



LAKE EOLA PARK

BOND DISCLOSURE

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021



BOND DISCLOSURE SUPPLEMENT

City of Orlando, Florida

For the Fiscal Year Ended September 30, 2021



Prepared by:
Office of Business and Financial Services



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April 1, 2022

Mayor Buddy Dyer
and City Commissioners
City of Orlando, Florida

Subject: Bond Disclosure Supplement

Dear Mayor and City Commissioners:

The City's Bond Disclosure Supplement is prepared in conjunction with the City's Comprehensive Annual Financial Report (CAFR). This Supplement provides updated information on the City and CRA related disclosures that are normally included in an Official Statement.

The City reaffirms its commitment to meet or exceed all established standards for municipal bond disclosure. Specifically, the City will:

1. Provide event related disclosure of interest to bond holders, including but not limited to those required by the Securities Exchange Commission (SEC) Rule 15c2-12;
2. Annually provide financial statements and appropriate supplement disclosures to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system; and
3. Provide, or will cause to be provided, new Official Statements to the EMMA system.

In addition to reviewing the City and CRA bond programs, we have included the City's Debt Management Policy as well as demonstrated compliance with the constraints of this policy. The City has also included both its Interest Rate Risk Management Products Policy and its Investment Policy Statement to provide full disclosure.

This information is presented to supplement and complement the City's CAFR, not serve as a replacement.

Respectfully submitted,



Christopher P. McCullion
Chief Financial Officer

Attachment



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**CITY OF ORLANDO, FLORIDA
BOND DISCLOSURE SUPPLEMENT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

TABLE OF CONTENTS

I.	COVENANT TO BUDGET AND APPROPRIATE BONDS	SECTION A
	Summary Information	A-1
	Introduction	A-3
	Outstanding Indebtedness	A-4
	Covenant Revenues	A-9
	Bond Covenants	A-14
	Internal Loan (Banking) Fund	A-20
	City Administration	A-23
 II.	 WASTEWATER SYSTEM FUND	 SECTION B
	Summary Information	B-1
	Introduction	B-2
	Outstanding Indebtedness	B-4
	Revenues of the System	B-5
	Utilities Services Tax	B-7
	Flow of Funds Chart	B-10
	Synopsis of Wastewater System Revenue Bond Covenants	B-11
	Financial Performance	B-11
	Wastewater System	B-16
	Capital Improvement Plan	B-32
	Management of the System	B-33
 III.	 COMMUNITY REDEVELOPMENT AGENCY	 SECTION C
	Summary Information	C-1
	<u>Downtown District:</u>	C-3
	Introduction	C-3
	Outstanding Indebtedness	C-5
	Tax Increment Revenues	C-7
	Subordinate Liens on Tax Increment Revenues	C-11
	Management of the Agency and City	C-15
	Original Redevelopment Plan and 1990 Redevelopment Plan	C-17
	Downtown Outlook 2000 Plan	C-18
	Downtown Outlook 2007 Plan Amendment	C-20
	Downtown Outlook 2010 Plan Amendment	C-20
	Downtown Outlook 2015 Plan Amendment	C-22
	Groundwater Contamination	C-23
	 <u>Republic Drive Interchange District:</u>	 C-27
	Introduction	C-27
	Outstanding Indebtedness	C-31
	Pertinent Agreements	C-33
	Increment Revenues	C-34
	<u>Conroy Road District:</u>	C-38
	Introduction	C-38
	Outstanding Indebtedness	C-38
	Redevelopment Area	C-38
	Interlocal Agreement	C-42
	Increment Revenues	C-43

IV.	OTHER SELF SUFFICIENT DEBT	SECTION D
	Summary Information	D-1
	<u>Tourist Development Tax Revenue Bonds (6th Cent Contract Payments):</u>	
	Introduction	D-2
	Tourist Development Tax Collections	D-3
	Contract 6 th Cent TDT Revenue	D-6
	Bondholder Risks	D-8
	Material Event Disclosures	D-10
	Debt Service Requirements To Maturity	D-13
	<u>State Sales Tax Payments Revenue Bonds:</u>	
	Introduction	D-14
	Debt Service Obligations To Maturity	D-16
V.	FINANCIAL POLICIES	
	<u>Debt Management Policy</u>	
	Debt Management Policy	1
	Continuing Disclosure Compliance	10
	Glossary of Key Terms	16
	Debt Management Policy Compliance Tables	18
	<u>Interest Rate Risk Management Products Policy</u>	
	Interest Rate Risk Management Products Policy	1
	Glossary of Key Terms	5
	<u>Investment Policy</u>	
	Introduction	1
	Scope of Investment Policy	1
	Investment Objectives	2
	Delegation of Authority; Reporting Requirements	3
	Prudent and Ethical Standards	5
	Portfolio Management	5
	Asset Allocation Directives	8
	Authorized Transactions	9
	Authorized Investment Instruments	11
	Reverse Repurchase Agreements	17
	Approved Broker/Dealers and Financial Intermediaries	18
	Bid Requirements	19
	Internal Control Directives	19
	Continuing Education	20
	Investment Policy Statement Review and Modification	20
	Effective Date	20



CITY OF ORLANDO, FLORIDA

**COVENANT TO BUDGET AND APPROPRIATE
BOND DISCLOSURE SUPPLEMENT**

SUMMARY INFORMATION

Outstanding Balance as of September 30, 2021

Individual Bond Issues:	Outstanding	Rating (1)		Bond Insurer	Liquidity Facility	Paying Agent	Final Maturity
Fixed Rate:							
Capital Improvement Refunding Special Revenue Bonds, Series 2014A	1,825,000	N/A	(3)	N/A		STI Institutional/Truist Orlando, FL	10/1/2022
Capital Improvement Refunding Special Revenue Bonds, Series 2014B	56,035,000	Moody's S&P Fitch	Aa2 AA+ AA+	N/A		Wells Fargo Bank Orlando, FL	10/1/2046
Capital Improvement Refunding Special Revenue Bonds, Series 2014C	4,805,000	Moody's S&P Fitch	Aa2 AA+ AA+	N/A		Wells Fargo Bank Orlando, FL	10/1/2024
Capital Improvement Refunding Special Revenue Bonds, Series 2014D	6,555,000	Moody's S&P Fitch	Aa2 AA+ AA+	N/A		Wells Fargo Bank Orlando, FL	10/1/2025
Capital Improvement Refunding Special Revenue Bonds, Series 2015A	5,705,000	N/A	(3)	N/A		Wells Fargo Bank Orlando, FL	10/1/2023
Capital Improvement Refunding Special Revenue Bonds, Series 2016A	6,995,000	N/A	(3)	N/A		Bank of America Orlando, FL	10/1/2023
Capital Improvement Refunding Special Revenue Bonds, Series 2016B	53,810,000	Moody's S&P Fitch	Aa2 AA+ AA+	N/A		Wells Fargo Bank Orlando, FL	10/1/2037
Capital Improvement Refunding Special Revenue Bonds, Series 2016C	22,920,000	Moody's S&P Fitch	Aa2 AA+ AA+	N/A		Wells Fargo Bank Orlando, FL	10/1/2023
Capital Improvement Refunding Special Revenue Bonds, Series 2017A	8,173,000	N/A	(3)	N/A		PNC Bank, NA Pittsburgh, PA	10/1/2026
Capital Improvement Refunding Special Revenue Bonds, Series 2018A	9,050,000	N/A	(3)	N/A		Wells Fargo Bank Orlando, FL	10/1/2027
Capital Improvement Refunding Special Revenue Bonds, Series 2018B	102,065,000	Moody's S&P Fitch	Aa2 AA+ AA+	N/A		Wells Fargo Bank Orlando, FL	10/1/2048
Capital Improvement Refunding Special Revenue Bonds, Series 2020A	9,718,000	N/A	(3)	N/A		Bank of America Orlando, FL	10/1/2022
Sub-Total-Fixed	287,656,000						

CITY OF ORLANDO, FLORIDA

SUMMARY INFORMATION Outstanding Balance as of September 30, 2021

Individual Bond Issues:	Outstanding	Rating (1)	Bond Insurer	Liquidity Facility	Paying Agent	Final Maturity
Variable Rate:						
SSGFC Commercial Paper				JP Morgan/Chase	U.S. Bank Trust, N.A.	10/1/2023
Notes Series H Loan #3-Tax Exempt	5,553,000				St. Paul, MN	
Sub-Total-Variable	5,553,000					
Orlando Venues:(2)						
SSGFC Commercial Paper				JP Morgan/Chase	U.S. Bank Trust, N.A.	10/1/2033
Notes Series H Loan #4-Tax Exempt	40,000,000				St. Paul, MN	
SSGFC Commercial Paper				JP Morgan/Chase	U.S. Bank Trust, N.A.	10/1/2033
Notes Series H Loan #6-Tax Exempt	50,000,000				St. Paul, MN	
Capital Improvement Special Revenue Bonds, Series 2019A	36,991,000	N/A	(3)	N/A	STI Institutional/Truist Orlando, FL	10/1/2039
Sub-Total-Venues	126,991,000					
Total Covenant Debt Outstanding	\$ 420,200,000					

Revenue Pledge:

Primary:	Secondary:
General Fund Covenant Revenues	N/A
Utilities Services Tax Fund Covenant Revenues	

(1) Does not reflect ratings obtained through the use of municipal bond insurance. Reflects current ratings at the time of publication of this document.

(2) Orlando Venues Fund borrowings.

(3) The CISRB, Series 2014A, 2015A, 2016A, 2017A, 2018A, 2019A, and 2020A Bonds were issued via private placements.

CITY OF ORLANDO, FLORIDA

COVENANT TO BUDGET AND APPROPRIATE BONDS

INTRODUCTION

Covenant Program

The Covenant to Budget and Appropriate Debt Program is the City's main vehicle for financing general governmental purpose projects. The Program's Outstanding Bonds (see below) and Sunshine State Governmental Financing Commission (the "Commission") Loans (together, the Covenant Debt) are payable from the Covenant Revenues and other legally available revenues of the City actually budgeted and appropriated and deposited into the funds and accounts created and established pursuant to and in the manner provided in the Covenant Ordinance. Until deposited into the funds and accounts created under the Covenant Ordinance, Covenant Revenues are not pledged for the payment of the Covenant Debt and Bondholders will not have a lien thereon. The City has covenanted 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 deposit to the credit of the Revenue Account established pursuant to the Covenant Ordinance, Covenant Revenues in an amount which together with other legally available revenues budgeted and appropriated for such purpose equal to the Debt Service Requirement with respect to the Covenant Debt, plus an amount sufficient to satisfy all other payment obligations of the City under the Covenant Ordinance for the applicable fiscal year, including, without limitations, the obligations of the City to fund and cure deficiencies in any sub-accounts in the Reserve Account created under the Covenant Ordinance. Such covenant and agreement on the part of the City to budget and appropriate sufficient amounts of Covenant Revenues shall be cumulative, and shall continue until such Covenant Revenues in amounts, together with any other legally available revenues budgeted and appropriated for such purposes, sufficient to make all required payments under the Covenant Ordinance as and when due, including any delinquent payments, shall have been budgeted, appropriated and actually paid into the appropriate funds and accounts under the Covenant Ordinance. Such covenant shall not preclude the City from pledging in the future any of its Covenant Revenues or other revenues to other obligations.

Since holders of the Covenant Debt are not entitled to a lien on the Covenant Revenues until such revenues are deposited into the funds and accounts created under the Covenant Ordinance in favor of the holders of the Covenant Debt, the City is free to grant liens on the Covenant Revenues to secure other obligations. The exercise of remedies by the holders of other debt payable from the Covenant Revenues (whether or not so secured by a lien), including Non-Self Sufficient Debt which is not issued as Bonds under the Covenant Ordinance or the holders of the other obligations of the City, including judgment creditors, may result in the payment of debt service on some obligations so secured prior to the payment of debt service on other Non-Self Sufficient Debt, including the Covenant Debt.

The City has covenanted and agreed in the Covenant Ordinance that for so long as any Bonds are outstanding under the Covenant Ordinance, the City shall continue to deposit to the credit of the City's General Fund and Utilities Services Tax Fund those revenue sources that were deposited to the credit of the General Fund and Utilities Services Tax Fund as provided in the City's Fiscal Year 1992 Annual Budget, excluding, however, any increases or expansions in rates or levies enacted after the effective date of the Covenant Ordinance with respect to such revenue sources that are designated by the City to be deposited other than in the General Fund or the Utilities Services Tax Fund. However, the City has not covenanted to maintain any programs or other activities which generate Covenant Revenues.

Limited Obligations

All obligations of the City under the Covenant Ordinance shall be secured only by the Covenant Revenues and other legally available revenues actually budgeted and appropriated and deposited into the funds and accounts created in the Covenant Ordinance, as provided for therein. Nothing in the Covenant Ordinance shall be deemed to create a pledge of or lien on the Covenant Revenues, the ad valorem tax revenues, or any other revenues of the City or to permit or constitute a mortgage or lien upon any assets owned by the City. 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 pay the principal of or interest or premium, if any, on the Bonds or to make any other payment required there under or to maintain or continue any of the activities of the City which generate user service charges, regulatory fees or any 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 obligation of the City to budget, appropriate and make payments required by the Covenant Ordinance from its 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 for obligations having an express lien on or pledge of such revenues and the funding requirements for essential governmental services of the City.

CITY OF ORLANDO, FLORIDA

OUTSTANDING INDEBTEDNESS

Outstanding Bond Issues

As of September 30, 2021, the following bond issues were outstanding under the Covenant Program:

The Series 2014A Bond was issued to refund the 2014 Designated Maturities of the Series 2002 and Series 2008A medium term note Bonds.

The Series 2014B Bonds were issued for the acquisition, construction, equipping and installation of municipal capital improvements, including a new Orlando Police Department Headquarters facility, relocation of a radio communications tower, a new Fire Station No. 2 and various systems and lighting upgrades in municipal buildings to achieve energy efficiencies. The Bonds are callable at par beginning October 1, 2025.

The Series 2014C Bonds were issued to refund the Capital Improvement Special Revenue Bonds, Series 2005A.

The Series 2014D Bonds were issued to refund the Capital Improvement Special Revenue Bonds, Series 2006A.

The Series 2015A Bond was issued to refund the 2015 Designated Maturities of the Series 2007A and Series 2010A medium term note Bonds.

The Series 2016A Bond was issued to refund the 2016 Designated Maturities of the Series 2007A and Series 2010A medium term note Bonds.

The Series 2016B Bonds were issued to refund a portion of the Capital Improvement Special Revenue Bonds, Series 2007B (originally issued for Public Safety capital improvement projects), Series 2009A, and Series 2010C. The Bonds are callable at par beginning on October 1, 2027.

The Series 2016C Bonds were issued for the acquisition, construction, equipping and installation of municipal capital improvements, including a public safety computer-aided dispatch system and such other municipal capital projects as shall be approved by the City. The Bonds are callable at par beginning on October 1, 2027.

The Series 2017A Bond was issued to refund the 2017 Designated Maturity of the Series 2011A medium term note Bonds.

The Series 2018A Bond was issued to refund the 2018 Designated Maturity of the Series 2012A medium term note Bonds.

The Series 2018B Bonds were issued to fund various capital projects, including the Packing District Park and Tennis Center and various neighborhood park, stormwater and roadway improvement projects. The Bonds are callable at par beginning October 1, 2029. [no longer subsequent]

The Series 2019A Bond was issued through a Forward Delivery Direct Purchase Agreement to refund the Series 2009C Bonds. The Forward Delivery Direct Purchase Agreement allowed the City to lock in the interest rate in October 2018 for a refunding that occurred in October 2019.

The Series 2020A Bond was issued to refund the Series 2010B Bonds through a Direct Purchase Agreement.

CITY OF ORLANDO, FLORIDA

Outstanding Sunshine State Governmental Financing Commission (SSGFC) Loans

SSGFC Series H Commercial Paper Program

The SSGFC created a separate City of Orlando Commercial Paper series, which can be accessed for tax-exempt, alternative minimum tax (AMT), and taxable uses. In September 2004 the City borrowed \$21,630,000 in taxable commercial paper to finance economic development-related Special Assessment loans. The City repaid \$14,400,000 of that amount on December 6, 2006 and the remaining balance of \$7,230,000 was repaid on September 30, 2016. In December 2004 the City borrowed \$18,510,000 in tax-exempt commercial paper to refund commercial paper issued by the City in 1994, of which \$5,553,000 remains outstanding.

In March 2007, the City borrowed \$50,000,000 in tax-exempt commercial paper to finance land purchases for the planned Amway Center. In FY 2008, the City borrowed an additional \$60,000,000 in tax-exempt commercial paper as part of the overall financing plan for the construction of the three Community Venues projects (new Amway Center, new Performing Arts Center, and renovated Camping World Stadium, formerly known as the Citrus Bowl). In FY 2011, the City utilized excess interest earnings on loan proceeds and unneeded capitalized interest to repay \$20,000,000 of the Series H Commercial Paper Loans originally issued to finance the Community Venues projects.

State Infrastructure Bank Loan Agreement (the SIB Loan)

In February 2007, the City approved the SIB Loan Agreement with the Florida Department of Transportation (FDOT). The purpose of the SIB Loan was to provide the City's local funding necessary for the final design of both Phases I and II, right-of-way and track acquisition, vehicle procurement, construction, testing, and start-up of a new Central Florida commuter rail service known as SunRail. The SIB Loan Agreement, as amended in FY13, provided for a total loan amount up to \$14.87 million at an interest rate of 2.45%. The loan was repaid over a period of ten years with the final payment made on October 1, 2020.

CITY OF ORLANDO, FLORIDA

**COVENANT DEBT
SCHEDULE OF DEBT SERVICE
September 30, 2021**

Year Ending Sept. 30	Series 2014ABCD 2015A, 2016ABC, 2017A, 2018AB 2019A, 2020A	Tax Exempt SSGFC Series H Refunded 1994 Com.Paper Notes (1)(2)	Total
2022	32,302,739	6,301,845	38,604,584
2023	33,050,891	6,213,923	39,264,814
2024	33,026,403	6,126,000	39,152,403
2025	26,365,388	12,847,500	39,212,888
2026	26,850,696	12,420,000	39,270,696
2027	25,979,288	11,992,500	37,971,788
2028	26,443,467	11,565,000	38,008,467
2029	20,540,390	11,137,500	31,677,890
2030	18,782,438	10,710,000	29,492,438
2031	18,717,726	10,282,500	29,000,226
2032	18,716,101	9,855,000	28,571,101
2033	17,243,558	9,427,500	26,671,058
2034	17,250,778	9,000,000	26,250,778
2035	17,223,991	-	17,223,991
2036	17,185,359	-	17,185,359
2037	17,188,731	-	17,188,731
2038	15,220,805	-	15,220,805
2039	12,252,816	-	12,252,816
2040	12,247,600	-	12,247,600
2041	9,457,000	-	9,457,000
2042	9,442,100	-	9,442,100
2043	9,431,900	-	9,431,900
2044	9,416,250	-	9,416,250
2045	9,366,750	-	9,366,750
2046	9,352,250	-	9,352,250
2047	9,327,250	-	9,327,250
2048	6,441,250	-	6,441,250
2049	6,425,000	-	6,425,000
	<u>\$ 485,248,916</u>	<u>\$ 127,879,268</u>	<u>\$ 613,128,184</u>

(1) The estimated rates (in percent) to compute the debt service were as follows:

	Series H Tax-Exempt
Interest	3.5000
LOC/Liquidity	1.1000
Remarketing	0.1000
Other	0.0500
Total	<u>4.7500</u>

(2) With regard to the Covenant Program's variable rate debt which is not required by authorizing resolution to amortize, the City has covenanted (as part of its program obligation) to amortize the obligation over a minimum of the last one third of the nominal (normally 30 years) maturity.

CITY OF ORLANDO, FLORIDA

Covenant Program Principal Amortization Schedules

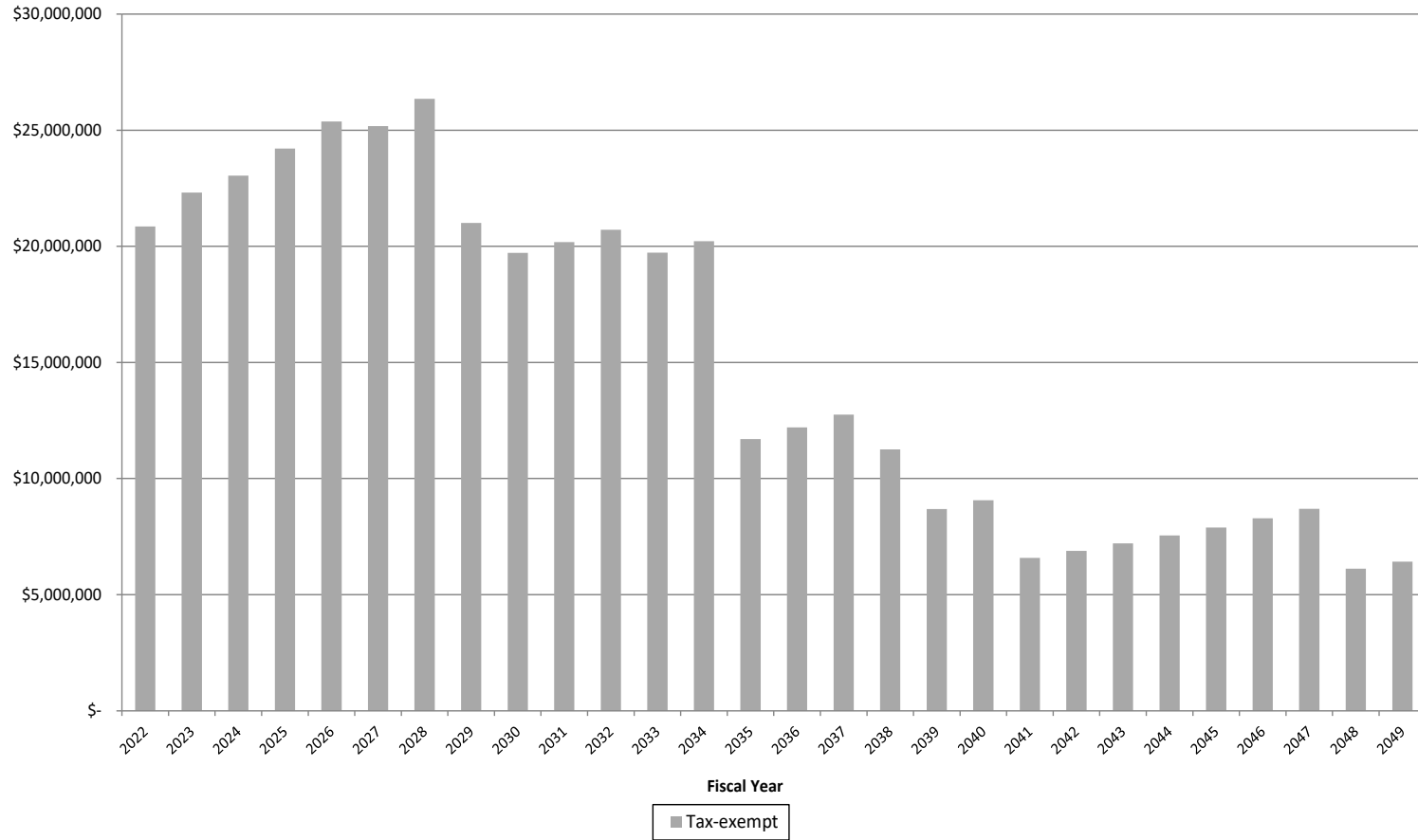
The chart on the following page (Covenant Program Principal Retirement by Debt Type) illustrates the principal amortization of all outstanding Covenant Program bonds/loans. For variable rate and Designated Maturity Debt issues, the amortization is designed to meet the program's requirement to amortize at least equally over the last 1/3 of the nominal life (or last 10 of 30 years) of the bond issue. The schedule below illustrates these amortizations in a tabular format.

COVENANT PROGRAM DEBT RETIREMENT PRINCIPAL AMORTIZATION SCHEDULE AS OF SEPTEMBER 30, 2021

<u>Fiscal Year</u>	<u>Tax-exempt</u>	<u>Total</u>
2022	\$ 20,852,000	\$ 20,852,000
2023	22,309,000	22,309,000
2024	23,047,000	23,047,000
2025	24,212,000	24,212,000
2026	25,379,000	25,379,000
2027	25,172,000	25,172,000
2028	26,351,000	26,351,000
2029	21,005,000	21,005,000
2030	19,717,000	19,717,000
2031	20,180,000	20,180,000
2032	20,716,000	20,716,000
2033	19,730,000	19,730,000
2034	20,221,000	20,221,000
2035	11,699,000	11,699,000
2036	12,206,000	12,206,000
2037	12,755,000	12,755,000
2038	11,257,000	11,257,000
2039	8,682,000	8,682,000
2040	9,065,000	9,065,000
2041	6,580,000	6,580,000
2042	6,885,000	6,885,000
2043	7,210,000	7,210,000
2044	7,545,000	7,545,000
2045	7,890,000	7,890,000
2046	8,290,000	8,290,000
2047	8,700,000	8,700,000
2048	6,120,000	6,120,000
2049	6,425,000	6,425,000
Total	<u>\$ 420,200,000</u>	<u>\$ 420,200,000</u>

CITY OF ORLANDO, FLORIDA

Covenant Program Principal Retirement by Debt Type
As of September 30, 2021



CITY OF ORLANDO, FLORIDA

COVENANT REVENUES

Covenant Revenues are defined in the Covenant Ordinance as 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 the obligations of the City under the Covenant Ordinance, inclusive of operating transfers from other funds into the General Fund and exclusive of (a) revenues derived from ad valorem taxation and (b) internal transfers between the General Fund and the Utilities Services Tax Fund (to eliminate double counting). For purposes of calculating Covenant Revenues and Self Sufficient Debt, amounts required to be transferred from the General Fund to community redevelopment trust funds pursuant to Section 163.387, Florida Statutes are deemed to be revenues derived from ad valorem taxation and not Covenant Revenues. For the calculation of Covenant Revenues for the past five fiscal years, see "Calculation of Covenant Revenues and Anti-Dilution Test Limitation" herein.

General Fund

The following is a statement of revenues, expenditures, and changes in fund balance of the General Fund for the past five fiscal years. This table does not represent revenues which will necessarily be available for payment of debt service on the Covenant Debt. Revenues which are not available for debt service include, but are not limited to, property taxes (revenues derived from ad valorem taxation). The following tables show all revenues and expenditures of the General Fund.

CITY OF ORLANDO, FLORIDA

**GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

	For the Year Ended September 30 (1)				
	2017	2018	2019	2020	2021
Revenues					
Property Taxes (2)					
Real and Personal Property	\$ 158,603,306	\$ 177,551,613	\$ 197,076,832	\$ 216,718,336	\$ 237,541,653
Interest on Delinquent Taxes	233,538	217,591	235,478	330,625	250,685
Total Property Taxes	<u>158,836,844</u>	<u>177,769,204</u>	<u>197,312,310</u>	<u>217,048,961</u>	<u>237,792,338</u>
Local Business Taxes, Franchise Fees, and Communication Services Taxes					
Local Business Taxes	9,948,074	9,774,170	9,879,688	10,448,288	9,788,210
Franchise Fees	31,531,656	33,112,845	33,046,546	33,348,566	32,974,580
Utilities Services	31,297,812	32,089,752	34,254,064	35,000,893	36,395,910
Communication Services Taxes	13,497,529	14,136,222	13,811,667	13,876,550	13,686,674
Total Local Business Taxes, Franchise Fees, Utilities and Communication Services Taxes	<u>86,275,071</u>	<u>89,112,989</u>	<u>90,991,965</u>	<u>92,674,297</u>	<u>92,845,374</u>
Intergovernmental					
Orlando Utilities Commission Contribution	59,061,240	60,615,946	63,362,147	65,727,924	61,830,528
State Revenue Sharing	12,793,087	13,578,096	14,547,622	13,570,014	15,356,927
State Sales Tax	41,787,222	46,106,097	47,753,824	37,195,412	42,690,592
Insurance Premium Taxes (2)	4,620,998	4,818,754	5,036,387	5,286,369	5,209,382
Other Intergovernmental (3)	3,069,826	3,836,875	3,981,020	13,136,932	5,313,314
Total Intergovernmental	<u>121,332,373</u>	<u>128,955,768</u>	<u>134,681,000</u>	<u>134,916,651</u>	<u>130,400,743</u>
Permits and Fees					
Building Inspection and Permits	5,426,809	6,824,654	7,670,115	5,432,880	6,358,354
Recreation and Other Fees	1,283,330	1,752,009	1,872,594	1,609,738	1,744,627
Total Permits and Fees	<u>6,710,139</u>	<u>8,576,663</u>	<u>9,542,709</u>	<u>7,042,618</u>	<u>8,102,981</u>
Charges for Services					
EVS Transport Fees	14,651,038	6,649,139	6,574,277	7,770,269	8,361,267
Administrative Services	17,553,100	19,082,582	18,761,187	19,090,911	22,101,930
Other Charges for Services	25,409,316	27,689,396	30,324,362	29,315,235	30,515,262
Total Charges for Services	<u>57,613,454</u>	<u>53,421,117</u>	<u>55,659,826</u>	<u>56,176,415</u>	<u>60,978,459</u>
Fines and Forfeitures	<u>4,747,636</u>	<u>6,207,412</u>	<u>6,067,610</u>	<u>5,099,196</u>	<u>5,838,303</u>
Other Revenue					
Income (Loss) on Investments	3,430,693	3,684,650	12,622,771	8,834,588	524,651
Miscellaneous Revenues	8,258,551	15,192,407	24,236,889	14,450,965	16,301,992
Total Other Revenues	<u>11,689,244</u>	<u>18,877,057</u>	<u>36,859,660</u>	<u>23,285,553</u>	<u>16,826,643</u>
Total Revenues	<u>447,204,761</u>	<u>482,920,210</u>	<u>531,115,080</u>	<u>536,243,691</u>	<u>552,784,841</u>

- (1) Extracted from the City of Orlando's audited Annual Comprehensive Financial Reports.
- (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) A small portion of intergovernmental revenues may represent grants which are limited for use for specific purposes.

CITY OF ORLANDO, FLORIDA

**GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
(Continued)**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenditures					
Current Operating:					
Executive Offices	\$ 22,402,599	\$ 23,746,779	25,853,812	27,028,478	28,310,146
Housing	831,904	862,486	989,244	981,775	966,846
Economic Development	12,117,762	13,101,376	14,473,308	14,411,339	15,414,777
Public Works	9,267,965	9,605,434	5,582,471	7,988,551	8,538,613
Transportation	13,154,628	15,093,556	15,352,169	15,890,749	16,266,169
Families, Parks and Recreation	33,933,081	34,926,975	36,477,997	38,618,072	43,273,722
Police	143,059,058	155,102,140	163,669,655	165,991,649	170,831,603
Fire	112,664,474	110,880,342	113,536,252	121,648,261	127,208,576
Business & Financial Services	29,563,310	30,373,332	32,844,086	32,426,131	33,665,766
Orlando Venues	698,369	542,590	499,953	571,311	548,425
Debt Service	22,236,270	19,429,102	20,075,951	19,782,068	19,973,042
Other Expenditures	22,365,985	30,270,615	33,431,264	29,720,172	27,840,548
Total Expenditures	<u>422,295,405</u>	<u>443,934,727</u>	<u>462,786,162</u>	<u>475,058,556</u>	<u>492,838,233</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>24,909,356</u>	<u>38,985,483</u>	<u>68,328,918</u>	<u>61,185,135</u>	<u>59,946,608</u>
Other Financing Sources and (Uses)					
Operating Transfers In	18,672,504	7,493,757	2,823,827	2,471,137	9,893,979
Operating Transfers (Out)	(36,043,135)	(43,099,816)	(54,730,709)	(43,308,375)	(51,586,137)
Bond and Loan Proceeds	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
Insurance Recoveries (4)	-	-	-	-	28,217
Issuance of Debt	-	-	-	-	1,700,000
Total Other Financing Sources and (Uses)	<u>(17,370,631)</u>	<u>(35,606,059)</u>	<u>(51,906,882)</u>	<u>(40,837,238)</u>	<u>(39,963,941)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses)	7,538,725	3,379,424	16,422,036	20,347,897	19,982,667
Fund Balance at Beginning of Year As Restated	<u>116,111,287</u>	<u>123,650,012</u>	<u>127,029,436</u>	<u>143,451,472</u>	<u>163,799,369</u>
Fund Balance at End of Year	<u>\$ 123,650,012</u>	<u>\$ 127,029,436</u>	<u>\$ 143,451,472</u>	<u>\$ 163,799,369</u>	<u>\$ 183,782,036</u>

(4) In years prior to FY2021 insurance recoveries were included with miscellaneous revenue

CITY OF ORLANDO, FLORIDA

Utilities Services Tax Fund

The Utilities Services Tax is defined in the Covenant Ordinance 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, and until October 1, 2001 also included the purchase of telecommunication services. The City deposits Utilities Services Taxes in the Utilities Services Tax Fund. The Utilities Services Taxes have been previously pledged for the payment of the City's Wastewater System Revenue Bonds, outstanding in the principal amount of \$27,810,000 as of September 30, 2020.

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. Prior to October 1, 2001, a municipality also had the option to levy a tax on the purchase of telecommunications services of either (a) not to exceed 10% of the monthly recurring customer service charges upon the purchases within such municipality of local telephone service or (b) not to exceed 7% of the monthly recurring customer service charges upon purchases within the municipality of telecommunications service which originates and terminates in the State based on the total amount charged for any telecommunications service provided within the municipality or, if the location of the telecommunications provided cannot be determined, the total amount billed for such telecommunications service to a telephone or telephone number, a telecommunications number or device, a service address or a customer's billing address located within the municipality, excluding variable usage charges on telecommunication service.

Pursuant to the Constitution of the State of Florida, Florida Statutes and the Code of the City (the "City Code"), the City levies a Utilities Services Tax, also referred to herein as Public Services Tax, within the incorporated area of the City at the rate of 10% on sales of all utility services for which it is allowed to tax, except telecommunications service, and with the restriction that the tax on fuel oil cannot exceed four cents per gallon. The City Code exempts from levy of such Utilities Services Tax (a) purchases of special fuels for use as airplane engine fuel or propellant, (b) purchases of special fuels to be used as raw material in a manufacturing process or a cleaning agent or solvent, (c) purchases of special fuels for use in an internal combustion engine to propel any form of vehicle, and (d) "fuel adjustment charges," which means any increases in the cost of utility service to the ultimate consumer resulting from an increase in the cost of fuel to the utility subsequent to October 1, 1973.

Florida law provides that a municipality may exempt from the utilities services tax the first 500 kilowatts of electricity per month purchased for residential use. The City has not adopted such an exemption but it does exempt purchases by the United States Government, the State, the County, the City and its agencies, boards, commissions and authorities from the levy of such tax. In addition, the City exempts purchases used exclusively for church purposes by any State recognized church.

The Utilities Services Tax must be collected by the seller from purchasers at the time of sale and remitted to the Chief Financial Officer as prescribed by the City Code. Such tax will appear on a periodic bill rendered to consumers for electricity, metered and bottled gas, water service and fuel oil. A failure by a consumer to pay that portion of the bill attributable to the utilities services tax may result in a suspension of the utility service involved in the same fashion as the failure to pay that portion of the bill attributable to the particular utility service.

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

CITY OF ORLANDO, FLORIDA

**UTILITIES SERVICES TAX FUND
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

For the Year Ended September 30 (1)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenue					
Utilities Services Tax	\$ 31,297,812	\$ 32,089,752	\$ 34,254,064	\$ 35,000,893	\$ 36,395,910
Income (Loss) on Investments	64,819	990	638,107	517,880	6,993
Other Revenues	31,991	-	-	-	-
Total Revenues	<u>31,394,622</u>	<u>32,090,742</u>	<u>34,892,171</u>	<u>35,518,773</u>	<u>36,402,903</u>
Expenditures					
Other	<u>(227,310)</u>	<u>(170,639)</u>	<u>(162,193)</u>	<u>(274,895)</u>	<u>(257,991)</u>
Operating Transfers					
Transfers to other funds	<u>(29,799,184)</u>	<u>(29,799,184)</u>	<u>(31,000,000)</u>	<u>(33,500,000)</u>	<u>(34,250,000)</u>
Excess (Deficiency) of Revenues Over Expenditures and Operating Transfers	1,368,128	2,120,919	3,729,978	1,743,878	1,894,912
Beginning Fund Balance	<u>8,085,117</u>	<u>9,453,245</u>	<u>11,574,164</u>	<u>15,304,142</u>	<u>17,048,020</u>
Ending Fund Balance	<u>\$ 9,453,245</u>	<u>\$ 11,574,164</u>	<u>\$ 15,304,142</u>	<u>\$ 17,048,020</u>	<u>\$ 18,942,932</u>

(1) Extracted from the City of Orlando's audited Comprehensive Annual Financial Reports.

CITY OF ORLANDO, FLORIDA

BOND COVENANTS

Stabilization Reserve Account

The Covenant Ordinance requires the City to fund, over a period of not to exceed 36 months, the Stabilization Reserve Account in an amount equal to the Stabilization Reserve Requirement if the unreserved fund balances of the City's General Fund and Utilities Services Tax Fund are, in the aggregate, less than 10% of the City's Aggregate Budgeted Expenditures for such fiscal year.

Pursuant to the Covenant Ordinance, "Stabilization Reserve Requirement" is defined as an amount equal to 100% of the Average Annual Debt Service Requirement with respect to all Bonds Outstanding under the Covenant Ordinance calculated as of the date the requirement to fund the Stabilization Reserve Account arises pursuant to the Covenant Ordinance and recalculated annually upon the completion of the audit required pursuant to the Covenant Ordinance and as of the date of issuance of any Additional Bonds, so long as such requirement remains effective. "Aggregate Budgeted Expenditures" is defined in the Covenant Ordinance to mean for any Fiscal Year, the aggregate of the budgeted total expenditures, plus transfers out of the General Fund and Utilities Services Tax Fund, less internal transfers between the General Fund and Utilities Services Tax Fund as provided in the Annual Budget for such Fiscal Year.

The following table shows that for the past five fiscal years the City has not been required to deposit any money in the Stabilization Reserve Account and there are currently no moneys on deposit in the Stabilization Reserve Account.

CITY OF ORLANDO, FLORIDA

**STABILIZATION RESERVE ACCOUNT REQUIREMENT
HISTORICAL PERSPECTIVE**

	For the Year Ended September 30 (3)				
	2017	2018	2019	2020	2021
Calculation of Appropriate Reserve (1)					
General Fund					
Reserved Fund Balance	\$ 4,730,292	\$ 5,203,076	\$ 6,936,081	\$ 10,439,810	\$ 3,409,869
Unreserved Fund Balance	99,868,318	98,380,602	104,451,665	115,485,054	122,230,694
Total Fund Balance	<u>104,598,610</u>	<u>103,583,678</u>	<u>111,387,746</u>	<u>125,924,864</u>	<u>125,640,563</u>
Utilities Services Tax Fund					
Unreserved Fund Balance	<u>9,453,245</u>	<u>11,574,164</u>	<u>15,304,142</u>	<u>17,048,020</u>	<u>18,942,932</u>
Total Fund Balance	<u>9,453,245</u>	<u>11,574,164</u>	<u>15,304,142</u>	<u>17,048,020</u>	<u>18,942,932</u>
Unreserved Fund Balance					
General Fund	99,868,318	98,380,602	104,451,665	115,485,054	122,230,694
Utilities Services Tax Fund	<u>9,453,245</u>	<u>11,574,164</u>	<u>15,304,142</u>	<u>17,048,020</u>	<u>18,942,932</u>
Total Unreserved Fund Balances					
General Fund and Utilities					
Services Tax Fund	<u>\$ 109,321,563</u>	<u>\$ 109,954,766</u>	<u>\$ 119,755,807</u>	<u>\$ 132,533,074</u>	<u>\$ 141,173,626</u>
Comparison to Minimum Reserve Covenant (2)					
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund Budgeted Expenditures	\$ 446,401,852	\$ 488,421,658	\$ 517,211,834	\$ 533,851,663	\$ 545,273,184
10% Aggregate Fund Balances Requirement	\$ 44,640,185	\$ 48,842,166	\$ 51,721,183	\$ 53,385,166	\$ 54,527,318
Actual Appropriable Reserve	\$ 109,321,563	\$ 109,954,766	\$ 119,755,807	\$ 132,533,074	\$ 141,173,626
Actual Percentage	24.49 %	22.51 %	23.15 %	24.83 %	25.89 %

- (1) During fiscal year 2011, the City implemented GASB 54 "Fund Balance Reporting and Governmental Fund Type Definitions" (GASB 54). GASB 54 changed the fund balance classifications from reserved and unreserved to nonspendable, restricted, committed, and unassigned based on constraints on how the fund balance can be expended. The Covenant Bond Ordinance refers to reserved and unreserved fund balance. For purposes of documenting compliance with the requirements of the Covenant Bond Ordinance, beginning with Fiscal Year 2011 the reserved fund balance is calculated as the sum of nonspendable, restricted and committed fund balances for each respective fund, and unreserved fund balance is calculated as the sum of assigned and unassigned fund balance for each respective fund.
- (2) Comparing beginning of the year Fund Balances to the final budgeted General Fund expenditures.
- (3) Amounts for prior fiscal years have been restated to match the updated General Fund Reserve calculation for fiscal year 2021. The General Fund Reserves and Budgeted amounts have been adjusted to better reflect the true reserve calculation by dropping out minor unrelated funds.

CITY OF ORLANDO, FLORIDA

Additional Bonds

The Covenant Ordinance provides for the issuance of both Additional Bonds (which shall be payable on a parity with the Outstanding Bonds) and Non-Self Sufficient Debt. Additionally, the Covenant Ordinance allows the City to issue Non-Self Sufficient Debt for which there may be granted a prior lien on all or a portion of the Covenant Revenues, provided the City first complies with the requirements described below. The Covenant Ordinance does not provide any restrictions on the issuance of Self Sufficient Debt.

Non-Self Sufficient Debt means any indebtedness of the City for the payment of borrowed money other than Self Sufficient Debt. Self Sufficient Debt means any indebtedness of the City for borrowed money that is either (a) secured by or payable exclusively from a source of revenues other than Covenant Revenues, or (b) primarily payable from revenues of the type described in clause (a) above and secondarily from Covenant Revenues if the Covenant Revenues have not been used (or, as provided below, deemed to have been used) to pay any portion of such indebtedness for the three fiscal years preceding the date of determination and if the City projects that the Covenant Revenues will not be so used during the next two fiscal years; and either (c) that is secured by a revenue source that has been in effect for at least three fiscal years and that would have provided coverage of at least 125% of the average annual debt service on such obligations secured by such revenue source in each of the three preceding fiscal years, or (d) if the revenue source has not been in existence for at least three fiscal years, that is secured by a revenue source that would have provided coverage of at least 150% of the average annual debt service on such obligations secured by such revenue source in at least the last full fiscal year preceding the issuance of such obligations and that is projected to provide at least 150% debt service coverage (based on revenue and debt service projections of the City) in each of the three ensuing fiscal years; and (e) in any such case, in the three preceding fiscal years, no debt service of which has been paid (or, as provided below, deemed to have been paid) from Covenant Revenues deposited in the General Fund or the Utilities Services Tax Fund. For purposes of calculating the coverage requirements described in this paragraph, the historical and projected receipts of a particular revenue source shall be adjusted retroactively to the initial date of the calculation period to reflect changes in rates, levies or impositions enacted prior to the date of calculation. For purposes of this definition, Covenant Revenues will be deemed to have been used to pay debt service on any debt if Covenant Revenues have been transferred in the relevant period, other than pursuant to a Capital Transfer, to a fund or account used to pay debt service on such debt. Pursuant to the Covenant Ordinance, a Capital Transfer means any Interfund transfer from the City's General Fund or the Utilities Services Tax Fund to another fund of the City designated for a specific capital project (and not for debt service with respect to debt incurred for such capital project).

Non-Self Sufficient Debt - Anti Dilution Test

(a) The City has covenanted in the Covenant Ordinance not to issue any Non-Self Sufficient Debt (including Designated Maturity Debt as defined below) 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 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:

(i) (A) If the year in which the Maximum Annual Debt Service on Non-Self Sufficient Debt occurs is more than six years from the date of calculation, the Maximum Annual Debt Service with respect to all Non-Self Sufficient Debt then outstanding and the Non-Self Sufficient Debt proposed to be issued will not exceed 35% of the Covenant Revenues for each such fiscal year forecasted by the City; or (B) if the year in which the Maximum Annual Debt Service with respect to Non-Self Sufficient Debt occurs is less than six years from the date of calculation, the Maximum Annual Debt Service with respect to all Non-Self Sufficient Debt then outstanding and the Non-Self Sufficient Debt proposed to be issued will not exceed 25% of the Covenant Revenues for each such fiscal year forecasted by the City; and

(ii) 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, will not exceed 25% of the Covenant Revenues for each such fiscal year forecasted by the City.

CITY OF ORLANDO, FLORIDA

(b) Concurrently with the issuance of Non-Self Sufficient Debt, the Mayor or Mayor Pro Tem of the City shall certify (i) the dates and the principal amounts of such Non-Self Sufficient Debt (other than Designated Maturity Debt) that will be paid or redeemed in advance of the final maturity thereof to the extent that (A) separate serial maturities or Amortization Installments have not been established for such Non-Self Sufficient Debt and (B) amortization of such debt is otherwise required pursuant to the Covenant Ordinance, as discussed under "ADDITIONAL BONDS – Amortization of Variable Rate Bonds and Designated Maturity Debt," herein, and (ii) with respect to Designated Maturity Debt, the principal amortization for each series thereof is in accordance with the Covenant Ordinance, as discussed under "ADDITIONAL BONDS – Amortization of Variable Rate Bonds and Designated Maturity Debt," herein, assuming that the final maturity of each series of Designated Maturity Debt shall be no later than thirty years from the date of original issuance thereof. Each proposed Amortization Installment set forth in such certificate shall be on a date which is on or after the first optional redemption date for such Non-Self Sufficient Debt.

(c) The City may, from time to time, amend the amortization certificate requirements established pursuant to paragraph (b) above if the new amortization schedule would not cause the City to violate the amortization requirements set forth in paragraph (a) above and the amortization requirements of Variable Rate Bonds and Non-Self Sufficient Debt as set forth in the Covenant Ordinance, as discussed under "ADDITIONAL BONDS – Amortization of Variable Rate Bonds and Designated Maturity Debt," herein, as re-calculated on the date of amendment to such amortization schedule.

(d) The certificate of amortization provided pursuant to paragraph (b) above, as amended from time to time as provided in paragraph (b) above, shall not create an enforceable right or expectation of Bondholders to have Bonds redeemed or retired in accordance therewith but is intended to document the City's ability and intent to comply with the requirements of the Covenant Ordinance.

Issuance of Additional Bonds

The City may not issue any obligations payable from the amounts deposited in the funds and accounts created under the Covenant Ordinance, or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien of any Bonds issued pursuant to the Covenant Ordinance upon such funds and accounts, except under the conditions and in the manner described below.

Except as otherwise provided in the Covenant Ordinance, no series of Additional Bonds may be issued under the Covenant Ordinance unless the City shall have first complied with the requirements set forth below, among others:

(a) There shall have been obtained and filed with the Governing Body the report required for the issuance of such Additional Bonds as Non-Self Sufficient Debt as described under paragraphs (a) and (b) above under "Non-Self Sufficient Debt-Anti Dilution Test."

(b) In addition to the foregoing, the City may issue at any time and from time to time Additional Bonds for the purpose of refunding any series of bonds, or any maturity of bonds within a series, without the necessity of complying with the requirements contained in subparagraph (a) above, provided that prior to the issuance of such bonds there shall be filed with the Governing Body of the City a certificate from an independent certified public accountant to the effect that (i) the net proceeds from such Additional Bonds will be sufficient to cause the lien created by the Covenant Ordinance with respect to the Series of Bonds to be refunded or defeased and (ii) the Debt Service Requirement with respect to such Additional Bonds in each bond year following the issuance thereof shall be equal to or less than the Debt Service Requirement for such bond year with respect to the bonds which would have been outstanding in that bond year had the same not been refunded pursuant to the Covenant Ordinance. In addition, prior to the issuance of such bonds, there shall be filed with the Governing Body of the City, an opinion of Bond Counsel to the effect that (i) the proceeds from the sale of such Additional Bonds have been set aside in irrevocable escrow for the payment of the bonds to be refunded in the manner described in the Covenant Ordinance and (ii) the issuance of such Additional Bonds and the use of the proceeds thereof as described above will not have the effect of causing the interest on any Bond then outstanding under the Covenant Ordinance (other than bonds

CITY OF ORLANDO, FLORIDA

issued as taxable debt), including the Bonds to be refunded, to become includable in the gross income of the owner thereof for federal income tax purposes.

Bonds issued pursuant to the terms and conditions of the Covenant Ordinance shall be deemed on a parity with all Bonds then outstanding, and all of the covenants and other provisions of the Covenant Ordinance shall be for the equal benefit, protection and security of the Holders of any Bonds originally authorized and issued pursuant to the Covenant Ordinance and the Holders of any Bonds evidencing additional obligations subsequently created within the limitations of and in compliance with the Covenant Ordinance; provided, however, that separate subaccounts in the Reserve Account created pursuant to the Covenant Ordinance shall secure only the series of bonds with respect to which such subaccount was created. Bonds shall be issued only for the purpose of financing one or more projects, or for the purpose of refunding any obligations theretofore issued for such purposes.

Amortization of Variable Rate Bonds and Designated Maturity Debt

The City has covenanted that it will not issue bonds constituting variable rate debt under the terms of the Covenant Ordinance unless the maximum interest rate payable on such Bonds does not exceed 15% per annum.

With respect to each series of Non-Self Sufficient Debt issued on or after the date of issuance of the first series of bonds issued under the Covenant Ordinance, the City covenants to refund or redeem Bonds or other Non-Self Sufficient Debt of such series in such amounts and at such times as shall cause the original principal (or, with respect to Capital Appreciation Debt, Accreted Value at maturity) of such series of bonds or other Non-Self Sufficient Debt to be amortized (by payment or defeasance) no less quickly than in equal annual installments over at least the last one-third of the original stated term to maturity (or with respect to Designated Maturity Debt, over the last one-third of the amortization schedule with respect to such Designated Maturity Debt as set forth in the Amortization Certificate). Pursuant to the Covenant Ordinance, "Designated Maturity Debt" means all Non-Self Sufficient Debt of a Series, or a particular maturity thereof, with a stated maturity of fifteen (15) years or less, designated as such by supplemental ordinance or resolution of the City adopted prior to the issuance thereof, for which either (a) no Serial maturities or Amortization Installments or mandatory sinking fund redemption installments (with respect to other Non-Self Sufficient Debt) have been established or (b) the aggregate of such Serial maturities and Amortization Installments or mandatory sinking fund redemption installments that have been established is less than the principal amount of such Non-Self Sufficient Debt. Currently, the City has no Designated Maturity Debt.

Calculation of Covenant Revenues and Anti-Dilution Test Limitation

As stated in the Covenant Ordinance, the City may issue Non-Self Sufficient Debt (including Additional Bonds) if it has complied with the requirements of the Covenant Ordinance. The following table shows the percentage of Non-Self Sufficient Debt 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**

	For Year Ended September 30				
	2017	2018	2019	2020	2021
Covenant Revenues					
General Fund Revenue	\$ 415,906,949	\$ 450,830,458	\$ 496,861,016	\$ 501,242,798	\$ 516,388,931
Interfund Transfer In	18,672,504	7,493,757	2,823,827	2,471,137	9,893,979
Utilities Services Tax Fund Revenue	31,297,812	32,089,752	34,254,064	35,000,893	36,395,910
Total Revenues	465,877,265	490,413,967	533,938,907	538,714,828	562,678,820
Less:					
Ad-valorem Tax Revenues	158,836,844	177,769,204	197,312,310	217,048,961	237,792,338
Revenues Not Legally Available for Debt Service (1)	4,620,998	4,818,754	5,036,387	5,286,369	5,209,382
Total Covenant Revenues	\$ 302,419,423	\$ 307,826,009	\$ 331,590,210	\$ 316,379,498	\$ 319,677,100
25% Limitation (2)	\$ 75,604,856	\$ 76,956,502	\$ 82,897,553	\$ 79,094,875	\$ 79,919,275
Maximum Annual Debt Service (3)	35,767,903	41,471,748 (4)	41,321,926	40,166,814	40,166,814
% of Limit	47.31 %	53.89 %	49.85 %	50.78 %	50.26 %
% of Covenant Revenues	11.83 %	13.47 %	12.46 %	12.70 %	12.56 %

(1) 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.

(2) Defined as 25% of the available Covenant Revenues if the year in which the Maximum Annual Debt Service on Non-Self Sufficient Debt 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 Non-Self Sufficient Debt occurs is more than six years from the date of calculation.

(3) The estimated rates (in percent) to compute the debt service for the variable rate Commercial Paper loans were as follows:

Series H	
Tax-Exempt	
Interest	3.5000
LOC/Liquidity	1.1000
Remarketing	0.1000
Other	0.0500
Total	4.7500

(4) The increase in MADs after FY17 is due to the issuance of the Series 2018A and B bonds.

Medium Term Note Program

The 2002 Bonds and the 2004 Bonds were issued as part of the City’s medium term note program, which came to an end in FY 2018. The 2002 Bonds were issued in \$5,000,000 pieces maturing April 1 in 2004, 2005, 2006, 2008, 2010, and 2012 with a \$3,690,000 piece maturing in 2014. The 2004 Bonds were issued in \$5,000,000 pieces maturing in 2007 and 2011, with a \$5,070,000 piece maturing in 2009. The City “rolled” each of these maturities in the medium term market (maturities of 1 to 15 years) and ultimately amortized minimally over the last ten (10) years of their thirty-year nominal life. The final Designated Maturity under the last program was the Series 2012A Bonds, which were rolled to a final maturity through the Series 2018A Bonds.

CITY OF ORLANDO, FLORIDA

INTERNAL LOAN (BANKING) FUND

During 1986-87, the City created the Internal Loan Fund to provide interim or longer-term financing to other Funds of the City. The financing for the Fund’s loan activities was initially funded with proceeds of Non-Self Sufficient Debt and continues to be funded through the re-lending of portions of internal loan repayments. The loan documents between the Internal Loan Fund and the various recipient funds set forth expectations for project use, principal amortization, if appropriate, and revenue sources for repayment.

The following schedule reflects the Internal Loan Fund’s banking activities as well as the status of individual loans (summary by fund) as of September 30, 2021:

Internal Loan (Banking) Fund								
Summary of Loan Program and Activity								
(In Thousands)								
Loan Recipient	Project	Outstanding		Current Year	Outstanding	FY 2022	Amortization	
		Loan 9/30/2020	Loan Activity	Principal Payments	Loan 9/30/2021	Principal Amortization	Term	Maturity
Primary Government:								
Special Assessment	Plaza Cinema	\$ 667	\$ -	\$ (167)	500	\$ 167	15	2024
Capital Improvement	FY03-04 Projects	4,860	-	(1,680)	3,180	1,680	20	2025
Capital Improvement	Real Estate Acquisition	3,359	-	(501)	2,858	523	20	2026
Capital Improvement	Public Safety Projects 2007	37,870	-	(1,365)	36,505	1,435	27	2037
Capital Improvement	Lake Highland Remediation	3,026	1,700	(794)	3,932	794	15	2027
Capital Improvement	Lake Eola Land Purchase	637	-	(637)	-	-	09	2021
Capital Improvement	Strategic Land Purchases	10,371	-	(1,323)	9,048	1,372	14	2027
Capital Improvement	OSH Northbrook Land Purchase	3,112	-	-	3,112	-	17	2032
Capital Improvement	Police Headquarters and Energy Efficiency	57,695	-	(1,660)	56,035	1,735	30	2047
Capital Improvement	Public Safety Projects 2016	23,860	-	(940)	22,920	990	20	2037
Capital Improvement	Neighborhood Improvements 2018	103,760	-	(1,695)	102,065	1,765	30	2049
CRA	Parramore Housing/Office	1,162	-	(1,162)	-	-	18	2021
CRA	The Plaza Cornerstone Project	467	-	(233)	234	233	18	2022
CRA	Camping World Stadium Renovations	17,655	-	(638)	17,017	664	25	2039
Transportation	Dowden Road Phase 1	9,000	-	(1,125)	7,875	1,125	08	2028
Orlando Venues	Events Center Construction	7,391	-	(404)	6,987	420	25	2034
Orlando Venues	Geico Garage (1)	14,500	-	-	14,500	-	15	2025
Parking	Jefferson St. Garage Construction	6,555	-	(1,185)	5,370	1,245	18	2025
Total		<u>\$ 305,947</u>	<u>\$ 1,700</u>	<u>\$ (15,509)</u>	<u>\$ 292,138</u>	<u>\$ 14,148</u>		

(1) Interest only; balloon payment in the year stated on the maturity column.

The following descriptions summarize the major individual loans (in excess of \$2,000,000 outstanding) and briefly explain the projects constructed:

FY 03-04 Capital Projects

The loan was used to finance the \$26,000,000 Capital Project initiative.

Real Estate Acquisition

The \$8,500,000 loan was used for the acquisition of real estate for strategic planning.

Public Safety Projects

In October 2007, the City issued \$58,905,000 in covenant bonds to finance the \$54,000,000 public safety construction initiative and to reimburse \$7,000,000 in interim internal banking fund loans.

Lake Highland Remediation Project

This is a \$12,925,000 pollution remediation contract to clean up city property located in the Lake Highland area.

CITY OF ORLANDO, FLORIDA

Strategic Land Purchases

The \$15,000,000 loan was used to acquire property needed for the construction of a Major League Soccer Stadium, which will be home to the Orlando City Lions.

Orlando Sports Holdings (OSH) Northbrook Land Purchase

The \$6,062,000 loan was used to acquire property needed for the construction of a Major League Soccer Stadium, which will be home to the Orlando City Lions.

Police Headquarters and Energy Efficiency

In October 2014, the City issued \$62,205,000 in covenant bonds to finance \$41,940,000 toward the construction of a new police headquarters, \$4,470,000 for the construction of Fire Station 2, and \$15,795,000 for energy efficiency improvements throughout City facilities.

Public Safety Projects 2016

In May 2016, the City issued \$26,425,000 in covenant bonds to finance a public safety construction initiative, which includes a new Computer Aided Dispatch system, 2 new fire stations, and other miscellaneous improvements.

Neighborhood Improvement Projects 2018

In November 2018, the City issued \$115,000,000 in covenant bonds to finance various neighborhood improvement projects. These included, among others, the new Tennis Center and park in the Packing District, renovations to Lake Lorna Doone Park, and Grand Avenue Community Center improvements.

Camping World Stadium (former Citrus Bowl) Renovation

The \$21,000,000 loan was used to finance the CRA's contribution to the stadium renovation project, per the Interlocal Agreement with the County.

Dowden Road Phase 1

The \$9,000,000 loan was used to provide funding for the City's Commitment to Regional Road Network under Starwood Development Agreement, which was approved by City Council in October of 2016.

Amway Center Construction

The \$12,000,000 (plus capitalized interest) was used to partly finance the construction of a new events center.

Geico Garage

The \$14,500,000 loan was used to finance a portion of the City owned parking garage, which is connected to the new Amway Center.

Jefferson Street Garage

The \$21,200,000 loan was used to finance the construction of a 1,045 space City owned parking garage.

The Internal Loan Fund has been funded with a combination of fixed rate (including medium term notes) and variable rate Non-Self Sufficient Debt, thus providing the City with the stability of fixed rate debt and the typically lower cost of variable rate debt. While new money bonds are always associated with a particular project, in actuality each represents debt issued for the Internal Loan Fund (the Covenant Program) and equally and separately there is a loan from the Internal Loan Fund to the specific project. All internal loans are based on a blended cost of money interest charge that is based on a weighted average of the long term fixed rate, medium term fixed rate, and short term variable rate (including related carry and hedging costs) costs.

Loans under the Internal Loan Fund program have shorter maturities than the Non-Self Sufficient Debt which funded the program. This permits the City to lend portions of the loan repayments to fund other projects. As a requirement of the Internal Loan Fund, in light of the Program's intention to mismatch loan amortizations with external debt amortizations, City staff reports to the City Council as to how loan amortizations will be used to meet external debt amortization requirements. The City Council is able to amend loan amortization terms (to either lengthen or shorten) at will.

CITY OF ORLANDO, FLORIDA

Under IRS restrictions, the excess loan amortization may be used to (a) lend to fund new projects or (b) reduce the amount of debt outstanding. The following schedule compares the cumulative relendable proceeds to the external debt outstanding principal balance:

**CITY OF ORLANDO
INTERNAL LOAN FUND
CALCULATION OF RELENDABLE PROCEEDS
As of SEPTEMBER 30, 2021**

Fiscal Year Ending 30-Sep	Beginning Relendable Balance	ILF Principal Amortization	External Principal Payments	Debt Service Reserve Release	Net Increase/ (Decrease)	Ending Relendable Balance
2022	\$ 24,381,972	\$ 16,780,725	\$ (19,206,000)	\$ 1,765,000	\$ (660,275)	\$ 23,721,697
2023	23,721,697	15,845,415	(20,584,000)	-	(4,738,585)	18,983,111
2024	18,983,111	16,180,999	(21,436,000)	-	(5,255,001)	13,728,110
2025	13,728,110	30,910,857 (1)	(13,545,000)	316,445	17,682,302	31,410,412
2026	31,410,412	14,972,513	(14,655,000)	-	317,513	31,727,926
2027	31,727,926	14,820,997	(14,388,000)	-	432,997	32,160,923
2028	32,160,923	13,007,734	(15,505,000)	-	(2,497,266)	29,663,657
2029	29,663,657	9,837,586	(10,095,000)	-	(257,414)	29,406,243
2030	29,406,243	10,289,632	(8,740,000)	-	1,549,632	30,955,874
2031	30,955,874	12,925,807	(9,135,000)	-	3,790,807	34,746,681
2032	34,746,681	11,204,220	(9,600,000)	-	1,604,220	36,350,901
2033	36,350,901	10,208,389	(8,540,000)	-	1,668,389	38,019,290
2034	38,019,290	10,690,124	(8,955,000)	-	1,735,124	39,754,415
2035	39,754,415	10,459,877	(9,355,000)	-	1,104,877	40,859,291
2036	40,859,291	10,929,072	(9,780,000)	-	1,149,072	42,008,363
2037	42,008,363	11,440,034	(10,245,000)	-	1,195,034	43,203,397
2038	43,203,397	9,902,836	(8,660,000)	-	1,242,836	44,446,233
2039	44,446,233	7,287,549	(5,995,000)	-	1,292,549	45,738,782
2040	45,738,782	6,285,000	(6,285,000)	-	-	45,738,782
2041	45,738,782	6,580,000	(6,580,000)	-	-	45,738,782
2042	45,738,782	6,885,000	(6,885,000)	-	-	45,738,782
2043	45,738,782	7,210,000	(7,210,000)	-	-	45,738,782
2044	45,738,782	7,545,000	(7,545,000)	-	-	45,738,782
2045	45,738,782	7,890,000	(7,890,000)	-	-	45,738,782
2046	45,738,782	8,290,000	(8,290,000)	-	-	45,738,782
2047	45,738,782	8,700,000	(8,700,000)	-	-	45,738,782
2048	45,738,782	6,120,000	(6,120,000)	-	-	45,738,782
2049	45,738,782	6,425,000	(6,425,000)	-	-	45,738,782
		<u>\$ 297,079,365</u>	<u>\$ (277,804,000)</u>	<u>\$ 2,081,445</u>		

(1) Includes payment of the Geico Parking Garage Loan of \$14.5 million.

CITY OF ORLANDO, FLORIDA

CITY ADMINISTRATION

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 nine departments reporting to him: Business & Financial Services; Economic Development; Families, Parks and Recreation; Fire; Housing and Community Development; Orlando Venues; Police; Transportation; and Public Works. The Mayor is assisted in the day-to-day oversight of city operations by the Chief Administrative Officer, Chief Financial Officer and City Attorney. Separately, under the Mayor's Chief of Staff, there are seven programmatic areas: the City Clerk; Communications and Neighborhood Relations; Community Affairs; Constituent Relations; Governmental Relations, Human Relations and Multicultural Affairs.

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 Winderweedle, Haines, Ward & Woodman. Prior to becoming Mayor, Buddy Dyer served the Orlando area for ten years as a 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 commencing in 2004, 2008, 2012, 2016 and 2020.

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

CITY OF ORLANDO, FLORIDA

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.

Christopher P. McCullion was appointed Chief Financial Officer on July 3, 2016. Prior to his appointment, Mr. McCullion served as Deputy Chief Financial Officer and as the City 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.

Michelle McCrimmon was appointed Deputy Chief Financial Officer on July 31, 2016. Prior to her appointment, Ms. McCrimmon served for six years as the Controller of the City of Orlando with oversight over financial reporting and accounting operations. Before joining the City, Ms. McCrimmon worked for 16 years in Public Accounting, including five years as an Audit Senior Manager at a Big 4 accounting and consulting firm. Ms. McCrimmon holds a Bachelor of Science in Business Administration from the University of California, Riverside and is a Florida Certified Public Accountant.

Katrina Laudeman was appointed City Treasurer on May 11, 2015. Prior to her appointment, Ms. Laudeman was Treasury Manager and has held various positions within the Treasury Division, primarily focusing on investments and debt management. Ms. Laudeman holds a Bachelor of Science in Business Administration from the University of Central Florida.



CITY OF ORLANDO, FLORIDA

**WASTEWATER SYSTEM FUND
BOND DISCLOSURE SUPPLEMENT**

**SUMMARY INFORMATION
As of September 30, 2021**

Individual Bond Issues:	<u>Outstanding</u>	<u>Ratings (1)</u>	<u>Bond Insurer</u>	<u>Paying Agent</u>	<u>Maturity</u>
Fixed Rate:					
Wastewater System Refunding and Improvement Revenue Bonds, Series 2013	\$ 26,190,000	Aa1/AAA/AAA	N/A	Wells Fargo	10/1/2032
Total Debt Outstanding	<u>\$ 26,190,000</u>				
 Debt Service Reserve:	 <u>\$ 3,096,508</u>				
 (1) Moody's/S&P/Fitch. Reflects current ratings at the time of publication of this document.					
 Revenue Pledge:					
Primary:					
Wastewater System Gross Revenues					
Secondary:					
Utilities Services Tax Revenues					
 State Revolving Fund:	 <u>\$ 75,268,636</u>	 N/A	 N/A	 N/A	

CITY OF ORLANDO, FLORIDA

INTRODUCTION

The Wastewater System consists of a network of approximately 870 miles of gravity sewers, 225 lift stations, approximately 170 miles of force mains, three service areas, and three wastewater treatment plants.

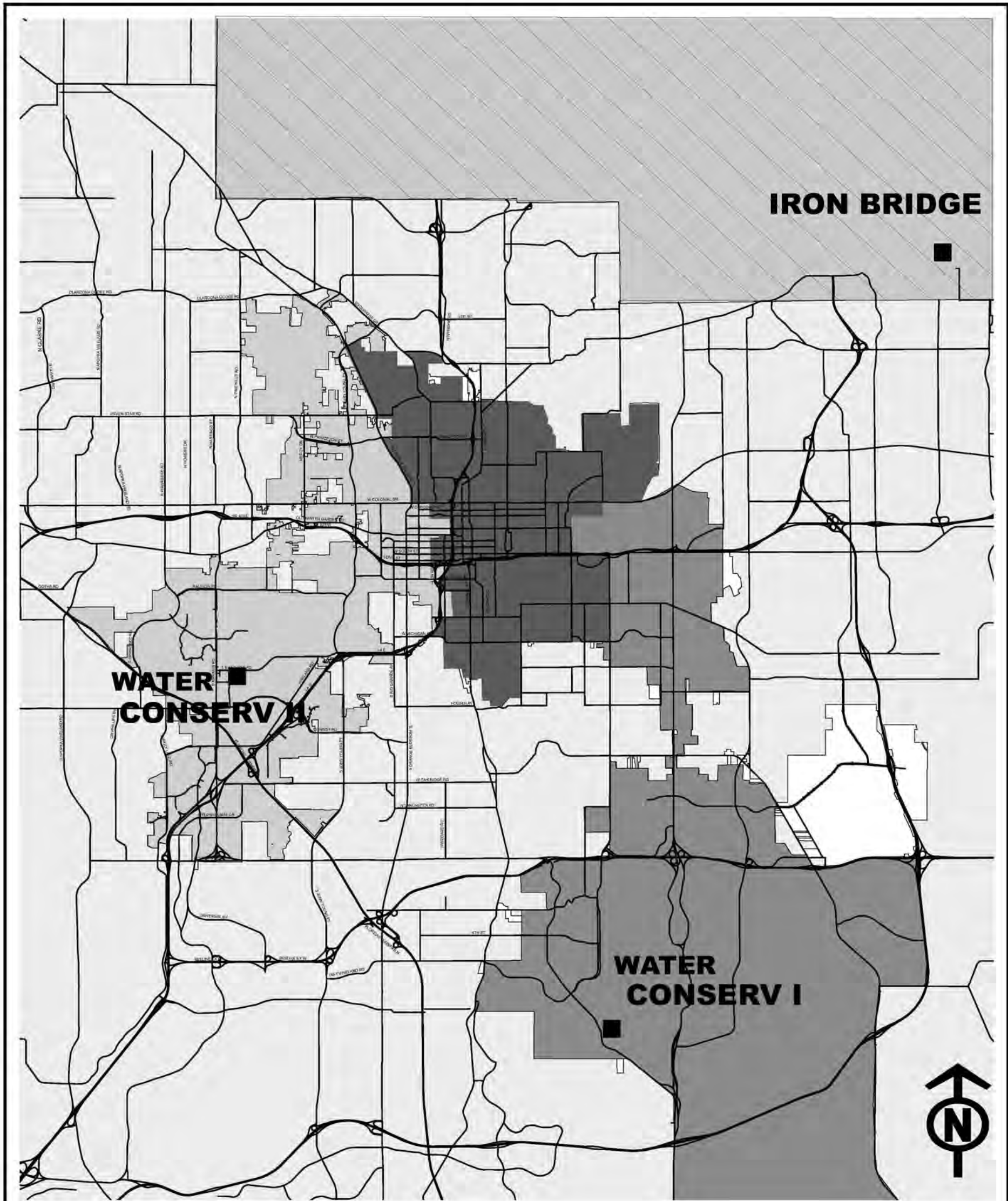
The System currently provides treatment capacity to the City and a number of other jurisdictions (portions of unincorporated Orange and Seminole Counties, and the Cities of Casselberry, Maitland and Winter Park) servicing approximately 280,000 residents. The System has historically been divided into the easterly and westerly subsystems. The easterly subsystem is served by the 40 million gallons per day (MGD) facility known as the Iron Bridge Regional Water Reclamation Facility (the "Iron Bridge Plant"), and the 7.5 MGD Water Conserv I Water Reclamation Facility (the "Conserv I Plant"). The westerly subsystem is served by a 21 MGD facility known as the Water Conserv II Water Reclamation Facility (the "Conserv II Plant"). The map on the following page more clearly defines the related service areas for the City's three water reclamation facilities.

City/County Territorial Agreement

On May 4, 1994, a Wastewater Service Territorial Agreement (the Agreement) was entered into between the City of Orlando and Orange County in order to define the City's service area. Pursuant to the Agreement, the City agreed to annex and/or provide wastewater service to its expanded territorial area of approximately 18,500 acres (28.9 square miles). As of September 30, 2000, approximately 10,204 acres located adjacent to and southeast of Orlando International Airport, approximately 178 acres of commercial and residential property in the Ardsley Manor area, and residential property in the Hidden Beach and Beverly Shores areas were annexed into the City. This was followed in 2004/2005 with the annexation of the Dubsdread, Michigan Avenue, Lake Fairview and Albert Shores/Lake Holden Terrace neighborhoods.

Pursuant to the Agreement, Orange County has redirected its flows (Pine Hills and Hiawasse area) from the Conserv II Plant to its own treatment facility, thereby freeing up 2.8 MGD of capacity at the Conserv II Plant for future City customers in the Conserv II service area. A connection remains to allow flows to be diverted back to the City's System in the event the County experiences problems with its system or a pipeline failure.

The City has established a policy to allow for certain credits on wastewater connection and construction costs that are incurred by new customers in the City's Wastewater Territorial Area (Unincorporated Orange County), provided that these new customers are annexed into the City. The costs of these credits will be divided between the Wastewater System's General Construction Fund and the City's General Fund.



CITY OF ORLANDO

PUBLIC WORKS DEPARTMENT
WASTEWATER DIVISION

WASTEWATER SERVICE AREAS

Legend

- WATER RECLAMATION FACILITY SITES
- MAJOR ROADS
- IRON BRIDGE SERVICE AREA
- WATER CONSERV I SERVICE AREA
- ORANGE COUNTY
- WATER CONSERV II SERVICE AREA
- SEMINOLE COUNTY

CITY OF ORLANDO, FLORIDA

OUTSTANDING INDEBTEDNESS

Outstanding Bond Issues

As of September 30, 2021, the Wastewater System had one outstanding bond issue that is described below.

The Series 2013 Bonds were issued to refund and defease the City's outstanding Series 2002A Wastewater System Refunding Revenue Bonds and the Series 2006A Wastewater System Refunding Revenue Bonds as well as to finance the Series 2013 Wastewater System Projects. The projects to be funded by the Series 2013 Bonds fall into three general categories, including renewal and replacement, upgraded treatment, and capacity increases. The Bonds are callable at par on or after October 1, 2023.

The following table shows the debt service requirements (principal and interest) for the Wastewater System's individual bond issues which are outstanding at September 30, 2021.

Year Ending	<u>Series 2013</u>			
	<u>9/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$	1,685,000	\$ 1,170,775	\$ 2,855,775
2023		1,770,000	1,084,400	2,854,400
2024		1,855,000	993,775	2,848,775
2025		1,950,000	927,900	2,877,900
2026		1,990,000	858,650	2,848,650
2027		2,090,000	756,650	2,846,650
2028		2,195,000	649,525	2,844,525
2029		2,305,000	537,025	2,842,025
2030		2,420,000	418,900	2,838,900
2031		2,540,000	313,950	2,853,950
2032		2,630,000	203,750	2,833,750
2033		2,760,000	69,000	2,829,000
	\$	26,190,000	\$ 7,984,300	\$ 34,174,300

CITY OF ORLANDO, FLORIDA

REVENUES OF THE SYSTEM

Rate Structure

The City allocates costs among all users by using a capacity/commodity method the City has utilized since 1984. This method distinguishes between capacity (capital) costs and commodity (operating) costs. Capital costs are identified and allocated to each user through a fixed monthly capacity charge based on Equivalent Residential Connections (ERC's). For residential users (both single and multifamily), a dwelling unit is equal to one ERC. One ERC is equal to 7,000 gallons per month. For commercial customers, the number of ERC's is determined based on a 12-month moving average of flows. In addition, operating, maintenance and equipment replacement costs are recovered through a usage-based commodity charge. Each user is billed based on each 1,000 gallons of actual water use. Both commodity and capacity charges are pledged revenues under the Series 2013 Bonds, but impact fees are not included as pledged revenues under the bonds.

Single-family residences are billed for wastewater using only the first 14,000 gallons of metered water usage per month on the assumption that usage above 14,000 gallons is for non-wastewater purposes, such as lawn irrigation. There are two separate classes of multifamily billings. Flat rate multifamily units are billed a monthly fee covering the capacity charge and commodity charges based upon an assumed usage of 4,200 gallons per month for one bedroom and efficiency apartment units and 6,000 gallons per month for two-or-more bedroom apartment units. Master-metered multifamily units, like commercial users, are billed on the basis of metered water usage.

Current City Code has a provision whereby wastewater rates will automatically increase by 5% each year unless such increases are not deemed necessary by the City Council. For fiscal years 2015 through 2018, based on the strong financial standing of the wastewater system, there were no increases in rates. In fiscal year 2019 rates were increased 5% and for fiscal year 2020 rates were increased 2%.

The City's rate structure includes a 25% surcharge for Out-of-City customers as authorized under Florida Statutes, Section 180.191. This rate differential is based on the higher cost of servicing Out-of-City customers and in consideration of the contribution in taxes paid by the In-City customers, particularly through the Utilities Services Tax which is a surcharge levied on In-City utilities bills. Approximately half of the System's customers reside outside the corporate limits of the City. However, most of these are served through wholesale agreements with other governmental entities and are billed by those entities under their own rate structures. Of the individual customers billed directly by the City, approximately 3% reside outside the corporate limits of the City.

CITY OF ORLANDO, FLORIDA

Operating Revenues

Operating revenues are derived from the rates charged for wastewater treatment and related services provided by the System. The current rate schedule adopted by the City Council and the associated average monthly bill for the fiscal year beginning October 1, 2021 is as follows:

	<u>Fixed Charge per ERC</u>	<u>Charge per 1000 Gallons</u>	<u>Average Monthly Bill</u>
Single-family (1)			
In-City	\$ 21.06	\$ 5.09	\$ 54.15
Out-of-City	26.33	6.34	67.54
Multi-family (2)			
In-City			
One bedroom or efficiency	N/A	N/A	37.71
Two or more bedrooms	N/A	N/A	45.85
Out-of-City			
One bedroom or efficiency	N/A	N/A	47.11
Two or more bedrooms	N/A	N/A	57.26
Commercial (3)			
In-City	21.06	5.09	485.91
Out-of-City	26.33	6.34	606.09

- (1) Average water use per bill for single family dwellings was assumed to be 6,500 gallons per month.
- (2) Multi-family rates are a flat rate per month and not based on usage.
- (3) Average monthly rates shown on this table for commercial users assume 60,000 gallons of usage per month and apply the fixed charge for every 7,000 gallons of usage (rounded to the nearest tenth when divided into 60,000 gallons).

Source: City of Orlando Office of Business & Financial Services.

Comparative Wastewater Rates

The System's rates were compared with those of other Florida counties and municipalities, including neighboring communities, which compete with the City for development. The comparative rates are presented in the table on the following page:

CITY OF ORLANDO, FLORIDA

Comparative Single-Family Monthly Rates Effective October 1, 2021

	Fixed		Rate per		Average	Maximum		
	Charge		1,000 gallons		Monthly	Charge	Gallons ²	
					Bill ¹			
St. Petersburg ³	\$	22.36	\$	8.58	\$	78.13	N/A	N/A
Oviedo		27.20		5.00		59.70	77.20	10
Kissimmee ⁴		15.63		6.77		59.64	N/A	N/A
Hillsborough County ⁵		21.72		5.39		56.76	64.84	8
Seminole County ⁶		22.72		5.17		56.33	100.27	15
Orlando		21.06		5.09		54.15	92.32	14
Brevard County		22.42		4.74		53.23	79.30	12
Gainesville		9.50		6.65		52.73	89.30	N/A
Orange County		18.77		4.26		46.46	78.41	14

- (1) Assumes 6,500 gallons average monthly usage.
- (2) In 1,000's of gallons.
- (3) Effective November 1, 2021.
- (4) If water usage is less than 2,000 gallons, the rate per 1,000 gallons drops to \$1.97.
- (5) Fixed charge includes billing charge of \$4.98 for all customer classes.
- (6) Effective January 1, 2022.

Source: Official websites of the above entities.

UTILITIES SERVICES TAX

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, manufactured 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.

Pursuant to the Constitution of the State of Florida, Florida Statutes and the Code of the City (the "City Code"), the City levies a Utilities Services Tax, also referred to herein as Public Services Tax, within the incorporated area of the City at the rate of 10% on sales of all utility services for which it is allowed to tax with the restriction that the tax on fuel oil cannot exceed four cents per gallon. The City Code exempts from levy of such Utilities Services Tax (a) purchases of special fuels for use as airplane engine fuel or propellant, (b) purchases of special fuels to be used as raw material in a manufacturing process or a cleaning agent or solvent, (c) purchases of special fuels for use in an internal combustion engine to propel any form of vehicle, and (d) "fuel adjustment charges," which means any increases in the cost of utility service to the ultimate consumer resulting from an increase in the cost of fuel to the utility subsequent to October 1, 1973. Under the City Code, the purchase of fuel oil to be used as a raw material in a manufacturing process or to be used as a cleaning agent or solvent is excluded from the tax.

Florida law provides that a municipality may exempt from the utilities services tax the first 500 kilowatt hours of electricity purchased per month for residential use. The City has not adopted such an exemption but it does exempt purchases by the United States Government, the State, the County, the City and its agencies, boards, commissions and authorities from the levy of such tax. In addition, the City exempts purchases used exclusively for church purposes by any State recognized church.

CITY OF ORLANDO, FLORIDA

The Utilities Services Tax must be collected by the seller from purchasers at the time of sale and remitted to the City as prescribed by the City Code. Such tax will appear on a periodic bill rendered to consumers for electricity, metered and bottled gas, water service and fuel oil. The seller is liable for taxes that are due and not remitted to the City.

The following table sets forth the amount of Utilities Services Tax collected by the City for the last five years and budgeted for 2022. In the past, a portion of the Communications Services Tax collected by the City was a part of the Utilities Services Tax pledge, but it is no longer part of the pledge under the 2013 bond ordinance. The table below reflects the Utilities Services Tax collections net of the Communications Services Tax Collections for prior years.

Utilities Services Tax Actual (Historical) and Budgeted Revenues (In Thousands)

	Actual (Historical) as of September 30,					Budgeted
	2017	2018	2019	2020	2021	2022
Electric	\$ 29,797	\$ 30,298	\$ 32,656	\$ 33,687	\$ 34,796	\$ 33,815
Other	1,500	1,792	1,598	1,314	1,599	850
Total Utility Services Tax	<u>\$ 31,297</u>	<u>\$ 32,090</u>	<u>\$ 34,254</u>	<u>\$ 35,001</u>	<u>\$ 36,395</u>	<u>\$ 34,665</u>

Source: City's Office of Business & Financial Services

Pledge and Disposition of the Utilities Services Tax

The principal and interest on the Series 2013 Bonds are additionally payable from and secured equally and ratably by a pledge of and lien upon the Pledged Utilities Services Tax.

The pledge of and lien on the Utilities Services Tax is junior and subordinate in all respects to any pledge thereof or lien thereon with respect to Senior Lien Utilities Services Tax Obligations incurred in accordance with the Master Bond Ordinance. The City reserves the right to incur obligations that may be secured by a lien on and pledge of the Utilities Service Tax that is prior and superior to the pledge of and lien on the Pledged Utilities Services Tax under this Ordinance so long as, at the time of issuance of any such Senior Lien Utilities Services Tax Obligations, the amount of the Utilities Services Tax collected in any twelve (12) consecutive months of the preceding thirty (30) months is not less than 1.50 times the maximum annual debt service on the Senior Lien Utilities Services Tax Obligations to be outstanding following the issuance of the Senior Lien Utilities Services Tax Obligations proposed to be issued, calculated in a manner substantially consistent with the methodology, assumptions and permitted adjustments provided in the Master Bond Ordinance with respect to the issuance of Additional Parity Obligations.

Whenever by reason of the insufficiency of Gross Revenues, the City is not able to fund the Costs of Operation and Maintenance or to make deposits required to be made into the Bond Service Fund or the Debt Service Reserve Fund, the City shall deposit Utilities Services Tax revenues available after satisfying current funding requirements with respect to Senior Lien Utilities Services Tax Obligations in amounts necessary to cure such deficiencies to the credit of the Revenue Fund and apply the same in the priority provided in the Master Bond Ordinance.

Pledged Utilities Services Tax proceeds not required in any month to cure deficiencies may be applied by the City for any lawful purpose.

So long as any principal of or interest on any of the Bonds are Outstanding, the City will continue to levy and collect the Utilities Services Tax at the rate levied on the date of enactment of the Ordinance and will not repeal,

CITY OF ORLANDO, FLORIDA

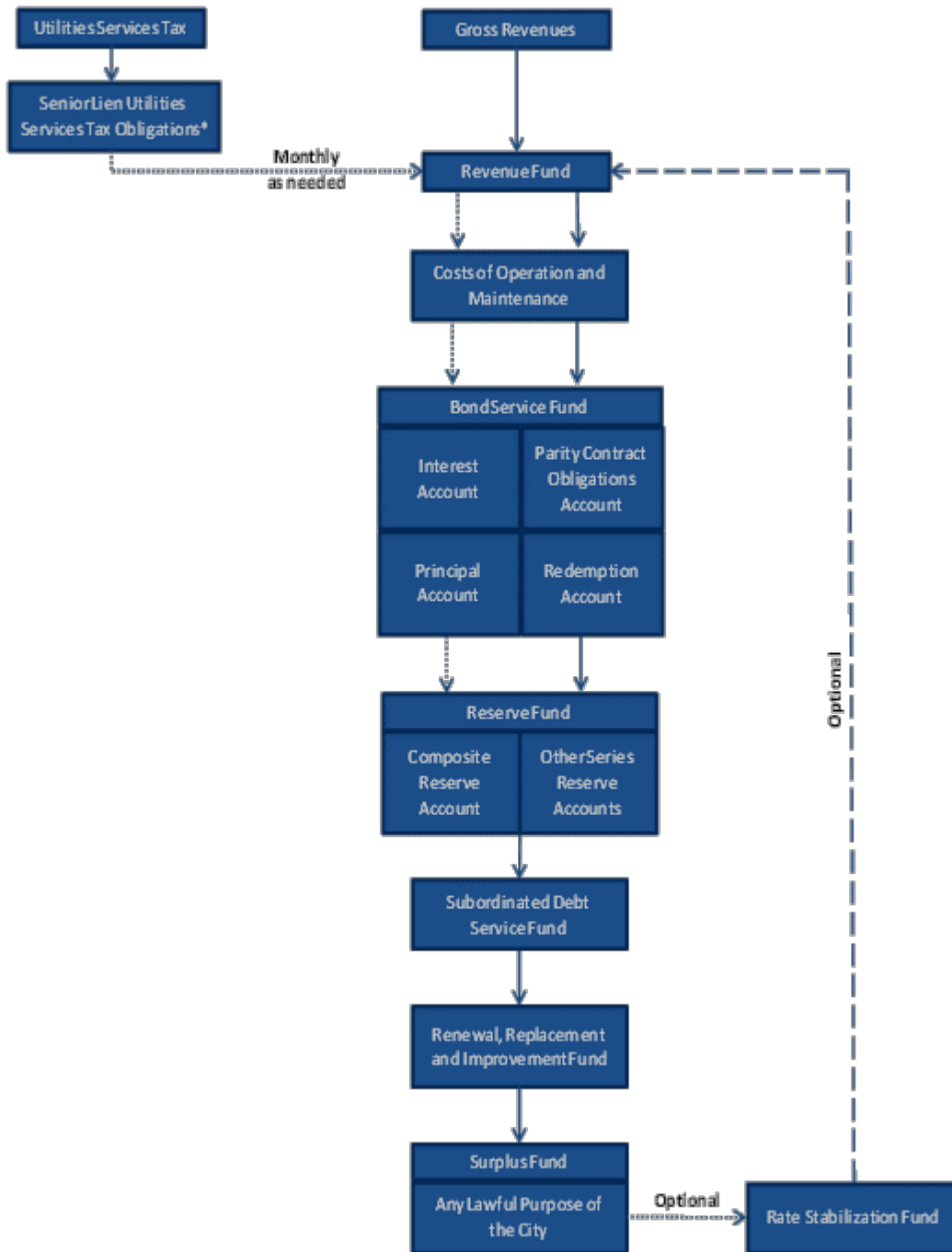
amend or modify the ordinance levying the Utilities Services Tax in any manner so as to impair or adversely affect the power and obligation of the Issuer to levy and collect the Utilities Services Tax in any manner, the pledge of the Pledged Utilities Services Tax made herein, or the rights of the Bondholders.

The City has the power under Section 166.231, Florida Statutes, to irrevocably pledge the Pledged Utilities Services Tax in the manner provided in the Ordinance and that such pledge will not be subject to repeal or impairment by any subsequent ordinance or other proceeding of the governing body of the City.

CITY OF ORLANDO, FLORIDA

FLOW OF FUNDS CHART

The following chart depicts the flow of the Wastewater System Gross Revenues and the Utilities Services Tax.



* Currently there are no Senior Lien Utilities Services Tax Obligations outstanding.

CITY OF ORLANDO, FLORIDA

SYNOPSIS OF WASTEWATER SYSTEM REVENUE BOND COVENANTS

The City will fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use of the products, services and facilities of the System which will always provide, Pledged Revenues in each Fiscal Year sufficient to pay one hundred twenty-five percent (125%) of the Bond Service Requirement on all Outstanding Bonds in the applicable Bond Year.

In addition to compliance with the paragraph above, Pledged Revenues in each Fiscal Year shall also be sufficient to provide one hundred percent (100%) of the Bond Service Requirement on all Outstanding Bonds in the applicable Bond Year, any amounts required by the terms hereof to be deposited into the Reserve Fund, the Renewal, Replacement and Improvement Fund and debt service on other obligations payable from the Net Revenues of the System, and other payments, and all allocations and applications of revenues herein required in such Fiscal Year.

Net Revenues shall not be reduced so as to render them insufficient to provide revenues for the purposes provided therefor by this Ordinance.

For a summary of the calculation of the historical debt service coverages, see the table "Summary of Historical Debt Service Coverages" herein.

FINANCIAL PERFORMANCE

The following four pages display recent financial performance information for the Wastewater Fund.

CITY OF ORLANDO, FLORIDA

STATEMENT OF NET POSITION WASTEWATER SYSTEM FUND

FOR THE YEAR ENDED SEPTEMBER 30,

	2017	2018	2019	2020	2021
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 188,278,661	\$ 202,663,416	222,364,385	210,849,129	143,252,154
Accounts Receivable (Net)	8,565,578	7,635,416	8,156,753	6,989,292	8,407,637
Due From Other Governments	4,525,596	2,388,957	7,361,282	2,049,308	3,551,039
Inventories	445,059	644,536	1,028,347	610,389	1,590,383
Total Current Assets	201,814,894	213,332,325	238,910,767	220,498,118	156,801,213
Non-Current Assets:					
Restricted:					
Cash and Cash Equivalents	10,233,000	14,186,659	11,587,443	13,071,876	87,840,031
Investments	8,742,065	8,864,723	9,055,842	9,123,922	9,124,839
Capital Assets:					
Artwork	6,095	6,095	6,095	6,095	6,095
Land	31,739,352	31,747,411	31,752,737	31,753,037	31,753,037
Buildings	162,056,825	162,056,825	162,056,825	162,056,825	162,978,207
Improvements Other Than Buildings	280,918,588	285,883,792	289,882,373	293,671,797	338,435,258
Equipment	51,758,078	51,711,106	51,571,634	51,610,380	52,228,093
Wastewater and Stormwater Lines and Pumpstations	394,803,372	424,449,802	437,858,984	453,669,280	483,523,581
Less Accumulated Depreciation	(522,637,708)	(545,920,556)	(568,544,777)	(592,203,935)	(616,926,960)
Construction in Process	46,708,102	42,417,440	51,416,834	88,707,813	63,585,561
Total Non-Current Assets	464,327,769	475,403,297	476,643,990	511,467,090	612,547,742
Total Assets	666,142,663	688,735,622	715,554,757	731,965,208	769,348,955
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows - Pension Related	2,105,767	3,778,939	3,524,557	4,948,670	5,324,487
LIABILITIES					
Current Liabilities:					
Accounts Payable	5,523,755	7,676,998	11,149,355	12,456,560	11,334,350
Accrued Liabilities	327,194	338,798	408,747	575,553	660,280
Accrued Interest Payable	1,029,927	986,277	927,771	866,488	845,625
Compensated Absences	149,810	150,302	299,850	340,755	337,790
Advance Payments	28,249,692	12,500,292	14,785,635	19,649,817	4,262,547
Current Portion of Loans Payable	3,791,574	4,213,226	4,316,727	4,415,064	5,794,601
Current Portion of Bonds Payable	1,415,000	1,470,000	1,545,000	1,620,000	1,685,000
Total Current Liabilities	40,486,952	27,335,893	33,433,085	39,924,237	24,920,193
Non-Current Liabilities:					
Compensated Absences	1,722,810	1,728,477	1,574,211	1,788,963	1,773,398
Net Pension Liability	6,308,802	5,294,191	5,602,655	5,205,002	4,106,387
Net OPEB Liability	-	24,735,039	25,576,096	25,491,988	25,681,818
Loans Due After One Year	49,835,050	52,044,843	47,867,715	43,452,652	69,474,035
Bonds Payable After One Year	35,325,925	33,346,045	31,315,480	29,235,471	27,117,259
Total Non-Current Liabilities	93,192,587	117,148,595	111,936,157	105,174,076	128,152,897
Total Liabilities	133,679,539	144,484,488	145,369,242	145,098,313	153,073,090
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows - Pension Related	150,339	814,682	-	1,966,921	2,772,923
NET POSITION					
Net Investment in Capital Assets	362,892,941	364,324,568	374,029,331	411,884,268	412,684,795
Restricted:					
Debt Service	5,345,651	9,722,217	9,970,169	9,990,969	9,371,439
Capital Projects	-	-	-	-	75,745,179
Renewal and Replacement	7,103,136	6,452,312	2,824,140	-	6,373
Contractual Obligations	2,838,022	2,312,452	3,570,832	3,871,453	3,633,007
Unrestricted	156,238,802	164,403,842	183,315,600	164,101,954	117,386,636
Total Net Position	\$ 534,418,552	\$ 547,215,391	\$ 573,710,072	\$ 589,848,644	\$ 618,827,429

CITY OF ORLANDO, FLORIDA

**WASTEWATER SYSTEM FUND
SUMMARY OF HISTORICAL OPERATIONS
(In Thousands)**

	Actual (Historical) As of September 30,					Budgeted
	2017	2018	2019	2020	2021	2022(1)
Operating Revenues:						
User Charges	\$ 100,728	\$ 103,715	\$ 109,450	\$ 105,854	\$ 111,058	\$ 111,254
Fees and Other						
Operating Revenues	<u>325</u>	<u>467</u>	<u>33</u>	<u>178</u>	<u>110</u>	<u>89</u>
Total Operating Revenue	<u>101,053</u>	<u>104,182</u>	<u>109,483</u>	<u>106,032</u>	<u>111,168</u>	<u>111,343</u>
Operating Expenses:						
Salaries, Wages, and Employee Benefits	21,559	19,762	22,449	23,336	23,095	26,249
Contractual Services, Materials, Supplies and Other Expenses	<u>37,140</u>	<u>41,727</u>	<u>48,969</u>	<u>54,449</u>	<u>52,505</u>	<u>40,401</u>
Total Operating Expenses	<u>58,699</u>	<u>61,489</u>	<u>71,418</u>	<u>77,785</u>	<u>75,600</u>	<u>66,650</u>
Net Operating Income	<u>42,354</u>	<u>42,693</u>	<u>38,065</u>	<u>28,247</u>	<u>35,568</u>	<u>44,693</u>
Non-Operating Revenues						
Interest on Investment:						
Operations	321	1	1,066	780	(1)	128
Capital (2)	1,084	103	8,411	5,737	96	-
Impact Fee	<u>515</u>	<u>116</u>	<u>3,707</u>	<u>2,556</u>	<u>54</u>	<u>-</u>
Total Interest Revenues	<u>1,920</u>	<u>220</u>	<u>13,184</u>	<u>9,073</u>	<u>149</u>	<u>128</u>
Impact Fees:						
Plant Expansion	5,312	4,633	1,252	1,719	6,336	-
Collection System	<u>644</u>	<u>601</u>	<u>122</u>	<u>213</u>	<u>658</u>	<u>-</u>
Total Impact Fee Revenues	<u>5,956</u>	<u>5,234</u>	<u>1,374</u>	<u>1,932</u>	<u>6,994</u>	<u>-</u>
Total Non-Operating Revenues	<u>7,876</u>	<u>5,454</u>	<u>14,558</u>	<u>11,005</u>	<u>7,143</u>	<u>128</u>
Income Before Depreciation, Interest Expense, Dividend, and Transfers	<u>\$ 50,230</u>	<u>\$ 48,147</u>	<u>\$ 52,623</u>	<u>\$ 39,252</u>	<u>\$ 42,711</u>	<u>\$ 44,821</u>

Source: Historical information from the City's annual audited financial statements and the Office of Business and Financial Services.

(1) Based on 2021-2022 Wastewater Budget.

(2) Interest earnings on certain Capital accounts are not included in the Debt Service Coverage schedule.

CITY OF ORLANDO, FLORIDA

STATEMENT OF CASH FLOWS WASTEWATER SYSTEM FUND

	FOR THE YEAR ENDED SEPTEMBER 30,				
	2017	2018	2019	2020	2021
Increase (Decrease) in Cash and Cash Equivalents:					
Cash Flows from Operations:					
Receipts from Customers	\$ 98,669,616	\$ 107,248,398	103,989,527	112,511,223	108,248,365
Payments to Suppliers	(32,482,684)	(34,347,346)	(41,439,632)	(48,336,195)	(47,241,998)
Payments to Employees	(11,874,974)	(12,795,792)	(14,421,082)	(14,954,896)	(15,888,798)
Payments to Internal Service Funds and Administrative Fees	(17,004,309)	(19,837,042)	(19,772,403)	(20,479,026)	(23,630,505)
Net Cash Flows Provided by Operating Activities	37,307,649	40,268,218	28,356,410	28,741,106	21,487,064
Cash Flows from Noncapital Financing Activities:					
Transfers In	-	-	-	-	-
Transfers (Out)	(650,547)	(1,607,593)	(640,227)	(1,079,148)	(564,757)
Net Cash Flows from Noncapital Financing Activities	(650,547)	(1,607,593)	(640,227)	(1,079,148)	(564,757)
Cash Flows from Capital and Related Financing Activities:					
Proceeds from Bonds, Loans, and Advances	832,276	6,778,560	-	-	31,815,985
Additions to Capital Assets	(28,421,988)	(30,570,070)	(26,692,071)	(57,082,077)	(51,266,357)
Principal Paid on Bonds, Interfund Loans, Loans & Leases	(5,810,111)	(6,071,995)	(6,029,192)	(6,321,735)	(6,468,277)
Interest Paid on Bonds, Interfund Loans, Loans and Leases	(2,096,876)	(2,199,493)	(2,226,673)	(1,934,604)	(1,846,322)
Capital Contribution Other Governments, Developers and Funds	7,852,933	3,692,537	7,177,306	11,721,956	6,225,256
Impact Fees Received	4,418,818	7,966,844	3,659,016	6,795,698	6,994,275
Proceeds from Sale of Capital Assets	-	(16,149)	504,000	123,462	646,626
Net Cash Flows from Capital and Related Financing Activities	(23,224,948)	(20,419,766)	(23,607,614)	(46,697,300)	(13,898,814)
Cash Flows from Investing Activities:					
Purchases of Investments	(50,859)	(122,658)	(191,119)	(68,080)	(917)
Proceeds from Sales and Maturities of Investments	(929)	-	-	-	-
Interest (Loss) on Investments	1,920,599	220,213	13,184,303	9,072,599	148,604
Net Cash Flows from Investing Activities	1,868,811	97,555	12,993,184	9,004,519	147,687
Net Increase (Decrease) in Cash and Cash Equivalents	15,300,965	18,338,414	17,101,753	(10,030,823)	7,171,180
Cash and Cash Equivalents at Beginning of Year	183,210,696	198,511,661	216,850,075	233,951,828	223,921,005
Cash and Cash Equivalents at End of Year	\$ 198,511,661	\$ 216,850,075	\$ 233,951,828	\$ 223,921,005	\$ 231,092,185
Classified As:					
Current Assets	\$ 188,278,661	\$ 202,663,416	222,364,385	210,849,129	143,252,154
Restricted Assets	10,233,000	14,186,659	11,587,443	13,071,876	87,840,031
Totals	\$ 198,511,661	\$ 216,850,075	\$ 233,951,828	\$ 223,921,005	\$ 231,092,185

CITY OF ORLANDO, FLORIDA

**WASTEWATER SYSTEM FUND
SUMMARY OF HISTORICAL DEBT SERVICE COVERAGES
(In Thousands)**

	Actual (Historical) As of September 30, 2021					Budgeted
	2017	2018	2019	2020	2021	2022(1)
Net Revenues						
Net Operating Revenues	\$ 42,354	\$ 42,693	\$ 38,065	\$ 28,247	\$ 35,568	\$ 44,693
Interest Income-Operations	321	1	1,066	780	(1)	128
Interest Income-Capital	1,084	103	8,411	5,737	96	-
Total	<u>43,759</u>	<u>42,797</u>	<u>47,542</u>	<u>34,764</u>	<u>35,663</u>	<u>44,821</u>
Pledged Utilities Services Tax (2)	31,297	32,090	34,254	35,001	36,396	34,665
Total Pledged Revenues	75,056	74,887	81,796	69,765	72,059	79,486
Senior Debt Service	2,855	2,843	2,825	2,823	2,833	2,899
State Revolving Fund Loans	5,006	5,647	5,372	5,371	5,405	7,532
Total Debt Service	<u>7,861</u>	<u>8,490</u>	<u>8,197</u>	<u>8,194</u>	<u>8,238</u>	<u>10,431</u>
R&R Deposit	4,074	5,700	2,000	1,700	4,200	3,000
Rate Covenant #1 (1.25 Required)	26.29	26.34	28.95	24.71	25.44	27.42
Rate Covenant #2 (1.0 Required)	6.29	5.28	8.02	7.05	5.79	5.92

Source: Historical information from the City's annual audited financial statements.

(1) Based on 2021-2022 Wastewater Budget.

(2) The pledge of Utilities Services Tax (UST) revenues is subordinate to any pledge of UST revenues in favor of any Senior Lien Utilities Services Tax Obligations, none of which are currently outstanding.

CITY OF ORLANDO, FLORIDA

WASTEWATER SYSTEM

The City's wastewater program has won numerous awards over the years, including the Water Environment Federation's Outstanding Achievement Award in 1992. In 1994 and again in 2001, the System won the Florida Water Environment Association's David York Water Reuse Award for the Water Conserv II Water Reuse System. The Conserv I Plant won the United States Environmental Protection Agency (EPA) Region 4 Wastewater Management Excellence Award for Municipal Water Use Efficiency in 1999. The Water Conserv II program also won the coveted Water Reuse Association's 2001 International Project of the Year. In 1995, the Iron Bridge Plant won the prestigious Phelps Award, which is given annually by the Florida Water Environment Association (FWEA) to the best-operated advanced wastewater treatment facility in the State of Florida. In 2007, the Conserv II plant won the David W. York award for the Outstanding Reuse System of the Year presented by FWEA. In 2012, the Eastern Regional Reclaimed Water Distribution System won the David W. York award for the Outstanding Reuse System of the Year presented by the FWEA. In 2014, the Wastewater Division won FWEA's Collection System of the Year Award for Large Systems. The Iron Bridge Regional Water Reclamation Facility won an Earl B. Phelps award in 2014. This FWEA award recognizes superior treatment plant operations. In addition, the Division won FWEA's Public Education Award for an Organization in 2017.

The System is operated as an Enterprise Fund by the Water Reclamation Division within the Department of Public Works. The Director of Public Works is principally responsible for the design and planning of the present and future wastewater system. As of October 2016, the City's Water Reclamation Division had 234 full-time positions. The Florida Department of Environmental Protection (FDEP) specifically requires that certain types of plants have certified wastewater treatment plant operators on duty twenty-four hours a day, seven days a week. The City is in full compliance with this requirement. Currently, 52% of the Division's job positions are covered by a bargaining agreement between the City and the Laborers International Union of North America, Local #678 and another 36% are covered by a bargaining agreement between the City and the Service Employees International Union, Local # 8. The Division has never been subject to a strike by its public employees and its contracts with the unions prohibit strikes, slowdowns, or other work stoppages. In addition, Florida Statutes specifically prohibit strikes by public employees. The City has a full-time professional labor relations staff and characterizes its relationship with the System's employees as good.

Available Treatment Capacity

Taking into account the capital improvements which are expected to be made during the next five years, the City will have wastewater treatment capacity which will enable it to meet the growth demands of the community until the year 2050. When measuring capacity within the System, it is necessary to separate the City's available capacity from the total System's available capacity because a portion of the unused capacity is reserved for other System participants (Seminole County and the City of Winter Park, among others). The following schedule compares total historic and projected wastewater demand for treatment with available capacity:

Historic and Projected Treatment Capacity and Influent Flows
(in millions of gallons per day)

	Actual				Projected	
	2018	2019	2020	2021	2022	2023
City:						
Permitted Capacity	48.2	48.2	48.2	52.2	52.2	52.2
Actual/Projected Demand (1)	30.4	31.0	31.3	32.5	33.1	33.5
Remaining Capacity	17.8	17.2	16.9	19.7	19.1	18.7
Total System:						
Permitted Capacity	68.5	68.5	68.5	72.5	72.5	72.5
Actual/Projected Demand (1)	43.4	43.4	41.9	45.1	46.1	48.4
Remaining Capacity	25.1	25.1	26.6	27.4	26.4	24.1

(1) Wastewater flows are based on calendar year annual average daily flow. Reductions in flow are associated with changes in inflow and infiltration amounts due to City maintenance efforts and decreased rainfall.

Source: City of Orlando Water Reclamation Division

CITY OF ORLANDO, FLORIDA

Water Reuse Initiative

The System is one of the statewide leaders in water reuse (the application of System effluent as an alternative water source for non-potable uses) with almost 80% of its effluent directed to reuse. The Conserv I and Conserv II Plants direct 100% of their effluent into reuse, while the Iron Bridge Plant currently directs 70% of its effluent into reuse. The reuse system consists of pumps, pipelines, and turnout devices to transport treated effluent to users for landscape irrigation, cooling water, and other permitted uses. The City enacted an ordinance in 2002 that requires reclaimed water piping to be installed in new residential and commercial developments if the development falls within a designated reclaimed water service area. In most of these areas, the City is providing reclaimed water at a pressure which is useable for irrigation by both residential and commercial customers.

The St. John's River Water Management District worked with the City to develop a regional reclaimed water system in coordination with several other governmental and private utility companies. The City constructed a reclaimed water transmission main that links the Conserv I reuse system with the Iron Bridge Plant as part of a regional reclaimed water initiative. The City received approximately \$3 million in federal grant funding for the regional system and an additional \$6.6 million in grant monies from the St. Johns River Water Management District. The capital cost of the reclaimed water system is shared proportionally, based upon flows, with the participating entities: Seminole County, Orange County, and the Orlando Utilities Commission. The reclaimed water system is expected to have a future demand in excess of 30 MGD. This will increase the overall effluent disposal capacity of the Iron Bridge Plant and will serve to divert flow from the Little Econlockhatchee River outfall and the wetlands project, reducing the nutrient loading on the St. John's River. Construction of this regional reclaimed water system was completed in FY 2011.

Biosolids Disposal

Biosolids are a by-product of the wastewater treatment process and must be disposed of in a manner which complies with FDEP and EPA regulations. Beneficial use of biosolids is accomplished by encouraging land application of treated biosolids for agricultural purposes. The City's biosolids program has consistently met the requirements of FDEP and EPA (with minor exceptions for molybdenum levels at the Conserv I Plant in 1997) and has provided a valuable organic fertilizer supplement to the local agricultural community. The Conserv II Water Reclamation Facility (WRF) has finished construction to upgrade its biosolids treatment to Class A Exceptional Quality (AEQ) and now produces a registered fertilizer product which makes disposal significantly easier.

Interconnect Systems

To the extent possible, the City has designed and developed interconnecting systems, which allow for the System to redirect flows from one plant to another. The City has the capability to redirect 4.0 MGD of wastewater flow both to and from the Conserv I Plant and the Iron Bridge Plant. In addition, the City has developed an interconnect system which allows 2.0 to 3.0 MGD of wastewater to be redirected between the Conserv II Plant and the Iron Bridge Plant. Finally, the City has the ability to redirect 0.75 MGD from the Conserv II Plant to Orange County's South Water Reclamation Facility.

WATER CONSERV I SERVICE AREA

The Conserv I Plant serves residential and commercial developments along the S.R. 436 corridor and around the Orlando International Airport in southeast Orlando. The Conserv I Plant includes wastewater transmission facilities, a 7.5 MGD advanced water reclamation facility, and an effluent disposal system utilizing head-induced lateral percolation basins and reclaimed water irrigation. The wastewater transmission facilities currently include 60 lift stations and approximately ten miles of force mains from 36-inches to 48-inches in diameter. The treatment capacity of the Conserv I Plant is sufficient to meet wastewater demands in the Conserv I service area until 2030. However, the City is evaluating the potential to close the Conserv I Plant in the future and redirect its raw sewage to the Iron Bridge Plant for treatment. This re-evaluation was completed at the end of 2018 and the City has decided to keep the Conserv I plant in service and expand its capacity to 10 MGD.

CITY OF ORLANDO, FLORIDA

The Conserv I treatment facilities were constructed on approximately 187 acres of City-owned land in the southwest corner of the Orlando International Airport which has been leased to the Greater Orlando Aviation Authority (GOAA). By amendment to the original lease to GOAA, the City was given the right to build the Conserv I Plant and approximately 400 acres of percolation basins on designated sites. The amendment allows the City to utilize the percolation basin sites until September 30, 2026, with provisions for certain extensions of the Agreement.

The amendment also gives GOAA the right to take back the percolation basin sites for airport purposes and request demolition/removal of the percolation basins at any time during the term of the lease.

The Conserv I Plant utilizes the following proven processes:

- Pretreatment by screening and grit removal
- Flow equalization
- Activated sludge
- Secondary clarification
- Dual media filtration
- Chlorination
- Sludge thickening and transport to Conserv II/Iron Bridge for digestion or lime stabilization, dewatering, and disposal
- Chemical addition for disinfection
- Standby power generation

During the first ten years of operation of the Conserv I Plant, the primary means of effluent reuse was groundwater recharge through a system of 15 percolation basins located on the Orlando International Airport property near the treatment plant. Each percolation basin consists of an excavated trench, which was backfilled with gravel topped with a layer of sand, surrounded by earthen berms. Normal operating water levels in the percolation basins range from 8 to 10 feet above the sand layer. Based on the results of tests conducted after construction, the capacity of the percolation basins was expected to be approximately 6 MGD depending on the water levels in the percolation basins, the number of percolation basins operating, the amount of deposition (algae and silt) onto the sand layer, and environmental factors such as rainfall.

During the first few years of operation, the City experienced certain problems regarding disposal capacity in the percolation basins due to plugging of the sand layers by the deposit of algae and silt from construction and operational activities. These problems have since been rectified. Unlike the Conserv II rapid infiltration basins (which are in high sandy soil and have always performed beyond expectations), the Conserv I percolation basins are in a low, wet area and were initially an operational and maintenance challenge. The majority of the plugging problems were resolved by the modification of the percolation basins. In 1995, all of the basins were improved through the addition of a liner and the placement of gravel on the interior side slopes. These modifications have successfully extended the operating capacity of these basins. Due to airport expansion needs, GOAA has reclaimed many of the percolation basin sites.

Recently, the City constructed the Eastern Regional Reclaimed Water Distribution System (ERRWDS). The ERRWDS is a joint venture between the City of Orlando and Orange County to supply reclaimed water to customers from Oviedo east to the Osceola County border. Major users of reclaimed water include the Orlando International Airport, multiple golf courses and many subdivisions, including Baldwin Park and Lake Nona. All of these customers utilize the reclaimed water for landscape and green space irrigation. Currently 97 percent of the wastewater that is treated by the Conserv I Plant is used by the reclaimed water customers. The remaining percolation basins are used primarily for substandard reclaimed water disposal or for alternative disposal during severe or prolonged rainfall periods when irrigation is not possible.

Two construction projects have wrapped up in the last two years. The first project replaced our automatic bar screens with new perforated plate automatic bar screens and all new associated automation. The second project was a rehab of the secondary clarifiers which replaced the old walker process equipment with new spiral scrappers and LA EDI systems which increases the capacity of the clarifiers.

The rehab and expansion project for the whole Conserv I facility began design in 2021 and Wharton Smith was selected as the Construction Manager after a competitive bid process.

CITY OF ORLANDO, FLORIDA

Available Treatment Capacity

The following table compares historical and projected wastewater demand with the treatment capacity available:

CONSERV I PLANT
Historic and Projected Treatment Capacity and Influent Flows
(in millions of gallons per day)

	<u>Actual</u>				<u>Projected</u>	
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
City: (1)						
Permitted Capacity	7.5	7.5	7.5	7.5	7.5	7.5
Actual/Projected Demand (2)	5.0	5.2	5.4	5.6	5.8	6.0
Remaining Capacity	<u>2.5</u>	<u>2.3</u>	<u>2.1</u>	<u>1.9</u>	<u>1.7</u>	<u>1.5</u>

(1) The City is the sole user of the Conserv I Plant system (there are no wholesale customers).

(2) Wastewater flows based on fiscal year annual average daily flow.

Source: City of Orlando Water Reclamation Division.

Performance Standards and Compliance

Under guidelines established by the FDEP, a treatment facility's operating permit stipulates various numerical performance standards, which state the upper limits of acceptable performance. The following table demonstrates the current standards and actual performance against those standards for the Conserv I Plant for the twelve-month period ending September 30, 2021.

CITY OF ORLANDO, FLORIDA

	CONSERV I PLANT			
	Effluent Flow MGD(3)	CBOD(1) Average mg/l (4)	TSS(2) Average mg/l	Nitrate Average mg/l
October 2020	4.8	1.8	0.5	5.8
November	4.7	1.4	0.5	6.0
December	4.5	1.4	0.5	6.1
January 2021	4.5	2.5	0.6	5.3
February	4.7	2.0	0.5	5.5
March	4.7	2.9	0.5	6.2
April	4.9	2.0	0.6	5.6
May	4.8	2.1	0.6	5.4
June	5.0	1.5	0.7	5.6
July	5.4	1.8	0.6	5.4
August	5.3	1.2	0.5	5.1
September	5.3	1.1	0.5	5.0
Average	4.9	1.8	0.5	5.5
FDEP Standards (5) (6)	7.5	20.0	5.0	10.0

(1) CBOD - Carbonaceous Biochemical Oxygen Demand.

(2) TSS - Total Suspended Solids.

(3) Fluctuations in flow over the course of twelve months are due to intra-system flow diversion and seasonal rainfall fluctuation.

(4) mg/l - milligrams per liter.

(5) States the upper limits of acceptable performance as determined by FDEP.

(6) States the Annual, Monthly, Weekly and Daily upper limits of acceptable performance as determined by FDEP.

Source: City of Orlando Water Reclamation Division.

CITY OF ORLANDO, FLORIDA

The City received its initial FDEP operating permit for the Conserv I Plant and Effluent Disposal System on October 1, 1991 for 7.5 MGD. This permit expired on August 28, 1996. A National Pollution Discharge Elimination System (NPDES) "No Discharge" Permit from USEPA expired on April 30, 1996 and was deactivated through agreement with the FDEP. The City applied for a renewal of the operating permit for the Conserv I Plant in a timely manner, (i.e. 180 days prior to the expiration date) and the application was approved, and the new permit was issued on March 2, 2021, with an effective date of April 12, 2021. The permit expires on April 11, 2026. The Conserv I Plant currently meets or exceeds the requirements of its operating permit regarding effluent quality and that the Conserv I Plant is capable of continuing to meet the existing FDEP operating permit numerical standards.

Growth Potential and Limitations

The City received a letter from GOAA on May 15, 1998, which requested the removal of the percolation basins over a twelve-year period. Two subsequent letters received from GOAA in 1998-99 extended the take-down schedule for removal of the percolation basins by several years. Over the past few years, GOAA has provided and revised their recapture timeline three times, each delaying further the percolation basins' recapture schedule (currently significant recapture by 2020). Construction of the project to redirect the Conserv I Plant flows to the Iron Bridge Plant began in 2005, with completion expected in 2015. In 2015 GOAA contacted the City to request the recapture of percolation basins 4A, 4C and 4D by December 31, 2015. A rapid response contract to design and construct this decommissioning was developed and the percolation basins are now decommissioned. In 2012 the Wastewater Division decided to revisit the factors that were used to determine that it was not cost effective to continue to operate the Conserv I Plant. A good portion of this decision was based on the lack of wet weather reclaimed water disposal. With the construction of the previously described ERRWDS, significant wet weather disposal capacity is now available to the Conserv I Plant.

WATER CONSERV II SERVICE AREA

The Water Conserv II facilities include a 21 MGD treatment plant (the "Conserv II Plant") and a 50 MGD Water Conserv II Water Reuse System Project (which is a joint project between the City and Orange County).

The Conserv II Plant serves residential and commercial development generally west of Interstate 4 and is located on McLeod Road between Kirkman Road and Bruton Boulevard. An interlocal agreement between the City and Orange County entered into on July 28, 1983, provided for the design, construction, and operation of the Water Conserv II Water Reuse System Project. Pursuant to that agreement, the "joint facilities" are defined to include effluent transmission pumping stations, approximately 21.5 miles of transmission pipeline, a distribution center, the distribution network, and a series of rapid infiltration basins ("RIBs").

In order to meet the "no discharge" requirement of the FDEP, the Conserv II Plant was designed to produce advanced secondary effluent that is suitable for public access, irrigation, and groundwater recharge. The Conserv II Plant was designed to ultimately deliver up to 25 MGD for irrigation of 12,000 to 15,000 acres of citrus groves and groundwater recharge through RIBs. There is sufficient capacity in the Conserv II Plant to meet wastewater needs in the Conserv II Plant service area through the year 2035. Currently, the Conserv II Plant utilizes the following proven treatment processes:

- Pretreatment by screening and grit removal
- Flow equalization
- Activated sludge with nitrification & denitrification
- Secondary clarification
- Effluent flow equalization
- Automatic backwash dual media filtration
- High level chlorination
- Sludge thickening, Bioset Class AEQ biosolids treatment and dewatering
- Chemical addition for disinfection
- Standby power generation

CITY OF ORLANDO, FLORIDA

Two major construction projects in the last five years were completed that improved the efficiency and treatment processes at the Conserv II WRF. In 2014 a major electrical upgrade project costing around \$20 million was completed. Among other things, it included the installation of a new emergency power generation system. A \$10 million project addressed the aging components of the treatment facility. The project replaced the entire aeration system, secondary clarifier collector mechanisms, and provided an upgraded internal recycle station. The new modern aeration system has resulted in significant reductions in energy costs. None of the projects described in this paragraph were financed with the proceeds of the Series 2013 Bonds.

Two additional construction projects were finished in 2016. The first project was the big bubble aeration mixing project. This project allows the treatment plant to mix anoxic treatment zones with large bubble cannons instead of using fine bubble diffusers which has further enhanced the Plant’s nutrient reduction capabilities. The second project was the Bioset biosolids treatment process. This project replaced aging anaerobic digesters that produced a class “B” product which is problematic to dispose of in wet weather conditions. The Bioset product is a registered fertilizer which can be applied anywhere in any weather condition. Another major construction project that was completed in 2020 involved biosolids processing improvements. This construction replaced the existing gravity belt thickeners and belt filter presses with three, three belt, belt filter press as well as replacing the existing return activated sludge (RAS) and waste activated sludge (WAS) pumping stations.

One new construction project is planned for the Conserv II plant in the near future. This project is the replacement of the existing pre-treatment structure. In 2017 a design engineer was selected to begin drawing up the plans for the new structure. This project is now in the final permitting stage and is about to go out to bid for construction.

Available Treatment Capacity

The following table compares historical and projected sewer demands with the treatment capacity available:

CONSERV II PLANT
Historic and Projected Treatment Capacity and Influent Flows
 (in millions of gallons per day)

	<u>Actual</u>				<u>Projected</u>	
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
City:						
Permitted Capacity	20.0	20.0	20.0	24.0	24.0	24.0
Actual/Projected Demand (1)	<u>14.9</u>	<u>14.2</u>	<u>14.1</u>	<u>14.9</u>	<u>15.3</u>	<u>15.8</u>
Remaining Capacity	<u>5.1</u>	<u>5.8</u>	<u>5.9</u>	<u>9.1</u>	<u>8.7</u>	<u>8.2</u>
Total System:						
Permitted Capacity	21.0	21.0	21.0	25.0	25.0	25.0
Actual/Projected Demand (1)	<u>15.6</u>	<u>14.7</u>	<u>14.8</u>	<u>15.6</u>	<u>16.0</u>	<u>16.5</u>
Remaining Capacity	<u>5.4</u>	<u>6.3</u>	<u>6.2</u>	<u>9.4</u>	<u>9.0</u>	<u>8.5</u>

(1) Wastewater flows based on calendar year annual average daily flow. Reductions in flow are associated with changes in inflow and infiltration amounts due to City maintenance efforts and decreased rainfall. Growth in future flows is projected at 2.5% per year.

Source: City of Orlando Water Reclamation Division

CITY OF ORLANDO, FLORIDA

Performance Standards and Compliance

The following table compares the performance of the Conserv II Plant for the twelve-month period ending September 30, 2021 to the principal FDEP effluent numerical standards placed on the Conserv II Plant's operation:

CONSERV II PLANT				
	Effluent Flow MGD(3)	CBOD(1) Average mg/l (4)	TSS(2) Average mg/l	Nitrate Nitrogen mg/l
October 2020	15.5	2.3	1.1	0.5
November	17.2	2.6	1.1	0.4
December	15.4	2.9	1.0	0.3
January 2021	14.4	3.4	1.0	0.5
February	13.0	2.0	0.5	0.2
March	13.7	2.6	0.7	0.2
April	13.7	3.2	0.6	0.0
May	13.3	2.5	0.7	0.0
June	13.3	2.5	1.2	0.1
July	14.4	2.8	1.7	0.5
August	14.1	1.8	1.0	0.3
September	15.4	1.7	0.9	1.1
Average	14.5	2.5	1.4	0.3
FDEP Standards (5) (6)	21.0	20.0	5.0	10.0

- (1) CBOD - Carbonaceous Biochemical Oxygen Demand.
- (2) TSS - Total Suspended Solids.
- (3) Fluctuations in flow over the course of twelve months are due to intra-system flow diversion and seasonal rainfall fluctuations.
- (4) mg/l - milligrams per liter
- (5) States the upper limits of acceptable performance as determined by FDEP.
- (6) States the Annual, Monthly, Weekly and Daily upper limits of acceptable performance as determined by FDEP.

Source: City of Orlando Water Reclamation Division

The FDEP operating permit issued in December of 2011 for the Conserv II WRF temporarily reduced the permitted capacity from 25 MGD to 21 MGD on an average annual daily flow basis. The Conserv II WRF must now treat total nitrogen to an average annual concentration of 10 mg/L which is the permit limit value for the Conserv II Distribution Center. The Conserv II WRF has undergone process improvements that will allow compliance with this more restrictive nitrogen standard. The City plans to conduct full scale testing of the facility to recover treatment capacity to the original permitted level of 25 MGD. This testing was completed in January of 2021 and our evaluation shows that the facility passed the test and we will be petitioning FDEP to retrieve or 25 mgd aadf when we renew our operating permit this year.

With respect to the Conserv II Plant groundwater-monitoring program, the FDEP has required that the City and Orange County address elevated nitrate levels that were observed in some of the groundwater monitoring wells in the early 1990's. Responding to this, the City and the County implemented programs to reduce nitrates in their wastewater treatment plant effluents, to implement an enhanced Quality Assurance/Quality Control sampling program, and to study RIB operation in order to optimize nitrate removals. Results have been favorable in that there has been a significant reduction in nitrate levels associated with reclaimed water in the groundwater monitoring wells since the implementation of these programs.

CITY OF ORLANDO, FLORIDA

City management and design consulting engineers believe that the Conserv II Plant currently meets or exceeds the requirements of its operating permit regarding effluent quality and that the Conserv II Plant is capable of continuing to meet these effluent requirements through 2035 with some modifications.

Major Wholesale Customers and Interlocal Agreements

The City has interlocal agreements with both Orange County and the City of Winter Park to provide wastewater treatment capacity within the Conserv II Plant service area. The agreement to serve Orange County was intended to terminate on January 1, 2000 with the capacity reverting to the City; however, the City and Orange County agreed to an extension until January 2010 due to needed construction within the County's system. This construction has since been completed and the County has withdrawn their flows from the Conserv II plant, making the resulting capacity available for City use. The following schedule indicates both the committed capacity and the average flows into the Conserv II Plant for the twelve-month period ending September 30, 2021:

WHOLESALE CUSTOMERS (In MGD)

	<u>Average Flows</u>	<u>Contractually Committed Capacity</u>	<u>Available Capacity</u>
Orange County	0.000	0.000	0.000
City of Winter Park	<u>0.700</u>	<u>1.000</u>	<u>0.300</u>
TOTAL	<u>0.700</u>	<u>1.000</u>	<u>0.300</u>

Source: City of Orlando Water Reclamation Division.

Water Reuse Contracts

The Water Conserv II Water Reuse System Project is beneficial to both the City and Orange County (each of which have 25 MGD of the ultimate 50 MGD capacity in the Project). Since 1986, the City and Orange County have entered into 91 agreements with citrus growers, landscape nurseries, golf courses, homeowners and other customers who have committed to take in excess of 30 MGD of reclaimed water to be dispersed over approximately 3,375 acres. While the terms of each individual agreement may vary in some respects, the major provisions of the agreements, summarized below, do not differ materially. In the opinion of the City Attorney, such agreements constitute covenants, which run with the land and will bind all future owners of the land throughout the term of the agreements subject, however, to governmental rights of eminent domain.

At the beginning of the Water Conserv II project, citrus growers signed 20-year agreements to accept reclaimed water at no charge. Each agreement was for a term of twenty years with provisions for annual extensions if either party does not terminate the agreement. A customer could terminate an agreement at any time, without cause, upon payment of a fee that reflects the proportionate cost of construction of the distribution system. In the first year of the agreement, the fee was \$3,600 per acre committed and in each subsequent year the fee was reduced by 5%. As these initial agreements expire, new agreements are being made that require the reclaimed water users to pay the prevailing rate for reclaimed water. The City and Orange County have adopted Orange County's rate structure for reclaimed water supplied in the Water Conserv II service area.

Under recent agreements, the City and Orange County are obligated to deliver water of a quality appropriate for irrigation of edible crops and public access areas in accordance with State regulations. The Water Conserv II project has demonstrated that reclaimed water has been compatible with the production of citrus crops in central Florida. Modern agreements are written for an initial term of 5 years with automatic annual renewals unless terminated by either party. The agreements allow for non-performance or modification of performance by either party in the event of unforeseen circumstances or circumstances not in the control of the parties such as water quality or quantity issues, governmental acts, flooding or failure of the transmission or distribution system for reasons beyond the City's and Orange County's control. The Water Conserv II project is currently permitted for 39.0 MGD (average annual daily flow) of disposal capacity through the public access reuse system.

CITY OF ORLANDO, FLORIDA

Reclaimed water distributed to the customers may be used only in a manner that is consistent with State and Federal regulations. Specifically, the water may be used for irrigation of crops, surface storage, frost protection, and turf irrigation. Reclaimed water may not be discharged directly into surface waters of the State of Florida. Customers are required to install and maintain irrigation systems capable of receiving the reclaimed water and preventing backflow into the Conserv II reclaimed water distribution system. When the Water Conserv II project started, the use of reclaimed water for irrigation was a new concept. Therefore, the City and Orange County agreed to indemnify the customers for damages arising out of adverse human health effects caused by exposure to the areas in which reclaimed water is being used or by consumption of products grown in those areas. Indemnification was conditioned upon the customers' compliance with all reasonable restrictions on use established by the City and Orange County. Since the safe use of reclaimed water for irrigation has been well documented in the State of Florida, this indemnification feature is not used in modern agreements.

Properties served by the Water Conserv II Water Reuse System Project in Lake County require a conditional use permit (CUP) under the County's Zoning Code. Participating customers must obtain a CUP for those parcels that are included in the agreements. All of the participating customers in Lake County have received their CUPs. The City and Orange County have agreed to comply with the conditions set forth in the CUPs, including the implementation of a groundwater-monitoring program. Groundwater monitoring wells have been installed at alternate application sites that have been approved by FDEP and Lake County. Samples are collected quarterly and routinely analyzed for specific parameters.

The City and Orange County purchased approximately 500 acres of land southeast of the Distribution Center in 1992, for the expansion of the RIB system for the Water Conserv II Water Reuse System Project. Through the efforts primarily of Orange County staff, proposals were sought for a private company to construct a 36-hole championship golf course, which would incorporate a number of RIB's into the facility. On February 7, 1994, the City and Orange County entered into a 30-year lease agreement with Team Classic Golf Services, Inc. Under the terms of the agreement, Team Classic would construct and operate the golf facility (Orange County National Golf Course) which has, as one of its requirements, the ability to use up to 5 million gallons of reclaimed water per day. This concept increased the diversification of reclaimed water use while minimizing capital costs to the City and Orange County. Construction of this golf facility was completed in February 1999. The City of Orlando and Orange County are preparing a land swap deal with a developer to allow us to build a large reclaimed water storage reservoir that will alleviate supply issues in the future.

In 2000, the City and Orange County purchased 2,400 acres of land from Hi-Acres in Lake County. These parcels, which were under previous grower's agreement for irrigation, will provide further flexibility for the wet weather disposal capacity for the Water Conserv II Water Reuse System Project. The land will be used in the future for some combination of RIB systems and agricultural irrigation. The first series of RIBs to be constructed on the property were completed in late 2004. The City and Orange County jointly own a total of 5,400 acres of land for current and future RIB sites. The Water Conserv II project is currently permitted for a RIB capacity of 29.2 MGD (average annual daily flow).

City Contracts

The City has entered into reclaimed water agreements with other major users in the City that are not part of the Water Conserv II Water Reuse System Project joint facilities. One of the users, MetroWest, accepts and uses up to 1.5 MGD of reclaimed water on its golf course and median green spaces. In addition, the City is supplying reclaimed water to Valencia Community College, Universal Orlando Resorts, and other users in the area. Total annual reclaimed water usage for these customers is approximately 4.65 MGD and is expected to increase as the system is expanded.

Growth Potential and Limitations

The ability to expand the Conserv II Plant treatment capacity is directly related to the ability to continue to find additional customers to be connected to the distribution network or to the development of additional RIBs.

The City and Orange County have plans for expanding RIB capacity on project land in Lake County. The City and Orange County will be working with Lake County on gaining approvals for the construction of additional

CITY OF ORLANDO, FLORIDA

RIBs in the future. Construction of additional RIB sites has added wet-weather capacity to the system, further ensuring the City's ability to provide service during extreme weather conditions. Another option being considered for management of reclaimed water during reduced demand periods is long term storage.

IRON BRIDGE SERVICE AREA

The Iron Bridge Plant is a regional water reclamation facility, which serves the east and central portions of the City, unincorporated areas of Orange and Seminole Counties, and portions of the Cities of Casselberry, Maitland, and Winter Park. There is sufficient capacity at the Iron Bridge Plant to meet the wastewater needs for the Iron Bridge service area through 2035.

The Iron Bridge Plant is a 40 MGD advanced water reclamation facility, which employs three different effluent disposal means (wasteload allocation limit on the discharge to the Little Econlockhatchee River and performance standards for the Artificial Wetlands Facility which flows ultimately to the St. Johns River) and the ERRWDS. The original plant (24 MGD) was designed with nineteen trains of air-driven rotating biological contactors (RBCs) as the main treatment process. This facility was later down rated to 16 MGD as a result of operational difficulties, and the lost capacity was replaced with an improved biological nutrient removal system which was completely funded by federal grants (see "Growth Potential and Limitations" below). The Iron Bridge Plant was expanded to 40 MGD with the expanded liquid treatment train becoming operational in November 1989. The expansion provides growth-oriented capacity to the cities of Orlando and Winter Park and Seminole County.

The Iron Bridge Plant is located off Alafaya Trail northwest of the University of Central Florida campus in south Seminole County. The plant utilizes the following proven processes:

40 MGD Facility

- Pretreatment by screening and grit removal
- Flow equalization
- Fermentation
- 1st anoxic zone
- Aeration zone
- 2nd anoxic zone
- 2nd aerobic zone
- Secondary clarification
- Deep Bed filtration
- Chlorination/Dechlorination
- Post aeration
- Sludge thickening and chemical conditioning
- Lime stabilization and dewatering
- Chemical addition for disinfection
- Standby power generation

Several capital projects have been recently completed or are underway for the Iron Bridge Plant. A \$1 million odor control system for the Master Pump Station was completed in 2015. A capacity expansion of the pump station that delivers reclaimed water to the wetlands facility was completed in 2016. That \$8 million project increased the capacity of the hydraulic system by 60 percent to nearly 38 mgd. The 480volt electrical improvements project has reached substantial completion and it has replaced the aging electrical infrastructure between the new transformers to the motor control centers. These upgrades also included replacing the existing motor control centers with new main tie main motor control centers. The aeration diffuser project was also completed in early 2021.

Two additional construction projects are planned for the near future. The first project will be the replacement of the existing grit removal system. The City has paused this project at the preliminary design review stage. The City is switching gears on this project and going to a design build format. The biosolids equipment replacement project has begun construction and is anticipated to finish in late 2021.

CITY OF ORLANDO, FLORIDA

Two different effluent outfalls and a reclaimed water distribution system service the Iron Bridge Plant. The original facility had an NPDES permitted discharge of 24 MGD which provided for both concentration and total pounds per day restrictions on the effluent discharged to the Little Econlockhatchee River. To allow for expansion of the Iron Bridge Plant, the City designed and constructed a 20 MGD Wetlands treatment facility on a 1,650-acre site near Christmas, Florida. A 17-mile, 48-inch force main was constructed to transmit the treated effluent from the Iron Bridge Plant to the head of the cell-oriented wetlands. Totalling 1,220 acres, the wetlands treatment system was developed with a series of cells divided by earthen berms and planted with different wetland vegetation to create three separate wetlands communities, which provide the nitrogen and phosphorous removal. The Wetlands have been operating well within the anticipated performance guidelines since it became operational in September 1987. An indication of the positive performance of the Wetlands is the fact that FDEP increased the permitted capacity of the Wetlands from the initial level of 8 MGD to 20 MGD during the 1990's and in 2001 re-rated the capacity of the Wetlands from 20 MGD to 35 MGD. The ERRWDS was commissioned in 2011 and serves reclaimed water in conjunction with Orange County's Eastern WRF and the Water Conserv I WRF to Seminole County, GOAA, Baldwin Park and the Lake Nona area.

Available Treatment Capacity

The following table compares the historical and projected wastewater demand for wastewater treatment capacity:

IRON BRIDGE PLANT						
Historic and Projected Treatment Capacity and Influent Flows						
(in millions of gallons per day)						
	Actual				Projected	
	2018	2019	2020	2021	2022	2023
City:						
Permitted Capacity	20.7	20.7	20.7	20.7	20.7	20.7
Actual/Projected Demand (1)	<u>10.5</u>	<u>11.6</u>	<u>11.8</u>	<u>12.0</u>	<u>12.0</u>	<u>12.4</u>
Remaining Capacity	<u>10.2</u>	<u>9.1</u>	<u>8.9</u>	<u>8.7</u>	<u>8.7</u>	<u>8.3</u>
Total System:						
Permitted Capacity	40.0	40.0	40.0	40.0	40.0	40.0
Actual/Projected Demand (1)	<u>22.8</u>	<u>23.5</u>	<u>21.7</u>	<u>23.9</u>	<u>24.3</u>	<u>24.4</u>
Remaining Capacity	<u>17.2</u>	<u>16.5</u>	<u>18.3</u>	<u>16.1</u>	<u>16.1</u>	<u>15.6</u>

(1) Wastewater flows based on calendar year annual average daily flow. Reductions in flow are associated with changes in inflow and infiltration amounts due to City maintenance efforts and decreased rainfall.

Source: City of Orlando Water Reclamation Division

Performance Standards and Compliance

Each of the outfalls for the treated effluent from the Iron Bridge Plant (the Little Econlockhatchee River, the constructed Wetlands and the ERRWDS system) has separate performance standards/limitations. The FDEP has issued an operating permit rating the treatment facility to 40 MGD. The City's NPDES permit from the EPA, which was based on the original wasteload allocation requirements and the projected degree of treatment which would take place in the Wetlands, has also been revised. The City's current five-year combined Operating NPDES Permit was issued on October 22, 2020. The permit will expire on October 21, 2025.

CITY OF ORLANDO, FLORIDA

The courts have upheld the State of Florida’s numeric nutrient criteria (NNC) for Florida’s springs, lakes and streams. The implementation of these new standards may affect the Iron Bridge Plant's next permit renewal. The discharge from the Wetlands system to the St. Johns River appears to be compliant with the new regulations. The discharge to the Little Econlockhatchee River would not be compliant. It is expected that the discharge to the Little Econlockhatchee River may be modified in the future and may only serve the plant as an emergency outfall or limited wet weather discharge.

The following tables demonstrate the standards and actual performance against FDEP's standards for the Iron Bridge Plant for all three of its outfalls (the Little Econlockhatchee River Outfall, the Wetlands Outfall into the St. Johns River and the ERRWDS) for the twelve-month period ended September 30, 2021.

IRON BRIDGE PLANT Little Econlockhatchee River Outfall

	Effluent(1) Flow MGD	CBOD(2) Average		TSS(3) Average		TN(4) Average		TP(5) Average	
		mg/l(6)	lbs/day	mg/l	lbs/day	mg/l	lbs/day	mg/l	lbs/day
October 2020	3.7	1.00	31	0.5	15	2.0	62	0.20	6.2
November	3.1	1.00	26	0.5	13	2.2	58	0.14	3.6
December	3.3	1.00	28	0.5	14	2.4	67	0.21	5.7
January 2021	.38	1.00	3.2	0.5	1.6	1.4	4.4	0.30	.95
February	.36	1.50	4.5	0.9	2.9	1.8	5.7	0.40	1.2
March	3.1	1.00	26	0.5	13	1.8	47	0.21	5.6
April	3.4	1.10	31	0.8	23	1.7	48	0.29	7.8
May	3.0	1.00	25	0.5	13	1.4	34	0.26	6.3
June	2.6	1.00	30	0.5	11	.77	17	0.26	5.5
July	3.3	1.00	28	0.5	14	2.1	59	0.16	4.4
August	3.2	1.00	27	0.5	14	1.2	33	0.26	7.0
September	3.7	1.00	31	0.5	16	1.6	48	0.20	6.2
Average	2.8	1.05	24	0.5	13	1.7	40	0.24	5.0
FDEP Stds (7)	28.00	4.28	1,000	17.2	4,000	3.08	720	0.94	220

- (1) Fluctuations in flow over the course of twelve months are due to intrasystem flow diversion and seasonal rainfall fluctuation.
- (2) CBOD - Carbonaceous Biochemical Oxygen Demand
- (3) TSS - Total Suspended Solids
- (4) TN - Total Nitrogen
- (5) TP - Total Phosphorous
- (6) mg/l - milligrams per liter
- (7) States the upper limits (annual average) of acceptable performance as determined by FDEP.

Source: City of Orlando Water Reclamation Division

CITY OF ORLANDO, FLORIDA

IRON BRIDGE PLANT

	ST. JOHNS RIVER WETLANDS OUTFALL					LITTLE ECON RIVER AND ST. JOHNS RIVER COMBINED OUTFALLS(1)	
	Influent Flow MGD	Eff TN(2)		Eff TP(3)		TN(2) Average lbs/day	TP(3) Average lbs/day
		Average mg/l(4)	Average lbs/day	Average mg/l	Average lbs/day		
October 2020	20.8	0.65	113	0.03	5.4	174	12
November	16.9	0.60	84	0.02	3.2	142	07
December	14.2	0.60	71	0.02	2.1	138	08
January 2021	17.0	0.64	91	0.03	4.1	95	05
February	20.3	0.68	115	0.04	6.9	120	08
March	14.5	0.65	79	0.04	4.5	125	10
April	14.1	0.63	74	0.03	3.1	122	10
May	9.2	0.62	48	0.02	1.4	82	08
June	10.9	0.69	63	0.02	1.5	79	07
July	19.1	0.60	96	0.02	2.6	154	07
August	19.6	0.59	96	0.02	3.3	129	10
September	21.5	0.60	107	0.03	4.5	155	11
Average	16.5	0.63	86	0.03	3.55	127	9
FDEP Standards (5)	35.00	2.31	674	0.20	58	720	220

- (1) The average lbs/day is measured on a daily total basis and thus, the sum of the average total per outfall may not always equal the average combined totals.
- (2) TN - Total Nitrogen
- (3) TP - Total Phosphorous
- (4) mg/l - milligrams per liter
- (5) States the upper limits (annual average) of acceptable performance as determined by FDEP.

Source: City of Orlando Water Reclamation Division.

CITY OF ORLANDO, FLORIDA

IRON BRIDGE PLANT ERRWDS

	Effluent Flow MGD(3)	CBOD(1) Average mg/l (4)	TSS(2) Average mg/l	Total Nitrogen mg/l
October 2020	4.0	1.3	0.5	2.0
November	3.6	1.5	0.5	2.3
December	3.7	1.4	0.5	2.5
January 2021	3.2	1.2	0.5	2.3
February	2.6	1.2	0.5	1.8
March	4.8	1.2	0.5	2.0
April	4.2	1.3	0.5	1.6
May	8.3	1.4	0.5	1.4
June	7.8	1.2	0.5	1.6
July	3.9	1.0	0.5	2.1
August	3.4	1.0	0.6	1.3
September	3.7	1.0	0.5	1.6
Average	4.5	1.2	0.5	1.9
FDEP Standards (5) (6)	20.3	20.0	5.0	N/A

- (1) CBOD - Carbonaceous Biochemical Oxygen Demand.
- (2) TSS - Total Suspended Solids.
- (3) Fluctuations in flow over the course of twelve months are due to intra-system flow diversion and seasonal rainfall fluctuations.
- (4) mg/l - milligrams per liter
- (5) States the upper limits of acceptable performance as determined by FDEP.
- (6) States the Annual, Monthly, Weekly and Daily upper limits of acceptable performance as determined by FDEP.

Source: City of Orlando Water Reclamation Division

Major Wholesale Customers and Interlocal Agreements

The City and its five governmental entity partners (Orange and Seminole Counties and the Cities of Casselberry, Maitland and Winter Park) have entered into various interlocal agreements related to the acceptance, treatment, and disposal of wastewater at the Iron Bridge Plant. The City has also entered into an interlocal agreement with the South Seminole & North Orange County Wastewater Transmission Authority (the "Transmission Authority"), which accepts wastewater from its participants and transmits it to the Iron Bridge Plant. The agreements are essentially uniform in nature as to the procedure for allocation of capacity at the plant and payment for said capacity. Because the Iron Bridge Plant is located in Seminole County, the agreement with Seminole County has specific provisions providing for payments in lieu of taxes, special zoning provisions, and a requirement for a \$1,000,000 letter of credit to ensure environmental protection. The agreements set out the amount of capacity for each party and provide a formula for temporary and permanent reallocation. The entities' proportional share of allocated capacity as of December 31, 2021 is shown on the following table:

CITY OF ORLANDO, FLORIDA

DISTRIBUTION OF IRON BRIDGE CAPACITY

<u>Contributor</u>	<u>28 MGD</u>		<u>Expansion - 12 MGD</u>		<u>Total</u>	
	<u>MGD</u>	<u>%</u>	<u>MGD</u>	<u>%</u>	<u>MGD</u>	<u>%</u>
City of Orlando	14.6625	52.367	6.00	50.00	20.6625	51.656
Seminole County	3.2555	11.627	5.25	43.75	8.5055	21.265
Orange County	0.3750	1.339	-	-	0.3750	0.937
City of Casselberry	3.3950	12.125	-	-	3.3950	8.487
City of Maitland	1.1000	3.928	-	-	1.1000	2.750
City of Winter Park	5.2120	18.614	0.75	6.25	5.9620	14.905
Total	<u>28.0000</u>	<u>100.000</u>	<u>12.00</u>	<u>100.00</u>	<u>40.0000</u>	<u>100.000</u>

Source: City of Orlando Water Reclamation Division.

The following schedule reflects the average daily flows, over the twelve-month period ended September 30, 2021, of the various participants in the Iron Bridge Plant:

<u>Contributor</u>	<u>Available Capacity (MGD)</u>	<u>Average Influent Flow (MGD)</u>	<u>Remaining Capacity (MGD)(1)</u>
City of Orlando	20.662	11.023	9.639
Seminole County	8.506	4.785	3.721
Orange County	0.375	0.000	0.375
City of Casselberry	3.395	2.121	1.274
City of Maitland	1.100	0.567	0.533
City of Winter Park	<u>5.962</u>	<u>4.305</u>	<u>1.657</u>
TOTAL	<u>40.000</u>	<u>22.801</u>	<u>17.199</u>

- (1) Available capacity may be further restricted by currently committed future capacity for developments.

Source: City of Orlando Water Reclamation Division.

Each entity is committed to pay for its share of the capital costs based on allocated capacity regardless of actual flows. In addition, each entity pays an operation and maintenance cost based on actual flows. Relief available to the City for non-payment by any entity is provided by a \$500,000 escrow account funded pro rata by the entities. The agreements allow for the various entities to expand the plant capacity for their needs at their expense regardless of whether or not the City requires expanded capacity.

Growth Potential and Limitations

In 1998, the City completed an evaluation of the condition of the mechanical components in the RBC (original) plant. As these components were approaching 20 years of service, they showed signs of advanced deterioration. The City demonstrated, through a full-scale pilot project, that the biological nutrient removal (BNR) facilities could be modified to accept the full 40 MGD currently permitted. As a result of the pilot testing program in January 2001, FDEP issued a permit modification rerating the BNR facilities to 40 MGD. The RBC plant has been shut down, resulting in an annual O&M savings of over \$250,000. Construction of the permanent modifications to the BNR facility was initiated in 2006 and was completed in mid-2009.

The City believes that with the RBC replacement projects completed with BNR facilities, the aggregate 40 MGD facility may be re-rated at nominal costs to further enable the City and its participating entities to properly address their growth-related needs.

CITY OF ORLANDO, FLORIDA

CAPITAL IMPROVEMENT PLAN

The City has established and updates, at least quarterly, a capital projects planning and projection system which identifies prospective capital projects and related revenues, if any, and the anticipated project initiation year within a five-year planning model. Although the actual project initiation will be a function of changing circumstances, the model gives the City an opportunity to identify the major potential capital projects which might be undertaken during the next five-year period. These projects are identified and associated with the City's three major wastewater treatment plants and collection system needs.

The following table sets forth the sources of funding for the City's Capital Improvement Plan and the expected uses of those funds for the period from Fiscal Year 2022 through Fiscal Year 2026.

PROJECT NAME	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	5-Yr TOTAL
Revenues:						
WW Capacity Charges	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 125,000,000
R&R Transfer from Operating Fund	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	15,000,000
Sewer Expansion Collection Sys. Fees	554,000	600,000	600,000	600,000	600,000	2,954,000
Northerly Entity Contributions	22,066,453	8,979,107	9,871,028	4,679,312	-	45,595,900
Debt Proceeds	13,179,547	93,725,893	6,778,972	13,720,688	16,220,000	143,625,100
SRF Loan Proceeds	12,000,000	14,000,000	10,000,000	20,000,000	12,000,000	68,000,000
Total Revenues	\$ 75,800,000	\$ 145,305,000	\$ 55,250,000	\$ 67,000,000	\$ 56,820,000	\$ 400,175,000
Expenses:						
Iron Bridge	\$ 4,200,000	\$ 31,000,000	\$ 5,000,000	-	\$ 3,500,000	\$ 43,700,000
Water Conserv I	17,500,000	8,500,000	3,000,000	9,000,000	1,320,000	39,320,000
Water Conserv II	3,000,000	39,005,000	-	-	4,000,000	46,005,000
Lift Stations	26,750,000	39,800,000	20,250,000	30,000,000	22,500,000	139,300,000
Collection System and Other	24,350,000	27,000,000	27,000,000	28,000,000	25,500,000	131,850,000
Total Expenses	\$ 75,800,000	\$ 145,305,000	\$ 55,250,000	\$ 67,000,000	\$ 56,820,000	\$ 400,175,000

Source: City of Orlando Wastewater Division

CITY OF ORLANDO, FLORIDA

MANAGEMENT OF THE SYSTEM

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 nine departments reporting to him: Business & Financial Services; Economic Development; Families, Parks and Recreation; Fire; Housing and Community Development; Orlando Venues; Police; Transportation; and Public Works. The Mayor is assisted in the day-to-day oversight of city operations by the Chief Administrative Officer, Chief Financial Officer and City Attorney. Separately, under the Mayor's Chief of Staff, there are seven programmatic areas: the City Clerk; Communications and Neighborhood Relations; Community Affairs; Constituent Relations; Governmental Relations, Human Relations and Multicultural Affairs.

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 Winderweedle, Haines, Ward & Woodman. Prior to becoming Mayor, Buddy Dyer served the Orlando area for ten years as a 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 commencing in 2004, 2008, 2012, 2016 and 2020.

On May 3, 2011 Mayor Dyer appointed Richard M. Howard, P.E., as the Director of the Public Works Department. Prior to assuming the role of Deputy Director, Mr. Howard served the City of Orlando as the City Engineer. He has both a Bachelors and Masters Degree in Civil Engineering and is a registered Professional Engineer in the State of Florida. Mr. Howard has practiced in this area for over 30 years. He began his career as a Structural Engineer in the space industry at Cape Canaveral. In 1984, Mr. Howard was recruited to Orlando by the Street Department to manage the City's Non-Point Source Pollution Control program. Since that time, he progressed to Bureau Chief and eventually to the position of City Engineer in 1993. In his capacity as City Engineer, he managed the operations of the Engineering Services Division comprised of the Engineering Division and the Streets and Stormwater Division. He represents the City on numerous boards and is active in many professional organizations. In 2008 Mayor Dyer appointed Rick to head the City of Orlando Economic Stimulus Working Group and represents the City in all issues involving Federal Stimulus dollars. He is also a member of the U.S. Conference of Mayors Stimulus Czars group.

On May 30, 2021, Mayor Dyer appointed Paul K. Deuel as the Division Manager of the Water Reclamation Division. Mr. Deuel is a long-time employee of the City of Orlando spending his entire 30-year career with the City in the Water Reclamation Division. Mr. Deuel worked his way up through the ranks, his employment started with the City in 1992 as a Treatment Plant Operator and rapidly progressed to Plant Manager and Assistant Division Manager, a position he held for 16 years. Mr. Deuel has received numerous State and National awards over his career.

The City believes that the unique combination of the backgrounds of the Mayor, Public Works Director, and the Wastewater Division Manager forge a framework for the effective management of the System.

CITY OF ORLANDO, FLORIDA

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.

Christopher P. McCullion was appointed Chief Financial Officer on July 3, 2016. Prior to his appointment, Mr. McCullion served as Deputy Chief Financial Officer and as the City 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.

Michelle McCrimmon was appointed Deputy Chief Financial Officer on July 31, 2016. Prior to her appointment, Ms. McCrimmon served for six years as the Controller of the City of Orlando with oversight over financial reporting and accounting operations. Before joining the City, Ms. McCrimmon worked for 16 years in Public Accounting, including five years as an Audit Senior Manager at a Big 4 accounting and consulting firm. Ms. McCrimmon holds a Bachelor of Science in Business Administration from the University of California, Riverside and is a Florida Certified Public Accountant.

Katrina Laudeman was appointed City Treasurer on May 11, 2015. Prior to her appointment, Ms. Laudeman was Treasury Manager and has held various positions within the Treasury Division, primarily focusing on investments and debt management. Ms. Laudeman holds a Bachelor of Science in Business Administration from the University of Central Florida.



**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY**

**SUMMARY INFORMATION
As of September 30, 2021**

DOWNTOWN DISTRICT					
Individual Bond Issues:	<u>Outstanding</u>	<u>Ratings (1)</u>	<u>Insurance Provider</u>	<u>Paying Agent</u>	<u>Maturity</u>
Fixed Rate:					
Community Redevelopment Agency Tax Increment Revenue Refunding Bonds Series 2019A (Private Placement)	\$ 53,274,000	N/A (2)	N/A	Truist Bank	9/1/2022
Community Redevelopment Agency Tax Increment Revenue Refunding Bonds Series 2020A (Private Placement)	<u>68,742,000</u>	N/A (2)	N/A	Wells Fargo	9/1/2040
Total Debt Outstanding	<u>\$ 122,016,000</u>				
Debt Service Reserve:	<u>\$ 10,365,177</u>				
<p>(1) Moody's/S&P/Fitch. Reflects current ratings at the time of publication of this document. (2) The CRA, Series 2019A and 2020A Bonds were issued via private placement.</p>					
Revenue Pledge:					
Primary:					
Tax Increment Revenues - Downtown District					
Secondary:					
N/A					
Internal Loan Fund Loans (Outstanding as of 9/30/21):					
Florida Citrus Bowl Renovation	\$ 17,017,275				2039
The Plaza	<u>233,334</u>				2022
	<u>\$ 17,250,609</u>				

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY**

REPUBLIC DRIVE (UNIVERSAL BOULEVARD) DISTRICT					
Individual Bond Issues:	<u>Outstanding</u>	<u>Rating (1)</u>	<u>Insurance Provider</u>	<u>Paying Agent</u>	<u>Maturity</u>
Fixed Rate:					
Tax Increment Revenue Refunding Bonds (Republic Drive /Universal Boulevard District), Series 2012	\$ 10,795,000	A+	N/A	Wells Fargo	4/1/2025
Tax Increment Revenue Bond (Republic Drive /Universal Boulevard District), Series 2013 (Private Placement)	<u>3,280,111</u>	N/A	N/A	Wells Fargo	4/1/2025
Total Debt Outstanding	<u>\$ 14,075,111</u>				
Debt Service Reserve:	<u>\$ 3,009,152</u>				
(1) Fitch.					
Revenue Pledge:					
Primary: Tax Increment Revenues - Republic Drive/Universal Boulevard District					
Secondary: N/A					

CONROY ROAD DISTRICT					
Individual Bond Issues:	<u>Outstanding</u>	<u>Rating (1)</u>	<u>Insurance Provider</u>	<u>Paying Agent</u>	<u>Maturity</u>
Fixed Rate:					
Tax Increment Revenue Refunding Bonds (Conroy Road District), Series 2012	<u>\$ 8,415,000</u>	A	N/A	Wells Fargo	4/1/2026
Debt Service Reserve:	<u>\$ 1,903,237</u>				
(1) Fitch.					
Revenue Pledge:					
Primary: Tax Increment Revenues - Conroy Road District.					
Secondary: N/A					

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT**

COMMUNITY REDEVELOPMENT AGENCY (CRA) DOWNTOWN DISTRICT

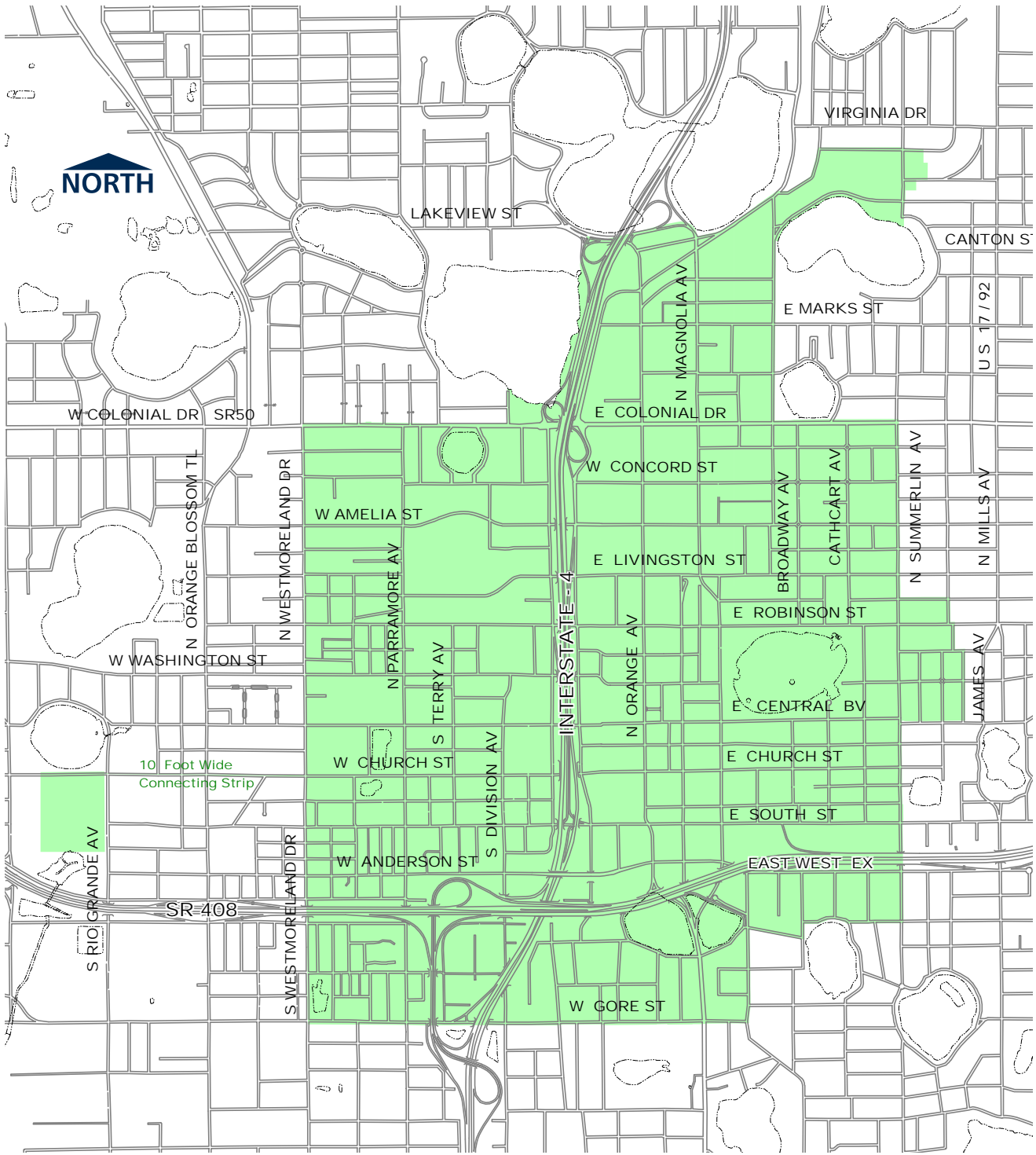
INTRODUCTION

The City of Orlando, Florida Community Redevelopment Agency (the "Agency") was created in February 1980 and expanded in March 1982 by resolution of the City Council, after a finding by the City Council that there existed within the Downtown area of the City slum or blighted areas. Chapter 163, Part III, Florida Statutes, as amended (the "Redevelopment Act") authorizes a municipality, after finding that there exists within the municipality slum or blighted areas and that there is a need to create a community redevelopment agency to carry out the redevelopment of the slum or blighted areas, to create a community redevelopment agency.

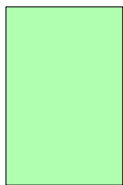
Pursuant to the Act, the City Council designated itself as the Agency. After a number of public meetings and public hearings, the City Council adopted a resolution in July 1982 approving a Downtown Orlando Redevelopment Area Plan (the "Original Redevelopment Plan") which provided a framework for new development and reuse of existing land and facilities in a portion of the downtown area which was found to be blighted ("the Original Downtown District"). The Original Downtown District consisted of approximately 600 acres in the heart of the downtown area of the City. The Original Redevelopment Plan outlined a set of programs to be carried out over an initial ten-year time frame with projects being undertaken on a year-by-year basis to meet the identified program areas of need which included upgrading the aging infrastructure system (water, sewer, etc.), improvement of traffic circulation, creation of additional opportunities for housing development, enhancement of the pedestrian environment and additions to the Parking System. All of the programs set forth in the Original Plan have been accomplished.

In March 1990, the Agency expanded the Original Downtown District to include adjacent areas in need of redevelopment. Despite significant growth within the Original Downtown District, the Agency found that existing conditions of "blight" in this expanded area could potentially interfere with the orderly accommodation of new growth, as well as act as a deterrent to private investment, which would continue to lead to conditions of "blight" in this area. This adjacent expanded area, which consists of approximately 1,020 acres, is referred to herein as the "Downtown District Expansion Area." The City, on March 26, 1990 found that this adjacent area consisted of "blighted" areas within the meaning of the Act; that the rehabilitation, conservation or redevelopment, or combination thereof, of this expanded area was necessary in the interest of public health, safety, morals or welfare of the residents of the City; that the Original Downtown District and the Downtown District Expansion Area should function as a single redevelopment area (the Downtown District). The Original Downtown District and the Downtown District Expansion Area (see Map on page C-4) are herein collectively referred to as the "Downtown District." The City is not prohibited by the Redevelopment Act from declaring other areas to be areas of "slum or blight" within the meaning of the Redevelopment Act.

The City has established two additional Community Redevelopment Areas: (a) Republic Drive (Universal Boulevard) Tax Increment District (included as part of this document beginning on page C-27) and, (b) Conroy Road Tax Increment District (beginning on page C-38).



NORTH



Community
Redevelopment
Area



**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT**

The Redevelopment Act provides that upon creation of a community redevelopment agency, a municipality shall establish, on behalf of the community redevelopment agency, a community redevelopment trust fund. "Taxing Authorities," as defined in the Redevelopment Act, which levy ad valorem taxes on real property subject to taxation located within a Community Redevelopment Area, are required by January 1 of each year to deposit into the Community Redevelopment Area's corresponding Trust Fund an amount as described herein under "Tax Increment Revenues."

The taxing authorities that are required to make annual deposits to the Community Redevelopment Trust Fund and are currently doing so for the Downtown District are the City, Orange County, and the Downtown Development Board (DDB).

OUTSTANDING INDEBTEDNESS

Outstanding Bonds

As of September 30, 2021, the Agency's Downtown District has two outstanding tax increment revenue bond issues that are described below.

The 2019A Bonds were issued through a Forward Delivery Direct Purchase Agreement with STI International (now Truist Bank) to refund the 2009A and 2009C Bonds. These Bonds were issued to finance a portion of the cost of the Performing Arts Center in downtown Orlando. The 2009A and 2009C Bonds were callable at par on September 1, 2019, and subsequently refunded on September 3, 2019 through Series 2019A for substantial savings. The Series 2009C Bonds were originally issued as taxable Build America Bonds pursuant to the American Recovery and Reinvestment Act of 2009. The Agency was eligible to receive cash subsidy payments from the United States Treasury equal to 35% of the interest payable on the Series 2009C Bonds on each interest payment date. Federal sequestration guidelines typically reduced this subsidy by around 6-7 percent. The Build America Bonds subsidy no longer applies to the refunded Series 2019A Bonds. Despite the loss of the subsidy, net present value savings exceeded 15%.

The Series 2020A Bonds were issued through a Forward Delivery Direct Purchase Agreement with Bridge Funding Group to refund the Series 2010B Bonds. The Forward Delivery Direct Purchase Agreement allowed the City to lock in the interest rate for a refunding that occurred in June 2020. The City no longer receives the Build America Bonds subsidy on the Series 2010B Bonds. Even with the loss of the subsidy, the refunding produced a net present value savings of nearly 15%.

The schedule on the following page reflects the annual debt service requirements and the forecasted debt service coverage based on the Downtown District tax increment revenues collected as of December 31, 2021.

Internal Loan Fund Obligations

The Downtown District has made numerous borrowings from the City's Internal Loan Fund to finance redevelopment projects. As of September 30, 2021, the District has \$17,250,609 in outstanding principal on loans from the Internal Loan Fund (see "Subordinate Liens on Tax Increment Revenues – First Level Junior Obligations" herein).

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT**

**ESTIMATED DEBT SERVICE SCHEDULE AND COVERAGE
BASED ON HISTORIC REVENUES**

Fiscal Year Ending Sept. 30	2019A Bonds		2020A Bonds		Combined Total Debt Service	Tax Increment Revenue (2)	Combined Total Debt Service Coverage
	Principal	Interest	Principal	Interest (1)			
	2022	\$ 2,148,000	\$ 1,893,118	\$ 2,470,000			
2023	2,638,000	1,820,086	2,140,000	2,319,520	8,917,606	42,013,475	4.71
2024	2,732,000	1,726,173	2,215,000	2,244,620	8,917,793	42,013,475	4.71
2025	2,829,000	1,628,913	2,292,000	2,167,095	8,917,008	42,013,475	4.71
2026	2,930,000	1,528,201	2,372,000	2,086,875	8,917,076	42,013,475	4.71
2027	3,034,000	1,423,893	2,456,000	2,003,855	8,917,748	42,013,475	4.71
2028	3,142,000	1,315,883	2,542,000	1,917,895	8,917,778	42,013,475	4.71
2029	3,254,000	1,204,028	2,630,000	1,828,925	8,916,953	42,013,475	4.71
2030	3,370,000	1,088,185	2,722,000	1,736,875	8,917,060	42,013,475	4.71
2031	3,490,000	968,213	2,818,000	1,641,605	8,917,818	42,013,475	4.71
2032	3,614,000	843,969	2,916,000	1,542,975	8,916,944	42,013,475	4.71
2033	3,742,000	715,311	3,019,000	1,440,915	8,917,226	42,013,475	4.71
2034	3,876,000	582,095	3,124,000	1,335,250	8,917,345	42,013,475	4.71
2035	4,014,000	444,110	3,233,000	1,225,910	8,917,020	42,013,475	4.71
2036	4,157,000	301,212	3,346,000	1,112,755	8,916,967	42,013,475	4.71
2037	4,304,000	153,222	3,464,000	995,645	8,916,867	42,013,475	4.71
2038	-	-	8,043,000	874,405	8,917,405	42,013,475	4.71
2039	-	-	8,324,000	592,900	8,916,900	42,013,475	4.71
2040	-	-	8,616,000	301,560	8,917,560	42,013,475	4.71
Totals	\$ 53,274,000	\$ 17,636,612	\$ 68,742,000	\$ 29,775,550	\$ 169,428,162		

(1) Interest is shown prior to application of the 35% Build America Bond interest subsidy.

(2) Assumes Tax Increment Revenue collected within the Downtown District in the fiscal year ending September 30, 2022 (collected as of December 31, 2021), remains constant through September 30, 2040.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT**

PLEGDED TAX INCREMENT REVENUES

General

The CRA Bonds are secured by a pledge of and lien on the Pledged Revenues, which include Pledged Tax Increment Revenues derived from the Original Area and the Expanded Area, when deposited into the Redevelopment Trust Fund established by an ordinance adopted on July 12, 1982 by the City Council as amended on June 18, 1990, October 23, 2000, June 25, 2007 and March 8, 2010 (the "CRA Ordinance"), pursuant to Section 163.387, Florida Statutes. Each taxing authority (the City, the County and the DDB) that is required to make payments to the Redevelopment Trust Fund is by law required to do so on or before January 1 of each year.

The Agency has designated additional areas to be slum or blighted areas within the meaning of the Redevelopment Act, and may do so in the future, but any tax increment revenues generated within such additional areas shall not constitute Pledged Tax Increment Revenues for purposes of the Bond Resolution and shall not be subject to the pledge and lien created by the Bond Resolution securing the Bonds, Additional Bonds and Parity Obligations unless (a) the CRA Ordinance is amended to require the tax increment revenues generated within such additional areas to be deposited in the Redevelopment Trust Fund and (b) the Bond Resolution is supplemented to expressly add such additional areas to the Downtown District and to pledge such tax increment revenues generated within such additional areas to the payment of the Bonds, Additional Bonds and Parity Obligations.

Sources of Pledged Tax Increment Revenues

Required payments by the taxing authorities to the Redevelopment Trust Fund are based on the assessed valuation of taxable real property as of the previous January 1. Pursuant to the Redevelopment Act and the CRA Ordinance, on or before each January 1, each such taxing authority (as such term is defined in Section 163.340(24), Florida Statutes) levying taxes in the Original Area must appropriate and pay to the Redevelopment Trust Fund an amount equal to 95% of the difference between:

- (a) The amount of ad valorem taxes levied each year by that taxing authority, exclusive of any amount from any debt service millage, upon taxable real property contained within the Original Area; and
- (b) The amount of ad valorem taxes which would have been produced by the rate upon which the tax is levied each year by or for that taxing authority upon the total of the assessed value of the taxable real property within the Original Area as shown on the assessment roll used in connection with the taxation of such property by all taxing authorities as of January 1, 1981.

Pursuant to the Redevelopment Act and the CRA Ordinance, on or before each January 1, each taxing authority levying taxes in the Expanded Area must appropriate and pay to the Redevelopment Trust Fund an amount equal to 95% of the difference between:

- (a) The amount of ad valorem taxes levied each year by that taxing authority, exclusive of any amount from any debt service millage, upon the total assessed taxable real property in the Expanded Area; and
- (b) The amount of ad valorem taxes which would have been produced by the rate upon which the tax is levied in each year by or for such taxing authority, upon the total of the assessed value of the taxable real property within the Expanded Area as shown upon the assessment roll used in connection with the taxation of such property by all taxing authorities immediately prior to June 18, 1990 (the January 1, 1989 assessment roll).

Current and future tax increment revenue accruing within the Original Area and the Expanded Area (both inside and outside of the DDB) is predicated upon increases in assessed real property valuations in excess of taxable assessed values recognized for a specific base year. The increases are measured in terms of the different base year(s) indicated below.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT**

BASE YEAR TAXABLE ASSESSED VALUES

<u>Area</u>	<u>Acreage</u>	<u>Base Year</u>	<u>Taxable Assessed Value in Base Year</u>
Original Area	596	1981	\$ 136,557,113
Expanded Area Inside DDB	407 (est)	1989	\$ 315,256,299
Expanded Area Outside DDB	<u>617 (est)</u>	1989	<u>\$ 85,483,286</u>
TOTAL DOWNTOWN DISTRICT	1,620		\$ 537,296,698

Source: City of Orlando, Florida Community Redevelopment Agency and the CRA Ordinance.

The incremental increase in ad valorem taxes previously described is used to measure the amount of the contribution which must be appropriated and contributed by each taxing authority which is required to make payments. The taxing authorities cannot be compelled to levy ad valorem taxes to generate tax increment or to make such payments. The statutory obligation of a taxing authority to make the required payments to a community redevelopment trust fund continues for so long as a community redevelopment agency has indebtedness pledging tax increment revenues to the payment thereof outstanding, but any bonds, notes or other form of indebtedness pledging incremental revenues to the payment thereof shall mature no later than the end of the 30th fiscal year after the fiscal year in which a redevelopment plan is last amended. The last amendment of the Downtown Outlook 2000 Plan was adopted on June 15, 2015. Additionally, the obligation of the governing body which established the community redevelopment agency to fund the community redevelopment trust fund annually continues until all loans, advances and indebtedness, if any, and interest thereof, of such community redevelopment agency incurred as a result of redevelopment in a community redevelopment area have been paid. The Agency has covenanted in the Bond Resolution to diligently enforce its right to receive and dispose of the Pledged Revenues and has agreed that it shall not take any action which will impair or adversely affect the Pledged Revenues or the right to receive such revenues.

Millage Rates

The table below summarizes the historic millage rates levied by each taxing authority required to make payments to the Community Redevelopment Downtown District Trust Fund.

**Historic Millage Rates
(last ten years)**

<u>Fiscal Year Ended Sept. 30</u>	<u>City of Orlando ⁽¹⁾</u>	<u>Orange County ⁽¹⁾</u>	<u>Downtown Development Board ⁽²⁾</u>	<u>Total</u>
2013	5.6500	4.4347	1.0000	11.0847
2014	5.6500	4.4347	1.0000	11.0847
2015	5.6500	4.4347	1.0000	11.0847
2016	6.6500	4.4347	1.0000	12.0847
2017	6.6500	4.4347	1.0000	12.0847
2018	6.6500	4.4347	1.0000	12.0847
2019	6.6500	4.4347	1.0000	12.0847
2020	6.6500	4.4347	1.0000	12.0847
2021	6.6500	4.4347	1.0000	12.0847
2022 ⁽³⁾	6.6500	4.4347	1.0000	12.0847

(1) The Florida Constitution limits the City and County millage capacity (non-debt related) to 10.0000 mills.

(2) The Downtown Development Board, by special act, has a 1.0000 millage capacity.

(3) The City, the County, and the DDB have approved these millage rates for the 2022 fiscal year.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT**

The following table summarizes the historical gross assessment (taxable) values for the Downtown tax increment districts as of January 1 of each year. Tax increment revenues are deposited by January 1 of the following year. See page C-13 for the actual tax increment revenues collected for fiscal years ending September 30, 2021 and 2022 with forecasted revenues through 2040.

Tax Year	Original Downtown District		Downtown District Expansion Area		Total Taxable Assessed Value	Total Incremental Value
	Taxable Assessed Values	Incremental Value	Taxable Assessed Values	Incremental Value		
	2012	\$ 1,394,289,064	\$ 1,257,731,951	\$ 669,541,381		
2013	1,457,320,568	1,320,763,455	690,594,373	289,854,788	2,147,914,941	1,610,618,243
2014	1,511,237,543	1,374,680,430	765,987,876	365,248,291	2,277,225,419	1,739,928,721
2015	1,731,035,047	1,594,477,934	855,540,594	454,801,009	2,586,575,641	2,049,278,943
2016	1,931,238,273	1,794,681,160	923,103,754	522,364,169	2,854,342,027	2,317,045,329
2017	2,093,034,280	1,956,477,167	1,083,268,109	682,528,524	3,176,302,389	2,639,005,691
2018	2,253,302,802	2,116,745,689	1,232,477,342	831,737,757	3,485,780,144	2,948,483,446
2019	2,487,130,657	2,350,573,544	1,371,851,117	971,111,532	3,858,981,774	3,321,685,076
2020	2,746,126,467	2,609,569,354	1,437,790,778	1,037,051,193	4,183,917,245	3,646,620,547
2021	2,799,871,629	2,663,314,516	1,433,382,594	1,032,643,009	4,233,254,223	3,695,957,525

Established Tax Increment Revenues

The aggregate assessed valuation of taxable real property in the Original Downtown District as of January 1, 1981 used for determining the incremental assessed valuation in future years was \$136,557,113. The aggregate assessed valuation of taxable real property in the Downtown District Expansion Area as of January 1, 1989 used for determining the incremental assessed valuation in future years was \$400,739,585. Such valuations are referred to herein as the “Frozen Tax Base.” The amount of Tax Increment Revenues to be received in any future year is dependent on the assessed valuation of taxable real property in the related district as of each January 1, the incremental increase in such valuation above the Frozen Tax Base and the total millage rate levied by the relevant taxing authorities; all of which factors are completely beyond the control of the Agency. The following table shows historical tax increment revenues for the Downtown District:

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT**

HISTORIC PLEDGED TAX INCREMENT REVENUES

Fiscal Year <u>Ended September 30</u>	Pledged Tax <u>Increment Revenue</u>	Annual Percent <u>Increase/(Decrease)</u>
1982	\$0	--
1983	277,000	--
1984	943,000	240.43%
1985	998,000	5.83
1986	2,270,000	127.45
1987	2,616,000	15.24
1988	3,030,000	15.83
1989	4,119,000	35.94
1990	5,928,000	43.92
1991	6,942,000	17.11
1992	6,633,000	(4.45)
1993	6,053,000	(8.74)
1994	5,108,000	(15.61)
1995	4,854,000	(4.97)
1996	4,957,000	2.12
1997	4,872,000	(1.71)
1998	6,167,000	26.58
1999	6,696,000	8.58
2000	6,970,000	4.09
2001	7,991,000	14.65
2002	8,971,000	12.26
2003	9,455,000	5.40
2004	9,891,000	4.61
2005	10,707,000	8.25
2006	12,847,000	19.99
2007	17,544,000	36.56
2008	19,357,000	10.33
2009	24,585,000	27.01
2010	22,895,000	(6.87)
2011	17,627,000	(23.01)
2012	16,356,000	(7.21)
2013	15,950,000	(2.48)
2014	16,823,000	5.47
2015	19,823,000	17.83
2016	23,349,686	17.79
2017	26,411,970	13.11
2018	30,060,277	13.81
2019	33,493,935	11.42
2020	38,050,285	13.60
2021	41,543,811	9.18
2022	42,013,475	1.13

Source: City's Comprehensive Annual Financial Report, which reflects the deposit to the Redevelopment Trust Fund on or about December 31, 2021, based on January 1, 2021 taxable assessed values.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT**

Factors Affecting Tax Increment Revenues

Neither the City nor any other taxing authority levying ad valorem taxes within any district has covenanted or pledged to levy ad valorem taxes on taxable real property at a level sufficient to generate Tax Increment Revenues in any amount or at all. The pledge of Tax Increment Revenues does not constitute a pledge of the ad valorem taxing power of the City, the County or the DDB with respect to the Downtown District.

The amount of Tax Increment Revenues to be deposited in the Community Redevelopment Trust Funds and pledged to the related District's Bonds is dependent upon, among other things, (a) the millage rates, if any, established by the City, Orange County and the DDB and (b) growth in the assessed valuation of taxable real property in the related district, which increase will be affected by the annual appraisal of taxable real property, including new construction completed within the related district.

SUBORDINATE LIENS ON TAX INCREMENT REVENUES

The Bond Resolution does not prohibit the Agency in any manner from issuing debt obligations of any kind secured by a lien on Pledged Revenues which is junior to the lien thereon of the Bonds and any Additional Bonds and Parity Obligations (collectively referred to herein as the "Senior Lien Debt"). The Agency has incurred (i) the following subordinate priority obligations (referred to herein as "Junior Obligations"), each as more fully described below, and (ii) operating and administrative costs, and capital expenses of the Agency (collectively, the "Operational Expenses"). Pursuant to the Bond Resolution, the Agency may issue subordinate debt which is subordinate to the Senior Lien Debt but may be payable prior to the Junior Obligations described below. At the present time, the Agency has no such subordinate debt.

After all payments required by the Bond Resolution have been made in any particular Bond Year, all excess Pledged Tax Increment Revenues (the "Excess Revenues") remaining in the Redevelopment Trust Fund may be used by the Agency for any lawful purpose of the Agency in accordance with the Redevelopment Act.

First Level Junior Obligations

Excess Revenues are used by the Agency to secure loans from the City's Internal Loan Fund. The Internal Loan Fund utilizes bond proceeds from external bond issues to provide a source of funds that are loaned to internal loan "participants" (City departments, the Agency, etc.) for specific projects within the City. The external bond issues include a combination of fixed, medium term and variable rate debt instruments which are then repaid by debt service payments from the loan "participants" to the Internal Loan Fund. The Internal Loan Fund charges its participant borrowers the blended effective interest rate including carrying costs (letter or line of credit, remarketing, etc.), if any. The currently outstanding Internal Loan Fund loans to the Agency are:

<u>Project</u>	<u>Term</u>		<u>2020-2021</u>	<u>Amount</u>
	<u>Years</u>	<u>Maturity</u>	<u>Principal and</u>	<u>Outstanding</u>
			<u>Interest Payments</u>	<u>10/1/2021</u>
Bank of America/Hughes Supply (Housing Office)	18	2021	\$ 1,175,351	\$ -
The Plaza	18	2022	240,992	233,334
Citrus Bowl Renovation	26	2039	1,007,003	17,017,275
Total			<u>\$ 2,423,346</u>	<u>\$ 17,250,609</u>

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT**

Second Level Junior Obligations

The second level is used to support a variety of non-borrowed incentive payments over time. This category currently includes the Hotel, Residential Catalyst, and Destination Catalyst Incentive obligations. These obligations are prior to the Agency's operating and pay-as-you-go capital and/or one-time incentive programs. These Second Level obligations are given this level of priority to give reasonable comfort to private sector incentive recipients that these funding commitments will be paid as scheduled. The outstanding Second Level Junior Obligations follow:

<u>Project</u>	<u>Term</u>		<u>2020-2021 Payment</u>
	<u>Years</u>	<u>Maturity</u>	
<u>Mixed Use/Residential:</u>			
55 West	12	2022	\$ 298,553
Crescent Lucerne (1)	5	2027	-
Lincoln Tower SunRail (1)	5	2027	-
Total			<u>\$ 298,553</u>

(1) Crescent Lucerne and Lincoln Tower SunRail Payments are expected to begin in FY23.

Third Level Junior Obligations

In addition to the projects funded and/or financed through the above referenced levels of obligations, the Agency primarily pays its operating costs (staff, consultants, etc.), some incremental maintenance costs, smaller one-time incentive payments and annual pay-as-you-go capital project costs with respect to the Downtown District and other areas within the jurisdiction of the Agency at this Third Level of Junior Obligations. The following schedule illustrates the cost of these various categories for each of the last five years.

(presented in thousands)

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>
Operating Costs	\$ 2,548.25	\$ 4,723.83 (1)	\$ 6,774.33 (2)	\$ 8,285.38 (4)	\$ 10,192.10 (6)
Maintenance Costs	1,320.65	1,380.50	1,791.23	2,149.66	1,991.18
Incentive Payments	744.78	721.14	554.96	1,662.73 (5)	612.50
Capital Projects	1,357.72	1,530.40	1,213.19	648.34	5,765.96 (7)
Debt Service Support	1,860.78	3,649.54 (3)	3,270.25	2,670.22	1,816.79
Total	<u>\$ 7,832.18</u>	<u>\$ 12,005.41</u>	<u>\$ 13,603.96</u>	<u>\$ 15,416.33</u>	<u>\$ 20,378.53</u>

(1) The increase in operating costs in FY 2018 from FY 2017 is partly due to costs on the Downtown Lighting and Streetscape projects, the Parramore Housing Initiative project, and the Downtown Maintenance program.

(2) The increase in operating costs in FY 2019 from FY 2018 is partly due to higher salaries and benefits costs and one-time costs on the the Parramore Housing Initiative project and the Streetscape matching grants program.

(3) The increase in debt service costs is due to increased interest expenses related to the CRA's variable rate debt.

(4) The increase in operating costs in FY 2020 from FY 2019 is partly due to two Parramore Housing Initiative projects.

(5) The increase in incentive payments in FY 2020 from FY 2019 is from a one time incentive payment for an affordable housing project.

(6) The increase in operating costs is due to increase of downtown maintenance costs.

(7) The increase in capital is due to infrastructure costs for the Creative Village and Amelia Roadway improvements.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT**

Forecast of Revenues Available for Operating and Capital Expenditures

The following schedule reflects the Tax Increment Revenues available for Operational and Capital Expenditures after making debt service payments on the Senior Lien Debt, required under the terms of the Bond Resolution, the debt service payments on the Second Lien Level Internal Loan Fund Loan(s) and the Third Lien Level Incentive Payment(s).

Forecast of Revenues Available for Operating and Capital Expenditures

Fiscal Year Ending Sept. 30	Tax Increment Revenue (1)	Combined Senior Lien Debt Service	Available After Senior Lien Debt	1st Level Junior Obligations Debt Service (2)	2nd Level Junior Obligations Payments (3)	Available for 3rd Level Junior Obligations Expenditures
2021	\$ 41,442,952	\$ 8,917,397	\$ 32,525,555	\$ 2,423,346	\$ 298,553	\$ 29,803,656
2022	42,013,475	8,917,088	33,096,387	1,586,918	577,610	30,931,859
2023	42,013,475	8,917,606	33,095,869	1,344,252	276,350	31,475,267
2024	42,013,475	8,917,792	33,095,683	1,344,251	280,382	31,471,050
2025	42,013,475	8,917,009	33,096,466	1,344,251	284,494	31,467,721
2026	42,013,475	8,917,076	33,096,399	1,344,252	188,689	31,563,458
2027	42,013,475	8,917,748	33,095,727	1,344,251	-	31,751,476
2028	42,013,475	8,917,777	33,095,698	1,344,251	-	31,751,447
2029	42,013,475	8,916,953	33,096,522	1,344,251	-	31,752,271
2030	42,013,475	8,917,060	33,096,415	1,344,251	-	31,752,164
2031	42,013,475	8,917,818	33,095,657	1,344,251	-	31,751,406
2032	42,013,475	8,916,941	33,096,534	1,344,251	-	31,752,283
2033	42,013,475	8,917,226	33,096,249	1,344,251	-	31,751,998
2034	42,013,475	8,917,346	33,096,129	1,344,251	-	31,751,878
2035	42,013,475	8,917,020	33,096,455	1,344,252	-	31,752,203
2036	42,013,475	8,916,968	33,096,507	1,344,252	-	31,752,255
2037	42,013,475	8,916,868	33,096,607	1,344,251	-	31,752,356
2038	42,013,475	8,917,406	33,096,069	1,344,251	-	31,751,818
2039	42,013,475	8,916,900	33,096,575	1,344,251	-	31,752,324
2040	42,013,475	8,917,560	33,095,915	-	-	33,095,915

- (1) For years ending September 30, 2021 and 2022 utilizes Tax Increment Revenue collected within the Downtown District during each fiscal year. For years ending 2022 through 2040, utilizes the Tax Increment Revenues (within the Downtown District) received for the fiscal year ending September 30, 2022 (collected as of December 31, 2021).
- (2) Reflects actual loan payments for the fiscal year ended September 30, 2021. Internal loans have a blended interest rate which is charged equally to all loan participants. The blended rate is based on actual variable and fixed rates incurred on the external debt underlying the Internal Loan Fund program. The estimated interest rate for fiscal years 2022 through 2039 is 4.00%.
- (3) Reflects actual payments for the fiscal year ended September 30, 2021. For years ending 2022 through 2026 utilizes projected assessed values and current millage rates.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT**

AGENCY FINANCIAL INFORMATION

Financial information of the Agency for the last five fiscal years is shown in the following table:

**DOWNTOWN DISTRICT FIVE-YEAR INFORMATION
FOR THE FISCAL YEARS 2017 THROUGH 2021**

	<u>Fiscal Year Ended 9/30/2017</u>	<u>Fiscal Year Ended 9/30/2018</u>	<u>Fiscal Year Ended 9/30/2019</u>	<u>Fiscal Year Ended 9/30/2020</u>	<u>Fiscal Year Ended 9/30/2021</u>
Assets					
Current Assets	\$ 29,442,067	\$ 31,241,404	\$ 39,676,228	\$ 50,779,165	\$ 60,884,009
Restricted Assets	12,657,729	12,844,741	13,596,648	15,742,302	14,215,408
Total Assets	<u>\$ 42,099,796</u>	<u>\$ 44,086,145</u>	<u>\$ 53,272,876</u>	<u>\$ 66,521,467</u>	<u>\$ 75,099,417</u>
Liabilities and Fund Balances					
Current Liabilities	\$ 190,546	\$ 754,184	\$ 706,397	\$ 891,454	\$ 1,696,915
Fund Balances (1)					
Restricted	41,909,250	43,331,961	52,566,479	65,630,013	73,402,502
Total Liabilities and Fund Balances	<u>\$ 42,099,796</u>	<u>\$ 44,086,145</u>	<u>\$ 53,272,876</u>	<u>\$ 66,521,467</u>	<u>\$ 75,099,417</u>
Operating Revenues					
Tax Increment Fees	\$ 26,411,970	\$ 30,060,277	\$ 33,493,935	\$ 37,743,270	\$ 42,006,510
Income (Loss) on Investments	900,309	70,558	3,429,701	2,640,551	(42,819)
Other	3,203,588	3,239,286	3,327,643	1,148,524	661,664
Total Operating Revenues	<u>30,515,867</u>	<u>33,370,121</u>	<u>40,251,279</u>	<u>41,532,345</u>	<u>42,625,355</u>
Operating Expenditures					
Salaries, Wages, and Benefits	1,858,374	2,092,456	3,109,218	2,866,353	3,281,722
Contractual Services, Materials, and Supplies	1,671,006	3,262,428	4,894,627	6,995,462	661,664
Economic Development Incentives and Other	2,204,616	2,302,052	1,613,180	2,618,372	9,150,958
Sub Total	<u>5,733,996</u>	<u>7,656,936</u>	<u>9,617,025</u>	<u>12,480,187</u>	<u>13,094,344</u>
Capital Improvements	1,357,722	1,530,397	1,213,187	648,337	5,765,959
Debt Service:					
Principal	5,189,745	5,376,795	5,588,187	5,883,227	6,026,239
Interest and Other	9,504,076	10,180,200	10,142,824	5,767,886	5,058,145
Total Operating Expenditures	<u>21,785,539</u>	<u>24,744,328</u>	<u>26,561,223</u>	<u>24,779,637</u>	<u>29,944,687</u>
Operating Income (Loss)	<u>8,730,328</u>	<u>8,625,793</u>	<u>13,690,056</u>	<u>16,752,708</u>	<u>12,680,668</u>
Non-Operating Revenue (Expenditures):					
Operating Transfers (Net)	7,046,867 (2)	(7,230,763)	(5,012,954)	(5,133,918)	(4,908,179)
Refunding Bonds Issued	-	-	57,351,000 (3)	70,545,000 (4)	
Premium (Discount) on Issuance of Bonds	-	-	-	(176,363)	
Payment to Refunded Bond Escrow Agent	-	-	(57,184,076) (3)	(70,154,354) (4)	
Sale of Land	-	27,681	390,492	1,230,461	
Issuance of Debt	-	-	-	-	-
Total Non-Operating Revenue (Expenditures)	<u>7,046,867</u>	<u>(7,203,082)</u>	<u>(4,455,538)</u>	<u>(3,689,174)</u>	<u>(4,908,179)</u>
Net Change in Fund Balances	15,777,195	1,422,711	9,234,518	13,063,534	7,772,489
Fund Balances - Beginning	26,132,055	41,909,250	43,331,961	52,566,479	65,630,013
Fund Balances - Ending	<u>\$ 41,909,250</u>	<u>\$ 43,331,961</u>	<u>\$ 52,566,479</u>	<u>\$ 65,630,013</u>	<u>\$ 73,402,502</u>

Source: City of Orlando's CAFR.

- (1) Fund Balances have been classified in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54.
- (2) The large positive net transfers in FY17 is due to the release of the CRA debt service reserve on the Series 2014A Contract TDT Payments Revenue Bonds, which were defeased by Orange County in December of 2016.
- (3) The issuance of \$57.4 million of Community Redevelopment Agency (CRA) Tax Increment Revenue Refunding Bonds (Downtown District), Series 2019A for the refunding of \$57.2 million of CRA Tax Increment Revenue Bonds (Downtown District), Series 2009A and CRA Taxable Tax Increment Revenue Bonds (Downtown District - Direct Subsidy Build America Bonds), Series 2009C.
- (4) The issuance of \$70.5 million of Community Redevelopment Agency (CRA) Tax Increment Revenue Refunding Bonds (Downtown District), Series 2020A for the refunding of \$70.2 million of CRA Taxable Tax Increment Revenue Bonds (Downtown District - Direct Subsidy Build America Bonds), Series 2010B.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT**

THE COMMUNITY REDEVELOPMENT AGENCY

Agency Members and Staff

The members of the Agency are the seven members of the City Council with the Mayor serving as Chairman of the Agency and the Mayor Pro-Tem serving as the Vice Chairman. The Agency's staff is led by Thomas C. Chatmon, Jr., Executive Director.

Thomas C. Chatmon, Jr. was appointed Executive Director of the Community Redevelopment Agency on February 19, 2007. Prior to accepting his position with the CRA, Thomas was the President and Chief Executive Officer (CEO) for Albany Tomorrow, Inc. for ten years. Albany Tomorrow, Inc. is a non-profit organization that contracted with the City of Albany, Georgia and Dougherty County to manage and administer the Albany Downtown Riverfront Master Plan. Thomas also has 18 years of experience in business as President/CEO of a retail/wholesale distribution corporation.

The Redevelopment Act provides that the governing body of the municipality shall serve as the Agency's Board members and constitute the head of a separate legal entity, distinct and independent from the governing body of the municipality. Under the Redevelopment Act, the Agency is a separate public body corporate and politic, independent of the City.

In order to receive comments and advice on actions proposed to be undertaken within the Downtown District, the City Council established an Official Advisory Board to the Agency (the "Advisory Board") composed of the members of the Downtown Development Board, plus two representatives appointed by the Board of County Commissioners of Orange County, one of which must be an elected Orange County official. Although the Agency is responsible for all final decisions, all matters relating to the goals and objectives, projects and the budget of the Agency are reviewed by the Advisory Board.

CITY ADMINISTRATION

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 nine departments reporting to him: Business & Financial Services; Economic Development; Families, Parks and Recreation; Fire; Housing and Community Development; Orlando Venues; Police; Transportation; and Public Works. The Mayor is assisted in the day-to-day oversight of city operations by the Chief Administrative Officer, Chief Financial Officer and City Attorney. Separately, under the Mayor's Chief of Staff, there are seven programmatic areas: the City Clerk; Communications and Neighborhood Relations; Community Affairs; Constituent Relations; Governmental Relations, Human Relations and Multicultural Affairs.

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 Winderweedle, Haines, Ward & Woodman. Prior to becoming Mayor, Buddy Dyer served the Orlando area for ten years as a State Senator in the Florida Legislature. Mayor Dyer was first

CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT

elected in 2003 to fill an unexpired term and was subsequently re-elected to full-four year terms commencing in 2004, 2008, 2012, 2016 and 2020.

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.

Christopher P. McCullion was appointed Chief Financial Officer on July 3, 2016. Prior to his appointment, Mr. McCullion served as Deputy Chief Financial Officer and as the City 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.

Michelle McCrimmon was appointed Deputy Chief Financial Officer on July 31, 2016. Prior to her appointment, Ms. McCrimmon served for six years as the Controller of the City of Orlando with oversight over financial reporting and accounting operations. Before joining the City, Ms. McCrimmon worked for 16 years in Public Accounting, including five years as an Audit Senior Manager at a Big 4 accounting and consulting firm. Ms. McCrimmon holds a Bachelor of Science in Business Administration from the University of California, Riverside and is a Florida Certified Public Accountant.

Katrina Laudeman was appointed City Treasurer on May 11, 2015. Prior to her appointment, Ms. Laudeman was Treasury Manager and has held various positions within the Treasury Division, primarily focusing on investments and debt management. Ms. Laudeman holds a Bachelor of Science in Business Administration from the University of Central Florida.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT**

ORIGINAL REDEVELOPMENT PLAN AND 1990 REDEVELOPMENT PLAN

Pursuant to the Original Redevelopment Plan (adopted in July 1982) and the 1990 Redevelopment Plan, the Agency has worked to encourage private development in the downtown area. Toward this end, the Agency allocated much of its funding in its initial years to upgrading infrastructure needs. These projects have included:

Sanitary & stormwater sewer system improvements

Roadway resurfacing

Streetscaping pedestrian corridors

Parking facilities construction

Traffic signal modernization

In addition to the basic infrastructure needs, overall image enhancements including development or refurbishment of open space areas, parks, plazas and recreational facilities were completed. Low and moderate income housing was developed to accommodate the growing downtown workforce. A special emphasis was also placed on enhancing retail opportunities and improving the marketability of downtown to the hospitality and convention industries.

The initial work of the Agency produced two public/private ventures resulting in the development of Church Street Market and a downtown hotel formerly known as the Orlando Marriot Downtown. The hotel is a 290 room, \$30 million development, constructed on what was publicly owned land. Church Street Market was a 75,000 square foot, \$20 million specialty retail center developed on a former public parking lot. Both projects were instrumental in changing both attitudes and market perception of downtown's economic viability. The hotel opened in 1986 and the Church Street Market opened in 1988. The Church Street Market property has been redeveloped into the 55 West mixed-use project and the former Marriot Downtown is undergoing renovations and will reopen as a hotel.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT**

DOWNTOWN OUTLOOK 2000 PLAN

General

The Downtown Outlook 2000 Plan (the “2000 Plan”) views the downtown area as a regional economic hub for government, financial, legal and corporate operations. The 2000 Plan provides a long-term vision and action strategies to ensure Downtown Orlando is a place for families and individuals to live, work and enjoy. While the 2000 Plan covers the entire 1,620 acre Downtown District, the Downtown District has been divided into four planning areas, allowing recognition of their unique individual characteristics.

During the past 20 years, portions of the Downtown District have undergone significant change and redevelopment. The 2000 Plan is intended to encourage these changes to continue to shape future growth. It is anticipated that the majority of redevelopment activity in the Downtown District will occur in the area under the jurisdiction of the DDB. The other areas within the Downtown District will primarily experience residential development and associated neighborhood commercial uses.

In order to eliminate blight and to implement a vision for downtown as a whole and for each of its neighborhoods, the following redevelopment strategies, actions and projects have been identified in the 2000 Plan.

Community Character

The 2000 Plan seeks to promote community character by establishing a sense of community that offers something for everyone: families, singles, seniors and visitors. To accomplish this, the 2000 Plan addresses physical design, public policy, safety and security, education, housing and neighborhood preservation. The 2000 Plan recognizes the need for a full range of housing for all income levels in and around downtown.

Family Connections

Connecting people to the various functional areas of downtown is integral to the 2000 Plan, with special emphasis on pedestrian movement. Pedestrian improvements called for by the Plan include such projects as streetscape, treescape, sidewalks and railroadscape projects. Streetscaping has been used as a catalyst to improve the image of downtown Orlando. The Downtown Outlook 2000 Plan envisions connecting neighborhoods through a network of public open spaces, cultural facilities and civic spaces linked with tree-lined pedestrian friendly streets. In addition, the 2000 Plan calls for support for the Florida Center for the Arts and Education, plus the cultural corridor and arts district.

Getting Around

In order to improve accessibility to and around downtown, the 2000 Plan calls for improving the balance between cars and alternative modes of transportation such as mass transit, bicycling and the pedestrian environment. Providing a balanced transportation system with multiple options for getting around downtown and the region will enhance downtown’s marketability to businesses and residences. The 2000 Plan calls for the improvement of Interstate 4 (I-4) and the East-West Expressway (SR 408), making Anderson Street and South Street two-way between Westmoreland Drive and Rosalind Avenue, and realigning and creating new streets to facilitate proposed parks in the Uptown, Parramore and the Eola planning areas.

The 2000 Plan calls for mass transit to become a more prominent transportation alternative. The addition of other transit circulator routes connecting the four planning areas and the existing Lymmo downtown circulator would provide additional alternatives to improve mobility around downtown. A new inter-modal transportation center at Garland Avenue and Livingston Street (that opened in 2004), serves all planning areas. In addition, the development of commuter rail and/or light rail systems would provide both regional and local access to downtown. In 2014, phase I of SunRail, a 61 mile commuter rail system began operating in Central Florida which has two stations in the downtown CRA.

Improving connectivity for pedestrians and bicyclists is a key element in building community and improving the sustainability of downtown. In addition to recreational use, a comprehensive pedestrian and bicycle network is proposed to provide real transportation alternatives. The 2000 Plan calls for expanding the City of Orlando’s proposed bikeway projects within downtown throughout the four planning areas and enhancing the pedestrian experience. Proposed bikeway projects include improvements to Park Lake Street, Division Avenue, Parramore Avenue, Osceola Avenue, and Jackson Street.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT**

Pedestrian circulation throughout downtown would be enhanced through streetscape or green link projects to streets such as Colonial Drive, Orange and Magnolia Avenues, Parramore and Westmoreland Avenues, Central Boulevard, Robinson Street, Amelia Street and numerous others.

Market Potential

The goals and objectives identified for Community Character, Family Connections and Getting Around form the framework for the redevelopment strategy. However, for the 2000 Plan to be feasible, the objectives must be grounded in reality. To ensure that the action statements and projects identified in the 2000 Plan are responsive to changing market conditions and economically feasible, studies of the three primary target markets: retail, office and residential were completed. The 2000 Plan calls for expanding the downtown residential and retail incentive programs; supporting retail, cultural and arts projects; providing incentives for office development and incentives to encourage conferences, small conventions and meetings downtown.

Projects Identified

A summary of the major projects identified in the 2000 Plan is provided below in the various categories:

Pedestrian Improvements:

Central Boulevard and Colonial Drive streetscape
Orange Avenue Streetscape / Narrowing
Magnolia Avenue Streetscape/Narrowing
I-4 and East-West Expressway Underpass improvements
Other pedestrian improvements

Open Space/Beautification:

Anderson, Lake Olive and Park Lake Street Parks
Park Improvements at Orlando Utilities Commission (OUC)/Lake Highland Site
Central Boulevard Park
Other Open space and beautification improvements

Transportation:

Division Avenue Streetscape/Realignment
Transit Circulators
Light Rail transit
Additional Public Parking
Other transit and road improvements

Housing:

Housing Incentives
Other housing projects and programs

Economic Development:

Charter Schools
Orlando Venues Improvements and Redevelopment
Retail and Hospitality Incentives
Facade Grants
Other economic development projects and programs

Cultural/Other:

Cultural Corridor and Arts District Support
Florida Center for the Arts and education
Regional History Center
Cultural Arts and Programs Support
Other Cultural projects and programs

CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT

DOWNTOWN OUTLOOK 2007 PLAN AMENDMENT

On June 18, 2007 the Agency approved an amendment to the 2000 Outlook Plan. The amendment includes an expansion of the Agency's boundaries to include a portion the Camping World Stadium (formerly known as the Citrus Bowl) property. The plan amendment also provides guidance for the Agency for the three venues; the Camping World Stadium redevelopment, the new Performing Arts Center, and the new Amway Center. The amended plan will be effective for 30 years from the date of adoption of the amendment.

Construction of the first stage of the Performing Arts Center (PAC) is complete. The PAC is a unique, world-class destination that will showcase the region's performance groups, including the Orlando Philharmonic, Orlando Ballet, Orlando Opera, and Festival of Orchestras. Demolition of existing buildings and some site preparation was completed in 2010, vertical development began in 2011, and completion of stage one occurred in Fall of 2014. In Spring of 2017 construction of the second stage of the PAC began. Stage 2 will add the Steinmetz Hall, a 3-tier, 1,700 seat acoustical theatre with an estimated construction budget of \$237.5 million.

Construction on the Amway Center commenced in July 2008 and the grand opening was held on October 1, 2010. The Camping World Stadium reconstruction project was completed in 2015. Phase One Improvements to the Camping World Stadium were completed in 2011 at a cost of approximately \$11 million and included cosmetic repairs, field turf installation, skybox and press box HVAC replacement, and relocated restrooms/concessions. Phase two was completed in 2015. This phase of the project included approximately \$207 million in additional improvements, including new accessible seating and club space, new locker rooms, cosmetic repairs existing press and suite-level renovation, vertical circulation, as well as technology and infrastructure improvements. In 2019, the City entered into a Funding Agreement with Orange County and Florida Citrus Sports Events that provides \$60 million from Tourist Development Taxes to further enhance the club space and enclosed party deck at Camping World Stadium.

DOWNTOWN OUTLOOK 2010 PLAN AMENDMENT

The Downtown Outlook is designed to provide flexibility to adapt to changing market forces. Since the adoption of the Downtown Outlook Parts I and II in 2000 and 2007, respectively, there has been continued market transformation. Many strategic plans have been crafted to further guide Downtown's growth including the following:

- Mayor's Parramore Task Force
- Downtown Strategic Transition Plan
- Downtown Orlando Transportation Plan
- Mayor's Working Committee on Homelessness
- Downtown Retail & Entertainment Study
- Parramore Town Center Strategic Vision

On February 22, 2010, the City Council, by resolution, adopted an amendment to the redevelopment plan for the Downtown District. Subsequently, on March 8, 2010, the City Council, by ordinance, amended previously adopted ordinances for the creation of the Community Redevelopment Trust Fund for the Downtown District in order to provide for the expenditure of Tax Increment Revenues to fund projects within the the February 22, 2010 redevelopment plan amendment.

The 2010 Plan Amendment added the Downtown Outlook Part III to advance priorities that continue to promote the area as a vibrant neighborhood, destination, and center of commerce. Of note, key initiatives outlined in the 2010 Plan Amendment include retail development, tourism strategies, and sustainability. Additionally, initiatives are underway to diversify the Downtown community by redeveloping the former Orlando Centroplex area and Amway Arena site into the Creative Village, a phased, mixed-use redevelopment project.

The 68-acre Creative Village is a mixed-use redevelopment anchored by the nation's newest urban campus, home to the University of Central Florida and Valencia College Downtown Campuses. Creative Village will

CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT

integrate higher education and residential uses, with new office space for high-tech and creative companies. This catalytic project will also offer a dynamic mix of restaurants, public art, walkable open spaces and parks. Creative Village is a long-term public-private partnership between the City of Orlando and its selected development partner, Creative Village Development, LLC.

This high quality, sustainable neighborhood development will support a mix of uses, including:

- 8,000+ students at the Downtown Campus
- 1,200-1,500 beds of purpose-built student housing
- 2,000+ residential units to accommodate all income levels
- 500,000+ sq. ft. of office/creative workspace
- 125,000+ sq. ft. of retail/commercial space
- 150+ hotel rooms

The new Downtown Campus at Creative Village for the University of Central Florida and Valencia College opened in August 2019, bringing students to the doorstep of the region's emerging industries for a one-of-a-kind, immersive educational opportunity. The first academic building, the Dr. Phillips Academic Commons, a \$65 million, 165,000 square foot, state-of-the-art education space for students and faculty, opened in August 2019 to welcome students on the first day of classes. Additional development that opened in the first phase includes renovations to the UCF Center for Emerging Media and the Florida Interactive Entertainment Academy and a new \$10 million, 600-space campus parking garage.

In addition to the 15-acre Downtown Campus, a \$105 million, 15-story, 640-bed student housing building developed by Ustler Development and DEVEN has anchored the intersection of W. Livingston Street and Terry Avenue. This project, UnionWest at Creative Village, opened in the summer of 2019, concurrent with the grand opening of the Downtown Campus. This building will also be home to Valencia College's new 55,000 sq. ft. culinary school, The Walt Disney World Center for Culinary Arts and Hospitality. The ground floor retail spaces have also been a success, occupied by Dunkin', Subway, Qdoba Mexican Eats, Vera Asian, and Addition Financial.

A new \$60 million, 256-unit, multi-family housing development, Amelia Court at Creative Village, was brought forward by a partnership between Banc of America Community Development Corporation and Atlantic Housing Partners. Amelia Court opened in May 2019. This project consists of a mix of affordable and market-rate apartments and has provided a new option for families seeking to live near the adjacent OCPS Academic Center of Excellence and the Downtown Campus.

The Julian Apartments were the third residential project to break ground in Creative Village, a partnership between Ustler Development and The Allen Morris Company. The project contains 409 market-rate residential units with an innovative space plan that includes 1,000 sq. ft. of common space on each floor. Additionally, the ground floor will contain a 6,000 sq. ft. restaurant/beer garden.

In October 2019, Electronic Arts, Inc. announced its relocation to Creative Village, with the construction of a \$62 million, 176,000 sq. ft. build-to-suit office building. The move will bring 700-800 employees to the Creative Village. This relocation was incentivized by the Downtown Orlando CRA with a TIF rebate that spans over 15 years.

Mill Creek Residential Trust closed on Creative Village Parcel U in December 2019. The project broke ground on the \$75 million Modera Creative Village apartments in February 2020 and includes 292 units of market-rate residential units and approximately 10,000 sq. ft. of ground floor commercial space. Modera Creative Village is anticipated to open in the first half of 2022.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT**

DOWNTOWN OUTLOOK 2015 PLAN AMENDMENT

In 2014-2015, the Community Redevelopment Agency initiated a visioning process to imagine the next 10 years of Downtown's evolution and growth. The results of this process are borne out of extensive public engagement and stakeholder involvement, highlighting that the plans are for the people of Orlando, from the people of Orlando.

The DTO Vision Plan focuses on ten Vision Themes that emerged from the work of a 97-member volunteer Task Force and Executive Advisory Committee. These Vision Themes were identified as key opportunities to keep Downtown's momentum going and position Orlando positively for the future, including:

1. An awesome outdoor City
2. Highly-connected neighborhoods and districts
3. The best education in Florida
4. A great place for business
5. A creator culture
6. An iconic visual identity
7. Stellar music, arts, sports and entertainment
8. A community that takes care of its own
9. Celebrate our diverse culture and heritage
10. A City built for the future

The 2015 Update to the Redevelopment plan (the DTO Outlook), focuses on two entertainment corridors, seven planning districts, eight subject matter areas and four overarching pillars. The "Cultural Corridor" to promote arts and culture in Downtown was a key feature of the prior Plans and in the 2015 Plan, a second key corridor, a Sports and Entertainment Corridor, connecting the Orlando Camping World Stadium to the Dr. Phillips Performing Arts Center is also highlighted as a key opportunity.

The DTO Outlook also divides the CRA into seven Planning Districts, allowing the CRA to focus improvements, programs and policy recommendations on smaller sub-areas of Downtown. The 2015 Planning Districts are: North Quarter, Lake Eola Heights, South Eola, Lake Lucerne, Central Business District, Parramore Heritage Business District, and Parramore Heritage Neighborhood. The eight subject matter focus areas are similar in nature to the various committee focus areas that comprised Project DTO. They are:

- Transportation, Access and Connectivity
- Parks and Open Space
- Housing and Neighborhoods
- Art and Culture
- Sports and Entertainment
- Retail and Services
- Education and Social Fabric
- Business Environment

There are four guiding principles or pillar themes that run throughout the Plan including Sustainability, Livability, Economic Competitiveness and Health & Wellness. The Plan also describes design framework as general guidance toward good urban design principles.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT**

GROUNDWATER CONTAMINATION

North Downtown Orlando Site

During 1993-1994, the Florida Department of Environmental Protection (FDEP) conducted a field study of the north Downtown Orlando area to delineate suspected groundwater contamination. The study was released in June 1994 and identified three plumes, two of which were composed of predominantly trichloroethene (TCE) and the third of tetrachloroethene (PCE). TCE was commonly used as a degreaser in the 1960-1980 era, and PCE was used as a dry-cleaning solvent. Two sources for the plumes were identified in the report. Further actions to protect Lake Concord, which is in the path of the plume, were also presented.

Extensive negotiations between the FDEP, the City and Sentinel Communications Company were held during 1994-95 with the intent of developing a long-term cleanup program. While the City had no responsibility for any of the plumes, the City concluded that it could act as a facilitator to bring the parties together with the ultimate goal of a rapid implementation of a cleanup program.

Three agreements have been entered into related to the implementation of the cleanup program. The three agreements are as follows:

- a. Consent Decree entered by a local Circuit Court between the State of Florida Department of Environmental Protection and Sentinel Communications Company.
- b. Memorandum of Understanding between the FDEP and the City of Orlando.
- c. Agreement between the City of Orlando and Sentinel Communications Company.

The City, as a result of the Agreement and the Memorandum of Understanding, voluntarily agreed to take on the financial responsibility for the cleanup of Plume "C" (the PCE plume). While the City did not cause the contamination, the City concluded that it was in its best interest to provide for the cleanup since the alleged responsible party for this plume was no longer in business. The property from which Plume "C" originated was sold and the City no longer owns the property. In accordance with state rules, the property owner is responsible for site remediation. As such, the City will discontinue its financial participation in the remediation but will maintain its involvement in the project to monitor the progress of the cleanup effort.

Approximately 20% of the overall capital and operating clean up costs for the three plume remediation system were borne by the City with FDEP's share being a similar 20% for the costs of Plume "B" (the TCE plume) for which no responsible party was found. The City is acting as the FDEP's contractor under the Memorandum of Understanding for the state's involvement with Plume "B." The Sentinel's share of the project cost is approximately 60% for Plume "A." Total capital costs for the design and construction of the cleanup system were approximately \$1,200,000. The cleanup system has been in operation since 1996 and has removed significant quantities of TCE from the groundwater. While progress is encouraging, it is anticipated that the system will need to continue operating for a number of years before appropriate cleanup of the TCE contamination can be accomplished.

The effects of these plumes are minimal at this stage, with the majority of the contamination being thirty feet below the ground surface. A consultant for the FDEP analyzed the draft report and opined that the danger to Lake Concord was insignificant because the mixing of the lake and the volume of water present dilutes the contaminants as they enter the lake. There were some concerns that the contaminants could enter the Upper Floridan aquifer; however, on-going monitoring of deep wells installed by FDEP continues to show no effect on the Floridan aquifer. In part, the cleanup described above has allowed for development of at least six substantial projects: the 204 room Marriott Courtyard Hotel, the 304 unit Echelon at Cheney Place, the 244 unit Echelon Uptown apartment complex, the 326 unit Steel House apartments complex, the 246 unit NORA apartment complex, the 325 unit The Sevens apartment complex, and the 21,900 square foot office building, 800 North Orange. These projects total more than \$170 million in private investment.

CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT

The City of Orlando has met its obligation for this project and is no longer an active participant in the cleanup of the North Downtown Orlando Site project.

Former Spellman Engineering Site

In February 1997, the FDEP released a report on TCE contamination of the groundwater north of Lake Highland, which is located in the northernmost section of the downtown Community Redevelopment Area. The Orlando Utilities Commission (OUC) originally discovered this contamination during a petroleum tank closeout study in 1993 on property which served as a maintenance facility for OUC. The FDEP's consultant determined that the likely source of the TCE contamination was from land previously owned by a local engineering firm known as Spellman Engineering, which is located east of Ferris Avenue on the south side of Brookhaven Drive.

The FDEP referred this site, in late 1997, to the U.S. Environmental Protection Agency (EPA) in Atlanta for possible inclusion on the National Priorities List (often commonly referred to as the Superfund List). The City was concerned that resorting to the National Priorities List could indefinitely delay the remediation of the contamination and result in significant diminution of surrounding property values. City and OUC officials met with FDEP officials to determine whether there might be alternative solutions that could be pursued, short of referring the matter for action to EPA. FDEP indicated their support for a local initiative that would lead to a voluntary cleanup program. Following these discussions, the City and FDEP met with the EPA Regional Administrator in Atlanta in September 1998 to explore opportunities for the City to take on a portion of the project on a voluntary basis. The City believed that it would be in its best interests to work with EPA to avoid the stigma that would likely result from this area of the City being named as a "Superfund" site. The EPA Regional Administrator pledged to work with the City to bring such a voluntary action to fruition.

Negotiations were commenced between the City and EPA for the City to conduct the Remedial Investigation/Feasibility Study (RI/FS) phase of the work. In the fall of 2000, an agreement was reached between all parties for the funding and administration of the RI/FS by the City and OUC. The agreements were executed in early February 2001.

The fieldwork phase of the RI/FS commenced in May of 2001 after public meetings were held in the area. OUC retained Professional Service Industries (PSI) to conduct the fieldwork and prepare a report of their findings. The RI/FS study cost approximately \$900,000 which was split equally between the City and OUC. The study was originally scheduled to take about 21 months to complete but with the need for some additional fieldwork, this schedule was extended by four months. The final Remedial Investigation (RI) report and the final Baseline Risk Assessment were submitted to EPA in April 2004. The final Feasibility Study (FS) report was submitted to EPA in August 2004. The results of the RI confirmed that the TCE groundwater contamination plume has migrated from the source area (the former Spellman Engineering property) over approximately 40 acres toward Lake Highland in the south, to near Lake Ivanhoe in the west and towards Lake Formosa in the north. The contamination has migrated vertically and extends approximately 25 to 115 feet below ground surface but has not reached the upper Floridan aquifer. The Baseline Risk Assessment concluded that no potentially unacceptable risk was identified for soil, sediment or surface water impacted by the site contaminants. The FS report presented several different cleanup alternatives for each of three different contaminant zones.

The EPA conducted a formal RI/FS process, which included public notification, a public hearing, and finalization of a Record of Decision (ROD). The EPA issued their ROD in September 2004. The selected cleanup remedy presented in the ROD consists of three project phases. The proposed cleanup presented in the ROD was expected to cost approximately \$7,000,000 and could be completed over a period of 15 to 20 years. The EPA selected a contractor to perform the design of the remediation effort. The City and OUC are not required to participate in or fund any further work beyond the RI/FS, including any remediation effort. However, the City and OUC negotiated a plan with EPA that would fund the selected remediation effort without resorting to the Superfund process.

The initial plan sought to sell the City-owned property in the area to a qualified developer with the condition that the developer assume liability for the environmental remediation effort and develop the property in accordance with existing entitlements. In 2007, the neighboring Lake Highland Preparatory School (LHPS) offered to purchase the City property and OUC maintenance facility, assume the liability for the remediation effort and effectuate the cleanup of the site. (In an unrelated transaction, LHPS had a contractual option to purchase a portion

CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT

of the City owned property in the area.) LHPS, in conjunction with a development partner and an environmental consulting firm (ARCADIS) developed a Guaranteed Remediation Program (GRiP) which offered a guaranteed remediation solution for the cleanup of the TCE plume. The cleanup price guaranteed by the GRiP was approximately \$12.2 million.

In 2008, LHPS withdrew from its effort to purchase the entire former City property and OUC maintenance facility and approached the City with a proposal to purchase a portion of the City property to offset the cleanup cost of a City-funded remediation effort. To avoid further cleanup delays and to prevent the site from being placed on the EPA's National Priority List, the City negotiated an agreement with EPA to complete the remediation effort, and initiated contract negotiations with ARCADIS to perform the cleanup under the same GRiP presented to LHPS. The City also negotiated an agreement with LHPS to purchase a portion of the City property and an agreement with FDEP for Brownfield tax credits which would both be used to pay for a portion of the cleanup costs. The remainder of the cleanup costs are planned to be offset by the future sale of other City properties in the area. If the City is successful, the site will not be placed on EPA's National Priority List where such a listing could have negative impacts on property values in the immediate area, and the cleanup effort will be significantly accelerated.

ARCADIS installed the various components of the three remediation systems. As of January 2017, all three remedial options were implemented. In August 2017, Arcadis sent a Groundwater Monitoring report stating they have met the GRiP contract requirements of 90% reduction has been achieved in select wells. However, this did not address contamination that is still present outside of the select wells.

Starting in September 2017, the City contracted with Tetrtech to continue remediation. In 2018, the City and Tetrtech restarted remediation efforts to extract and cleanup groundwater. Throughout 2018 and 2019, Tetrtech conducted a series of investigative sampling events to help further delineate the extent of the contamination and decide the best way to proceed with remediation of the site. Tetrtech's contract for operation and maintenance of the groundwater treatment system was extended through 2021. Geosyntec was contracted in 2020 to provide soil/groundwater assessment activities, to further evaluate the extent of the impacted media and assist the City with moving forward on the site. Geosyntec's assessment activities are extended into 2022. In late 2021, Geosyntec implemented an additional remediation activity to treat TCE-affected groundwater. These activities will extend into 2022.

Orlando Coal Gasification Plant

Located in the 600 block of West Robinson Street, which is in the west central portion of the CRA, the Orlando Coal Gasification plant manufactured coal gas from 1887 to 1960, at which time the plant and appurtenances were demolished. At no time in its history was the plant owned or operated by the City of Orlando. Various studies of the potential soil and groundwater contamination emanating from this facility have been conducted over the past fifteen years. In 1988-1989, the United States Geological Survey conducted a water quality monitoring study of the Upper Floridan aquifer, which serves as a drinking water source for some utilities in the Central Florida region. This aquifer is about 200 feet below ground surface. The OUC, which provides drinking water to the City of Orlando, has, as its water source, the Lower Floridan aquifer which is approximately 1,200 feet below ground surface. This study showed some evidence of contamination in the Upper Floridan aquifer that could have resulted from the disposal of by-products from the coal gasification manufacturing process.

EPA, Region IV, commissioned two groundwater studies, one in 1990, and the other in 1996. Based on that work, EPA placed this site on a low priority list for further investigation in 1996. No investigation of the Upper Floridan water quality was conducted during those two studies.

More recently, in 2002, under an order from the EPA, a consortium of present and former landowners of the coal gasification site conducted an Expanded Site Investigation (ESI) study of the soil and groundwater on and adjacent to the coal gasification site. This study focused on the condition of both the groundwater and the waters of the Upper Floridan aquifer. Fieldwork was completed in the summer of 2002, with the subsequent report on the findings showing certain areas where coal tar contamination had entered into the upper reaches of the Upper Floridan aquifer. The conclusion of the 2002 ESI study was that this contamination appeared to have entered the aquifer through a direct conduit such as a drainage well(s), as discharge or condensate disposal pipes from the plant

CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - DOWNTOWN DISTRICT

were connected (presumably by the plant operators) directly to a drainage well (now known as drainage well #62). As a result of this ESI study, EPA required the consortium to enter into an agreement to conduct a full Remedial Investigation/Feasibility Study (RI/FS).

Due to the fact that the City of Orlando formerly operated Drainage Well #62 on West Robinson Street several hundred feet to the east of the site and the fact that this drainage well may have been a conduit for contamination to reach the Upper Floridan aquifer, the consortium approached the City to become an active participant in the conduct of the environmental work as a Potentially Responsible Party (PRP). While it has not been conclusively proven that the contamination entered the Upper Floridan aquifer through Drainage Well #62, it cannot be definitively shown that it did not. There were also discussions between EPA staff and City staff regarding the desirability of the City becoming involved in the program as a PRP, in addition to the City's past role as a facilitator and provider of access for study purposes.

To that end, staff negotiated a participation level of three percent (3%) for the City to pay for environmental assessment work done as of that date and additional investigatory work (RI/FS) that continues at the site. The City's cost at this level of participation is estimated to be \$84,000. The work to be accomplished will be under the EPA's RI/FS guidelines similar to the work that the City and OUC had completed for the former Spellman Engineering site. Any future remediation costs (unknown at this time) may also become an obligation of the City at a yet to be determined level. City representatives have been members of the steering committee for the consortium. This committee has provided oversight of the RI/FS process as it progresses.

To memorialize the City's participation in this program, there are five separate agreements which were approved by City Council and executed by the Mayor on November 10, 2003. The principal agreement is the RI/FS Administrative Order on Consent between the City, the EPA, Florida Power Corporation (now Progress Energy Florida), Peoples Gas System, and Atlanta Gas Light. This document binds the City to the program as a PRP.

EPA separated the work into two Operating Unit (OU)s: OU1 includes the contaminated on-site soils and groundwater in the surficial aquifer (land surface to the Hawthorn Group (45' to 60' bls)) and OU2 consists of the groundwater contamination in the Floridan aquifer (approx. 150' to 400' bls).

In 2013, EPA issued the Record of Decision (ROD) for OU1. The selected cleanup remedy presented in the ROD will address the contaminated soils and surficial aquifer groundwater, which under Florida's regulations, is classified as a potential source of drinking water (G-II). The remediation is necessary to protect the public health and environment from actual or threatened releases of pollutants from this Site. The proposed cleanup presented in the ROD was expected to cost approximately \$18 million.

In January 2017 the City entered into a settlement, whereby the City will pay 2% of OU1 and 10% of OU2 for remedial design/action (RD/RA).

A surface soil removal completion report for OU1 - Phase 1 was submitted in February 2019 that included soil excavation and MGP piping removal for a majority of the site which was completed later in 2019. An underground concrete barrier wall was also constructed during this time. The barrier wall was designed to further prevent MGP material from migrating off-site. The Phase II portion, consisting of the removal of impacted surface soils and MGP piping underneath Robinson Street and around the TECO gas building, for the installation of multiple air sparge, extraction, and injection wells along with corresponding piping, vaults, and manifolds, were completed in 2020. The extraction/treatment/reinjection system is operating, and Geosyntec is performing regular O&M of the system and groundwater monitoring activities. Sampling is currently happening per the schedule approved by EPA.

For OU2, the Phase 1 Pilot Study Work Plan (PSWP), was submitted for approval to the involved parties in January 2020 and subsequently approved. In fourth quarter 2020, Geosyntec performed the Pilot Study. Geosyntec is currently evaluating the data collected during the Pilot Study, the report of was submitted to the involved parties in late 2021. This data was used to develop the Phase 2 Pilot Test Study Work Plan, scheduled for submittal in early 2022.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY – REPUBLIC DRIVE
(UNIVERSAL BOULEVARD) DISTRICT**

CRA REPUBLIC DRIVE (UNIVERSAL BOULEVARD) DISTRICT

INTRODUCTION

As part of the ongoing comprehensive planning process, the City's transportation system is analyzed and reviewed to facilitate the management and implementation of growth in the City. The City identified traffic capacity deficiencies while engaged in this planning process in the transportation/roadway system servicing the area bounded by Kirkman Road on the east, Orlando-Vineland Road on the north, Turkey Lake Road on the west, and both Sand Lake Road and Interstate 4 on the south. This area has experienced considerable growth, in large part due to the development of the entertainment and film production facilities commonly known as Universal Studios Florida.

On February 7, 1994, the City Council found the existence of a blighted area within the southeast section of the City designated as the Interstate 4/Republic Drive Interchange Community Redevelopment Area. After a public meeting and public hearing in accordance with the requirements of the Redevelopment Act, the City Council adopted a resolution on June 5, 1995, approving a redevelopment plan (the "Interstate 4/Republic Drive Interchange Area Redevelopment Plan") which provided for the acquisition and construction of the Project within the Interstate 4/Republic Drive Interchange Community Redevelopment Area. The Interstate 4/Republic Drive Interchange Community Redevelopment Area consists of approximately 780 acres.

The Redevelopment Act provides that upon creation of a community redevelopment agency, a municipality shall establish on behalf of the community redevelopment agency, a community redevelopment trust fund. With respect to the Interstate 4/Republic Drive Interchange Community Redevelopment Area, the City established the Interstate 4/Republic Drive Redevelopment Trust Fund by an ordinance enacted June 19, 1995 (the "1995 Ordinance"), pursuant to Section 163.387, Florida Statutes. "Taxing Authorities," as defined in the Redevelopment Act, which levy ad valorem taxes on real property subject to taxation located within the Interstate 4/Republic Drive Interchange Community Redevelopment Area are required by January 1 of each year to deposit into the Interstate 4/Republic Drive Redevelopment Trust Fund an amount as described herein under the caption "INCREMENT REVENUES." The taxing authorities which are required to make annual deposits to the Interstate 4/Republic Drive Redevelopment Trust Fund and are currently doing so are the City and Orange County.

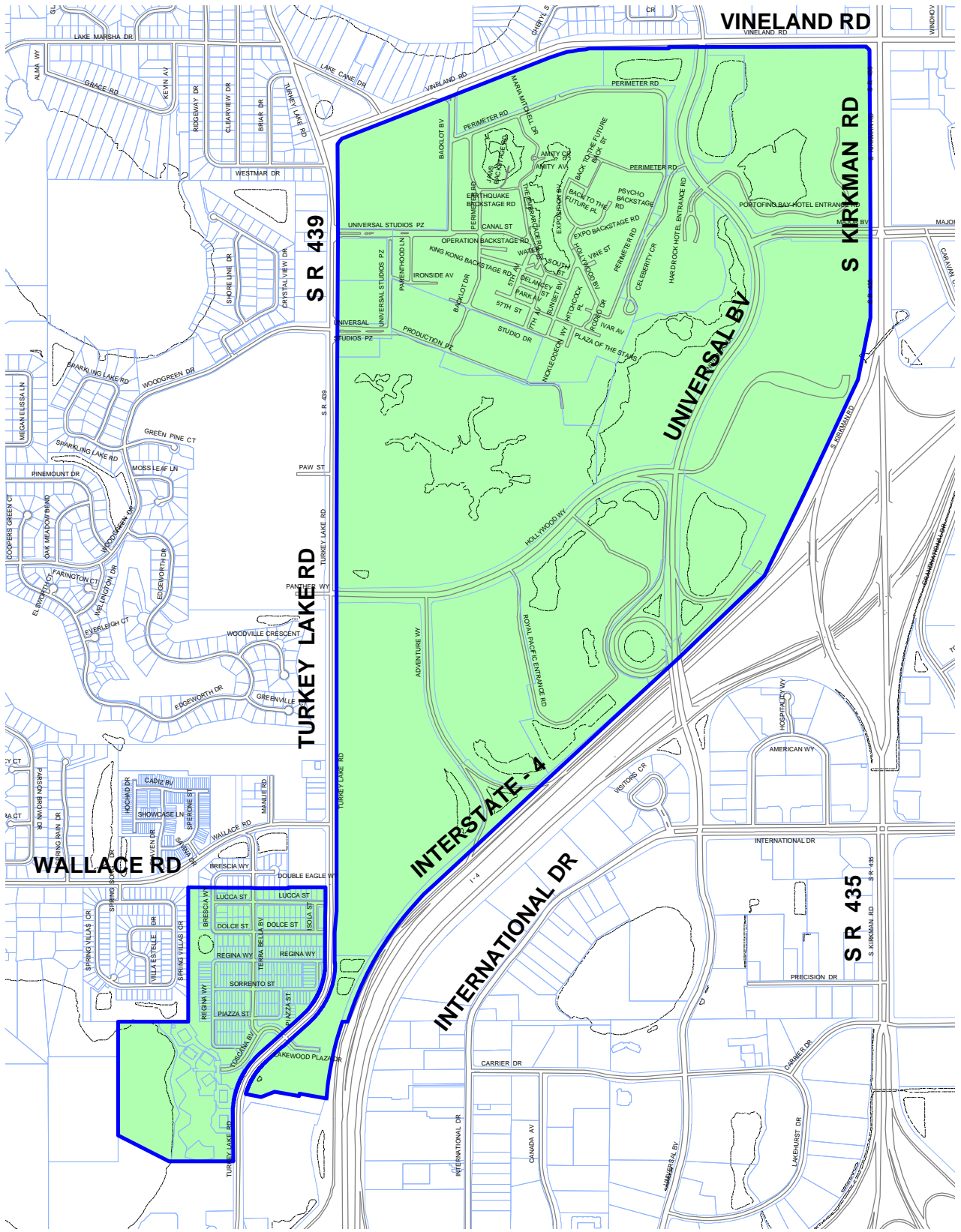
In addition to the original Universal Studios theme park, a second theme park, two garages, a people mover system and a night time entertainment area have been developed by the Universal Partnerships (as defined below) within the Interstate 4/Republic Drive Community Redevelopment Area. There are currently five hotels within the Interstate 4/Republic Drive Community Redevelopment Area. All of the facilities described above, including the original Universal Studios Florida theme park, are within the Interstate 4/Republic Drive Community Redevelopment Area. As a result of the development of such facilities, the Agency expects continued growth in the Interstate 4/Republic Drive Community Redevelopment Area. A portion of the land within the Redevelopment Area has been rezoned to permit a mixed use development of single family residences, condominiums, and apartments, but the majority of the taxable real property within the Interstate 4/Republic Drive Interchange Community Redevelopment Area is related to the entertainment and tourism industry. After the formation of the Interstate 4/Republic Drive Interchange Community Redevelopment Area and the issuance of the Series 1997A Bonds, Republic Drive was renamed Universal Boulevard.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY – REPUBLIC DRIVE
(UNIVERSAL BOULEVARD) DISTRICT**

The public infrastructure improvements financed within the Interstate 4/Republic Drive Interchange Community Redevelopment Area with the proceeds of the Series 1997A Bonds involved the following six general components:

- | | | |
|-------------------|----|--|
| <i>Bridge:</i> | 1) | To northbound: a three-lane overpass roadway. |
| | 2) | To southbound: a three-lane overpass roadway. |
| <i>On-ramps:</i> | 3) | To eastbound Interstate 4: a direct access on-ramp. |
| | 4) | To westbound Interstate 4: a direct access on-ramp. |
| <i>Off-ramps:</i> | 5) | From eastbound Interstate 4: a direct access off-ramp. |
| | 6) | From westbound Interstate 4: a direct access off-ramp. |

Construction of the Project began in August of 1996 and was substantially complete by September 1999 with minor modifications to the interchange completed in January 2000. The construction of the Project ensured that public transportation facilities needed to support the traffic created by development within the Interstate 4/Republic Drive Community Redevelopment Area would be available concurrent with the impact of the development in that area.



I-4 / Republic CRA

 Community Redevelopment Area



**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY – REPUBLIC DRIVE
(UNIVERSAL BOULEVARD) DISTRICT**

The following table shows the properties that comprise the I-4/Republic Drive Interchange Community Redevelopment Area.

**USE OF TAXABLE PROPERTIES WITHIN THE
I-4/REPUBLIC DRIVE (UNIVERSAL BLVD.)
COMMUNITY REDEVELOPMENT AREA**

<u>Property Description</u>	<u>Number of Acres</u>	<u>2021 Total Taxable Value (in Millions)</u>
Theme Parks:		
Universal Studios Theme Park	108.43	\$ 290.0
Islands of Adventure Theme Park	101.60	208.3
City Walk (Shopping/Entertainment)	35.15	90.9
Volcano Bay	31.35	101.1
Sub Total - Theme Parks		<u>690.3</u>
Hotels:		
Portofino Bay Hotel	51.77	142.7
Royal Pacific Resort	53.30	192.6
Hard Rock Hotel	20.16	132.3
Cabana Bay Beach Resort	39.58	171.8
Sapphire Falls Resort	20.86	111.1
Loews Aventura Hotel	5.86	41.1
Sub Total - Hotels		<u>791.6</u>
Parking Garages and People Mover	69.09	191.9
Hard Rock Live/Café	6.69	28.2
Studios and Production Lots	15.28	27.7
Loews Hotel Services/Creative Activities	10.44	19.5
Administrative Offices	4.22	13.0
Employee Parking Lots	24.89	45.4
Other parcels/uses	86.12	88.7
Residential/Homestead Property/Other	95.09	103.0
Totals	<u>779.88</u>	<u>\$ 1,999.3</u>

Source: Orange County Property Appraiser and Orange County Official Records.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY – REPUBLIC DRIVE
(UNIVERSAL BOULEVARD) DISTRICT**

OUTSTANDING INDEBTEDNESS

As of September 30, 2021, the Republic Drive District had two outstanding bond issuances that are described below.

The Tax Increment Revenue Refunding Bonds, Series 2012, were issued as a current refunding of the outstanding Tax Increment Revenue Refunding Bonds, Series 2002, to achieve debt service savings. The Tax Increment Revenue Refunding Bonds, Series 2002, were issued as a current refunding of the outstanding Special Assessment Revenue Bonds, Series 1997A. The Series 2012 Bonds maturing after April 1, 2022, may, at the option of the Agency be called for redemption as a whole or in part at any time, on or after April 1, 2022 (less than all Series 2012 Bonds to be selected by lot), at the redemption price of par plus accrued interest from the most recent Interest Payment Date to the redemption date. The Series 2012 Bonds are subject to Extraordinary Mandatory Redemption prior to maturity, in whole on any date, at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that on the date on which the amount on deposit in the Reserve Account, together with other moneys available therefore, are sufficient to pay and redeem all of the Series 2012 Bonds then Outstanding, including accrued interest thereon. The 2002 refunding was a variable rate debt to fixed rate debt transaction, and also replaced special assessments as the source of revenue and security with tax increment revenues.

The Tax Increment Revenue Bond, Series 2013 Bond was issued in the amount of \$9,000,000 to finance certain public improvements within the Republic Drive/Universal Boulevard District, including a pedestrian bridge and stormwater improvements. The Series 2013 Bond was privately placed with Regions Capital Advantage, Inc., at a rate of 2.17% with no prepayment penalty. It is a limited obligation of the Agency payable from and secured solely by a lien upon and pledge of the Pledged Revenues which include Increment Revenues appropriated by taxing authorities within the Redevelopment Area and actually received by the Agency, along with other legally available moneys, as and when deposited in certain accounts held under the Indenture and investment earnings in such accounts. The Series 2013 Bond was issued on parity with the Agency's outstanding Series 2012 Bonds.

The table on the next page provides the debt service schedule for the Series 2012 and 2013 Bonds and the estimated debt service coverage based upon historic revenues.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY – REPUBLIC DRIVE
(UNIVERSAL BOULEVARD) DISTRICT**

**ESTIMATED DEBT SERVICE SCHEDULE AND COVERAGE
BASED ON HISTORIC REVENUES**

Fiscal Year Ending Sept. 30	2012 Bond Principal (1)	2012 Bond Interest	2013 Bond Principal (1)	2013 Bond Interest	Total Debt Service	Increment Revenues (2)	Estimated Total Debt Service Coverage
2021	\$ 2,385,000	\$ 563,125	\$ 776,953	\$ 79,608	\$ 3,804,686	\$ 20,797,665	5.47
2022	2,505,000	440,875	793,813	62,566	3,802,254	17,621,752	4.63
2023	2,630,000	312,500	811,039	45,153	3,798,692	17,621,752	4.64
2024	2,760,000	177,750	828,639	27,362	3,793,751	17,621,752	4.64
2025	<u>2,900,000</u>	<u>54,375</u>	<u>846,620</u>	<u>9,186</u>	<u>3,810,181</u>	<u>17,621,752</u>	4.62
TOTALS	<u>\$ 13,180,000</u>	<u>\$ 1,548,625</u>	<u>\$ 4,057,064</u>	<u>\$ 223,875</u>	<u>\$ 19,009,564</u>	<u>\$ 91,284,673</u>	

(1) Matures April 1st

(2) Assumes that Increment Revenues collected in the Fiscal Year ending September 30, 2022, will remain constant through September 30, 2025, exclusive of interest earnings.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY – REPUBLIC DRIVE
(UNIVERSAL BOULEVARD) DISTRICT**

PERTINENT AGREEMENTS

The Cooperation Agreement

In connection with the issuance of the Series 1997A Bonds, a Cooperation Agreement dated as of August 26, 1997 (the “1997 Cooperation Agreement”), was executed by the City, the Agency, and Universal City Florida Partners and Universal City Development Partners (the “Universal Partnerships”), general partnerships which were at such time owned indirectly by Universal Studios, Inc. and Rank Leisure Holdings P.L.C.

Under the terms of the 1997 Cooperation Agreement, certain “Benchmarks” (as defined therein) encouraged and promoted the Universal Partnerships’ plan to develop their properties within the Interstate 4/Republic Drive Interchange Community Redevelopment Area on a timely basis. The resulting increase in property values from such development would in turn create an increase in tax revenues as contemplated in the Interstate 4/Republic Drive Community Redevelopment Plan.

In connection with the issuance of the Series 2002 Bonds, the Agency, the City and Universal City Development Partners, Ltd., successor in interest to the Universal Partnerships (the “Partnership”), entered into the Refunding Cooperation Agreement dated as of August 12, 2002 (the “2002 Cooperation Agreement”), pursuant to which the parties acknowledged that, as of the date of issuance of the Series 2002 Bonds, the 1997 Cooperation Agreement was terminated. Under the 2002 Cooperation Agreement, the Agency and City further acknowledge the Partnership’s compliance through the date of issuance of the Series 2002 Bonds with the Benchmarks. The Partnership further acknowledged that at the time of issuance of the Series 2002 Bonds the Agency was under no obligation to refund the Series 1997A Bonds and the City was under no obligation to discharge the special assessment related to the Series 1997A Bonds or record a satisfaction of lien with respect thereto. By doing so before required to under the terms and conditions of the Interlocal Agreement (as defined below) and the 1997 Cooperation Agreement, the Partnership acknowledged in the 2002 Cooperation Agreement that the Agency and the City conferred a benefit upon the Partnership in consideration for which the Partnership agreed to contribute \$1,667,678 to the Agency for deposit to the 2002 Supplemental Reserve Subaccount to be held under the terms of the Indenture until such time as the 2002 Supplemental Reserve Requirement equals zero or the Series 2002 Bonds are no longer Outstanding, after which time the balance remaining in the 2002 Supplemental Reserve Subaccount will be returned to the Partnership. On any date after January 1, 2006, the 2002 Supplemental Reserve Requirement will be reduced to zero upon delivery by the Agency to the Trustee of a written certificate of the Chief Financial Officer of the City stating that the Increment Revenues deposited into the Interstate 4/Republic Drive Redevelopment Trust Fund in the then-current Fiscal Year and each of the immediately preceding two Fiscal Years have equaled or exceeded 200% of the Maximum Annual Debt Service on all Outstanding Bonds. On January 11, 2006 the supplemental reserve was returned to the partnership.

The City, the Agency, and Universal City Development Partners entered into a 2013 Cooperation Agreement with the issuance of the Series 2013 Bond. That agreement lays out the parameters of the pedestrian bridge and storm water improvements as well as the roles of each participating party in overseeing construction, completion and maintenance of said improvements.

The Interlocal Agreement

General. The City and the County entered into an Interlocal Agreement dated as of April 2, 1996 (as amended from time to time, the “Interlocal Agreement”), which among other things, provides for the disposition of Increment Revenues generated within the Redevelopment Area. It was amended in 2002, late 2011 and again in 2013 with each refunding and new issuance. The Interlocal Agreement also provides that the existence of the Redevelopment Area will automatically terminate and the Increment Revenues cease being appropriated and paid by the County upon the earlier to occur of (i) the payment or defeasance of all obligations authorized to pay the costs of the Improvements (or to refinance such costs) and (ii) January 1, 2026. As part of the proceedings validating the Series 1997A Bonds, the Court validated and confirmed the Interlocal Agreement and found it to constitute a valid, binding and enforceable agreement. See “VALIDATION” herein.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY – REPUBLIC DRIVE
(UNIVERSAL BOULEVARD) DISTRICT**

The Interlocal Agreement limits the use of the Increment Revenues to the payment of (i) the principal of, and interest and redemption premium, if any, on obligations issued to provide funds for allowable capital costs of the Improvements and (ii) certain costs incidental to variable rate obligations. Any surplus Increment Revenues are required to be distributed to the respective taxing authorities (the County or the City) within 30 days of receipt of payments from such taxing authority of the Increment Revenues in amounts that are proportionate to the amount the taxing authority's payment bears to the total amount paid into the Redevelopment Trust Fund by all taxing authorities for that year, in accordance with the calculations set forth in the Interlocal Agreement.

In the event the Agency seeks to issue Additional Bonds pursuant to the terms and provisions of the amendments contained in the Proposed Second Supplemental Indenture of Trust, the Interlocal Agreement will have to be amended or replaced to enable the Agency to include additional capital improvements within the definition of "Improvements" and for the Agency to pledge Increment Revenues to Additional Bonds issued to finance any such additional capital improvements.

County Prepayment. Under the terms of the Interlocal Agreement, the County has the right to legally defease or refund any Increment Obligations, including the Series 2012 and 2013 Bonds, in a principal amount equal to the County Share (as a percentage) of the aggregate principal amount then outstanding. The "County Share" is the approximate equivalent of the ratio of the ad valorem tax millage levied by the County to the aggregate ad valorem tax millage levied by the County and the City. Currently, the County Share stated as a percentage is approximately 44%. The following conditions must first be met before the County can exercise its option to legally defease and refund any of the Increment Obligations comprising the County Share (which includes any of the Series 2012 and 2013 Bonds):

- (A) The Adjusted Increment Revenues (as defined below) for the two consecutive Fiscal Years immediately preceding such defeasance or refunding is at least equal to 125% of the Adjusted Debt Service Requirement (as defined below) for each such Fiscal Year; and
- (B) The County has provided the City with an opinion of nationally recognized bond counsel that such defeasance or refunding of the County Share of the aggregate principal amount of all Increment Obligations then outstanding would (a) not cause the interest on the Increment Obligations to be includable in gross income for federal income tax purposes, and (b) not be deemed a refunding or a reissuance for federal income tax purposes, of the Increment Obligations that remain Outstanding or that have not been defeased.

In the event the County were to exercise its option to legally defease or refund any of the Series 2012 or 2013 Bonds comprising the County Share of Increment Obligations, all or a portion of such Series 2012 or 2013 Bonds to be defeased or refunded may either be (i) called for optional redemption or (ii) defeased by the deposit of sufficient moneys or Governmental Securities in a separate escrow fund in the manner required under the Indenture.

For purposes of the above, the term "Adjusted Increment Revenues" in any Fiscal Year means the aggregate Increment Revenues for such Fiscal Year that were deposited into the Redevelopment Trust Fund, reduced by the aggregate Increment Revenues in such Fiscal Year that would not have been deposited into the Redevelopment Trust Fund had such defeasance or refunding occurred immediately prior to the commencement of such Fiscal Year. The term "Adjusted Debt Service Requirement" in any Fiscal Year means the require principal and interest payments to be made for the Increment Obligations for such Fiscal Year, reduced by the debt service attributable to those Increment Obligations that are to be partially defeased or refunded pursuant to the foregoing, had such defeasance or refunding occurred immediately prior to the commencement of such Fiscal Year.

INCREMENT REVENUES

The Series 2012 and 2013 Bonds are secured in part by the pledge of Increment Revenues deposited into the Interstate 4/Republic Drive Redevelopment Trust Fund established by the 1995 Ordinance. Increment Revenues are defined in the Indenture and the Interlocal Agreement as "increment revenues" (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 Redevelopment Area for deposit into the Redevelopment Trust

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY – REPUBLIC DRIVE
(UNIVERSAL BOULEVARD) DISTRICT**

Fund, pursuant Section 163.387 of the Redevelopment Act. Increment Revenues also includes payments treated as Increment Revenues pursuant to the Indenture, but excludes “increment revenue” associated with any of the City’s other community redevelopment areas. Increment Revenues are deposited in the Redevelopment Trust Fund created under and pursuant to the Redevelopment Trust Fund Ordinance. Under the terms of the Interlocal Agreement, the Increment Revenues may only be used to pay debt service on and associated costs for Increment Obligations issued to finance the Improvements comprising the Redevelopment Plan. The Interlocal Agreement further provides that Increment Revenues may not be used to fund the operating and personnel expenses of the Agency.

Sources of Increment Revenues

Required payments by the taxing authorities to the Interstate 4/Republic Drive Redevelopment Trust Fund are based on the assessed valuation of taxable real property as of the previous January 1. Pursuant to the Redevelopment Act and the 1995 Ordinance (as defined herein), on or before each January 1, each such taxing authority levying taxes in the Interstate 4/Republic Drive Interchange Community Redevelopment Area must appropriate and pay to the Interstate 4/Republic Drive Redevelopment Trust Fund an amount equal to 95% of the difference between:

- (a) The amount of ad valorem taxes levied each year by that taxing authority, exclusive of any amount from any debt service millage, on taxable real property contained within the geographic boundaries of the Interstate 4/Republic Drive Interchange Community Redevelopment Area; and
- (b) The amount of ad valorem taxes which would have been produced by the then current millage rate of that taxing authority, exclusive of any debt service millage, had it been applied to the assessed valuation of the taxable real property in the Interstate 4/Republic Drive Interchange Community Redevelopment Area as of January 1, 1994.

Current and future tax increment revenue accruing within the Interstate 4/Republic Drive Interchange Community Redevelopment Area is predicated upon increases in assessed real property valuations in excess of taxable values recognized for a specific base year. Taxable values within the Interstate 4/Republic Drive Interchange Community Redevelopment Area for the base year of 1994 were \$324,462,644. The following table summarizes the historical gross taxable values for the Interstate 4/Republic Drive Interchange Community Redevelopment Area as of January 1 of the years 2012 through 2021, and the increase or decrease in assessed value for each year.

Measuring Calendar Year (as of January 1)	Fiscal Year Ended September 30	Total Assessed Taxable Values	Increase/(Decrease) in Assessed Value Over Prior Year	Incremental Value
2012	2013	\$ 1,162,705,560	\$ (3,874,960)	\$ 838,242,916
2013	2014	1,120,613,042	(42,092,518)	796,150,398
2014	2015	1,193,632,424	73,019,382	869,169,780
2015	2016	1,519,017,042	325,384,618	1,194,554,398
2016	2017	1,623,430,455	104,413,413	1,298,967,811
2017	2018	1,982,699,646	359,269,191	1,658,237,002
2018	2019	2,062,675,871	79,976,225	1,738,213,227
2019	2020	2,298,865,515	236,189,644	1,974,402,871
2020	2021	2,299,462,304	596,789	1,974,999,660
2021	2022	1,997,869,381	(301,592,923)	1,673,406,737

The incremental increase or decrease in the assessed taxable value described above is used to measure the amount of the contribution which must be appropriated and contributed by each taxing authority which is required to make payments. The taxing authorities cannot be compelled to levy ad valorem taxes to make such payments. The statutory obligation of the taxing authorities to make the required payments to the Redevelopment Trust Fund continues for so long as the Agency has indebtedness pledging Increment Revenues to the payment thereof outstanding, but not to exceed thirty years from the date the redevelopment plan is last amended, which is 2025.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY – REPUBLIC DRIVE
(UNIVERSAL BOULEVARD) DISTRICT**

Additionally, the obligation of the City (the governing body which established the community redevelopment agency), to annually fund the Redevelopment Trust Fund continues until all loans, advances, and indebtedness, if any, and interest thereon, of the Agency incurred as a result of redevelopment in the Redevelopment Area have been paid. The Agency has covenanted in the Indenture to diligently enforce its right to receive and dispose of the Increment Revenues and has agreed that it shall not take any action that will impair or adversely affect the Increment Revenues or the right to receive such revenues.

Millage Rates

The table below summarizes the millage rates levied within the Interstate 4/Republic Drive (Universal Blvd.) Interchange Community Redevelopment Area for the Fiscal Years 2013 through 2022.

**Historic Millage Rates
(last ten years)**

Fiscal Year Ended Sept. 30	City of Orlando	Orange County	Total
2013	5.6500	4.4347	10.0847
2014	5.6500	4.4347	10.0847
2015	5.6500	4.4347	10.0847
2016	6.6500	4.4347	11.0847
2017	6.6500	4.4347	11.0847
2018	6.6500	4.4347	11.0847
2019	6.6500	4.4347	11.0847
2020	6.6500	4.4347	11.0847
2021	6.6500	4.4347	11.0847
2022 ⁽¹⁾	6.6500	4.4347	11.0847

(1) The City and Orange County have approved these millage rates for FY2022.

Established Increment Revenues

The aggregate assessed valuation of taxable real property in the Interstate 4/Republic Drive Interchange Community Redevelopment Area as of January 1, 1994, used for determining the incremental assessed valuation in future years was \$324,462,644 (the “Base Year Value”). The amount of Increment Revenues to be received in any future year is dependent on the assessed valuation of taxable real property in the Interstate 4/Republic Drive Interchange Community Redevelopment Area as of each January 1, the incremental increase in such valuation above the Base Year Value and the total millage rate levied by the relevant taxing authorities; all of which factors are completely outside the control of the Agency.

Factors Affecting Increment Revenues

Neither the City nor any other taxing authority levying ad valorem taxes within the Interstate 4/Republic Drive Interchange Community Redevelopment Area has covenanted or pledged to levy ad valorem taxes on taxable real property within the Interstate 4/Republic Drive Interchange Community Redevelopment Area at a level sufficient to generate Increment Revenues in any particular amount or at all. The pledge of Increment Revenues does not constitute a pledge of the ad valorem taxing power of any taxing authority, including the City or the County. The Agency has no taxing power.

Consequently, the amount of Increment Revenues to be deposited in the Interstate 4/Republic Drive Redevelopment Trust Fund and pledged to the Series 2012 and 2013 Bonds is dependent upon, among other things,

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY – REPUBLIC DRIVE
(UNIVERSAL BOULEVARD) DISTRICT**

(i) the millage rates, if any, established by any taxing authority, including the City and the County and (ii) growth in the assessed valuation of taxable real property in the Interstate 4/Republic Drive Interchange Community Redevelopment Area, which increase will be affected by the annual appraisal at one hundred percent (100%) of the “just value” of taxable real property, including new construction completed, within the Interstate 4/Republic Drive Interchange Community Redevelopment Area.

**Increment Revenues
City of Orlando Community Redevelopment Agency
Interstate 4/Republic Drive (Universal Blvd.) Interchange**

Fiscal Year Ended Sept. 30	Total Collections	Annual Rate of Growth/(Decrease)	Debt Service Coverage (1)
2012	\$ 8,067,882	10.6%	2.42
2013	8,030,758	-0.5%	2.67
2014	7,627,492	-5.0%	1.97
2015	9,152,762	20.0%	2.36
2016	12,579,214	37.4%	3.25
2017	13,678,736	8.7%	3.53
2018	17,462,008	27.7%	4.51
2019	18,304,195	4.8%	4.72
2020	20,791,381	13.6%	5.37
2021	20,797,665	0.0%	5.37
2022 (2)	17,621,752	-15.3%	4.55

(1) Debt service coverage through 2012 is calculated based on Maximum Annual Debt Service (MADS) on the Series 2002 Bonds, \$3,335,356; debt service coverage for 2013 is calculated based on the MADS for the Series 2012 Bonds, \$3,009,000; debt service coverage for 2014 and on is based on the MADS for both Series 2012 and 2013 Bonds, \$3,873,991.

(2) Reflects tax increment revenue collected as of December 31, 2021.

Calculation of Increment Revenues - Fiscal Year 2022

Assessed Value	\$ 1,997,869,381
Less Base Year Taxable Value	<u>(324,462,644)</u>
Fiscal Year 2021 Increment Taxable Value	1,673,406,737
Multiplied by Fiscal Year 2020 Millage Rate	<u>11.0847</u>
Increment Revenue (1)	17,621,752
Less Adjustments to Prior Year Assessed Values	<u>-</u>
Total Collections	<u><u>\$ 17,621,752</u></u>

(1) Calculated using 95% of taxable value.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY – CONROY ROAD DISTRICT**

CRA CONROY ROAD DISTRICT

INTRODUCTION

An interchange at Conroy Road and Interstate 4 was in the City’s, the County’s, the Metropolitan Planning Organization, and the Florida Department of Transportation planning agenda for over a decade unrelated to and preceding this developer initiative. In the early 1990’s, Orlando Southwest Partners (“the “Developer”) acquired the right to purchase 440 acres of property at the location of the future interchange and approached the City to annex the property if tax increment revenues could be used to finance/accelerate the construction. The City and the County agreed to the first of a series of interlocal agreements which would allow tax increment revenues from the “to be annexed” property to be used to construct the interchange. A map of the Community Redevelopment Agency - Conroy Road District is shown on page C-40.

OUTSTANDING INDEBTEDNESS

The initial Series 1998A Bonds were issued to finance the construction of the interchange improvements at Conroy Road and Interstate 4. Subsequently, the Series 2012 Bonds were issued to refund and redeem all of the outstanding Series 1998A debt with a significant debt service savings. The Series 2012 Bonds maturing on or after April 1, 2023, may, at the option of the Agency be called for redemption as a whole, or in part, at any time on or after April 1, 2022 (less than all Series 2012 Bonds to be selected by lot), at the redemption price of par plus accrued interest from the most recent Interest Payment Date to the redemption date. The Bonds are payable from and secured by Pledged Increment Revenues. The Special Assessments and Transportation Impact Fees that were part of pledged revenues for the 1998A Series Bonds were released with the Series 2012 Bonds. The debt service schedule for the Series 2012 Bonds is shown below.

<u>Fiscal Year Ending September 30,</u>	<u>2012 Bonds</u>		<u>Total Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 1,520,000	\$ 382,750	\$ 1,902,750
2023	1,595,000	304,875	1,899,875
2024	1,680,000	223,000	1,903,000
2025	1,765,000	136,875	1,901,875
2026	1,855,000	46,375	1,901,375
Totals	<u>\$ 8,415,000</u>	<u>\$ 1,093,875</u>	<u>\$ 9,508,875</u>

THE REDEVELOPMENT AREA

In response to identified capacity deficiencies in the transportation/roadway system servicing the Redevelopment Area, on August 19, 1991, the City Council adopted a resolution bearing Documentary No. 15407 finding the Redevelopment Area to be "blighted" within the meaning of the Redevelopment Act. On June 21, 1993, the City Council adopted a resolution bearing Documentary No. 26664, approving the Redevelopment Plan, which provided for the design and construction of an interchange between Interstate 4 and Conroy Road (the "Improvements").

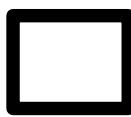
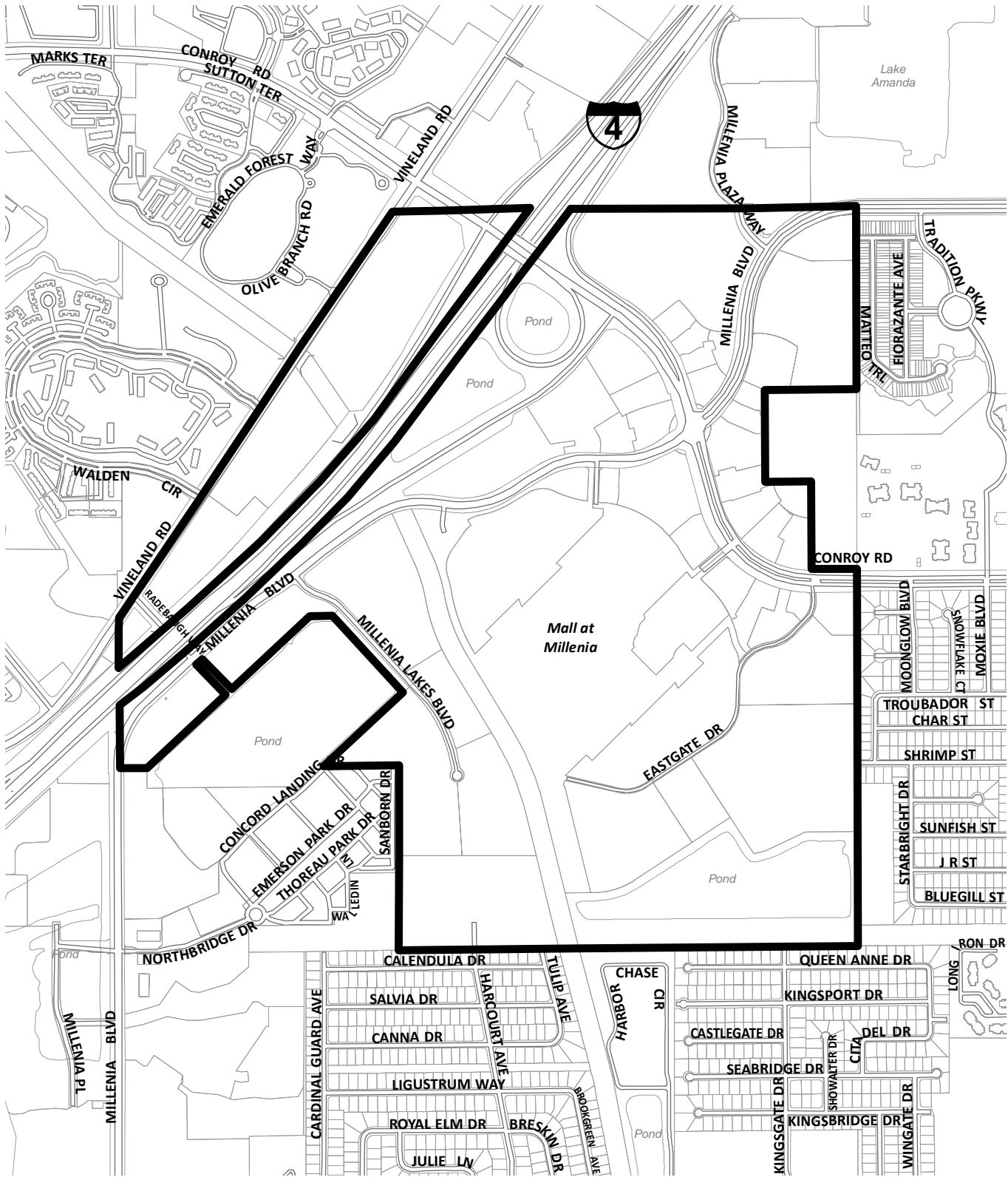
The Redevelopment Area consists of approximately 406 acres of land surrounding and including the Interstate 4/Conroy Road Interchange. The majority of the area has been developed for commercial and retail use, including a large shopping mall, other shopping centers, restaurants, office buildings and some multi-family residential development.

The following table shows the properties that comprise the Redevelopment Area.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY – CONROY ROAD DISTRICT**

**USE OF TAXABLE PROPERTIES WITHIN THE REDEVELOPMENT AREA
FOR CALENDAR YEAR 2021**

Parcel	Taxable Assessed Value	Property Use
Mall at Millenia	\$ 200,271,075	Regional Shopping Center
M2 at Millenia	69,621,087	Apartment Complex
Aqua at Millenia Apartments	52,687,404	Apartment Complex
Millenia 700 Apartments	45,146,232	Apartment Complex
Millenia Lakes II & III	42,689,369	Multi-Story Office Building
Millenia Lakes I	39,984,645	Apartment Complex
Marriot Springhill Suites	32,012,550	Hotel Extended Stay
Millenia Park One	31,823,869	Multi-Story Office Building
Ikea	30,138,751	Retail Big Box Large
Millenia Crossing	26,799,339	Community Shopping Center
Target	21,418,838	Retail Big Box Large
Macy's Mall Parcel	20,718,399	Department Store
City Furniture	19,699,979	Retail Big Box Medium
Bloomington's Mall Parcel	18,424,121	Department Store
Porsche South Orlando	16,617,182	Vehicle Sale Showroom and Parking Garage
Rooms To Go Furniture Corp	14,819,749	Commercial
Audi South Orlando	12,870,476	Vehicle Sale Showroom
Asurion/Cienega Gardens	12,567,055	Office Building
Mercedes Benz of South Orlando/Enterprise Rent A Car	11,571,004	Vehicle Sale Showroom
Biospine Institute	11,205,895	Multi-Story Office Building
Shoppes at Millenia	11,104,112	Community Shopping Center
Aston Martin/Jaguar/Infiniti	10,893,135	Vehicle Sale Showroom
Neiman Marcus Mall Parcel	7,826,083	Department Store
Altaire at Millenia	6,818,600	Vacant Multi Family
Millenia Er/Msgold Holdings Orlando	6,700,450	Office Medical
Ferrari Maserati Central Florida	5,598,525	Vehicle Sale Showroom
DSW Show Warehouse	5,383,241	Retail Big Box Small
The Container Store	4,375,058	Retail Big Box Small
Panera/Shake Shack	3,645,588	Retail Restaurant
Fifth Third Bank	3,083,788	Financial/Bank
BJs Restaurant Brewhouse	3,028,246	Retail Restaurant
Other	<u>58,808,817</u>	
Total Taxable Assessed Value	<u>\$ 858,352,662</u>	



**Conroy Road
Community Redevelopment Area III**

CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY – CONROY ROAD DISTRICT

Flow of Funds

The Indenture provides that the Agency will dispose of funds in the Revenue Fund, as and when received, only in the following order and priority:

(a) first by deposit into the Interest Subaccount, the Principal Subaccount and the Redemption Account an amount which, together with other amounts on deposit therein will equal the principal payments, Amortization Installments, the interest payments due or to become due on the Series 2012 Bonds on April 1 and October 1 of each year and the redemption payments due on the Series 2012 Bonds in such Bond Year;

(b) then, by transfer to the Trustee for deposit pro rata into the separate subaccounts in the Reserve Account, an amount which, together with funds currently on deposit therein, will be sufficient to make the funds then deposited therein equal to the applicable Reserve Requirement for each applicable Series of Bonds; to the extent of any deficiencies in any subaccount in the Reserve Account (including any amounts owing in regard to any Reserve Account Credit Facility) existing on the first day of each Fiscal Year, moneys will be transferred for such purposes pursuant to the terms of the Indenture;

(c) then, to the Rebate Account an amount which, together with other amounts then on deposit therein will equal the Rebate Amount as of the most recent calculation date in accordance with the terms of the Indenture;

(d) the balance of such funds remaining in the Revenue Fund, after provision for the payment of all amounts described in (a) through (c) above have been made, will be redeposited into the Redevelopment Trust Fund on or before January 30 of each year pursuant to the Interlocal Agreement to be applied by the Agency for any lawful purpose and in accordance with the provisions of the Interlocal Agreement. Such funds, when redeposited to the Redevelopment Trust Fund will no longer be subject to the provisions of the Indenture and will not be considered available for deposit in the Revenue Fund in any future years.

Reserve Account

The Agency shall deposit or cause to be deposited in the Reserve Account, on the date of issuance of the Series 2012 Bonds an amount sufficient to cause the amount on deposit therein to equal to the Reserve Requirement for the Series 2012 Bonds. The Reserve Requirement means the lesser of: (i) the Maximum Annual Debt Service Requirement on all Outstanding Series 2012 Bonds; (ii) 125% of the average annual Bond Service Requirement for all Outstanding Series 2012 Bonds; or (iii) the aggregate of 10% of the proceeds of the Series 2012 Bonds calculated as of the date of original issuance thereof. Funds on deposit in the Reserve Account will be used for the purpose of curing deficiencies in the Principal Subaccounts and the Interest Subaccounts allocable to the Series 2012 Bonds (including the payment of principal and interest and Amortization Installments then due on such Series 2012 Bonds).

The Indenture authorizes, subject to the conditions contained therein, the deposit of a Reserve Account Credit Facility into the Reserve Account in lieu of or in substitution for the required cash deposits, in an amount equal to the difference between the Reserve Requirement and the amounts then on deposit in the Reserve Account. Any such Reserve Account Credit Facility would benefit the Holders of such allocable Series of Bonds and be payable to the Paying Agent (upon the giving of the required notice) designated for such Series of Bonds secured by the Reserve Account, on any interest or principal payment date or redemption date on which a deficiency exists which cannot be cured by moneys in any other fund or account held pursuant to the Indenture and available for such purpose. If the Agency maintains both a Reserve Account Credit Facility and cash or Investment Securities in the Reserve Account, the cash or Investment Securities must be used prior to making any disbursements under the Reserve Account Credit Facility.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY – CONROY ROAD DISTRICT**

THE INTERLOCAL AGREEMENT

General. The City and the County entered into an Interlocal Agreement dated April 1, 1997 (as amended from time to time, the "Interlocal Agreement"), which among other things, provides for the disposition of Increment Revenues generated within the Redevelopment Area. The Interlocal Agreement also provides that the existence of the Redevelopment Area will automatically terminate and the Increment Revenues cease being appropriated and paid by the County upon the earlier to occur of (i) the payment or defeasance of all obligations authorized to pay the costs of the Improvements (or to refinance such costs) and (ii) January 1, 2027. As part of the proceedings validating the Series 1998A Bonds and Series 1998B Bonds, the Court validated and confirmed the Interlocal Agreement and found it to constitute a valid, binding and enforceable agreement. See "VALIDATION" herein.

The Interlocal Agreement limits the use of the Increment Revenues to the payment of (i) the principal of, and interest and redemption premium, if any, on obligations issued to provide funds for allowable capital costs of the Improvements and (ii) certain costs incidental to variable rate obligations. Any surplus Increment Revenues are required to be distributed to the respective taxing authorities (the County or the City) within 30 days of receipt of payments from such taxing authority of the Increment Revenues in amounts that are proportionate to the amount the taxing authority's payment bears to the total amount paid into the Redevelopment Trust Fund by all taxing authorities for that year, in accordance with the calculations set forth in the Interlocal Agreement.

County Prepayment. Under the terms of the Interlocal Agreement, the County has the right to legally defease or refund any Increment Obligations, including the Series 2012 Bonds, in a principal amount equal to the County Share (as a percentage) of the aggregate principal amount then outstanding. The "County Share" is the approximate equivalent of the ratio of the ad valorem tax millage levied by the County to the aggregate ad valorem tax millage levied by the County and the City. Currently, the County Share stated as a percentage is approximately 44%. The following conditions must first be met before the County can exercise its option to legally defease or refund any of the Increment Obligations comprising the County Share (which includes any of the Series 2012 Bonds):

(A) The Adjusted Increment Revenues (as defined below) for the two consecutive Fiscal Years immediately preceding such defeasance or refunding is at least equal to 125% of the Adjusted Debt Service Requirement (as defined below) for each such Fiscal Year; and

(B) The County has provided the City with an opinion of nationally recognized bond counsel that such defeasance or refunding of the County Share of the aggregate principal amount of all Increment Obligations then outstanding would (a) not cause the interest on the Increment Obligations to be includable in gross income for federal income tax purposes, and (b) not be deemed a refunding or a reissuance for federal income tax purposes, of the Increment Obligations that remain Outstanding or that have not been defeased.

In the event the County were to exercise its option to legally defease or refund any of the Series 2012 Bonds comprising the County Share of Increment Obligations, all or a portion of such Series 2012 Bonds to be defeased or refunded may either be (i) called for optional redemption as described above under "DESCRIPTION OF THE SERIES 2012 BONDS – Redemption Provisions" or (ii) defeased by the deposit of sufficient moneys or Governmental Securities in a separate escrow fund in the manner required under the Indenture.

For purposes of the above, the term "Adjusted Increment Revenues" in any Fiscal Year means the aggregate Increment Revenues for such Fiscal Year that were deposited into the Redevelopment Trust Fund, reduced by the aggregate Increment Revenues in such Fiscal Year that would not have been deposited into the Redevelopment Trust Fund had such defeasance or refunding occurred immediately prior to the commencement of such Fiscal Year. The term "Adjusted Debt Service Requirement" in any Fiscal Year means the required principal and interest payments to be made for the Increment Obligations for such Fiscal Year, reduced by the debt service attributable to those Increment Obligations that are to be partially defeased or refunded pursuant to the foregoing, had such defeasance or refunding occurred immediately prior to the commencement of such Fiscal Year.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY – CONROY ROAD DISTRICT**

INCREMENT REVENUES

General

Increment Revenues are defined in the Indenture and the Interlocal Agreement as "increment revenues" (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 Redevelopment Area for deposit into the Redevelopment Trust Fund, pursuant Section 163.387 of the Redevelopment Act. Increment Revenues also includes payments treated as Increment Revenues pursuant to the Indenture, but excludes "increment revenue" associated with any of the City's other community redevelopment areas. Increment Revenues are deposited in the Redevelopment Trust Fund created under and pursuant to the Redevelopment Trust Fund Ordinance. Under the terms of the Interlocal Agreement, the Increment Revenues may only be used to pay debt service on and associated costs for Increment Obligations issued (including Refunding Increment Obligations) to finance or refinance the Improvements comprising the Interchange Redevelopment Plan. The Interlocal Agreement further provides that Increment Revenues may not be used to fund the operating and personnel expenses of the Agency.

Sources of Increment Revenues

Required payments by the taxing authorities (the City and the County) to the Redevelopment Trust Fund are based on the assessed valuation of taxable real property as of the previous January 1. Pursuant to the Redevelopment Act and the Redevelopment Trust Fund Ordinance, on or before each January 1, each such taxing authority levying taxes in the Redevelopment Area must appropriate and pay to the Redevelopment Trust Fund an amount equal to 95% of the difference between:

- (a) The amount of ad valorem taxes levied each year by that taxing authority, exclusive of any amount from any debt service millage, on taxable real property contained within the geographic boundaries of the Redevelopment Area; and
- (b) The amount of ad valorem taxes which would have been produced by the then current millage rate of that taxing authority, exclusive of any debt service millage, had it been applied to the assessed valuation of the taxable real property in the Redevelopment Area as of January 1, 1992.

Pursuant to the Redevelopment Act, the taxing authorities are obligated to make the required annual contributions of increment revenues for deposit into the Redevelopment Trust Fund by January 1st of each year. This obligation is not a function of whether the taxing authorities have previously received ad valorem tax payments from the taxpayers located in the Redevelopment Area.

Current and future tax increment revenue accruing within the Redevelopment Area is predicated upon increases in assessed real property valuations in excess of taxable values recognized for a specific base year. Total assessed taxable values within the Redevelopment Area for the base year of 1992 were \$6,502,265.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY – CONROY ROAD DISTRICT**

The following table summarizes the historical gross assessment (taxable) values for the Conroy Road Redevelopment Area as of January 1 of each year and the increase or decrease in assessments for each year. Tax increment revenues are collected by December 31 of the same year.

<u>Measuring Calendar Year (as of January 1)</u>	<u>Fiscal Year Ending September 30</u>	<u>Total Assessed Taxable Values</u>	<u>Increase/(Decrease) in Assessed Value Over Prior Year</u>	<u>Incremental Value</u>
2012	2013	\$ 342,602,321	\$ (4,342,008)	\$ 336,100,056
2013	2014	389,960,807	47,358,486	383,458,542
2014	2015	395,498,916	5,538,109	388,996,651
2015	2016	451,665,390	56,166,474	445,163,125
2016	2017	499,521,840	47,856,450	493,019,575
2017	2018	551,198,389	51,676,549	544,696,124
2018	2019	609,957,565	58,759,176	603,455,300
2019	2020	707,772,276	97,814,711	701,270,011
2020	2021	837,222,382	129,450,106	830,720,117
2021	2022	858,352,662	21,130,280	851,850,397

The following table summarizes the actual tax increment revenues collected through fiscal year 2022.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY – CONROY ROAD DISTRICT**

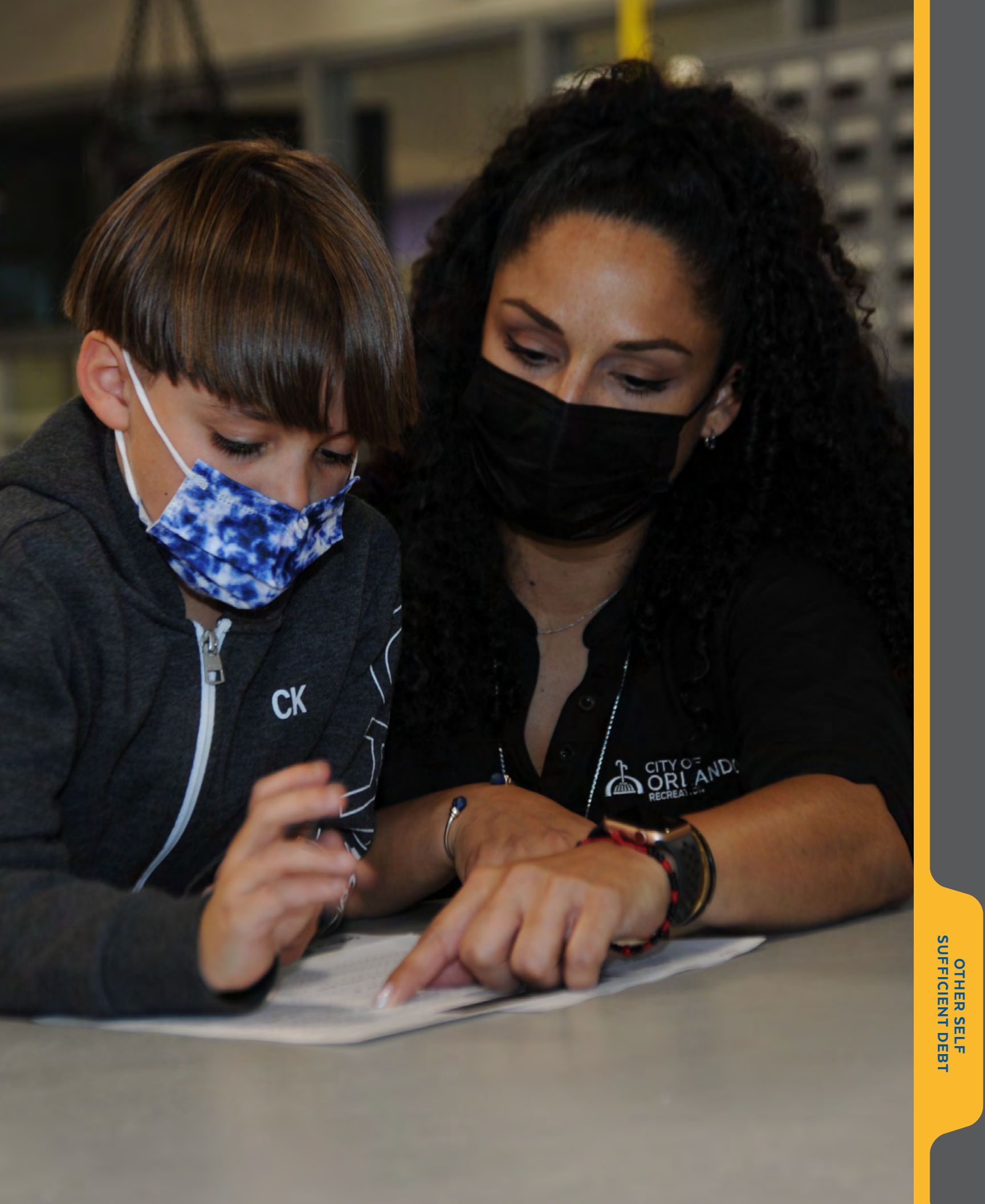
Fiscal Year Ended Sept. 30	Total Collections	Annual Rate of Growth/(Decrease)	Debt Service Coverage ^(c)
1999 (a)	\$ 72,886	-- %	0.03
2000 (a)	243,015	233.4	0.11
2001 (a)	502,245	106.7	0.22
2002 (a)	742,290	47.8	0.32
2003 (a)	955,614	28.7	0.42
2004	2,403,442	151.5	1.05
2005	2,555,917	6.3	1.12
2006	2,817,963	10.3	1.23
2007	3,096,533	9.9	1.36
2008	3,282,116	6.0	1.44
2009	4,367,655	33.1	1.91
2010	3,957,967	(9.4)	1.73
2011	3,397,690	(14.2)	1.49
2012	3,261,594	(4.0)	1.43
2013	3,219,998	(1.3)	1.69
2014	3,673,712	14.1	1.93
2015	4,096,317	11.5	2.15
2016	4,687,777	14.4	2.46
2017	5,191,726	10.8	2.73
2018	5,735,904	10.5	3.01
2019	6,354,666	10.8	3.34
2020	7,384,699	16.2	3.88
2021	8,714,313	18.0	4.58
2022 (b)	8,970,381	2.9	4.71

- (a) Debt service prior to Fiscal Year 2004 was partially paid with capitalized interest.
- (b) Reflects tax increment revenue collected as of December 31, 2020.
- (c) Debt service coverage through 2012 is calculated based on Maximum Annual Debt Service on the Series 1998A Bonds, \$2,284,820; debt service coverage for 2013 and thereafter is calculated based on the Maximum Annual Debt Service for the Series 2012 Bonds, which as of September 30, 2020 was \$1,903,000.

**CITY OF ORLANDO, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY – CONROY ROAD DISTRICT**



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CITY OF ORLANDO, FLORIDA

**OTHER SELF SUFFICIENT DEBT
BOND DISCLOSURE SUPPLEMENT**

**SUMMARY INFORMATION
Outstanding Balance as of September 30, 2021**

TOURIST DEVELOPMENT TAX REVENUE BONDS (6TH CENT CONTRACT PAYMENTS)						
Individual Bond Issues:	Outstanding	Ratings (1)	Bond Insurer	Liquidity Facility	Trustee	Final Maturity
Fixed Rate:						
Senior Tourist Development Tax Revenue Bonds (6th Cent Contract Payments), Series 2017A	\$ 180,105,000	Moody's N/A S&P A Fitch BBB-	Assured Guaranty	N/A	Wells Fargo Bank, N.A. Orlando, FL	11/1/2038
2nd Lien Subord. Tourist Development Tax Revenue Bonds (6th Cent Contract Payments), Series 2017B	25,325,000	Moody's N/A S&P N/A Fitch N/A	Assured Guaranty	N/A	Wells Fargo Bank, N.A. Orlando, FL	11/1/2038
3rd Lien Subord. Tourist Development Tax Revenue Bonds (6th Cent Contract Payments), Series 2008C	8,705,000	Moody's N/A S&P BB+ Fitch N/A	Assured Guaranty	N/A	Wells Fargo Bank, N.A. Orlando, FL	11/1/2038
Total TDT Bonds Outstanding	\$ 214,135,000					
Debt Service Reserves:						
Senior Lien Liquidity Reserve	\$ 7,702,000					
Senior Lien Debt Service Reserve	\$ 7,702,000					
2nd Lien Liquidity Reserve	\$ 1,081,125					
2nd Lien Debt Service Reserve	\$ 1,081,125					
3rd Lien Liquidity Reserve	\$ 1,285,500					
3rd Lien Debt Service Reserve	\$ 1,285,500					
Revenue Pledge:						
Primary: Contract 6th Cent Tourist Development Tax Payments received from Orange County, Florida, pursuant to the Community Venues Interlocal Agreement.						
1) Does not reflect ratings obtained through the use of municipal bond insurance. Reflects current ratings at the time of publication of this document.						

STATE SALES TAX PAYMENTS REVENUE BONDS						
Individual Bond Issues:	Outstanding	Ratings	Bond Insurer	Liquidity Facility	Paying Agent	Final Maturity
Fixed Rate:						
State Sales Tax Payments Revenue Bonds, Series 2016	\$ 23,500,000	Moody's Aa2 Fitch AA+	N/A	N/A	Wells Fargo Bank, N.A. Orlando, FL	2/1/2038
Total Sales Tax Bonds Outstanding	\$ 23,500,000					
Debt Service Reserves:						
Debt Service Reserve	N/A					
Revenue Pledge:						
Primary: State Sales Tax Payments pursuant to Florida Statutes 288.1162 and 212.20(6)(d)6.b.						

CITY OF ORLANDO, FLORIDA

TOURIST DEVELOPMENT TAX REVENUE BONDS (6TH CENT CONTRACT PAYMENTS)

INTRODUCTION

The Tourist Development Tax Revenue Bonds (6th Cent Contract Payments) were issued pursuant to the Community Venues Interlocal Agreement between the City of Orlando, Orange County, and the City of Orlando Community Redevelopment Agency to finance a portion of the costs of the Amway Center, which opened on October 1, 2010.

Tourist Development Tax revenues were significantly impacted by decreased tourism due to the COVID-19 pandemic during the second half of fiscal year 2020 and first part of fiscal year 2021. On August 20, 2020, the City issued a Voluntary Notice regarding the initial impact of the pandemic on 6th Cent Contract revenue receipts. On March 30, 2021, Fitch downgraded the Series 2017A Senior TDT refunding revenue bonds to “BBB-” from “BBB.” However, revenue collections have substantially improved over the last several months, coming close to pre-pandemic levels. Subsequent to September 30, 2021, on March 15, 2022, Fitch maintained the rating on the Series 2017A Bonds at “BBB-” but revised the outlook to “Stable” from “Negative.”

Interlocal Agreement

Pursuant to the Interlocal Agreement dated as of August 6, 2007 (the "Interlocal Agreement") among the City, Orange County, Florida (the "County"), and the City of Orlando, Florida Community Redevelopment Agency (the "Agency"), the County has covenanted to deposit on a monthly basis Contract Sixth Cent Revenues with the Trustee on the fifteenth day of each month after Sixth Cent TDT are collected and available for distribution commencing with the hotel collection month of October 1, 2008, and continuing until the earlier of (a) the date the Contract Sixth Cent Obligations (as that term is defined in the Interlocal Agreement) are defeased or paid in full, or (b) November 15, 2038. The Series 2008A (senior lien), 2008B (second lien) and 2008C (third lien) Bonds were issued as Contract Sixth Cent Obligations with respect to the Interlocal Agreement.

In August 2017, the City issued the Senior Tourist Development Tax Refunding Revenue Bonds (6th Cent Contract Payments), Series 2017A and the Second Lien Subordinate Tourist Development Tax Refunding Revenue Bonds (6th Cent Contract Payments), Series 2017B. This issuance fully refunded the Series 2008A and Series 2008B 6th Cent Contract Payments Bonds and partially refunded Series 2008C. The refunding resulted in a combined net present value debt service savings on Series 2017A and B of over 20 percent, with a net present value of over \$54 million. No substantive changes to the structure of the bonds or the flow of funds were made through the refunding.

Contract Sixth Cent Revenues

Funds available to pay debt service on the Series 2008 and Series 2017 Bonds, other than bond proceeds, interest thereon and interest on funds and accounts created pursuant to the Indentures are limited to the Contract Sixth Cent Revenues as defined in the Interlocal Agreement.

Contract Sixth Cent Revenues are defined in the Interlocal Agreement to mean the following moneys when deposited with the Trustee pursuant to the Interlocal Agreement: (1) for each of the Fiscal Years 2008-2009 through 2017-2018, an amount equal to 50% of the Sixth Cent TDT collected in each fiscal year plus an amount equal to 5% of the Sixth Cent TDT collected in Fiscal Years 2005-2006 through 2007-2008 and (2) for each of the fiscal years 2018-2019 through 2037-2038, an amount equal to 50% of the Sixth Cent TDT collected in each Fiscal Year. Collections of the Sixth Cent TDT are based on an accrued revenue basis.

The portion of Contract Sixth Cent Revenues which is attributable to the Sixth Cent TDT collected in Fiscal Years 2005-06 through 2007-08 and distributed to the Trustee concurrently with revenues collected in Fiscal Years 2008-2009 through 2017-2018, as set forth in the definition of Contract Sixth Cent Revenues is referred to herein as the "Installment Payments."

CITY OF ORLANDO, FLORIDA

Sixth Cent TDT is defined in the Interlocal Agreement to mean the tourist development tax collected by the County pursuant to Section 125.0104(3)(n), Florida Statutes, or any successor statute, and does not include investment earnings, if any, earned by the County prior to any distributions to the Trustee.

The County currently levies tourist development taxes, which are comprised of the Tourist Development Taxes (as defined herein), the Fifth Cent TDT and the Sixth Cent TDT, at the combined rate of six percent of each whole and major fraction of each dollar of the total rental charged for Tourist Rentals (as defined in the Official Statement). The County Comptroller currently collects and administers 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 TAX COLLECTIONS

The following table shows the County’s receipts of the Sixth Cent TDT for the past two fiscal years:

**ORANGE COUNTY, FLORIDA
SIXTH CENT TDT MONTHLY COLLECTIONS
FISCAL YEARS ENDED SEPTEMBER 30, 2020 AND 2021**

Sixth Cent TDT Collections				
Collection Month (1)	Unaudited FY 2020	Unaudited FY 2021	Year/Year Change	Y/Y Percent Change
October	\$ 4,141,869	\$ 1,291,312	\$ (2,850,556)	-68.8%
November	4,275,687	1,478,069	(2,797,619)	-65.4%
December	4,310,935	1,770,962	(2,539,972)	-58.9%
January	4,292,464	1,301,037	(2,991,427)	-69.7%
February	4,584,330	1,722,778	(2,861,552)	-62.4%
March	2,316,796	2,953,722	636,926	27.5%
April	191,780	2,852,204	2,660,424	1387.2%
May	252,945	2,827,101	2,574,157	1017.7%
June	465,428	3,627,779	3,162,351	679.5%
July	887,651	4,144,113	3,256,461	366.9%
August	981,578	2,746,564	1,764,987	179.8%
September	1,196,212	2,763,047	1,566,835	131.0%
TOTAL	\$ 27,897,673	\$ 29,478,687	\$ 1,581,015	5.7%

Source: Orange County Comptroller's Office Annual Revenue Monitoring Report.

(1) Hotel collection month. Remitted to the County in the following month (e.g., October hotel collections are remitted to the County in November).

The following table shows collections for the first five (5) months of FY 2022 compared with prior year collections during the same timeframe:

CITY OF ORLANDO, FLORIDA

**ORANGE COUNTY, FLORIDA
SIXTH CENT TDT MONTHLY COLLECTIONS
FIVE MONTHS ENDED FEBRUARY 28, 2021 AND 2022**

Sixth Cent TDT Collections					
Collection Month (1)	Unaudited FY 2021	Unaudited FY 2022	Year/Year Change	Y/Y Percent Change	
October	\$ 1,291,312	\$ 3,568,350	\$ 2,277,038	176.3%	
November	1,478,069	4,175,317	2,697,248	182.5%	
December	1,770,962	4,707,350	2,936,388	165.8%	
January	1,301,037	3,735,700	2,434,663	187.1%	
February	1,722,778	4,727,000	3,004,222	174.4%	
TOTAL	\$ 7,564,158	\$ 20,913,717	\$ 13,349,559	176.5%	

Source: Orange County Comptroller's Office Annual Revenue Monitoring Report and monthly TDT collections press releases.

(1) Hotel collection month. Remitted to the County in the following month (e.g., October hotel collections are remitted to the County in November).

CITY OF ORLANDO, FLORIDA

The following table shows historical collections of one cent of the tourist development tax in Orange County, Florida, for each of the Fiscal Years shown, derived by dividing the amount of the first two cents of the tourist development tax received in each Fiscal Year by two.

**TABLE OF HISTORICAL COLLECTIONS OF ONE CENT
OF THE TOURIST DEVELOPMENT TAX**

Fiscal Year Ended September 30,	One Cent of County TDT Collections	Percent Change From Prior Year
1979	\$ 1,745,581	--
1980	2,043,614	17.1%
1981	2,145,290	5.0%
1982	2,263,578	5.5%
1983	3,204,990	41.6%
1984	3,815,943	19.1%
1985	4,258,308	11.6%
1986	5,183,573	21.7%
1987	6,264,121	20.8%
1988	6,735,903	7.5%
1989	9,046,180	34.3%
1990	10,278,491	13.6%
1991	10,698,571	4.1%
1992	12,131,135	13.4%
1993	12,661,711	4.4%
1994	12,878,488	1.7%
1995	13,721,151	6.5%
1996	15,446,536	12.6%
1997	18,005,858	16.6%
1998	19,489,957	8.2%
1999	19,840,382	1.8%
2000	21,639,172	9.1%
2001	20,964,981	-3.1%
2002	18,324,455	-12.6%
2003	18,671,206	1.9%
2004	22,203,319	18.9%
2005	24,033,575	8.2%
2006	25,699,938	6.9%
2007	27,176,129	5.7%
2008	28,028,268	3.1%
2009	23,704,214	-15.4%
2010	24,626,779	3.9%
2011	29,309,210	19.0%
2012	29,217,180	-0.3%
2013	31,160,341	6.7%
2014	33,566,709	7.7%
2015	37,696,432	12.3%
2016	39,921,414	5.9%
2017	42,490,335	6.4%
2018	46,141,231	8.6%
2019	47,333,064	2.6%
2020	27,897,673	-41.1%
2021	29,478,687	5.7%

Source: Orange County Comptroller's Office.

CITY OF ORLANDO, FLORIDA

CONTRACT SIXTH CENT REVENUES

Historical Contract 6th Cent Revenues

Contract 6th Cent Revenues began flowing from the County to the Trustee in December 2008 (based on revenues collected during hotel collection month of October 2008). The following tables show the Trustee's receipts of the Contract 6th Cent Revenues transferred from Orange County:

**CONTRACT SIXTH CENT REVENUE RECEIPTS
FISCAL YEAR 2008-2009 THROUGH FISCAL YEAR 2020-2021**

Components of						
Contract Sixth Cent Revenue						
Fiscal Year Ended September 30	50% of Sixth Cent TDT for Current Fiscal Year	Installment Payment ⁽¹⁾	Total Contract Sixth Cent Revenues	Year/Year % Change		
2009	\$ 11,844,331	\$ 2,828,065	\$ 14,672,396	-		
2010	12,312,036	2,828,065	15,140,101	3.19%		
2011 ⁽²⁾	14,654,264	2,828,065	17,482,329	15.47%		
2012 ⁽²⁾	14,608,372	2,828,065	17,436,437	-0.26%		
2013	15,580,169	2,828,065	18,408,234	5.57%		
2014	16,681,477	2,828,065	19,509,542	5.98%		
2015	18,817,416	2,828,065	21,645,481	10.95%		
2016	19,930,705	2,828,065	22,758,770	5.14%		
2017	21,237,453	2,828,065	24,065,518	5.74%		
2018	23,058,878	2,828,065	25,886,943	7.57%		
2019	23,666,531	-	23,666,531	-8.58%		
2020	13,948,833	-	13,948,833	-41.06%		
2021	14,696,412	-	14,696,412	5.36%		

- (1) Installment Payments ceased to be included as part of Contract Sixth Cent Revenues after Fiscal Year 2017-2018. Controlling for the loss of the Installment Payments, revenues increased by 2.6% from Fiscal Year 2018 to 2019.
- (2) Tourist Development Taxes for Fiscal Year 2011 include a one-time payment of Tourist Development Taxes paid by Expedia, the online travel website, to the County, pursuant to a confidential settlement. Without taking into account receipt of the confidential settlement amount, Tourist Development Tax collections would have shown less growth in Fiscal Year 2011, and an increase, as opposed to the indicated decrease, in Fiscal Year 2012.

Source: City of Orlando, Florida.

CITY OF ORLANDO, FLORIDA

**CONTRACT 6TH CENT REVENUES RECEIVED BY TRUSTEE
FISCAL YEARS ENDED SEPTEMBER 30, 2020 AND 2021**

Contract 6th Cent Revenues					
Collection Month (1)	Unaudited FY 2020	Unaudited FY 2021	Year/Year Change	Y/Y Percent Change	
October	\$ 2,070,934	\$ 645,656	\$ (1,425,278)	-68.8%	
November	2,137,843	739,034	(1,398,809)	-65.4%	
December	2,155,467	885,481	(1,269,986)	-58.9%	
January	2,146,232	650,521	(1,495,710)	-69.7%	
February	2,292,164	861,388	(1,430,776)	-62.4%	
March	1,158,398	1,476,861	318,463	27.5%	
April	95,890	1,426,098	1,330,208	1387.2%	
May	126,472	1,413,548	1,287,076	1017.7%	
June	232,714	1,813,885	1,581,171	679.4%	
July	443,825	2,072,054	1,628,229	366.9%	
August	490,788	1,373,280	882,492	179.8%	
September	598,106	1,338,607	740,502	123.8%	
TOTAL	\$ 13,948,833	\$ 14,696,412	\$ 747,579	5.4%	

Source: Wells Fargo Corporate Trust Reports.

(1) Hotel collection month. Remitted to County in following month and transferred to the Trustee in the following month (e.g., October hotel collections are remitted to the Trustee in December).

**CONTRACT 6TH CENT REVENUES RECEIVED BY TRUSTEE
FIVE MONTHS ENDED FEBRUARY 28, 2021 AND 2022**

Contract 6th Cent Revenues					
Collection Month (1)	Unaudited FY 2021	Unaudited FY 2022	Year/Year Change	Y/Y Percent Change	
October	\$ 645,656	\$ 1,784,830	\$ 1,139,174	176.4%	
November	739,034	2,100,724	1,361,690	184.3%	
December	885,481	2,365,578	1,480,098	167.2%	
January	650,521	1,877,237	1,226,715	188.6%	
February	861,388	2,369,606	1,508,218	175.1%	
TOTAL	\$ 3,782,080	\$ 10,497,976	\$ 6,715,896	177.6%	

Source: Wells Fargo Corporate Trust Reports.

(1) Hotel collection month. Remitted to County in following month and transferred to the Trustee in the following month (e.g., October hotel collections are remitted to the Trustee in December).

CITY OF ORLANDO, FLORIDA

Installment Payments

The portion of Contract 6th Cent Revenues attributable to 5% of the Sixth Cent TDT collected in the 25-month collection period beginning September 2006 through September 2008 and distributed to the Trustee in 120 equal monthly installments commencing December 15, 2008 and paid over the ten-year period beginning Fiscal Year 2008-2009 is referred to herein as the "Installment Payments." Based on the amount of Sixth Cent TDT collected by the County through the hotel collection month ending September 2008, the annual Installment Payment was calculated to be \$2,828,065 (a monthly Installment Payment of \$235,672), which pursuant to the Interlocal Agreement continued through Fiscal Year 2017-2018 as follows (reflected on a Bond Year basis):

<u>Bond Year</u> <u>Ending 11/1</u>	<u>Installment</u> <u>Payment Amounts⁽¹⁾</u>
2009	\$2,592,393
2010	2,828,065
2011	2,828,065
2012	2,828,065
2013	2,828,065
2014	2,828,065
2015	2,828,065
2016	2,828,065
2017	2,828,065
2018	2,828,065
2019	235,672

- (1) For the Bond Year ending November 1, 2009 Installment Payments include eleven (11) monthly distributions commencing December 15, 2008 and through October 15, 2009. For the Bond Years ending November 1, 2010 through November 1, 2018, Installment Payments include twelve (12) monthly distributions (November 15, through October 15). For the Bond Year ending November 1, 2019, Installment Payments include a one (1) month distribution (November 15, 2018).

BONDHOLDER RISKS

Pledged Revenues - Volatility

Since its inception in 1978, the tourist development tax has been a revenue source that demonstrated long-term historical growth characterized by significant year-to-year volatility. Future collections of the Sixth Cent TDT, and therefore the amounts of Contract Sixth Cent Revenues available to pay debt service on the Series 2008 Bonds, are dependent upon a number of factors beyond the control of the City and the County, which may include the following:

- strength of the tourism industry in Orange County
- general economic conditions (both domestically and internationally)
- the occurrence of terrorist attacks
- weather events such as hurricanes
- tax reform or other legislative changes
- other events or trends which could affect future tourist development tax collections, including sale of discounted rooms over the internet and free stays associated with hotel point reward programs.

The foregoing list 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 Sixth Cent TDT collected and, therefore, Contract Sixth Cent Revenues deposited with the Trustee in the future.

CITY OF ORLANDO, FLORIDA

Pledged Revenues - Collections

The City does not collect the Sixth Cent TDT. The County collects the Sixth Cent TDT and has covenanted in the Interlocal Agreement to deposit Contract Sixth Cent Revenues with the Trustee on the fifteenth day of each month after Sixth Cent TDT are collected and available for distribution. The first monthly deposit of Contract Sixth Cent Revenues was made on December 15, 2008. Collection of the Sixth Cent TDT and timely deposit of Contract Sixth Cent 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 Interlocal Agreement.

Pledged Revenues - Termination Date

Pursuant to the Interlocal Agreement, the obligation of the County to deposit Contract Sixth Cent Revenues with the Trustee terminates on the earlier of (a) the date the Contract Sixth Cent Obligations are defeased or paid in full, or (b) November 15, 2038. There is no provision in the Interlocal Agreement for such termination date to be extended beyond November 15, 2038 for the purpose of making additional deposits of Contract Sixth Cent Revenues to the Trustee for unpaid debt service on any Bonds or for any other reason.

Pledged Revenues - Installment Payments

The amount of Contract Sixth Cent Revenues deposited with the Trustee will not include "Installment Payments" (as defined in the Official Statement) after Fiscal Year 2017-2018. Pursuant to the Interlocal Agreement, the components of Contract Sixth Cent Revenues consist of (i) 50% of the Sixth Cent TDT collected in each of the Fiscal Years 2008-2009 through 2037-38, and (ii) 5% of the Sixth Cent TDT collected in the 25 month collection period – September 2006 through and including Fiscal Year 2007-08 – and which is deposited by the County to the Trustee in each of the Fiscal Years 2008-2009 through 2017-2018.

Conditional Redemption of Third Lien Subordinate Bonds (Series C Bonds)

The Third Lien Subordinate Indenture provides that certain revenues, if available, will be deposited into the Third Lien Subordinate Principal Account and used to redeem the Series 2008C Bonds in years 2010 through 2037, subject to a maximum amount in each year ("Series C Bonds Target Principal Amounts"). Deposits into the Third Lien Subordinate Principal Account that will be used to make Series C Bonds Target Principal Amounts redemptions will occur annually only to the extent that all requirements in such year to (a) pay principal and interest on all Outstanding Bonds under the Indentures, (b) pay any mandatory redemption (sinking fund) requirements of all Outstanding Bonds under the Indentures as described more fully in the Indentures, and (c) replenish any deficiencies in the Debt Service Reserve Accounts and Liquidity Reserve Accounts of all Outstanding Bonds under the Indentures, are satisfied.

To the extent moneys are on deposit in the Third Lien Subordinate Principal Account following the October receipt by the Trustee of the Monthly Contract Sixth Cent Revenues in each year to make such Series C Bonds Target Principal Amounts redemptions, the Trustee shall redeem up to, but not exceeding, the following principal amounts of Series 2008C Bonds, which are the Series C Bonds Target Principal Amounts, by calling for redemption Series 2008C Bonds then subject to optional redemption on or about December 1 in the following years. Through September 30, 2020 the City had made all the Target Principal payments. The City used surplus funds on-hand to pay down an additional \$11,060,000 in Series 2008C principal on November 1, 2019. However, the City did not make the Target Principal payments scheduled for December 1, 2020, and December 1, 2021, due to reduced revenues resulting from impacts on tourism due to the COVID-19 pandemic.

CITY OF ORLANDO, FLORIDA

	Series C Bonds Target	
<u>Year</u>	<u>Principal Amounts</u> ⁽¹⁾	
2010	\$	1,270,000
2011		1,340,000
2012		1,420,000
2013		1,500,000
2014		1,585,000
2015		1,675,000
2016		1,775,000
2017		1,875,000
2018		1,980,000
2019		2,090,000
2020		2,205,000
2021		2,325,000
2022		2,455,000
2023		2,590,000
2024		2,730,000
2025		2,880,000
2026		3,040,000
2027		3,205,000
2028		3,385,000
2029		3,570,000
2030		3,765,000
2031		3,970,000
2032		4,190,000
2033		4,420,000
2034		4,665,000
2035		4,920,000
2036		5,190,000
2037 ⁽²⁾		5,475,000

(1) Preliminary, subject to change

(2) Final maturity of the Series 2008C Bonds is November 1, 2038

MATERIAL EVENT DISCLOSURES

On March 26, 2010, Fitch Ratings ("Fitch") downgraded its underlying rating on the City of Orlando, Florida Senior Tourist Development Tax Revenue Bonds (6th Cent Contract Payments), Series 2008A (the "2008A Bonds") to "BB+" from "BBB+." Concurrently, Fitch revised the Rating Outlook on the 2008A Bonds from Negative to Stable. The Fitch rating on the 2008A Bonds based solely on the financial guaranty insurance policy issued by Assured Guaranty Corp. ("Assured") for the 2008A Bonds was withdrawn on February 24, 2010 at the request of Assured. Fitch also downgraded its underlying rating on the City of Orlando, Florida Second Lien Subordinate Tourist Development Tax Revenue Bonds (6th Cent Contract Payments), Series 2008B (the "2008B Bonds") to "B" from "BBB-." The Rating Outlook on the 2008B Bonds was Negative. The Fitch rating on the 2008B Bonds based solely on the financial guaranty insurance policy issued by Assured Guaranty Corp. ("Assured") for the 2008B Bonds was withdrawn on February 24, 2010 at the request of Assured.

On April 8, 2010, Moody's Investors Service, Inc. ("Moody's") downgraded its underlying rating on the 2008A Bonds to "Baa2" from "A3" and assigned a negative outlook to the 2008A Bonds. Moody's also downgraded its underlying rating on the 2008B Bonds to "Ba1" from "Baa1" and assigned a Negative outlook to the 2008B Bonds.

CITY OF ORLANDO, FLORIDA

On April 14, 2010, Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. ("S&P") downgraded its underlying rating on the 2008A Bonds to "BB" from "A+," and stated that the outlook on the 2008A Bonds is developing. S&P also downgraded its underlying rating on the 2008B Bonds to "CCC" from "A," and stated that the outlook on the 2008B Bonds is developing. The ratings report issued by S&P can be obtained from S&P, the website for which is www.standardandpoors.com. A material event notice was filed with the MSRB's Electronic Municipal Market Access (EMMA) system on April 19, 2010. S&P also downgraded its underlying rating on the City of Orlando, Florida Third Lien Subordinate Tourist Development Tax Bonds (6th Cent Contract Payments), Series 2008C (the "2008C Bonds") to "CC" from "BBB+" and stated that the outlook on the 2008C Bonds is Negative.

On October 25, 2010, S&P downgraded its rating on the 2008A Bonds, 2008B Bonds, and 2008C Bonds to "AA+" from "AAA" based upon the bond insurance policies guaranteeing the timely payment of the principal of and the interest on the Bonds issued by Assured Guaranty Corp. Concurrently, S&P revised the outlook on the Bonds from Negative to Stable.

On November 30, 2011, S&P downgraded its rating on the 2008A Bonds, 2008B Bonds and 2008C Bonds to "AA-" from "AA+" based upon the bond insurance policies guaranteeing the timely payment of the principal of and the interest on the Bonds issued by Assured Guaranty Corp. Concurrently, S&P revised the Outlook on the Bonds from Negative to Stable.

On November 20, 2012, Moody's affirmed its underlying "Baa2" rating on the 2008A Bonds and downgraded its underlying rating on the 2008B Bonds from "Ba1" to "Ba2". The rating outlook on the 2008A Bonds and the 2008B Bonds was revised from Negative to Stable.

On January 17, 2013, Moody's downgraded its rating on the 2008A Bonds and 2008B Bonds to "A3" from "Aa3" based upon the bond insurance policies guaranteeing the timely payment of the principal of and the interest on the Bonds issued by Assured Guaranty Corp. The outlook for the rating is Stable.

On November 1, 2013, an unscheduled draw was made on the debt service reserve account for the 2008C Bonds in the amount of \$1,233,748 to fund the debt service payment due on the 2008C Bonds. The remaining balance in such debt service reserve account for the 2008C Bonds after the unscheduled draw is \$3,129,752.

On March 18, 2014, S&P upgraded its rating on the 2008A Bonds, 2008B Bonds, and 2008C Bonds to "AA" from "AA-" based upon the bond insurance policies guaranteeing the timely payment of the principal of and the interest on the Bonds issued by Assured Guaranty Corp. The outlook for the rating is "Stable."

On November 1, 2014 an unscheduled draw was made on the debt service reserve account for the 2008C Bonds in the amount of \$492,350 to fund the debt service payment due on the 2008C Bonds. The remaining balance in such debt service reserve account for the 2008C Bonds after the unscheduled draw is \$2,637,402.

On March 5, 2015, Fitch upgraded its rating on the 2008A Bonds from "BB+" to "BBB-" and upgraded its rating on the 2008B Bonds from "B" to "BB." The rating outlook on the 2008A Bonds was revised from Positive to Stable while the rating outlook on the 2008B Bonds remained Stable.

On August 31, 2015, S&P upgraded its rating on the 2008A Bonds from "BB" to "BBB," upgraded its rating on the 2008B Bonds from "CCC" to "BBB-," and upgraded its rating on the 2008C Bonds from "CC" to "CCC+." The outlook on all ratings is Stable.

On March 3, 2016, Fitch upgraded its rating on the 2008A Bonds from "BBB-" to "BBB" and upgraded its rating on the 2008B Bonds from "BB" to "BBB-." The rating outlook on the 2008A Bonds remained Stable while the rating outlook on the 2008B Bonds was changed to Positive.

On August 18, 2016, S&P affirmed its rating on all three series with the 2008A Bonds at "BBB," the 2008B Bonds at "BBB-," and the 2008C Bonds at "CCC+." The outlook on all ratings remains Stable.

On July 24, 2017, Fitch assigned a rating of "BBB" with a Stable outlook to the new Series 2017A senior TDT refunding revenue bonds.

CITY OF ORLANDO, FLORIDA

On July 25, 2017, S&P rated the new Series 2017A Senior TDT refunding revenue bonds “A-” with a Stable outlook.

On August 28, 2017, Moody’s upgraded its rating, pre-refunding, on the Series 2008A bonds to “A3” from “Baa2.” It also upgraded the Series 2008B bonds, pre-refunding, to “Baa3” from “Ba2.” The outlook on both was revised to Stable.

On December 1, 2017, S&P upgraded its rating on the outstanding Series 2008C (post-refunding) to “B+” from “CCC+.” The outlook is Positive.

On July 12, 2018, Fitch affirmed its rating of “BBB” with a Stable outlook to the Series 2017A senior TDT refunding revenue bonds.

On March 28, 2019, S&P upgraded the Series 2017A Senior TDT refunding revenue bonds to “A” from “A-” with a Stable outlook. S&P also upgraded its rating on the outstanding Series 2008C to “BB+” from “B+.” The outlook is Stable.

On October 22, 2019, Fitch affirmed its rating of “BBB” with a Stable outlook to the Series 2017A senior TDT refunding revenue bonds.

On April 3, 2020, in response to the COVID-19 pandemic, Fitch placed all U.S. local government bond ratings backed by hotel and tourism-related tax revenues, including the City’s Series 2017A senior TDT refunding revenue bonds, on Rating Watch Negative. The rating remained unchanged.

On April 3, 2020, S&P, in response to the COVID-19 pandemic, revised the outlook to Negative from Stable for numerous bonds backed by hospitality and tourism-related pledges, including the City’s Series 2017A bonds and Series 2008C bonds. The ratings remain unchanged.

On March 30, 2021, Fitch downgraded the Series 2017A Senior TDT refunding revenue bonds to “BBB-” from “BBB,” due to historically low TDT revenues resulting from the COVID-19 pandemic.

Subsequent to September 30, 2021, on November 1, 2021, an unscheduled draw was made on the debt service reserve account for the 2017B Bonds in the amount of \$467,897 to fund the debt service payment due on the 2017B Bonds. The remaining balance in such debt service reserve account for the 2017B Bonds after the unscheduled draw was \$613,228.

Subsequent to September 30, 2021, on December 2, 2021, S&P affirmed its “A” rating on the Series 2017A Senior TDT refunding revenue bonds and affirmed its “BB+” rating on the Series 2008C bonds. The outlook remained Negative.

Subsequent to September 30, 2021, on March 15, 2022, Fitch affirmed the Series 2017A Senior TDT refunding revenue bonds at “BBB-” but revised the outlook to Stable from Negative.

CITY OF ORLANDO, FLORIDA

**TOURIST DEVELOPMENT TAX REVENUE BONDS (6TH CENT CONTRACT PAYMENTS)
OUTSTANDING GROSS DEBT SERVICE REQUIREMENTS TO MATURITY**

Bond Year Ending 11/1	Series 2017A			Series 2017B			Series 2008C ^(a)			Aggregate Debt Service ^(a)		
	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service
2022	\$ 6,720,000	\$ 8,682,250	\$ 15,402,250	\$ 970,000	\$ 1,189,850	\$ 2,159,850	\$ -	\$ 478,775	\$ 478,775	\$ 7,690,000	\$ 10,350,875	\$ 18,040,875
2023	7,055,000	8,346,250	15,401,250	1,000,000	1,160,750	2,160,750	-	478,775	478,775	8,055,000	9,985,775	18,040,775
2024	7,410,000	7,993,500	15,403,500	1,040,000	1,120,750	2,160,750	-	478,775	478,775	8,450,000	9,593,025	18,043,025
2025	7,780,000	7,623,000	15,403,000	1,090,000	1,068,750	2,158,750	-	478,775	478,775	8,870,000	9,170,525	18,040,525
2026	8,170,000	7,234,000	15,404,000	1,145,000	1,014,250	2,159,250	-	478,775	478,775	9,315,000	8,727,025	18,042,025
2027	8,575,000	6,825,500	15,400,500	1,205,000	957,000	2,162,000	-	478,775	478,775	9,780,000	8,261,275	18,041,275
2028	9,005,000	6,396,750	15,401,750	1,265,000	896,750	2,161,750	-	478,775	478,775	10,270,000	7,772,275	18,042,275
2029	9,455,000	5,946,500	15,401,500	1,325,000	833,500	2,158,500	-	478,775	478,775	10,780,000	7,258,775	18,038,775
2030	9,930,000	5,473,750	15,403,750	1,395,000	767,250	2,162,250	-	478,775	478,775	11,325,000	6,719,775	18,044,775
2031	10,425,000	4,977,250	15,402,250	1,460,000	697,500	2,157,500	-	478,775	478,775	11,885,000	6,153,525	18,038,525
2032	10,945,000	4,456,000	15,401,000	1,535,000	624,500	2,159,500	-	478,775	478,775	12,480,000	5,559,275	18,039,275
2033	11,495,000	3,908,750	15,403,750	1,610,000	547,750	2,157,750	-	478,775	478,775	13,105,000	4,935,275	18,040,275
2034	12,065,000	3,334,000	15,399,000	1,690,000	467,250	2,157,250	-	478,775	478,775	13,755,000	4,280,025	18,035,025
2035	12,670,000	2,730,750	15,400,750	1,775,000	382,750	2,157,750	-	478,775	478,775	14,445,000	3,592,275	18,037,275
2036	13,305,000	2,097,250	15,402,250	1,865,000	294,000	2,159,000	-	478,775	478,775	15,170,000	2,870,025	18,040,025
2037	13,970,000	1,432,000	15,402,000	1,960,000	200,750	2,160,750	-	478,775	478,775	15,930,000	2,111,525	18,041,525
2038	14,670,000	733,500	15,403,500	2,055,000	102,750	2,157,750	8,705,000	478,775	9,183,775	25,430,000	1,315,025	26,745,025
Total	\$ 173,645,000	\$ 88,191,000	\$ 261,836,000	\$ 24,385,000	\$ 12,326,100	\$ 36,711,100	\$ 8,705,000	\$ 8,139,175	\$ 16,844,175	\$ 206,735,000	\$ 108,656,275	\$ 315,391,275

a) Based on repayment of the Series2008C principal at the stated maturity date. Assumes no further early redemption of principal. See “Conditional Redemption of Third Lien Subordinate Bonds (Series C Bonds)” herein for additional information regarding the target amortization of the Series C Bonds.

CITY OF ORLANDO, FLORIDA

STATE SALES TAX PAYMENTS REVENUE BONDS, SERIES 2016

INTRODUCTION

The City of Orlando State Sales Tax Payments Revenue Bonds, Series 2008, were issued to finance a portion of the construction of the Amway Center, which opened on October 1, 2010. The Series 2008 Bonds were refunded on September 28, 2016 to produce savings to be used for future capital projects at the Amway Center. The 2008 Bonds were refunded by the Series 2016 Bonds, resulting in a net present value debt service savings of around 18 percent, which was used to produce over \$5 million in new money project funds. The new project funds will be used for Amway Center capital improvements. The annual debt service remains the same at around \$2 million after the 2016 refunding with no change in final maturity.

Pledged Funds

Pledged Funds means (i) the State Sales Tax Payments Revenue, and (ii) all moneys on deposit in the funds and accounts established under the Bond Resolution and investment earnings thereon, but excluding moneys on deposit in the Rebate Fund established in the Bond Resolution. The State Sales Tax Payments Revenue means all distributions to the City pursuant to the Sections 288.1162 and 212.20(6)(d)6.b., Florida Statutes, with respect to the “facility for a professional sports franchise” to be financed in part with the proceeds of the Series 2008 Bonds. Such distributions are derived from State sales tax revenues. As a condition precedent to the City’s receipt of the State Sales Tax Payments Revenue, the Office of Tourism, Trade, and Economic Development of the State must certify the Amway Center as a facility for a new professional sports franchise. Such certification was received on November 30, 2007.

Description of Sales Tax Revenues

Section 212.05, Florida Statutes, as amended, imposes a 6% tax on the sales price of tangible personal property sold at retail in the State subject to certain exemptions therefrom. A similar tax is imposed on the cost price of tangible personal property when the property is not sold, but is used, consumed, distributed or stored for use or consumption in the State. The largest single source of tax receipts in the State is the sales and use tax.

Unless a transaction is specifically exempt, the State sales and use tax is applicable to sales of tangible personal property at retail in the State including the business of making mail order sales, the rental or furnishing of things or services taxable under Chapter 212, Florida Statutes, as amended, the storage for use or consumption in the State of any item or article of tangible personal property, and the lease or rental of such property within the State.

The Florida Department of Revenue (“FDOR”) shall pay over to the Chief Financial Officer of the State all funds received and collected by and under Chapter 212, Florida Statutes, as amended, and Sections 202.18(1)(b) and (2)(b), Florida Statutes, as amended, to be credited to the account of the State General Revenue Fund. Of those proceeds, \$166,667 shall be distributed monthly for 30 years to each applicant that has been certified as a “facility for a new professional sports franchise” pursuant to Section 288.1162, Florida Statutes, as amended. As described below, the Amway Center has been certified as a “facility for a new professional sports franchise” under this statute.

The following Table reflects the collection and distribution of State sales and use tax revenues for the State fiscal years 2014-2023.

CITY OF ORLANDO, FLORIDA

**State of Florida
Collection and Distributions of the
General Sales and Use Tax
State Fiscal Years 2014-2023
(in thousands)**

State Fiscal Year Ended June 30	Collections ¹	Distributions ¹			
		State Transportation Trust Fund	Local Governments	Sports Facilities Transfer	Other Distribution After Sports Facilities Transfer
2023 (2)	\$ 33,655,200	\$ 184	\$ 3,451,500	\$ 28,000	\$ 30,175,516
2022 (2)	32,789,700	184	3,372,700	28,500	29,388,316
2021	30,393,281	184	3,178,626	28,500	27,185,971
2020	27,553,589	184	2,908,268	28,500	24,616,637
2019	28,483,919	184	3,043,912	28,417	25,411,406
2018	27,093,011	184	2,902,264	27,083	24,163,480
2017	25,805,978	184	2,769,927	24,843	23,011,024
2016	24,712,945	199	2,669,845	22,328	22,020,573
2015	23,640,150	-	2,533,321	22,731	21,084,098
2014	22,127,370	-	2,376,390	23,314	19,727,666

(1) Amounts collected for distribution are first deposited into the General Revenue Fund before deposits are transferred to other funds and expenses provided therein.

(2) Amounts for Fiscal Years 2022 and 2023 are estimates.

Certification of Amway Center

The City received certification for the Amway Center as a “facility for a new professional sports franchise” on November 30, 2007. Accordingly, pursuant to Section 212.20(6)(d)6.b, Florida Statutes, the City received its first monthly distribution of \$166,667 in February, 2008 and shall continue to receive such distributions monthly until January, 2038.

Historical Collections of State Sales Tax Payments Revenue

The City continues to receive \$166,667 monthly from the State. These funds are deposited into the debt service fund for the Series 2016 Bonds and used to make debt service payments when due.

CITY OF ORLANDO, FLORIDA

**STATE SALES TAX PAYMENTS REVENUE BONDS
SUMMARY OF DEBT SERVICE OBLIGATIONS TO MATURITY**

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
February 1, 2022	\$ 505,000	\$ 493,475	\$ 998,475	1,996,900
August 1, 2022	510,000	488,425	998,425	
February 1, 2023	520,000	478,225	998,225	1,996,250
August 1, 2023	525,000	473,025	998,025	
February 1, 2024	535,000	462,525	997,525	1,994,350
August 1, 2024	545,000	451,825	996,825	
February 1, 2025	555,000	440,925	995,925	1,995,750
August 1, 2025	570,000	429,825	999,825	
February 1, 2026	580,000	418,425	998,425	1,995,250
August 1, 2026	590,000	406,825	996,825	
February 1, 2027	600,000	395,025	995,025	1,990,050
August 1, 2027	615,000	380,025	995,025	
February 1, 2028	635,000	364,650	999,650	1,998,425
August 1, 2028	650,000	348,775	998,775	
February 1, 2029	665,000	332,525	997,525	1,993,425
August 1, 2029	680,000	315,900	995,900	
February 1, 2030	700,000	298,900	998,900	1,995,300
August 1, 2030	715,000	281,400	996,400	
February 1, 2031	735,000	263,525	998,525	1,993,675
August 1, 2031	750,000	245,150	995,150	
February 1, 2032	770,000	226,400	996,400	1,992,400
August 1, 2032	785,000	211,000	996,000	
February 1, 2033	800,000	195,300	995,300	1,994,600
August 1, 2033	820,000	179,300	999,300	
February 1, 2034	835,000	162,900	997,900	1,994,100
August 1, 2034	850,000	146,200	996,200	
February 1, 2035	870,000	129,200	999,200	1,996,000
August 1, 2035	885,000	111,800	996,800	
February 1, 2036	905,000	94,100	999,100	1,995,100
August 1, 2036	920,000	76,000	996,000	
February 1, 2037	940,000	57,600	997,600	1,996,400
August 1, 2037	960,000	38,800	998,800	
February 1, 2038	980,000	19,600	999,600	999,600
Totals	<u>\$ 23,500,000</u>	<u>\$ 9,417,575</u>	<u>\$ 32,917,575</u>	<u>\$ 32,917,575</u>



RESERVED
PARKING ZONE
City of Orlando



DEBT MANAGEMENT POLICY

Table of Contents

I.	INTRODUCTION	1
II.	SCOPE	1
III.	OBJECTIVES	1
IV.	CATEGORIZE DEBT PROGRAM(S).....	2
V.	MANAGE THE USE/COMMITMENT OF PLEDGABLE RESOURCES	3
VI.	MEASURING INTERPERIOD EQUITY	3
VII.	MAINTAINING/IMPROVING CREDIT RATINGS.....	4
VIII.	THE INTERNAL LOAN FUND.....	4
IX.	CRITERIA FOR EVALUATING DEBT OPTIONS	4
X.	MEASURES OF FUTURE FLEXIBILITY.....	8
XI.	MONITORING, REPORTING, AMENDMENTS AND/OR EXCEPTIONS.....	9
XII.	CONTINUING DISCLOSURE COMMITMENT COMPLIANCE.....	10
XIII.	DEBT MANAGEMENT POLICY REVIEW AND MODIFICATION	10
XIV.	Time-Line for Implementation of Amendments	15
XV.	Effective Date	15
	Glossary of Key Terms.....	16

**CITY OF ORLANDO
DEBT MANAGEMENT POLICY**

I. Introduction

This Debt Management Policy is intended to (a) set forth guidelines under which the City's debt management program shall be administered, (b) set appropriate targets and boundaries for the City's current debt program, and (c) ensure that future generations of elected officials have reasonable latitude to address the financial circumstances of their tenure. This Debt Management Policy, as amended and adopted by City Council annually, sets forth the goals and objectives of the program and authorizes the City's Finance Committee to further define targets and benchmarks within these parameters. The City's original Debt Management policy was adopted by City Council on October 4, 1994.

II. Scope

This Debt Management Policy shall apply to all debt issued by the City and the Community Redevelopment Agency on behalf of the citizens, ratepayers and taxpayers of the City of Orlando.

III. Objectives

The objectives of this Debt Management Policy are as follows:

- A. Balance multiple financial management objectives, including:
1. Creativity: examine new or different means to achieve established objectives at the lowest possible cost;
 2. Innovation: address, consider or conceive new financing options which are either developed in the City's traditional municipal markets or adaptable from other existing financial markets;
 3. Flexibility: retain the City's current and future options to meet the financing challenges of the City;
 4. Responsibility: be fair, reasonable and equitable to each generation of taxpayers, ratepayers, users and other beneficiaries when distributing the debt burden or costs of government;
 5. Corporate Image: act as a good corporate citizen, to maintain or enhance the City's credit worthiness and reputation and to ensure the trust of those who have or will purchase the City's debt or other forms of borrowing; and
 6. Due Care: pay timely attention to and comply with each and all of the agreements, laws, contracts, covenants, policies and obligations which make up or are related to the City debt management program(s).
- B. Define and categorize the City's current debt programs as governmental or proprietary within the self-supporting and non-self supporting categories.

- C. Enhance the City's ability to access the credit markets and enhance or maintain the credit ratings for each of its programs.
- D. Address the purpose, use and advantages of the City's Internal Loan Fund program, as it is appropriately integrated into the City's overall debt management program.
- E. Evaluate each of the following in anticipation of new borrowing initiatives:
 - 1. Appropriate final maturity (1 to 30 years);
 - 2. Principal Amortization pattern (e.g., level principal, level debt service, etc.);
 - 3. Use of long-term fixed, intermediate term fixed or variable rate debt pricing options, and
 - 4. Use of risk management techniques (caps, swaps, floors, collars, etc.) to manage the City's variable rate risk exposure consistent with the City's Interest Rate Risk Management Products Policy.
- F. Identify appropriate debt constraints or limits in an effort to ensure adequate flexibility for future generations of elected officials;
- G. Provide for changes in targets and amendments to this Policy which can be approved by the Finance Committee and City Council, and an appropriate time frame to implement such changes.
- H. Provide a framework within which the City's corporate styled Debt Management Program can effectively operate.
- I. Provide for the publication of a Bond Disclosure Supplement that reports on the status of the City's debt management programs.

IV. Categorize Debt Program(s)

The City shall periodically establish standards for and classify each of the City's debt programs into one of the following:

- A. Self-Supporting Debt:
 - 1. Proprietary operations
 - i) Wastewater
 - ii) Parking
 - 2. Other Governmental (Non-General Fund revenues)
 - i) Community Redevelopment Agency (CRA)
 - ii) Special Assessment and Tax-Increment
 - iii) State Sales Tax Payments Revenues Bonds
 - iv) Contract Tourist Development Tax Payments Revenue Bonds
- B. Non Self-supporting Debt:
 - 1. Proprietary operations

2. General Governmental (including the General Fund)
 - i) Covenant Program
 - ii) General Obligation

This distinction recognizes that self-supporting proprietary programs do not directly or indirectly place a burden on taxpayers in the form of increased taxes. As long as each system's user rates meet the needs of both operations and debt service, the debt program is not considered part of either the General Government or Tax-Supported Debt of the City.

Having made these classifications, the Mayor and City Council shall commit to:

- A. Act with regard to self-supporting proprietary operations, when necessary, to increase rates to ensure that each operation maintains rate coverages (revenue to debt service ratios) as required by the higher of either City policy or related debt covenants.
- B. Limit the level of annual debt service as a percentage of available annual revenues to ensure a reasonable ability to address recurring operations and maintenance and/or capital requirements on a pay-as-you-go basis for all self-supporting governmental operations.
- C. Establish the annual subsidy required and compare it to the actual subsidy needed for all non self-supporting proprietary operations.
- D. Adhere to debt limits established herein to ensure current and future flexibility for all Non Self-Supporting Debt.

V. Manage the Use/Commitment of Pledgable Resources

- A. The City uses its Covenant Program as the primary financing mechanism and security source used to finance general government capital projects.
- B. The City recognizes that pledgable revenue sources are limited. The City will treat the use of each as a deployment of a scarce resource, and careful attention will be focused on balancing future flexibility with the need to consume scarce resources. The use of scarce resources as a secondary pledge should be thoughtfully addressed, used strategically, and, wherever possible, be:
 1. Limited to specific dollar amounts, and
 2. Subject to recapture, if and when the primary revenue pledge demonstrates sufficient strength on its own.

VI. Measuring Interperiod Equity

When measuring its commitment to its infrastructure and related service delivery potential, the City shall address both its capital and operating and maintenance requirements. For purposes of this policy, the City shall focus on its capital portion. When measuring interperiod equity, the City must consider the need to allocate the burden between generations and, more specifically, fiscal periods. The City will seek to measure the impact of proposed capital funding sources (debt and Pay-As-You-Go) for both a single year and longer-term forward forecasts. This future capacity analysis

shall consider debt service maturities and payment patterns as well as the City's commitment to a Pay-As-You-Go budgetary capital allocation.

VII. Maintaining/Improving Credit Ratings

The City shall strive to maintain its Ratings and enhance the overall credit standing of not only its general credit, but also, each of its specific debt programs. When addressing efforts to enhance its current ratings, the City will seek to balance its current flexibility (and related ability to meet the challenges facing the community) with potential limitations or restrictions which may be required to enhance a bond rating. In light of the then current market conditions, the City will have to judge the enhanced market advantage of a projected rating by program against the potential loss of flexibility which may be necessary to achieve the rating enhancement. The City's current ratings are regularly published by the Rating Agencies and are summarized annually in the City's Bond Disclosure Supplement.

The need for three ratings and merit of various rating services' ratings may be judged (a) at the time and in the circumstances of the contemplated issue and (b) in the perspective of the City's overall programs.

VIII. The Internal Loan Fund

In 1986-87, the City created its Internal Loan (banking) Fund as a conduit device to distribute the debt proceeds which it initially received from the Sunshine State Governmental Financing Commission (SSGFC) into loans to various operating funds of the City. In 1991, the City established its current Covenant Program, which is used as the primary funding source for the Internal Loan Fund and incorporated the pledge associated with the SSGFC.

The goal of the Internal Loan Fund is to provide funding for various projects around the City, with flexibility of loan terms and a low, blended interest rate. The blended loan rate is achieved through a mix of variable, medium-term, and long-term Covenant backed debt instruments. In general, loan repayment schedules are established that are shorter than bond repayment provisions, in order to provide the City an internal and revolving source of capital financing without needing to access the public markets for small projects.

Loans are provided to both proprietary and non-proprietary operations. Loan repayments from proprietary operations are subordinate to revenue bond debt issued for and secured by proprietary funds.

IX. Criteria for Evaluating Debt Options

The City Council has authorized the Finance Committee to establish specific target benchmarks for potential exercise of debt options. Further, within the framework established by the goals, objectives and established target benchmarks, City Council authorizes the Chief Financial Officer to act on behalf of the City, in a manner intended to lower the effective cost of debt to the taxpayers and citizens of Orlando. With regard to this delegation of authority, both to the Finance Committee and ultimately to the Chief Financial Officer, the following criteria for evaluating debt options has been established:

A. Maturity Analysis

For self-supporting proprietary operations, the primary strategy is to use a long-term level debt service maturity structure. To the extent that shorter maturities or alternative amortization strategies are utilized in an effort to reduce the effective borrowing costs, a comparative advantage must be considered in relationship to the potential negative impacts on user rates and charges.

For all other categories of debt, the City may consider opportunities to either shorten maturities or alter amortization structures. A level principal structure may be considered versus level debt service generally as long as the structure does not increase the maximum annual debt service by more than 25%. Additionally, the City should consider a level principal maturity structure compared to shorter maturity level debt service structure when maximum annual debt service is similar.

B. Market Options

(i). Election to Issue Fixed Rate Debt

The City has available to it two separate fixed rate programs: long-term Fixed Rate Debt and Medium Term Notes. Fixed Rate Debt is the traditional way municipalities have issued debt-- debt is offered to investors with a fixed maturity schedule at rates fixed in a single offering. Long-term Fixed Rate Debt issuance should be based upon a consideration of the following factors: (a) the level of long-term rates at the time of issuance versus the last 3 to 10 years, (b) a short to intermediate range forecast for long term rates, (c) the ratio of short-term (or variable rate) debt to current program debt outstanding and/or (d) the amount of Variable Rate Debt outstanding by program.

The City issued its first series of Medium Term Notes in 2002. This issue of Medium Term Notes was sold to investors with an initial amortization schedule of 2 to 12 years. As the individual principal amounts come due, the City re-offers the debt on a 1 to 15 year maturity basis until the designated final maturity. The benefit of the Medium Term Note structure is that the City prices its debt in the lower interest rate portion of the yield curve. The risk to the City of this structure is primarily the risk that interest rates will rise in successive re-offerings at a level sufficient to offset the initial interest savings. The City should consider issuing Medium Term Notes under circumstances where the structure is expected to provide the City with a lower cost of capital compared to long-term fixed rate debt using a breakeven rate analysis. The City should limit the amount of Medium Term Note issuance consistent with rating agency and bond insurer guidelines. The City currently limits the amount of Medium Term Note total maturities in any one year to (a) an amount not greater than 200% of the liquidity portion of the City's investment portfolio as of April 1st, and (b) not to exceed \$12 million. In addition, this limit may be raised up to \$20 million if a liquidity facility is provided for 50% of the amount of total maturities in any single year.

(ii). Election to Issue Variable Rate

Issuing Variable Rate Debt permits the City to access rates on the very short end of the yield curve. The difference in short versus long-term rates varies with the shape of the yield curve and has typically ranged from 100-350 basis points (or 1.0% to 3.5%). By issuing Variable Rate Debt, the issuer is subject to interest rate risk. However, Variable Rate Debt has historically been at lower interest rate levels than recognized fixed rate indices, and is generally able to create a natural hedge against changes in the City's Short-Term Investment portfolio.

Variable Rate Debt should be used for two purposes: (1) as an interim financing device (during construction periods) and (2), subject to limitations, as an integral portion of a long-term strategy to lower the City’s effective cost of capital. The City’s interim variable rate program allows the City to avoid the inefficiency of borrowing for small projects and allows for an aggregation of small projects and, thus, a more cost effective debt management program. Under either circumstance, when the cycle of long-term rates moves down to or near historic lows, consideration should be given to fixing (converting to a fixed rate to maturity alternative) a portion of the then outstanding Variable Rate Debt to take advantage of the attractive long-term fixed rates.

(iii). **Hedging Election**

The City’s Interest Rate Risk Management Products Policy provides guidelines for any hedging the City’s Variable Rate Debt exposure.

(iv). **Debt Program Targets**

In general, the City seeks to lower its overall cost of funds through an issuance of Variable Rate Debt and Medium Term Notes since these products are generally lower than fixed rates of interest. In addition, the Variable Rate Debt would simultaneously create a hedge against its variable rate investments to protect its financial condition in lower interest rate environments. The potential savings and benefits justify interest rate exposure as long as the risk is mitigated by limiting the amount of the Net Variable Rate Debt. In considering Net Variable Rate Debt, the rating agencies generally recognize the issuer’s ability to match its assets and liabilities and generally exclude or net variable rate debt equal to (i) certain variable rate assets and (ii) applied Debt Hedging Products such as interest rate caps and swaps where appropriate. The following targets are established for the overall City’s debt portfolio, including all Self-Supporting Debt and Non Self Supporting Debt:

Overall City and CRA Debt

Overall City and CRA	Targets
<ul style="list-style-type: none"> • Fixed Rate <ul style="list-style-type: none"> • Goal 	50-60%
<ul style="list-style-type: none"> • Unhedged or Net Variable Rate: <ul style="list-style-type: none"> • Goal • Maximum 	15-25% 30%

Covenant Program

The following targets are established for the Covenant Program:

<u>Covenant Program</u>	<u>Targets</u>
• Fixed Rate	
• Goal	40-50%
• Unhedged or Net Variable Rate:	
• Goal	25-35%
• Maximum	50%

Other Debt Program Targets

In addition to the aforementioned targets for the overall City and CRA debt, and the Covenant Program, specific targets regarding the limits on unhedged or Net Variable Rate Debt exposure for the senior debt of each separate borrowing program are set forth below:

<u>Other Debt Programs</u>	<u>Target Maximum Net Variable Rate Debt (1) Exposure</u>
Wastewater	35%
Parking	15%
CRA (Downtown District)	15%
Special Assessment	N/A
State Sales Tax Payments	N/A
Contract TDT Payments	N/A
New Debt Programs:	TBD.

(1) The maximum Net Variable Rate Debt exposure limits have been established in recognition of each program’s variable rate exposure associated with the Internal Loan Fund exposure. The City’s Wastewater program does not currently have Internal Loan Fund exposure and therefore, a higher maximum is more appropriate compared to the Parking and the CRA (Downtown District) Programs which have Internal Loan Fund (subordinate lien) variable rate exposure.

(v). **Refunding Options**

Targets for a Fixed Rate Debt to Fixed Rate Debt refunding should include the following criteria:

1. Maximum true interest cost

2. Minimum economic present value of at least 5% of refunded bonds,
3. Minimum annual average debt service savings of at least \$100,000.

Lower net present value cost savings and annual average debt service savings criteria may be appropriate for shorter term or smaller fixed rate refunding issues.

Refunding Variable Rate Debt to Fixed Rate Debt cannot provide for the similar measurable benchmarks and should be based on the aforementioned Election to Issue Fixed Rate Debt criteria.

Refunding of Variable Rate Debt to Variable Rate Debt should be based primarily on the economic or structured advantages of the new program.

Criteria and savings targets associated with Synthetic Refundings that are consistent with the provisions of the City's Interest Rate Risk Management Policy, should be established on a case-by-case basis and should generally be higher (more restrictive) than the criteria for Fixed Rate Debt refundings.

While a framework (a delegation of authority) has been established regarding the management of the City's debt portfolio, specific City Council approval is still required prior to the issuance of any new debt. Once the City Council has approved a refunding (revenue source, structure and target benchmark), the Finance Committee may act to adjust the target benchmarks, within the goals and objectives framework, to address changing market conditions.

X. Measures of Future Flexibility

As the City addresses its needs at any one period in time, the Mayor and City Council must both be prepared to ensure the flexibility of this and future generations of elected officials to meet the then present needs and challenges which face the community. Since neither State law nor the City Charter provide any fixed limits on the amount of debt which may be incurred (other than the requirement to have General Obligation debt approved in advance by referendum), the following targets or limits are established to ensure future flexibility. The following goals/targets are set to ensure the current and future flexibility, and financial vitality of the City.

<u>Description</u>	<u>Targets</u>
General Government Debt Service as a percentage of non-ad valorem General Fund expenditures:	
• Debt Limit (within the covenant program limitation)	20% max.
• Goal/Target	10% max.
Weighted Average Maturity of Debt Program(s):	
• Self-supporting Proprietary Operations	15 year max.
• Self-supporting Other Governmental	25 year max.
• Non self-supporting	20 year max.
Weighted Average Maturity of Internal Loan Program	12 year max.
General Government Direct Debt per capita	\$1,375 max.
Net Direct Tax Supported Debt as a percentage of ad valorem property values:	
• General Government	2.5% max.
• Total Tax Supported	3.5% max.
Debt Service requirement as a percentage of a new governmental revenue stream that is dedicated for capital and operations	50% max.
General Fund reserve, (as a percentage of the current year's operating budget)(a)	15% to 25%

(a) Includes City's Utility Services Tax reserves.

While the City currently operates well within these targets/goals, it is appropriate to use these various common measures of debt burden as a means of setting parameters for the overall City's Debt Management Program.

XI. Monitoring, Reporting, Amendments and/or Exceptions

The Chief Financial Officer shall monitor the actual results against the targets presented in this policy and shall publish a comparison of the targets against the fiscal year end numbers in the City's Bond Disclosure Supplement. The report will include the following information, to the extent applicable:

- A. Debt Program Targets, and
- B. Measures of Future Flexibility Targets;

From time to time, circumstances may suggest that an exception be approved to one or more of the policy constraints established herein. Amendments and/or exceptions must be submitted through the Finance Committee to the City Council and shall become effective only after approved by the City Council.

As is established in the policy governing the Finance Committee, within the guidelines established by the goals/policies and objectives/strategies, the Finance Committee can establish and amend,

where necessary, the target benchmarks which further define the aggregate guidelines within which the Chief Financial Officer operates.

XII. Continuing Disclosure Commitment Compliance

In response to SEC Rule 15c2-12, the City has established guidelines and procedures for meeting Continuing Disclosure Commitments. These procedures cover annual disclosure and other reportable events prescribed by the SEC Rule, as well as procedures for compliance with tax rules and the opportunity for timely remediation when needed.

A. Policy

1. It is the policy of the City of Orlando to provide full and fair disclosure and comply with all post-issuance regulatory obligations in connection with the initial sale and distribution of its publicly marketed debt instruments and to provide appropriate ongoing secondary market information in compliance with the requirements of applicable federal and state securities laws, rules and regulations, including Securities and Exchange Commission (SEC) Rule 15c2-12 (the "Rule").
2. This policy is implemented through the adoption of the administrative procedures set forth below which provide for assignment of responsibility for information compilation, communication, analysis, response and dissemination.
3. The Office of Business and Financial Services (OBFS) is charged with general authority and responsibility for developing, implementing and overseeing compliance with this policy and the administrative procedures with respect hereto. Policy direction is provided by the Chief Financial Officer and Deputy Chief Financial Officer, while day-to-day administration of Continuing Disclosure tasks and compliance is carried out by the City Treasurer and Treasury Manager for Debt Service (herein the "Treasury Manager").

B. Procedures

1. The City Chief Financial Officer will provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB, not later than the following June 1 after each preceding fiscal year end, the following information:
 - (i) Audited financial statements prepared in accordance with generally accepted accounting principles. The Controller is responsible for preparing the City's annual Comprehensive Annual Financial Report (CAFR) for approval by the Chief Financial Officer.
 - (ii) Certain annual financial information required to be provided pursuant to the Rule. The annual Bond Disclosure Supplement provides much of this information. The Treasury Manager is responsible for preparing the annual Bond Disclosure Supplement for approval by the Treasurer and Chief Financial Officer.
2. For applicable bond issues prior to December 1, 2010, the City Treasurer and/or Treasury Manager will provide or cause to be provided, in a timely manner, to the MSRB in an electronic format as prescribed by the MSRB, notice of the occurrence of any of the following events as required by the Rule, if such event is material:

- principal and interest payment delinquencies;
- non-payment related defaults;
- unscheduled draws on debt service reserves reflecting financial difficulties;
- unscheduled draws on credit enhancements reflecting financial difficulties;
- substitution of credit or liquidity providers, or their failure to perform;
- adverse tax opinions or events affecting the tax-exempt status of bonds;
- modifications to rights of the holders of bonds;
- bond calls (other than scheduled mandatory redemption);
- bond defeasances;
- release, substitution, or sale of property securing repayment of bonds; and
- rating changes.

3. For applicable bond issues on or after December 1, 2010, the City Treasurer and/or Treasury Manager will provide or cause to be provided to the MSRB in an electronic format, in a timely manner, as prescribed by the MSRB, notice of the occurrence of any of the following events as required by the Rule (initially established as not in excess of ten business days after the occurrence of the event):

- principal and interest payment delinquencies;
- non-payment related default, if material;
- unscheduled draws on the debt service reserves reflecting financial difficulties;
- unscheduled draws on credit enhancements reflecting financial difficulties;
- substitution of credit or liquidity providers, or their failure to perform;
- adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701- TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax-exempt status of the bonds; or events affecting the tax-exempt status of bonds;
- modifications to rights of the holders of bonds, if material;
- bond calls, if material, and tender offers (other than scheduled mandatory

redemption);

- defeasances;
- release, substitution, or sale of property securing repayment of bonds if material;
- rating changes;
- bankruptcy, insolvency, receivership or similar event of the City;
- the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- appointment of a successor or additional trustee or the change of name of a trustee, if material.

4. For applicable bond issues on or after February 27, 2019, the City Treasurer and/or Treasury Manager will provide or cause to be provided to the MSRB in an electronic format, in a timely manner, as prescribed by the MSRB, notice of the occurrence of any of the following events as required by the Rule (initially established as not in excess of ten business days after the occurrence of the event):

- principal and interest payment delinquencies;
- non-payment related default, if material;
- unscheduled draws on the debt service reserves reflecting financial difficulties;
- unscheduled draws on credit enhancements reflecting financial difficulties;
- substitution of credit or liquidity providers, or their failure to perform;
- adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701- TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax-exempt status of the bonds; or events affecting the tax-exempt status of bonds;
- modifications to rights of the holders of bonds, if material;
- bond calls, if material, and tender offers (other than scheduled mandatory redemption);
- defeasances;
- release, substitution, or sale of property securing repayment of bonds if material;

- rating changes;
- bankruptcy, insolvency, receivership or similar event of the City;
- the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- appointment of a successor or additional trustee or the change of name of a trustee, if material;
- incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and
- default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the City, any of which reflect financial difficulties.

5. The City will provide or cause to be provided, in a timely manner, to the MSRB in an electronic format as prescribed by the MSRB, notice of a failure by the City to provide the information described in Paragraph II. above on or prior to the date set forth therein.

6. Working through OBFS, City Administration and Department Directors will be responsible for monitoring the City operations within their control as to any possible events required to be disclosed hereunder or other occurrences that may be material with respect to City debt instruments. Following the occurrence of an event not set forth in Section II.B. or C., OBFS, in consultation with bond and disclosure counsel and financial advisory consultants, will assess the need for disclosure and, if deemed necessary, prepare disclosure appropriate for the given event. OBFS will coordinate to disseminate the official written disclosure to the MSRB. This notice may be disseminated by a third party dissemination agent if one is under contract.

7. For new bond issuances, the City will ensure any material non-compliance events with continuing disclosure requirements within the past five years are properly reported in the Official Statement.

8. The following procedures are intended to address certifications on the 8038-G Form confirming that the City has established written procedures to monitor compliance with issue prices, the use of proceeds, private business uses, arbitrage, yield restriction, and rebate requirements of Section 148 of the Code, as well as training and records retention. The implementation of the procedures is intended to assist in compliance with the tax rules and the opportunity for timely remediation through the “remedial action” regulations or the IRS Voluntary Closing Agreement Program.

(i). Issue Price. As part of the closing process, the Chief Financial Officer and/or Treasurer will consult with the financial advisor and bond counsel and obtain a written certification from the underwriter, placement agent or other purchaser of the bonds as

to the offering price of the bonds that is in form and substance acceptable to the City and bond counsel.

(ii). Use of Proceeds. The Chief Financial Officer, in consultation with bond and disclosure counsel, will:

a. maintain clear and consistent accounting procedures for tracking the investment and expenditures of bond proceeds, including investment earnings on bond proceeds;

b. at or shortly after closing of a bond issue, ensure that any allocations for reimbursement expenditures comply with the tax certificate; and

c. monitor that sale proceeds and investment earnings on sale proceeds of tax-exempt bonds are spent in a timely fashion consistent with the requirements of the tax certificate.

(iii). Monitoring Private Business Use. The Chief Financial Officer, in consultation with the City Attorney, bond and disclosure counsel, will review proposed contracts or arrangements with non-governmental persons or organizations or the federal government (collectively referred to as "private persons") with respect to the bond-financed facilities which could result in private business use of the facilities such as sales of bond-financed facilities; leases of bond-financed facilities and management service contracts relating to bond-financed facilities and shall have bond counsel review new contracts or amendments and determine whether any limits on private business use are exceeded and, if so, whether any actions are required to be taken to comply with the tax rules.

(iv). Arbitrage, Yield Restriction and Rebate Compliance. OBFS will (i) confirm that bond counsel has filed the applicable information reports (such as Form 8038-G) for each bond issue with the IRS on a timely basis, and (ii) maintain copies of such form including evidence of timely filing as part of the transcript of the bond issue. The Chief Financial Officer, in consultation with appropriate consulting firms, if necessary, shall confirm, recalculate and annually monitor the calculation of arbitrage on outstanding City debt as the basis for ongoing rebate compliance as set forth in the 8038-G and the tax certificate.

(v). Training and Retention of Records. The Chief Financial Officer and/or Treasurer will circulate training materials and guidance prepared by bond and disclosure counsel regarding developing continuing disclosure regulatory compliance and compliance with the rules applicable to the issuance of tax-exempt bonds for review by responsible individuals. Responsible individuals will undertake training needed to obtain any applicable continuing education related to issuance and accounting of tax-exempt bond proceeds and investing public funds. OBFS will ensure that for each issue of bonds, the transcript and all records and documents described in these procedures will be maintained while any of the bonds are outstanding (and during the five-year period following the final maturity or redemption of that bond issue), or if the bonds are refunded (or re-refunded), while any of the refunding bonds are outstanding (and during the five-year period following the final maturity or redemption of the refunding bonds).

(vi). Execution of Form 8038-G. The Chief Financial Officer, or other individual authorized pursuant to a resolution of the City Council, shall execute Form 8038-G as an

authorized representative of the City.

XIII. Debt Management Policy Review and Modification

The City's Debt Management Policy will be submitted by the Finance Committee for annual ratification by the City Council by May 1st of each year. The authority to effect any change, modification or amendment of this Debt Management Policy shall rest solely with the City Council. The Finance Committee and staff recommendations for policy changes may be submitted in conjunction with the annual ratification or more often as deemed necessary. Policy changes initiated by City Council may be made as deemed appropriate. Policy changes will become effective on the date stipulated by City Council.

XIV. Time-Line for Implementation of Amendments

Considering the then current position of the interest rate curve, recent movements and indication of possible short term direction, the City shall consider a reasonable time-line(s) to bring the then current debt program in line with amendments to this Debt Management Policy.

XV. Effective Date

The City's Debt Management Policy was ratified and approved by the City Council on March 22, 2021.

Glossary of Key Terms

“Amortization” means the schedule of debt principal to be paid over a period of time.

“Banking Fund” See “Internal Loan Fund”.

“Bond Disclosure Supplement” The City’s annual report which provides market disclosure relating to the City’s debt offerings.

“Covenant Program” means the City’s debt program that is secured by covenant to budget and appropriate from non-ad valorem revenues and encompasses all debt that is defined as Covenant Obligations under the City’s Covenant Ordinance.

“Debt Hedging Products” means interest rate risk mitigation products such as swaps, caps, floors, collars and options in connection with the incurrence of City debt obligations.

“Debt Service” means scheduled payments of interest and principal on debt obligations.

“Fixed Rate Debt” means a debt obligation issued with a predetermined interest rate.

“General Government Debt” means all Non Self Supporting debt. These are the programs whose expenditures for debt service are in direct competition with other General Fund expenditures (salaries, utilities, supplies, etc.).

“Hedged Variable Rate Debt” total variable rate debt less any associated Debt Hedging Products and allocated Short-Term Investments.

“Internal Loan Fund” means a conduit financing device to distribute proceeds of debt into loans to various operating funds of the City. The goal of Internal Loan Fund is to provide funding for various projects around the City, with flexibility of loan terms and low, blended rate. The blended loan rate is achieved through a mix of variable, medium-term, and long-term Covenant backed debt instruments. In general, loan repayment schedules are established that are shorter than bond repayment provisions, in order to provide the City a revolving source of capital financing without needing to access the public markets for each capital need.

“Maturity” means the length of time until the principal amount of a bond must be repaid.

“Medium Term Loans” means debt issued with a fifteen year or less maturity that is Designated Maturity Debt as defined in the Covenant Program. See above, IX. Criteria for Evaluating Debt Options, B. Market Options, (i) Election to Issue Fixed Rate Debt.

“Net Variable Rate Debt” means total Variable Rate Debt less Hedged Variable Rate Debt.

“Non-Self Supporting Debt” means any indebtedness of the City other than Self Supporting Debt

“Pay-As-You-Go” refers to the payment of capital projects or other non operating projects using non-capitalized revenues.

“Present Value” means the amount that a future sum of money is worth today given a specified rate of return.

"Ratings" means ratings that are issued by Moody's Investors Service, Fitch and Standard & Poor's Corporation and any other nationally recognized rating agency, to the extent they have in effect a rating on City debt.

"Self Supporting Debt" means any indebtedness of the City for borrowed money that is either (a) secured by or payable exclusively from a source of revenues other than Covenant Revenues, or (b) primarily payable from revenues of the type described in clause (a) above and secondarily from Covenant Revenues if the Covenant Revenues have not been used (or, as provided below, deemed to have been used) to pay any portion of such indebtedness for the three Fiscal Years preceding the date of determination and if the City projects that the Covenant Revenues will not be so used during the next two Fiscal Years; and either (c) that is secured by a revenue source that has been in effect for at least three Fiscal Years and that would have provided coverage of at least 125% of the average annual debt service on such obligations secured by such revenue source in each of the three preceding Fiscal Years or, (d) if the revenue source has not been in existence for at least three Fiscal Years, that is secured by a revenue source that would have provided coverage of at least 150% of the average annual debt service on such obligations secured by such revenue source in at least the last full Fiscal Year preceding the issuance of such obligations and that is projected to provide at least 150% debt service coverage (based on revenue and debt service projections by the City) in each of the three ensuing Fiscal Years; and (e) in any such case, in the three preceding Fiscal Years, no debt service on which has been paid (or, as provided below, deemed to have been paid) from Covenant Revenues deposited in the General Fund or the Utilities Services Tax Fund. For purposes of calculating the coverage requirements described in this definition, the historical and projected receipts of a particular revenue source shall be adjusted retroactively to the initial date of the calculation period to reflect changes in rates, levies or impositions enacted prior to the date of calculation. For purposes of this definition, Covenant Revenues will be deemed to have been used to pay debt service on any debt if Covenant Revenues have been transferred in the relevant period, other than pursuant to a Capital Transfer, to a fund or account used to pay debt service on such debt.

"Synthetic Refundings" means refunding transactions that include the use of interest rate risk management products such as swaps, caps, floors, collars and options.

"Short-term Investments" means liquid investment assets of the City.

"Tax-Supported Debt" means General Government Debt programs plus Other Governmental Self-Supporting Debt. This creates two categories of debt which place direct or indirect burden on the taxpayers of the City.

"Unhedged Variable Rate Debt" means Net Variable Rate Debt.

"Variable Rate Debt" means debt obligations entered into that use a variable, auction reset, adjustable, convertible or other similar interest rate which is not fixed in percentage at the date of issue.

**CITY OF ORLANDO
DEBT MANAGEMENT POLICY**

DEBT POLICY COMPLIANCE

Overall City and CRA Debt

The table below demonstrates the City and CRA outstanding debt compared to the targets set forth in the Debt Management Policy for both the Fixed Rate and Net Variable Rate components.

<u>Overall City and CRA</u>	<u>Targets</u>	<u>Actual 9/30/21</u>
• Fixed Rate		
• Goal	50-60%	89%
• Unhedged or Net Variable Rate:		
• Goal	25-35%	11%
• Maximum	40%	

Covenant Program

The following table shows the debt targets for the Covenant Program as well as the actual debt result for each category as of September 30, 2021

<u>Covenant Program</u>	<u>Targets</u>	<u>Actual 9/30/21</u>
• Fixed Rate		
• Goal	40-50%	77%
• Unhedged or Net Variable Rate:		
• Goal	25-35%	23%
• Maximum	50%	

Other Debt Program Targets

The following table indicates the compliance with the Debt Policy for the non-covenant debt programs of the City, including the CRA. The Covenant Program is the only program that has variable rate exposure in its senior level debt.

<u>Other Debt Programs</u>	<u>Maximum Net Variable Rate Debt Exposure</u>	<u>Actual at 9/30/21</u>
Wastewater	35%	0%
Parking	15%	0%
CRA (Downtown District)	15%	0%
Special Assessment	N/A	N/A
New Debt Programs:	TBD	N/A

Measures of Future Flexibility

**CITY OF ORLANDO
DEBT MANAGEMENT POLICY**

Neither State law nor the City Charter provide any fixed limits on the amount of debt which may be incurred (other than the requirement to have G.O. debt approved in advance by referendum). However, the following targets or limits are established in the Debt Policy to ensure the City's future financial flexibility.

<u>Description</u>	<u>Targets</u>	<u>Actual</u> 9/30/2021
General Government Debt Service as a percentage of non-ad valorem General Fund expenditures:		
• Debt Limit (within the covenant program limitation)	20% max.	11.3%
• Goal/Target	10% max.	
Weighted Average Maturity of Debt Program(s):		
• Self-supporting Proprietary Operations	15 year max.	8.6
• Self-supporting Other Governmental	25 year max.	8.7
• Non self-supporting	20 year max.	10.5
Weighted Average Maturity of Internal Loan Program	12 year max.	11.2
General Government Direct Debt per capita	\$1,375 max.	\$1,197
Net Direct Tax Supported Debt as a percentage of ad valorem property values:		
• General Government	2.5% max.	1.0%
• Total Tax Supported	3.5% max.	1.4%
Debt Service requirement as a percentage of a new governmental revenue stream that is dedicated for capital and operations	50% max.	N/A
General Fund reserve, (as a percentage of the current year's operating budget)	15% to 25%	25.9%(a)

(a) Includes the City's Utility Services Tax reserves.

**CITY OF ORLANDO
DEBT MANAGEMENT POLICY**



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**INTEREST RATE RISK MANAGEMENT
PRODUCTS POLICY (DERIVATIVES POLICY)**

Table of Contents

I.	Introduction	1
II.	Scope of Policy.....	1
III.	Interest Rate Risk Mitigation Objectives	1
IV.	No Speculation	1
V.	Form of Agreements.....	1
VI.	Methods to Solicit and Procure Interest Rate Swaps	2
VII.	Aspects of Risk Exposure.....	2
VIII.	Counterparty Credit Standards	3
IX.	Collateralization on Downgrade.....	3
X.	Termination	3
XI.	Legality.....	3
XII.	Responsibilities	3
XIII.	Monitoring And Reporting.....	4
XIV.	Policy Review and Modification	4
XV.	Effective Date.....	4
	Glossary of Key Terms	5

CITY OF ORLANDO

INTEREST RATE RISK MANAGEMENT PRODUCTS POLICY (DERIVATIVES POLICY)

I. Introduction

The Interest Rate Risk Management Products Policy (Derivatives Policy) has been developed 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 included in the City of Orlando (the “City”) Debt Management Policy (see attached Glossary for further definitions of terms). While the use of these financing products can reduce the City’s exposure to interest rate risk on its variable rate debt, careful monitoring of such products is required to preserve the City’s credit strength and budget flexibility.

This policy describes the circumstances and methods with which interest rate risk management products can be used, the guidelines that will be imposed on them, and who in the City is responsible for implementing these policies. In evaluating a particular transaction involving the use of derivative financing products, the Chief Financial Officer will review the long-term implications associated with entering into such agreements, including costs of borrowing, historical interest rate trends, variable rate capacity, credit enhancement capacity, opportunities to refund related debt obligations and other similar considerations.

II. Scope of Policy

This derivative products policy shall apply to all swaps, caps, collars, floors, options, or any other interest rate risk mitigation product used to manage the debt of the City of Orlando.

III. Interest Rate Risk Mitigation Objectives

The objectives for which the City will consider the use of these products are as follows:

- A. Hedging Strategy - To prudently reduce exposure to changes in interest rates in the context of a particular financing or the overall asset/liability management of the City; or
- B. Reduce Cost - To achieve a lower net cost of borrowing with respect to the City’s debt.

IV. No Speculation

Interest rate risk mitigation products will not be used for speculative purposes.

V. Form of Agreements

To the extent possible, Agreements entered into by the City will contain the terms and conditions set forth in the International Swap and Derivatives Association, Inc. (“ISDA”) Master Agreement, including any schedules and confirmation. However, the City reserves the right to amend these terms and conditions including the remedies and obligations as is appropriate to benefit the City. The schedule may be modified to reflect specific legal requirements, business terms and changes to the remedies and obligations as determined by the Chief Financial Officer. The Chief Financial Officer will consider whether to include provisions that permit it to assign its rights and obligations under Agreements and to optionally terminate the Agreement at its market value at any time. The counterparty shall not have the right to optionally terminate an agreement. The Chief Financial Officer will transmit the proposed form of Agreements to the Finance Committee and forward a request for authorization from City Council and the Mayor to approve and execute these Agreements within parameters delegated to the Chief Financial Officer.

VI. Methods to Solicit and Procure Interest Rate Swaps

The Chief Financial Officer will solicit and procure Agreements by competitive bid whenever feasible. The Chief Financial Officer will pre-qualify financial institutions as potential counterparties using the City's investment banking team and current counterparties to participate in a competitive transaction, but these parties must conform to the minimum credit standards outlined in this Policy.

Notwithstanding the above, the Chief Financial Officer may procure Agreements by negotiated methods if it is determined that due to the size or complexity of a particular transaction competitive bidding is undesirable, impractical or impossible and a negotiated transaction would result in the most favorable pricing. Such finding will be based on advice by an independent financial advisory firm and with the assistance of appropriate legal counsel. In this situation, the Chief Financial Officer should attempt to price the products based upon an agreed-to methodology relying on available pricing screens to obtain inputs to a mathematical model. If appropriate, the Chief Financial Officer should use an independent financial advisory firm to assist in the price negotiations.

Regardless of the method of procurement, the Chief Financial Officer will obtain a finding from an independent financial advisory firm that the terms and conditions of Agreements reflect a fair market value of such Agreement as of the date of its execution.

VII. Aspects of Risk Exposure

Before the City enters into an Agreement, the Chief Financial Officer will evaluate the risks inherent in the transaction. The risks to be evaluated could include amortization risk, basis risk, counterparty risk, interest rate risk, rollover risk, tax event risk and termination risk. Identification of the risks and discussion of the means, if any, employed to mitigate the risks will be contained in the Chief Financial Officer's report recommending approval of the Agreements to the Finance Committee, Mayor and City Council.

- A. Counterparty Risk – Counterparty risk is the risk that the counterparty will not fulfill its contractual obligations. Counterparty risk includes the risk of an occurrence of an event modifying the credit rating of the counterparty and the failure of the counterparty to make its required payments. Certain interest rate risk management products create a continuing exposure to the creditworthiness of financial institutions that serve as the City's counterparties on such transactions. The Chief Financial Officer will endeavor to minimize counterparty risk by establishing strong minimum counterparty credit standards and diversifying the City's exposure to counterparties. To that end, before entering into a transaction, the Chief Financial Officer will analyze the City's existing exposure to that counterparty and then determine how the proposed transaction would affect the exposure.
- B. Basis Risk - Basis risk refers to the mismatch between the actual variable rate debt service and variable rate index used to determine the swap payments. The Chief Financial Officer will evaluate different swap indices as part of the analysis of the proposed agreement and identify the amount of basis risk that may result from various indices. Tax Events Risk, a form of basis risk, is the risk created by potential changes to the Federal and State income tax codes on the interest rates to be paid by the City on its variable rate bonds. The Chief Financial Officer will evaluate the potential impact of changes in marginal tax brackets as part of its analysis of basis risk.
- C. Termination Risk – Termination risk refers to the possibility that, upon a default by the counterparty, the City may be required to make a large payment to the counterparty if the Agreement is terminated prior to its scheduled maturity pursuant to its terms. For certain types of Agreements, a payment by the City may be required if interest rates have fallen causing the market value of the remaining payments to be in favor of the counterparty. Chief Financial Officer will minimize termination risk by recommending to the Mayor and City Council the selection of counterparties with strong creditworthiness, under certain circumstances requiring the counterparty to post collateral in excess of the Agreement's market value, limiting the circumstances where a payment may be required and permitting the assignment of the Agreement to a creditworthy entity in lieu of termination.
- D. Rollover Risk – Rollover risk refers to the potential need to find a replacement counterparty as part of the overall plan of finance if the interest rate swap does not extend to the final maturity of

the underlying variable rate bonds. The rollover risk can be minimized through the initial plan of finance by not relying on the execution of future Agreements.

- E. Market Risk – Market risk is the risk that a government will not be able to enter credit markets or that credit will become more costly. The Chief Financial Officer will evaluate the potential loss of market access and the risk that credit will become more costly as part of any proposed transaction.

VIII. Counterparty Credit Standards

To protect the City’s interests in the event of a credit problem, the Chief Financial Officer will recommend entering into an Agreement with a counterparty only if it meets the following standards:

- A. At least two of the counterparty’s (or its guarantor’s) credit ratings are rated at least “Aa3” or “AA-”, or equivalent, by any two of the nationally recognized rating agencies (i.e. Moody’s, Standard and Poor’s, or Fitch) and not lower than “A3” or “A-“ by any of the nationally recognized rating agencies; or
- B. The payment obligations of the counterparty are unconditionally guaranteed by an entity with such a credit rating.

IX. Collateralization on Downgrade

The obligations of the counterparty will be collateralized at levels and with securities acceptable to the Chief Financial Officer, as set forth in the Agreements, should the rating:

- A. of the counterparty, if its payment obligations are not unconditionally guaranteed by another entity, not satisfy the requirements set forth in Section VIII “Counterparty Credit Standards” above, or
- B. of the entity that unconditionally guarantees its payment obligations, if so secured, not satisfy the requirements set forth in Section VIII “Counterparty Credit Standards” above.

X. Termination

A termination payment to or from the City may be required in the event of termination of an Agreement due to a default of either the City or the counterparty, certain additional termination events or optional termination by the City. Prior to making any termination payment due to the default of a counterparty, the Chief Financial Officer will evaluate whether it is financially advantageous for the City to obtain a replacement counterparty to avoid making such termination payment.

XI. Legality

The City Attorney must receive an opinion reasonably acceptable to the market from a nationally recognized law firm that any interest rate risk mitigation product contracts that the City enters are legal, valid and binding obligations of the City.

XII. Responsibilities

The Chief Financial Officer is responsible for determining the appropriate uses for interest rate risk management products in conjunction with the City’s debt financing and programmatic needs and making recommendations for the use of such products to the Finance Committee, Mayor and City Council.

The Chief Financial Officer is responsible for monitoring and reporting on all City debt obligations and reporting on such debt to the Mayor and City Council. In this capacity, the Chief Financial Officer will review and report on the activities and assumptions related to the various interest rate risk mitigation transactions. In addition, the Chief Financial Officer is responsible for reflecting the use of Agreements and other financing transactions on the City’s financial statements in accordance with Generally Accepted Accounting Principles (GAAP) and with rules promulgated by the Governmental Accounting Standards Board (GASB).

XIII. Monitoring And Reporting

The Chief Financial Officer will issue an annual report to the Finance Committee, which will be forwarded to the Mayor and City Council. The report will include the following information, to the extent applicable:

- A. Highlights of all material changes to Agreements including counterparty downgrades and/or terminations;
- B. A summary of any new Agreements entered into by the City since the last report;
- C. A summary of any planned interest rate management product transactions and the impact of such transactions on the City;
- D. A description of each outstanding Agreement, including a summary of its terms and conditions, the notional amount, rates, maturity, the estimated market value of each Agreement, the method of procurement (competitive or negotiated), and the full name, description and credit ratings of the Agreement's counterparty and, if necessary, its applicable guarantor;
- E. Any amounts which were required to be paid and received, and any amounts which actually were paid and received under each outstanding Agreement;
- F. Any credit enhancement, liquidity facility or reserves associated with the interest rate management products including an accounting of all costs and expenses incurred, whether or not in conjunction with the procurement of credit enhancement or liquidity facilities under each outstanding Agreement; and
- G. An assessment of the counterparty risk, termination risk, and other risks associated therewith, which will include the aggregate marked to market value for each counterparty and relative exposure compared to other counterparties

This report will also include a copy of this Policy in the quarter after it is adopted or subsequently modified. The Chief Financial Officer, with the assistance of the City Attorney, and the City Treasurer, will periodically review this Policy for changes in best practices (i.e., GFOA Recommended Practices) and recommend modifications to this Policy to the Mayor and City Council.

XIV. Policy Review and Modification

The City's Interest Rate Risk Management Products Policy will be submitted by the Finance Committee for annual ratification by the City Council by May 1st of each year. The authority to effect any change, modification or amendment of this Policy shall rest solely with the City Council. Finance Committee and staff recommendations for policy changes may be submitted in conjunction with the annual ratification or more often as deemed necessary. Policy changes initiated by City Council may be made as deemed appropriate. Policy changes will become effective on the date stipulated by City Council.

XV. Effective Date

The City's Interest Rate Risk Management Products Policy was ratified and approved by the City Council on March 22, 2021.

Glossary of Key Terms

Agreement: A contract between the City and Counterparty related to interest rate risk management products such as swaps, caps, floors, collars and options in connection with the incurrence of debt obligations by City of Orlando.

Amortization Risk: Represents the cost to the issuer of servicing debt or honoring swap payments due to a mismatch between bonds and the notional amount of swap outstanding. Amortization risk is characteristic of swaps used to hedge variable rate bonds issued to finance amortizing assets, such as mortgages. Amortization risk occurs to the extent bonds and swap notional amounts become mismatched over the life of a transaction.

Basis Risk: Refers to a mismatch between the interest rate received from the swap contract and the interest actually owed on the issuer's bonds.

Call Option: A contract through which the owner is given the right but is not obligated to purchase the underlying security or commodity at a fixed price within a limited time frame.

Cap: A ceiling on the interest rate that would be paid.

Collar: The combination of owning Cap and selling a Floor. Generally, it is structured so that the net cost of the collar is zero or close to zero. This means that the expense for the long cap premium is offset by the credit received for the floor premium.

Counter Party Risk: The risk that the swap counterparty will not fulfill its obligation to honor its obligations as specified under the contract.

Derivative: A financial product that is based upon another product. Generally, derivatives are risk mitigation tools.

Floor: A lower limit on the interest rate that would be paid.

Interest Rate Risk: The risk associated with changes in general interest rate levels or Yield Curves (see Yield Curves below).

Interest Rate Swap: The contract whereby one party typically agrees to exchange a floating rate for a fixed coupon rate. An essential characteristic of swaps is the swapping of cashflows and not principal amounts.

ISDA: The International Swaps and Derivatives Association, a global trade association representing participants in the derivatives industry.

Notional Amount: The stipulated principal amount for a swap transaction. There is no transfer of ownership in the principal for a swap; but there is an exchange in the cash flows for the designated coupons.

Option: A derivative contract. There are two primary types of options (see Put Option and Call Option). An option is considered a wasting asset because it has a stipulated life to expiration and may expire worthless. Hence, the premium could be wasted.

Put Option: A contract that grants to the purchaser the right but not the obligation to exercise.

Rollover Risk: The risk that the swap contract is not coterminous with the related bonds.

Swap: A customized financial transaction between two or more counterparties who agree to make periodic payments to one another. Swaps cover interest rate, equity, commodity and currency products. They can be simple floating for fixed exchanges or complex hybrid products with multiple option features.

Tax Events Risk: Issuers that issue tax-exempt variable rate bonds inherently accept risk stemming from changes in marginal income tax rates. This is due to the tax code's impact on the trading value of tax-exempt bonds. This risk is also a form of basis risk under swap contracts.

Termination Risk: The risk that the swap could be terminated by the counterparty due to any of several events, which may include issuer or counterparty ratings downgrade, covenant violation by either party, bankruptcy of either party, swap payment default by either party, and default events as defined in the issuer's bond indenture. The events of default and termination, which could lead to involuntary termination of the contract, would include failure to pay, bankruptcy, merger without assumption of obligations and legality.

Yield Curve: Refers to the graphical or tabular representation of interest rates across different maturities. The presentation often starts with the shortest-term rates and extends towards longer maturities. It reflects the market's views about implied inflation/deflation, liquidity, economic and financial activity, and other market forces.



INVESTMENT POLICY

Table of Contents

I.	Introduction.....	1
II.	Scope of Investment Policy	1
III.	Investment Objectives.....	2
IV.	Delegation of Authority; Reporting Requirements.....	3
V.	Prudent and Ethical Standards	5
VI.	Portfolio Management	5
VII.	Asset Allocation Directives	8
VIII.	Authorized Transactions	9
IX.	Authorized Investment Instruments.....	11
X.	Reverse Repurchase Agreements.....	17
XI.	Approved Broker/Dealers and Financial Intermediaries	18
XII.	Bid Requirements.....	19
XIII.	Internal Control Directives	19
XIV.	Continuing Education	20
XV.	Investment Policy Statement Review and Modification.....	20
XVI.	Effective Date	20

CITY OF ORLANDO INVESTMENT POLICY

I. Introduction

The City of Orlando Investment Policy within the context of the City's Investment Ordinance is intended to set forth the framework within which the City's investment activities will be conducted. The Investment Policy establishes parameters for investment activity which may be further restricted by the Finance Committee, Investment Committee (as established herein) and the Chief Financial Officer, in order of authority. The Investment Policy provides both minimums and maximums to limit risk and ensure a broadly diversified portfolio.

In establishing this Investment Policy, the City Council recognizes the traditional relationship between risk and return and acknowledges that all investments, whether they are for one day or years, involve a variety of risks related to maturity, credit, market and other factors. Additionally, some investments involve intermediaries (counter-parties) whose performance (or failure to perform) may affect the value or liquidity of the underlying investment.

When choosing between alternative investments, staff should structure the portfolio based on an understanding of the variety of risks and the basic principle of diversification (imposed by this policy) on the structure of the portfolio. With adoption of this Investment Policy, the City recognizes that total return portfolio management may necessitate the sale of securities at a loss in order to reduce portfolio risk (with the intent to avoid a material reduction in return) or to achieve a greater overall return (with the intent to avoid a material increase in risk) than could have been obtained if the original position had been held.

This Investment Policy and the actions of staff and Third Party Managers will be guided by the standard of care expected of a "Prudent Person". The Prudent Person Rule states that, "Investments should be made with judgment and care, under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment."

The Investment Policy provides that the City will utilize a) internal management for shorter-term investments and b) Third-Party Managers to manage longer-term investments or specialty investment areas. The policy framework has been developed to permit the subsequent consideration (by separate City Council action) of the inclusion of Specialty Risk sub-portfolios which are to be managed by Third-Party Managers. These exposures will provide for further diversification of the Aggregate Investment Portfolio while providing correlation and other investment advantages.

The changes to the policy are a continuation of the City's commitment with regard to its financial affairs. It is the intent to at all times make sure that the investments of the City are being managed in a prudent and effective manner, thus giving the City the best opportunity to take advantage of all market environments and generate the best risk adjusted returns that fit within the scope of this Policy Statement, while maintaining liquidity and preserving capital.

II. Scope of Investment Policy

This Investment Policy shall apply to all funds held by the City on behalf of the citizenship of the City of Orlando with the exception of:

- A. Pension or similar trust fund assets.
- B. Funds whose uses are restricted by debt covenants, prior contracts or legal, regulatory or other constraints.

III. Investment Objectives

The following define the objectives, in order of priority, for the investment of the City's funds which are subject to the scope of this Investment Policy:

A. Safety of Capital

To ensure safety of capital by:

1. Establishing minimally acceptable credit ratings and limiting any exception thereto.
2. Limiting the portfolio duration and the duration of individual holdings.
3. Setting maximum exposure by market sector as well as individual holdings.
4. Requiring a minimum investment in a basket of securities either fully guaranteed by the U.S. Government or issued by an Agency or Instrumentality of the U.S. Government.
5. Defining authorized transactions and delegated authority levels.
6. Establishing, at a minimum, two segregated portfolios, the Liquidity and Active Portfolios, in order to diversify the City's credit, interest rate and management risks.
7. Requiring Third Party Managers to acknowledge in writing their compliance with the Investment Policy Statement as it currently exists or as modified in the future.

B. Liquidity of Funds

To provide liquidity in order to fund projected operating expenses by:

1. Creating and maintaining a separately managed Liquidity Portfolio; and
2. Investing in securities which are traded in a reasonably liquid market in order that funding may be provided for unanticipated expenditures.

C. Investment Return

To provide a reasonable return on the City's investable assets given the diversification and the level of risk taken in the portfolio, and achieve a rate of return on the aggregate City portfolio commensurate with exceeding the established benchmarks.

IV. Delegation of Authority; Reporting Requirements

A. Finance Committee

1. The policies and procedures which govern the Finance Committee are defined in the General Administration Policy and Procedure Manual, Section 401.3 and are hereby incorporated, by reference, into the City's Investment Policy. The following authority is granted to the Finance Committee under Section 401.3:
 - a. To establish policies - long-range (five to ten year) directional guidelines, limitations and/or goals, which define a general framework within which strategies and target benchmarks will be established.
 - b. To establish strategies - short or intermediate term (one to three year) guidelines within established policies.
 - c. To establish target benchmarks - within the policies and strategies and giving consideration to the changing market circumstances.
2. Also, the Finance Committee acts on behalf of City Council in:
 - a. Interpreting and enforcing the policies set forth in this document;
 - b. Setting policy which further restricts those contained herein; and
 - c. Approving Third Party Managers and investment funds which, in the judgment of the Finance Committee, are substantially in compliance with the policies set forth in this document and which do not require prior approval by City Council.
3. Resolution of matters shall be referred to City Council if such matters are outside the scope of, or if a majority of the Committee deems such matter to be outside the scope of, the authority delegated to the Finance Committee.
4. In accordance with the General Administration Policy and Procedures Manual, Section 401.3, the minutes of each Finance Committee Meeting shall be provided to the City Council.

B. Investment Committee

1. An Investment Committee, as hereby established, shall report periodically to the Finance Committee. The Investment Committee will be chaired by the Chief Financial Officer and be comprised of, at minimum, the Deputy Chief Financial Officer, Treasurer, Controller, and Budget Division Manager as voting members. The Chief Financial Officer shall have the authority to appoint additional members to the committee as well as designate individuals to serve on the committee in the event any of the positions named in this policy is vacant.
2. The Investment Committee, at their discretion, may utilize the services of an investment consultant to assist in executing their charged responsibilities, such as:

establishing Investment/Asset Allocation Strategies and Policy, hiring of third party managers, and monitoring of the portfolio.

3. The Investment Committee shall be charged with:
 - a. Formulating Investment and Asset Allocation Strategies within the framework of this Investment Policy and within those policies which, from time to time, may be promulgated by the Finance Committee;
 - b. Establishing appropriate investment procedures and controls;
 - c. Establishing rate of return objectives, appropriate benchmarks and performance measurement methodology for each portfolio; and
 - d. Monitoring the risk and performance of each portfolio and the performance of the respective managers.
4. The Investment Committee shall have the authority to set policy which further restricts that established by the City's Investment Policy as same may have been further restricted by the Finance Committee.
5. The Investment Committee shall meet at least quarterly or more often as deemed appropriate.
6. A summary of investment holdings, performance reports and Investment Committee minutes will be prepared for the Committee and provided to the Finance Committee on at least a quarterly basis.
7. Resolution of matters shall be referred to the Finance Committee if such matters are outside the scope of, or if a majority of the Investment Committee deems such matter to be outside the scope of, the authority delegated to the Investment Committee.

C. Staff Members

1. The Chief Financial Officer, and/or other staff as may be designated by the Chief Financial Officer, shall have the authority to execute trades and to otherwise conduct business within the scope of the City's Investment Policy.
2. The Chief Financial Officer shall have the authority to further restrict the authority delegated to any staff member.
3. Staff, through the Treasurer, shall report to the Investment Committee with regard to material issues, open items and/or exceptions related to the scope of this Investment Policy and actions taken.
4. Staff shall prepare and distribute month-end reports to the Investment Committee which, at a minimum, include:

- a. Investment Holdings Reports which shall, at a minimum detail:
 - (1) holdings by class of security;
 - (2) income earned;
 - (3) book value, market value, and portfolio reallocations;
 - (4) compliance with the Investment Policy; and
 - (5) compliance by third party managers with their individual parameters
- b. Performance Measurement Reports for the City's Aggregate Investment Portfolio, as well as for each separate portfolio, sub-portfolio, respective third-party manager and Specialty Risk portfolios, as and if appropriate.
- c. Each Third Party Manager will report on their individual portfolio characteristics, which will be reviewed by City staff.

The investment consultant is expected to provide monthly performance reports reflecting the current allocation versus target, and the performance of each third party manager and total fund composite relative to established benchmarks.

V. Prudent and Ethical Standards

- A. Those staff members, and any third party service providers, who have been delegated authority to conduct City business under this Investment Policy shall be required to act in accordance with the provisions of the "Prudent Person Rule", as is defined on page 1 herein, as well as in the compliance with the City's Ethics Policy as recited in the City of Orlando's Ethics Manual.
- B. Each employee, authorized to conduct investment activities for the City, is deemed by the City Council, through adoption of this Investment Policy and any amendment hereto, to be performing within the course and scope of his or her employment.

VI. Portfolio Management

- A. Aggregate Investment Portfolio
 - 1. The Aggregate Investment Portfolio shall be managed on a total return basis consistent with the directives and objectives established by this Investment Policy.
 - 2. Performance Measurement for the Aggregate Portfolio is to achieve a rate of return over the established benchmarks for a rolling three year period.
 - 3. All calculations and measures of compliance and performance shall be based upon the market value of individual securities and portfolios. Investment in (e), (f), (g), (h), (i), and (j) listed below will be Externally Managed and will require the prior approval of City Council. The Aggregate Investment Portfolio shall be invested within the following parameters:

- a. No less than 10% of the Aggregate Investment Portfolio shall be used to establish the City's Liquidity Portfolio (See Part B of this Section).
 - b. The average duration shall not exceed the duration of the benchmark index by more than 30%. As a measure of interest rate sensitivity of individual securities and of the portfolio(s), the calculation methodology to be used will be the effective duration.
 - c. No less than 30% of the Aggregate Investment Portfolio shall be invested in a combination of U.S. Government and Agency Debt Obligations and in securities issued by Federal Instrumentality Debt Obligations, as each term is defined in Section IX. Of this 30%, no less than 10% of the Aggregate Investment Portfolio shall be invested in U.S. Government and Agency Debt Obligations.
 - d. No more than 60% of the Aggregate Investment Portfolio shall be invested in High Grade Corporate Debt, as defined in Section IX. C.
 - e. No more than 35% of the Aggregate Investment Portfolio shall be invested in Mortgage Backed Securities.
 - f. No more than 30% of the Aggregate Investment Portfolio shall be separately managed as Specialty Risk Externally Managed Funds, requiring specific Council approval (Section IX.J.2.).
 - g. No more than 10% of the Aggregate Investment Portfolio shall be invested in securities with a long term debt rating below Investment Grade, specifically below Baa by Moody's, BBB- by S&P or BBB- by Fitch.
 - h. No more than 10% of the Aggregate Investment Portfolio shall be invested in Investment Grade securities denominated in non-U.S. currency.
 - i. No more than 10% of the Aggregate Investment Portfolio shall be invested in Emerging Markets Securities.
 - j. No more than 10% of the Aggregate Investment Portfolio shall be invested in non-U.S. dollar, non-hedged securities.
4. Policy Exception: Deviations from the limits defined in items 2(b) through 2(j) above shall be permitted if:
- a. The manager believes it is in the best interest of the portfolio to hold the security.
 - b. The portfolio is re-balanced and compliance is reestablished no less frequently than 30 days following each fiscal quarter end.

5. Authority to Grant Exception(s) to policy limits.

A Third Party Manager may hold securities which are outside of these policy guidelines or the Third Party Manager's specific investment guidelines separately approved by City Council, subject to conditions only as follows:

- In aggregate, the value of all securities, which constitute a variance to this policy, shall not exceed 2% of the Aggregate Investment Portfolio based on market value;
- The investment represents no more than 4% of a manager's portfolio and the overall investment in the security across all managers' portfolios does not exceed 2% of the Aggregate Investment Portfolio based on market value;
- Securities held outside the investment guidelines at the request of the money manager shall be brought to the Investment Committee on a regular basis for review.
- The Investment Committee has the authority to direct the manager to sell any security held in their account that is listed as an exception if it is in the best interest of the Operating Portfolio.
- Exceptions to the Investment Policy will be presented to the Finance Committee at each regularly scheduled quarterly meeting.

B. Liquidity Portfolio

1. As part of the Aggregate Investment Portfolio, staff shall create a Liquidity Portfolio which, at a minimum, has the following characteristics:

- a. The funds allocated to the Liquidity Portfolio shall not be less than 10% of the average of the month-end balance for the Aggregate Investment Portfolio over the preceding fiscal year.
 - (1) The allocation shall be established, i.e., funds added to or removed from the Liquidity Portfolio, on or before December 31 each year.
 - (2) The allocation percentage shall be based upon market value of the investments in the Liquidity Portfolio in relation to the total market value of all investments subject to the scope of this Policy.
- b. The Liquidity Portfolio shall be managed with primary emphasis on matching investment maturities with known cash needs and funding anticipated cash flow requirements and secondary emphasis on fulfilling the Investment Objectives contained in this Policy.
- c. The average duration of the Liquidity Portfolio shall not exceed 1.25 years.
- d. The maximum duration of any single holding in the Liquidity Portfolio shall

not exceed 3.00 years.

2. The Performance expectation for the Liquidity Portfolio is to achieve a rate of return that exceeds the six month Treasury Bill Index, measured quarterly, over a rolling three year period.
3. The Finance Committee and/or the Investment Committee shall have the authority to create one or more "sub-portfolios" of the Liquidity Portfolio if such action is deemed in the best interest of the City. The characteristics and management style associated with each "sub-portfolio" must comply with this Policy. In addition, when combined, each "sub-portfolio" must comply with the Policy requirements of the Liquidity Portfolio.

C. Active Portfolio

1. Those funds not required to establish the Liquidity Portfolio shall be used to establish the Active Portfolio. Third party managers and Treasury staff will direct the investment activities of the Active Portfolio. The Active Portfolio shall be managed with primary importance placed on fulfilling the Investment Objectives contained in this Policy and then in order to enhance the long-term performance and to provide diversification for the Aggregate Investment Portfolio. The duration of the Active Portfolio shall be within +/- 30% of its benchmark index.
2. The Performance expectation for the Active Portfolio is to achieve a rate of return that exceeds the Barclays U.S. Aggregate Index, measured quarterly, over a rolling three year period.
3. The Finance Committee and/or the Investment Committee shall have the authority to create one or more "sub-portfolios" of the Active Portfolio if such action is deemed in the best interest of the City. The characteristics and management style associated with each "sub-portfolio" must comply with this Policy. In addition, when combined, each "sub-portfolio" must comply with the Policy requirements of the Active Portfolio.

VII. Asset Allocation Directives

The portfolio shall be invested only in those instruments specifically designated as Authorized Investment Instruments. Within the exposure limits set for each instrument, the Investment Committee or staff shall have the authority to weight the portfolio(s) as to its type or duration as deemed appropriate. Exposure percentages shall be based upon market value and shall include cash, investments managed by the City's staff and investments managed by outside managers. Staff shall maintain a schedule, on a manager and portfolio basis, to help ensure compliance with Investment Policy constraints. Securities held under a repurchase agreement and the specific assets underlying a mutual fund or money market fund shall not be included when determining compliance with the exposure limits to a particular asset type, except as noted below, though compliance with exposure limits to repurchase agreements, mutual funds, and/or money market funds as an asset type must be maintained. Mutual funds invested substantially in U.S. Treasuries may be used to meet the minimum requirement for investment in Treasury securities.

VIII. Authorized Transactions

Staff shall have the authority to execute trades on Authorized Investment Instruments in any of the following forms:

A. Cash Settlement

An agreement which obligates the City to buy or sell on the same day as the trade is executed.

B. Regular Settlement

An agreement which obligates the City to buy or sell on a date, other than the trade date, which is normal and customary for the specific security.

C. Short Sales

An agreement which obligates the City to sell a security which is not currently held in its portfolio. The following shall apply to short sales:

1. Short sales are authorized only on Treasury Securities which are otherwise Authorized Investment Instruments.
2. The transaction must settle in no more than 5 business days from the trade date.
3. Short positions must be identifiable as a hedge position against a particular holding, group of holdings or portfolio whose characteristics are effectively, though not necessarily perfectly, hedged by the short position.

D. Futures Contract

An agreement which obligates the City to either buy or sell the underlying security on a specified date, or within a specified time, in the future. Long and short futures positions are authorized. The following shall apply to Futures Contracts:

1. The Futures Contract must be traded on a recognized exchange; and
2. The Futures Contract must be for a term not to exceed 12 months; and either
 - a. The Futures Contract must be on a cash security which is otherwise an Authorized Investment Instrument; or
 - b. The Futures Contract must be on an interest rate index to which exposure could otherwise be achieved through the purchase of an Authorized Investment Instrument or by an Authorized Transaction; and
3. Short positions must be identifiable as a hedge position against a particular holding, group of holdings or portfolio whose characteristics are effectively, though not necessarily perfectly, hedged by the short position.

E. Forward Agreements

An agreement, including those on "When-Issued" (WI) Treasuries, and "To Be Announced" (TBA) Mortgage Backed Securities, which obligates the City to either buy or sell the underlying security on a specified date, or within a specified time, in the future to a counterparty. Long and short positions are authorized. The following shall apply to Forward Agreements:

1. The counterparty must be an Approved Broker; and
2. The Forward Agreement cannot exceed six months; and either
 - a. The Forward Agreement must be on a cash security which is otherwise an Authorized Investment Instrument; or
 - b. The Forward Agreement must be on an interest rate index to which exposure could otherwise be achieved through the purchase of an Authorized Investment Instrument or Authorized Transaction; and
3. Short positions must be identifiable as a hedge position against a particular holding, group of holdings or portfolio whose characteristics are effectively, though not necessarily perfectly, hedged by the short position.

F. Interest Rate Swap Agreements

An agreement between the City and a counterparty to pay/receive a fixed interest rate payment in exchange for variable rate payment over a specified term. The following shall apply to Interest Rate Swap Agreements:

1. The counterparty must be an Approved Broker; and
2. The Swap Agreement cannot exceed three years; and
3. The Swap Agreement must be on an interest rate index to which exposure could otherwise be achieved through the purchase of an Authorized Investment Instrument or Authorized Transaction; and
4. Swap positions must alter the interest rate exposure to a particular holding, group of holdings or portfolio.

G. Option Contracts

An agreement which gives the City the right, though not the obligation (a long option position) to buy (call) or sell (put) the underlying security; or an agreement which obligates the City, at the option of the counterparty, (a short option position) to buy (put) or sell (call) the underlying security. The following shall apply to Option Contracts:

1. The Option Contract must be traded on a recognized exchange; and
2. The Option Contract must be for a term not to exceed 12 months; and either

- a. The Option Contract must be on a cash security which is otherwise an Authorized Investment Instrument; or
 - b. The Option Contract must be on a futures contract which is otherwise an Authorized Transaction; or
 - c. The Option Contract must be on an interest rate index to which exposure could otherwise be achieved through the purchase of an Authorized Investment Instrument or Authorized Transaction; and
3. Short call positions must be identifiable as written against a particular holding, group of holdings or portfolio whose characteristics are substantially similar to the position against which it is written.

IX. Authorized Investment Instruments

The following classes of securities are deemed suitable for investment by the City. The securities listed below may be purchased up to the limits and subject to standards defined for each asset type.

A. U.S. Government and Agency Debt Obligations

Definition: Debt obligations of the U.S. Government or its agencies whose interest payment and principal repayment is backed by the full faith and credit of the U.S. Government or of a U.S. Government agency.

Duration: Individual security duration will be left up to the discretion of the portfolio manager (or Staff with regards to the internally managed portfolio), with the average duration of the portfolio being within +/- 30% of its benchmark index.

Exposure: No less than 10% and no more than 100% of the Aggregate Investment Portfolio shall be invested in this sector.

B. Federal Instrumentality Debt Obligations

Definition: Securities issued and guaranteed by a government sponsored enterprise which carry the "implied guarantee" of the U.S. Government.

Duration: Individual security duration will be left up to the discretion of the portfolio manager (or Staff with regards to the internally managed portfolio), with the average duration of the portfolio being within +/- 30% of its benchmark index.

Exposure: 1. No more than 45% of the Aggregate Investment Portfolio shall be invested in this sector.

2. No more than 20% of the Aggregate Investment Portfolio shall be invested with any one issuer.

C. High Grade Corporate Debt

Definition: U.S. dollar denominated debt obligations of domestic or foreign corporations, or foreign sovereignties issued in the United States or in foreign markets. This shall include, but not be limited to, corporate notes and bonds, medium term notes, Eurodollar notes and bonds, Yankee notes and bonds, bankers acceptances, commercial paper and certain asset backed securities. Asset-Backed Securities included in this classification shall not be collateralized by mortgages or home improvement loans.

Duration: Individual security duration will be left up to the discretion of the portfolio manager (or Staff with regards to the internally managed portfolio), with the average duration of the portfolio being within +/- 30% of its benchmark index.

Credit Rating: 1. Securities maturing in more than one year shall have a long-term debt rating which meet the following criteria:

- a. The security must be rated by two nationally recognized credit rating agencies, one of which must be either Moody's, S&P or Fitch; and
- b. The security must be rated, at a minimum, Investment Grade, specifically at or above Baa3 by Moody's, BBB- by S&P, or BBB- by Fitch or, if not rated such by two of these three, an equivalent minimum rating by a nationally recognized rating agency.

2. Securities maturing in one year or less shall have a short-term debt rating which meet the following criteria:

- a. The security must be rated by either Moody's, S&P or Fitch; and
- b. The security must be rated, at a minimum, P1 by Moody's, A1 by S&P or F1 by Fitch or, if the required short-term debt rating is unavailable; then
- c. The security must otherwise meet the criteria in this Section C under Credit Rating, Item 1 for High Grade Corporate Debt maturing in one year or more.

Exposure: 1. No more than 60% of the Aggregate Investment Portfolio shall be invested in this sector; with

2. No more than 5% of the Aggregate Investment Portfolio being invested with any one issuer.

D. Mortgage-Backed Securities

Definition: Securities collateralized by mortgages (or deeds of trust) on residential property (“Residential Mortgage-Backed Securities”) or commercial (industrial, office, retail, etc.) property (“Commercial Mortgaged-Backed Securities”). The securities may be issued by a Federal Instrumentality or by a private corporation and may be structured as collateralized mortgage obligations or unstructured pass-through securities.

Duration: Individual security duration will be left up to the discretion of the portfolio manager (or Staff with regards to the internally managed portfolio), with the average duration of the portfolio being within +/- 30% of its benchmark index. Securities must have a reasonable and supportable prepayment assumption.

Credit Rating:

1. The security must be rated by two nationally recognized credit rating agencies, one of whom must be either Moody's, S&P or Fitch; and
2. At purchase, the security must be rated, at a minimum, Aa3 by Moody's, AA- by S&P, or AA- by Fitch or, if not rated such by two of these three, an equivalent minimum rating by a nationally recognized rating agency.

Exposure:

1. No more than 35% of the Aggregate Investment Portfolio shall be invested in this sector; with
2. No more than 20% of the Aggregate Investment Portfolio may be invested in securities of a single Federal Instrumentality of the United States.
3. No more than 15% of the Aggregate Investment Portfolio shall be invested in Commercial Mortgage Backed Securities.
4. No more than 10% of the Aggregate Investment Portfolio shall be invested in securities of any one (non-Instrumentality) issuer.

E. Bank Certificates of Deposit

Definition: Deposits in interest bearing accounts at institutions approved as Qualified Public Depositories under applicable law.

Duration: A maximum of 2.00 years

Credit Rating: Credit quality will be subject to approval by Investment Committee.

Exposure:

1. No more than 20% of the Aggregate Investment Portfolio shall be invested in this sector; with

2. No more than 5% of the Aggregate Investment Portfolio being invested in securities of any one issuer.
3. Can be purchased directly by the City only, not by third party managers

F. Repurchase Agreements

Definition: Transactions in which the City purchases Approved Securities from an institution with an agreement to re-sell the same securities on a specified future date. Institutions who are a party to this transaction must:

1. Be approved by the Investment Committee; and
2. Have entered into a Master Repurchase Agreement; and
3. Have entered into a Tri-Party Custody Agreement which provides for a third party to take custody of the securities subject to the Master Repurchase Agreement.

Transaction

Terms: Shall adhere, at a minimum, to the requirements of the Master Repurchase Agreement.

Approved

Securities: Shall be limited to Direct Obligations of the U.S. Government or its Instrumentalities with maturities not in excess of 5 years.

Collateral

Valuation: Collateral shall be marked-to-market daily at no less than 102% of the security's market value

Maturity:

The term of the Repurchase Transaction shall not exceed 60 days.

Exposure:

1. No more than 20% of the Aggregate Investment Portfolio shall be invested in this sector; with
2. No more than 10% of the Aggregate Investment Portfolio shall be invested with any single counterparty.

G. Money Market Mutual/Trust Funds

Definition: A mutual or trust fund which meets the Securities and Exchange Commission definition of a money market fund and whose investment policies are otherwise in substantial compliance with the City's Investment Policy; as substantial compliance is determined by the Investment Committee. Investment in money market funds (including 2a-7 like funds) offered or sponsored by the State Board of Administration are specifically approved for investment of City funds.

- Duration: Funds must provide daily liquidity.
- Credit Rating: The Investment Committee shall have the authority to determine the credit-worthiness of a particular Money Market Mutual/Trust Fund.
- Exposure: 1. No more than 40% of the Aggregate Investment Portfolio shall be invested in this sector; with
2. No more than 20% of the Aggregate Investment Portfolio shall be invested in any one particular fund.

H. State and Local Taxable and/or Tax Exempt Debt

- Definition: General Obligation or Revenue debt obligations issued by states, counties, cities or other taxing authorities.
- Duration: Individual security duration will be left up to the discretion of the portfolio manager (or Staff with regards to the internally managed portfolio), with the average duration of the portfolio being within +/- 30% of its benchmark index.
- Credit Rating: 1. The security must be rated by two nationally recognized credit rating agencies, one of whom must be either Moody's, S&P or Fitch; and
2. The security must be rated, at a minimum, A3 by Moody's, A- by S&P, or A- by Fitch or, if not rated such by two of these three, an equivalent minimum rating by a nationally recognized rating agency.
- Exposure: 1. No more than 10% of the Aggregate Investment Portfolio shall be invested in this sector; with
2. No more than 5% of the Aggregate Investment Portfolio shall be invested in securities of any one issuer.

I. Fixed Income Mutual Funds/Commingled Funds

- Definition: Mutual funds and other types of commingled investment vehicles provide, under some circumstances, lower costs and better diversification than can be obtained with a separately managed fund pursuing the same investment objectives. However, commingled investment funds cannot customize investment policies and guidelines to the specific needs of individual clients. The Investment Committee is willing to accept the policies of such funds in order to achieve the lower costs and diversification benefits of commingled funds. Therefore, commingled investment vehicles selected are exempt from the policies and restrictions specified herein as long as the fund's guidelines fit the overall intention/criteria/parameter/scope of this Investment Policy. Compliance will be determined by the Investment Committee.

Liquidity: Funds must provide liquidity no less frequently than monthly.

Credit Rating: The Investment Committee shall have the authority to determine the credit-worthiness of a particular fund.

- Exposure:
1. No more than 85% of the Aggregate Investment Portfolio shall be invested in this sector; with
 2. No more than 20% of the Aggregate Investment Portfolio shall be invested in any one particular fund.

J. Other Externally Managed Funds

Definition: Separate and/or co-mingled investment funds managed by a third party.

1. The Finance Committee shall have the authority to authorize management by a third-party manager if, in the judgment of the Finance Committee, the investment objectives and style of the manager is substantially in compliance with this Investment Policy.
2. City Council approval shall be required prior to engaging a third-party manager to invest in the following “Specialty Risk” categories:
 - a. Corporate securities with a long-term debt rating below Investment Grade, specifically below Baa3 by Moody's, BBB- by S&P or BBB- by Fitch.
 - b. Investment Grade debt issued in a currency other than the U.S. dollar.
 - c. Debt issued in the Emerging Markets segment of the Non-U.S. Market.
 - d. Other investment instruments or strategies, which may be contemplated in the future, which are currently outside the scope of this Investment Policy.

Duration: As provided for in each Third Party Manager’s specific investment guidelines separately approved by City Council.

Credit Rating: As provided for in each Third Party Manager’s specific investment guidelines separately approved by City Council.

- Exposure:
1. No more than 90% of the Aggregate Investment Portfolio shall be managed by Third Party Managers.

2. No more than 30% of the Aggregate Investment Portfolio shall be invested in Specialty Risk categories.
3. No more than 10% of the Aggregate Investment Portfolio, shall be invested in any one particular fund.
4. Fully hedged, non-dollar denominated holdings shall be equated to dollar equivalent securities.

K. Derivative Securities

Definition: A financial instrument the value of which depends on, or is derived from, the value of one or more underlying assets or index or asset values.

Pursuant to Florida Statutes 218.415(5), staff who have the authority to invest in derivative securities or the Chief Financial Office, must have sufficient understanding of the derivative product and the expertise to manage them.

Authorization:

1. Staff shall have the authority to invest, either individually or in combination, in the following types of derivative structures on securities which are otherwise an Approved Investment Instrument:
 - a. Floating interest rate - no cap or floor
 - b. Floating interest rate - with a cap and/or a floor
 - c. Call feature
 - d. Put feature
 - e. Step Interest Rate
 - f. Principal Strips
2. Finance Committee shall have the authority to authorize investment in other derivative structures on Authorized Investment Instruments as deemed appropriate.

X. Reverse Repurchase Agreements

Definition: Transactions in which the City sells Authorized Investment Instruments to an institution with an agreement to repurchase the same securities on a specified future date.

Staff is authorized to enter into reverse repurchase agreements, as it deems necessary and subject to the limitations defined herein, in order to finance short term cash flow needs or to provide liquidity for the Aggregate Investment Portfolio.

Authorized

Counterparty: Institutions who are a party to this transaction must:

1. Be approved by the Investment Committee; and
2. Have entered into a Master Repurchase Agreement; and
3. Have entered into a Tri-Party Custody Agreement which provides for a third party to take custody of the securities subject to the Master Repurchase Agreement.

Approved

Securities: Any securities held by the City which may be acceptable to the counterparty.

Collateral

Valuation: Collateral shall be marked-to-market as often as reasonably required by the counterparty.

Collateral

Maintenance: Investment Committee shall have the authority to set the maximum amount of collateral to be pledged based upon the nature of the counterparty and the form of the collateral.

Maturity:

The term of the Reverse Repurchase Transaction shall not exceed 60 days and the maturity date of the reinvested proceeds shall not materially exceed the maturity date of the Reverse Repurchase transaction.

Exposure:

No more than 20% of the Aggregate Investment Portfolio, net of the balance of all existing and pending reverse repurchase agreements, shall be leveraged with reverse repurchase agreements.

XI. Approved Broker/Dealers and Financial Intermediaries

A. Security Purchases and Sales

1. Except for Externally Managed funds, security purchases and sales shall be transacted through the following approved entities:
 - a. Institutions designated as "Primary Securities Dealers" by the Federal Reserve Bank of New York;
 - b. Federal or state insured financial institutions who are designated as Qualified Public Depositories by the State of Florida and who operate a branch or office within the City of Orlando; or
 - c. Regional or local broker/dealers approved by the Investment Committee as it deems appropriate.
2. Of those Broker/Dealers who are eligible to be approved, the Investment Committee

shall have the authority to select those with whom transactions are authorized as well as the number of approved Broker/Dealers necessary to conduct City business.

3. External Managers are charged with the responsibility to transact purchases and sales on a best execution basis.

B. Repurchase and Reverse Repurchase Agreements

The City shall enter into repurchase and reverse repurchase agreements with the following approved entities:

1. Institutions designated as "Primary Securities Dealers" by the Federal Reserve Bank of New York.
2. The City's primary correspondent bank.

The Finance Committee may approve other institutions who meet specific requirements as developed by the Finance Committee from time to time.

XII. Bid Requirements

Securities, identified by staff as candidates for purchase or sale, shall, when feasible and appropriate, be competitively bid or offered. In compliance with industry standards, External Managers will use a form of "bid process" when feasible and appropriate to achieve best execution.

XIII. Internal Control Directives

The Investment Committee shall establish the following minimum level of internal controls for the investment operations of the City in order to prevent losses of funds due to fraud, employee error, and misrepresentation by third parties, or imprudent actions by City employees:

A. Responsibility

The Chief Financial Officer shall hold primary responsibility for assuring compliance with the City's Investment Policy.

B. Delegation of Responsibility

The Chief Financial Officer shall have the authority to delegate to competent staff those responsibilities as deemed appropriate, but such delegation shall accomplish, at a minimum, the following separation of responsibilities:

1. Authority to execute trades and accounting for trades.
2. Accounting for trades and check or wire transfer authority.
3. Check and wire transfer authority from bank and custodial account reconciliation responsibility.
4. Preparation of performance reports from authority to execute trades.

C. Transaction Settlement

All investment transactions executed by the City, except those authorized by the Chief Financial Officer or the Treasurer as further approved by the Mayor, shall be settled on a Delivery vs. Payment basis through the City's custodian. Any securities settled under the exception above shall be secured or controlled by a written agreement approved by the Office of Legal Affairs.

D. Third-Party Custodial Agreement

The custodial relationship shall be governed by a written agreement properly executed by all parties and shall specify, at a minimum that:

1. All securities owned and cash held by the City shall be held in the City's, or its nominee's, name in an account separate from all other accounts maintained by the custodian and shall at all times, while in the custody of the Custodian, be designated as an asset of the City.
2. The custodian shall accept transaction instructions only from those persons who have been duly authorized by the Chief Financial Officer and which authorization has been provided, in writing, to the custodian. No withdrawal of securities, in whole or in part, shall be permitted unless directed by such a duly authorized person.
3. The custodian shall, as it pertains to all transactions settled by the custodian, ensure that the City receives good and marketable title to all securities purchased and has immediately available cash for all securities sold on a "delivery vs. payment" basis.

XIV. Continuing Education

Pursuant to Florida Statutes 218.415(14), a minimum of eight hours of continuing education shall be completed during each fiscal year by the staff member(s) directly responsible for directing the investment decisions pertaining to those funds subject to the scope of this policy. This will be facilitated at either quarterly meetings, or other educational programs such as industry conferences. The Chief Financial Officer shall determine the nature of the continuing education that shall satisfy this Section as well as the staff member(s), who are subject to this requirement.

XV. Investment Policy Statement Review and Modification

The City's Investment Policy will be submitted by the Finance Committee for ratification by City Council by May 1st of each year. The authority to effect any change, modification or amendment of this Investment Policy shall rest solely with City Council. Finance Committee, Investment Committee and staff recommendations for policy changes may be submitted in conjunction with the annual ratification or more often as deemed necessary. Policy changes initiated by City Council may be made as it deems appropriate. Policy changes will become effective on the date stipulated by City Council.

XVI. Effective Date

The City's Investment Policy was ratified and approved by the City Council on March 22, 2021.

