
Pandemic decimates central Florida tourist tax collections

By Shelly Sigo

June 04, 2020, 2:43 p.m. EDT





The closure of the Walt Disney parks and other major attractions has hammered the Orlando and central Florida economy. *Bloomberg News*

In Orange County, Florida, home to the second-largest convention center in the country and mega-theme parks, the coronavirus pandemic has decimated tourist development tax collections.

TDT revenues plummeted by 97% to \$765,900 in April compared with the same month a year ago, the largest decrease since the county began collecting the levy on hotels and other short-term accommodations in 1992. Orange County had budgeted to receive \$26.62 million.

"We are fortunate that we have healthy TDT reserves that can help the county weather this economic storm," said Orange County Comptroller Phil Diamond. "I am committed to closely monitoring and analyzing the effects this unimaginable pandemic has had on our economy."

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Orange County has issued about \$890 million of outstanding bonds secured by TDT revenues for the convention center's expansion and improvements. Annual debt service is \$76 million.

The debt is rated AA by Fitch Ratings, Aa2 by Moody's Investors Service, and AA-minus by S&P Global Ratings. Fitch placed all of its rated U.S. local government debt backed by hotel and tourism-related tax revenues on Rating Watch Negative in April. S&P assigned a negative outlook in April to the entire sector, including the Orange County bonds. Moody's outlook remains stable.

County officials reported having \$307 million in TDT cash reserves in late April.

"Although this level of decline in TDT collections is unprecedented, it was not completely unexpected," Diamond said. "The economy, especially the tourism sector, was essentially shut down for all of April."

For the same reason, he said, collections in May are expected to show a significant decline as well. A report on those revenues will be released in early July.

The Orange County Convention Center hasn't held an event or exhibit since mid-March, and many events were canceled, scaled back, or postponed.

The center plans to hold a series of functions this summer starting with junior volleyball championships July 14, members of the Orange County Economic Recovery Task Force were told Wednesday.

Venues such as the convention center, Walt Disney World, Universal Orlando and SeaWorld closed in mid-March to help stem the spread of COVID-19, the disease caused by the new coronavirus.



The Orange County Convention Center in Florida hasn't held an event since mid-March due to COVID-19, but a series of summer functions will begin with a volleyball championship July 14.

The convention center's reopening plan has a three-pronged strategy to safeguard clients, attendees and employees, the task force was told. The center will follow recommendations of the Centers for Disease Control and Prevention.

The re-opening of the theme parks that are the cornerstone of central Florida's appeal to tourists may begin to re-fill the region's empty hotel.

Universal began a phased opening the week of June 7, while SeaWorld will open June 11. Disney plans to reopen July 11.

COVID-19 has sickened 1.86 million people and killed more than 107,000 Americans since February. Florida has seen 60,183 confirmed cases of the disease and 2,607 deaths, and state health officials are saying there are signs that cases are on the increase as more of the economy begins to reopen.

Diamond said reopening of the venues and hotels are positive developments for TDT collections, the local economy and the residents whose jobs depend on the travel and leisure industry.

"It will take months, however, to see how this reopening plays out," he added.

For the week ending May 30, Florida’s unemployment rate soared to 206,494, up more than 30,000 from the week before.

The Florida Department of Economic Opportunity said Wednesday that the agency had paid more than 1.18 million jobless workers \$4.11 billion in unemployment claims.

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