

*Below is an article that illustrates some of the barriers that still must be overcome before the three proposed venues in Downtown Orlando become reality. As the article in last month's myregion.org e-newsletter about the train coming from Lake County to Downtown Orlando for Orlando Magic games articulated, these venues are important to the future quality of life for the entire Central Florida Region. They also positively reflect the concept of creating city centers that is one of the key themes of the Central Florida Regional Growth Vision.*

**ORLANDO SENTINEL – SEPTEMBER 17, 2007**

## **Venues imperiled by twin threats**

**The plan isn't a sure thing as a court ruling and hotelier Harris Rosen test its legality.**

*By David Damron and Mark Schlueb, Sentinel Staff Writers*

September 17, 2007

The quest to build downtown arts and sports venues appears cursed.

It took more than two years for Orlando Mayor Buddy Dyer and Orange County Mayor Rich Crotty to craft a \$1.1 billion plan for a new arena, performing-arts center and renovated Florida Citrus Bowl stadium. Local leaders approved the complex deal in July after months of delays.

But now the ambitious proposal to remake downtown Orlando faces serious threats on two fronts.

Hotelier Harris Rosen is pushing an anti-venue petition drive that's gaining steam, backers say. Rosen has reportedly already gathered a quarter of the signatures he needs to force a referendum, and he's poised to buy TV spots designed to galvanize more support.

At the same time, a week-old ruling from the Florida Supreme Court jeopardizes a portion of the plan's funding and could potentially force the projects to go before the city and county commissions again.

In July, the County Commission came within one vote of killing the idea.

"Both mayors and the city and county leaders should be nervous about this," said Aubrey Jewett, a University of Central Florida political-science professor. "This is a potential problem."

Despite the chance of lengthy court fights, project delays and tough political decisions ahead, Dyer says the venues will get built.

"We're moving full steam ahead," Dyer said. "We have to spend more time on the financial side of it, but we are not in any way slowing down."

### **Rosen seeks amendment**

Rosen's goal is to gather enough signatures from registered voters to earn a spot on the Jan. 29 presidential-primary ballot. He wants voters to amend the county charter so politicians would have to

hold a referendum before spending more than \$25 million on a sports arena or stadium.

Though no one has been able to gather enough signatures to launch an Orange County charter amendment before, Rosen is leading a sophisticated grass-roots movement.

"It's going really well," said Steve Braun, a Rosen hotel manager heading the campaign for his boss. Braun estimates as many as 25 percent of the approximately 31,000 required signatures have been collected. Rosen recently shot a video spot for a TV promotional campaign expected to start soon.

City and county leaders are still developing a strategy to fight Rosen, with a court challenge almost certain. City lawyers say it's too late for Rosen's effort to matter because the venues have already been approved by Orlando and Orange County commissioners.

"I don't see Harris as much more than a nuisance," Dyer said.

### **Ruling imperils \$150M**

A bigger concern comes from the Florida Supreme Court's ruling in an Escambia County case.

The court said that when government agencies issue bonds to pay for public projects -- and plan to pay them back with future property taxes -- they must first get voter approval.

The problem is that about \$150 million, or 14 percent of the venues' funding, is scheduled to come from taxes on downtown property. The money was earmarked without the voters' OK.

Ironically, the Orlando Magic arena -- the most controversial of the three venues and the one Rosen has attacked most forcefully -- wouldn't be affected by the Supreme Court ruling.

Instead, the ruling would most hurt the performing-arts center, the only project Rosen is not targeting in his petition drive.

Most of the \$150 million affected by the ruling was earmarked for the arts center, with a smaller amount going to the Citrus Bowl upgrades.

### **'None of it's good news'**

City officials say they haven't ruled out a referendum in which voters would be asked to approve only that portion of the funding.

But lawyers in Orlando and other cities in similar straits aren't sure how to proceed because the court's ruling reversed 27 years of precedent and left many unanswered questions.

For instance, if a public vote were held, it's not clear whether all voters in Orange County would cast ballots, just those in Orlando, or just those living in the downtown district where the taxes are collected.

The court ruling has already frightened the bond market that's needed to finance the projects.

"None of it's good news," said Jim Gilkeson, a UCF finance professor familiar with some funding issues the venues face. "It's a bad signal for these projects."

Bond issues that have already gone through a validation process are not affected by the ruling.

That's a process by which a court rules the legal structure is appropriate. But city officials never planned to have its bonds validated because it would be time-consuming and they didn't think it was necessary.

"Before last week, we felt that we were on extremely solid ground," Orlando Chief Financial Officer Rebecca Sutton said. "We had a Supreme Court case that said what we were doing is valid, and people had done it hundreds and hundreds of times."

### **Restructured financing**

Now, city officials are watching as Escambia County, joined by the statewide city and county associations, prepares to file a rehearing in the case. Again, a key question is whether the court ruling will be applied retroactively to the venues decision.

Orlando leaders say that, even if the court ruling stands, they can restructure the financing plan to get the venues built. But they wouldn't talk about their specific plan.

"I hesitate at this point to throw out an option," Sutton said. "When we put it out there, we're going to have all these people who hate the venues attack it."

A different financing plan could allow the city to avoid a public referendum. But going to great lengths to keep the question out of the hands of voters might look bad.

"There's a public-relations problem with that," UCF constitutional-law professor Drew Lanier said. "If I were a [venue] challenger, I would be beating this drum left and right."