



TOURIST DEVELOPMENT COUNCIL MEETING
Friday, June 25, 2021

REVISED DRAFT MINUTES

The Tourist Development Council Meeting was called to order by Orange County Mayor/TDC Chair Jerry L. Demings at 9:06 a.m.

Quorum: Established

Members Present:

Chair/Orange County Mayor Jerry L. Demings

Mayor Edward Cole, City of Eatonville

Mayor Buddy Dyer, City of Orlando

Jodi Bainter, Director, Central Florida Sales and Marketing Distribution Strategy, Disney Destinations, LLC

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

Jesse Martinez, General Manager, The Alford Inn at Rollins

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

Members Absent:

Jörg Heyer, Area General Manager, Sheraton Vistana Resort

Rick Pullum, President, One Florida Bank

Pledge of Allegiance: Mayor Buddy Dyer

Public Comment: There were no public comments.

Approval of the March 26, 2021 TDC Meeting Minutes

A motion was made by Mayor Dyer and seconded by Jesse Martinez to approve the minutes from the March 26, 2021 meeting of the Tourist Development Council. The motion carried by a unanimous vote of all members present.

Orange County Convention Center Report

Ray Walls, Chief Financial Officer, Orange County Convention Center, presented an update, which included a recap of the third quarter including recent event activity, a review of the fourth quarter, rescheduled and cancelled events, a new marketing campaign, and an update on OCCC hiring and staff reassignments. Overall, the Convention Center has been busy with exiting the modified use of the Center as a COVID-19 location for vaccinations and testing so it could reopen for industry activity including rescheduled events for 2021 and 2022, and new events that have relocated to Orlando from other venues/cities not yet ready to accept these events.

Currently, there are 83 events scheduled at the Convention Center, 14 of which are events that relocated from other venues/cities. Projections for the remaining quarters of the year show an increase in activity. The Convention Center normally has higher statistics, but they are currently

higher than most other Centers. The Convention Center rescheduled 59 events that have a projected \$1.08 billion estimated economic impact and 530,000 estimated total attendance as compared to 78 cancelled events with a \$1.96 billion estimated economic impact and 940,000 estimated total attendance.

The Convention Center has developed the Business Better than Usual campaign that displays the Center's experiences with hosting events safely and highlights the GBAC accreditation earned by the Center. The marketing team created this campaign to ensure making the Orlando destination more attractive than some other areas.

Mr. Walls explained the increase in activity has allowed staff to return to the Convention Center from their temporary assignments. He also mentioned the Center is in need of 150 new prime time staff to accommodate the anticipated events that are scheduled.

Orange County Comptroller Report

Laurie Campbell, Deputy Director of Finance & Accounting, Orange County Comptroller's Office presented a report on the financial statements for the Convention Center as of April 30, 2021, and Tourist Development Tax revenues. Ms. Campbell reported the Center's financial statements for April (seven months into the year) showed Renewal and Replacement Reserves at \$98 million and the Bond Debt Service Accounts stood at \$80 million. This is the required amount to be maintained per the County's TDT covenants. The combination of these two reserve accounts produces total reserves of \$178 million at April 30. This total is \$16.5 million less than the combined total at the last meeting in March. The ongoing target for the County to maintain is \$141.6 million (\$80 million Debt Service Reserve and \$61.6 million, which represents 4% of the value of the building and equipment that is set aside for property replacement). The month end unrestricted balance for April is \$36.4 million above the minimum target. Authorized expense use of the unrestricted balance details are on page 2 of the Comptroller's report.

Ms. Campbell gave details regarding Operating Revenues and Expenses:

- Operating Revenues totaled \$6.4 million (\$37 million decrease or 85.3% less than prior fiscal year).
- Operating Expenses totaled \$31.6 million (decrease of 32.1% or \$14.9 million compared to FY 2020).
- Operating expenses exceed revenue for FY 2021 by \$25.2 million, indicating a subsidy is needed for this fiscal year. The details are displayed on Ms. Campbell's presentation graph.

Details of Ms. Campbell's presentation regarding hotel collection receipts, cumulative actual revenue, monthly collections, month-by-month actual amounts and historic decline are viewable in her graphs. Her summary indicates we are experiencing a rise in TDT amounts since the pandemic decline.

Phil Diamond, Orange County Comptroller addressed the Council members briefly noting data shows we are heading in the right direction--indicating the trend is good, with an almost interrupted increase in revenues. Comptroller Diamond highlighted the lowest part of the Monthly Cash Collection graph and spoke about the reserves. The County started out with \$186 million in reserves and it is down to an 80% drop (\$36 million) over the course of a year. He stated if it had not been for the key initiatives formed by the County and City of Orlando five years ago we would not have had funds to pay bills as of September last year. We are in a break-even range now at \$16-17 million.

Mayor Demings added that the County made many decisions in order to protect the County's overall fiscal health, specifically regarding the Convention Center expansion. He said we will continue to monitor our fiscal health and tax receipts, and maybe the expansion would come up as a conversation in the distant future.

Visit Orlando Update

Casandra Matej, President & CEO, Visit Orlando gave an update of her first 100 days, recovery indicators that show people are ready to travel again, meetings and conventions, marketing campaigns and partnerships. Her first 100 days experience can be viewed in the presentation video. Ms. Matej provided recovery indicators such as travel sentiments, hotel demand and air travel. She noted 90% of travelers are planning a trip within the next six months so we need to invite them to Orlando. Travel confidence is at peak levels, theme park interest has grown by 25% since January 2021, and domestic air capacity at OIA for the summer is up 6% and seating capacity has exceeded 2019 levels.

In addition, hotel demand is up at 75% with the demand in May at 73% of pre-pandemic levels, Memorial Day weekend occupancy at 83%, and advance bookings for June and July at 95% of 2019 levels.

Ms. Matej mentioned Visit Orlando's "The Wonder Remains" campaign was extended to August. In this campaign, Visit Orlando made a focus on inviting residents of Florida to come to Orlando and they included the southeastern states. Research revealed residents of Texas were very interested in traveling to Orlando so Visit Orlando expanded the campaign into destinations east of Mississippi. They took dollars from reserves and made a huge investment into this campaign and it had a \$70 million impact on visitor spending.

She mentioned Visit Orlando has been active in assisting with rescheduling groups, acquiring new and future bookings, and explained how the Visit Orlando team worked very close with the Convention Center to book 217 events for 2021 and beyond. They have positioned Orlando as the leader in the recovery of face-to-face meetings. Visit Orlando has been networking at events and forming partnerships with organizations such as Frontier Airlines and Visit Florida. Such partnerships resulted in Visit Florida assisting with a recent TV campaign that will run January – February 2022.

Ms. Matej spoke about diversity, how global Orlando is as a destination, and mentioned new content on Visit Orlando's landing page that will give exposure to various groups and restaurants in the local community. Visit Orlando is hosting the Magical Dining Program from August 27- October 3, 2021, with interested charities eligible for this program are still being reviewed. Visit Orlando is undergoing their 3 Year Strategic Plan and closing out surveys allowing feedback from the community on what they would like to see in Visit Orlando's Strategic Plan.

Mayor Demings opened the floor for questions and Ms. Bainter asked Ms. Matej what her point of view was on international visitors. Ms. Matej shared it will be the last of the travel segments to come back with areas still under some restrictions. She mentioned Orlando could be the number one gateway back into international travel. Discussions are currently taking place and Visit Orlando will be researching Mexico, United Kingdom and Canada in the fall, with maybe Germany even later.

John Stine asked about levels of attendance and whether it is expected to rise or drop off. Ms. Matej responded by saying although some groups are meeting face-to-face, they are using the hybrid model and it is still a challenge to forecast attendance. She offered the floor to Ray Walls for additional comments. Mr. Walls responded by saying historically, meetings are cautious with forecasting their attendance numbers and referred to his slides for quarters three and four, noting attendance numbers for the events scheduled almost doubled as the actual events occur.

Mayor Demings commented the last 30 days positivity rate has been 3.7%. He also mentioned keeping our containment rates level and offering the vaccination opportunities to inbound visitors helps our community from a regional and County perspective. He concluded by saying monitoring the numbers on a daily basis is why people feel safe coming to Orlando.

Other Business

There was no other business to discuss.

The next meeting of the Tourist Development Council will be Friday, September 24, 2021 at 9:00 A.M.

The meeting adjourned at 10:13 a.m.