Revenues	12.95%	15.50%	14.06%	12.92%	13.38%

(1) Includes interest income.

(2) Represents amounts that the City believes are not legally available for debt service. There are no assurances that in future years the percentage of revenues not legally available for debt service will not increase.

(3) To alleviate duplicate counting, revenues are reduced by the amount transferred into the General Fund from the Utility Services Tax Fund.

(4) Defined as [25%] of the Covenant Revenues if the year in which the maximum annual debt service on Covenant Obligations occurs is less than six years from the date of calculation. The percentage is 35% if the year in which the maximum annual debt service on Covenant Obligations occurs is more than six years from the date of calculation.

(5) Includes all Covenant Obligations. The estimated interest rates used to compute debt service are as follows:

	<u>Series H Taxable</u>	<u>Series H Tax-Exempt</u>
Interest	4.90%	3.50%
LOC/Liquidity	1.10	1.10
Remarketing	0.10	0.10
Other	0.05	0.05
Total	<u>6.15%</u>	<u>4.75%</u>

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The following table shows the calculation of maximum annual debt service as a percentage of Covenant Revenues for the Fiscal Year ended September 30, 2013 for all Covenant Obligations, including the City's Covenant with respect to the Series 2014A Bonds, upon issuance of the Series 2014 Bonds and without taking into account any available Contract TDT Revenues or other amounts on deposit in the Pledged Funds.

Total Covenant Revenues	\$244,082,101
Maximum Annual Debt Service <sup>(1)</sup>	\$
% of Covenant Revenues	%

- <sup>(1)</sup> Maximum annual debt service shown on this table includes the maximum annual debt service on Covenant Obligations for Fiscal Year ended September 30, 2013 shown on the prior table as \$32,650,904, plus maximum annual Debt Service on the Series 2014A Bonds, reflected in the "ESTIMATED DEBT SERVICE SCHEDULE" provided herein. Estimated debt service on any future Covenant Bonds is not included in this table.

## BONDHOLDERS' RISKS

### Factors Affecting Collections of Tourist Development Taxes

Contract TDT Revenues Are Limited. In order to have Contract TDT Revenues in any Fiscal Year, the County must collect Tourist Development Taxes in excess of the Base Amount. The Listed Amount set forth in the Community Venues Interlocal Agreement increases by two percent annually. Therefore, Tourist Development Taxes must grow by a corresponding rate in order to generate Contract TDT Revenues. There is no guarantee that Tourist Development Taxes will exceed the Base Amount in any given year, or that the amount of Contract TDT Revenues collected in any given year will be sufficient to pay scheduled Debt Service on the Bonds and other Contract TDT Obligations issued in the future. See "SECURITY FOR THE SERIES 2014A BONDS" and "CONTRACT TDT REVENUES - Historic Collections of Tourist Development Taxes and Fifth Cent TDT" and " – Historic Calculation of Contract TDT Revenues" herein.

The City does not collect the Tourist Development Taxes. The County collects the Tourist Development Taxes and has covenanted in the Community Venues Interlocal Agreement to continue to levy Tourist Development Taxes and not to impair the annual deposit available Contract TDT Revenues with the Trustee on each January 15<sup>th</sup>. Collection of the Tourist Development Taxes and the timely deposit of Contract TDT Revenues with the Trustee are the exclusive responsibility of the County and beyond the control of the City except to the extent of its enforcement of its legal rights under the Community Venues Interlocal Agreement. See "COMMUNITY VENUES INTERLOCAL AGREEMENT – County's Limited Obligations with respect to Contract TDT Obligations," and "SECURITY FOR THE SERIES 2014A BONDS – City's Covenant regarding Interlocal Agreements" herein and "COMMUNITY VENUES INTERLOCAL AGREEMENT" attached hereto as APPENDIX B.

Economic and Natural Events. Since its inception in 1978, the tourist development tax has been a revenue source that demonstrated long-term historical growth characterized by some year-to-year volatility that, at times, has been quite significant. While the County has historically experienced tourist development tax collections based on a strong tourism industry,

events of recent years have demonstrated the volatility of tourist development tax collections and their correlation to world events and the unfavorable impact on tourism from the world-wide financial recessions. This fluctuating pattern produced revenue declines in Fiscal Years 2001 and 2002 due to the impact on tourism of the attacks on America and the general economic downturn, and then again in Fiscal Year 2009 due to the most recent global economic recession. The County's collections of Tourist Development Taxes from Fiscal Year 2010 to present have shown consistent growth.

Despite the impact of Hurricanes Charley, Frances, and Jeanne to the State and the County in August and September of 2004 and the impact of Hurricanes Katrina and Wilma on South Florida in 2005, annual tourist development tax collections continued to rise until late Fiscal Year 2008. Since 2000, the two factors most negatively affecting tourism in the United States have been terrorist acts and economic recession. The City cannot predict the impact on tourism and the resulting impact on future collections of Tourist Development Taxes of further terrorist attacks, global conflicts, economic recession or active hurricane seasons in Florida.

Legislative Initiatives. In recent years Florida's Governor and Legislature have proposed and discussed various forms of tax reform and revenue and expense caps. Several measures have been adopted legislatively and other measures have been adopted by state-wide referendum, but no recent Florida tax reform legislation has involved changes in the collection of Tourist Development Taxes in Florida or the County. At times certain State officials have made statements proposing a temporary waiver of the Tourist Development Taxes in an effort to increase tourism. To date, there has been no legislative action on such statements. Proposals that place annual caps on revenue growth and expenditure growth could intentionally or unintentionally impact the effective annual rate of tourist development tax growth. Proposals that eliminate existing property taxes and increase statewide sales taxes would transfer an increased tax burden to tourists and could reduce collections of Tourist Development Taxes collections if travelers become increasingly unwilling to travel to Florida and the County due to greater sales tax costs. The City cannot predict what impact if any tax reform legislation could have on the Tourist Development Taxes collected in future years.

For information concerning the tourism industry in the County, see "APPENDIX I - GENERAL INFORMATION REGARDING ORANGE COUNTY, FLORIDA" attached hereto.

Online Travel Reservations & Reward Programs. The sale and booking of hotel rooms over the internet continues to be a popular method for reserving hotel rooms in the County. Some online travel companies pay discounted rates to hotels for rooms that are then sold over the internet to customers at higher prices. Currently, state and local sales taxes, including Tourist Development Taxes, may be collected and remitted by the hotels at the discounted rates and not on the higher amounts paid by the customers occupying the rooms. In addition, some online travel companies have sought legislative exemptions from paying the tourist development tax at both the state and federal levels. The City cannot predict the impact any state or federal legislation may have on the collection of Tourist Development Taxes from online travel companies.

Under a rewards program, each hotel in a chain is contractually obligated to monthly contribute a percentage of revenues received from guests who are program members to a central program fund. When a program member redeems points to obtain a room or an upgrade at a participating hotel, that hotel receives a credit against its monthly obligation to fund the reward program. Until recently, hotels accrued and remitted tax on the basis that the reward points have value based upon the reduced monthly contributions. Certain hotels have now taken the position that there is no consideration paid by the member guest to the hotel and that, therefore, no tax is due on such free stays. On March 20, 2006, the Florida Department of Revenue issued a "Tax Information Publication" (a "TIP") which stated that no transient rental tax imposed by Section 212.03, Florida Statutes is due when a member redeems points for a room in lieu of paying room charges; however, if points are used for an upgrade, tax is due on the base room rate and if the member is required to pay a portion of a hotel room charge in addition to redeeming points, tax is due on such portion. Furthermore, the TIP states that if, in any given month, a hotel receives more in reimbursements than it pays in contributions to its central program fund, tax is due on the amount by which reimbursement exceeds contribution.

*Central Florida Tourism.* Central Florida is one of the world's top visitor destinations. Major tourist attractions include Walt Disney World Magic Kingdom, Epcot, Disney's Hollywood Studios, Disney's Animal Kingdom, Downtown Disney, SeaWorld Orlando, Discovery Cove, Aquatica, Universal Studios, Islands of Adventure and CityWalk. In addition, a significant number of natural resources, world-class golf and tennis facilities are located in and near Central Florida.

The continued growth and development of Central Florida's various tourist attractions can positively impact collections of tourist development taxes by causing increased demand for rental lodging accommodations. For example, in June 2010, the much anticipated opening of the Wizarding World of Harry Potter at the Islands of Adventure Park, created a significant increase in tourist visits to Central Florida. While, several of Central Florida's tourist attractions have announced and/or begun the development and construction of new attractions, there is no guarantee that any new attractions will be completed and if completed, will in fact generate increases in the collection of tourist development taxes.

The foregoing discussion is not intended to be definitive or exhaustive, but instead is intended to highlight some of the various factors which could potentially affect the amounts of Tourist Development Taxes collected and, therefore, Contract TDT Revenues deposited with the Trustee in the future.

### **Factors Affecting the Availability of Residual Capacity of the Agency**

The availability of Residual Capacity from the Agency to replenish deficiencies in the CRA Reserve Fund can be materially impacted by changes in the tax assessed value of real property located within the Downtown District, the level of Increment Revenues within the Downtown District (which can also be negatively impacted by a reduction in any of the taxing authorities' millage rates) and the extent of the Agency's Tax Increment Obligations and Junior Obligations. See "CRA RESERVE FUND" above for the historic calculation of remaining Increment Revenues which could have been deemed to constitute Residual Capacity, under the CRA Interlocal Agreement, for last six Fiscal Years and APPENDIX H attached hereto for more

information regarding the Agency, the Downtown District, Increment Revenues and the Agency's Tax Increment Obligations and Junior Obligations.

### **Factors Affecting the City's Covenant Revenues**

The availability of Covenant Revenues for the City to budget and appropriate to fund Debt Service Deficiencies can be materially impacted by many factors impacting revenues collected by the City and deposited in the City's General Fund and the Utilities Services Tax Fund, as well as operations and expenses of the City.

Property Tax Reform. During recent years, various legislative proposals and constitutional amendments relating to ad valorem taxation and restrictions on local government revenues and expenditures have been introduced. Many of these proposals sought to limit local government revenues and expenditures, provide for new or increased exemptions to ad valorem taxation, limit the amount of revenues that local governments could generate from ad valorem taxation or otherwise restrict the ability of local governments in the State to levy ad valorem taxes at recent historic levels. There can be no assurance that legislation introduced to date, or any additional legislative proposals introduced in the future will be enacted, or might apply to, or have a material adverse effect upon, the City or its finances.

Covenant Revenues do not include ad valorem tax revenues. However, pursuant to the Indenture funding requirements for essential governmental services of the City must be satisfied prior to budgeting and appropriating Covenant Revenues to fund Debt Service Deficiencies and other obligations payable from the Covenant Revenues. Ad valorem revenues have historically been used in part by the City to fund essential governmental services of the City. Therefore, a decrease in ad valorem tax revenues may in turn increase the amount of Covenant Revenues required to fund essential governmental services of the City and thereby reduce the amount of Covenant Revenues available to be budgeted and appropriated to satisfy the obligation of the City under the Indenture.

Additional Covenant Obligations. The City retains the right to issue additional Covenant Obligations which may also be payable from Covenant Revenues. In addition, subject to the anti-dilution limitations in the Covenant Ordinance, the City could also issue debt secured by an express prior lien on all or a portion of the revenues constituting Covenant Revenues. See "CITY'S COVENANT TO BUDGET AND APPROPRIATE" herein.

Operations of the City. The overall fiscal health, operations and expenses and revenues of the City can materially impact the availability of Covenant Revenues after the City has funded the obligations of the City with respect to essential governmental services. See APPENDIX G attached hereto for general information regarding the City and its operations, and particularly the information provided therein under the headings " – Management Discussion and Analysis" and " – Pension and Other Post-Employment Benefits."

### **Municipal Bankruptcy**

The enforceability of remedies or rights with respect to the Series 2014A Bonds may be limited by state and federal laws, rulings and decisions affecting remedies and by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.



Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (federal bankruptcy code), certain remedies specified by the Indenture may not be readily available or may be limited.

Under existing law, municipalities must obtain the consent of state government in order to avail themselves of federal bankruptcy protection under Title 11 of the United States Code. The various legal opinions to be delivered concurrently with the delivery of the Series 2014A Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency, moratorium, or other similar laws affecting the rights of creditors generally or as to the availability of any particular remedy.

### **ENFORCEABILITY OF REMEDIES**

The remedies available to the Holders of the Series 2014A Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay.

Pursuant to the Indenture, no Holder of any Bond or any Insurer will have any right to institute any suit, action or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy thereunder, unless (i) an Event of Default has occurred, (ii) the Holders of not less than a majority in aggregate principal amount of Outstanding Bonds affected thereby have made a written request to the Trustee and offered the Trustee reasonable opportunity either to proceed to exercise the powers granted under the Indenture or to institute such action, suit or proceeding in its own name, (iii) such Holders of Bonds have offered to the Trustee indemnity, and (iv) the Trustee shall for 60 days after receipt of such request and indemnification fail or refuse to exercise the rights and remedies granted in the Indenture, or to institute such action, suit or proceeding in its own name. See "APPENDIX A – EXTRACT OF MATERIAL PROVISIONS OF THE INDENTURE OF TRUST" attached hereto.

### **INVESTMENT POLICY**

On September 25, 1995, the City Council adopted its initial Investment Policy which has been amended and ratified annually since that date (the "Investment Policy"). The Investment Policy sets forth guidelines and parameters for making decisions and taking actions relating to the City's aggregate investment portfolio. The aggregate investment portfolio includes all funds held by the City except (a) pension fund assets and (b) funds whose uses are restricted by debt covenants, prior contract or legal, regulatory or other constraints. On March 25, 2013, the City Council adopted the current version of the Investment Policy.

In December 2000, the City privatized most of its investment activities when it hired external managers to invest up to 90% of its aggregate investment portfolio. The City manages a minimum of 10% of the portfolio internally to meet liquidity needs and to meet the investment objectives contained in the Investment Policy.

Under the Investment Policy, (a) no less than 10% of the aggregate investment portfolio shall be allocated to the liquidity portfolio (the duration of the liquidity portfolio cannot exceed 1.25 years and the duration of any single holding in the liquidity portfolio shall not exceed three years), (b) the average effective duration of the aggregate investment portfolio shall be within +/- 30% of its benchmark index, (c) not less than 30% of the aggregate investment portfolio shall be invested in a combination of obligations of the U.S. Government, its agencies and instrumentalities, with a minimum of 10% of this 30% of the portfolio invested in U.S. Government and Agency debt obligations, (d) no more than 35% of the aggregate investment portfolio shall be invested in mortgage backed securities, (e) no more than 30% of the aggregate investment portfolio shall be invested in specialty risk categories, (f) no more than 10% of the aggregate investment portfolio shall be invested in corporate securities rated below Baa3 by Moody's Investors Service, BBB- by Standard & Poor's, or BBB- by Fitch Ratings, (g) no more than 10% of the aggregate investment portfolio shall be invested in investment grade securities denominated in foreign currency, (h) no more than 10% of the aggregate investment portfolio shall be invested in emerging markets securities, and (i) no more than 5% of the aggregate investment portfolio shall be invested in non-U.S. dollar, unhedged securities. Investment in items (d) through (i) above shall be externally managed and require the prior approval of the City Council.

The following comprise authorized investment instruments under the Investment Policy subject to limits and standards defined therein: U.S. Government and Agency Debt Obligations, U.S. Government Instrumentality Debt Obligations, High Grade Corporate Debt, Mortgage Backed Securities, Bank Certificates of Deposit, Repurchase Agreements, Money Market Mutual/Trust Funds, State and Local Taxable or Tax-Exempt Debt, Fixed Income Mutual Funds, Specialty Risk Investments (below investment grade corporate securities, debt issued in foreign currencies, and emerging market debt), Derivative Securities, and Reverse Repurchase Agreements.

The City is authorized to enter into reverse repurchase agreements (generally defined as a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest). The market value of the securities underlying reverse repurchase agreements normally exceeds the cash received, providing the dealers a margin against a decline in market value of the securities. If the dealers default on their contractual obligations to resell these securities to the City or provide securities or cash of at least equal value, the City would suffer an economic loss equal to the difference between the market value plus accrued interest of the underlying securities and the repurchase agreement obligations, including accrued interest. The City is not currently a party to any reverse repurchase agreements.

The Investment Policy may be modified from time to time by the City Council.

There are certain restrictions on the investment of funds held under the Indenture. See "SECURITY FOR THE SERIES 2014A BONDS - Investment of Funds and Accounts" herein.

## **INTEREST RATE RISK MANAGEMENT PRODUCTS POLICY**

In October, 2005, the City adopted an Interest Rate Risk Management Products Policy (the "Derivatives Policy") to provide guidelines for the use of interest rate risk management products such as swaps, caps, floors, collars and options in connection with the incurrence of debt obligations of the City. The Derivatives Policy provides that the objectives for which the City will consider the use of such products are (a) as a hedging strategy – to prudently reduce exposure to changes in interest rates in the context of a particular financing or overall asset/liability management of the City; or (b) to reduce cost – to achieve a lower net cost of borrowing with respect to the City's debt. Pursuant to the Derivatives Policy, interest rate mitigation products will not be used for speculative purposes.

The Derivatives Policy may be modified from time to time by the City Council. The City Council adopted the current version of the Interest Rate Risk Management Products Policy on March 25, 2013. The City is not currently a party to any interest rate swap transactions.

## **LITIGATION AND OTHER MATTERS**

There is not now pending or, to the knowledge of the City, threatened, any litigation restraining or enjoining the issuance or delivery of the Series 2014A Bonds, revenues pledged for the payment of such Series 2014A Bonds or questioning or affecting the validity of the Series 2014A Bonds, the revenues pledged for the payment of the Series 2014A Bonds or the proceedings and authority under which the Series 2014A Bonds are to be issued. Neither the creation, organization or existence, nor the title of the present members of the City Council or other officers of the City to their respective offices is being contested. The City from time to time engages in certain routine litigation, the outcome of which is not expected to have any material adverse effect on the issuance and delivery of the Series 2014A Bonds.

## **LEGAL MATTERS**

Certain legal matters incident to the validity of the Series 2014A Bonds and the issuance thereof by the City 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 D) will be delivered concurrently with the issuance of the Series 2014A 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 that Bond Counsel will state to the Underwriter at closing that it has reviewed the information in the sections hereof entitled "DESCRIPTION OF THE SERIES 2014A BONDS," (other than the information contained under the caption "Book-Entry-Only System" as to which no opinion will be expressed), "SECURITY FOR THE SERIES 2014A BONDS," "ENFORCEABILITY OF REMEDIES," and in "APPENDIX A – EXTRACT OF MATERIAL PROVISIONS OF THE INDENTURE OF TRUST" and to the extent such statements purport to summarize certain provisions of the Indenture, such statements are fair and accurate summaries of the provisions of the Indenture purported to be summarized. Bond Counsel will also state that it has reviewed the information under the caption "TAX MATTERS" and that the statements contained therein are accurate.

Certain legal matters will be passed upon for the City by its Co-Disclosure Counsel, Greenberg Traurig, P.A., Orlando, Florida and D. Seaton and Associates, Orlando, Florida, the City's Special Legal Counsel, Shutts & Bowen LLP, Orlando, Florida, and by the City Attorney's Office.

The proposed text of the legal opinion of Bond Counsel is attached hereto as APPENDIX D. The actual legal opinion to be delivered may vary from the text of APPENDIX D, if necessary, to reflect facts and law on the date of delivery of the Series 2014A Bonds. The opinion will speak only as of its date and subsequent distribution of such opinion by recirculation of this Official Statement or otherwise shall not create any implication that subsequent to the date of such opinion Bond Counsel has affirmed its opinion.

The opinion of Bond Counsel will be limited to matters relating to the authorization and validity of the Series 2014A Bonds and the tax-exempt status of interest on the Series 2014A Bonds, as described under the caption "TAX MATTERS" herein and will make no statement regarding the accuracy or completeness of this Official Statement.

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances, including changes in law that may thereafter occur or become effective.

The legal opinions to be delivered concurrently with the delivery of the Series 2014A Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## **TAX MATTERS**

### **General**

The Code establishes certain requirements which must be met subsequent to the issuance of the Series 2014A Bonds in order that interest on the Series 2014A Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2014A Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2014A 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 Series 2014A 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 City has covenanted in the Indenture with respect to the Series 2014A Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2014A Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2014A Bonds is excluded from gross income for purposes of federal income taxation. Interest on the Series 2014A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations; however, interest on the Series 2014A Bonds may be subject to the federal alternative minimum tax when any Series 2014A Bond is held by a corporation. The federal alternative minimum taxable income of a corporation must be increased by seventy-five percent (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 Series 2014A Bonds.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2014A Bonds. Prospective purchasers of Series 2014A Bonds should be aware that the ownership of Series 2014A Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2014A Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on Series 2014A Bonds; (iii) the inclusion of interest on Series 2014A Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on Series 2014A Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on Series 2014A Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the City, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2014A Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

**PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2014A BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.**

### **Information Reporting and Backup Withholding**

Interest paid on tax-exempt bonds such as the Series 2014A Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2014A Bonds from gross income for federal income tax purposes. However, in

conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2014A Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2014A Bonds and proceeds from the sale of Series 2014A Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2014A Bonds. This withholding generally applies if the owner of Series 2014A Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2014A Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

### **Other Tax Matters**

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 Series 2014A 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 Series 2014A 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 Series 2014A Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2014A Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Series 2014A Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for, or marketability of, the Series 2014A Bonds.

Prospective purchasers of the Series 2014A Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2014A Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

### **[Tax Treatment of Original Issue Discount**

Under the Code, the difference between the maturity amount of the Series 2014A Bonds maturing on \_\_\_\_\_ (collectively, the "Discount Bonds"), 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 Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount 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 purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount 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 Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.]

### **[Tax Treatment of Bond Premium**

The difference between the principal amount of the Series 2014A Bonds maturing on \_\_\_\_\_ (collectively, the "Premium Bonds"), 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 Premium Bonds of the same maturity and, if applicable, interest rate, 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 each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond 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 such Premium Bonds. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.]

## **CONTINUING DISCLOSURE**

To assist the Underwriters in complying with Rule 15c2-12(b)(5) of the SEC promulgated pursuant to the Securities Exchange Act of 1934, as is in effect on the date hereof (the "Rule"), simultaneously with the issuance of the Series 2014A Bonds, the City and the County will each execute a Continuing Disclosure Commitment dated the date of delivery of the Series 2014A Bonds (collectively, the "Continuing Disclosure Commitments") which are attached hereto as "APPENDIX E - FORM OF CONTINUING DISCLOSURE COMMITMENT OF THE CITY" and "APPENDIX F - FORM OF CONTINUING DISCLOSURE COMMITMENT OF THE COUNTY," and are for the benefit of the Holders of the Series 2014A Bonds.

The City, as an "obligated person" under the Rule, has covenanted in its Continuing Disclosure Commitment to provide certain financial information and operating data relating to

the City and the Series 2014A Bonds in each year, and to provide notices of the occurrence of certain enumerated events. The County is also an "obligated person" with respect to the Series 2014A Bonds, and has also covenanted in its Continuing Disclosure Commitment to provide certain financial information and operating data relating to the Series 2014A Bonds in each year.

Certain annual financial information and operating data and the City's audited financial statements will be filed by the City with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA") as required by the Rule. Certain annual financial information and operating data relating to the Series 2014A Bonds and the County's audited Orange County Convention Center financial statements will be filed by the County with EMMA. Notices of certain enumerated events, when and if they occur, shall be timely filed by the City with EMMA. The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the City and the County's respective undertakings are more fully described in "APPENDIX E - FORM OF CONTINUING DISCLOSURE COMMITMENT OF THE CITY" and "APPENDIX F - FORM OF CONTINUING DISCLOSURE COMMITMENT OF THE COUNTY," attached hereto.

The City has previously entered into continuing disclosure commitments with respect to its outstanding bonds. Due to a delay in finalizing the City's Comprehensive Annual Financial Report, the City filed its audited financial statements for the Fiscal Year ended September 30, 2008, five days after the April 30, 2009 deadline specified in the City's continuing disclosure commitments, and did not file unaudited financial statements on or before April 30, 2009. The City has submitted each of its subsequent continuing disclosure reports on a timely basis and has implemented procedures to ensure that all future filings will be timely and in compliance with the City's continuing disclosure commitments.

The County represents that it has complied with, and fully anticipates satisfying all future, obligations with respect to, its continuing disclosure obligations.

## **RATINGS**

Fitch Ratings and Moody's Investors Service, Inc., have assigned municipal bond ratings of ["\_\_\_," (\_\_\_\_\_ outlook)] and ["\_\_\_," (\_\_\_\_\_ outlook)], respectively, to the Series 2014A Bonds. Such ratings reflect the views of the respective rating agencies and an explanation of the significance of such ratings may be obtained only from the rating agencies. There is no assurance that such ratings will be in effect for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect upon the market price of the Series 2014A Bonds. The City undertakes no responsibility to oppose any such downward revision or withdrawal of ratings.

## **UNDERWRITING**

Subject to certain terms and conditions, the Series 2014A Bonds are being purchased by Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citigroup Global Markets Inc., on



behalf of themselves and Jefferies LLC, JP Morgan Securities LLC, Stifel Nicolaus, Morgan Stanley & Co. LLC, Rice Financial Products Company and Cabrera Capital Markets (collectively, the "Underwriters"), pursuant to that certain bond purchase agreement dated [\_\_\_\_\_, 2014] by and between the City and the Underwriters. The aggregate purchase price of the Series 2014A Bonds payable to the City is [\$\_\_\_\_\_] (\$\_\_\_\_\_.00] principal amount, plus/minus bond premium/original issue discount of [\$\_\_\_\_\_] and less Underwriters' discount of [\$\_\_\_\_\_]). The Underwriters are committed to purchase all the Series 2014A Bonds, if any are purchased. The Series 2014A Bonds are offered for sale to the public at the prices derived from the yields set forth on the inside cover page of this Official Statement. The Series 2014A Bonds may be offered and sold to certain dealers (including dealers depositing Series 2014A 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.

The following information has been provided by certain of the Underwriters for inclusion in the Official Statement.

Citigroup Global Markets Inc., an underwriter of the Series 2014A Bonds, has entered into a retail distribution agreement with each of TMC Bonds L.L.C. ("TMC") and UBS Financial Services Inc. ("UBSFS"). Under these distribution agreements, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS and the electronic primary offering platform of TMC. As part of this arrangement, Citigroup Global Markets Inc. may compensate TMC (and TMC may compensate its electronic platform member firms) and UBSFS for their selling efforts with respect to the Series 2014A Bonds.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the City, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

## **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS**

Florida law requires the City to make a full and fair disclosure of any bonds or other debt obligations which it has issued or guaranteed and which 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 as a conduit issuer). The City, since December 31, 1975, has not been in default as to principal and interest on bonds or other debt obligations which it has issued, whether as the principal obligor or as a conduit.

## **CONTINGENCY OF FEES**

The City has retained Bond Counsel, Special Legal Counsel, and Co-Disclosure Counsel with respect to the authorization, sale, execution and delivery of the Series 2014A Bonds. Payment of the fees of such professionals and an underwriting discount to the Underwriters are each contingent upon the issuance of the Series 2014A Bonds. The City's independent auditors are paid pursuant to a contract for performing an audit of the basic financial statements of the City and are not compensated as it relates to the issuance and sale of the Series 2014A Bonds.

## **FINANCIAL STATEMENTS**

The basic financial statements of the City of Orlando, Florida as of and for the Fiscal Year ended September 30, 2012 have been audited by Ernst & Young, LLP, independent auditors. The auditor's report, together with the Basic Financial Statements and Management's Discussion and Analysis and the required supplemental information for Fiscal Year ended September 30, 2012 (collectively, the "Fiscal Year 2012 Financial Statements") are included in the Comprehensive Annual Financial Report for the same period. The Fiscal Year 2012 Financial Statements of the Comprehensive Annual Financial Report are incorporated herein by reference and paper copies are available by contacting the Office of the Chief Financial Officer, City of Orlando, One City Commons, 400 South Orange Avenue, Orlando, Florida 32801. The Comprehensive Annual Financial Report is available online on the Business and Financial Services section of the City's website at [http://www.cityoforlando.net/admin/cfo/fin\\_rep.htm](http://www.cityoforlando.net/admin/cfo/fin_rep.htm). Except for the Fiscal Year 2012 Financial Statements of the Comprehensive Annual Financial Report, none of the other information contained on the City's website is included by reference in this Official Statement. The auditor's report incorporated herein by reference is provided as a publicly available document. Ernst & Young, LLP has not been requested to consent to such incorporation and has not participated in the preparation or review of this Official Statement.

The City selected a new auditor, Moore Stephens Lovelace, P.A., through a competitive procurement process. The City is presently working with the new auditor and expects that the Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2013 will be available by March 31, 2014, at the website indicated above.

## **FINANCIAL ADVISOR**

Public Financial Management, Inc., Orlando, Florida is serving as financial advisor to the City (the "Financial Advisor"). The Financial Advisor assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Series 2014A Bonds and provided other advice to the City. The Financial Advisor will not engage in any underwriting activities with regard to the issuance and sale of the Series 2014A Bonds. The Financial Advisor is not obligated to undertake and 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 and is not obligated to review or ensure compliance with the undertaking by the City to provide continuing secondary market disclosure.

## **MISCELLANEOUS**

Concurrently with the delivery of the Series 2014A Bonds, the Mayor and the Chief Financial Officer will furnish their certificates to the effect that, to the best of their knowledge, this Official Statement, as of its date and as of the date of delivery of the Series 2014A Bonds, does not contain any untrue statement of a material fact or omit to state a material fact which should be included herein for the purposes for which this Official Statement is to be used, or which is necessary to make the statements contained herein, in the light of the circumstances in which they were made, not misleading.

The information contained in this Official Statement has been compiled from official and other sources deemed to be reliable and is believed to be correct as of this date.

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. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the Holders of the Series 2014A Bonds.

The execution and delivery of this Official Statement by the Mayor and the Chief Financial Officer has been duly authorized by the City Council.

## **CITY OF ORLANDO, FLORIDA**

By: \_\_\_\_\_  
Buddy Dyer, Mayor

By: \_\_\_\_\_  
Rebecca W. Sutton, Chief Financial Officer

## **APPENDIX A**

### **EXTRACT OF MATERIAL PROVISIONS OF THE INDENTURE OF TRUST**

## **APPENDIX B**

### **COMMUNITY VENUES INTERLOCAL AGREEMENT**

## **APPENDIX C**

### **CRA INTERLOCAL AGREEMENT**

## **APPENDIX D**

### **FORM OF OPINION OF BOND COUNSEL**

## **APPENDIX E**

### **FORM OF CONTINUING DISCLOSURE COMMITMENT OF THE CITY**



## **APPENDIX F**

### **FORM OF CONTINUING DISCLOSURE COMMITMENT OF THE COUNTY**

## **APPENDIX G**

### **GENERAL INFORMATION REGARDING THE CITY OF ORLANDO, FLORIDA**

## **APPENDIX H**

### **GENERAL INFORMATION REGARDING THE CITY OF ORLANDO, FLORIDA COMMUNITY REDEVELOPMENT AGENCY**

## **APPENDIX I**

### **GENERAL INFORMATION REGARDING ORANGE COUNTY, FLORIDA**

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