

Minutes

Tourist Development Tax Sports Incentive Committee (“SIC”) Meeting February 11, 2019, 1:00 p.m., Orange County Commission Chambers

Call to Order

Kevin Shaughnessy called the meeting to order at 1:00 p.m.

Present: 6 – Tara Early, Lena Combs, Dan Giordano, Kevin Kennedy, Mark Politte,
Kevin Shaughnessy

Absent: 1 – Faron Kelley

Others Present:

Senior Assistant Orange County Attorney Lila McHenry

Visit Orlando COO/CFO Larry Henrichs

Visit Orlando Sr. Dir. of Market Research & Insights Daryl Cronk

Visit Orlando Assistant to the COO/CFO Rachel Scott

Pledge of Allegiance

Lena Combs led the Pledge of Allegiance.

Public Comment

No one addressed the Committee with public comment.

Approve Minutes from September 24, 2018 SIC Meeting

Motion to approve made by Lena Combs, seconded by Dan Giordano.

The approval of the September 24, 2018 SIC meeting minutes passed unanimously with all members present voting “AYE”.

2019 Meeting Dates

Discussion of item was moved to after Review of Applications.

The Committee reviewed the 2019 meeting dates. The following changes were made to the 2019 meeting dates:

- April meeting cancelled, due to two members unable to attend.
 - If an emergency application is submitted, we poll for a quorum with the remaining members.
- Replace the November and December meeting dates with one meeting in the second week of December.

Review of Applications

Larry Henrichs provided an overview of the two presentations, noting the second presentation was not the usual request for funding to secure an event but funding to pursue an event. He then introduced Jason Siegel, Chief Executive Officer, Greater Orlando Sports Commission.

2019 & 2021 NCAA Men's & Women's Tennis Championship

Jason Siegel presented an overview of the 2019 & 2021 NCAA Men's & Women's Tennis Championship. Mr. Siegel talked about the last NCAA bid cycle, covering 2018 – 2022, noting 2019 will be the first time Orlando has hosted the Division 1 Tennis Championships. The University of Georgia has hosted this event four out of the last ten years. The event will take place in May when hotel occupancy rates are lower than average. The Tennis Channel will cover 50 hours of coverage. Venue will be the USTA National Campus with projected 9,000 in attendance, 3,000 room nights, and \$2,000,000 economic impact for each event. The request is for \$25,000 for each year for contract labor and equipment rentals.

Dan Giordano asked where the University of Georgia has hosted the event. Mr. Siegel stated they have always hosted the event at their university.

Chairman Shaughnessy disclosed that his firm does work for the USTA and Tavistock, and he noted that he directly has done work for Tavistock. Since the request is coming from the Greater Orlando Sports Commission and the owner of the event is the NCAA, Lila McHenry confirmed there is not a conflict of interest issue.

Daryl Cronk then presented an overview of the application submitted by the Greater Orlando Sports Commission. He noted that the events are already booked in Orlando, and the money is not intended to be used for marketing or promotion of the event. Also, it appears the requested funds will be used to partially offset a loss from hosting the event as the event budget submitted with the application shows expenses exceeding revenues. The incentive fund framework specifies the following guidelines if the funding is to cover "Event losses" related to site fees, venue rentals, staffing costs, etc.:

- Any grant for event losses may only be awarded in a "not to exceed" amount
- To be paid after an event has taken place and following revenue/expense reconciliation
- Shall be payable only in the event an actual loss has taken place and only on the basis of venue or site fees or rental rates calculated on the basis of the rates and fees offered to "most favored clients."

The Committee asked about clarification regarding qualified expenses and additional funding.

After discussion, motion made by Lena Combs to approve the request as presented was amended to be subject to compliance with the "event loss" guidelines, seconded by Kevin Kennedy. The recommendation that the requested funding for the 2019 & 2021 NCAA Men's and Women's Tennis Championships, with the noted compliance, be presented to the Orange County Board of County Commissioners for final approval passed unanimously with all 6 members present voting "AYE".

2026 FIFA World Cup Pursuit Funding

Jason Siegel recognized John Kristick, Executive Director for the United Bid Committee that won the rights for World Cup for North America. Mr. Siegel then presented an overview of the 2026 FIFA World Cup Pursuit Funding. Mr. Siegel talked about key dates documenting the timeline of the bid process. He noted that on October 4, 2018, Orlando was chosen as one of 32 remaining cities. Mr. Siegel and his team have been working with the City of Orlando, Orlando City Soccer, and multiple tourism partners. There is a possibility to also host test matches in 2025 and qualifying matches in 2022. Mr. Siegel then went over a recap of 2018 Russia World Cup, overall tourism figures, ranking of venues, and city selections.

The Committee asked various questions about how our stadium compared to the competition. Mr. Siegel said the \$60M slated for Camping World Stadium renovations will help our competitiveness. The expectation is that the locations for the opening ceremony and final matches will be awarded based on higher capacity and newer stadiums. He was confident of our position competing to get opening rounds and group match play. It was clarified that Greater Orlando Sports Commission would be the steward of the \$1,000,000 requested. Use of funding will include: advisory services, financial services, sports and marketing event management services, legal and public relations, and hosting of site visits.

Daryl Cronk presented an overview of the application submitted by the Greater Orlando Sports Commission. Mr. Cronk noted any estimate of the potential impact of World Cup games in Orlando is a very rough guess at this point, given we do not know the dates, the number of games that will be played in Orlando, or the appeal of the teams assigned to Orlando. The games will provide a significant economic impact to the area, although some of the impact will be offset by displacement of the traditional summer travel. The games reach a worldwide TV and online audience. Factors to keep in mind when considering this application:

- The potential for displacement of Orlando's key summer travel audience should be seriously considered when evaluating the potential economic impact of the games. Displacement can be caused by a couple factors. First, demand generated by the games can make it difficult for vacationers to find hotel rooms. Second, demand generated by the games can push hotel prices to unusually high rates and thereby price-out vacation travelers.
- We know that if Orlando is selected as a host city there will be another request for significant funding; estimates of the additional funds needed range from \$30 million to as much as \$80 million. After taking into account the amount of funding required of a host city, the potential ROI is a relatively low ratio despite the estimates of a large economic impact.
- The stated use of funds is vague.

The Committee discussed the issue of displacement.

Motion to approve the request as presented, with assurances that there be feedback on the private side contribution to the event, was made by Dan Giordano, seconded by Kevin Kennedy. The recommendation that the requested funding, with the noted compliance, for the 2026 FIFA World Cup Pursuit Funding be presented to the Orange County Board of County Commissioners for final approval was passed unanimously with all 6 members present voting "AYE".

New Business

None.

Adjournment: 1:59 p.m.

ATTEST:



Chairman Kevin Shaughnessy

Date: May 13 2019