

***Convention Center & TDT***

**FY 2024-25  
Budget Work  
Session**

**July 11, 2024**

***Convention Center***

## **FY 2024-25 Budget Work Session**

**July 11, 2024**

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### **Presentation Outline**

- **Organizational Chart**
- **Proposed FY 2024-25 Budget**
- **Operating Budget Highlights**
- **Capital Improvement Program**
- **Summary**

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## Presentation Outline

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## Organization Chart



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## Presentation Outline

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## Proposed FY 2024-25 Budget

Operating Revenue	Current <u>FY 2024</u>	<u>\$ Change</u>	Proposed <u>FY 2025</u>
Building Rental	\$19.2M	\$3.9M	\$23.1M
Services	\$25.4M	(\$2.1M)	\$23.3M
Parking	\$8.6M	\$0.9M	\$9.5M
Food & Beverage Net	\$18.0M	(\$2.0M)	\$16.0M
Wi-Fi Net	\$6.1M	(\$0.2M)	\$5.9M
Miscellaneous	<u>\$2.6M</u>	<u>\$0.9M</u>	<u>\$3.5M</u>
Total	\$79.9M	\$1.4M	\$81.3M
Budget Change			1.8%

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## Proposed FY 2024-25 Budget



	Adopted FY 2024	\$ Change	Proposed FY 2025
Personal Services	\$49.7M	\$0.5M	\$50.2M
Operating Budget	<u>\$52.6M</u>	<u>\$2.8M</u>	<u>\$55.4M</u>
Total	\$102.3M	\$3.3M	\$105.6M



Budget Change 3.2%

Staffing 472 7 479

Vacant Positions 39/8%

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## Proposed FY 2024-25 Budget

### ▪ Staffing Update

#### – New Positions to Meet Client and Internal Services Needs (7)

- Rigger Technicians (5)
- Rigging Support Specialist
- Capital Project Manager

### ▪ Continuing to Evaluate Retention Strategies for Key Positions



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## Presentation Outline

- Organizational Chart
- Proposed FY 2024-25 Budget
- **Operating Budget Highlights**
- Capital Improvement Program
- Reserve Fund

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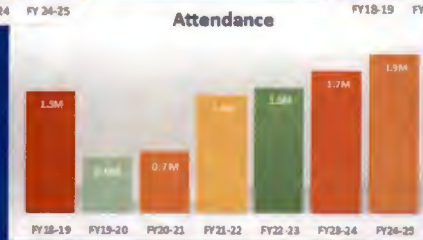
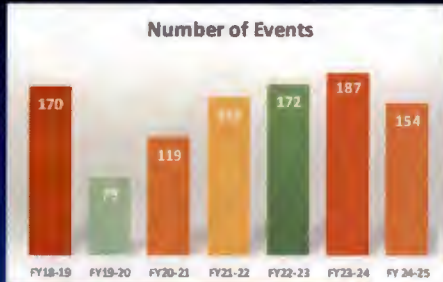
## Operating Budget Highlights

- **No Major Changes to Budget**
  - Includes Standard Increases for Personnel
  - Reflects Inflationary Increases
    - Primary Drivers are Utilities and Internal County Charges
    - Minor Increases Related to Event Activity

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## Operating Budget Highlights



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## 23-24 Event Characteristics

**Total Events: 178**

**Average Attendance: 9,131**

**Average Utilized Sq Ft: 288,142**

**Average Length: 6.34 days**

**Average Move-In Days: 2.63**

**Average Show Days: 2.78**

**Average Move-Out Days: 0.84**

**Days W/N-S Buildings Unoccupied: 4**



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## Operating Budget Highlights

Convention/Event	Dates	Attendance	Economic Impact
FABTECH 2024	October 2024	35,000	\$88.8M
IAAPA Expo 2024	November 2024	41,100	\$104.2M
AKC National Championship Presented by Royal Canin	December 2024	25,000	63.4M
PGA Merchandise Show 2025	January 2025	32,000	\$81.2M
MegaCon Orlando 2025	February 2025	160,000	\$405.8M
Sunshine Volleyball Classic 2025	March 2025	37,000	\$93.8M
Open Championship Series 2025	April 2025	70,000	\$177.5M
Coverings 2025	May 2025	26,800	\$68.0M
Infocomm 2025	June 2025	44,100	\$111.9M
AAU Junior National Volleyball 2025	June-July 2025	200,000	\$507.2M
Assemblies of God 2025 General Council	August 2025	25,000	\$63.4M
Clean Show 2025	September 2025	16,000	\$40.6M

FABTECH



PGA

MEGACon



IAAPA  
EXPO

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## Presentation Outline

- Organizational Chart
- Proposed FY 2024-25 Budget
- Operating Budget Highlights
- Capital Improvement Program

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## Proposed FY 2024-25 CIP Budget

	<b>Proposed FY 2025</b>
<b>Capital Improvement Projects</b>	<b>\$129.9M</b>
<b>Ongoing CIP Expansion</b>	<b>\$79.9M \$50M</b>



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## Capital Improvement Program (Ongoing)

### ▪ Major Projects

#### – North-South Restrooms Renovations Design

- FY 2025 Budget: \$2.8M
- Total Design Budget: \$3.1M
- Estimated Completion: 2029



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## Capital Improvement Program (Ongoing)

### ▪ Major Projects

#### – North-South Meeting Rooms Renovations

- FY 2025 Budget: \$7.0M
- Total Project Budget: \$45.2M
- Estimated Completion: 2029



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## Capital Improvement Program (Ongoing)

### ▪ Major Projects

#### – North-South Food Court Renovations

- FY 2025 Budget: \$1.2M
- Total Project Budget: \$33.5M
- Estimated Completion: 2029



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## Capital Improvement Program (5A)

### ▪ Major Projects

#### – Grand Concourse Addition (5A)

- FY 2025 Budget: \$50M Placeholder
- Design Underway



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## Phase 5A Project Update

- CMAR RFP: Currently out and due June 27
- Owners Rep RFP: Currently out and due June 25
- Design Process: 100% design anticipated in Jan. 2025
- Site Enabling Work: Anticipated to start Q1 2025
- Construction: Anticipated end of Q3/early Q4 2025

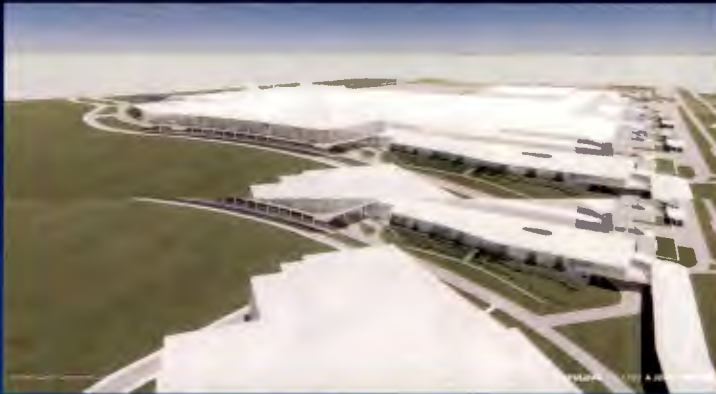


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## Phase 5A Expansion



### Phase 5A solves:

- Lack of connectivity
- Lack of ballroom
- Lack of meeting room space
- Flexible space for additional capacity

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## Phase 5A Project Overview



Orange County Convention Center DD Design Meeting 8.25.2024

POPULOUS + S.T. HSU A JOINT VENTURE

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## Phase 5A Ballroom Flexibility



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## Presentation Outline

- Organizational Chart
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- Operating Budget Highlights
- Capital Improvements Program
- **Summary**

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## Summary

- **Event Activity & Related Revenue Continuing Positivity Trajectory**
- **Inflationary Pressures Slowing but Still Persist**
- **Capital Budget Continues Major Focus on Renovations at North/South Building**



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### *Convention Center*

## **FY 2024-25 Budget Work Session**

**July 11, 2024**

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## ***Tourist Development Tax***

# **FY 2024-25 Budget Work Session**

**July 11, 2024**

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## **Presentation Outline**

- **Background and Uses**
- **Historical Collections**
- **Current Revenue & Proposed Budget**
- **Proposed Expenditure Budget**
- **Reserves**
- **Summary**

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## Presentation Outline

- **Background and Uses**
- **Historical Collections**
- **Current Revenue & Proposed Budget**
- **Overall Community Impact**

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## Background and Uses

- **F.S 125.0104 Authorizes Collection and Limits Uses of Tourist Development Taxes (TDT)**
  - Tax Imposed on Short-Term Rentals (Six Months or Less)
  - Uses Limited Largely to Convention Centers, Tourism Promotion, and Venues and Events that Generate Economic Impact from Tourism
- **Orange County Levy is 6% on Lodging Price**
  - First Enacted by Voter Referendum in 1978 at 2% to Construct the Orange County Civic Center
  - Increased Periodically Since to 6%

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## Background and Uses

- **TDT Uses of Each Cent in Orange County**
  - **1<sup>st</sup>-4<sup>th</sup>:** Uses Specified in Tourist Development Plan
    - Convention Center Debt/Capital/Operations, Venues, Arts & Sports Events, Tourism Promotion
  - **5<sup>th</sup>:** Debt Payments
  - **6<sup>th</sup>:** 50% for Amway Center and 50% for Tourism Promotion



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## Presentation Outline

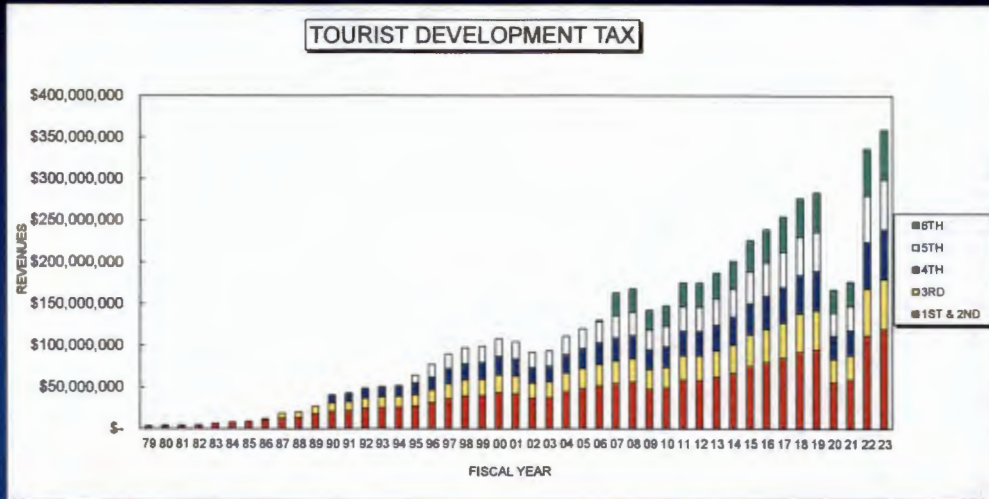
- Background and Uses
- **Historical Collections**
- Current Revenue & Proposed Budget
- Proposed & Competitive Market
- Amway Center
- Amway Center

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## Historical Collections



Source: Orange County Comptroller's Office

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## Presentation Outline

- Background and Uses
- Historical Collections
- **Current Revenue & Proposed Budget**

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## Current Revenue & Proposed Budget

- **FY 2024 TDT Revenue Budget**

- July 2023                      \$330M

- January 2024                \$330M

- July 2024                     \$350M

- Budget Update Needed for TDT Payments Based on Actual Collections

- **Collections Through May (8 Months) = \$253M**

- Less than \$2M Below FY 2023

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## Current Revenue & Proposed Budget

- **Proposed FY 2025 TDT Revenue Budget = \$345M**

- **Conservative Approach**

- **Will Monitor Collections Over Next Several Months**

- Adjust Accordingly in January 2025

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## Presentation Outline

- Background and Uses
- Historical Collections
- Current Revenue & Proposed Budget
- **Proposed Expenditure Budget**

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## Proposed Expenditure Budget

<b>Expected TDT Uses (millions):</b>	<b>FY 24</b>	<b>FY 25</b>
Debt Service	\$ 79.2	\$ 56.5
Visit Orlando Funding	99.0	98.6
Convention Center & ARC Capital	67.8	151.2
Convention Center Operations ( <i>if needed</i> )	21.4	22.4
City Venues Payment	27.5	28.8
Arts	8.0	14.0
TDT Agreements	3.0	10.8
History Center & Other	3.8	4.5
<b>Total Expenses</b>	<b>\$309.7</b>	<b>\$386.8</b>

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## Proposed Expenditure Budget

### Expected TDT Uses (millions):

	FY 24	FY 25
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## Proposed Expenditure Budget

### FY 24 FY 25

Debt Service	\$ 79.2	\$ 56.5
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- Reduced Due to Payoff of Some OCCC Debt
- Expected to Increase in Future Years for New OCCC Debt

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## Proposed Expenditure Budget

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## Proposed Expenditure Budget

	FY 24	FY 25
Visit Orlando Funding	99.0	98.6

- 30% of TDT Revenue Less \$5M for TDT ARC Grants
- \$10M Sports Incentive Funding Included in Visit Orlando Budget

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## Proposed Expenditure Budget

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## Proposed Expenditure Budget

	FY 24	FY 25
Convention Center & ARC Capital	67.8	151.2

- \$81.2M = Ongoing OCCC Renovations
- \$50.0M = Temporary Budget for OCCC Expansion Project
- \$20.0M = TDT ARC Budget
  - \$15.0M Base Amount
  - \$5.0M from Visit Orlando Allocation

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## Proposed Expenditure Budget

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## Proposed Expenditure Budget

	FY 24	FY 25
Arts	8.0	14.0

- 5% of the First Four Cents + \$2.5M
- Actual Amount Based on Actual Collections

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## Proposed Expenditure Budget

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## Proposed Expenditure Budget

	FY 24	FY 25
<b>TDT Agreements</b>	<b>3.0</b>	<b>10.8</b>

- Previously Accounted for Sports Incentive Payments
- \$10M for First Installment of UCF Stadium Improvements
- Approximately \$750k for GOSC Operating Agreement
  - \$0.50 Per Capita Funding
  - Pending Approval of Agreement by BCC

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## Proposed Expenditure Budget

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## Presentation Outline

- Background and Uses
- Historical Collections
- Current Revenue & Proposed Budget
- Proposed Expenditure Budget
- Reserves

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## Reserves



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## Presentation Outline

- Background and Uses
- Historical Collections
- Current Revenue & Proposed Budget
- Proposed Expenditure Budget
- Recommendations
- **Summary**

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## Summary

- **TDT Revenue Budget is Strong at \$345M**
  - Evaluate Update to Budget in January
- **Expenditure Budget**
  - Covers All Required Expenditures
  - Includes Updates Approved by the BCC
  - Will be Updated for Financing Arrangements



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### ***Tourist Development Tax***

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