



TOURIST DEVELOPMENT COUNCIL

Friday, March 26, 2021
201 S. Rosalind Avenue, 1st Floor, BCC Chamber
Orlando, FL 32801

The Tourist Development Council meeting was called to order by Orange County Mayor/TDC Chairman Jerry L. Demings at 9:04 a.m.

Quorum: Established

Members Present:

Chairman/Orange County Mayor Jerry L. Demings
Mayor Buddy Dyer, City of Orlando
Mayor A. Dale McDonald, City of Maitland
Jodi Bainter, Director, Central Florida Sales and Marketing Distribution Strategy, Disney Destinations, LLC
Jörg Heyer, Area General Manager, Sheraton Vistana Resort
Jesse Martinez, General Manager, The Alford Inn at Rollins
Rick Pullum, President, One Florida Bank

Member Attended Virtually:

David Bartek, Vice President of Operations, Loews Hotels at Universal Orlando

Member Absent:

John Stine, General Manager/Director of Business Development, Icon Park

Pledge of Allegiance – Jodi Bainter

Call for Public Comment – Robert Agrusa, President/CEO of the Central Florida Hotel & Lodging Association, 6675 Westwood Blvd., Orlando, FL 32821, addressed the Council by introducing himself and stating he is looking forward to the working relationships.

Approval of the December 4, 2020 TDC Meeting Minutes

A motion was made by Mayor A. Dale McDonald and seconded by Mayor Buddy Dyer to approve the minutes from the December 4, 2020 meeting of the Tourist Development Council. The motion carried by a unanimous vote of all members present.

Economic Outlook

Sean Snaith, Ph.D., Director, Institute for Economic Competitiveness, University of Central Florida, presented a report that included an outlook of the U.S., regional and Orlando forecasts with a quarterly view of economic activity over the past year leading into 2022.

Dr. Snaith stated the U.S. has exhibited an excess of 5% growth over the past year as it exited a deep recession, which ended in May or June of 2020. The dissipation of the pandemic impact

will depend heavily on continuing the distribution of vaccines and the people naturally acquiring immunity, which will drive COVID-19 numbers to a point where it will no longer be a factor. Data shows consumer spending continues to be a large part of what fuels the economy's recovery. Discretionary spending on items such as dining and travel is not where it was pre-pandemic. However, consumer spending is showing some growth while positively affecting the tourism sector for the region. Summer travel will begin to look like more like 2019 as leisure visitation and business travel increase. Growth in these areas will be more apparent as we approach 2022. Dr. Snaith mentioned policies and public health measures have assisted Florida with recovering faster than some other areas. Data presented shows the beginning of the devastation of Florida's labor market, and now the obvious upward trends of growth. Dr. Snaith stated with policy measures and vaccination implementation in place, unemployment will more than likely fall and payroll will continue to grow in an upward pattern as recovery continues. International travel is still experiencing more difficulty with recovery than business and leisure with the restrictions that are in place.

Dr. Snaith concluded his report by stating the leisure hospitality data shows us in a better place, ahead of schedule and expectations in terms of the economic recovery. He spoke about the damage that impacted our economy. His outlook shows overall growth trends for the region as compared to a year ago.

Orange County Convention Center Report

Mark Tester, Executive Director, Orange County Convention Center, presented a report that included a recap of FY 2019-2020, second quarter recap of FY 2020-2021 convention activity, rescheduled and cancelled events, FY 2020-2021 upcoming third quarter activity and Convention Center staff reassignments.

Mr. Tester stated once health measures and other safety protocols were implemented the Orange County Convention Center paved the way for facilities in the convention industry to safely reopen. The partnership with Orlando Health allowed the Convention Center to host over 50 successful events under modified operations. This yielded an economic impact of \$226 million dollars. He also mentioned two of the larger competitors have announced their reopening (Las Vegas in June and Chicago in July). The Convention Center has also acquired events from other centers that have not been able to reopen.

Mr. Tester went on to say before the onset of Covid-19, FY 2019-20 was projected to be a record year for the Convention Center with \$1.49 billion dollars in economic impact, 79 total events and 667,000 total attendees, to be hosted October 2019 through February 2020. FY 2020-2021 second quarter produced \$134.7 million dollars in economic impact, 23 total events and 103,550 total attendees. The amateur sports market was the first to come back to the Convention Center. January through March 2021 brought in some of the smaller exhibitors, and they were able to secure business and buy and sell products in person, which is the face-to-face everyone was eager to see. The larger exhibitors were absent from these events and they were still successful.

Mr. Tester mentioned as of March 8, 2020, there were 53 rescheduled events with a total of \$972.4 million dollars in estimated economic impact and 486,000 estimated total attendance. There were 73 cancelled events totaling \$1.85 billion dollars in estimated economic impact and 891,000 estimated total attendance. April through June 2021, the Center will host 21 events with an estimated \$238 million dollars in economic impact and approximately 155,475 total attendees.

The summer is solid with activity through the remainder of the year. The partnership between Visit Orlando and the Convention Center has resulted in 13 events relocating to Orlando with 63,100

blocked hotel rooms, \$124,455,861 million dollars in economic impact and 59,983 in attendance.

Mr. Tester spoke about the success of Convention Center staff reassignments to other divisions and the fortunate flexibility to recall them when needed for events. He spoke highly of employees working out of their comfort zones to do other jobs in order to reduce the operating expenses of the Center. He also mentioned how the Center is able to assist the community as a location for vaccines and testing while hosting events during that time.

Orange County Comptroller Report

Robin Ragaglia, Director of Finance and Accounting, Orange County Comptroller's Office, presented the Convention Center's preliminary financial statements as of January 31, 2021, and the current status of Tourist Development Tax (TDT) Revenues.

Ms. Ragaglia began with a review of the Cash and Investments Accounts as of January 31, 2021. The Renewal and Replacement reserve stands at \$114.5 million dollars (restricted and unrestricted funds) and the Bond Debt Service Accounts (Debt Service Reserve) stands at \$80 million. A combination of the two accounts produces total reserves of \$194.5 million dollars at January 31, 2021, and this total is \$51.1 million dollars less than the combined total at the last meeting in December. Ongoing reserve target restricted cash balance is \$141.6 million, consisting of \$80 million Debt Service Reserve and \$61.6 million dollars, which represents 4% of the value of the building and equipment. These are funds set aside for property replacement. Actual unrestricted reserves for January stands at \$52.9 million dollars above the minimum.

Ms. Ragaglia also indicated four months into the year, operating revenues stand at \$2.4 million dollars, \$29.9 million dollars or a 92.6% decrease from last year. Operating expenses total \$19 million dollars through January, which represents a decrease of 30.6% or \$8.4 million dollars compared to FY 2020. At this point operating expenses have exceeded operating revenues by \$15.6 million dollars. Data shows an operating subsidy is needed for this fiscal year-to-date due to the lingering effects from the Corona virus pandemic. She referenced the March 8 press release, which showed receipts for hotel collection in the month of January were \$7.7 million dollars – 38.6% below the current budget expectations by \$4.8 million and 70% below prior years actual monthly amounts received at \$18.4 million dollars. On a cumulative basis for the fourth month of the fiscal year, total TDT revenues stand at \$34.9 million dollars. This amount is nearly \$15.1 million dollars, or 30.2% below budget expectations and \$67.6 million dollars, or 66% below four months revenue in the prior fiscal year. The monthly collections for 2021 and the year-to-date monthly collections were lower than prior year collections in every month.

Visit Orlando Update

Casandra Matej, President & CEO, Visit Orlando, introduced herself and provided an update on some industry insights, Visit Orlando initiatives regarding recovery, and information on meetings and conventions.

Ms. Matej stated she is learning and engaging the destination by experiencing the product. She noted Visit Orlando is heavily involved in building consumer confidence and leveraging partnerships in the community for a faster recovery. She indicated we are at least a year ahead of other cities and the outlook looks good because 84% of travelers have saved money to take a trip somewhere. It is Visit Orlando's priority that Orlando is at the top of travelers' list as a safe destination to visit. She said there are signs that by 2023 we should be back to pre-pandemic status.

Visit Orlando will be using key indicators such as demand, taxes, domestic traffic and international traffic to engage their marketing and publicity campaigns to target markets. The marketing campaigns and public relations efforts will be using national and local media, and influencers to put Orlando on the minds of travelers. National media has had a significant impact on putting Orlando in the spotlight as a safe place to visit. Visit Orlando's influencers are using social media and blogs to let their viewers know about their experiences here in Orlando.

Ms. Matej said they are using all communication tools to get the message out there because the world is watching us. She wrapped up her presentation by noting Visit Orlando's new campaign The Wonder Remains is the first time they have taken their marketing campaign messaging outside of the Florida borders in a while, and this campaign has shown great results in the southeast region. Ms. Matej will share those results in the next meeting.

Next Meeting - Friday, June 25, 2021 at 9:00 a.m.

Other Business - None

Adjournment – The meeting was adjourned by Mayor Jerry L. Demings at 10:23 a.m.