

Downtown South Neighborhood Improvement District Frequently Asked Questions

1. What is the DSNID, and why did the City of Orlando create it?

- The Downtown South Neighborhood Improvement District (the “DSNID”) is a special-purpose local government. Its single purpose is to support the redevelopment and improvement of the Downtown South neighborhood, an area of approximately 720 acres located south of Downtown Orlando (the “District”).
- The District’s governing body is the Orlando City Council, but the work of the district is primarily guided by a District Advisory Council consisting of property and business owners within the district.
- The City created the District in response to a report issued by an Exploratory Committee in 2010 (the “DSNID Exploratory Committee”). The Exploratory Committee was comprised of representatives of businesses and property owners in the neighborhood. The Exploratory Committee’s report found that a district could help fund capital improvements and instigate redevelopment in the District.

2. What types of levy and/or special assessment are being considered?

- Under current state statute, a Neighborhood Improvement District may levy an ad valorem tax on real and personal property of up to 2 mills annually, if approved by referendum.
- The DSNID may also impose a special assessment of up to \$500 per parcel, per year, if approved by referendum.

3. Why is the DSNID considering a levy and/or special assessment?

- The referendum is an opportunity to generate funds to pay for capital improvements in the District. Improvements could include sewer, water, storm water or street construction to improve access or support new development, landscaping or streetscape improvements to enhance the appearance of the District, or even marketing or promotional events to attract new customers to the District. The concept is similar to a property owners association that votes to pay for a community swimming pool or a landscaped entry feature to enhance the value of properties within a subdivision.
- If a levy and/or special assessment is approved, the resulting revenue could potentially be combined with city, state, federal, or private funds to advance projects that might not move forward without an additional funding source.
- By agreeing to a levy and/or special assessment, the District is demonstrating a commitment to its future. This commitment may improve the perception, function, appearance and value of the District and convince others to build or invest in the District as well.

4. What would a 1 or 2 mill levy cost per year?

A mill is equal to \$1.00 of tax for each \$1,000 of assessed value. To calculate the levy, multiply the assessed value of the property by the millage rate and divide by 1,000. For example:

- At 1 mill, a property with an assessed value of \$100,000 would pay \$100 per year. $(\$100,000 \times 1) \div 1,000 = \100 .
- At 1 mill, a property with an assessed value of \$500,000 would pay \$500 per year. $(\$500,000 \times 1) \div 1,000 = \500 .

- At 2 mills, a property with an assessed value of \$100,000 would pay \$200 per year. ($\$100,000 \times 2 \div 1,000 = \200).
- At 2 mills, a property with an assessed value of \$500,000 would pay \$1,000 per year. ($\$500,000 \times 2 \div 1,000 = \$1,000$).

5. Who can vote for a levy?

- Freeholders (owners of property within the District not wholly exempt from taxation) may vote for an ad valorem tax on real and personal property. To pass, the referendum must be approved by freeholders representing 50 percent of the assessed value of the property within the district.
- Tax exempt property within the DSNID may be able to vote for an ad valorem tax (“Pilot”) if the City Council approves an agreement that requires an equivalent payment in lieu of the tax for the life of the tax. Orlando Health has agreed to a Pilot for capital improvements contemplated in the DSNID’s Safe Neighborhood Improvement Plan.

6. Who can vote for a special assessment of up to \$500 per parcel, per year?

- Under current state statute, registered voters residing within the district may vote for a DSNID special assessment of up to \$500 per parcel, per year.

7. How will the levy and/or special assessment be applied to condominium units?

- Ad valorem taxes and special assessments apply to condominium parcels, not to the condominium property as a whole. Each condominium parcel is separately assessed as a single parcel (Sec. 718.120(1), Fla. Stat.).

8. If I own a rental property and voters approve a “per parcel, per year” special assessment (rather than an ad valorem tax), who pays the assessment - the owner or the renter?

- Special assessments are made against property (much like property taxes), so the property owner is responsible for paying the special assessment. Under certain circumstances, a lease may require a tenant to pay these expenses; however, the assessment is made against the property.

9. Will funds raised by a levy and/or special assessment be leveraged with grants and other funds to have a larger impact?

Yes. The District will seek to partner with other agencies, especially when the District cannot afford to construct an improvement alone, when another agency has insufficient funds to build or operate an improvement that would be highly desirable for the District, or when funding from an outside agency requires matching funds. This approach may allow improvements that are otherwise not feasible without partnerships.

10. If I own an industrial operation, will I be forced out of business?

- No. A large portion of District is zoned “Industrial-General” (marked as “I-G” on the City’s zoning maps). This zoning district allows industrial uses. Existing industrial uses can remain and be expanded and new industrial uses can be established in the I-G zone as long as they comply with the I-G zoning and land development regulations. The DSNID does not have approval authority over zoning or land development regulations.

11. Why would the District pay for LYMMO operations and maintenance? Isn't that a City expense?

- Funding assistance from the District could make the South Bus Rapid (BRT) Transit corridor financially feasible. It may also help ensure that the LYMMO service in the South BRT corridor remains free or low cost.
- The City of Orlando selected an alignment for the South BRT corridor, but the project is not funded. The South BRT corridor has a 6.2-mile route, with a projected daily ridership of 14,000. The service will operate primarily in mixed traffic, with 10-minute headways during peak hours and 15-minute headways during off-peak hours. The South BRT corridor will connect the Orlando Health Campus, SODO and the Market at Southside Shopping Center to each other and to Downtown offices, businesses, restaurants and cultural amenities, including the new Amway Center, the Dr. Phillips Center for the Performing Arts, the UCF Digital Media Arts Center and the Creative Village and the Downtown Lynx station. In addition, the corridor will connect to the Downtown East/West BRT and Parramore BRT (under construction).
- The City will pursue Federal funds to pay for approximately 80 percent of the construction and capital costs, but operation and maintenance (O&M) costs must be paid from local sources. Local sources could include a contribution from the District, special assessments, passenger fares and advertising revenues. No final financing plan is identified at this time. The estimated capital cost of the South BRT corridor is \$10.4 million (in 2011 dollars), including stations, stops, terminals, vehicles, and professional services. The estimated annual operating cost for the South BRT corridor is \$1.1 million (in 2011 dollars).
- Funding by the District might be appropriate because the South BRT corridor would directly benefit the District. The South BRT corridor would help relieve traffic congestion on Orange Avenue; provide a convenient method for transporting residents, customers and visitors within the District; connect the District to downtown residents, customers and cultural facilities; and facilitate redevelopment within the District.
- For comparison, the Downtown Community Redevelopment Area (CRA) pays a portion of the O&M expenses for the Downtown LYMMO service. This contribution helps ensure the system remains free. O &M expenses for the Downtown LYMMO are \$1.3 million annually. The CRA contribution is approximately \$800,000 per year. The balance is paid from the City's parking revenues.

12. Why is the DSNID preparing a Safe Neighborhood Improvement Plan?

State law requires that the City adopt a Safe Neighborhood Improvement Plan prior to the levy and expenditure of any of the proceeds of any tax assessment or fee imposed by a Neighborhood Improvement District (Sec. 163.516(9), Fla. Stat.).

13. Doesn't the DSNID already have a plan?

The City approved a Downtown South Vision Plan in 2008 for the western 550-acres of the 720-acre area that was later designated the DSNID. The City also approved an Orange-Michigan Vision Plan in 2010 for property within the Orange Avenue and Michigan Avenue corridors. Both Vision Plans addressed land use issues. The DSNID Safe Neighborhood Plan identifies capital improvements and services that could be funded by the DSNID over a 20 to 30 year period to implement the previous plans if a levy and/or special assessment is approved.

14. Previous planning studies for property within the District recommended road connections through my property. Is this recommendation included in the Downtown South Safe Neighborhood Improvement Plan?

- The Orlando City Council approved the South Downtown Vision Plan in June 2008. The Vision Plan was a long range planning document. It included an exhibit that showed potential street connections throughout the District. The drawing did not regulate property or require new streets. It conveyed the City's desire for street connectivity if and when large undivided blocks are ever redeveloped, but it did not require specific streets or street connections. The drawing was prepared to demonstrate how traffic congestion could be relieved on Orange Avenue and throughout the District by improving the street network within the District as properties redevelop over the next 20 to 50 years.

15. How will improvements to the Citrus Bowl be funded?

Most of the cost for improvements to the Citrus Bowl will be paid from Orange County Tourist Development Tax revenues (a tax on hotel, motel and other sleeping accommodations that are rented for a period of six months or less). Tourist Development Tax revenues may only be used to pay for tourist and convention bureau expenses and the acquisition, construction, renovation, operation, promotion and debt service on convention centers, sports stadiums and auditoriums. The Downtown CRA will also pay about \$21 million toward the cost of improvements.

16. When will I get a chance to vote?

- The DSNID has not set a date for the referendum. We anticipate the referendum will be held in late 2013 or early 2014.