

Tourism Promotion Agreement (Visit Orlando)



Board of County Commissioners Meeting

November 14, 2023



Agenda

- **Background (*Lisa Snead*)**
- **Tourism Promotion Agreement (*Lisa Snead & Ray Walls*)**
- **Visit Orlando Update (*Terry Prather & Casandra Matej*)**
- **Mayor's Proposed Funding Allocation (*Lisa Snead*)**
- **Next Steps Contingent upon BCC Direction (*Lisa Snead*)**



Background



On October 3, 2023, the Board of County Commissioners approved allocating tourist development tax (TDT) funding to:

- **Advance the Orange County Convention Center Phase 5A project forward - \$560M**
- **Application Review Committee (ARC) \$15M for the next 5 years-FY2024-FY2028 - \$75M**
- **Funding for Orange County Arts and Cultural Affairs ~ \$13.5M**
- **Allocate excess revenue for completion of the UCF Stadium Tower - \$90M**



Background



A motion was made to table the remaining items until the Board could have a discussion regarding Visit Orlando

- **Greater Orlando Sports Commission-Increase GOSC Operational Funding to \$740,660.50 per year (# of OC residents 1,481,321 x \$0.50) and increase Sports Incentive Committee (SIC) Funding to \$10M annually**
- **Florida Citrus Sports Camping World Stadium - \$400M**
- **Amway Center - \$256M (using a portion of the 6th cent)**
- **Dr. Phillips Center for the Performing Arts - \$54M**



Background

Commissioners Concerns related to Visit Orlando Agreement

- **Lack of County Commissioner representation on executive board of Visit Orlando**
- **Visit Orlando funding level**
- **Visit Orlando funding relationships with other agencies**





Background

During the October 3, 2023, BCC Meeting, the Board asked staff to schedule a discussion regarding the Visit Orlando Tourism Promotion Agreement as it relates to the Mayor's Tourist Development Tax (TDT) funding proposal.

Topics mentioned for consideration included:

Camping World Stadium

Amway Arena

Direct funding from VO for the Sports Incentive Fund

Greater Orlando Sports Commission-Increase GOSC Operational Funding to \$740,660.50 per year (# of OC residents 1,481,321 x \$0.50) to be paid from TDT Taxes from Orange County





Tourism Promotion Agreement

Visit Orlando

- **Purpose: Promote Orange County, coordinate activities, provide information, and support tourism and convention industry and for the benefit and welfare of the citizens.**
- **Full-service destination management organization**
- **Not-for-profit corporation; Chapter 617 Florida Statutes**





Tourism Promotion Agreement

Nature of Agreement – Changes Made

- Visit Orlando has been providing tourism, convention, group meeting, and trade show promotion services for the County since 1983, under a series of agreements.
- Visit Orlando was established with the sole purpose of marketing the destination for Orange County.
- A total of nine addendums to the 2007 agreements





Tourism Promotion Agreement - 2007

1st Addendum

April 28,
2009

3rd Addendum

October 22,
2013

5th Addendum

June 28,
2016

7th Addendum

September 18,
2018

9th Addendum

April 23,
2019

**September
11, 2007**

July 31,
2012

2nd Addendum

February 10,
2015

4th Addendum

August 1,
2017

6th Addendum

October 16,
2018

8th Addendum



Tourism Promotion Agreement - 2019

Section 3

- **Five-Year Initial Term: October 1, 2019 – September 30, 2024 –
Four-Year Extension: October 1, 2024 – September 30, 2028**

Automatically renews unless written notice is provided at least 180 days prior to September 30, 2024 that the County Administrator shall have determined, with the approval of the BCC, that nonrenewal is in the best interest of the County.

Section 4.4 Amendments and Waivers.

This Agreement may be amended, and material provisions hereof may be waived, only by a written instrument expressly approved by the BCC and duly executed by both the County and Visit Orlando.



Tourism Promotion Agreement - Section 1.1

Simplified Funding Formula with increased funding to 30% by 2023

Fiscal Year	Sixth Cent Tax	1-4 Cents Tax	Percentage of Total Tax
2019/2020	50.00%	25.105%	25.07%
2020/2021	50.00%	28.105%	27.07%
2021/2022	50.00%	30.355%	28.57%
2022/2023	50.00%	32.500%	30.00%
2023/2024	50.00%	32.500%	30.00%
2024/2025	50.00%	32.500%	30.00%
2025/2026	50.00%	32.500%	30.00%
2026/2027	50.00%	32.500%	30.00%
2027/2028	50.00%	32.500%	30.00%



*Prior to the 2019 VO funding allocation was based on the flat fee and percentage allocations



Tourism Promotion Agreement

Comparative Data -Destination Marketing Organizations % Share

According Destinations International over 75% of DMO's nationwide receive a 30% allocation or more of the applicable tax revenues related to tourism.



Tourism Promotion Agreement

Visit Orlando Historical Funding

FY	Actual	% Change over prior year
2015	\$48,367,192	
2016	\$50,619,348	5%
2017	\$53,204,556	5%
2018	\$57,459,761	8%
2019	\$65,383,063	14%
2020	\$41,963,679	-36%
2021	\$47,879,284	14%
2022	\$96,086,406	101%
2023	\$107,700,350	12%



Ray Walls, Deputy Director, Orange County Convention Center





Tourism Promotion Agreement – Section 1.2

Visit Orlando / Orange County Convention Center Sales Relationship

Visit Orlando Partners with OCCC Staff to Market and Sell the OCCC to Meetings, Conventions, and Tradeshows

- **OCCC Staff Focus on Space, Dates, and Amenities at the OCCC**
- **VO Staff Focus on Aligning Hotels and Other Private Providers Necessary for the Events**
- **OCCC and VO Collaborate to Develop Comprehensive Sales Packages for Clients**
- **Both Parties Work as a Team to Provide Support to Clients Before, During, and After Events**



Tourism Promotion Agreement – Section 2.3.3

Visit Orlando / OCCC Contractual Relationship

2019 Agreement Provided a More Robust Framework for the Relationship

- **Sets a Specific and Dedicated Funding Baseline for marketing Meetings & Conventions (M&C)**
 - **Costs Include Visit Orlando M&C Sales Team, Marketing Campaigns, Industry Tradeshow Attendance, etc.**
 - **Provides that OCCC and VO Work Together to Determine Best Marketing Strategy for OCCC Business**
 - **Provides Orange County Staff the Opportunity to Review and Provide Input on M&C Budget Annually**



Tourism Promotion Agreement – Section 2.2.2

Visit Orlando / OCCC Contractual Relationship (cont.)

- Provides that VO Set Aside a Minimum of \$1M Annually from 30% Allocation for Business Development Purposes at OCCC
- Requires VO to Outfit and Staff Guest Services Desks at the OCCC for Large Events
- Provides that VO Covers Cost of Attendance of VO and OCCC Staff on Sales Missions and at Industry Tradeshows and Events
 - Includes Fees for Registration, Booths, Rentals, Equipment, Setup, etc.



Tourism Promotion Agreement 2.10.8

Visit Orlando / OCCC Contractual Relationship (cont.)

- Provides Avenue for VO and OCCC/Orange County to Collaborate and Share Data Resources
- Provides for the Attendance by County Officials at VO Sponsored Events



Tourism Promotion Agreement Section 2.2.3

Visit Orlando / OCCC Contractual Relationship

Sports Incentive Fund Process Management

- **Provides \$4M Annually to Visit Orlando Specifically for Sports Incentives (Outside of 30% Allocation)**
- **Requires that VO Manage the Sports Incentive Process According to Procedures Established by the BCC**
 - **Includes Receiving and Reviewing Applications, Creating Agendas, Noticing Meetings, and Administering Approved Incentive Contracts**
- **Requires that VO Fund Annual Operating Payments to the Greater Orlando Sports Commission from Sports Incentive Fund Allocation**

Lisa Snead, Assistant County Administrator, Orange County Government





Tourism Promotion Agreement – Section 2.10.1

Visit Orlando Board of Directors

36 Directors from Public and Private Sectors

- **Orange County Mayor (or designee): Roseann Harrington**
- **Two non-elected representatives appointed by the BCC:
Evelyn Cardenas and Diana Font**
- **Mayor of City of Orlando (or designee)**
- **Executive Director of the OCCC**



Tourism Promotion Agreement – Section 2.10.2

Visit Orlando Audit and Oversight Committee

- Includes one Orange County appointees:

Evelyn Cardenas- Central Florida Auto Dealers Association

- **Orange County Convention Center, Executive Director,
Mark Tester**

Terry Prather, Chair of Board of Directors, Visit Orlando

Casandra Matej, President & CEO, Visit Orlando



Tourism Promotion Agreement (Visit Orlando)

BCC, Visit Orlando Presentation Discussion



Lisa Snead, Assistant County Administrator, Orange County Government



Mayor's Proposal Discussion





Mayor's Proposed Funding Allocation

Topics for Consideration from the October 3, 2023 BCC Meeting

Comptroller's Office & County Administration, and our Financial Advisors agree there is capacity in the funding plan for the remainder of the items recommended in the Mayors proposal if the BCC chooses:

- Camping World Stadium \$400M
- **Amway not to exceed \$226M (extend 6th cent for additional years).**
- Sports Incentive Committee funding at \$10M to be paid directly from the VO 30% allocation.
- Greater Orlando Sports Commission-Increase GOSC Operational Funding to \$740,660.50 per year (# of OC residents 1,481,321 x \$0.50) to be paid from TDT Taxes from Orange County



Next Steps – Contingent upon Board Direction

- **Tourist Development Council recommendation to the BCC to approve the amendment to the Tourist Development Plan**
- **BCC public hearing to consider ordinance setting forth amendment to the Tourist Development Plan**
- **Funding agreements for new projects drafted and approved**



Next Steps – Contingent upon Board Direction

- BCC Approval to Fund Camping World Stadium -\$400M
- **BCC Approval to Fund Amway Center - not to exceed \$226M**
- BCC Approval to Amend VO Contract for direct funding of the Sports Incentive Fund to be paid from directly by VO from the current 30% TDT Allocation - up to \$10M
- BCC Approval to Fund Greater Orlando Sports Commission-Increase GOSC Operational Funding to \$740,660.50 per year (# of OC residents 1,481,321 x \$0.50) to be paid from TDT Taxes from Orange County

Tourism Promotion Agreement (Visit Orlando)



Board of County Commissioners Meeting

November 14, 2023