



ORLANDO  
TENNIS CENTRE

# BOND DISCLOSURE

CITY OF ORLANDO, FLORIDA  
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2024



# **BOND DISCLOSURE SUPPLEMENT**

**City of Orlando, Florida**

For the Fiscal Year Ended September 30, 2024



Prepared by:  
Office of Business and Financial Services



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April 1, 2025

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 Annual Comprehensive Financial Report (ACFR). 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 ACFR, not serve as a replacement.

Respectfully submitted,



Michelle McCrimmon  
Chief Financial Officer

Attachment



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**CITY OF ORLANDO, FLORIDA  
BOND DISCLOSURE SUPPLEMENT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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## WORLD-CLASS EVENTS

Orlando is proud to host many of the largest national events, including the 2024 Olympic Team Trials - Marathon.





# CITY OF ORLANDO, FLORIDA

## COVENANT TO BUDGET AND APPROPRIATE BOND DISCLOSURE SUPPLEMENT

### SUMMARY INFORMATION

**Outstanding Balance as of September 30, 2024**

Individual Bond Issues:	Outstanding	Rating (1)		Bond Insurer	Liquidity Facility	Paying Agent	Final Maturity
Fixed Rate:							
Capital Improvement Special Revenue Bonds, Series 2014B	\$ 50,560,000	Moody's S&P Fitch	Aa1 AA+ AAA	N/A		Computershare Orlando, FL	10/1/2046
Capital Improvement Refunding Special Revenue Bonds, Series 2014C	1,290,000	Moody's S&P Fitch	Aa1 AA+ AAA	N/A		Computershare Orlando, FL	10/1/2024
Capital Improvement Refunding Special Revenue Bonds, Series 2014D	2,815,000	Moody's S&P Fitch	Aa1 AA+ AAA	N/A		Computershare Orlando, FL	10/1/2025
Capital Improvement Refunding Special Revenue Bonds, Series 2016B	40,935,000	Moody's S&P Fitch	Aa1 AA+ AAA	N/A		Computershare Orlando, FL	10/1/2037
Capital Improvement Special Revenue Bonds, Series 2016C	19,800,000	Moody's S&P Fitch	Aa1 AA+ AAA	N/A		Computershare 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 Special Revenue Bonds, Series 2018B	96,500,000	Moody's S&P Fitch	Aa1 AA+ AAA	N/A		Computershare Orlando, FL	10/1/2048
Sub-Total-Fixed	229,123,000						

# CITY OF ORLANDO, FLORIDA

## SUMMARY INFORMATION Outstanding Balance as of September 30, 2024

Individual Bond Issues:	Outstanding	Rating (1)		Bond Insurer	Liquidity Facility	Paying Agent	Final Maturity
Orlando Venues:(2)							
Capital Improvement Special Revenue Bonds, Series 2019A	34,869,000	N/A	(3)	N/A		STI Institutional/Truist Orlando, FL	10/1/2039
Capital Improvement Special Revenue Bonds, Series 2023A	88,895,000	N/A	(3)	N/A		TD Bank, NA Tampa, FL	10/1/2042
Sub-Total-Venues	123,764,000						
Total Covenant Debt Outstanding	\$ 352,887,000						

### Revenue Pledge:

#### Primary:

General Fund Covenant Revenues  
Utilities Services Tax Fund Covenant Revenues

#### Secondary:

N/A

(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 2015A, 2016A, 2017A, 2018A, 2019A, and 2023A Bonds were issued through 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) 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, 2024, the following bond issues were outstanding under the Covenant Program:

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 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.

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 2023A Bond was issued to refund SSGFC Loans 4 and 6 due to the dissolution of the SSGFC in fiscal year 2023.

**CITY OF ORLANDO, FLORIDA**

COVENANT DEBT  
SCHEDULE OF DEBT SERVICE  
September 30, 2024

Year Ending Sept. 30	Series 2014BCD 2016BC, 2017A, 2018AB, 2019A, and 2023A
2025	\$ 32,753,327
2026	33,234,478
2027	32,358,560
2028	32,817,732
2029	26,909,975
2030	25,147,494
2031	25,077,262
2032	25,070,913
2033	23,593,264
2034	23,594,821
2035	23,561,637
2036	23,517,624
2037	23,514,456
2038	21,540,583
2039	18,566,026
2040	18,553,411
2041	15,756,296
2042	15,733,554
2043	15,715,900
2044	9,416,250
2045	9,366,750
2046	9,352,250
2047	9,327,250
2048	6,441,250
2049	6,425,000
	<u>\$ 507,346,064</u>

## 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. However, as of September 30, 2024, the City had no outstanding variable rate or Designated Maturity Debt. The schedule below illustrates current amortizations in a tabular format.

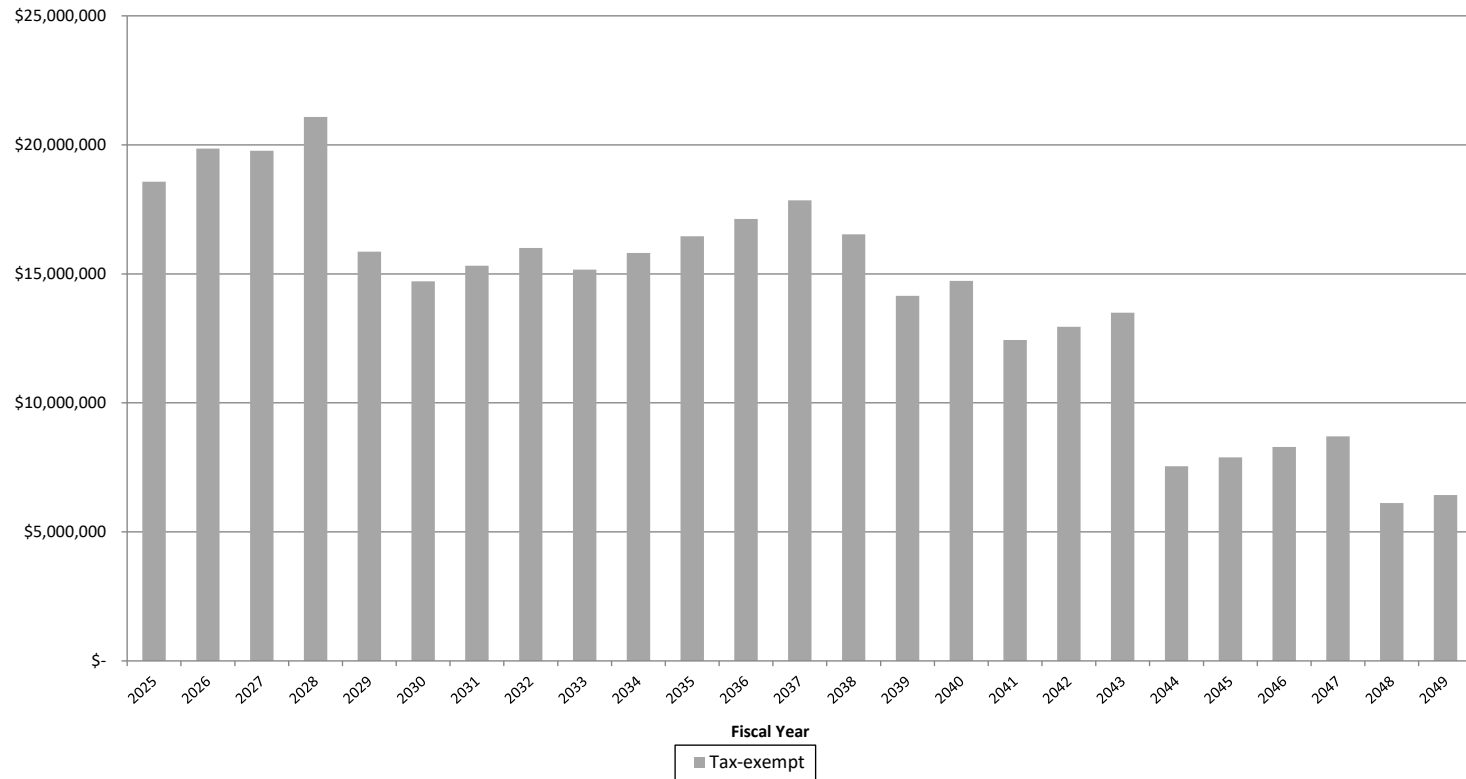
#### COVENANT PROGRAM DEBT RETIREMENT PRINCIPAL AMORTIZATION SCHEDULE AS OF SEPTEMBER 30, 2024

Fiscal Year	Tax-exempt	Total
2025	\$ 18,572,000	\$ 18,572,000
2026	19,858,000	19,858,000
2027	19,774,000	19,774,000
2028	21,080,000	21,080,000
2029	15,866,000	15,866,000
2030	14,715,000	14,715,000
2031	15,319,000	15,319,000
2032	16,002,000	16,002,000
2033	15,168,000	15,168,000
2034	15,816,000	15,816,000
2035	16,456,000	16,456,000
2036	17,132,000	17,132,000
2037	17,855,000	17,855,000
2038	16,538,000	16,538,000
2039	14,150,000	14,150,000
2040	14,726,000	14,726,000
2041	12,442,000	12,442,000
2042	12,954,000	12,954,000
2043	13,494,000	13,494,000
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>\$ 352,887,000</u>	<u>\$ 352,887,000</u>



## CITY OF ORLANDO, FLORIDA

**Covenant Program Principal Retirement by Debt Type**  
**As of September 30, 2024**



## **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)				
	2020	2021	2022	2023	2024
<b>Revenues</b>					
<b>Property Taxes (2)</b>					
Real and Personal Property	\$ 216,718,336	\$ 237,541,653	\$ 248,618,034	\$ 283,110,549	\$ 318,265,399
Interest on Delinquent Taxes	330,625	250,685	297,018	456,018	333,438
<b>Total Property Taxes</b>	<u>217,048,961</u>	<u>237,792,338</u>	<u>248,915,052</u>	<u>283,566,567</u>	<u>318,598,837</u>
<b>Local Business Taxes, Franchise Fees, and Communication Services Taxes</b>					
Local Business Taxes	10,448,288	9,788,210	9,863,724	10,378,552	10,992,222
Franchise Fees	33,348,566	32,974,580	34,455,644	41,919,800	45,223,882
Utilities Services	35,000,893	36,395,910	38,598,917	38,480,006	41,451,693
Communication Services Taxes	13,876,550	13,686,674	13,652,220	14,357,180	15,118,059
<b>Total Local Business Taxes, Franchise Fees, Utilities and Communication Services Taxes</b>	<u>92,674,297</u>	<u>92,845,374</u>	<u>96,570,505</u>	<u>105,135,538</u>	<u>112,785,856</u>
<b>Intergovernmental</b>					
Orlando Utilities Commission Contribution	65,727,924	61,830,528	63,497,868	66,207,328	70,344,794
State Revenue Sharing	13,570,014	15,356,927	17,587,885	20,406,924	21,057,012
State Sales Tax	37,195,412	42,690,592	57,109,937	61,799,660	60,799,774
Insurance Premium Taxes (2)	5,286,369	5,209,382	5,550,341	5,873,562	6,513,148
Other Intergovernmental (3)	13,136,932	5,313,314	3,836,151	5,301,786	5,201,916
<b>Total Intergovernmental</b>	<u>134,916,651</u>	<u>130,400,743</u>	<u>147,582,182</u>	<u>159,589,260</u>	<u>163,916,644</u>
<b>Permits and Fees</b>					
Building Inspection and Permits	5,432,880	6,358,354	7,227,019	8,824,905	7,911,421
Recreation and Other Fees	1,609,738	1,744,627	1,838,616	1,608,943	2,530,447
<b>Total Permits and Fees</b>	<u>7,042,618</u>	<u>8,102,981</u>	<u>9,065,635</u>	<u>10,433,848</u>	<u>10,441,868</u>
<b>Charges for Services</b>					
BMS Transport Fees	7,770,269	8,361,267	11,225,550	12,904,812	13,325,637
Administrative Services	19,090,911	22,101,930	22,559,534	24,043,220	24,240,889
Other Charges for Services	29,315,235	30,515,262	31,120,342	34,118,867	36,047,196
<b>Total Charges for Services</b>	<u>56,176,415</u>	<u>60,978,459</u>	<u>64,905,426</u>	<u>71,066,899</u>	<u>73,613,722</u>
<b>Fines and Forfeitures</b>	<u>5,099,196</u>	<u>5,838,303</u>	<u>6,318,165</u>	<u>6,665,953</u>	<u>6,771,077</u>
<b>Other Revenue</b>					
Income (Loss) on Investments	8,834,588	524,651	(6,957,955)	11,680,873	24,698,441
Miscellaneous Revenues	14,450,965	16,301,992	21,061,824	22,702,816	26,532,372
<b>Total Other Revenues</b>	<u>23,285,553</u>	<u>16,826,643</u>	<u>14,103,869</u>	<u>34,383,689</u>	<u>51,230,813</u>
<b>Total Revenues</b>	<u>\$ 536,243,691</u>	<u>\$ 552,784,841</u>	<u>\$ 587,460,834</u>	<u>\$ 670,841,754</u>	<u>\$ 737,358,817</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)

	2020	2021	2022	2023	2024
<b>Expenditures</b>					
Current Operating:					
Executive Offices	\$ 27,028,478	\$ 28,310,146	\$ 24,607,033	\$ 31,040,018	\$ 34,660,128
Housing	981,775	966,846	1,340,599	1,216,588	4,728,914
Economic Development	14,411,339	15,414,777	13,868,086	16,908,530	18,104,184
Public Works	7,988,551	8,538,613	9,746,151	8,911,421	10,616,095
Transportation	15,890,749	16,266,169	14,464,585	17,793,890	18,205,499
Families, Parks and Recreation	38,618,072	43,273,722	44,195,766	54,676,796	61,226,428
Police	165,991,649	170,831,603	154,193,821	189,204,003	213,651,048
Fire	121,648,261	127,208,576	108,816,187	132,891,312	141,080,951
Business & Financial Services	32,426,131	33,665,766	33,911,438	36,545,116	40,662,296
Orlando Venues	571,311	548,425	1,231,347	2,013,854	1,129,456
Debt Service	19,782,068	19,973,042	19,906,806	21,536,911	22,803,044
Other Expenditures	29,720,172	27,840,548	35,999,210	52,807,867	50,766,179
<b>Total Expenditures</b>	<u>475,058,556</u>	<u>492,838,233</u>	<u>462,281,029</u>	<u>565,546,306</u>	<u>617,634,222</u>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over Expenditures</b>	<u>61,185,135</u>	<u>59,946,608</u>	<u>125,179,805</u>	<u>105,295,448</u>	<u>119,724,595</u>
<b>Other Financing Sources</b>					
<b>and (Uses)</b>					
Operating Transfers In	2,471,137	9,893,979	2,612,120	3,416,005	7,992,827
Operating Transfers (Out)	(43,308,375)	(51,586,137)	(62,411,035)	(95,663,446)	(90,429,769)
Insurance Recoveries (4)	-	28,217	5,579	187,265	13,834
Lease Financing (5)	-	-	3,395,770	-	5,329,299
Inception of Subscription Based IT arrangements (7)	-	-	-	13,616,873	4,989,244
Issuance of Debt	-	1,700,000	-	428,397	-
<b>Total Other Financing Sources</b>	<u>(40,837,238)</u>	<u>(39,963,941)</u>	<u>(56,397,566)</u>	<u>(78,014,906)</u>	<u>(72,104,565)</u>
<b>Excess (Deficiency) of Revenues and</b>					
<b>Other Financing Sources Over</b>					
<b>Expenditures and Other (Uses)</b>	<u>20,347,897</u>	<u>19,982,667</u>	<u>68,782,239</u>	<u>27,280,542</u>	<u>47,620,030</u>
<b>Fund Balance at Beginning of</b>					
<b>Year As Restated</b>	<u>143,451,472</u>	<u>163,799,369</u>	<u>183,782,036</u>	<u>252,564,275</u>	<u>279,844,817</u>
<b>Fund Balance at End of Year</b>	<u>\$ 163,799,369</u>	<u>\$ 183,782,036</u>	<u>\$ 252,564,275</u>	<u>\$ 279,844,817</u>	<u>\$ 327,464,847</u>

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

(5) In FY2022, the GASB 87 Lease Standard reporting requirements were implemented.

(6) The majority of the decrease in FY22 operating expenditures is due to the recognition of the American Rescue Plan Act (ARPA) grant revenues that the City used to fund essential City services. This resulted in moving eligible salaries and related payroll taxes from the General Fund to the ARPA Fund in the amount of \$58,032,405.

(7) In FY2023, the GASB 96 Subscription Based Information Technology Arrangements (SBITA) Standard reporting requirements were implemented.

## 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 \$20,880,000 as of September 30, 2024.

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>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Revenue</b>					
Utilities Services Tax	\$ 35,000,893	\$ 36,395,910	\$ 38,598,917	\$ 38,416,006	\$ 41,387,693
Income (Loss) on Investments	517,880	6,993	(580,312)	807,202	1,631,902
Other Revenues	-	-	192,803	-	-
<b>Total Revenues</b>	<u>35,518,773</u>	<u>36,402,903</u>	<u>38,211,408</u>	<u>39,223,208</u>	<u>43,019,595</u>
<b>Expenditures</b>					
Other	<u>(274,895)</u>	<u>(257,991)</u>	<u>(395,487)</u>	<u>(184,517)</u>	<u>(299,206)</u>
<b>Operating Transfers</b>					
Transfers to other funds	<u>(33,500,000)</u>	<u>(34,250,000)</u>	<u>(34,600,000)</u>	<u>(36,400,000)</u>	<u>(38,750,000)</u>
Excess (Deficiency) of Revenues Over Expenditures and Operating Transfers	1,743,878	1,894,912	3,215,921	2,638,691	3,970,389
<b>Beginning Fund Balance</b>	<u>15,304,142</u>	<u>17,048,020</u>	<u>18,942,932</u>	<u>22,158,853</u>	<u>24,797,544</u>
<b>Ending Fund Balance</b>	<u>\$ 17,048,020</u>	<u>\$ 18,942,932</u>	<u>\$ 22,158,853</u>	<u>\$ 24,797,544</u>	<u>\$ 28,767,933</u>

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

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# CITY OF ORLANDO, FLORIDA

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.

## STABILIZATION RESERVE ACCOUNT REQUIREMENT HISTORICAL PERSPECTIVE

For the Year Ended September 30					
	2020	2021	2022	2023	2024
<b>Calculation of Appropriate Reserve (1)</b>					
General Fund (2)					
Reserved Fund Balance	\$ 4,138,482	\$ 3,409,869	\$ 2,586,641	\$ 3,088,962	\$ 1,640,354
Unreserved Fund Balance	100,825,273	106,958,981	114,192,103	128,282,905	153,265,180
Total Fund Balance	<u>104,963,755</u>	<u>110,368,850</u>	<u>116,778,744</u>	<u>131,371,867</u>	<u>154,905,534</u>
Utilities Services Tax Fund					
Unreserved Fund Balance	17,048,020	18,942,932	22,158,853	24,797,544	28,767,934
Total Fund Balance	<u>17,048,020</u>	<u>18,942,932</u>	<u>22,158,853</u>	<u>24,797,544</u>	<u>28,767,934</u>
Unreserved Fund Balance					
General Fund	100,825,273	106,958,981	114,192,103	128,282,905	153,265,180
Utilities Services Tax Fund	17,048,020	18,942,932	22,158,853	24,797,544	28,767,934
Total Unreserved Fund Balances					
General Fund and Utilities Services Tax Fund	<u>\$ 117,873,293</u>	<u>\$ 125,901,913</u>	<u>\$ 136,350,956</u>	<u>\$ 153,080,449</u>	<u>\$ 182,033,114</u>
<b>Comparison to Minimum Reserve Covenant (3)</b>					
	2021	2022	2023	2024	2025
General Fund Budgeted Expenditures	\$ 534,286,654	\$ 545,444,907	\$ 602,130,240	\$ 660,411,250	\$ 708,804,543
10% Aggregate Fund Balances Requirement	\$ 53,428,665	\$ 54,544,491	\$ 60,213,024	\$ 66,041,125	\$ 70,880,454
Actual Appropriable Reserve	\$ 117,873,293	\$ 125,901,913	\$ 136,350,956	\$ 153,080,449	\$ 182,033,114
Actual Percentage	22.06 %	23.08 %	22.64 %	23.18 %	25.68 %

(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) The fund balances used for the stabilization reserve calculation exclude fund balances for certain funds not applicable to the reserve status but that are combined with the General Fund for ACFR reporting purposes.

(3) Comparing beginning of the year Fund Balances to the final budgeted General Fund expenditures.

## **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 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.

## **CITY OF ORLANDO, FLORIDA**

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. The City currently has no outstanding variable rate or designated maturity debt.

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				
	2020	2021	2022	2023	2024
<b>Covenant Revenues</b>					
General Fund Revenue	\$ 501,242,798	\$ 516,388,931	\$ 548,861,917	\$ 632,361,748	\$ 695,907,124
Interfund Transfer In	2,471,137	9,893,979	2,612,120	3,416,005	7,992,827
Utilities Services Tax Fund Revenue	35,000,893	36,395,910	38,598,917	38,480,006	41,451,693
Total Revenues	538,714,828	562,678,820	590,072,954	674,257,759	745,351,644
Less:					
Ad-valorem Tax Revenues	217,048,961	237,792,338	248,915,051	283,566,567	318,598,837
Revenues Not Legally Available for Debt Service (1)	5,286,369	5,209,382	5,550,341	5,873,562	5,873,562
Total Covenant Revenues	<u>\$ 316,379,498</u>	<u>\$ 319,677,100</u>	<u>\$ 335,607,562</u>	<u>\$ 384,817,630</u>	<u>\$ 420,879,245</u>
25% Limitation (2)	\$ 79,094,875	\$ 79,919,275	\$ 83,901,891	\$ 96,204,408	\$ 105,219,811
Maximum Annual Debt Service	40,166,814	40,166,814	39,270,696	36,173,286	33,234,478
% of Limit	50.78 %	50.26 %	46.81 %	37.60 %	31.59 %
% of Covenant Revenues	12.70 %	12.56 %	11.70 %	9.40 %	7.90 %

(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.



# 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, 2024:

Internal Loan (Banking) Fund								
Summary of Loan Program and Activity								
(In Thousands)								
Loan Recipient	Project	Outstanding	Loan Activity	Current Year	Outstanding	FY 2025	Amortization	
		Loan 9/30/2023		Principal Payments	Loan 9/30/2024	Principal Amortization	Term	Maturity
Primary Government:								
Special Assessment	Plaza Cinema	\$ 167	\$ -	\$ (167)	-	\$ -	15	2024
Capital Improvement	FY03-04 Projects	1,000	-	(500)	500	500	20	2025
Capital Improvement	Real Estate Acquisition	1,789	-	(571)	1,218	1,218	20	2025
Capital Improvement	Public Safety Projects 2007	33,570	-	(1,580)	31,990	1,660	27	2037
Capital Improvement	Lake Highland Remediation	2,345	-	(632)	1,713	500	15	2027
Capital Improvement	Strategic Land Purchases	6,252	-	(1,477)	4,775	4,775	14	2025
Capital Improvement	OSH Northbrook Land Purchase	3,112	-	-	3,112	-	17	2032
Capital Improvement	Police Headquarters and Energy Efficiency	52,475	-	(1,915)	50,560	2,015	30	2047
Capital Improvement	Public Safety Projects 2016	20,890	-	(1,090)	19,800	1,145	20	2037
Capital Improvement	Neighborhood Improvements 2018	98,445	-	(1,945)	96,500	2,045	30	2049
CRA	Camping World Stadium Renovations	15,664	-	(718)	14,946	746	25	2039
Transportation	Dowden Road Phase 1	5,625	-	(1,125)	4,500	1,125	08	2028
Orlando Venues	Events Center Construction	6,129	-	(454)	5,675	473	25	2034
Orlando Venues	Geico Garage (1)	14,500	-	-	14,500	-	15	2025
Dubsdread Golf Course	2023 Golf Carts	411	-	(107)	304	107	05	2027
Parking	Jefferson St. Garage Construction	2,815	-	(1,375)	1,440	1,440	18	2025
Total		\$ 265,189	\$ -	\$ (13,656)	\$ 251,533	\$ 17,749		

(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:

### 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.

### Strategic Land Purchases

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

## **CITY OF ORLANDO, FLORIDA**

### **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.

### **Kia (formerly 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.

The Internal Loan Fund has historically 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.

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, FLORIDA

## CITY OF ORLANDO INTERNAL LOAN FUND CALCULATION OF RELENDABLE PROCEEDS As of SEPTEMBER 30, 2024

Fiscal Year Ending 30-Sep	Beginning Relendable Balance	ILF Principal Amortization	External Principal Payments	Debt Service Reserve Release	Net Increase/ (Decrease)	Ending Relendable Balance
2025	\$ 11,399,156	\$ 20,184,316	\$ (13,545,000)	\$ -	\$ 6,639,316	\$ 18,038,472
2026	18,038,472	14,539,937	(14,655,000)	-	(115,063)	17,923,409
2027	17,923,409	13,692,802	(14,388,000)	-	(695,198)	17,228,211
2028	17,228,211	13,941,294	(15,505,000)	-	(1,563,706)	15,664,505
2029	15,664,505	11,521,146	(10,095,000)	-	1,426,146	17,090,651
2030	17,090,651	11,973,192	(8,740,000)	-	3,233,192	20,323,843
2031	20,323,843	15,539,527	(9,135,000)	-	6,404,527	26,728,370
2032	26,728,370	12,954,220	(9,600,000)	-	3,354,220	30,082,590
2033	30,082,590	12,108,389	(8,540,000)	-	3,568,389	33,650,979
2034	33,650,979	12,590,124	(8,955,000)	-	3,635,124	37,286,103
2035	37,286,103	12,359,877	(9,355,000)	-	3,004,877	40,290,980
2036	40,290,980	10,929,072	(9,780,000)	-	1,149,072	41,440,051
2037	41,440,051	11,440,034	(10,245,000)	-	1,195,034	42,635,086
2038	42,635,086	9,902,836	(8,660,000)	-	1,242,836	43,877,922
2039	43,877,922	7,287,549	(5,995,000)	-	1,292,549	45,170,471
2040	45,170,471	6,285,000	(6,285,000)	-	-	45,170,471
2041	45,170,471	6,580,000	(6,580,000)	-	-	45,170,471
2042	45,170,471	6,885,000	(6,885,000)	-	-	45,170,471
2043	45,170,471	7,210,000	(7,210,000)	-	-	45,170,471
2044	45,170,471	7,545,000	(7,545,000)	-	-	45,170,471
2045	45,170,471	7,890,000	(7,890,000)	-	-	45,170,471
2046	45,170,471	8,290,000	(8,290,000)	-	-	45,170,471
2047	45,170,471	8,700,000	(8,700,000)	-	-	45,170,471
2048	45,170,471	6,120,000	(6,120,000)	-	-	45,170,471
2049	45,170,471	6,425,000	(6,425,000)	-	-	45,170,471
		<u>\$ 250,349,315</u>	<u>\$ (216,578,000)</u>	<u>\$ -</u>		

# **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 ten departments reporting to him: Business & Financial Services; Economic Development; Families, Parks and Recreation; Fire; Housing and Community Development; Human Resources; 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 Winderweede, 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, 2020, and 2024.

### **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 Annual Comprehensive 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.

## **CITY OF ORLANDO, FLORIDA**

Michelle McCrimmon was appointed Chief Financial Officer on March 3, 2024. Prior to her appointment, Ms. McCrimmon served for nearly eight years as Deputy CFO and 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 Master of Business Administration from the University of Texas-Permian Basin, and a Bachelor of Science in Business Administration from the University of California, Riverside. She is also a Florida Certified Public Accountant.

Jose Fernandez was appointed Deputy Chief Financial Officer on March 31, 2024. Prior to his appointment, Mr. Fernandez served for four years as the Controller of the City of Orlando overseeing financial reporting, and accounting operations. Before joining the City Mr. Fernandez had over 28 years of experience working in various executive level positions with Miami-Dade County and the City of Miami. Mr. Fernandez holds a Bachelor of Accounting from Florida International University, a Master of Accounting from St. Thomas University, and is a Florida Certified Public Accountant.

Martin Carmody was appointed Deputy Chief Financial Officer on June 9, 2024. Prior to his appointment, he served as the City's Management and Budget Division Manager and led the Management and Budget Division since 2012. Prior to coming to the City, Mr. Carmody had over 15 years of experience working in various executive level positions with Washington DC and the City of Cleveland, including Deputy Chief Financial Officer (Washington DC), Director of Finance and Assistant Director of Finance (City of Cleveland). Mr. Carmody also worked for 7 years in business consulting with two international consulting firms.

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**



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## MAKING HOUSING AFFORDABLE

With investments in projects like Palm Gardens, we're working to ensure that everyone who wants to call Orlando home has access to safe and affordable housing.



WATER  
RECLAMATION



# CITY OF ORLANDO, FLORIDA

## CITY OF ORLANDO, FLORIDA

### WATER RECLAMATION SYSTEM FUND BOND DISCLOSURE SUPPLEMENT

#### SUMMARY INFORMATION

As of September 30, 2024

<b>Individual Bond Issues:</b>	<b><u>Outstanding</u></b>	<b><u>Ratings (1)</u></b>	<b><u>Bond Insurer</u></b>	<b><u>Paying Agent</u></b>	<b><u>Maturity</u></b>
Fixed Rate:					
Wastewater System Refunding and Improvement Revenue Bonds, Series 2013	<u>\$ 20,880,000</u>	Aa1/AAA/AAA	N/A	Computershare	10/1/2032
Total Debt Outstanding	<u><u>\$ 20,880,000</u></u>				
Debt Service Reserve:	<u><u>\$ 3,414,674</u></u>				
(1) Moody's/S&P/Fitch. Reflects current ratings at the time of publication of this document.					
<b>Revenue Pledge:</b>					
Primary:					
Wastewater System Gross Revenues					
Secondary:					
Utilities Services Tax Revenues					
<b>State Revolving Fund:</b>	<u><u>\$ 70,031,391</u></u>	N/A	N/A	N/A	

## **CITY OF ORLANDO, FLORIDA**

### **INTRODUCTION**

The Water Reclamation System consists of a network of public and private facilities comprising approximately 900 miles of gravity sewers (662 miles public), 568 lift stations (232 stations public), approximately 233 miles of force mains (192 miles public), three service areas, and three wastewater treatment plants (all public).

The Water Reclamation System is operated by the Water Reclamation Division within the City's Department of Public Works. The Water Reclamation System is an integrated system comprised of: (a) a collection system to collect and transmit wastewater from customers to the water reclamation facilities for treatment; (b) three Water Reclamation Facilities (WRF), including (i) the Iron Bridge Plant, (ii) the Conserv I Plant, and (iii) the Conserv II Plant, which treat the incoming wastewater to a point where it is safe to be reused in the community for irrigation and other beneficial purposes; and (c) a reclaimed water distribution system to convey the treated water to irrigation customers to use in lieu of drinking water, to rapid infiltration basins for aquifer recharge or to environmental enhancement projects such as man-made wetlands systems. Together, these components provide a comprehensive means of collecting, treating, and beneficially reusing wastewater for the City.

### **OUTSTANDING INDEBTEDNESS**

#### **Outstanding Bond Issues**

As of September 30, 2024, the Water Reclamation 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.

## CITY OF ORLANDO, FLORIDA

The following table shows the debt service requirements (principal and interest) for the Water Reclamation System's outstanding Series 2013 Bonds as of September 30, 2024.

Year Ending		<u>Series 2013</u>		
<u>9/30</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
	\$	20,880,000	\$ 4,735,350	\$ 25,615,350

Subsequent to September 30, 2024, on October 30, 2024, the City issued the Series 2024A and 2024B Bonds in the amount of \$169,974,571, of which \$148,170,822 was for Series A new funding bonds, and \$18,903,699 for Series B refunding bonds. S&P Global Ratings and Fitch Ratings have assigned ratings of "AAA" and "AAA," respectively, to the Series 2024 Bonds.

The proceeds of the Series 2024A Bonds will be used for the purpose of financing, together with other legally available funds of the City, (a) all or a portion of the costs of the 2024 Project; (b) a deposit to the Composite Reserve Account in the amount of the Reserve Requirement allocable to the Series 2024A Bonds; and (c) the costs of issuance in connection with the Series 2024A Bonds. The 2024 Project includes improvements to the 3 treatment plants and various lift station replacements. Examples of specific projects include replacement of the Iron Bridge WRF water grit treatment system and the deep bed filters at the Conserv II WRF. The Series 2024A Bonds maturing on or after October 1, 2035, are subject to optional redemption prior to maturity, at the option of the City, on any date on or after October 1, 2034.

The proceeds of the Series 2024B Bonds will be used for the purpose of financing, together with other legally available funds of the City, (a) the cost of the refunding and redemption of the Refunded Series 2013 Bonds; (b) a deposit to the Composite Reserve Account in the amount of the Reserve Requirement allocable to the Series 2024B Bonds; and (c) the costs of issuance in connection with the Series 2024B Bonds.

# CITY OF ORLANDO, FLORIDA

The following tables shows the future debt service requirements (principal and interest) for the Water Reclamation System's Series 2024A Bonds and 2024B Bonds, respectively.

<b>Year Ending</b>		<b><u>Series 2024A</u></b>		
<b><u>9/30</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>	
2025	\$ -	\$ 6,096,147	\$	6,096,147
2026	235,000	6,618,500		6,853,500
2027	495,000	6,593,750		7,088,750
2028	520,000	6,567,750		7,087,750
2029	540,000	6,540,750		7,080,750
2030	575,000	6,512,000		7,087,000
2031	600,000	6,482,000		7,082,000
2032	630,000	6,450,500		7,080,500
2033	665,000	6,417,250		7,082,250
2034	3,335,000	6,250,500		9,585,500
2035	3,500,000	6,075,500		9,575,500
2036	3,675,000	5,891,750		9,566,750
2037	3,860,000	5,698,750		9,558,750
2038	4,050,000	5,496,250		9,546,250
2039	4,255,000	5,283,500		9,538,500
2040	4,465,000	5,060,250		9,525,250
2041	4,690,000	4,825,750		9,515,750
2042	4,925,000	4,579,500		9,504,500
2043	5,170,000	4,321,000		9,491,000
2044	5,430,000	4,049,500		9,479,500
2045	5,700,000	3,764,500		9,464,500
2046	5,985,000	3,465,250		9,450,250
2047	6,285,000	3,151,000		9,436,000
2048	6,600,000	2,821,000		9,421,000
2049	6,930,000	2,474,500		9,404,500
2050	7,275,000	2,110,750		9,385,750
2051	7,640,000	1,728,750		9,368,750
2052	8,020,000	1,327,750		9,347,750
2053	8,425,000	906,500		9,331,500
2054	8,845,000	464,250		9,309,250
2055	9,285,000	-		9,285,000
		<hr/>		
	\$ 132,605,000	\$ 138,025,147	\$	270,630,147
		<hr/>		

## CITY OF ORLANDO, FLORIDA

<b>Year Ending</b>	<b><u>Series 2024B</u></b>			
<b><u>9/30</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>	
2025	\$ -	\$ 787,044	\$	6,096,147
2026	1,850,000	763,500		6,853,500
2027	1,875,000	669,750		7,088,750
2028	1,970,000	571,250		7,087,750
2029	2,070,000	467,750		7,080,750
2030	2,170,000	359,250		7,087,000
2031	2,280,000	245,250		7,082,000
2032	2,395,000	125,500		7,080,500
2033	2,510,000	-		7,082,250
	\$ 17,120,000	\$ 3,989,294	\$	62,538,647

## WATER RECLAMATION SYSTEM REVENUES

### Water Reclamation 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 divided by 7,000. 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 charges and capacity charges are included in Gross Revenues.

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 (as defined herein) has a provision whereby wastewater rates will automatically increase by 5% each year unless such increases are not deemed necessary by the City Council. In Fiscal Year 2022, no increase was adopted based on the strong financial standing of the Water Reclamation System. For Fiscal Years 2023 through 2025, the 5% increase was adopted.

## CITY OF ORLANDO, FLORIDA

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 28% of the flow into the Water Reclamation System comes from customers who reside outside of the City limits. However, most of these are served through wholesale agreements with other governmental entities and are billed by those entities under their own rate structures.

The following table presents the current retail wastewater rate schedule adopted by the City Council and the associated average monthly bill for Fiscal Year 2025.

### City of Orlando Existing Retail Wastewater Rates

	Fixed Charge per ERC	Charge per 1,000 Gallons	Average Monthly Bill
Single-family <sup>(1)</sup>			
In-City	\$24.38	\$5.89	\$ 62.67
Out-of-City	30.48	7.36	78.32
Multi-family <sup>(2)</sup>			
In-City			
One bedroom or efficiency	N/A	N/A	43.66
Two or more bedrooms	N/A	N/A	53.08
Out-of-City			
One bedroom or efficiency	N/A	N/A	54.54
Two or more bedrooms	N/A	N/A	66.29
Commercial <sup>(3)</sup>			
In-City	24.38	5.89	562.41
Out-of-City	30.48	7.36	702.90

<sup>(1)</sup> Average water use per bill for single-family dwellings was assumed to be 6,500 gallons per month.

<sup>(2)</sup> Master metered multi-family complexes are charged based on flow and non-metered multifamily complexes will be charged the flat rate.

<sup>(3)</sup> Average monthly rates presented in 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's Office of Business & Financial Services.

## CITY OF ORLANDO, FLORIDA

### Reclaimed Water System Rate Structure

The following table presents the current reclaimed water rates.

#### City of Orlando Reclaimed Water Rates<sup>(1)</sup>

<b>Customer Class</b>	<b>Rate Per 1,000 Gallons</b>
Residential and Retail Customers	\$0.81
Bulk Rate (customers with 2" or larger meters)	0.69

<sup>(1)</sup> Commercial, industrial, agricultural, multi-family and other non-individual residential users that consume in excess of 25,000 gallons per day shall enter into an agreement for delivery and use of reclaimed water. The fees are computed on the basis of the volume of reclaimed water used and the size of the facilities, and in approximate proportion to the benefits received by respective property owners or users.

Source: City's Office of Business & Financial Services.

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# CITY OF ORLANDO, FLORIDA

## Comparative Wastewater Rates

The Water Reclamation System's rates were compared with those of certain other Florida counties and municipalities, including neighboring communities, which compete with the City for development. The following table presents the comparative single-family monthly rates effective as of October 1, 2024.

**Comparative Single-Family Monthly Rates  
Effective October 1, 2024**

	Fixed	Rate per	Average	Maximum	
	Charge	1,000 gallons	Monthly Bill <sup>1</sup>	Charge	Gallons <sup>2</sup>
St. Petersburg	\$ 26.49	\$ 10.21	\$ 92.86	N/A	N/A
Oviedo	41.74	6.21	82.11	103.84	10
Brevard County	30.50 <sup>5</sup>	6.45	72.43	107.90	12
Hillsborough County <sup>3</sup>	26.27	6.52	68.65	78.43	8
Kissimmee <sup>4</sup>	17.92	7.76	68.36	N/A	N/A
Seminole County	27.20	6.18	67.37	119.90	15
Orlando	24.38	5.89	62.67	106.84	14
Gainesville	10.50	7.35	58.28	98.70	12
Orange County	19.33	4.39	47.87	80.79	14

(1) Assumes 6,500 gallons average monthly usage.

(2) In 1,000's of gallons.

(3) Fixed charge includes billing charge of \$6.03 for all customer classes.

(4) If water usage is less than 2,000 gallons, the rate per 1,000 gallons drops to \$2.26.

(5) Resident A fixed charge. Resident B and C fixed charges are \$26.20. The commodity charge is the same for all 3 classes.

Source: Official websites of the above entities.

## Utilities Services Tax

General. State 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. Such utilities services 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).

Pursuant to the Constitution and laws of the State and the Code of the City of Orlando (the "City Code"), the City levies and imposes the Utilities 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

## CITY OF ORLANDO, FLORIDA

restriction that the tax on fuel oil cannot exceed four cents per gallon. Pursuant to the City Code: (a) purchases by the United States Government, the State, and all counties, school districts, and municipalities of the State, and by public bodies exempted by law or court order, are exempt from the levy of the Utilities Services Tax; provided, however, governmental bodies which sell or resell taxable service to non-exempt end users must collect and remit the Utilities Services Tax; (b) the following purchases are exempt and excluded from the levy of the Utilities Services Tax: (i) the purchase of fuel oil for use as an aircraft engine fuel or propellant or for use in internal combustion engines, (ii) 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, (iii) the purchase of metered or bottled gas (natural liquefied petroleum gas or manufactured gas) or fuel oil for agricultural purposes (for purposes of this exemption, "agricultural purposes" means bona fide farming, pasture, grove or forestry operations, including horticulture, floriculture viticulture, dairy, livestock, poultry, bee and aquaculture); (c) purchases by any recognized church in the City for use exclusively for church purposes are exempt from the levy of the Utilities Services Tax; and (d) the Utilities Services Tax shall not be applied to any "fuel adjustment charge," which means all increases in the cost of utility services to the ultimate consumer resulting from an increase in the cost of fuel to the utility subsequent to October 1, 1973. State 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.

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. The Utilities Services Tax will appear on a periodic bill rendered to consumers for electricity, metered or bottled gas (liquefied petroleum gas or manufactured gas), fuel oil or water service. The seller is liable for the Utilities Services Tax due and not remitted to the City; provided, however, that the seller shall not be liable for the payment of such tax upon uncollected charges until such charges have been duly paid by the purchaser.

**Collections.** The following table presents the amount of Utilities Services Tax collected by the City for Fiscal Year 2020 through Fiscal Year 2024.

### Utilities Services Tax (modified accrual basis of accounting) (in thousands of dollars)

	Actual (Historical) as of September 30,				
	2020	2021	2022	2023	2024
Electric	\$ 33,687	\$ 34,796	\$ 36,800	\$ 36,551	39,360
Other	1,314	1,599	1,799	1,929	2,091
Total Utility Services Tax	<u>\$ 35,001</u>	<u>\$ 36,395</u>	<u>\$ 38,599</u>	<u>\$ 38,480</u>	<u>\$ 41,451</u>

Source: City of Orlando Office of Business and Financial Services

## **CITY OF ORLANDO, FLORIDA**

### **Pledged Utilities Services Tax**

The principal and interest on Bonds, including the Series 2024 Bonds, are additionally payable from and secured equally and ratably by a pledge of and lien upon the Pledged Utilities Services Tax, and the City has irrevocably pledged, in the manner and to the extent provided in the Bond Ordinance, the Pledged Utilities Services Tax for the payment of the Costs of Operation and Maintenance and the payment of the principal of, premium, if any, and interest on any Additional Parity Obligations and for the funding of the Reserve Fund. The pledge of and lien on the Pledged Utilities Services Tax under the Bond Ordinance is junior and subordinate in all respects to any pledge thereof and lien thereon with respect to any Senior Lien Utilities Services Tax Obligations incurred in accordance with the Bond Ordinance. As of October 1, 2024, there were no Senior Lien Utilities Services Tax Obligations outstanding under the Bond Ordinance.

"Pledged Utilities Services Tax" is defined in the Bond Ordinance as the proceeds of the Utilities Services Tax available to make payments under the Bond Ordinance after satisfying funding obligations with respect to Senior Lien Utilities Services Tax Obligations.

"Utilities Services Tax" is defined in the Bond 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, metered natural gas, liquefied petroleum gas either metered or bottled, manufactured gas either metered or bottled, and water service and services competitive with those enumerated, as from time to time defined by ordinance of the City.

"Senior Lien Utilities Services Tax Obligations" is defined in the Bond Ordinance as obligations of the City incurred in accordance with the Bond Ordinance that are secured by a pledge of and lien on the Utilities Services Tax that is senior and superior to the pledge thereof and lien thereon granted pursuant to the Bond Ordinance.

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 Reserve Fund, the City is required to deposit Utilities Services Tax revenues available after satisfying current funding requirements with respect to any Senior Lien Utilities Services Tax Obligations in an amount necessary to cure such deficiencies to the credit of the Revenue Fund and apply such amounts in the priority described in the Bond Ordinance. Pledged Utilities Services Tax proceeds not required in any month to cure deficiencies as described in the Bond Ordinance may be applied by the City for any lawful purpose.

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 the Bond 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 12 consecutive months of the preceding 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 Bond Ordinance with respect to the issuance of Additional Parity Obligations.

## **CITY OF ORLANDO, FLORIDA**

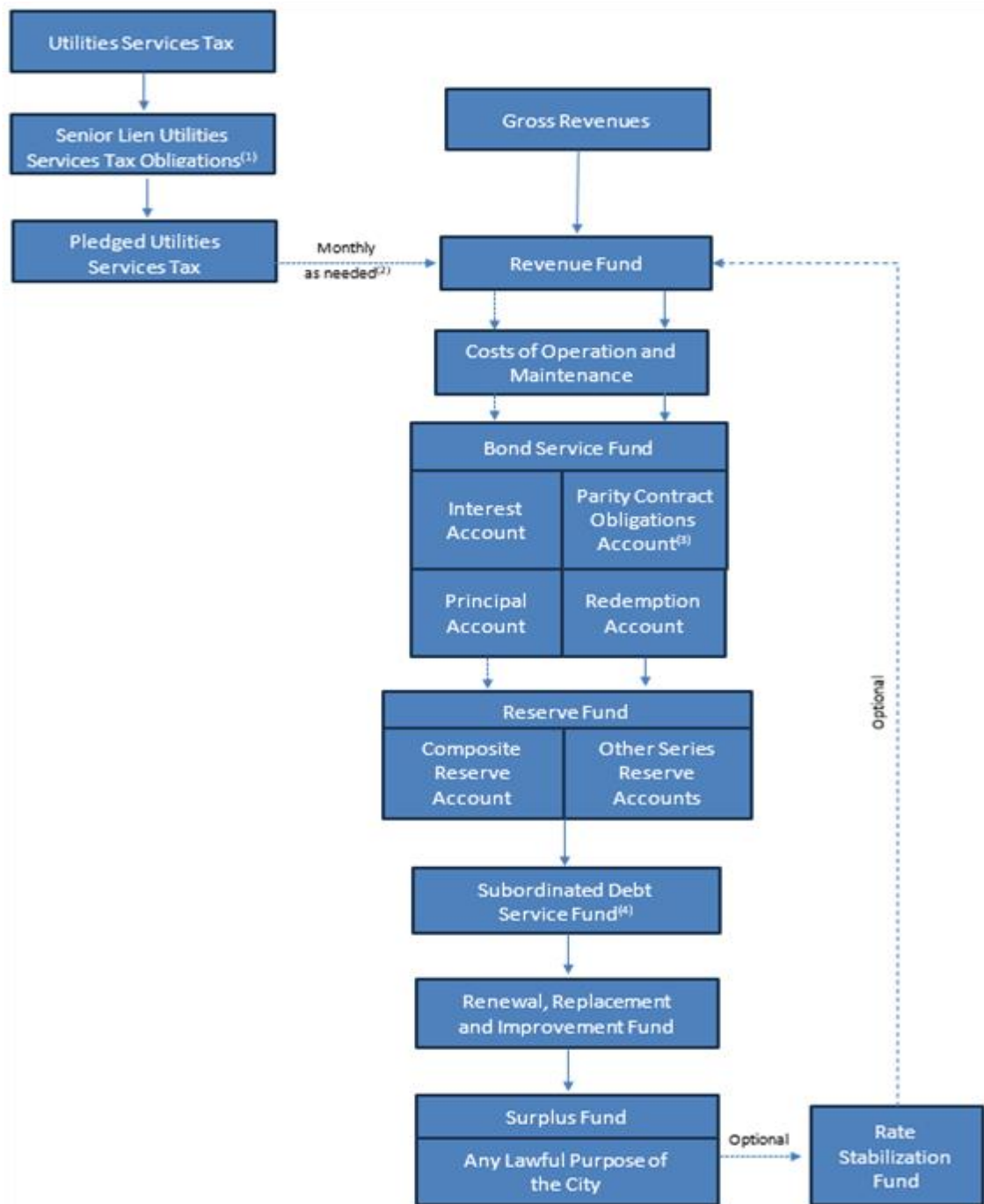
The City has covenanted in the Bond Ordinance that so long as any principal of or interest on any of the Bonds are Outstanding, it will continue to levy and collect the Utilities Services Tax at the rate levied on the date of enactment of the Master Bond Ordinance and will not repeal, amend or modify the ordinance of the City levying the Utilities Services Tax in any manner so as to impair or adversely affect the power and obligation of the City to levy and collect the Utilities Services Tax in any manner, the pledge of the Pledged Utilities Services Tax made in the Bond Ordinance, or the rights of the Bondholders.

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## CITY OF ORLANDO, FLORIDA

### FLOW OF FUNDS CHART

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



<sup>(1)</sup> As of September 30, 2024, there were no Senior Lien Utilities Services Tax Obligations outstanding under the Bond Ordinance.

<sup>(2)</sup> Pledged Utilities Services Tax proceeds not required in any month to cure deficiencies as described in the Bond Ordinance may be applied by the City for any lawful purpose.

<sup>(3)</sup> As of September 30, 2024, there were no Parity Contract Obligations outstanding under the Bond Ordinance.

## **CITY OF ORLANDO, FLORIDA**

### **SYNOPSIS OF WATER RECLAMATION SYSTEM REVENUE BOND COVENANTS**

The City will fix, establish, revise from time to time whenever necessary, maintain and always collect 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 Water Reclamation Fund.

# CITY OF ORLANDO, FLORIDA

## WATER RECLAMATION FUND STATEMENT OF NET POSITION (accrual basis of accounting)

	FOR THE YEAR ENDED SEPTEMBER 30,				
	2020	2021	2022	2023	2024
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 210,849,129	\$ 143,252,154	\$ 129,662,859	\$ 125,814,877	116,728,316
Accounts Receivable (Net)	6,989,292	8,407,637	9,143,633	9,615,716	10,336,459
Due From Other Governments	2,049,308	3,551,039	3,920,636	2,803,915	4,695,248
Inventories	610,389	1,590,383	1,487,499	1,150,640	1,201,593
<b>Total Current Assets</b>	<u>220,498,118</u>	<u>156,801,213</u>	<u>144,214,627</u>	<u>139,385,148</u>	<u>132,961,616</u>
Non-Current Assets:					
Restricted:					
Cash and Cash Equivalents	13,071,876	87,840,031	92,363,680	101,542,222	111,518,921
Investments	9,123,922	9,124,839	9,167,572	9,560,434	10,073,261
Capital Assets:					
Artwork	6,095	6,095	6,095	6,095	6,095
Land	31,753,037	31,753,037	34,334,104	34,421,604	34,436,709
Buildings	162,056,825	162,978,207	162,985,503	162,985,503	162,985,503
Improvements Other Than Buildings	293,671,797	338,435,258	338,831,084	342,600,125	348,064,566
Equipment	51,610,380	52,228,093	52,360,691	52,462,286	52,507,751
Wastewater and Stormwater Lines and Pumpstations	453,669,280	483,523,581	515,427,662	523,331,366	537,108,228
Less Accumulated Depreciation	(592,203,935)	(616,926,960)	(645,568,472)	(674,016,460)	(699,936,491)
Right to Use - Land	-	-	37,647,458	37,647,458	37,647,458
Less Accumulated Amortization	-	-	(641,718)	(1,497,342)	(2,352,966)
Construction in Process	88,707,813	63,585,561	64,281,585	84,658,809	108,314,498
<b>Total Non-Current Assets</b>	<u>511,467,090</u>	<u>612,547,742</u>	<u>661,195,244</u>	<u>673,702,100</u>	<u>700,373,533</u>
<b>Total Assets</b>	<u>731,965,208</u>	<u>769,348,955</u>	<u>805,409,871</u>	<u>813,087,248</u>	<u>833,335,149</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Outflows - Pension and OPEB Related	4,948,670	5,324,487	5,869,393	10,973,771	8,602,948
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	12,456,560	11,334,350	6,641,353	9,335,644	10,148,397
Accrued Liabilities	575,553	660,280	807,305	-	99,494
Accrued Interest Payable	866,488	845,625	778,284	708,165	640,711
Compensated Absences	340,755	337,790	346,757	382,380	418,106
Advance Payments	19,649,817	4,262,547	3,331,025	3,227,936	3,197,198
Current Portion of Loans/Leases/SBITAs Payable	4,415,064	5,794,601	5,807,934	6,253,149	7,002,678
Current Portion of Bonds Payable	1,620,000	1,685,000	1,770,000	1,855,000	1,950,000
<b>Total Current Liabilities</b>	<u>39,924,237</u>	<u>24,920,193</u>	<u>19,482,658</u>	<u>21,762,274</u>	<u>23,456,584</u>
Non-Current Liabilities:					
Compensated Absences	1,788,963	1,773,398	1,820,473	2,007,493	2,195,056
Net Pension Liability	5,205,002	4,106,387	1,168,460	8,276,843	6,957,563
Net OPEB Liability	25,491,988	25,681,818	19,618,782	19,445,485	19,445,930
Loans/Leases/SBITAs Due After One Year	43,452,652	69,474,035	109,053,487	108,311,914	102,762,476
Bonds Payable After One Year	29,235,471	27,117,259	24,941,919	22,710,856	20,415,477
<b>Total Non-Current Liabilities</b>	<u>105,174,076</u>	<u>128,152,897</u>	<u>156,603,121</u>	<u>160,752,591</u>	<u>151,776,502</u>
<b>Total Liabilities</b>	<u>145,098,313</u>	<u>153,073,090</u>	<u>176,085,779</u>	<u>182,514,865</u>	<u>175,233,086</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Inflows - Pension and OPEB Related	1,966,921	2,772,923	10,640,368	9,331,410	7,416,357
<b>NET POSITION</b>					
Net Investment in Capital Assets	411,884,268	412,684,795	421,178,531	387,073,233	445,486,461
Restricted:					
Debt Service	9,990,969	9,371,439	9,298,353	9,638,922	12,014,378
Capital Projects	-	75,745,179	81,146,720	88,808,856	96,640,766
Renewal and Replacement	-	6,373	-	37,941	1,446,298
Contractual Obligations	3,871,453	3,633,007	4,764,229	5,414,713	4,365,671
Unrestricted	164,101,954	117,386,636	108,165,284	141,241,079	99,335,080
<b>Total Net Position</b>	<u>\$ 589,848,644</u>	<u>\$ 618,827,429</u>	<u>\$ 624,553,117</u>	<u>\$ 632,214,744</u>	<u>\$ 659,288,654</u>

# CITY OF ORLANDO, FLORIDA

## WATER RECLAMATION FUND SUMMARY OF HISTORICAL OPERATIONS (In Thousands)

	Actual (Historical) As of September 30,				
	2020	2021	2022	2023	2024
Operating Revenues:					
User Charges	\$ 105,854	\$ 111,058	\$ 117,790	\$ 124,342	128,660
Fees and Other Operating Revenues	178	110	669	87	146
Total Operating Revenue	106,032	111,168	118,459	124,429	128,806
Operating Expenses:					
Salaries, Wages, and Employee Benefits	23,336	23,095	22,156	26,157	26,421
Contractual Services, Materials, Supplies and Other Expenses	54,449	52,505	55,248	67,296	63,519
Total Operating Expenses	77,785	75,600	77,404	93,453	89,940
Net Operating Income	28,247	35,568	41,055	30,976	38,866
Non-Operating Revenues					
Interest on Investment:					
Operations	780	(1)	(647)	626	1,017
Capital (1)	5,737	96	(4,010)	5,001	7,653
Impact Fee	2,556	54	(2,658)	3,798	6,742
Total Interest Revenues	9,073	149	(7,315)	9,425	15,412
Impact Fees:					
Plant Expansion	1,719	6,336	7,203	4,465	2,201
Collection System	213	658	767	684	278
Total Impact Fee Revenues	1,932	6,994	7,970	5,149	2,479
Total Non-Operating Revenues	11,005	7,143	655	14,574	17,891
Income Before Depreciation, Interest Expense, Dividend, and Transfers	<u>\$ 39,252</u>	<u>\$ 42,711</u>	<u>\$ 41,710</u>	<u>\$ 45,550</u>	<u>\$ 56,757</u>

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

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



# CITY OF ORLANDO, FLORIDA

## WATER RECLAMATION FUND STATEMENT OF CASH FLOWS (accrual basis of accounting)

	FOR THE YEAR ENDED SEPTEMBER 30,				
	2020	2021	2022	2023	2024
<b>Increase (Decrease) in Cash and Cash Equivalents:</b>					
<b>Cash Flows from Operations:</b>					
Receipts from Customers	\$ 112,511,223	\$ 108,248,365	\$ 117,353,870	\$ 125,073,942	126,193,857
Payments to Suppliers	(48,336,195)	(47,241,998)	(52,902,046)	(57,926,257)	(56,278,332)
Payments to Employees	(14,954,896)	(15,888,798)	(16,111,288)	(18,726,165)	(18,844,321)
Payments to Internal Service Funds and Administrative Fees	(20,479,026)	(23,630,505)	(22,819,556)	(22,605,993)	(23,901,400)
<b>Net Cash Flows Provided by Operating Activities</b>	<b>28,741,106</b>	<b>21,487,064</b>	<b>25,520,980</b>	<b>25,815,527</b>	<b>27,169,804</b>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Transfers In	-	-	-	-	-
Transfers (Out)	(1,079,148)	(564,757)	(43,776)	(1,977,103)	(987,327)
Insurance Recoveries	-	-	-	-	2,479
Proceeds from Operating Grants	-	-	-	1,405,098	5,111,238
<b>Net Cash Flows from Noncapital Financing Activities</b>	<b>(1,079,148)</b>	<b>(564,757)</b>	<b>(43,776)</b>	<b>(572,005)</b>	<b>4,126,390</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Proceeds from Bonds, Loans, and Advances	-	31,815,985	44,592,201	4,775,097	682,836
Additions to Capital Assets	(57,082,077)	(51,266,357)	(73,469,009)	(32,300,015)	(43,142,961)
Principal Paid on Bonds, Interfund Loans, Loans & Leases	(6,321,735)	(6,468,277)	(7,089,756)	(7,217,518)	(7,683,124)
Interest Paid on Bonds, Interfund Loans, Loans and Leases	(1,934,604)	(1,846,322)	(3,812,942)	(3,354,684)	(3,126,022)
Capital Contribution Other Governments, Developers and Funds	11,721,956	6,225,256	5,556,256	2,608,528	4,085,303
Proceeds from Capital Grants	-	-	-	1,934,342	1,155,611
Impact Fees Received	6,795,698	6,994,275	7,038,177	5,045,461	2,448,267
Proceeds from disposition of Capital Assets	123,462	646,626	-	(436,806)	274,542
<b>Net Cash Flows from Capital and Related Financing Activities</b>	<b>(46,697,300)</b>	<b>(13,898,814)</b>	<b>(27,185,073)</b>	<b>(28,945,595)</b>	<b>(45,305,548)</b>
<b>Cash Flows from Investing Activities:</b>					
Purchases of Investments	(68,080)	(917)	(42,733)	(392,862)	(512,827)
Proceeds from Sales and Maturities of Investments	-	-	-	-	-
Interest (Loss) on Investments	9,072,599	148,604	(7,315,044)	9,425,495	15,412,319
<b>Net Cash Flows from Investing Activities</b>	<b>9,004,519</b>	<b>147,687</b>	<b>(7,357,777)</b>	<b>9,032,633</b>	<b>14,899,492</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(10,030,823)</b>	<b>7,171,180</b>	<b>(9,065,646)</b>	<b>5,330,560</b>	<b>890,138</b>
Cash and Cash Equivalents at Beginning of Year	233,951,828	223,921,005	231,092,185	222,026,539	227,357,099
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 223,921,005</b>	<b>\$ 231,092,185</b>	<b>\$ 222,026,539</b>	<b>\$ 227,357,099</b>	<b>\$ 228,247,237</b>
<b>Classified As:</b>					
Current Assets	210,849,129	143,252,154	129,662,859	125,814,877	116,728,316
Restricted Assets	13,071,876	87,840,031	92,363,680	101,542,222	111,518,921
<b>Totals</b>	<b>\$ 223,921,005</b>	<b>\$ 231,092,185</b>	<b>\$ 222,026,539</b>	<b>\$ 227,357,099</b>	<b>\$ 228,247,237</b>

# CITY OF ORLANDO, FLORIDA

## WATER RECLAMATION FUND SUMMARY OF HISTORICAL RATE COVENANT CALCULATION (accrual basis of accounting) (In Thousands)

	Actual (Historical) As of September 30				
	2020	2021	2022	2023	2024
Net Revenues					
Net Operating Revenues	\$ 28,247	\$ 35,568	\$ 41,055	\$ 30,976	\$ 38,866
Interest Income-Operations	780	(1)	(647)	626	1,017
Interest Income-Capital	5,737	96	(4,010)	5,001	7,653
Total	<u>34,764</u>	<u>35,663</u>	<u>36,398</u>	<u>36,603</u>	<u>47,536</u>
Pledged Utilities Services Tax (1)	35,001	36,396	38,599	38,480	41,452
Total Pledged Revenues	69,765	72,059	74,997	75,083	88,988
Senior Debt Service	2,823	2,833	2,814	2,810	2,802
State Revolving Fund Loans	<u>5,371</u>	<u>5,405</u>	<u>6,558</u>	<u>6,724</u>	<u>7,058</u>
Total Debt Service	<u>8,194</u>	<u>8,238</u>	<u>9,372</u>	<u>9,534</u>	<u>9,860</u>
Transfer from Revenue Fund to Renew al and Replacement Fund	1,700	4,200	3,000	6,376	4,998
Rate Covenant #1 (1.25 Required)	24.71	25.44	26.65	26.72	31.76
Rate Covenant #2 (1.0 Required)	7.05	5.79	6.06	4.72	5.99

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

(1) Pledged Utilities Services Tax is defined in the Bond Ordinance as the proceeds of the Utilities Services Tax available to make payments under the Bond Ordinance after satisfying funding obligations with respect to Senior Lien Utilities Services Tax Obligations.

## **CITY OF ORLANDO, FLORIDA**

### **THE WATER RECLAMATION SYSTEM**

The Water Reclamation System is operated by the Water Reclamation Division within the City's Department of Public Works. The Water Reclamation System is an integrated system comprised of: (a) a collection system to collect and transmit wastewater from customers to the water reclamation facilities for treatment; (b) three water reclamation facilities ("WRFs"), including (i) the Iron Bridge Regional WRF (the "Iron Bridge Plant"), (ii) the Water Conserv I WRF (the "Conserv I Plant"), and (iii) the Water Conserv II WRF (the "Conserv II Plant"), which treat the incoming wastewater to a point where it is safe to be reused in the community for irrigation and other beneficial purposes; and (c) a reclaimed water distribution system to convey the treated water to irrigation customers to use in lieu of drinking water, to rapid infiltration basins for aquifer recharge or to environmental enhancement projects such as man-made wetlands systems. Together, these components provide a comprehensive means of collecting, treating, and beneficially reusing wastewater for the City. The collection system referenced in (a) above and certain related facilities, including the Iron Bridge Plant, the Conserv I Plant, and the Conserv II Plant are referred to herein as the "Water Reclamation System." The reclaimed water distribution system referenced in (c) above and certain related facilities, including the Iron Bridge Plant, the Conserv I Plant, and the Conserv II Plant are referred to herein as the "Reclaimed Water System."

The Water Reclamation System currently provides treatment capacity to the City and a number of other jurisdictions (portions of unincorporated Orange County, Florida ("Orange County") and Seminole County, Florida ("Seminole County"), and the Cities of Casselberry, Maitland and Winter Park, servicing approximately 312,000 residents. The Water Reclamation System has historically been divided into the easterly and westerly subsystems. The easterly subsystem is served by the Iron Bridge Plant, a 40 million gallons per day ("MGD") facility, and the Conserv I Plant, a 7.5 MGD facility. The westerly subsystem is served by the Conserv II Plant, a 25 MGD facility. The Water Reclamation System has the ability to transfer wastewater from the eastern part of the City to the western part of the City, and vice versa, allowing the flexibility to move flows between the WRFs to take advantage of available capacity or shed flow in the event of operational concerns.

The Water Reclamation Division has 280 full-time positions budgeted for Fiscal Year 2025. 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, most of the Water Reclamation Division's job positions are covered by a collective bargaining agreement either between the City and the Laborers International Union of North America, Local #678 or between the City and the Service Employees International Union, Local #8. The current collective bargaining agreements expire on September 30, 2025. The City currently expects to begin discussions with the unions by April of 2025. The Water Reclamation 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 Water Reclamation System's employees as good.

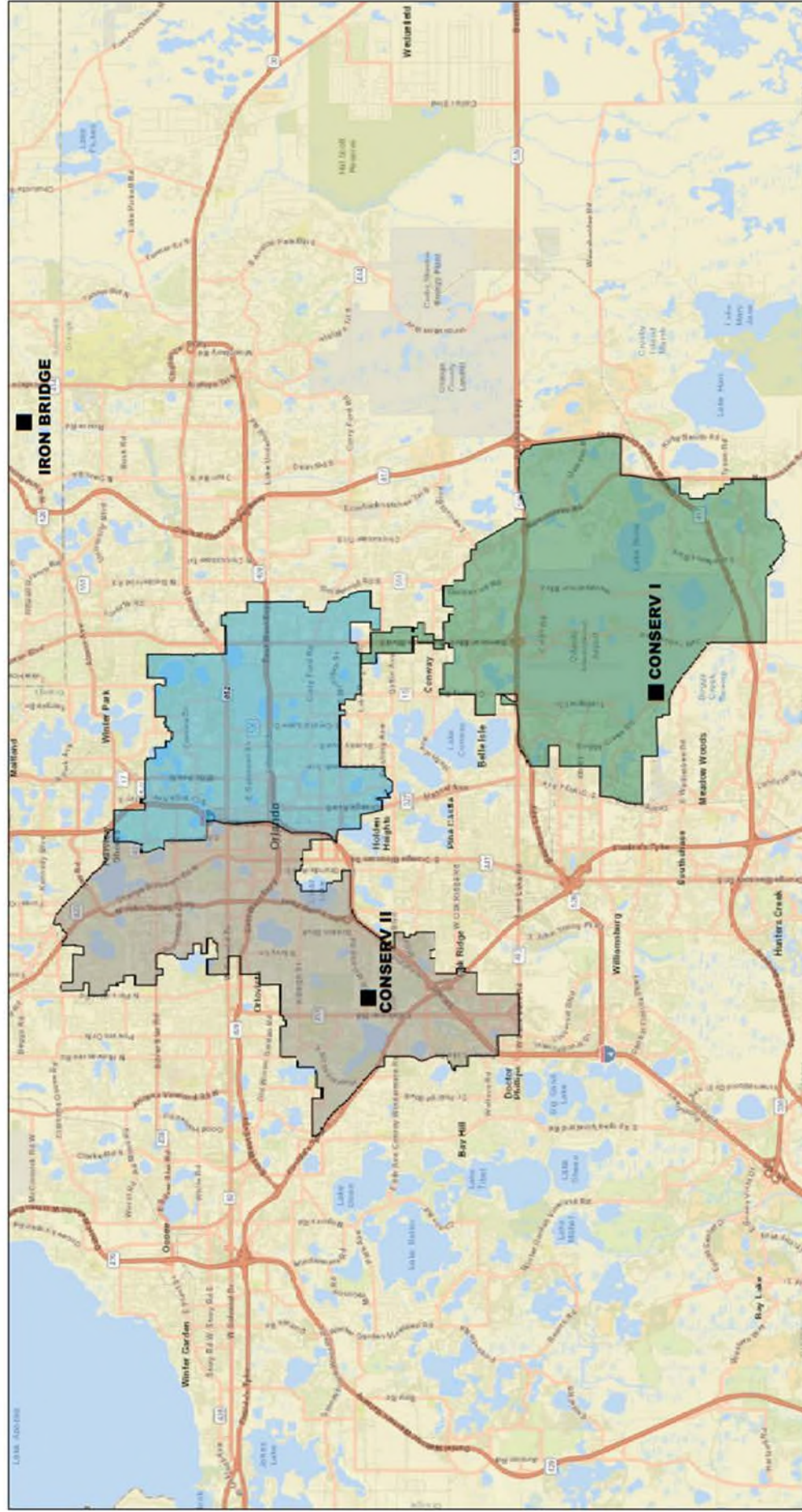
## **CITY OF ORLANDO, FLORIDA**

### **City/County Territorial Agreement**

On May 4, 1994, a Wastewater Service Territorial Agreement was entered into between the City and Orange County in order to define the City's wastewater service area (the "Territorial Agreement"). Pursuant to the Territorial Agreement, the City agreed to provide wastewater service to all incorporated and unincorporated properties within its territorial area, which currently encompasses the areas depicted in the map entitled "City of Orlando Wastewater Service Areas" below (the "Wastewater System Service Area"). To facilitate connection to the Wastewater System, the City established a septic tank abandonment policy to allow for certain credits on wastewater connection and construction costs that are incurred by new customers originally served by septic systems in the Wastewater System Service Area, provided that these new customers are annexed into the City. The costs of these credits are divided between the General Construction Fund under the Water Reclamation Fund and the City's General Fund. Since the establishment of the credit program, several unincorporated neighborhood areas previously in Orange County have annexed into the City to take advantage of the reduced Wastewater System connection charges.

Pursuant to another provision of the Territorial Agreement, Orange County has redirected its flows 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 Plant service area within the Wastewater System Service Area. A connection remains to allow flows to be diverted back to the Wastewater System in the event Orange County experiences problems with its system or a pipeline failure.

Within a few years of entering into the Territorial Agreement, the City and Orange County began constructing and expanding reclaimed water systems to provide reclaimed water irrigation service to their respective customers. On March 4, 2004, the City and Orange County entered into an amendment to the Territorial Agreement establishing reclaimed water service territorial areas for the City and Orange County. The City provides reclaimed water service in the areas depicted in the map entitled "City of Orlando Reclaimed Water Service Areas" below (the "Reclaimed Water System Service Area"). Establishing territorial areas allowed the City and Orange County to plan the expansion of their respective reclaimed water systems.



City of Orlando

Water Reclamation Division

Mapping and Engineering Group

5100 L.B. McLeod Rd

Orlando, FL, 32811

Prepared By: Michael Zeno

Date: 7/3/2023

Legend

WRF Site

Water Conserv I Service Area

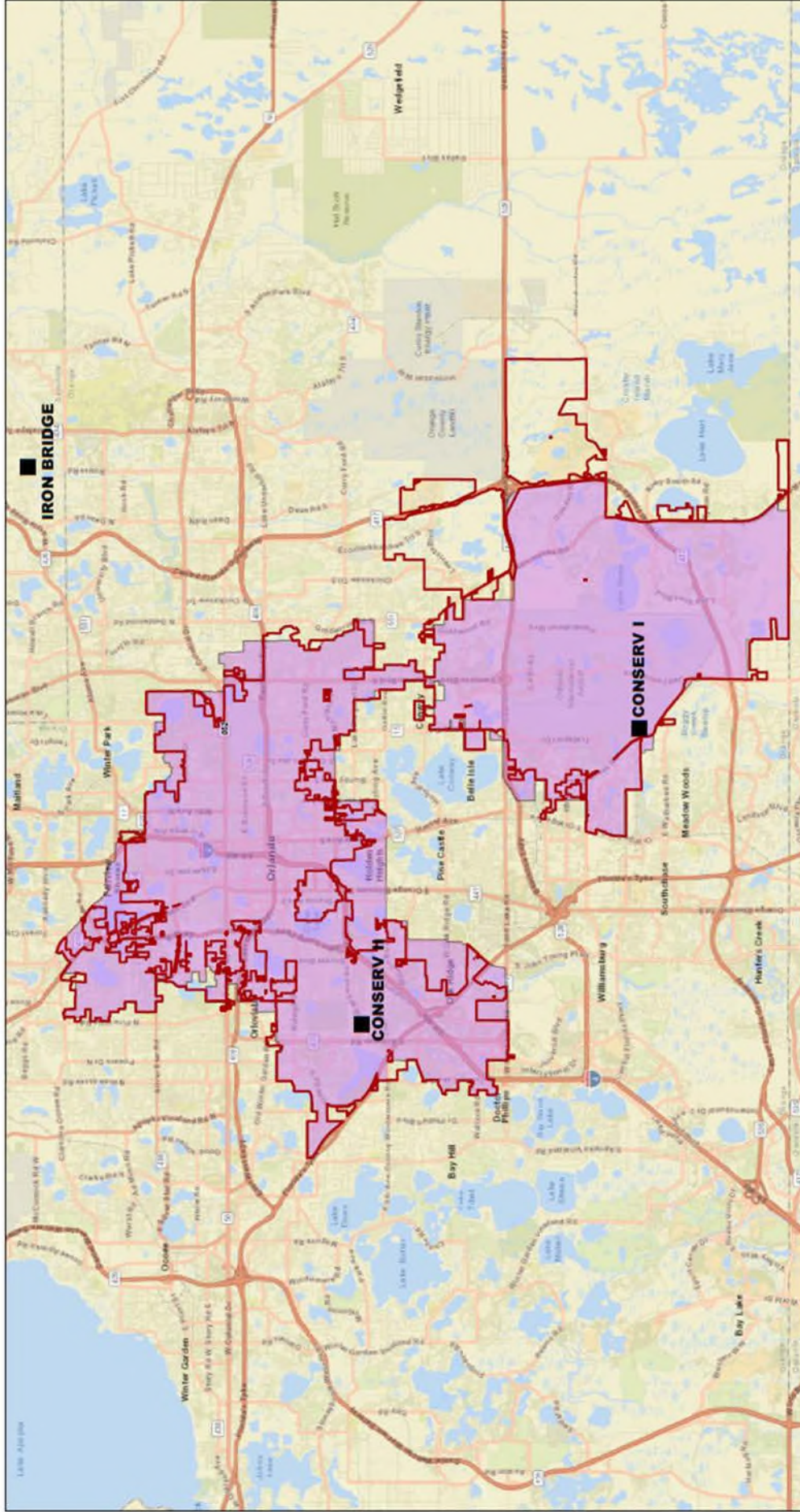
Water Conserv II Service Area

Iron Bridge Service Area

CITY OF ORLANDO

WASTEWATER SERVICE AREAS





# **CITY OF ORLANDO RECLAIMED WATER SERVICE AREAS**

## **Legend**

- WRF Site
- ▭ City Limits
- ▭ Reclaim Service Area

**City of Orlando  
Water Reclamation Division  
Mapping and Engineering Group  
5100 L.B. McLeod Rd  
Orlando, FL, 32811**



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Date: 7/3/2023

## CITY OF ORLANDO, FLORIDA

### Wastewater System

Wastewater System Service Area and Customers. The Wastewater System Service Area spans an area of approximately 110 square miles. With recent annexations, the City's incorporated area has expanded to approximately 138 square miles with areas outside the Wastewater System Service Area being typically served by Orange County Utilities. The Wastewater System serves approximately 87,362 residential and commercial wastewater and reclaimed water accounts and its customers include single-family residential, multi-family residential, commercial properties, industrial facilities, theme parks, government facilities, and schools.

Transmission System. The Wastewater System conveys wastewater to the three WRFs through its collection and transmission system. There are approximately 15,708 manholes, 232 lift stations and over 852 miles of piping in the publicly maintained portion of the Wastewater System responsible for collecting and transmitting the wastewater for treatment.

Interconnect Systems. To the extent possible, the City has designed and developed interconnecting systems, which allow the Wastewater System to redirect flows from one plant to another and provide flexibility to equalize flows between the WRFs or shed flows away from a plant in the event of operational difficulties. 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 on an emergency basis.

### Treatment Capacity and Influent Flows (MGD)

	Calendar Year				
	2020	2021	2022	2023	2024
City only:					
Permitted Capacity	48.2	52.2	52.2	52.2	52.2
Actual Demand <sup>(1)</sup>	30.7	30.4	38.3	33.3	35.8
Remaining Capacity	17.5	21.8	13.9	18.9	16.4
Total:					
Permitted Capacity <sup>(2)</sup>	68.5	72.5	72.5	72.5	72.5
Actual Demand <sup>(1)</sup>	41.3	43.0	51.3	46.5	49.3
Remaining Capacity	27.2	29.5	21.2	26.0	23.2

<sup>(1)</sup> Wastewater flows are based on the 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.

<sup>(2)</sup> Permitted capacity reflects the combined total of City owned and reserved capacity for other entities.

Source: City's Water Reclamation Division.

## CITY OF ORLANDO, FLORIDA

The Wastewater System's wastewater flows are directly influenced by growth. The following table presents influent flows for the Conserv I Plant, the Conserv II Plant, and the Iron Bridge Plant for calendar years 2015 through 2024.

### Influent Flows for the Water Reclamation Facilities (1) (MGD)

	Calendar Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Conserv I	4.51	4.88	4.92	5.05	5.36	5.32	5.01	5.36	5.36	5.50
Conserv II	14.32	14.05	14.87	15.51	14.98	14.33	14.02	16.64	15.99	15.94
Iron Bridge	21.21	23.50	24.36	24.93	23.86	21.67	23.98	29.34	25.19	27.81
Total	40.04	42.43	44.15	45.49	44.20	41.32	43.01	51.34	46.54	49.25

(1) Totals may not add due to rounding.

Source: City's Water Reclamation Division.

**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 U.S. Environmental Protection Agency ("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 and has provided a valuable organic fertilizer supplement to the local agricultural community. The City contracts with private haulers to transport, further treat and landfill or land apply the City's biosolids at FDEP approved sites. This arrangement allows the City access to a wide range of land application options that otherwise might not be available. With the recent concerns expressed by EPA regarding the presence of PFAS in wastewater biosolids, the City is evaluating technologies such as supercritical water oxidation and plasma synthesis reformation for implementation at the City's plants. These technologies have demonstrated the ability to destroy PFAS chemicals in biosolids and significantly reduce the volume of material needing disposal. The resulting solid byproduct can be landfilled or used as an aggregate in asphalt or concrete. The City is working towards a startup date of early 2027 for the selected technology.

### Reclaimed Water System

**Reclaimed Water.** Reclaimed water is domestic wastewater which has been treated, filtered, and disinfected to a high degree such that it can be safely used to irrigate golf courses, parks, residential lawns, and other public access areas. This practice is known as "reuse." The City produces reclaimed water at each of the WRFs, then pumps the reclaimed water through a network of pipes to end-users. The Conserv I Plant and the Conserv II Plant direct 100% of their effluent into reuse, while the Iron Bridge Plant currently directs 87% of its effluent into reuse.



## CITY OF ORLANDO, FLORIDA

Customers. Customers of the Reclaimed Water System include single-family homes, multi-family homes, commercial properties, industrial facilities, golf courses, theme parks, schools, and hotels. There are approximately 7,472 residential and commercial accounts connected to the Reclaimed Water System. The majority of the usage is for golf courses and single-family residential neighborhoods located in Baldwin Park and the Lake Nona area of southeast Orlando. The Orlando International Airport is also a large user of reclaimed water for irrigating landscaping.

Transmission and Distribution System. The reclaimed water distribution systems are separated into the eastern and western areas. The Iron Bridge Plant and the Conserv I Plant feed the City-owned Eastern Regional Reclaimed Water Distribution System ("ERRWDS"), which was commissioned in 2011 and provides reclaimed water, in conjunction with Orange County's Eastern WRF and the Conserv I Plant, to portions of Seminole and Orange Counties, the Greater Orlando Aviation Authority ("GOAA"), and neighborhoods located in Baldwin Park and the Lake Nona area of southeast Orlando. The ERRWDS is a regional system that delivers water to the City's reclaimed water customers as well as multiple other reclaimed water utility providers. For additional information relating to the ERRWDS, see "THE WATER RECLAMATION SYSTEM – Conserv I Plant - Growth Potential and Limitations" below. The western reclaimed water distribution system is fed solely from the Conserv II Plant and delivers water to local reuse and the Conserv II distribution center located in Winter Garden, Florida. Combined, the two reclaimed water distribution systems comprise approximately 215 miles of reclaimed water pipe ranging in size from 1-inch to 48-inches in diameter. The aforementioned interconnect systems in the Wastewater System allow the City to transfer wastewater flow between the three plants, essentially allowing the City to shift the quantity of reclaimed water available to the east and west portions of the Reclaimed Water System.

Historical Flows. The Reclaimed Water System has continued to grow since its inception. 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 the Reclaimed Water System Service Area and is in close proximity to the Reclaimed Water System (the "2002 Ordinance"). The same ordinance requires customer connection to the Reclaimed Water System for irrigation when reclaimed water is made available to the property. The impact of these efforts will increase reclaimed water use and reduce the amount of potable water used for irrigation.

## CITY OF ORLANDO, FLORIDA

The following table presents reclaimed water flows for the Conserv I Plant, the Conserv II Plant, and the Iron Bridge Plant for calendar years 2020 through 2024.

### Water Reclamation Facility Reclaimed Water Flows(1) (MGD)

WRF	Calendar Year				
	2020	2021	2022	2023	2024
Conserv I	5.35	4.92	5.25	5.46	5.12
Conserv II	14.33	14.02	16.64	15.99	15.94
Iron Bridge (2)	5.06	5.94	4.68	4.00	3.35
Total	24.74	24.88	26.57	25.45	24.41

(1) Totals may not add due to rounding.

(2) Iron Bridge flows reflect the amount conveyed through the ERRWDS. Flow to the wetlands is also considered reuse but is not included in this table.

Source: City's Water Reclamation Division.

### Conserv I Plant

*General.* 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 current treatment capacity of the Conserv I Plant is expected to be sufficient to meet wastewater demands in the Wastewater System Service Area of the Conserv I Plant until 2030. Based on projected growth in the Wastewater System Service Area of the Conserv I Plant beyond this time horizon, the City is planning to expand the Conserv I Plant to a capacity of 15 MGD within the next five years.

The Conserv I Plant utilizes the following processes:

- Pretreatment by screening and grit removal;
- Flow equalization;
- Activated sludge;
- Secondary clarification;
- Dual media filtration;
- Chlorination for disinfection;
- Sludge thickening and transport to Conserv II Plant/Iron Bridge Plant for stabilization, dewatering, and disposal; and
- 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. In 1995, all of the basins were improved

## CITY OF ORLANDO, FLORIDA

through the addition of a liner and the placement of gravel on the interior side slopes (the "1995 Improvements"). These modifications have successfully extended the operating capacity of these basins.

The City has since constructed the ERRWDS which now serves as the primary means of effluent reuse for the Conserv I Plant. The percolation basins are used primarily for substandard reclaimed water disposal or for alternative disposal during severe or prolonged rainfall periods when irrigation is significantly reduced. The 1995 Improvements enhance the capability of the percolation basins to serve in such capacity.

In 2021, the City initiated the design process for the rehabilitation and expansion of the Conserv I Plant with the selection of Wharton Smith and AECOM as the design-builder through a competitive proposal process. The initial design effort was based on upgrading the Conserv I Plant to a 10 MGD facility. Since that time, there has been significant development in the Conserv I Plant service area within the Wastewater System Service Area and current projections support the need to increase the plant capacity to 15 MGD. The City has instructed the design-build team to modify their efforts to reflect such increase in plant size. The City expects to receive the revised design proposal by Spring 2025. The City anticipates that the design-build team will initiate construction in 2026 and complete the Conserv I Plant expansion by 2030. The costs of such construction are still being evaluated and City staff will be developing a funding strategy for these improvements once revenue growth tied to development in the Conserv I Plant service area within the Wastewater System Service Area and project costs are better defined.

*Available Treatment Capacity.* The following table presents the permitted capacity, the actual demand, and the remaining capacity for the Conserv I Plant for calendar years 2020 through 2024.

### Conserv I Plant Treatment Capacity and Influent Flows (MGD)

	Calendar Year				
	2020	2021	2022	2023	2024
City: <sup>(1)</sup>					
Permitted Capacity	7.5	7.5	7.5	7.5	7.5
Actual Demand <sup>(2)</sup>	5.3	5.0	5.4	5.4	5.5
Remaining Capacity	2.2	2.5	2.1	2.1	2.0

<sup>(1)</sup> The City is the sole user of the permitted capacity at the Conserv I Plant (there are no wholesale customers).

<sup>(2)</sup> Wastewater flows are based on the calendar year annual average daily flow.

Source: City's Water Reclamation Division.

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*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 presents the actual performance of the Conserv I Plant, the average performance of the Conserv I Plant, and the current FDEP standards for the 12-month period ended December 31, 2024. Note that for the tables on performance standards and compliance, the City has changed the reporting period for the measures of compliance from a fiscal year September 30<sup>th</sup> cutoff to a calendar year December 31<sup>st</sup> cutoff. This is to provide more up to date information and better align with other operational data throughout this disclosure.

		<b>Conserv I Plant Standards and Performance</b>			
		<b>Effluent Flow MGD(3)</b>	<b>CBOD(1) Average mg/l (4)</b>	<b>TSS(2) Average mg/l</b>	<b>Nitrate Nitrogen mg/l</b>
January	2024	5.5	2.0	0.9	5.1
February	2024	5.5	2.7	1.1	4.1
March	2024	5.7	3.1	0.9	4.0
April	2024	5.5	2.8	0.7	5.2
May	2024	5.7	2.1	0.9	5.3
June	2024	5.6	1.5	1.0	5.8
July	2024	5.8	1.9	0.8	6.6
August	2024	4.7	1.8	0.7	5.8
September	2024	4.5	2.8	0.7	5.7
October	2024	4.5	2.8	1.0	6.2
November	2024	4.3	2.2	0.5	5.9
December	2024	4.1	3.0	0.5	5.4
Average		5.1	2.4	0.8	5.4
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.

Source: City of Orlando Water Reclamation Division.

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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. Operating permits are issued by the FDEP for a period of five years. The City has timely applied for and received all operating permits since 1991. The most recent permit was issued on March 2, 2021, with an effective date of April 12, 2021. The permit expires on April 11, 2026 and the City anticipates timely applying for and receiving a new permit. The Conserv I Plant currently meets or exceeds the requirements of its operating permit regarding effluent quality. It is the opinion of the City and Consulting Engineer that the Conserv I Plant is capable of continuing to meet the existing FDEP operating permit numerical standards.

*Growth Potential and Limitations.* The City entered into an Amended and Restated Operation and Use Agreement dated August 31, 2015 (the "GOAA Operation and Use Agreement"), pursuant to which the City has granted to GOAA certain rights and responsibilities to operate and control certain City-owned land for GOAA's operation of the Orlando Executive Airport and Orlando International Airport. This land includes the approximately 186 acre site of the Conserv I Plant located within the southwest corner of the Orlando International Airport. Pursuant to the GOAA Operation and Use Agreement, the City has reserved the right to construct and operate the Conserv I Plant, and all related percolation basin sites. The GOAA Operation and Use Agreement also gives GOAA the right to take back any percolation basin site for airport purposes and request demolition/removal of the percolation basins at any time during the term of the GOAA Operation and Use Agreement, in which case GOAA is required to assist the City in locating an equivalent alternate basin site. Due to airport expansion needs, GOAA has reclaimed many of the percolation basin sites. With the construction of the ERRWDS, the need for the percolation basins has been reduced to providing storage during inclement weather events or disposal of effluent that does not meet irrigation standards.

The demand for wastewater treatment capacity in the Wastewater System Service Area of the Conserv I Plant is expected to double by 2050. Under the requirements of the 2002 Ordinance, new development will be required to install reclaimed water irrigation systems and the ERRWDS will be expanded to those areas. Reclaimed water irrigation through the ERRWDS will continue to serve as the primary means of effluent reuse for the Conserv I Plant. Expansion of the Conserv I Plant from 7.5 MGD to 15 MGD will, however, require the City to investigate additional options to supplement the percolation basins for inclement weather disposal. The City has hired a consulting engineer to review available options. Such options could include transferring reclaimed water through the ERRWDS to connect with the transmission main from the Iron Bridge Plant to the wetlands treatment system, seeking a wet weather discharge permit into a local water body that can accommodate the flow, or transferring the flow through the ERRWDS to the Iron Bridge Plant into storage basins built on the Iron Bridge Plant site. The City and consulting engineer are evaluating and closing out each option and anticipate concluding the evaluation in mid-2025.

### **Conserv II Plant and Joint Reuse Project**

*General.* The Conserv II facilities include the Conserv II Plant, a 25 MGD facility, and a 50 MGD water reuse system project, which is a joint project equally shared between the City and Orange County (the "Joint Reuse Project").

## **CITY OF ORLANDO, FLORIDA**

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 Joint Reuse Project (the "Joint Reuse Project Agreement"). Pursuant to the Joint Reuse Project 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. As originally conceived, the Conserv II Plant was designed to ultimately deliver up to 25 MGD of reclaimed water for irrigation of 12,000 to 15,000 acres of citrus groves and groundwater recharge through RIBs. The City expects the Conserv II Plant to have sufficient capacity to meet wastewater needs within the Wastewater System Service Area of the Conserv II Plant through the year 2035. Currently, the Conserv II Plant utilizes the following treatment processes:

- Pretreatment by screening and grit removal;
- Flow equalization;
- Activated sludge with nitrification and denitrification;
- Secondary clarification;
- Effluent flow equalization;
- Automatic backwash dual media filtration;
- High level chlorination for disinfection;
- Sludge thickening, dewatering and stabilization with hauling provided via contracted services; and
- Standby power generation.

The Conserv II Plant has received numerous upgrades since its completion in 1986. Recent projects include the big bubble aeration mixing project which was completed in 2016. Such project allows the treatment plant to mix anoxic treatment zones with large bubble cannons instead of using fine bubble diffusers, further enhancing the Conserv II Plant's nutrient reduction capabilities. Another major construction project, which was completed in 2020, involved biosolids processing improvements. Such project involved replacing the existing gravity belt thickeners and belt filter presses with three advanced belt filter presses as well as replacing the existing return activated sludge and waste activated sludge pumping stations.

Construction continues on the new Pretreatment Structure with new screens and grit equipment at the Conserv II Plant. The structure is nearing completion. The motor control centers have been installed and tested, control panel installation is complete with wires terminated and testing underway, grit snails, screw compactors, and grit pumps are set and piping terminations underway, and a tie-in and bypass plan is currently being developed to ensure plant operations remain online while the system is started up and tested. The project is expected to be completed in October of 2025.

## CITY OF ORLANDO, FLORIDA

Available Treatment Capacity. The following table presents permitted capacity, actual demand, and remaining capacity for the Conserv II Plant for calendar years 2020 through 2024.

### Conserv II Plant Treatment Capacity and Influent Flows (MGD)

	Calendar Year				
	2020	2021	2022	2023	2024
City only:					
Permitted Capacity	20.0	24.0	24.0	24.0	24.0
Actual Demand <sup>(1)</sup>	13.6	13.3	15.9	15.2	15.4
Remaining Capacity	6.4	10.7	8.1	8.8	8.6
Total:					
Permitted Capacity	21.0	25.0	25.0	25.0	25.0
Actual Demand <sup>(1)</sup>	14.3	14.0	16.6	16.0	15.9
Remaining Capacity	6.7	11.0	8.4	9.0	9.1

<sup>(1)</sup> Wastewater flows are based on the 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's Water Reclamation Division.

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*Performance Standards and Compliance.* The following table presents the actual performance of the Conserv II Plant, the average performance of the Conserv II Plant, and the principal FDEP effluent numerical standards placed on the Conserv II Plant's operation for the 12-month period ended December 31, 2024.

		<b>Conserv II Plant Standards and Performance</b>			
		<b>Effluent Flow MGD(3)</b>	<b>CBOD(1) Average mg/l (4)</b>	<b>TSS(2) Average mg/l</b>	<b>Nitrate Nitrogen mg/l</b>
January	2024	14.6	3.5	0.9	0.6
February	2024	15.3	3.3	0.7	0.9
March	2024	15.1	3.0	1.1	0.6
April	2024	14.6	3.1	0.9	0.2
May	2024	14.7	3.0	0.9	0.2
June	2024	14.7	2.2	0.9	0.8
July	2024	15.8	2.7	1.0	0.5
August	2024	17.7	2.8	0.6	0.4
September	2024	19.0	2.8	1.0	0.5
October	2024	19.6	4.2	7.1	0.9
November	2024	15.8	3.3	0.6	0.9
December	2024	14.5	4.3	1.0	0.6
Average		15.9	3.2	1.4	0.6
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.

Source: City of Orlando Water Reclamation Division

The most recent operating permit for the Conserv II Plant was issued on December 5, 2021, and will expire on December 5, 2026. The City anticipates timely applying for and receiving a renewal of the operating permit.

With respect to the Conserv II Plant future water quality permit requirements, the Joint Reuse Project RIBs fall within the Wekiwa and Rock Springs basin management action plan



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("BMAP") area. The BMAP requires a reduction in nutrient concentrations for effluent being discharged within the basin that could impact the springs area. The current permit reflects this requirement with effluent quality limits of 5 mg/l CBOD, 5 mg/l TSS, 3 mg/l total nitrogen, and 1 mg/l total phosphorus. Although the Conserv II Plant is currently capable of meeting these limits with the existing influent flow, the process will need to be modified once the plant approaches a flow level of 20 MGD, which is projected to occur between 2036 and 2040. The City has hired a consulting engineer to perform an alternatives analysis on process modifications necessary to achieve the required permit limits at the full plant flow of 25 MGD. The City anticipates receiving recommendations in mid-2025 and will program design and construction of the necessary improvements within the next ten years.

City management and design consulting engineers have concluded 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 the modifications described above.

Major Wholesale Customers and Interlocal Agreements. The City has an interlocal agreement with the City of Winter Park to provide wastewater treatment capacity within the Conserv II Plant for portions of the City of Winter Park that are impractical for them to serve and are in close proximity to the Wastewater System Service Area of the Conserv II Plant. The following table presents the average flows, the contractually committed capacity, and the available capacity for the City of Winter Park into the Conserv II Plant for the 12-month period ended December 31, 2024.

<b>WHOLESALE CUSTOMERS</b>			
<b>(In MGD)</b>			
	<b>Average Flows</b>	<b>Contractually Committed Capacity</b>	<b>Available Capacity</b>
City of Winter Park	0.700	1.000	0.300

Source: City of Orlando Water Reclamation Division

*Water Reuse Customers.* The Joint Reuse Project is beneficial to both the City and Orange County (each of which have half of the 50 MGD capacity in the Joint Reuse Project). The original Joint Reuse Project involved irrigation of citrus and other agricultural crops in west Orange County and east Lake County, Florida ("Lake County"). As a result of significant freeze events and a series of citrus diseases, the citrus industry has been significantly reduced in the Joint Reuse Project area and is no longer a major user of reclaimed water. In many cases, property that was formerly planted in citrus has been sold for development and the Joint Reuse Project irrigation customer base has transitioned to residential communities. This transition has resulted in no net loss of irrigation capacity under the Joint Reuse Project permit.

The Joint Reuse Project is currently permitted for 39.0 MGD (average annual daily flow) of disposal capacity through the public access reuse system.

Properties served by the Joint Reuse Project in Lake County require a conditional use permit ("CUP") under Lake County's Zoning Code. Participating customers must obtain a CUP

## CITY OF ORLANDO, FLORIDA

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.

In 2000, the City and Orange County purchased 2,400 acres of land from Hi-Acres in Lake County. These parcels, which were under the previous grower's agreement for irrigation, will provide further flexibility for the wet weather disposal capacity for the Joint Reuse 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 Joint Reuse Project is currently permitted for a RIB capacity of 29.2 MGD (average annual daily flow).

*Local Area City Contracts.* The City has entered into reclaimed water agreements with other major users in close proximity to the Conserv II Plant that are not part of the Joint Reuse Project joint facilities. One of the users, the MetroWest Master Community Association, accepts and uses up to 1.5 MGD of reclaimed water on its golf course and median green spaces. In addition, the City supplies 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 Water Reclamation System is expanded.

*Growth Potential and Limitations.* The ability to expand the Conserv II Plant treatment capacity is directly related to the ability to find additional customers to connect to the distribution network or to the construction of additional RIBs. The City foresees no difficulties in achieving this as demand for irrigation in the Joint Reuse Project area is significant.

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 RIBs in the future. Construction of additional RIB sites will add wet-weather capacity to the Water Reclamation System, further ensuring the City's ability to provide service during extreme weather conditions. Another option being considered for future management of reclaimed water during reduced demand periods is long term storage through the creation of a reservoir on project land currently owned by the City and Orange County.

### **Iron Bridge Plant**

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. The City expects the Iron Bridge Plant to have sufficient capacity to meet wastewater needs in the Wastewater System Service Area of the Iron Bridge Plant through the year 2035.

The Iron Bridge Plant is a 40 MGD advanced water reclamation facility, which employs three different effluent disposal means (waste load allocation limit on the discharge to the Little

## **CITY OF ORLANDO, FLORIDA**

Econlockhatchee River and performance standards for the artificial wetlands facility which flows ultimately to the St. Johns River and reclaimed water irrigation through the ERRWDS).

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

- 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 for disinfection/Dechlorination for outfall;
- Post aeration;
- Sludge dewatering with hauling and landfilling provided via contracted services; and
- Standby power generation.

The Iron Bridge Plant has received numerous upgrades to improve process performance and replace aging and obsolete equipment. Two construction projects are planned for the near future. The first project is the replacement of the existing grit removal system through a design-build contract (the "Iron Bridge Grit Replacement Project"). The Iron Bridge Grit Replacement Project involves the construction of a new grit removal facility that will incorporate the latest grit removal technology capable of removing finer grit particles than the existing system. The Iron Bridge Grit Replacement Project is currently under construction and is anticipated to reach substantial completion by Summer 2026. The Iron Bridge Grit Replacement Project is one of the projects funded with a portion of the proceeds of the Series 2024A Bonds.

The second project involves the replacement of mechanisms and sludge collection systems in eight secondary clarifiers. The replacement of the mechanisms will be performed under a design-build contract. The design-build firm has been selected and the design services contract received City Council approval on January 13, 2025. The project will improve the capacity and solids capture characteristics of the clarifiers and is anticipated to take 23 months to design and construct with a tentative completion date of February 2027.

Two different effluent outfalls and the ERRWDS are available to the Iron Bridge Plant for effluent management. 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 (the "Wetlands 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 system. Totalling 1,220 acres, the Wetlands Facility was developed with a series of cells divided by earthen

## CITY OF ORLANDO, FLORIDA

berms and planted with different wetland vegetation to create three separate wetlands communities, which provide nitrogen and phosphorous removal. The Wetlands Facility has been operating well within the anticipated performance guidelines since becoming operational in September 1987. An indication of the positive performance of the Wetlands Facility is the fact that FDEP increased the permitted capacity of the Wetlands Facility from the initial level of 8 MGD to 20 MGD during the 1990's and in 2001 re-rated the capacity of the Wetlands Facility from 20 MGD to 35 MGD. The majority of the Iron Bridge Plant flow is directed to either the ERRWDS or the Wetlands Facility. The discharge to the Little Econlockhatchee River is reserved primarily for wet weather events in compliance with current FDEP nutrient reduction regulations.

*Available Treatment Capacity.* The following table presents permitted capacity, actual demand, and remaining capacity for the Iron Bridge Plant for calendar years 2020 through 2024.

### Iron Bridge Plant Treatment Capacity and Influent Flows (MGD)

	Calendar Year				
	2020	2021	2022	2023	2024
City only:					
Permitted Capacity	20.7	20.7	20.7	20.7	20.7
Actual Demand <sup>(1)</sup>	11.8	12.0	17.0	12.8	14.9
Remaining Capacity	8.9	8.7	3.7	7.9	5.8
Total:					
Permitted Capacity	40.0	40.0	40.0	40.0	40.0
Actual Demand <sup>(1)</sup>	21.7	24.0	29.3	25.2	27.8
Remaining Capacity	18.3	16.0	10.7	14.8	12.2

<sup>(1)</sup> Wastewater flows are based on the calendar year annual average daily flow.

Source: City's 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 Facility and the ERRWDS) 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 waste load allocation requirements and the projected degree of treatment which would take place in the Wetlands Facility, 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. The City anticipates timely applying for receiving a new operating permit at that time.

## CITY OF ORLANDO, FLORIDA

The following tables present the average monthly and annual performance of 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), and the FDEP standards for the 12-month period ended December 31, 2024.

### Iron Bridge Plant

#### Little Econlockhatchee River Outfall Standards and Performance

		<b>Effluent(1) Flow MGD</b>	<b>CBOD(2) Average mg/l(6)</b>	<b>lbs/day</b>	<b>TSS(3) Average mg/l</b>	<b>lbs/day</b>	<b>TN(4) Average mg/l</b>	<b>lbs/day</b>	<b>TP(5) Average mg/l</b>	<b>lbs/day</b>
January	2024	2.0	1.0	16	0.6	11	1.9	30	0.16	2.6
February	2024	2.2	1.0	19	0.6	11	1.6	30	0.23	4.3
March	2024	1.7	1.0	14	0.6	8.1	1.8	25	0.22	3.1
April	2024	1.5	1.0	13	0.9	11	3.6	46	0.34	4.3
May	2024	1.6	1.0	13	0.8	10	1.5	19	0.39	5.1
June	2024	1.6	1.0	14	0.9	13	1.7	23	0.19	2.5
July	2024	2.1	1.0	18	0.6	11	2.0	36	0.28	5.0
August	2024	2.2	1.0	19	0.7	13	1.7	32	0.47	8.8
September	2024	3.6	1.0	30	0.5	16	2.3	70	0.34	10.0
October	2024	6.8	1.9	110	6.0	341	2.9	165	0.28	16.0
November	2024	2.2	1.0	19	0.5	9.6	1.9	36	0.20	3.8
December	2024	2.2	1.0	19	0.5	9.3	1.8	34	0.23	4.3
Average		2.5	1.1	25.3	1.1	38.7	2.1	45.5	0.3	5.8
FDEP Stds (7)		28.0	4.28	1,000	17.2	4,000	3.08	720	0.94	220
Average		2.5	1.1	25.3	1.1	38.7	2.1	45.5	0.3	5.8
FDEP Stds (7)		28.0	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 Standards and Performance

ST. JOHNS RIVER WETLANDS OUTFALL							LITTLE ECON RIVER AND ST. JOHNS RIVER COMBINED OUTFALLS (1)	
		Influent	Eff TN(2)		Eff TP(3)		TN(2)	TP (3)
		Flow MGD	Average mg/l(4)	Average lbs/day	Average mg/l	Average lbs/day	Average mg/l	Average lbs/day
January	2024	21.0	0.62	109	0.17	30	139	33
February	2024	19.7	0.64	104	0.17	28	134	32
March	2024	17.9	0.75	113	0.16	24	138	27
April	2024	16.2	0.72	97	0.06	8.7	143	13
May	2024	13.1	0.71	77	0.05	5.2	96	10
June	2024	14.9	0.82	102	0.08	10	125	13
July	2024	16.4	0.82	112	0.07	9.7	148	15
August	2024	20.1	0.67	113	0.05	8.7	145	18
September	2024	28.9	0.72	173	0.08	20	243	30
October	2024	29.0	0.67	161	0.09	23	326	39
November	2024	21.4	0.72	129	0.11	19	165	23
December	2024	17.4	0.83	120	0.12	17	154	21
Average		19.7	0.72	118	0.10	5.82	163	23
FDEP Stds (5)		35.0	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 Standards and Performance

		ERRWDS			
		Effluent Flow MGD(3)	CBOD(1) Average mg/l(4)	TSS(2) Average mg/l	TN Average mg/l
January	2024	1.7	1.6	0.6	1.8
February	2024	2.5	1.6	0.6	1.6
March	2024	2.8	1.4	0.5	1.7
April	2024	3.9	2.5	0.6	3.5
May	2024	6.3	2.2	0.6	1.5
June	2024	5.6	1.1	0.5	1.8
July	2024	4.3	1.2	0.5	2.1
August	2024	3.2	1.3	0.5	1.7
September	2024	1.5	1.7	0.5	2.2
October	2024	1.9	2.9	1.6	2.9
November	2024	3.3	1.8	0.5	1.9
December	2024	3.1	2.3	0.5	1.8
Average		3.3	1.8	0.6	2.0
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 and changes in irrigation demand.

(4) mg/l - milligrams per liter

(5) States the 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, 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. The agreements also set out the amount of capacity for each party and provide a formula for temporary and permanent reallocation.

## CITY OF ORLANDO, FLORIDA

The following table presents the entities' proportional share of allocated capacity as of December 31, 2024.

### Distribution of Iron Bridge Capacity

Contributor	40 MGD	
	MGD	%
City of Orlando	20.662	51.655
Seminole County	8.506	21.265
Orange County	0.375	0.938
City of Casselberry	3.395	8.488
City of Maitland	1.100	2.750
City of Winter Park	5.962	14.905
Total	40.000	100.000

Source: City's Water Reclamation Division.

The following table presents the available capacity, average influent flow, and the remaining capacity of the various participants in the Iron Bridge Plant over the 12-month period ended December 31, 2024.

Contributor	Available Capacity (MGD)	Average Influent Flow (MGD)	Remaining Capacity (MGD)
City of Orlando	20.663	14.905	5.758
Seminole County	8.505	5.159	3.346
Orange County	0.375	0.000	0.375
City of Casselberry	3.395	2.223	1.172
City of Maitland	1.100	0.568	0.532
City of Winter Park	5.962	4.979	0.983
TOTAL	40.000	27.834	12.166

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.* The current Iron Bridge Plant capacity rating appears to be sufficient to meet the future needs of the City and its partners through 2035. The City's focus will be on maintaining and updating the existing plant infrastructure and adding facilities, such as expanded flow equalization, to improve the reliability and performance of the plant as a whole.



## CITY OF ORLANDO, FLORIDA

Should expansion be needed in the future, the City believes that the 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.

### CAPITAL IMPROVEMENT PLAN

The City has established and updates, periodically, 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 relating to the Water Reclamation System. 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 relating to the Water Reclamation System which might be undertaken during the next five-year period.

PROJECT NAME	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	5-Yr TOTAL
Revenues:						
WW Capacity Charges	\$ 19,700,000	\$ 20,500,000	\$ 20,500,000	\$ 20,500,000	\$ 20,500,000	\$ 101,700,000
R&R Transfer from Revenue Fund	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	15,000,000
Northerly Entity and Other Contributions	5,009,955	8,278,225	7,347,680	-	-	20,635,860
Fund Balance Allocation	1,067,541	-	-	-	-	1,067,541
Interest Earnings	359,774	359,774	359,774	359,774	359,774	1,798,870
Debt Proceeds	140,000,000	150,895,101	21,839,746	13,440,226	12,640,226	338,815,299
SRF Loan Proceeds	-	38,900,000	20,000,000	-	-	58,900,000
<b>Total Revenues</b>	<b>\$ 169,137,270</b>	<b>\$ 221,933,100</b>	<b>\$ 73,047,200</b>	<b>\$ 37,300,000</b>	<b>\$ 36,500,000</b>	<b>\$ 537,917,570</b>
Expenses:						
Iron Bridge	\$ 25,363,995	\$ 35,325,000	\$ 19,950,000	\$ 4,750,000	\$ 4,750,000	\$ 90,138,995
Water Conserv I	12,992,000	57,400,000	4,320,000	3,000,000	3,000,000	80,712,000
Water Conserv II	28,002,100	66,208,100	12,777,200	5,550,000	3,750,000	116,287,400
Lift Stations	94,760,200	34,500,000	18,000,000	10,000,000	10,000,000	167,260,200
Collection System and Other	8,018,975	28,500,000	18,000,000	14,000,000	15,000,000	83,518,975
<b>Total Expenses</b>	<b>\$ 169,137,270</b>	<b>\$ 221,933,100</b>	<b>\$ 73,047,200</b>	<b>\$ 37,300,000</b>	<b>\$ 36,500,000</b>	<b>\$ 537,917,570</b>

Source: City of Orlando Water Reclamation Division

## **CITY OF ORLANDO, FLORIDA**

### **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 and the members of the City Council are not subject to term limits.

The Mayor is the Chief Executive Officer with ten departments reporting to him: Business & Financial Services; Economic Development; Families, Parks and Recreation; Fire; Housing and Community Development; Human Resources; 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.

### **MANAGEMENT OF THE WATER RECLAMATION SYSTEM**

#### **Management**

The following are brief resumes of the City's Mayor and certain appointed officials, and key personnel involved in the administration and operation of the City and/or the Water Reclamation System.

***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 Winderweede, 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 in each election since 2004.

## CITY OF ORLANDO, FLORIDA

**Corey F. Knight, P.E.** was appointed as Director of the Public Works Department on July 25, 2022. Mr. Knight holds a Bachelor's degree in Civil Engineering and is a registered Professional Engineer in the State. Mr. Knight encourages the City's Public Works employees to think with a "customer service" centered work ethic and maintain a safe work environment in all they do. Mr. Knight learned the value of strong management skills while in the field of engineering in both the public and private sectors. His style of management encourages his team to take the lead on thinking outside the box and make the right decisions. Mr. Knight has over 23 years of engineering and construction experience in all aspects of public works. Leveraging the unique experiences he learned as an engineer and manager, Mr. Knight was led to serve in leadership positions at the local, state, and national levels of the American Society of Civil Engineers and he is active with the American Public Works Association.

**Paul K. Deuel** was appointed as Division Manager of the Water Reclamation Division on May 30, 2021. Mr. Deuel is a long-time employee of the City 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. He retired on January 31, 2025. Mr. Deuel received numerous state and national awards over his career.

**Christopher Andres** was appointed as Division Manager of the Water Reclamation Division on January 13, 2025. Mr. Andres has a Master's degree in Civil Engineering, is a licensed professional engineer and licensed wastewater operator with 15 years of experience in the wastewater industry. Mr. Andres has supported the planning, design, construction, and operation of treatment systems ranging in size from 0.3 to 300 MGD throughout the Midwest and Southeast United States. His technical specialties include process engineering, pilot/bench-scale/field treatability studies, asset management, and O&M support.

**Michelle McCrimmon** was appointed as Chief Financial Officer on March 3, 2024. Ms. McCrimmon is responsible for the oversight of the City's financial affairs, including 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, Ms. McCrimmon provides guidance to various departments and business units and is an active participant in strategic planning activities. Prior to her appointment, Ms. McCrimmon served for nearly eight years as Deputy Chief Financial Officer and for six years as the Controller of the City 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 Master of Business Administration from the University of Texas-Permian Basin, and a Bachelor of Science in Business Administration from the University of California, Riverside. She is also a Florida Certified Public Accountant.

## CITY OF ORLANDO, FLORIDA

***Jose Fernandez*** was appointed as Deputy Chief Financial Officer on March 31, 2024. Prior to his appointment, Mr. Fernandez served for four years as the Controller of the City overseeing financial reporting, and accounting operations. Before joining the City, Mr. Fernandez had over 28 years of experience working in various executive level positions with Miami-Dade County and the City of Miami. Mr. Fernandez holds a Bachelor of Accounting from Florida International University, a Master of Accounting from St. Thomas University, and is a Florida Certified Public Accountant.

***Martin Carmody*** was appointed as Deputy Chief Financial Officer on June 9, 2024. Prior to his appointment, he served as the City's Management and Budget Division Manager and led the Management and Budget Division since 2012. Prior to coming to the City, Mr. Carmody had over 15 years of experience working in various executive level positions with Washington D.C. and the City of Cleveland, including Deputy Chief Financial Officer with Washington D.C. and Director of Finance and Assistant Director of Finance with the City of Cleveland. Mr. Carmody also worked for seven years in business consulting with two international consulting firms.

***Katrina A. Laudeman*** was appointed as 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



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## A CITY AT WORK

By investing in tools and technology, we're able to provide excellent service to everyone in the city beautiful.



COMMUNITY  
REDEVELOPMENT AGENCY

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

**BOND DISCLOSURE SUPPLEMENT**

**SUMMARY INFORMATION**

**As of September 30, 2024**

<b>DOWNTOWN DISTRICT</b>							
<b>Individual Bond Issues:</b>	<b><u>Outstanding</u></b>	<b><u>Ratings</u></b>	<b><u>Insurance Provider</u></b>	<b><u>Paying Agent</u></b>	<b><u>Maturity</u></b>		
Fixed Rate:							
Community Redevelopment Agency							
Tax Increment Revenue Refunding							
Bonds Series 2019A (Private Placement)	\$ 45,756,000	N/A	(1)	N/A	Truist Bank	9/1/2037	
Community Redevelopment Agency							
Tax Increment Revenue Refunding							
Bonds Series 2020A (Private Placement)	<u>61,917,000</u>	N/A	(1)	N/A	Bridge Funding Group	9/1/2040	
Total Debt Outstanding	<u>\$ 107,673,000</u>						
Debt Service Reserve:	<u>\$ 11,448,852</u>						
(1) The CRA, Series 2019A and 2020A Bonds were issued via private placement.							
<b>Revenue Pledge:</b>							
Primary:							
Tax Increment Revenues - Downtown District							
Secondary:							
N/A							
<b>Internal Loan Fund Loans (Outstanding as of 9/30/24):</b>							
Camping World Stadium Renovation	\$ 14,945,906					2039	
	<u>\$ 14,945,906</u>						

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

<b>REPUBLIC DRIVE (UNIVERSAL BOULEVARD) DISTRICT</b>					
<b>Individual Bond Issues:</b>	<b><u>Outstanding</u></b>	<b><u>Rating (1)</u></b>	<b><u>Insurance Provider</u></b>	<b><u>Paying Agent</u></b>	<b><u>Maturity</u></b>
Fixed Rate:					
Tax Increment Revenue Refunding Bonds (Republic Drive /Universal Boulevard District), Series 2012	\$ 2,900,000	A+	N/A	Computershare	4/1/2025
Tax Increment Revenue Bond (Republic Drive /Universal Boulevard District), Series 2013 (Private Placement)	<u>846,620</u>	N/A	N/A	Computershare	4/1/2025
Total Debt Outstanding	<u>\$ 3,746,620</u>				
Debt Service Reserve:	<u>\$ 3,088,666</u>				
(1) Fitch.					
<b>Revenue Pledge:</b>					
Primary:					
Tax Increment Revenues - Republic Drive/Universal Boulevard District					
Secondary:					
N/A					

<b>CONROY ROAD DISTRICT</b>					
<b>Individual Bond Issues:</b>	<b><u>Outstanding</u></b>	<b><u>Rating (1)</u></b>	<b><u>Insurance Provider</u></b>	<b><u>Paying Agent</u></b>	<b><u>Maturity</u></b>
Fixed Rate:					
Tax Increment Revenue Refunding Bonds (Conroy Road District), Series 2012	<u>\$ 3,620,000</u>	A	N/A	Computershare	4/1/2026
Debt Service Reserve:	<u>\$ 1,953,511</u>				
(1) Fitch.					
<b>Revenue Pledge:</b>					
Primary:					
Tax Increment Revenues - Conroy Road District.					
Secondary:					
N/A					



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

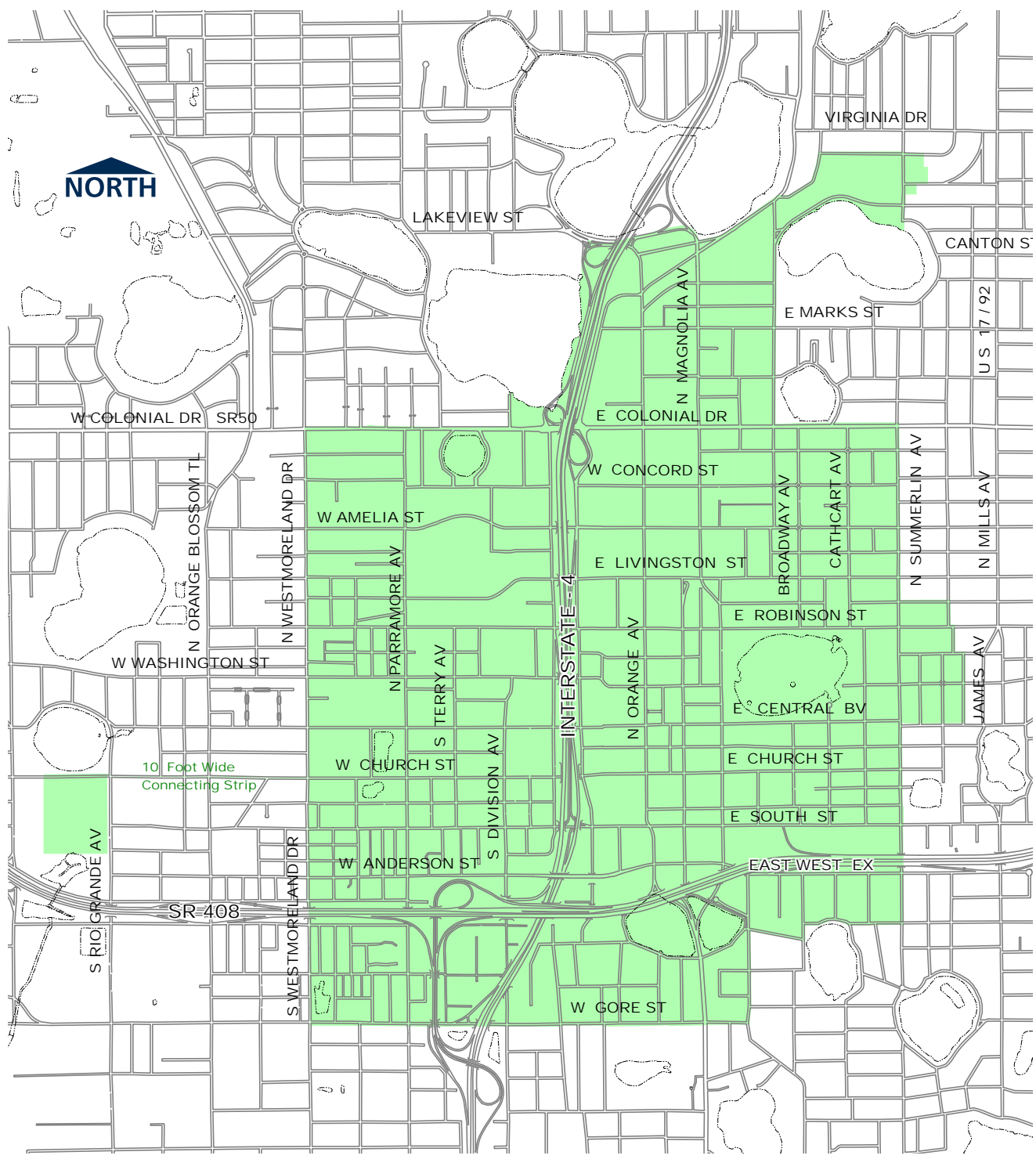
**INTRODUCTION**

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-28) and, (b) Conroy Road Tax Increment District (beginning on page C-39).



 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, 2024, 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 Build America Bonds subsidy no longer applies to the refunded Series 2020A 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, 2024.

#### **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, 2024, the District has \$14,945,906 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 (1)	Combined Total Debt Service Coverage
	Principal	Interest	Principal	Interest			
2025	\$ 2,829,000	\$ 1,628,913	\$ 2,292,000	\$ 2,167,095	\$ 8,917,008	\$ 49,339,375	5.53
2026	2,930,000	1,528,201	2,372,000	2,086,875	8,917,076	49,339,375	5.53
2027	3,034,000	1,423,893	2,456,000	2,003,855	8,917,748	49,339,375	5.53
2028	3,142,000	1,315,883	2,542,000	1,917,895	8,917,778	49,339,375	5.53
2029	3,254,000	1,204,028	2,630,000	1,828,925	8,916,953	49,339,375	5.53
2030	3,370,000	1,088,185	2,722,000	1,736,875	8,917,060	49,339,375	5.53
2031	3,490,000	968,213	2,818,000	1,641,605	8,917,818	49,339,375	5.53
2032	3,614,000	843,969	2,916,000	1,542,975	8,916,944	49,339,375	5.53
2033	3,742,000	715,311	3,019,000	1,440,915	8,917,226	49,339,375	5.53
2034	3,876,000	582,095	3,124,000	1,335,250	8,917,345	49,339,375	5.53
2035	4,014,000	444,110	3,233,000	1,225,910	8,917,020	49,339,375	5.53
2036	4,157,000	301,212	3,346,000	1,112,755	8,916,967	49,339,375	5.53
2037	4,304,000	153,222	3,464,000	995,645	8,916,867	49,339,375	5.53
2038	-	-	8,043,000	874,405	8,917,405	49,339,375	5.53
2039	-	-	8,324,000	592,900	8,916,900	49,339,375	5.53
2040	-	-	8,616,000	301,560	8,917,560	49,339,375	5.53
Totals	<u>\$ 45,756,000</u>	<u>\$ 12,197,235</u>	<u>\$ 61,917,000</u>	<u>\$ 22,805,440</u>	<u>\$ 142,675,675</u>		

(1) Assumes Tax Increment Revenue collected within the Downtown District in the fiscal year ending September 30, 2025 (collected as of December 31, 2024), remains constant through September 30, 2040.

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

**PLEDGED 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).

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

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.

**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>
<b>TOTAL DOWNTOWN DISTRICT</b>	<b>1,620</b>		<b>\$ 537,296,698</b>

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 30<sup>th</sup> fiscal year after the fiscal year in which a redevelopment plan is last amended, but no later than 60 years after the fiscal year in which the original plan was approved or adopted, which is January 1, 2042 for the Downtown CRA. The last amendment of the Downtown Outlook 2000 Plan was adopted on July 17, 2023. 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.

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

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

<b>Fiscal Year Ended Sept. 30</b>	<b>City of Orlando <sup>(1)</sup></b>	<b>Orange County <sup>(1)</sup></b>	<b>Downtown Development Board <sup>(2)</sup></b>	<b>Total</b>
2015	5.6500	4.4347	1.0000	11.0847
2016	5.6500	4.4347	1.0000	11.0847
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	6.6500	4.4347	1.0000	12.0847
2023	6.6500	4.4347	1.0000	12.0847
2024	6.6500	4.4347	1.0000	12.0847
2025 <sup>(3)</sup>	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 2025 fiscal year.

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, 2024 and 2025 with forecasted revenues through 2040.

<b>Tax Year</b>	<b>Original Downtown District</b>		<b>Downtown District Expansion Area</b>		<b>Total</b>	<b>Total</b>
	<b>Taxable Assessed</b>	<b>Incremental</b>	<b>Taxable Assessed</b>	<b>Incremental</b>	<b>Taxable Assessed</b>	<b>Incremental</b>
	<b>Values</b>	<b>Value</b>	<b>Values</b>	<b>Value</b>	<b>Value</b>	<b>Value</b>
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	2,799,378,016	2,662,820,903	1,425,880,997	1,025,141,412	4,225,259,013	3,687,962,315
2022	3,446,807,480	3,310,250,367	1,595,019,248	1,194,279,663	5,041,826,728	4,504,530,030
2023	3,760,499,126	3,623,942,013	1,697,136,920	1,296,397,335	5,457,636,046	4,920,339,348
2024	3,553,719,650	3,417,162,537	1,647,209,776	1,246,470,191	5,200,929,426	4,663,632,728

**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**

<u>Fiscal Year</u>	<u>Pledged Tax</u>	<u>Annual Percent</u>
<u>Ended September 30</u>	<u>Increment Revenue</u>	<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	37,743,270	12.69
2021	41,442,952	9.80
2022	42,013,475	1.38
2023	51,362,871	22.25
2024	52,194,461	1.62
2025	49,339,375	(5.47)

Source: City's ACFR, which reflects the deposit to the Redevelopment Trust Fund on or about December 31, 2024, based on January 1, 2024 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 have included 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>2023-2024</u>	<u>Amount</u>
	<u>Years</u>	<u>Maturity</u>	<u>Principal and Interest Payments</u>	<u>Outstanding 10/1/2024</u>
Camping World Stadium Renovation	26	2039	825,092	14,945,906
Total			<u>\$ 825,092</u>	<u>\$ 14,945,906</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>Years</u>	<u>Maturity</u>	<u>2023-2024</u> <u>Payment</u>
<u>Mixed Use/Residential:</u>			
Electronic Arts Tiburon (1)	15	2036	\$ 667,058
Sports and Entertainment District Development (2)	18	2042	-
Total			<u>\$ 667,058</u>

(1) The maximum incentive that can be received under the agreement is \$9,000,000. Through September 30, 2024, \$1,310,628 has been paid to Electronic Arts Tiburon.

(2) The maximum incentive that can be received under the agreement is \$40,000,000. No payments had been made as of September 30, 2024.

**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>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
Operating Costs	\$ 8,285.38 (1)	\$ 10,192.10 (3)	\$ 8,956.91	13,249.18 (5)	16,224.97
Maintenance Costs	2,149.66	1,991.18	1,939.91	2,131.23	2,031.37
Incentive Payments	1,662.73 (2)	612.50	325.10	643.57	146.63
Capital Projects	648.34	5,765.96 (4)	5,114.22	7,204.51 (5)	5,358.69
Debt Service Support	2,670.22	1,816.79	1,502.34	3,086.02	3,371.74
Total	<u>\$ 15,416.33</u>	<u>\$ 20,378.53</u>	<u>\$ 17,838.48</u>	<u>\$ 26,314.51</u>	<u>\$ 27,133.40</u>

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

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

(3) The increase in other contractual services is due to increase of downtown maintenance costs.

(4) The increase in infrastructure costs is due to Creative Village and Amelia Roadway improvements.

(5) The increase in operating costs in FY23 was due to increases in downtown maintenance costs and off duty policing. Capital cost increases were mostly tied to work on the Creative Village and The Canopy projects.

**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**

<b>Fiscal Year Ending Sept. 30</b>	<b>Tax Increment Revenue (1)</b>	<b>Combined Senior Lien Debt Service</b>	<b>Available After Senior Lien Debt</b>	<b>1st Level Junior Obligations Debt Service (2)</b>	<b>2nd Level Junior Obligations Payments (3)</b>	<b>Available for 3rd Level Junior Obligations Expenditures</b>
2024	\$ 52,194,461	\$ 8,917,792	\$ 43,276,669	\$ 1,344,251	\$ 897,043	\$ 41,035,375
2025	49,339,375	8,917,009	40,422,366	1,344,251	897,043	38,181,072
2026	49,339,375	8,917,076	40,422,299	1,344,252	897,043	38,181,004
2027	49,339,375	8,917,748	40,421,627	1,344,251	897,043	38,180,333
2028	49,339,375	8,917,777	40,421,598	1,344,251	643,571	38,433,776
2029	49,339,375	8,916,953	40,422,422	1,344,251	643,571	38,434,600
2030	49,339,375	8,917,060	40,422,315	1,344,251	643,571	38,434,493
2031	49,339,375	8,917,818	40,421,557	1,344,251	643,571	38,433,735
2032	49,339,375	8,916,941	40,422,434	1,344,251	643,571	38,434,612
2033	49,339,375	8,917,226	40,422,149	1,344,251	643,571	38,434,327
2034	49,339,375	8,917,346	40,422,029	1,344,251	643,571	38,434,207
2035	49,339,375	8,917,020	40,422,355	1,344,252	643,571	38,434,532
2036	49,339,375	8,916,968	40,422,407	1,344,252	643,571	38,434,584
2037	49,339,375	8,916,868	40,422,507	1,344,251	633,577	38,444,679
2038	49,339,375	8,917,406	40,421,969	1,344,251	-	39,077,718
2039	49,339,375	8,916,900	40,422,475	1,344,251	-	39,078,224
2040	49,339,375	8,917,560	40,421,815	-	-	40,421,815

- (1) For years ending September 30, 2024 and 2025 utilizes Tax Increment Revenue collected within the Downtown District during each fiscal year. For years ending 2026 through 2040, utilizes the Tax Increment Revenues (within the Downtown District) received for the fiscal year ending September 30, 2024 (collected as of December 31, 2023).
- (2) Reflects actual loan payments for the fiscal year ended September 30, 2024. Internal loans have a blended interest rate which is charged equally to all loan participants. The blended rate is based on actual fixed rates incurred on the external debt underlying the Internal Loan Fund program. The estimated interest rate for fiscal years 2024 through 2039 is 4.00%.
- (3) Reflects actual payments for the fiscal year ended September 30, 2024. For years ending 2025 through 2037 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 2020 THROUGH 2024

	Fiscal Year Ended 9/30/2020	Fiscal Year Ended 9/30/2021	Fiscal Year Ended 9/30/2022	Fiscal Year Ended 9/30/2023	Fiscal Year Ended 9/30/2024
<b>Assets</b>					
Current Assets	\$ 50,779,165	\$ 60,884,009	\$ 68,933,686	\$ 84,843,668	\$ 105,075,618
Restricted Assets	15,742,302	14,215,408	14,407,317	14,984,522	15,839,885
<b>Total Assets</b>	<u>\$ 66,521,467</u>	<u>\$ 75,099,417</u>	<u>\$ 83,341,003</u>	<u>\$ 99,828,190</u>	<u>\$ 120,915,503</u>
<b>Liabilities and Fund Balances</b>					
Current Liabilities	\$ 891,454	\$ 1,696,915	\$ 1,715,409	\$ 1,503,201	\$ 1,893,932
<b>Fund Balances (1)</b>					
Restricted	65,630,013	73,402,502	81,625,594	98,324,989	119,021,571
<b>Total Liabilities and Fund Balances</b>	<u>\$ 66,521,467</u>	<u>\$ 75,099,417</u>	<u>\$ 83,341,003</u>	<u>\$ 99,828,190</u>	<u>\$ 120,915,503</u>
<b>Operating Revenues</b>					
Tax Increment Fees	\$ 37,743,270	\$ 42,006,510	\$ 42,013,475	\$ 51,362,871	\$ 52,194,461
Income (Loss) on Investments	2,640,551	(42,819)	(2,840,693)	4,467,579	8,070,908
Other	1,148,524	661,664	125,544	387,339	824,108
<b>Total Operating Revenues</b>	<u>41,532,345</u>	<u>42,625,355</u>	<u>39,298,326</u>	<u>56,217,789</u>	<u>61,089,477</u>
<b>Operating Expenditures</b>					
Salaries, Wages, and Benefits	2,866,353	3,281,722	3,777,360	5,782,897	6,116,038
Contractual Services, Materials, and Supplies	6,995,462	8,028,329	6,343,397	8,724,545	11,080,331
Economic Development Incentives and Other	2,618,372	1,784,292	1,391,154	2,160,113	1,873,657
Sub Total	<u>12,480,187</u>	<u>13,094,343</u>	<u>11,511,911</u>	<u>16,667,555</u>	<u>19,070,026</u>
Capital Improvements	648,337	5,765,959	5,114,218	7,204,504	5,358,694
Debt Service:					
Principal	5,883,227	6,026,239	4,851,334	4,778,000	4,947,000
Interest and Other	5,767,886	5,058,145	4,302,648	4,139,606	3,840,408
<b>Total Operating Expenditures</b>	<u>24,779,637</u>	<u>29,944,686</u>	<u>25,780,111</u>	<u>32,789,665</u>	<u>33,216,128</u>
Operating Income (Loss)	<u>16,752,708</u>	<u>12,680,669</u>	<u>13,518,215</u>	<u>23,428,124</u>	<u>27,873,349</u>
<b>Non-Operating Revenue (Expenditures):</b>					
Operating Transfers (Net)	(5,133,918)	(4,908,179)	(5,450,732)	(6,748,446)	(7,176,770)
Refunding Bonds Issued	70,545,000 (2)	-	-	-	-
Premium (Discount) on Issuance of Bonds	(176,363)	-	-	-	-
Payment to Refunded Bond Escrow Agent	(70,154,354) (2)	-	-	-	-
Sale of Land	1,230,461	-	155,611	-	-
Insurance Recoveries	-	-	-	19,717	-
<b>Total Non-Operating Revenue (Expenditures)</b>	<u>(3,689,174)</u>	<u>(4,908,179)</u>	<u>(5,295,121)</u>	<u>(6,728,729)</u>	<u>(7,176,770)</u>
Net Change in Fund Balances	13,063,534	7,772,490	8,223,094	16,699,395	20,696,579
Fund Balances - Beginning	52,566,479	65,630,013	73,402,503	81,625,597	98,324,992
Fund Balances - Ending	<u>\$ 65,630,013</u>	<u>\$ 73,402,503</u>	<u>\$ 81,625,597</u>	<u>\$ 98,324,992</u>	<u>\$ 119,021,571</u>

Source: City of Orlando's ACFR.

(1) Fund Balances have been classified in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54.

(2) 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 was led by Thomas C. Chatmon Jr. from his appointment in February 2007 until June 2023. In October 2023, David Barilla was named DDB/CRA Executive Director.

David began his journey with the DDB/CRA in August of 2010, shortly thereafter becoming the Assistant Director of the Agency in October 2012. Prior to his 13 years with the DDB/CRA, David gained several years of experience in commercial real-estate with both local and national firms. He received his bachelor's degree from the University of Central Florida and his MBA from the University of Florida.

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 ten departments reporting to him: Business & Financial Services; Economic Development; Families, Parks and Recreation; Fire; Housing and Community Development; Human Resources; 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 Winderweede, 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, 2020, and 2024.

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

**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 Annual Comprehensive 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.

Michelle McCrimmon was appointed Chief Financial Officer on March 3, 2024. Prior to her appointment, Ms. McCrimmon served for nearly eight years as Deputy CFO and 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 Master of Business Administration from the University of Texas-Permian Basin, and a Bachelor of Science in Business Administration from the University of California, Riverside. She is also a Florida Certified Public Accountant.

Jose Fernandez was appointed Deputy Chief Financial Officer on March 31, 2024. Prior to his appointment, Mr. Fernandez served for four years as the Controller of the City of Orlando overseeing financial reporting, and accounting operations. Before joining the City Mr. Fernandez had over 28 years of experience working in various executive level positions with Miami-Dade County and the City of Miami. Mr. Fernandez holds a Bachelor of Accounting from Florida International University, a Master of Accounting from St. Thomas University, and is a Florida Certified Public Accountant.

Martin Carmody was appointed Deputy Chief Financial Officer on June 9, 2024. Prior to his appointment, he served as the City's Management and Budget Division Manager and led the Management and Budget Division since 2012. Prior to coming to the City, Mr. Carmody had over 15 years of experience working in various executive level positions with Washington DC and the City of Cleveland, including Deputy Chief Financial Officer (Washington DC), Director of Finance and Assistant Director of Finance (City of Cleveland). Mr. Carmody also worked for 7 years in business consulting with two international consulting firms.

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 Kia (formerly 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 added the Steinmetz Hall, a 3-tier, 1,700 seat acoustical theatre with an estimated construction budget of \$237.5 million. The Steimetz Hall opened in January of 2022.

Construction on the Kia 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 provided \$60 million from Tourist Development Taxes to further enhance the club space and enclosed party deck at Camping World Stadium. Work under that agreement was substantially completed in 2024.

**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 integrates higher education and residential uses, with new office space for high-tech and creative companies. This catalytic

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

project also offers 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, The Monroe, and Addition Financial. In August 2022, Luminary Green, a 2.3 acre park opened in the heart of Creative Village across from UnionWest. The park is a unique gathering space for residents, workers and students. A key feature of the park includes a dedicated area with lighted, glass and steel installations that posthumously honor individuals as Luminaries for their service to the Parramore-Callahan community.

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 has brought over 700 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-

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

rate residential units and approximately 10,000 sq. ft. of ground floor commercial space. Modera Creative Village opened in the first half of 2022.

Just south of Creative Village in Parramore, two affordable housing initiatives have been underway since 2017. The CRA Infill Homes which are 16 single family affordable houses and Parramore Oaks, a condo/townhome community with just over 200 affordable and market rate units.

### **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 DTOutlook), 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 DTOutlook 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.

Developer, Lincoln Property Company started construction on the \$120 million, 28-floor, Energy Star Certified, Truist Plaza Tower on South Street at the Church Street SunRail Station in late 2021. The high-rise took

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

two years to construct but now houses Truist Bank, RSM, HuntonBrady, E-Spaces, AC Hotel by Marriott with 180 rooms, Sky Bar, and a FoxTail Coffee Café.

In 2021, Downtown also saw the complete \$39 million renovation of 500 N. Orange Ave, a site that sat untouched for a decade and was home to the AT&T/BellSouth Regional Offices at one time. The 5-story, 114,000sq ft office building in the Central Business District, is now called The 500, and is estimated to have brought over 600 jobs to downtown.

Further, also in 2021, more residential units were built in the downtown corridor, including, Radius, a 13-story tower in the Lake Eola Heights neighborhood with 389 residential units, and MAA Robinson, an 11-story residential building at the corner of N. Orange Ave and Robinson St.

The Orlando Magic's new world-class training center, AdventHealth Training Center, broke ground in 2021 and completed in 2022. It is a 130,000 sq ft facility just north of Kia Center where the Orlando Magic host their games. The facility includes imaging, preventative care, Sports Med & Rehab, as well as Rothman Orthopedics.

Society Orlando, developed by Property Markets Group, completed its estimated \$200 million phase one in 2023, a two-towered mixed-use development of 26 and 16 stories. These towers bring an additional 707 residential units to downtowns Central Business District and over 36,000 sq ft of ground floor commercial space.

### **DOWNTOWN OUTLOOK 2023 PLAN AMENDMENT**

The Downtown Outlook 2023 Amendment was adopted on July 12, 2023. The Plan was updated as a result of ongoing redevelopment efforts and comprehensive research which identified three site specific projects in need of redevelopment. These sites include the design and construction of The Canopy under I-4, redevelopment of the former Bob Carr Theater, and implementation of the Lake Eola Master Plan. The CRA will continue to provide contractual safeguards within funding and development agreements to ensure that the redevelopment will be carried out pursuant to the CRA Plan, as amended, and will continue to provide for the retention of controls and establishment of appropriate restrictions or covenants running with the land as necessary to effectuate the purposes of the Redevelopment Act.

## **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.

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

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 and the City discontinued its financial participation in the remediation but maintained 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 began operation in 1996 and removed approximately 1,503 pounds of volatile organic compounds (VOCs) from the groundwater until it was shut down in 2016 due to the implementation of the I-4 Ultimate project. In 2021, an in-situ chemical oxidation (ISCO) project was completed to further reduce VOC concentrations in this area. The current footprint of the plume still remains within the October 1995 Consent Decree boundary except a small portion that is inaccessible underneath I-4, which will continue to degrade naturally without a need for the system to be reactivated.

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.

The City of Orlando has met its obligation for this project and is no longer an active participant or providing funding for the cleanup of the North Downtown Orlando Site project. A review of the latest report for the project, Northern Downtown Orlando Site – Area A (ERIC 5869), Year 26 Groundwater Remediation Project Annual Report for April 2023 - March 2024 (AΩTC, 2024), indicated that PCE has remained below the FDEP Groundwater Cleanup Target Level (GCTL). TCE concentrations remained above the Natural Attenuation Default Concentrations (NADC) in one monitoring well and was above the GCTL but below the (NADCs) for 11 of the 26 monitoring wells included in the sampling program. The TCE needs to fall below the NADC for two consecutive sampling events prior to the site being recommended for closure using a risk management option where groundwater use in this area and monitoring well installations will be controlled by the FDEP and St Johns Water Management District. Discussions are ongoing with the Sentinel and their current subcontractor for the removal of the former treatment system due to the forthcoming demolition of the existing lift station where the equipment is currently staged.

### **Former Spellman Engineering Site (FSSES)**

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 NPL 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.

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

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 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 migrated from the source area (the former Spellman Engineering property) to 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 migrated vertically and extended approximately 25 to 115 feet below ground surface but did not reach 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 which presented the selected cleanup remedy that included 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 were 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 to prevent the site from being added to the Superfund Program.

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 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 on the source property and included the impacts across the future LHPS property. 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 NPL, the City negotiated an agreement with EPA to complete the remediation effort, and contracted with ARCADIS to perform the cleanup using the same GRiP presented to LHPS. The City entered into a 7 Brownfields Site Remediation Agreement (BSRA) with the FDEP to qualify for Brownfield Voluntary Cleanup Tax Credits (VCTC) which would both be used to be reimbursed for a portion of the cleanup costs. The remainder of the cleanup costs were planned to be offset by the future sale of other City properties in the area.

ARCADIS installed an enhanced reductive dechlorination (ERD) treatment system and an ISCO system in 2011 and was operational through 2013. In 2012, an electrical resistivity heating (ERH) system was installed and operated from October 2012 through May 2013. After decommissioning of the ERH system a soil vapor extraction system was installed that operated from September 2013 through April 2014. A groundwater recovery treatment system (GRTS) was installed in May 2014 and remained operational until 2017. In August 2017, Arcadis submitted a Groundwater Monitoring report stating they had met the GRiP contract requirements with a 90% reduction being

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

achieved in select wells and ceased all remedial operations. After their departure from the site, it was determined that the reduction in the source area was not complete for all depth zones and the activities did not address contamination that was still present in the dissolved phase plume.

Starting in September 2017, the City contracted with Tetrattech to continue r remediation efforts by revamping the pump and treat system. Additional assessment was conducted by Tetrattech starting in 2018 to delineate the extent of the remaining contamination . The groundwater extraction system remained operational through 2022, when the cost of repairs exceeded the worth of the system. Geosyntec was contracted in 2020 to provide soil/groundwater assessment activities, to further evaluate the extent of the impacted media, and assist the City develop additional remedial options that would allow for future closure of the Site.

Redevelopment activities on the source area site (FSES) starting in 2022 allowed the City to gain access under the historic buildings to conduct additional assessment and remediation. In late 2021, Geosyntec implemented an enhanced in-situ bioremediation (EISB) remediation using emulsified vegetable oil (EVO) and emulsified zero valent iron (EZVI) to treat TCE-affected groundwater. Due to delays in the construction on the source site, two additional rounds of EISB injections were conducted on the FSES source site in May 2023 and February 2024 to expedite the degradation of the TCE and associated daughter products.

In 2023, development plans for a property located within the existing TCE plume for FSES were received by the City. After the demolition of all structures from this property, The City was granted access to allow for the collection of groundwater and soil characterization data. A remedial design using EISB was implemented on this property in the summer of 2024. Preliminary data collected in October 2024 showed decreased COC levels.

Discussions are ongoing between the City, the FDEP, and the EPA for a transition of the site to the FDEP once the NADCs have been achieved to allow for the implementation of a risk management option (RMO) strategy to provide for a non-deed restricted groundwater Institutional Control.

### **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 for over thirty years. In 1988-1989, the United States Geological Survey conducted a water quality monitoring study of the Upper Floridan aquifer, located about 200 feet below ground surface, which serves as a drinking water source for some utilities in the Central Florida region. . The OUC, which provides drinking water to the City of Orlando, utilizes the Lower Floridan aquifer which is approximately 1,200 feet below ground surface, as the City's water source. Previous studies showed potential evidence of contamination in the Upper Floridan aquifer that may 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.

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 residuals may have entered into the upper reaches of the Upper Floridan aquifer. The conclusion of the 2002 ESI study was that contamination appeared to have entered the aquifer through a direct conduit such as a drainage well(s) or discharge or condensate disposal pipes from the plant that may have been connected (presumably by the plant operators) directly to a drainage well. 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 because it was possible that the 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



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Responsible Party (PRP). As a result of the ESI study, EPA required the consortium to enter into an agreement to conduct a full Remedial Investigation/Feasibility Study (RI/FS).

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 has used its PRP status to allow technical and legal staff to provide input on remedial options, legal documents, and other coordination in this area.. The City's cost at this level of participation was estimated to be \$84,000.

To memorialize the City's participation in this program, there were five separate agreements which were approved by City Council and executed by the Mayor on November 10, 2003. The principal agreement was 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 included the contaminated on-site soils and groundwater in the surficial aquifer (land surface to the Hawthorn Group [45' to 60' bls]) and OU2 consisted 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 addressed the contaminated soils and surficial aquifer groundwater, which under Florida's regulations, was classified as a potential source of drinking water (G-II). The remediation was necessary to protect the public health and the environment from actual or threatened releases of pollutants from this Site.

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

In 2018, a barrier wall was constructed to 60 ft bls to contain the groundwater with the highest COC concentrations on site and allow for the installation of a recirculation system to treat this water. Between 2019 and 2020, the removal of impacted surface soils and MGP piping underneath Robinson Street and around the TECO gas building and the installation of multiple air sparge, extraction, and injection wells along with corresponding piping, vaults, and manifolds, were completed. The extraction/treatment/reinjection system is currently operational, and Geosyntec is performing regular O&M of the system and groundwater monitoring activities. Sampling is currently happening per the schedule approved by EPA. Concentrations in the wells sampled for OU-1 have decreased significantly and the MGP Group is currently in discussion regarding the potential to shut off the remedial system. This would involve the collection of groundwater samples on the current schedule to assess for potential rebound of the contaminants.

For OU2, Geosyntec completed a push pull study to gather data to be used for modeling selected remedial alternatives. The data was used to generate models that were included in the Feasibility Study (FS) for OU-2 to aid the EPA with the selection of a remedial strategy. The FS was submitted in the Summer of 2024 and should provide for the selection of a remedial alternative for OU-2 by mid-2025. The potential remedial options ranged from \$3M to \$22M. Discussions are ongoing with the EPA for the selection of a moderately aggressive remedial system rather than the most aggressive and expensive option.

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(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.

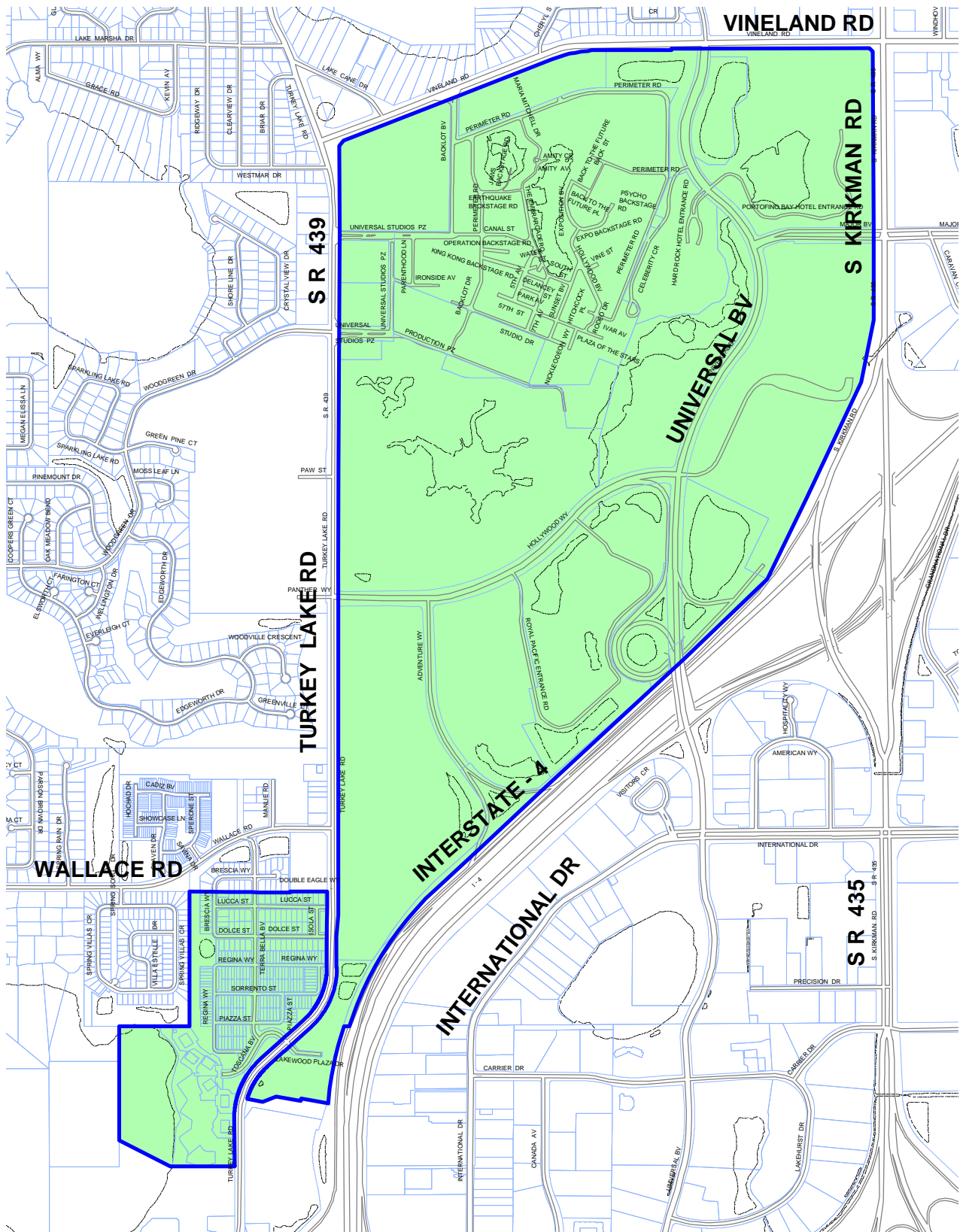
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The public infrastructure improvements financed within the Interstate 4/Republic Drive Interchange Community Redevelopment Area with the proceeds of the Series 1997A Bonds involved the following six general components:

- |                   |    |  |
|-------------------|----|--|
| <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.

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# I-4 / Republic CRA

 Community Redevelopment Area



April, 2008

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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>2024 Total Taxable Value (in Millions)</u>
<b>Theme Parks:</b>		
Universal Studios Theme Park	108.43	\$ 392.4
Islands of Adventure Theme Park	101.60	284.4
City Walk (Shopping/Entertainment)	35.15	129.5
Volcano Bay	31.35	136.1
Sub Total - Theme Parks		<u>942.4</u>
<b>Hotels:</b>		
Portofino Bay Hotel	51.77	247.8
Royal Pacific Resort	53.30	301.8
Hard Rock Hotel	20.16	219.1
Cabana Bay Beach Resort	39.58	292.2
Sapphire Falls Resort	20.86	216.1
Loews Aventura Hotel	5.86	80.5
Sub Total - Hotels		<u>1,357.5</u>
Parking Garages and People Mover	69.09	229.5
Hard Rock Live/Café	6.69	40.8
Studios and Production Lots	15.28	39.4
Loews Hotel Services/Creative Activities	10.03	24.7
Administrative Offices	4.22	15.2
Employee Parking Lots	24.89	48.8
Other parcels/uses	85.41	114.5
Residential/Homestead Property/Other	96.21	176.9
<b>Totals</b>	<u>779.88</u>	<u>\$ 2,989.7</u>

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

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**OUTSTANDING INDEBTEDNESS**

As of September 30, 2024, the Republic Drive District had two outstanding bond issuances that are described below. Both the Series 2012 and Series 2013 bonds were subsequently fully redeemed on April 1, 2025.

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.

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

<b>Fiscal Year Ending Sept. 30</b>	<b>2012 Bond Principal (1)</b>	<b>2012 Bond Interest</b>	<b>2013 Bond Principal (1)</b>	<b>2013 Bond Interest</b>	<b>Total Debt Service</b>	<b>Increment Revenues</b>	<b>Estimated Annual Debt Service Coverage</b>
2024	\$ 2,760,000	\$ 177,750	\$ 828,639	\$ 27,362	\$ 3,793,751	\$ 22,378,389	5.90
2025	<u>2,900,000</u>	<u>54,375</u>	<u>846,620</u>	<u>9,186</u>	<u>3,810,181</u>	<u>24,206,448</u>	6.35
TOTALS	<u>\$ 5,660,000</u>	<u>\$ 232,125</u>	<u>\$ 1,675,259</u>	<u>\$ 36,548</u>	<u>\$ 7,603,932</u>	<u>\$ 46,584,837</u>	

(1) Matures April 1st

**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.

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

**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 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 2015 through 2024, and the increase or decrease in assessed value for each year.

<b>Measuring Calendar Year (as of January 1)</b>	<b>Fiscal Year Ended September 30</b>	<b>Total Assessed Taxable Values</b>	<b>Increase/(Decrease) in Assessed Value Over Prior Year</b>	<b>Incremental Value</b>
2015	2016	\$ 1,519,017,042	\$ 325,384,618	\$ 1,194,554,602
2016	2017	1,623,430,455	104,413,413	1,298,968,015
2017	2018	1,982,699,646	359,269,191	1,658,237,206
2018	2019	2,062,675,871	79,976,225	1,738,213,431
2019	2020	2,298,865,515	236,189,644	1,974,403,075
2020	2021	2,299,462,304	596,789	1,974,999,864
2021	2022	1,997,869,381	(301,592,923)	1,673,406,941
2022	2023	2,215,382,087	217,512,706	1,890,919,647
2023	2024	2,505,895,163	290,513,076	2,181,432,723
2024	2025	2,623,168,947	117,273,784	2,298,706,507

**CITY OF ORLANDO, FLORIDA  
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(UNIVERSAL BOULEVARD) DISTRICT**

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.

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 2016 through 2025.

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

<b>Fiscal Year Ended Sept. 30</b>	<b>City of Orlando</b>	<b>Orange County</b>	<b>Total</b>
2016	5.6500	4.4347	10.0847
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	6.6500	4.4347	11.0847
2023	6.6500	4.4347	11.0847
2024	6.6500	4.4347	11.0847
2025 <sup>(1)</sup>	6.6500	4.4347	11.0847

(1) The City and Orange County have approved these millage rates for FY2024.

**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

**CITY OF ORLANDO, FLORIDA  
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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, (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**

<b>Fiscal Year Ended Sept. 30</b>	<b>Total Collections</b>	<b>Annual Rate of Growth/(Decrease)</b>	<b>Debt Service Coverage (1)</b>
2014	\$ 7,627,492	-5.0%	1.99
2015	9,152,762	20.0%	2.39
2016	12,579,214	37.4%	3.29
2017	13,678,736	8.7%	3.57
2018	17,462,008	27.7%	4.56
2019	18,304,195	4.8%	4.78
2020	20,791,381	13.6%	5.43
2021	20,797,665	0.0%	5.46
2022	17,621,752	-15.3%	4.62
2023	19,912,264	13.0%	5.23
2024	22,378,389	12.4%	5.87
2025 (2)	24,206,448	8.2%	6.35

(1) Debt service coverage is based on the combined MADS for both the Series 2012 and 2013.

Through 2020 MADS was \$3,829,216 and from 2021 through 2025 it is \$3,810,181.

(2) Reflects tax increment revenue collected as of December 31, 2024.

**Calculation of Increment Revenues - Fiscal Year 2025**

Assessed Value	\$ 2,623,168,947
Less Base Year Taxable Value	(324,462,440)
Fiscal Year 2025 Increment Taxable Value	2,298,706,507
Multiplied by Fiscal Year 2025 Millage Rate	11.0847
Increment Revenue (1)	24,206,448
Less Adjustments to Prior Year Assessed Values	-
Total Collections	<u>\$ 24,206,448</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.

<b>Fiscal Year Ending September 30,</b>	<b>2012 Bonds</b>		<b>Total Debt Service</b>
	<b>Principal</b>	<b>Interest</b>	
2025	\$ 1,765,000	\$ 136,875	\$ 1,901,875
2026	1,855,000	46,375	1,901,375
<b>Totals</b>	<b>\$ 3,620,000</b>	<b>\$ 183,250</b>	<b>\$ 3,803,250</b>

**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").

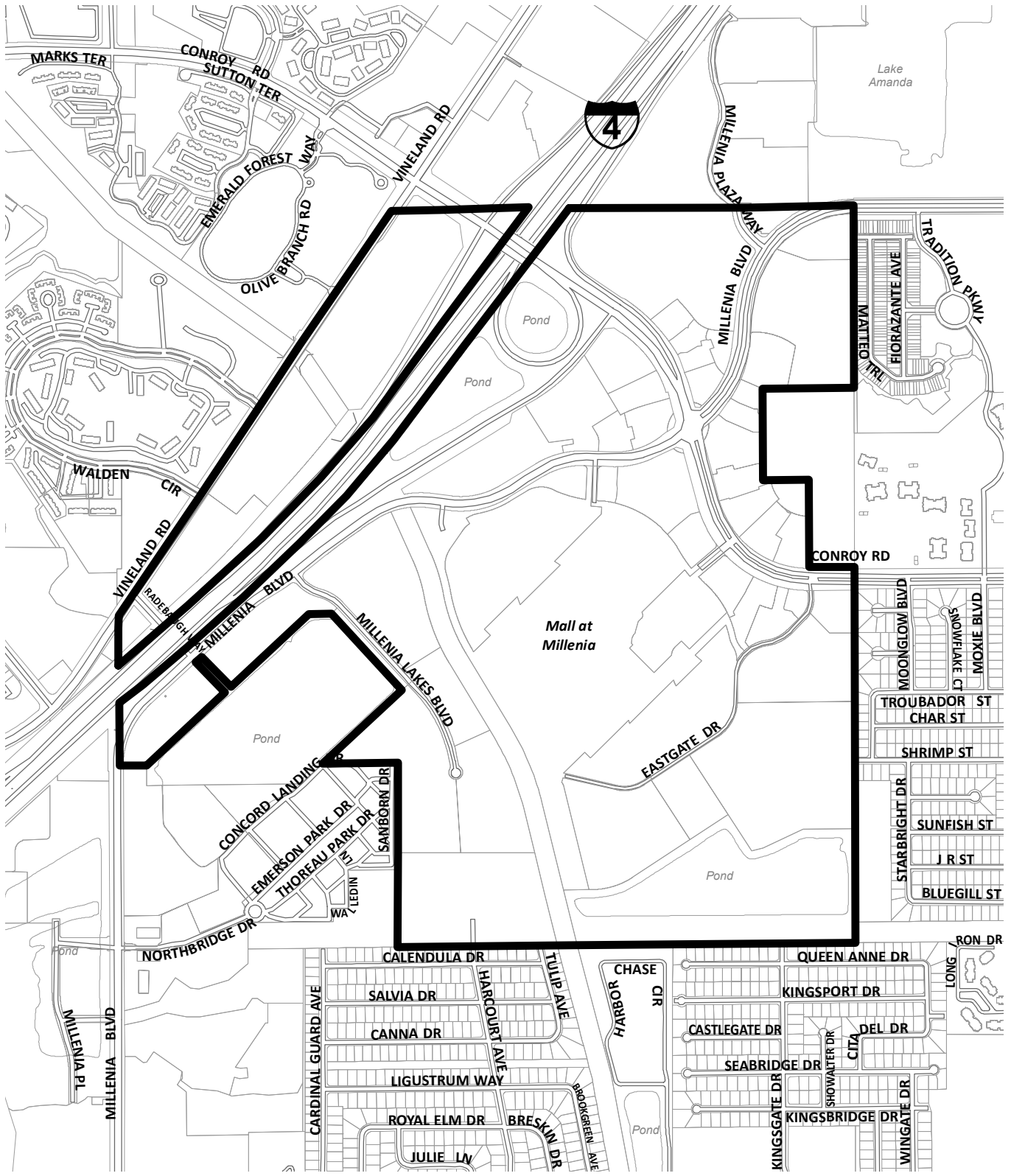
The Redevelopment Area consists of approximately 406 acres of land surrounding and including the Interstate 4/Conroy Road Interchange. The majority of the area has been developed for commercial and retail use, including a large shopping mall, other shopping centers, restaurants, office buildings and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

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

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

**USE OF TAXABLE PROPERTIES WITHIN THE REDEVELOPMENT AREA**  
**FOR CALENDAR YEAR 2024**

Parcel	Taxable Assessed		Property Use
	Value		
Mall at Millenia	\$ 266,560,801		Regional Shopping Center
M2 at Millenia	83,578,073		Apartment Complex
Altaire at Millenia	75,222,185		Apartment Complex
Aqua at Millenia Apartments	57,135,405		Apartment Complex
Millenia 700 Apartments	56,000,000		Apartment Complex
Marriot Springhill Suites	42,357,730		Hotel Extended Stay
Millenia Lakes II & III	38,879,800		Multi-Story Office Building
Millenia Lakes I	34,428,100		Apartment Complex
Ikea	31,948,574		Retail Big Box Large
Millenia Park One	28,001,589		Multi-Story Office Building
Target	25,980,782		Retail Big Box Large
City Furniture	21,870,761		Retail Big Box Medium
Porsche South Orlando	20,637,064		Vehicle Sale Showroom and Parking Garage
Macy's Mall Parcel	19,112,900		Department Store
Millenia Crossing-South	18,892,200		Community Shopping Center
Bloomingle's Mall Parcel	17,004,505		Department Store
Rooms To Go Furniture Corp	16,067,054		Commercial
Audi South Orlando	15,431,124		Vehicle Sale Showroom
Ferrari Maserati Central Florida	15,271,624		Vehicle Sale Showroom
Shoppes at Millenia	14,779,573		Community Shopping Center
Asurion/Cienega Gardens	13,638,685		Office Building
Mercedes Benz of South Orlando/Enterprise Rent A Car	13,350,167		Vehicle Sale Showroom
Aston Martin/Jaguar/Infiniti	13,224,038		Vehicle Sale Showroom
Biospine Institute	11,760,725		Multi-Story Office Building
Millenia Er/Msgold Holdings Orlando	7,666,952		Office Medical
Neiman Marcus Mall Parcel	7,323,201		Department Store
Panera/Shake Shack	6,637,797		Retail Restaurant
Millenia Place 2	5,793,885		Retail Restaurant
DSW Show Warehouse	5,365,207		Retail Big Box Small
The Container Store	4,856,553		Retail Big Box Small
Best Buy	4,475,748		Retail Big Box Small
Millenia Crossing-North	4,107,800		Retail
Other	8,493,465		
Total Taxable Assessed Value	\$ 1,005,854,067		



**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.

<b>Measuring Calendar Year (as of January 1)</b>	<b>Fiscal Year Ending September 30</b>	<b>Total Assessed Taxable Values</b>	<b>Increase/(Decrease) in Assessed Value Over Prior Year</b>	<b>Incremental Value</b>
2015	2016	\$ 451,665,390	\$ 56,166,474	\$ 445,163,225
2016	2017	499,521,840	47,856,450	493,019,675
2017	2018	551,198,389	51,676,549	544,696,224
2018	2019	609,957,565	58,759,176	603,455,400
2019	2020	707,772,276	97,814,711	701,270,111
2020	2021	837,222,382	129,450,106	830,720,217
2021	2022	857,268,211	20,045,829	850,766,046
2022	2023	1,014,865,684	157,597,473	1,008,363,519
2023	2024	1,065,115,159	50,249,475	1,058,612,994
2024	2025	1,005,854,067	(59,261,092)	999,351,902

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

The following table summarizes the actual tax increment revenues collected through fiscal year 2023.

<b>Fiscal Year Ended Sept. 30</b>	<b>Total Collections</b>	<b>Annual Rate of Growth/(Decrease)</b>	<b>Debt Service Coverage <sup>(c)</sup></b>
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	8,970,381	2.9	4.72
2023	10,638,743	18.6	5.59
2024	11,330,969	6.5	5.96
2025 (b)	10,308,734	(9.0)	5.42

(a) Debt service prior to Fiscal Year 2004 was partially paid with capitalized interest.

(b) Reflects tax increment revenue collected as of December 31, 2023.

(c) Debt service coverage through 2012 is calculated based on Maximum Annual Debt Service (MADS) on the Series 1998A Bonds, \$2,284,820; debt service coverage for 2013-2018 was calculated based on the MADS for the Series 2012 Bonds, which was \$1,903,125.

From 2019 to current through September 30, 2024, MADS is \$1,901,875.

## INVESTING IN OUR NEIGHBORHOODS

We're investing in our neighborhoods, providing residents with amenities and enhancements to our infrastructure like new, modern fire stations that deliver top-rated fire and medical service to our community.



OTHER SELF  
SUFFICIENT DEBT

# CITY OF ORLANDO, FLORIDA

## OTHER SELF SUFFICIENT DEBT BOND DISCLOSURE SUPPLEMENT

### SUMMARY INFORMATION Outstanding Balance as of September 30, 2024

TOURIST DEVELOPMENT TAX REVENUE BONDS (6TH CENT CONTRACT PAYMENTS)							
Individual Bond Issues:	Outstanding	Ratings (1)		Bond Insurer	Liquidity Facility	Trustee	Final Maturity (2)
Fixed Rate:							
Senior Tourist Development Tax Revenue Bonds (6th Cent Contract Payments), Series 2017A	\$ 159,870,000	Moody's S&P Fitch	N/A A A	Assured Guaranty	N/A	Computershare Orlando, FL	11/1/2038
2nd Lien Subord. Tourist Development Tax Revenue Bonds (6th Cent Contract Payments), Series 2017B	22,415,000	Moody's S&P Fitch	N/A N/A N/A	Assured Guaranty		Computershare Orlando, FL	11/1/2038
3rd Lien Subord. Tourist Development Tax Revenue Bonds (6th Cent Contract Payments), Series 2008C	-	Moody's S&P Fitch	N/A BB+ N/A	Assured Guaranty	N/A	Computershare Orlando, FL	11/1/2023
Total TDT Bonds Outstanding	<u>\$ 182,285,000</u>						
<u>Debt Service Reserves:</u>							
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	\$ -						
3rd Lien Debt Service Reserve	\$ -						
<u>Revenue Pledge:</u>							
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.							
2) The stated final maturity for Series 2008C was 11/1/2038. However, Series 2008C was fully redeemed on 11/1/2023 with available surplus revenues on hand.							

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	\$ 20,360,000	Moody's Aa2	Fitch AA+	N/A	N/A	Computershare Orlando, FL	2/1/2038
Total Sales Tax Bonds Outstanding	\$ 20,360,000						
<u>Debt Service Reserves:</u>							
Debt Service Reserve	N/A						
<u>Revenue Pledge:</u>							
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 (6<sup>TH</sup> CENT CONTRACT PAYMENTS)**

#### **INTRODUCTION**

The Tourist Development Tax (TDT) Revenue Bonds (6<sup>th</sup> 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. On December 20, 2023, the Amway Center was renamed to the Kia Center.

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 6<sup>th</sup> 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 two years and surpassed pre-pandemic levels. On March 15, 2022, Fitch revised the outlook on the Series 2017A Bonds to “Stable” from “Negative.” On November 1, 2022, S&P revised its outlook on both the Series 2017A Bonds and the Series 2008C Bonds to “Stable” from “Negative.” On March 9, 2023 Fitch upgraded the rating on the Series 2017A Bonds to “BBB” from “BBB-” and maintained the outlook as “Stable.” On March 4, 2024, Fitch again upgraded the rating on the Series 2017A Bonds to “A” from “BBB.”

#### **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 (6<sup>th</sup> Cent Contract Payments), Series 2017A and the Second Lien Subordinate Tourist Development Tax Refunding Revenue Bonds (6<sup>th</sup> Cent Contract Payments), Series 2017B. This issuance fully refunded the Series 2008A and Series 2008B 6<sup>th</sup> 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.

In November 2024, the City and County approved the "Interlocal Funding Agreement between Orange County, Florida, and the City of Orlando, Florida, for Kia Center" (2024 Kia Interlocal Agreement). The 2024 Kia Interlocal Agreement sets forth the agreement between the City and Orange County for various capital improvements to the Kia Center. The capital improvements to be incurred by the City are designed to ensure the arena's long-term functionality, sustainability, and competitiveness with similar arenas. The County has agreed to provide TDT sixth cent revenues in the amount of \$226,000,000 to finance the cost of the capital improvements. The financing mechanisms will involve the City's issuance of bonds whose debt service will be paid from sixth cent tourist development tax revenues. It is anticipated that the City will use short term financing mechanisms to fund initial Kia Center Improvements until the issuance of new bonds in 2027, which is the year the 6<sup>th</sup> Cent Contract TDT Series 2017A and 2017B Refunding Revenue Bonds become callable.

In November 2024, the City and County also approved the "Interlocal Funding Agreement between Orange County, Florida, and the City of Orlando, Florida, for Camping World Stadium Improvements" (2024 Camping World Stadium Interlocal Agreement). The 2024 Camping World Stadium Interlocal Agreement sets forth the agreement between the City and Orange County for the construction and financing of improvements to Camping World Stadium. The improvements to be constructed by the City are designed to elevate the stadium's competitiveness with similar stadiums. The County has agreed to provide tourist development tax revenues in the amount of \$400,000,000 to

## **CITY OF ORLANDO, FLORIDA**

finance the cost of the improvements. The County contribution of TDT revenues for the Camping World Stadium Improvements project will come from the first four cents of TDT collections. The financing mechanism will be the City's issuance of bonds whose debt service will be paid from tourist development tax revenues. City anticipates issuing bonds for the Camping World Stadium Improvements in FY 2025.

### **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."

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.

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# CITY OF ORLANDO, FLORIDA

## TOURIST DEVELOPMENT TAX COLLECTIONS

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

### ORANGE COUNTY, FLORIDA SIXTH CENT TDT MONTHLY COLLECTIONS FISCAL YEARS ENDED SEPTEMBER 30, 2023 AND 2024

Sixth Cent TDT Collections				
Collection Month (1)	Unaudited FY 2023	Unaudited FY 2024	Year/Year Change	Y/Y Percent Change
October	\$ 5,261,089	\$ 4,904,802	\$ (356,287)	-6.8%
November	5,149,305	4,957,540	(191,765)	-3.7%
December	5,208,030	4,992,687	(215,344)	-4.1%
January	4,858,859	5,092,298	233,440	4.8%
February	5,460,743	5,684,753	224,010	4.1%
March	6,508,987	6,760,777	251,790	3.9%
April	5,635,061	5,067,885	(567,176)	-10.1%
May	4,390,483	4,735,191	344,708	7.9%
June	5,013,113	5,101,659	88,546	1.8%
July	4,548,407	4,442,211	(106,196)	-2.3%
August	3,729,439	3,842,529	113,090	3.0%
September	4,123,900	4,328,435	204,535	5.0%
TOTAL	\$ 59,887,415	\$ 59,910,765	\$ 23,350	0.0%

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 2025 compared with prior year collections during the same timeframe:

### ORANGE COUNTY, FLORIDA SIXTH CENT TDT MONTHLY COLLECTIONS FIVE MONTHS ENDED FEBRUARY 28-29, 2024 AND 2025

Sixth Cent TDT Collections				
Collection Month (1)	Unaudited FY 2024	Unaudited FY 2025	Year/Year Change	Y/Y Percent Change
October	\$ 4,904,802	\$ 4,911,367	\$ 6,565	0.1%
November	4,957,540	5,298,050	340,510	6.9%
December	4,992,687	5,293,567	300,880	6.0%
January	5,092,298	5,564,150	471,852	9.3%
February	5,684,753	5,913,883	229,131	4.0%
TOTAL	\$ 25,632,079	\$ 26,981,017	\$ 1,348,937	5.3%

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).

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.

# CITY OF ORLANDO, FLORIDA

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

<b>Fiscal Year Ended</b> <b><u>September 30,</u></b>	<b>One Cent of County</b> <b><u>TDT Collections</u></b>	<b>Percent Change</b> <b><u>From Prior Year</u></b>
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%
2022	56,053,206	90.1%
2023	59,887,415	6.8%
2024	59,910,765	0.0%

Source: Orange County Comptroller's Office.

# CITY OF ORLANDO, FLORIDA

## CONTRACT SIXTH CENT REVENUES

### Historical Contract 6<sup>th</sup> 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 2023-2024

Fiscal Year Ended September 30	Components of Contract Sixth Cent Revenue			Year/Year % Change
	50% of Sixth Cent TDT for Current Fiscal Year	Installment Payment <sup>(1)</sup>	Total Contract Sixth Cent Revenues	
2009	\$ 11,844,331	\$ 2,828,065	\$ 14,672,396	-
2010	12,312,036	2,828,065	15,140,101	3.19%
2011 <sup>(2)</sup>	14,654,264	2,828,065	17,482,329	15.47%
2012 <sup>(2)</sup>	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%
2022	27,968,967	-	27,968,967	90.31%
2023	29,831,641	-	29,831,641	6.66%
2024	29,955,271	-	29,955,271	0.41%

(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 6<sup>TH</sup> CENT REVENUES RECEIVED BY TRUSTEE FISCAL YEARS ENDED SEPTEMBER 30, 2023 AND 2024

Contract 6th Cent Revenues					
Collection Month (1)	Unaudited FY 2023	Unaudited FY 2024	Year/Year Change	Y/Y Percent Change	
October	\$ 2,630,544	\$ 2,452,401	\$ (178,143)	-6.8%	
November	2,574,652	2,478,769	(95,884)	-3.7%	
December	2,604,015	2,496,343	(107,672)	-4.1%	
January	2,429,429	2,546,149	116,720	4.8%	
February	2,730,371	2,842,269	111,898	4.1%	
March	3,254,493	3,380,388	125,895	3.9%	
April	2,817,530	2,533,942	(283,588)	-10.1%	
May	2,195,241	2,367,595	172,354	7.9%	
June	2,506,556	2,550,829	44,273	1.8%	
July	2,274,201	2,221,105	(53,096)	-2.3%	
August	1,864,719	1,921,266	56,547	3.0%	
September	1,949,891	2,164,217	214,326	11.0%	
<b>TOTAL</b>	<b>\$ 29,831,641</b>	<b>\$ 29,955,271</b>	<b>\$ 123,630</b>	<b>0.4%</b>	

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 6<sup>TH</sup> CENT REVENUES RECEIVED BY TRUSTEE FIVE MONTHS ENDED FEBRUARY 28-29, 2024 AND 2025

Contract 6th Cent Revenues					
Collection Month (1)	Unaudited FY 2024	Unaudited FY 2025	Year/Year Change	Y/Y Percent Change	
October	\$ 2,452,401	\$ 2,465,507	\$ 13,107	0.5%	
November	2,478,769	2,656,838	178,069	7.2%	
December	2,496,343	2,664,907	168,564	6.8%	
January	2,546,149	2,795,651	249,502	9.8%	
February	2,842,269	2,967,039	124,770	4.4%	
<b>TOTAL</b>	<b>\$ 12,815,930</b>	<b>\$ 13,549,942</b>	<b>\$ 734,012</b>	<b>5.7%</b>	

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 6<sup>th</sup> 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 Ending 11/1</u>	<u>Installment Payment Amounts<sup>(1)</sup></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)**

Prior to the remaining principal on the Series 2008C Bonds being fully redeemed on November 1, 2023, in the amount of \$6,250,000, the Third Lien Subordinate Indenture provided that certain revenues, if available, would 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 were used to make Series C Bonds Target Principal Amounts redemptions occurred 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, were satisfied.

Also prior to the full redemption of the Series 2008C Bonds, to the extent moneys 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 would redeem up to, but not exceeding, 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.

## **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+." 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

## **CITY OF ORLANDO, FLORIDA**

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.

On April 14, 2010, Standard & Poor's Ratings Services ("S&P") downgraded its underlying rating on the 2008A Bonds to "BB" from "A+." S&P downgraded its underlying rating on the 2008B Bonds to "CCC" from "A." 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 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. S&P revised the Outlook 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.

## **CITY OF ORLANDO, FLORIDA**

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

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.

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.

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.

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

On November 1, 2022, S&P affirmed its “A” rating on the Series 2017A Senior TDT refunding revenue bonds and its “BB+” rating on the Series 2008C bonds. The outlook was revised to Stable from Negative for both series.

On March 9, 2023, Fitch upgraded its rating on the Series 2017A Senior TDT refunding revenue bonds to “BBB.” The outlook remained Stable.

On March 4, 2024, Fitch upgraded its rating on the Series 2017A Senior TDT refunding revenue bonds to “A.” The outlook remained Stable.



**CITY OF ORLANDO, FLORIDA**

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

<b>Bond Year Ending 11/1</b>	<b>Series 2017A</b>			<b>Series 2017B</b>			<b>Aggregate Debt Service</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Principal</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Principal</b>	<b>Interest</b>	<b>Debt Service</b>
2025	\$ 7,780,000	\$ 7,623,000	\$ 15,403,000	\$ 1,090,000	\$ 1,068,750	\$ 2,158,750	\$ 8,870,000	\$ 8,691,750	\$ 17,561,750
2026	8,170,000	7,234,000	15,404,000	1,145,000	1,014,250	2,159,250	9,315,000	8,248,250	17,563,250
2027	8,575,000	6,825,500	15,400,500	1,205,000	957,000	2,162,000	9,780,000	7,782,500	17,562,500
2028	9,005,000	6,396,750	15,401,750	1,265,000	896,750	2,161,750	10,270,000	7,293,500	17,563,500
2029	9,455,000	5,946,500	15,401,500	1,325,000	833,500	2,158,500	10,780,000	6,780,000	17,560,000
2030	9,930,000	5,473,750	15,403,750	1,395,000	767,250	2,162,250	11,325,000	6,241,000	17,566,000
2031	10,425,000	4,977,250	15,402,250	1,460,000	697,500	2,157,500	11,885,000	5,674,750	17,559,750
2032	10,945,000	4,456,000	15,401,000	1,535,000	624,500	2,159,500	12,480,000	5,080,500	17,560,500
2033	11,495,000	3,908,750	15,403,750	1,610,000	547,750	2,157,750	13,105,000	4,456,500	17,561,500
2034	12,065,000	3,334,000	15,399,000	1,690,000	467,250	2,157,250	13,755,000	3,801,250	17,556,250
2035	12,670,000	2,730,750	15,400,750	1,775,000	382,750	2,157,750	14,445,000	3,113,500	17,558,500
2036	13,305,000	2,097,250	15,402,250	1,865,000	294,000	2,159,000	15,170,000	2,391,250	17,561,250
2037	13,970,000	1,432,000	15,402,000	1,960,000	200,750	2,160,750	15,930,000	1,632,750	17,562,750
2038	14,670,000	733,500	15,403,500	2,055,000	102,750	2,157,750	16,725,000	836,250	17,561,250
<b>Total</b>	<b>\$ 152,460,000</b>	<b>\$ 63,169,000</b>	<b>\$ 215,629,000</b>	<b>\$ 21,375,000</b>	<b>\$ 8,854,750</b>	<b>\$ 30,229,750</b>	<b>\$ 173,835,000</b>	<b>\$ 72,023,750</b>	<b>\$ 245,858,750</b>

## **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. . On December 20, 2023, the Amway Center was renamed to the Kia Center. The Series 2008 Bonds were refunded on September 28, 2016 to produce savings to be used for future capital projects at the Kia 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 KiaCenter 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 Kia 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 Kia Center has been certified as a “facility for a new professional sports franchise” under this statute.

## CITY OF ORLANDO, FLORIDA

The following Table reflects the collection and distribution of State sales and use tax revenues for the State fiscal years 2017-2026.

### State of Florida Collection and Distributions of the General Sales and Use Tax State Fiscal Years 2017-2026 (in thousands)

	Collections <sup>1</sup>		Distributions <sup>1</sup>			
State Fiscal Year Ended June 30			State Transportation and Other Trust Funds	Local Governments	Sports Facilities Transfer	Other Distribution After Sports Facilities Transfer
2026 (2)	\$	41,675,400	\$ 27,700	\$ 4,235,600	\$ 20,200	37,391,900
2025 (2)		40,306,700	27,700	4,097,800	23,800	36,157,400
2024		41,084,807	27,684	4,169,721	25,667	36,861,735
2023		41,151,629	184	4,204,981	28,458	36,918,006
2022		38,581,580	184	3,950,361	28,500	34,602,535
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

(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 2025 and 2026 are estimates.

### Certification of Kia Center

The City received certification for the Kia 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, 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>\$ 20,360,000</u>	<u>\$ 6,570,075</u>	<u>\$ 26,930,075</u>	<u>\$ 26,930,075</u>

**CITY OF ORLANDO, FLORIDA**



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## EXPANDING TRANSIT OPTIONS

Embracing transit through Brightline and SunRail will provide more opportunities for people to travel throughout our community and region without the need for a car.





## **DEBT MANAGEMENT POLICY**

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# **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 SSGFC loans were later refinanced when the SSGFC was dissolved in April of 2023.

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 1<sup>st</sup>, 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%). In recent years, the spread has compressed as the yield curve has flattened and fixed rates have lowered significantly, thus making Fixed Rate debt for longer term financings more attractive at this time. 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**

<u>Overall City and CRA</u>	<u>Targets</u>
<ul style="list-style-type: none"><li>Fixed Rate<ul style="list-style-type: none"><li>Goal</li></ul></li></ul>	75-90%
<ul style="list-style-type: none"><li>Unhedged or Net Variable Rate:<ul style="list-style-type: none"><li>Goal</li><li>Maximum</li></ul></li></ul>	10-25% 25%

## Covenant Program

The following targets are established for the Covenant Program:

<u>Covenant Program</u>	<u>Targets</u>
• Fixed Rate	
• Goal	75-90%
• Unhedged or Net Variable Rate:	
• Goal	10-25%
• Maximum	25%

## 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	25%
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 Sections 2 - 4 , 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 1<sup>st</sup> 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 24, 2025.

## **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 9/30/24</u>
• Fixed Rate		
• Goal	75-90%	100%
• Unhedged or Net Variable Rate:		
• Goal	10-25%	0%
• Maximum	25%	

**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, 2023

<u>Covenant Program</u>	<u>Targets</u>	<u>Actual 9/30/24</u>
• Fixed Rate		
• Goal	75-90%	100%
• Unhedged or Net Variable Rate:		
• Goal	10-25%	0%
• Maximum	25%	

**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 9/30/24</u>
Wastewater	25%	0%
Parking	15%	0%
CRA (Downtown District)	15%	0%
Special Assessment	N/A	N/A
New Debt Programs:	TBD	N/A

# CITY OF ORLANDO

## DEBT MANAGEMENT POLICY

### Measures of Future Flexibility

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> 9/30/2024
General Government Debt Service as a percentage of non-ad valorem General Fund expenditures:		
• Debt Limit (within the covenant program limitation)	20% max.	9.3%
• 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.	7.7
• Non self-supporting	20 year max.	9.8
Weighted Average Maturity of Internal Loan Program	12 year max.	9.9
General Government Direct Debt per capita	\$1,375 max.	\$967
Net Direct Tax Supported Debt as a percentage of ad valorem property values:		
• General Government	2.5% max.	.7%
• Total Tax Supported	3.5% max.	.9%
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%	25.7%(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)**

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## **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 1<sup>st</sup> 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 24, 2025.

## 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**

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# **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. Investment Decisions
  - (a) As used in this subsection, the term "pecuniary factor" means a factor that the governing body of the unit of local government, or in the absence of the existence of a governing body, the respective principal officer of the unit of local government, prudently determines is expected to have a material effect on the risk or returns of an investment based on appropriate investment horizons consistent with applicable investment objectives and funding policy. The term does not include the consideration of the furtherance of any social, political, or ideological interests.
  - (b) Notwithstanding any other law, when deciding whether to invest and when investing public funds pursuant to this section, the unit of local government must make decisions based solely on pecuniary factors and may not subordinate the interests of the people of this state to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor. The weight given to any pecuniary factor must appropriately reflect a prudent assessment of its impact on risk or returns.
- C. 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 1<sup>st</sup> 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 24, 2025.

