

City Council Workshop

January 27, 2014

City of Orlando, Florida
Contract Tourist Development Tax
Payments Revenue Bonds, Series 2014A



Community Venues Interlocal

- Interlocal Summary:
 - Provides TDT funding for the Community Venues projects:
 - Contract 6th Cent Revenues
 - ½ of 6th Cent TDT
 - \$270M for Events Center (Amway Center, opened Oct. 2010)
 - City issued Contract 6th Cent TDT Bonds in 2008
 - Contract TDT Revenues
 - Source is 1st-4th Cents of TDT
 - Amount is calculated on 1st-5th Cents of TDT
 - City receives everything over base amount, which grows by 2% per year
 - Citrus Bowl, Performing Arts Center, Soccer Stadium



Community Venues Interlocal

- Interlocal Summary:
 - Contract TDT Revenues provide funding for:
 - Citrus Bowl - \$140M
 - plus cost escalator
 - plus additional \$12M for competitive scope
 - Performing Arts Center (DPAC) - \$130M
 - plus cost escalator for Stage 2
 - plus additional \$25M for Stage 2
 - Soccer Stadium - \$20M



Community Venues Interlocal

- Interlocal Summary:
 - City will issue Contract TDT Bonds to finance construction of the Citrus Bowl, Performing Arts Center and Soccer Stadium
 - County provides Contract TDT Revenues to pay debt service on Contract TDT Bonds
 - County began transferring Contract TDT Revenues in 2009
 - \$22.4M of Contract TDT Revenues have been spent on non-bonded construction costs of the Performing Arts Center
 - \$11.7M was received on 1/15/2014 for the FY 2013 payment



Community Venues Interlocal

- Interlocal Summary:
 - City/CRA required to establish a \$25M CRA Reserve
 - The City and CRA have already set aside funds for this
 - CRA required to refill the CRA Reserve from residual capacity (reimbursable from Contract TDT revenues)
 - County will refill ½ of each draw on the CRA Reserve, up to an aggregate maximum of \$12.5M
 - Any other City or CRA funds used to pay debt service or refill the CRA Reserve are reimbursable from TDT revenues

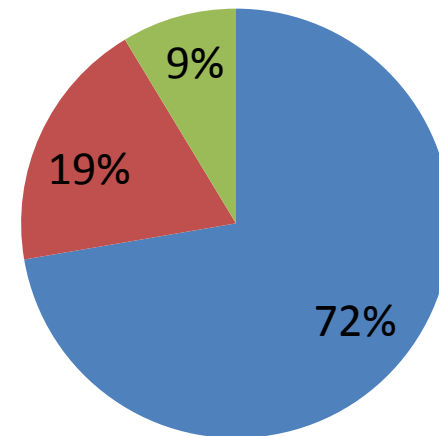


2014A Projects Overview

Project	Proceeds
Citrus Bowl	167,000,000
DPAC	44,000,000
Soccer	20,000,000
Total	231,000,000

Proceeds Allocation

■ Citrus Bowl ■ DPAC ■ Soccer



2014A Contract TDT Bonds

- Size: \$231M
 - plus liquidity reserve, debt service reserve, costs of issuance and capitalized interest
- Final Maturity 2045
- Est. Maximum Annual Debt Service: \$16M
- Underwriters: BofA Merrill Lynch and Citi
 - Co-Managers: Jefferies, JPMorgan, Stifel Nicolaus, Morgan Stanley, Rice (MBE), Cabrera (MBE)
- Expected Sale Date: Feb/Mar 2014



2014A Contract TDT Bonds

- Primary repayment source is Contract TDT Revenues
- Contract TDT Revenues are not creditworthy without additional credit support
- CRA's residual capacity does not provide required credit support
- City's credit support is necessary
 - to achieve credit sufficient to market the bonds
 - to achieve the credit rating required under the Interlocal Agreement



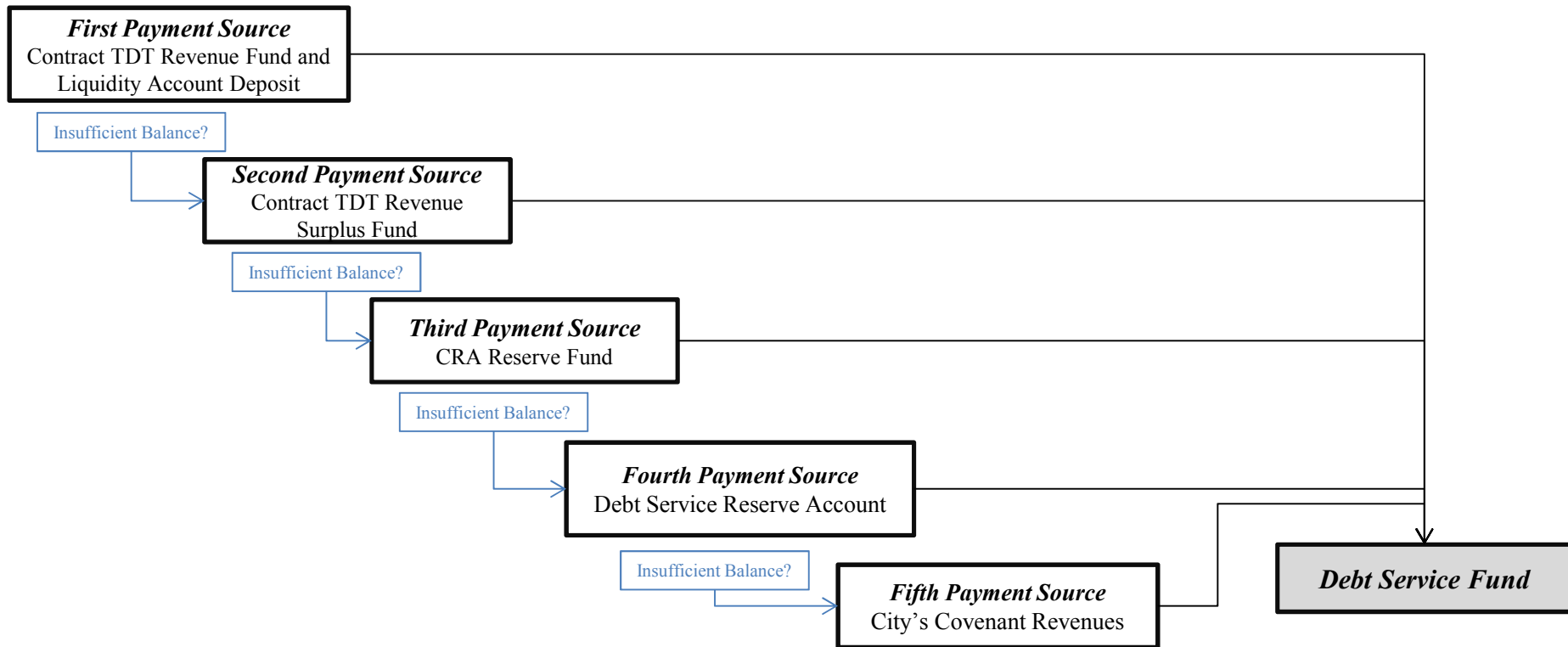
2014A Contract TDT Bonds

- Sources of Funds for Debt Service Payments:
 1. Contract TDT Revenues from County
 - including \$11.7M received 1/15/2014, bond-funded capitalized interest and liquidity reserve
 2. Prior year surplus Contract TDT Revenues
 3. CRA Reserve
 - includes refills by CRA and County
 4. Debt Service Reserve Fund
 5. City's covenant revenues
 - reimbursable from Contract TDT Revenues



2014A Contract TDT Bonds

- Priority of Sources of Payment for Debt Service



2014A Contract TDT Bonds

Reserves at Bond Issuance	
1/15/2014 Contract TDT Revenues	\$11.7M
Liquidity Account	\$8M
Capitalized Interest	\$5M
CRA Reserve	\$25M
County's Refill of CRA Reserve	\$12.5M
Debt Service Reserve	\$8M
Total Reserves at Bond Issuance	\$70.2M



2014A Contract TDT Bonds

Reserves Coverage at Bond Issuance	
Total Reserves	\$70,200,000
Max. Annual Debt Service	\$16,000,000
Reserve Coverage	4.4 years



2014A Contract TDT Bonds

- TDT decline scenarios
 - 2001 and 2008 scenarios were modeled
 - Neither scenario results in draw on CRA Reserve
 - Neither scenario requires City revenues to pay debt service



2014A Contract TDT Bonds

- Early payoff scenarios:

TDT Growth Rate	Approx. Payoff Term
3%	14 years (16 years early)
4%	11 years (19 years early)
5%	9 years (21 years early)
6%	8 years (22 years early)



January 27th Agenda Items

- CRA's credit support for bonds requires the soccer stadium be added to the CRA Redevelopment Plan
 - CRA Redevelopment Plan Amendment
 - CRA Trust Fund Ordinance
- No CRA funding for soccer stadium



February 10th Agenda Items

- 2nd Reading of CRA Trust Fund Ordinance
- City and CRA resolutions
 - Authorizing CRA's covenant to budget and appropriate to refill the CRA Reserve
 - Approving City/CRA interlocal agreement regarding CRA's residual capacity
- 2014A TDT Bonds authorizing resolution



City Council Workshop

January 27, 2014

City of Orlando, Florida
Contract Tourist Development Tax
Payments Revenue Bonds, Series 2014A

