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1 CENTRAL FLORIDA TOURISM OVERSIGHT DISTRICT

2 BOARD OF SUPERVISORS MEETINGS

ORIGINAL

3 _____/

4 DATE: APRIL 19, 2023

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PRESENT

PUBLIC SPEAKERS:

JAMES MEADE

AARON COLBURN, RCFD UNION VP

JEREMY KELLY, RCFD

SEAN PIERCE, RCFD

BILL DOVER, RCFD

JIM FOX

TIM STROMSNES

TYLER HERON

BOARD MEMBERS:

BRIDGET ZIEGLER

MICHAEL SASSO - VICE CHAIR

MARTIN GARCIA - CHAIR

BRIAN AUNGST

RON PERI

JOHN CLASSE - DISTRICT ADMINISTRATOR

DAN LANGLEY, ESQUIRE - FISHBACK LAW



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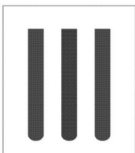
1 MR. GARCIA: There we go. Well, I'd like to
2 call the meeting to order. Good morning to
3 everybody. Welcome. Thank you for being here.
4 Thank you for your interest in district business.
5 We've got a very busy agenda as you have already,
6 probably seen, and so let's get started with the
7 pledge of allegiance. Please rise.

8 AUDIENCE: Pledge allegiance to the flag of the
9 United States of America. And to the Republic for
10 which it stands, one nation under God, indivisible,
11 with liberty and justice for all.

12 MR. GARCIA: Mr. Classe, could you go over the
13 safety procedures, please?

14 MR. CLASSE: Thank you, Mr. Chairman, and
15 supervisors of the Board, and to all our guests and
16 visitors. We just want to cover some important
17 safety information before we start this meeting.
18 I'd like everyone to identify the exit doors in case
19 there's an evacuation, and we need to leave in a
20 quick manner. Please leave in an orderly fashion and
21 wait outside in the courtyard area for further
22 direction. If we need first aid or AEDs, the hotel
23 will provide those to us. And thank you very much,
24 and enjoy the meeting.

25 MR. GARCIA: Okay. So, we're going to hear



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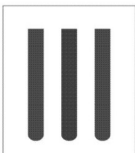
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1 public comments. Just to reiterate, any speaker is
2 going to be allotted three minutes. You'll be told
3 when your time's up. And as I've indicated before,
4 this is a time for the Board to hear from the
5 public. The Board won't comment during this time
6 and won't answer any questions, although we may ask
7 some questions. And so, I'll call you up by the
8 number on your card. First, Number 1, please
9 identify yourself by giving us your name and telling
10 us if you're acting in a representative capacity.
11 And if so, who you represent.

12 MR. MEADE: 30 years ago, I spoke on this issue
13 in front of the Board of Orange County
14 Commissioners. My name is James Meade. I'm not -- I
15 detest public speaking, so I don't speak a lot and
16 like this, so you have to bear with me. Give me a
17 minute. You know, 57 years ago, a man died, and his
18 dream died with him. And this is a -- we've seen
19 this district bastardize his dream. There's
20 supposed to be 20,000 -- 20,000 people in a
21 community of tomorrow. And it's not here. There's
22 60. There's a fight over this. You guys can fix
23 that. The last time a monorail was built, when was
24 that? This is your job. This is your job to bring
25 this man's dream back. He's dead. We can't do



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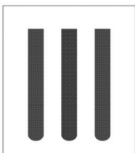
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1 anything about that, but we can bring his dream back
2 to life. You can do that. It's your job. It's the
3 job of Disney. It's the job of Florida to do this.
4 That's all I have to say. Thank you very much.

5 MR. GARCIA: Thank you for your comments.
6 Number 2?

7 MR. COLBURN: Good morning. Thank you, Mr.
8 Chair and members of the Board. My name's Aaron
9 Colburn, Vice President of the Reedy Creek
10 Professional Firefighters. I want to extend a
11 greeting to you back to property from our crews and
12 our on-duty people. We have several of our first
13 responders here today. The crews that covered this
14 area wanted to be here today to welcome you back to
15 property as well, but they were given a direction
16 from the fire department that they were not to
17 attend, so they asked me to do that for them. I
18 just wanted to bring to your attention an event that
19 happened this weekend with one of our members. He
20 was responding to the hospital, transporting a
21 patient. They had just cleared. He felt poorly,
22 decided to turn back and go to the hospital.
23 Something wasn't right. As he walked into the
24 hospital doors at Florida Hospital Celebration, he
25 went into cardiac arrest and collapsed. His partner,



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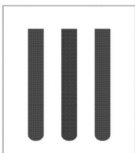
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1 who is here today, started rendering aid right away,
2 brought it to the attention of the staff. They
3 started CPR. They were able to get him back. He
4 went to ICU. His family and children met him there.
5 His fire department family gathered around him. He
6 was released yesterday from the hospital. He walked
7 out thanks to the quick aid of his crew members and
8 the hospital. So, we just wanted to bring that to
9 your attention. And in the past, we have had issues
10 with our workers' comp here. As I'm sure you're
11 aware, there is a heart and lung bill that has
12 presumption protective for first responders in
13 cardiac arrest, and heart and lung related issues.
14 But you-all have demonstrated your commitment to the
15 first responders, to running this district in the
16 sunshine and appropriately, and his family wanted us
17 to pass along that they are thankful for you, that
18 you were here, and that they have all the faith that
19 you will make sure that this district and
20 administration takes care of her husband and the
21 father of her children. And he's also a big
22 supporter of you- all and wanted us to say welcome
23 back to property. Thank you.

24 MR. GARCIA: Thank you for your comments. And
25 thank you for your service to the district. Number



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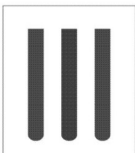
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1 3?

2 MR. KELLY: Good morning. My name's Jeremy
3 Kelly. I'm the secretary of Reedy Creek
4 Firefighters. First and foremost, I want to thank
5 all the board members for the progress that we've
6 made, and the local is looking forward to the
7 progress we will continue to make together in the
8 future. Our local first responders were 100 percent
9 in support of this new board, and it's been a breath
10 of fresh air over how fair this board has been to us
11 from the get-go. I just wanted to touch base on our
12 contract negotiations and where they currently
13 stand. For five years, we have negotiated to no
14 avail. This new board was put in place in just this
15 past week. With the Board's help and direction, we
16 will -- we will -- we were able to tentatively agree
17 to 21 articles. This is a huge step and a huge help
18 from this board. This just goes to show the type of
19 progress this board is capable of. We have a total
20 of 45 articles in our proposal, and we are almost
21 halfway there. We still have important topics that
22 need to be agreed upon. These include minimum
23 staffing, retiree healthcare, our special operations
24 team, and brought to light by VP Colburn our annual
25 physicals. These need to include very important



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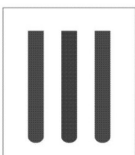
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1 tests, such as calcium scoring to vitally protect
2 our first responders and give them the best possible
3 test to assure they're being protected just as they
4 protect this very property. Again, we look forward
5 to the progress we're able to make together and we
6 thank all of you for your hard work to help the
7 first responders of this district. Thank you.

8 MR. GARCIA: Thank you, sir, for your comments,
9 and thank you for your service to the district.
10 Number 4?

11 MR. PIERCE: Good morning. My name's Sean
12 Pierce. I'm a lieutenant with Reedy Creek Fire, and
13 past vice president of Local 2117 Reedy Creek
14 Professional Firefighters. I'd like to thank you
15 for this opportunity to address the Board, and I
16 have provided you with a couple of documents that
17 will provide factual evidence of what I'm about to
18 discuss. You guys are aware of Jim Dormany. He was
19 a lieutenant who passed away, line of duty death.
20 He still doesn't have his PSOB to his family, and I
21 think the Board has put some pressure and we're
22 starting to work on that, but it's taken six years.
23 Another Central Florida Fire Department -- local
24 fire department had a line of duty death very
25 similar to Jim's. They received that check within



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1 90 days. In 2019, we had a firefighter, Steve
2 Pomanowski, one of the most exemplary employees we
3 could possibly have. He ran, worked out every day,
4 excellent paramedic, brought his meals measured out
5 in a -- in containers every day. Had the massive
6 heart attack, what happens? Commercial Risk
7 Management, the district's workers' comp management
8 company shows up and asks his wife what kind of
9 energy drinks he drinks, how many a day, when the
10 cardiologist says that he only has a 10 percent
11 chance of survival through the night. That's not the
12 time to address those issues. At the time, I met --
13 as the vice president, I met with John Classe the
14 district administrator and asked him to change the
15 policy informed to allow employees to donate sick
16 and vacation time to the Pomanowskis. His answer
17 was that we needed to wait until we negotiated a new
18 policy or form. It's hard to believe that a simple
19 form to help a first responder and his family in a
20 time of need is more difficult to get approved than
21 the recent Land Use Agreement. Forward to the 2019
22 -- or 2021. I have a neck injury, district sends me
23 a denial, says they've unfounded accusations that
24 I'm faking my injury. Requested an investigation
25 letter, no response from the district. In '22,

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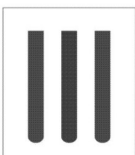
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1 January of '22, I had an A-fib ablation. I have
2 rapid heart rate, had an ablation, went to cardiac
3 rehab, went into another rhythm, SVT. My heart rate
4 was 240. Went to a new cardiologist, they did an
5 ablation just this past March 16th, and I'm in
6 currently in cardiac rehab. Meanwhile, the district
7 cancels my worker's comp benefits for non-compliance
8 to attend their appointments that they don't make.
9 You know, they should schedule the appointments
10 themselves, but they don't. Moving forward; one
11 year notice with an incorrect date. So, we have to
12 -- if we're out on medical for one -- more than one
13 year, we get administratively terminated. They send
14 me a letter saying they're going to fire me last
15 October.

16 MR. DOVER: Bill Dover. I'm going to
17 relinquish my time for Sean.

18 MR. GARCIA: Thank you. Proceed.

19 MR. PIERCE: Gave me a letter to -- that
20 they're going to fire me last October. Well, that
21 wasn't actually the right date. I hadn't been out a
22 year. So even with their own document, that I
23 provided you, it talks about me returning to work in
24 April. They also send -- this is Commercial Risk
25 that sends this information, sends me a Hillsborough



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1 County Sheriff's office information, has my name on
2 the letter, open the letter, and it has all his
3 personal information about his injury and his
4 denial. So at least Commercial Risk is consistent
5 with denials. Another incident of incompetence.
6 They send Johnny Duncan, a 32-year employee of the
7 district firefighter, a notice of denial. They
8 misspelled denial and referenced the wrong statute.
9 So, you know, what they don't understand is this
10 incompetence affects our lives. While we're
11 supposed to be healing from a cardiac incident or
12 any of that stuff, we have to deal with this -- deal
13 with this undue stress because they're not paying
14 attention to the company that they hired to manage
15 this. So, my question to you is, how can the
16 district administrator and his associates treat
17 first responders like this, at the same time preach
18 "One District, One Goal, Excellence"? I trust this
19 current board to end this type of treatment to the
20 men and women who serve the district. And I think
21 Mark Twain said it best. It is never wrong to do
22 the right thing. And the right thing to do in this
23 case is remove the people responsible for this type
24 of treatment. That would include John Classe, Jason
25 Middleton, and Eddie Fernandez, along with

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1 Commercial Risk Management. I appreciate you
2 letting me address the Board.

3 MR. GARCIA: Thank you, sir, for your comments,
4 and thank you for your service to the district. I
5 believe Number 5 was -- allotted his time. And so,
6 I would call up either Number 5, Mr. Dover; or
7 Number 6, Mr. Fox. Are you Mr. Fox? And Mr. Dover,
8 did you allot your -- yes. Okay. Yes, sir. So,
9 Mr. Fox, it's your turn.

10 MR. FOX: Good morning members of the Board.
11 I'm going to defer my time to Tim Stromsnes.

12 MR. STROMSNES: Good morning, ladies and
13 gentlemen. My name is Tim Stromsnes, a current
14 Reedy Creek Firefighter, and the president of the
15 Mayors of the Reedy Creek Professional Firefighters.
16 I really appreciate this opportunity to address this
17 new board. I'm here to speak in support of this new
18 board. This land -- 11th hour Land Use Agreement by
19 the previous board of supervisors and current
20 district administrator adversely affects us as first
21 responders, because for over 50 years, Disney
22 controlled this board and Reedy Creek
23 administration. During this time, through Reedy
24 Creek -- during this time, Disney through Reedy
25 Creek failed to provide the resources necessary to



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1 ensure that fire and EMS services kept up with the
2 growth of Disney and the increasing number of
3 visitors. For instance, Reedy Creek spent \$280
4 million to build parking garages at Disney Springs
5 for Disney while we are currently responding with a
6 20-year-old fire engine with over 200,000 miles that
7 just failed its pump test this week. We've had to
8 respond to visitors with medical emergencies in SUVs
9 instead of ambulances or rescues because of Reedy
10 Creek Administration's mismanagement. While Disney
11 controlled the district, they spent hundreds of
12 millions of dollars to accommodate more visitors
13 without ensuring that safety through adequate fire
14 and EMS resources were made. This 11th hour Land
15 Use Agreement, if left under Disney's -- left under
16 Disney will only perpetuate the first responders'
17 inability to keep the visitors of Walt Disney World
18 safe. I spoke to one of the new board members and
19 they summed up our new vision perfectly. They said,
20 "This is a world-class tourist destination, and
21 these visitors deserve world-class fire and EMS
22 services." We could not agree more, and we have
23 been saying that for years. In conclusion, the
24 district needed oversight due to the old board of
25 supervisors being elected on the premise of "One

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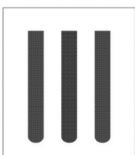
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1 Acre, One Vote." To explain the old -- to explain
2 how the old board was elected, I'm going to tell you
3 a story based on my personal experience. Thomas
4 DeWolf, due to health reasons, who wrote the
5 charter, was stepping down. He'd been in office for
6 over 40 years. They quick claim deeded his land over
7 to Thomas Moses, who was a former district
8 administrator. As fast as I'm speaking here today
9 is as fast as this election went. Somebody from the
10 Board said, "I nominate Tom Moses." Somebody from
11 the crowd stood up, the representative from Disney,
12 and said, "I cast all 17,000 votes for Tom Moses."
13 Election over. No matter what side of the political
14 aisle you are on or your political affiliation, that
15 is not a democracy. I support this current board
16 because no election in America should be based on
17 the "One Acre, One Vote." It should be based on the
18 ideology of one person, one vote. And through the
19 gubernatorial election process, that is how this
20 board was put into office. Thank you.

21 MR. GARCIA: Thank you for your comments, and
22 thank you for your service to the district. And
23 then finally, last public comment from Number 8?

24 MR. HERON: Good morning, everyone. I'm not a
25 firefighter, but I'd like to thank you-all for your



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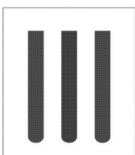
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1 service. Good morning, Chair and board members. My
2 name is Tyler Heron, and I'm a resident of
3 Celebration, Florida. Celebration was built by the
4 Walt Disney company in 1996, and since then has
5 continued to grow while having a productive
6 relationship with both Disney and the Reedy Creek
7 Improvement District. As both these parties own the
8 land, and surrounds and crisscrosses our town,
9 recently residents are starting to grow concerned as
10 the governor continues to put forward ideas that
11 this new board might pursue that can also affect the
12 wellbeing of Celebration. Some examples that have
13 specifically been stated include adding toll roads
14 in the district, many of which that our residents
15 use to get to and from work, to abolishing the
16 district planning committee, which oversees land
17 around and in our town, to even floating the idea of
18 using district lands to build a state prison.
19 Residents are concerned we'll become innocent
20 bystanders in these actions. The people of
21 Celebration would like to respectfully remind the
22 Board that our town is completely surrounded by
23 district lands, and to consider how these decisions
24 have the ability to impact our town and the people
25 that live there. Thank you.

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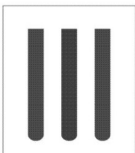
1 MR. GARCIA: And thank you for your comments,
2 sir. We will now move to the Consent Agenda.
3 There's one item on the Consent Agenda, the March 8,
4 2023, meeting minutes. Is there a motion that we
5 approve the Consent Agenda?

6 MR. SASSO: So, moved.

7 MR. PERI: Second.

8 MR. GARCIA: Any opposition? Note that the
9 motion passes unanimously. Next item of business is
10 information items. The first on that, 6.1 are some
11 financial reports, budgeting type reports that Mr.
12 Classe has put on the agenda. And then the other
13 three items were put on at the request of Supervisor
14 Aungst, and they're there for your observation. We
15 have a really busy reports part of the agenda. The
16 first report will come from management. Mr. Classe?

17 MR. CLASSE: Thank you, Mr. -- thank you, Mr.
18 Chair. A couple things to report on for you.
19 First, just for your awareness that I had a
20 conversation with Mr. Sasso regarding housing within
21 the district. And I think later on in the agenda,
22 we do have an item 8.4 that would be a perfect spot
23 to be talking about housing or a perfect excitement
24 to investigate housing within the district.
25 Secondly, the district team met last week and began



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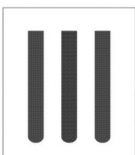
1 working on various improvements and enhancements to
2 the district website. As mentioned at the last
3 meeting, we are looking to implement changes and
4 updates for easier and better public access to the
5 information. We anticipate completion of this work
6 in June. Part of the website would include updating
7 our district logo. And my suggestion would be to
8 have one board member work with myself and staff to
9 finalize that new logo so we can launch that with
10 the new website in June. So that's just my
11 suggestion, but I'll take your lead on how you'd
12 like to move forward with our new branding, if you
13 will.

14 MR. GARCIA: Well, do we have a volunteer from
15 the Board?

16 MR. AUNGST: I will volunteer if you like, or
17 you like, but if someone else wants it, I'm happy to
18 yield to another organizer.

19 MR. GARCIA: I think you found a volunteer.

20 MR. CLASSE: All right. Everybody else stepped
21 back, and he stood straight where he was. I get --
22 I get how that works. Okay. The next thing I'd
23 like to touch on is at Mr. Aungst's request is to
24 discuss guardrails within the district that's been a
25 topic with some media recently. So on January 4,



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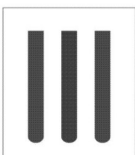
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1 2023, 10 Tampa Bay contacted the district about some
2 guardrails inside Disney and on the approach --
3 entrance approach roads that have been considered
4 improperly installed are ones that use a mix match
5 of parts. 28 locations were identified in the
6 message. Ten locations are owned or on district
7 owned and maintained roadways, and the remaining 18
8 locations are actually on FDOT owned and maintained
9 roadways. The district team completed an immediate
10 inspection and began the process for engineering
11 evaluation, design, and construction for necessary
12 improvements or upgrades. For all district roadway
13 projects, the designs including guardrails are
14 completed in accordance with the then current design
15 standards published by the FDOT. Design standards
16 change over time, and in response to newer
17 technologies and newer better materials as well as
18 to improve public safety. In 2016, the Federal
19 Highway Administration and the American Association
20 of State Highways and Transportation officials began
21 implementing a program to guide states in the next
22 advancement of safety standards and requirements to
23 countrywide growing concerns over highway safety
24 items such as guardrails, safety barriers, and
25 impact attenuation devices. That initiative yielded

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1 what's called the Manual of Assessing Safety
2 Hardware. Soon thereafter, Florida began to
3 formulate its own multi-year plan to meet these MASH
4 guidelines. In 2017, that following year, the
5 district contact -- contracted with a professional
6 engineering firm to identify cost and prioritize any
7 guardrail components or barrier sections that have
8 been degraded or sustained enough damage to warrant
9 replacement. Beginning in 2018, the district began a
10 multi-year program to replace or implement upgrades
11 to the existing guardrails within the district.
12 Many locations were included in the capital program
13 that we've been going on for the past ten years.
14 That capital program is new roadway construction or
15 pavement rehab. Since that time, 30 of 102
16 locations have been addressed. In March 2023, a
17 second media inquiry was received that included
18 several repeat locations, but some new locations as
19 well. There were 69 locations identified, with 38
20 being on roadways owned and maintained by the
21 district. The district guardrail locations
22 identified and both inquiries are the first priority
23 for us making improvements. To be thorough, the
24 district has engaged a professional engineering firm
25 to complete an update and review of all guardrail

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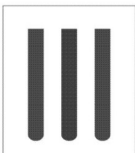
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1 locations on district roadways using the same
2 guidelines as FDOT. That analysis should be
3 completed within the next 30 days, which will
4 provide guidance to prioritize any immediate
5 improvements necessary to address urgent safety
6 measures as well as replace older guardrails with
7 new facilities based on the new and current design
8 standards. The analysis will be used to establish
9 future annual budget to complete the guardrail
10 program started a few years ago. Since the program
11 started, the district has spent approximately \$2.5
12 million, and we anticipate another \$10 million to
13 \$13 million will be needed over the next several
14 years to complete the work. In the month ahead --
15 in the months ahead and part of the current fiscal
16 year, we anticipate another 15 locations, and the
17 two inquiries will be undressed. On a side note,
18 FDOT is currently underway with a similar program
19 statewide. Their discovery phase is -- currently has
20 a targeted completion date of May 31st this year,
21 but their scope of work, funding, and schedule have
22 yet been determined. That's -- if any questions on
23 guardrails, I'll be glad to answer any.

24 MR. GARCIA: Any questions from the Board?

25 MR. AUNGST: I do have just a couple, Mr.



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1 Chair, if that's okay?

2 MR. GARCIA: Yes, sir.

3 MR. AUNGST: Mr. Classe, thank you for adding
4 this to the agenda. And I do want to thank Channel
5 10 in Tampa for bringing this to my attention and to
6 the Board's attention. There were a lot of numbers
7 kind of thrown out there. The one that stuck out to
8 me was 30 out of 102 locations that -- and so I just
9 want to make sure I'm understanding all the numbers.
10 Some locations were identified by WTSP Channel 10.
11 What I'm interested in is how many locations have we
12 identified to date that are not up to current
13 standards?

14 MR. CLASSE: Well, we have -- we have that
15 analysis being done right now, so I'll have that
16 within the next 30 days to have a complete program
17 established. But we started a program back in 2017-
18 18 to address 30 of 102 locations. The -- their 69
19 locations they identified are separate from ours
20 that we looked at, the first 30, so it's kind of
21 merging two initiatives happening at the same time.

22 MR. AUNGST: And you said of the 69 that they
23 identified, 38 of those are ours?

24 MR. CLASSE: That's correct, yes.

25 MR. AUNGST: And by "ours," I mean district



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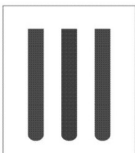
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1 roads.

2 MR. CLASSE: District, right. The others could
3 be either state DOT on the entrances to the
4 district, or they actually could be on private
5 roadways.

6 MR. AUNGST: Okay. And can you just briefly
7 explain, you know, some of the ways these guardrails
8 are not up to current code. Is it based on wear and
9 tear from accidents? Is it based on the way they
10 were installed? Is it based on the way they were
11 designed, the materials that were used? All of the
12 above?

13 MR. CLASSE: All of -- all the above. As an
14 example of what was discovered five or six years
15 ago, is the state change its standard for the wood
16 post and the backing behind the guardrail. If
17 you're aware, there's a post and the actual
18 guardrail sits on top of that. The old way was using
19 wood, and they changed that standard to use metal.
20 And so, we've been going through and updating our
21 systems based on that design change, so that's one
22 example of where they've changed the standards. And
23 then the end treatments are also evolving with
24 design, improving safety measures. So that's the
25 area that we're focusing most on right now is those



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1 end treatments.

2 MR. AUNGST: Perfect. And just from my
3 perspective, I appreciate the work on this and
4 expediting. It's something that I know this board
5 takes public safety as paramount, and I'd like to
6 see it accomplished sooner than later. And as we go
7 into budgeting for next year, I'd like to see that a
8 priority in terms of identifying, particularly the
9 most needed replacements first, but I'd like to get
10 it all done as soon as possible.

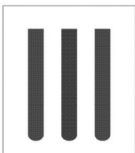
11 MR. CLASSE: Yep. That's why we're doing the
12 full analysis, and we'll present that to you in the
13 budget cycle.

14 MR. AUNGST: And my guess is that Channel 10 is
15 here somewhere, so if you could -- if they want to
16 request for you to talk to them or someone to talk
17 to them afterwards, I'd appreciate if you would
18 accommodate them on that.

19 MR. CLASSE: Okay, sure.

20 MR. AUNGST: Thank you.

21 MR. CLASSE: And then my last comment, Mr.
22 Chair, is that I just want to touch on agenda item
23 8.6 that talks about a special advisor to the Board,
24 and I want to just comment that the -- that there
25 are a lot of challenges ahead of the Board and the



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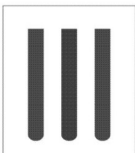
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1 district ahead. The Board has raised in pursuing
2 significant issues and initiatives. I think the
3 board is -- could need a dedicated and timely
4 support from management and staff to support those
5 initiatives. So, looking at a special advisor idea
6 is certainly something that we would support and to
7 help the board on all your actions.

8 MR. SASSO: Mr. Chair, if I may speak to that
9 point.

10 MR. GARCIA: Sure.

11 MR. SASSO: For the benefit of the board and
12 everyone else, I've had a lot of discussions with
13 Mr. Classe for the past week that I think are quite
14 productive, about keeping him involved with the
15 district, but also simultaneously working towards a
16 position where we can appoint, as we're required by
17 statute, a district administrator, and someone that
18 might be new, which is not uncommon when it comes to
19 transitions between boards. As part of those
20 discussions, Mr. Classe and I have been working with
21 legal counsel to come up with a proposition for the
22 board to consider, hopefully at the next meeting,
23 about what that might look like, including having
24 Mr. Classe stay on to assist the board, including
25 with any transition and with existing projects, for



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1 up to a calendar year or as needed at the board's
2 discretion. Hopefully, at the next board meeting,
3 we'll have something to discuss in a more concrete
4 sense, maybe before then. But I think it's -- you
5 know, in our discussions with Mr. Classe, he's been
6 very supportive, and I think it's been a positive
7 conversation. And I think it'll help the board and
8 the district in a transition in a very positive way,
9 that doesn't result in any disruptions or issues
10 that the board could not effectively and efficiently
11 address. So I wanted to add that information item
12 somewhat to the report. And I know I'm encroaching
13 upon 8.6 quite a bit. But I thought, since they
14 were germane, we might address them together.

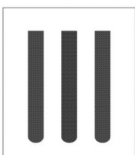
15 MR. GARCIA: Okay. Thank you. I presume, Mr.
16 Langley, there's no action item needed on this
17 issue?

18 MR. SASSO: There's none presented right now.
19 Mr. Langley?

20 MR. LANGLEY: I -- it's totally up to -- is
21 this on?

22 MS. ZIEGLER: Yeah, it is.

23 MR. LANGLEY: Board Member Sasso, if he has no
24 action today to take, then there's no need to take
25 action. We can -- when we get to that item,



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1 dispense of it there, or go ahead and move it up and
2 move on --

3 MR. GARCIA: Okay.

4 MR. LANGLEY: -- from it today. But sounds
5 like, if I may, is that a direction to put an item
6 on the next agenda for next week, to deal with that
7 issue?

8 MR. SASSO: I think I'd like to make that
9 request now that we add to the next agenda. I know
10 we are populating the next agenda at this meeting.

11 MR. LANGLEY: We are.

12 MR. SASSO: So, if we can add that item, I
13 think that'd be beneficial. All right, please.

14 MR. LANGLEY: I think Mr. Classe understands
15 what that item is. And as long as there's no
16 objection from the Board, we'll add that to the next
17 meeting agenda. Thank you.

18 MR. GARCIA: Thank you. Mr. Classe, does that
19 conclude your report?

20 MR. CLASSE: It does, Mr. Chair.

21 MR. GARCIA: Okay. So next we'll hear from
22 Public Resources Advisory Group, also known as PRAG.
23 You-all may recall that the Board at the last
24 meeting retained this financial advisor to help us
25 with some balance sheet analysis and P&L analysis.



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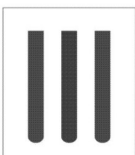
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1 And what I've asked them here today to do is to
2 present us with the scope of their assignment, tell
3 us what they've done thus far, and provide us with
4 any preliminary findings. And if you have any
5 preliminary recommendations at this point, we'd like
6 to hear those as well.

7 MR. GERTNER: Thank you. Good morning. My
8 name is Wendell Gertner. I'm a senior managing
9 director with Public Resource Advisory Group, the
10 district's financial advisor. And I'm joined this
11 morning by my colleague, Marianne Edmonds. PRAG is
12 a leading independent financial advisor firm,
13 serving state and local governments, and their
14 agencies and authorities. We're registered as a
15 municipal advisor with the Municipal Securities
16 Rulemaking Board and the US Securities and Exchange
17 Commission. In Florida, PRAG advises a variety of
18 counties, municipalities, authorities, and special
19 districts. In our role as a financial advisor, we
20 help governments position their financial operations
21 results, policies, and procedures, to ensure
22 financial stability and access to the capital
23 markets. At this stage of our engagement with the
24 district, our goal is to identify policies,
25 practices, and procedures that reduce risk and



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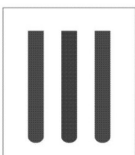
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1 enhance financial stability and transparency. We've
2 embarked upon a deep dive of the district's
3 finances, starting with the statutes, covenants, and
4 policies that govern the district's financial
5 operations. We've reviewed relevant documents,
6 including meeting agendas, contracts, policies,
7 financial statements, budgets, bond offering
8 documents, and continuing disclosure postings. We've
9 spoken with district administration, finance staff,
10 external auditors, bond counsel, disclosure counsel,
11 consulting engineer, and bond trustee. And we can
12 provide references to the Board of any of the
13 documents that we reference here today.

14 Financially, the district is subject to a number of
15 statutes in addition to its charter that govern the
16 financial operations, including budgeting, property
17 tax assessments and collection, and bonding. The
18 district engages with general counsel, bond counsel,
19 disclosure counsel, external auditors, and
20 independent consulting engineers, to ensure
21 compliance with the appropriate statutes and
22 financial regulations as well as federal tax law.
23 The district is also subject to covenants
24 incorporated into its two bond programs, the bond
25 resolution that controls the district's ad valorem

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1 bonds, and its trust and denture and bond resolution
2 that controls its utility revenue debt. The
3 covenants contained in the bond resolution and trust
4 indenture are typical for those types of credits.
5 They are known and familiar to staff. And bond
6 counsel, disclosure counsel, and financial advisor
7 help the district to ensure compliance with its debt
8 covenants. In addition to disclosure counsel, the
9 district has engaged a disclosure dissemination
10 agent, to assist in the district's continuing
11 disclosure obligations. The district has also
12 enacted formal board approved financial policies,
13 including a debt policy, post issuance policy,
14 disclosure policy, and investment policy. These
15 policies appear appropriate, and we have not found
16 any instance of noncompliance with these existing
17 policies as well as the revel event statutes and
18 bond covenants. We do have the following
19 observations. The district's financial statements
20 are presented in accordance with the Governmental
21 Accounting Standards Boards. And they've received
22 an unmodified opinion from external auditors. The
23 district's financial operations are divided into its
24 governmental activities and its business type
25 activities, which includes the utility. Within its

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1 governmental activities, the district has three
2 major funds: the general fund, the death service
3 fund, and the capital projects fund. For fiscal
4 year 2022, the district had approximately \$187
5 million in expenditures within its governmental
6 operations. 9 percent of the expenditures
7 representing \$17 and a half million were for general
8 government, included administrative, human
9 resources, information systems and technology, and
10 contracts and risk management. 24 percent of
11 expenditures representing 45 million were for public
12 safety, included building and safety and emergency
13 services. 6 percent of expenditures representing
14 10.4 million were for physical environment. They
15 included water control, and planning and
16 engineering. And 14 percent of expenditures
17 representing 26.4 million were for transportation,
18 including roadway maintenance and parking garages.
19 The capital projects fund comprised 16 percent of
20 expenditures representing 29.1 million. And capital
21 project expenditures vary annually based on the
22 issuance of ad valorem debt. Finally, the debt
23 service fund comprised 31 percent of governmental
24 expenditures, representing 58.5 million. The
25 district has 686.34 million in ad valorem debt

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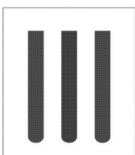
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1 outstanding, with 34.17 million due June 1st of '23.
2 The debt matures June 1, 2038. And the ad valorem
3 debt is rated Aa3 with stable outlook by Moody's,
4 and AA- with stable outlook by both Standard &
5 Poor's and Fitch. The general fund and debt service
6 fund expenditures are primarily funded with ad
7 valorem property taxes, which represented 99.3
8 percent of revenues for fiscal year '22. Taxes on
9 the Walt Disney company related entities represent
10 approximately 86 percent of the property taxes
11 levied for this fiscal year. Expenditures from the
12 capital projects fund have been primarily funded
13 with bond proceeds, and have primarily funded
14 roadways and parking garages. The district uses
15 specialized budgeting software, and follows a
16 standard governmental budgeting process for Florida
17 local governments. District administration and
18 finance meet in April to go over the budget
19 guidelines, and timelines, and budget priorities.
20 Departments prepare their budget requests in May and
21 must submit them to finance by June 9th.
22 Administration and finance review the departmental
23 budget request, refine them in June and early July.
24 The property appraisers of Orange and Osceola County
25 provide the certified taxable value to all local

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1 governments by July 1st. At the June 26th board
2 meeting, staff will present the board for
3 consideration the preliminary budget and maximum
4 millage rate for inclusion in the trim notices. The
5 maximum millage rate is due to the property
6 appraisers by August 4th. The board of supervisors'
7 budget work session will be held August 23rd to
8 refine the proposed budget. And preliminary and
9 final budget hearings will be held September 13th
10 and 27th, respectively, with the final approved
11 budget effective for fiscal year beginning October
12 1st. We would want to point out, this year, finance
13 department is aware that budgeting for
14 administrative expenditures should include an
15 increase in cost, due to the additional oversight
16 activities of the district. Overall, the financial
17 policies and budgeting processes for the district
18 governmental operations appear appropriate,
19 documented, and adhered to. There is one additional
20 financial policy that we believe should be
21 implemented to assist in the budgeting process.
22 That is establishment of the fund balance policy.
23 Fund balance is the net position of the fund. An
24 adequate level should be maintained to mitigate
25 current and future risks, to help ensure stable tax

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1 rates. It can be thought of as the district's
2 equity or reserves. Currently, the district has no
3 policy on how much should be held in its fund
4 balance, to be able to respond to unexpected revenue
5 shortfalls or increased cost. Even though the
6 district has not had a fund balanced policy,
7 historically, the district has maintained generally
8 strong reserve levels. And a formal policy would
9 formalize, memorialize those practices, and staff
10 concurs with this recommendation. Given the change
11 in the district's oversight and the risk associated
12 with upcoming changes to past practices, it's even
13 more essential to establish a policy to mitigate
14 future risks. PRAG intends to work with staff and
15 legal counsel to develop a fund-balanced policy for
16 the board's consideration, as it begins this year's
17 budgeting process. On the utility side, the
18 district owns and operates the combined utility
19 system that includes electricity, water, wastewater,
20 reclaimed water, chilled water, hot water, natural
21 gas, solid waste, and recycling. The utility has
22 161.814 million of utility debt outstanding, with
23 22.678 million due October 1, 2023. The utility
24 debt includes bond issues and bank loans, with a
25 final maturity on October 1, 2038. The utility

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1 bonds are rated A- with stable outlook by Standard &
2 Poor's, A, with stable outlook by Fitch, and A1,
3 with stable outlook by Moody's. Fitch states in
4 their report, dated March 9, 2023, that the
5 utility's financial position is "very strong." For
6 fiscal year '22, the utility had operating revenues
7 of 170 million, debt service coverage ratio of 1.5
8 times, and unrestricted fund balance of 57 million.
9 The Walt Disney company related entities represent
10 approximately 82 percent of the utility operating
11 revenues received by the district in fiscal year
12 '22. The financial operations of the utility are
13 controlled by its trust indenture and bond
14 resolution. The trust indenture is considered a
15 closed indenture, which means all funds held under
16 the indenture are restricted to supporting the
17 utility system and cannot be used for any other
18 purpose. The system is a combined system because,
19 under the trust indenture, all revenues from all
20 operations are pledged to repayment of the bonds.
21 The financial operation of the utilities are
22 included in the district's audited financial report.
23 And, as required by the trust indenture, the
24 district engages an independent engineering firm to
25 prepare an annual report on the utility system. The

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1 most recent report available is dated as of
2 September 30, 2021. The report as of September 2022
3 is in process. The annual report includes a report
4 on the management of the properties, a report on the
5 operating and maintenance of the properties, a
6 report on the status of the operating budget, a
7 report on the status of the construction fund, a
8 report on the sufficiency of rates and charges for
9 service, and a report on the condition of the
10 system. The fiscal year '21 report concludes that
11 "nothing has come to our attention during the period
12 reported on herein, indicating that the district has
13 failed in any material way to perform or comply with
14 the covenants and agreements contained in the
15 indenture and the bond resolution." From a
16 financial perspective, this annual report is
17 critical and should provide comfort to the district,
18 its customers, and bond holders that the utility
19 system is financially sound. Operationally, the
20 district has contracted with Reedy Creek Energy
21 Services, or RCES, a wholly owned subsidiary of the
22 Walt Disney company, to provide all operational
23 services for the utility through a labor services
24 agreement. The services provided by RCES include
25 not only operations of the system, but also

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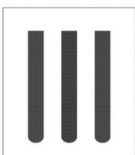
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1 planning, analytical support, and oversight, to
2 include developing annual and long-term strategic
3 plans, forecasts, and budgets, including rate
4 setting for approval by the board. Historically,
5 the contract was approved on an annual basis.
6 However, on February 8, 2023, the current contract
7 was amended and restated. The amended and restated
8 labor services agreement extended the term through
9 September 30, 2032, among other things, provided
10 greater specificity in the services RCES provides.
11 On February 22, 2023 -- sorry, 2023, the agreement
12 was amended again, to clarify the district's
13 obligation to provide RCES with vehicles and
14 buildings and equipment to perform its service. The
15 district is charged by both statute and the trust
16 indenture to set rates and fees that are just,
17 equitable, and uniform, and that will provide for
18 all expenses, operation, and maintenance and debt
19 service. It's our understanding the district is not
20 staffed to be able to review and opine on the
21 reasonableness of the rates, operational costs, and
22 capital needs of the system, as proposed by RCES.
23 From a policy perspective, we find it highly unusual
24 any government utility to rely on a third party
25 related to its primary user for all services,

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1 including the recommended rate structure. The
2 district is unable to verify the rates are equitable
3 across all users, and proposed rates will be
4 sufficient to maintain the system. According to the
5 amended and restated agreement, RCES will provide
6 the proposed scope of capital work, proposed scope
7 of operational services, and the proposed
8 operational service fee and fee cap to the district,
9 on or before July 1, 2023. Our recommendation for
10 the district is, given the complexity of the utility
11 system and the district's statutory and legal
12 obligation, the district needs to engage an
13 independent utility rate consultant as soon as
14 possible, to be able to advise the district on the
15 appropriateness of RCES's upcoming proposal for
16 fiscal year '24, and assist in the rate setting
17 process and fee negotiations of RCES. The role of
18 the utility rate consultant is different from the
19 consulting engineer's role. The rate consultant is
20 forward-looking as rates are proposed, while the
21 consulting engineer is reviewing past operations and
22 current status of the facilities. In order to
23 engage a qualified rate consultant as quickly as
24 possible, upon direction by the board, PRAG can
25 conduct a competitive solicitation. And we would

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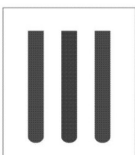
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1 expect to bring proposed form -- firm as a
2 subcontractor to PRAG, for approval by the board at
3 the May 10th meeting. Thank you.

4 MR. GARCIA: Yep. Before you walk away, let me
5 see if my fellow board members have any questions.
6 Any questions from my fellow board members? And
7 before we get to your action item, I want to ask
8 some questions and maybe provide some clarification
9 to your comments. So everyone understands, last
10 Friday afternoon, I learned for the first time about
11 one of these new 11th- hour agreements entered into
12 between Disney and the district. This one relates
13 to our utility services, and I found out late Friday
14 afternoon. And, essentially, so that everybody
15 understands, that what Disney did is create another
16 agreement, and we will have to evaluate the legality
17 of that agreement, but that essentially enables
18 Disney to set their utility rates. In other words,
19 Disney is going to tell the governing body, us, what
20 utility rates they're going to pay, and what
21 everyone else in the district is going to pay, okay?
22 That's -- I've never heard of such a thing. That'd
23 be like having the -- all the CEOs of the utility
24 companies in Florida on the Public Service
25 Commission. And that's highly unusual. And because



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1 they have taken these extraordinary actions, we're
2 going to have to do something that's being
3 recommended to us, which is also highly unusual,
4 that we're -- if these agreements stand up, we're
5 going to have to hire our own independent
6 consultants to evaluate the rates that Disney is
7 going to dictate to us that they're going to pay,
8 and require other property owners in the district to
9 pay. And so, as I understand your recommendation,
10 in order to do this timely, you're recommending that
11 you do the legwork to identify the independent rate
12 consultant. You'll do an RFP process, a competitive
13 bidding process, and then you'll come back to the
14 board and recommend such a consultant?

15 MR. GERTNER: Yes, sir.

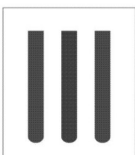
16 MR. GARCIA: Okay. So do we have a motion from
17 the board to authorize our financial advisors to
18 take such action?

19 MS. ZIEGLER: So moved.

20 MR. GARCIA: Second?

21 MR. CLASSE: Second.

22 MR. GARCIA: Any discussion? Anyone opposed?
23 Please note that it passes unanimously. Let me --
24 just a few comments on your fine report. Let me
25 make sure that everybody understands that, because



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1 there's no fund balance accounting at the district
2 under the old board which, based on my financial
3 experience, is also highly unusual. You always
4 reserve for CapEx requirements. Well, the old board
5 was not doing that. And so, we're going to have to
6 take new measures to make sure that that is done.
7 And I've heard some numbers, that we may be short on
8 some accounts as much as 11.4 million. So, what
9 that means is that we're going to have to raise
10 revenues to cover those reserves, okay? Which means
11 we're going to have to raise the millage rate. The
12 other thing that I want everybody to understand, and
13 one of the reasons that we brought in this capable
14 financial advisor, is the process that the old board
15 used to follow. Essentially, for budgeting, they
16 relied on Disney to tell them what their budget was.
17 And so, as it's been told to me, we just backed into
18 the budget, based on what Disney told us we should
19 have as an annual budget. And, as you've heard, our
20 financial advisors are expediting the budgeting
21 process. We're going to be doing budgeting in
22 April. And as you will hear later in this meeting,
23 we are going to be providing new and better services
24 for the district. And because of that and the lack
25 of fund balance -- balances that we're going to have

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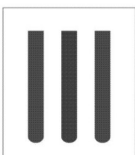
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1 to fund, I want everybody to understand that we're
2 going to have to raise revenues, okay? And there's
3 no way about it. Another reason we're going to have
4 to raise revenues is because of the expenses that
5 we're having to incur, to deal with these illegal
6 agreements that Disney entered into at the 11th
7 hour. And you'll hear more about that later in the
8 -- in this meeting. And then just, finally, some of
9 the things we're going to ask our financial advisor
10 to do is help us with some balance sheet
11 flexibility. We're going to look at things like
12 monetizing some of our assets. And if we monetize
13 some of our assets, that'll give us the balance
14 sheet flexibility to pay off some or all of our
15 debt, which will give us operationally more
16 flexibility, in terms of what we can recommend to
17 the Florida legislature, in terms of further changes
18 they can recommend for this district. So if there
19 are no other questions or comments from my fellow
20 board members -- yes, sir?

21 MR. GERTNER: One clarification. I misspoke on
22 the budget timeline. The -- it's July 26th that the
23 staff would present the board a preliminary budget
24 as scheduled.

25 MR. GARCIA: Okay.



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1 MR. GERTNER: I think -- I believe I said June.

2 MR. GARCIA: Thank you.

3 MR. GERTNER: Thank you.

4 MR. GARCIA: Any other questions or comments?

5 Thank you very much. And thank you for your capable
6 work. You know, in this meeting, you're going to
7 hear about some services and potential operational
8 changes, that we, as a board, are going to evaluate,
9 in order to make this district function more
10 equitably, and be more prosperous, and basically
11 serve the public good, better. You're also going to
12 hear a presentation, or a couple of presentations,
13 on these illegal agreements that Disney created.
14 And you're going to hear from our litigation counsel
15 on that point. But before our general counsel and
16 litigation counsel present, I'd like to briefly
17 explain why Disney's illegal agreements are
18 detrimental to the public good and to the interest
19 of the citizens of Florida. Further, I'd like to
20 outline why the corporation's actions are
21 inconsistent with the state -- the state
22 legislatures, what they intended back in 1967, when
23 they passed the Reedy Creek Improvement Act. So,
24 let's first take a step back into time. In 1967,
25 the tax basis in Orange and Osceola Counties were



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1 rather insignificant. So, the Reedy Creek
2 Improvement Act seemed like a decent deal. In
3 exchange for special privileges, Disney would
4 construct its kingdom to draw tourists, spark
5 industry, generate jobs and revenue. But nobody,
6 nobody, except other than perhaps Disney, believed
7 that the act would live in perpetuity. Lo and
8 behold, the increasingly powerful corporation was
9 able to fortify its sweetheart deal through powerful
10 lobbying and clever marketing for decades. Some of
11 Disney's tactics and strategies are documented in a
12 book titled Married To The Mouse, which was, take
13 note, published 22 years ago. The book also argues
14 why Disney, even back then, 22 years ago, no longer
15 deserved the special privileges, why they were bad
16 for Florida, and in many instances had ceased being
17 a respectable corporate citizen. Disney's lobbying
18 and marketing campaign succeeded for 55 years. It
19 succeeded for more than a half a century, above all
20 because nobody, nobody in Tallahassee was willing to
21 shine a light on this arrangement. Then Governor
22 Ron DeSantis courageously -- and I repeat,
23 courageously called it out for betraying not only
24 fair market competition, but also the citizens of
25 Florida. At this point, only Disney believes that

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1 the Old Reedy Creek Improvement Act is a good deal
2 for the Sunshine State. As such, it is especially
3 shameful that Disney decided to take adversarial
4 actions against the district, even before this board
5 was constituted. Before we learned about Disney's
6 illegal contracts created at the 11th hour, our
7 board was genuinely looking forward to working with
8 Disney in a productive and collaborative manner to
9 improve the functioning of the district. In this
10 spirit, I want you to know that, before these board
11 members were appointed, they met with Disney's vice
12 president in charge of external affairs, to launch
13 what they hoped, and thought, would be a mutually
14 beneficial relationship. Unfortunately, when we
15 were meeting with their VP, we were not told about
16 these unlawful agreements. And what we didn't know
17 is that they were not interested in abiding by the
18 new legislation. Weeks later, we discovered these
19 agreements. Our lawyer, general counsel was able to
20 turn them up. And we discovered that they didn't
21 want to work with us like we wanted to work with
22 them. Again, our board truly wished to work with
23 Disney. Instead, the corporation decided that
24 compromise was out of the question. It was Disney's
25 way or the highway. This is why we were forced to

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1 hire litigation counsel. And you will hear more
2 about that in this meeting. It is indisputable that
3 this district requires meaningful changes on a
4 variety of fronts. Indeed, the new board's charged
5 from Governor DeSantis. And the Florida legislature
6 is to ensure that the district finally, finally is
7 positioned to be more equitable, and more
8 prosperous, and thus better serve the citizens of
9 Florida, particularly the citizens of Osceola and
10 Orange County. Now, let me tell you, regardless of
11 your politics, nobody should favor outdated
12 legislation that elevates a corporation above the
13 public good. In seeking to improve the functioning
14 of this district, nothing is off the table with this
15 board. And so, there are a number of items that we
16 now know that we are going to evaluate, to make this
17 district function better for everyone who works and
18 plays in it, and everyone who lives around it in the
19 surrounding counties. Some of those items that
20 we're going to evaluate -- and I've just got 14
21 here. There's going to be many more as we hire more
22 consultants. But we're going to evaluate creating
23 new zoning to develop affordable and workforce
24 housing. There's none of that in this district. I
25 was shocked. I understand Disney has 75,000 to 100

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1 employees working in the district that commute in
2 and out every day. No affordable housing for them,
3 no workforce housing for them. We're also going to
4 look at creating voting rights for future residents
5 in that housing. We're going to look at developing
6 better traffic solutions for the surrounding county,
7 including transit. We're going to look at reducing
8 the carbon footprint created by the district. Think
9 about the idea. You have 39 square miles, 25,000
10 acres, and you have 75,000 to 100 workers commuting
11 in and out every day in their vehicles. Think about
12 the carbon footprint. Think about how you could
13 reduce that with the appropriate housing in the
14 district. So, these are all ideas that have been
15 presented to us that we're going to evaluate. We're
16 going to look at align -- aligning the district's
17 interests, to join Osceola and Orange County, to
18 fight the many lawsuits that Disney has filed to
19 avoid paying their own ad valorem taxes. And you
20 will hear more about that in this meeting. We're
21 also going to join the counties, and, yes, the
22 school boards, in efforts to create more funding for
23 public schools in Central Florida. You're going to
24 hear more about that, too, in a report later. We're
25 going to -- we're going to evaluate regulating

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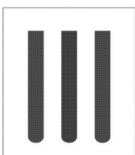
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1 Disney, like every other business in Central
2 Florida. In other words, we're going to create a
3 level playing field for everybody. I don't know how
4 anybody can argue against that. We're going to look
5 at charging utility rates that are not controlled by
6 Disney, which you just heard, that was one of those
7 11th-hour agreements that we're going to have to
8 deal with. We're going to -- we're going to
9 evaluate providing more transparency to the
10 district's governance, implementing new accounting
11 standards, establishing an independent government
12 that's not exclusively controlled by Disney,
13 increasing the district's revenues, to provide new
14 and improved government services, and for
15 maintaining transparency and accountability that was
16 not done under the old board. We're going to
17 evaluate how to monetize some of the assets of the
18 district, and potentially pay off some or maybe all
19 of our debts, that will give the legislature more
20 flexibility on how to make this district work better
21 for the citizens of Central Florida. And then
22 finally, we're going to -- we're going to look at
23 providing the governor and the legislature with a
24 report before the next legislative session, so that
25 they can make more long-term changes to the

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1 legislation of this district, to make sure that we
2 serve the public good. So there's a lot coming.
3 And you're going to hear about some of that here in
4 this meeting. And so, at this time, I'm going to
5 ask two of our trial lawyers to talk about these
6 illegal agreements. And first, Mr. Thompson will
7 present and then --

8 MR. CLASSE: Mr. -- Mr. Chair, can I interrupt
9 one second? Sorry to interrupt, but we do have
10 another agenda item --

11 MR. GARCIA: Yes.

12 MR. CLASSE: -- which is the tide-based solar.
13 You want to do it at the end?

14 MR. GARCIA: What -- which?

15 MR. AUNGST: We're still on reports -- we're
16 still on reports, John.

17 MR. CLASSE: We're on reports?

18 MR. AUNGST: We're on 7.3. Yeah.

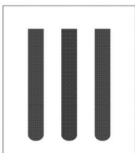
19 MR. CLASSE: Okay.

20 MR. AUNGST: I think we have Mr. Langley next;
21 is that correct?

22 MR. GARCIA: Yes. Yes.

23 MR. CLASSE: Okay. Sorry.

24 MR. GARCIA: And -- but so before I introduce
25 our trial counsel, I'm going to ask our general



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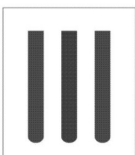
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1 counsel, Mr. Langley, to please provide us with a
2 report.

3 MR. LANGLEY: Good morning. I have a few
4 items. Based on a review of the district's fire
5 prevention code, and in discussions with the fire
6 department leaders, it appears to me that the fire
7 prevention code of the district lacks enforcement
8 mechanisms in ensuring that the -- any violations of
9 those codes are enforced, and those problems fixed.
10 Most local governments have in their code
11 enforcement mechanisms to deal with violations of
12 the fire code. This is lacking in the district's
13 regulations. They're very lax. I would like
14 consensus from this board to work with the fire
15 department to develop and bring back for your
16 consideration new regulations that implement code
17 enforcement mechanisms to ensure that our fire
18 prevention code can be enforced to the fullest
19 extent of the law.

20 MR. GARCIA: And do you need a motion in that
21 regard?

22 MR. LANGLEY: As long as you are in consensus
23 of me doing that, I'll work with them. I'll try to
24 get it to you in the next month and a half or so.
25 I'll try to expedite it. My goal is the May



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1 meeting, but we'll see what we can do.

2 MR. AUNGST: Mr. Chair, a fire prevention code
3 that can't be enforced or regulated doesn't seem to
4 do any good for the public, so I'm all in favor of
5 making sure that our fire prevention code is
6 enforceable by our firefighters.

7 MR. GARCIA: Any objections from this board?

8 MR. CLASSE: None.

9 MR. GARCIA: I think you've been instructed to
10 proceed on that. Thank you.

11 MR. LANGLEY: Thank you. Understood. Okay. My
12 next item is -- I know, based on item 8.4, that
13 there is an interest in securing an urban planning
14 firm to assist the district in evaluating the
15 comprehensive plan, land development regulations,
16 growth management issues, and to provide that report
17 that required to the legislature and the governor.
18 I wanted to give the Board an example, a property
19 that the district owns that is affected by that
20 self-dealing restrictive covenant document dated
21 February 8, 2023. And if you would, put up the
22 slide that I brought. If you recall from my prior
23 report, that restrictive covenant purports to strip
24 away all potential uses of district-owned property
25 except those public and governmental purposes that



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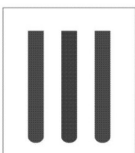
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1 existed as of February 8, 2023. It also includes a
2 whole list of prohibited uses on those properties.
3 It also prohibits, specifically any residential use.
4 I put up on a slide property that the district owns,
5 and this is just two examples. These are two
6 parcels the district owns. They're 193, plus or
7 minus, acres, it might be a little more than that,
8 owned by the district on Hartzog Road near the
9 intersection of the 429 Western Beltway that are
10 currently RIB sites. And that's the rapid
11 filtration basin for the reclaimed water facility.
12 And that's essentially fields where the reclaimed
13 water is sprayed on vacant land, and it allows water
14 to go into the aquifer. It's a good use and it's
15 necessary, but the district has a lot of land for
16 that purpose, even on the other side of the 429. I
17 think this is an example of where you have
18 essentially a restrictive covenant saying that
19 forever we have to continue to spray water on vacant
20 fields and not use it for any other public purpose.
21 And this area is near the interchange of Western Way
22 and the 429, it's about a half mile from that major
23 intersection. This could potentially be -- even
24 part of it, even part of it, what Chair Garcia was
25 talking about with workforce housing, or affordable

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1 housing site, that's close to Disney and other
2 businesses in the district where employees could be
3 within a little commute instead of driving 45
4 minutes to an hour away, stuck in traffic.
5 Excellent traffic network there. However, these
6 deed restrictions purport to say that this property
7 can't be used by the district for anything other
8 than spraying water on fields. So I just wanted to
9 give you the real-world example of how these
10 documents affect the district's operations,
11 legislative, and executive functions in determining
12 what is in the best interest of the district and of
13 -- in the best interest of the residents of Central
14 Florida. I don't have an action item on that, but I
15 just wanted to bring that to your attention. My
16 next item is I wanted to talk about the fact that
17 there are over 90 pending lawsuits in the Orange
18 County Circuit Court against the Orange County
19 Property Appraiser, this district, and the other
20 taxing authorities of Orange County that were filed
21 by Walt Disney Parks and Resorts USA, Disney
22 Vacation Development, and several other taxpayers in
23 this district challenging the ad valorem tax
24 assessment value of their properties, which would
25 affect the amount of taxes that are paid in property

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1 taxes to all the taxing authorities. Disney's and
2 the other plaintiffs in these cases, these 90
3 lawsuits, contest the value established by the
4 Orange County Property Appraiser for several
5 commercial properties during a seven-year period
6 extending from 2015 to 2022. In those complaints,
7 they allege the assessments do not represent just
8 value of the parcels, and they claim that they
9 exceed the fair market value of those properties.
10 The taxes for these years have already been paid to
11 all the taxing entities, including to the district.
12 In the event that a judgment is entered in Disney's
13 favor, and the other taxpayers, that would result in
14 a reduction of the assessed value of property, and
15 the property appraiser would have to issue and
16 provide to the tax collector, and to the district,
17 something called certificates of correction that
18 would compel the district and other taxing
19 authorities to refund seven years' worth of rebates
20 and taxes to Walt Disney World. Thus, the district
21 has a substantial contingent liability of
22 potentially having to refund millions of dollars to
23 Disney if Orange County -- if the Orange County
24 Property Appraiser does not prevail in these
25 lawsuits. The total potential refund amount has not

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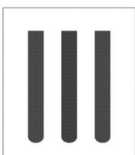
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1 been determined at this time. However, I received
2 information that -- of an estimate of \$11.4 million
3 as a possibility, but it could potentially be a lot
4 more than that. Based on Disney's aggressive
5 stances in these cases, attempting to lower their
6 value by somewhere between 33 to 38 percent, I've
7 even heard some attempts up to 50 percent, to avoid
8 paying taxes to the Orange County Public School
9 system, to avoid paying taxes to Orange County, to
10 avoid paying taxes to this district that serves it
11 directly. I wanted to -- if you could put up the
12 next slide? In regards to the impacts to the Orange
13 County Public School system, I received public
14 records from the Orange County Tax Collector
15 indicating that Disney's property assessment
16 lawsuits could cost our Orange County Public School
17 system anywhere between \$52 million and \$105 million
18 for just the seven years that they're suing on
19 currently. The Orange County Public School system
20 has been reserving funds in anticipation of this
21 contingent liability, and the school system has
22 already been dramatically impacted by these lawsuits
23 due to this requirement to reserve this money. I
24 have on the screen snapshots of a letter sent by
25 Orange County Public School Chair Jacobs, and the

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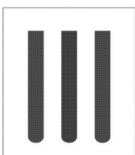
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1 superintendent of the schools, to Walt Disney World
2 and to the Orange County Property Appraiser dated
3 October 31, 2022. In that letter, the school system
4 is essentially stating, please back off of these
5 challenges, these lawsuits are already impacting our
6 ability to operate our school system and to build
7 schools. This letter went out in October. These
8 lawsuits are still aggressively being pursued by
9 Walt Disney World. In the last paragraph of this
10 letter, you will see what the leaders of the school
11 system are saying, if this lawsuit continues, if all
12 these lawsuits continue, they will have a major
13 impact on public school operations and capital
14 projects that would -- could result in public school
15 construction plans being halted and termination of
16 teachers and staff members and termination of
17 important programs that educate the children.
18 Again, these impacts to the public school system
19 have not deterred Disney from attempting to get
20 large tax refunds from the school system, from
21 Orange County, or from this district. In addition
22 to potentially triggering a large tax refund, a
23 lower property assessment would result in lower tax
24 collection in future years. So we're not talking
25 about a one-time hit, we're talking about a hit for

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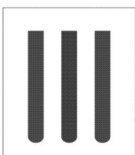
1 years to come. So I would point out to you that
2 this is an issue that, during your budgeting and
3 millage adoption process, you need to be aware of
4 when setting the millage rate to come up with
5 sufficient funding, to perhaps set aside reserves to
6 address this potential impact. The Carlton Fields
7 Law Firm has been representing the district in these
8 lawsuits and was previously instructed by this
9 district to just monitor these cases. I would like
10 to seek this board's permission and direction to
11 instruct Carlton Fields to aggressively defend these
12 lawsuits to support the Orange County Property
13 Appraiser's stance evaluation for all of the
14 properties being contested in these lawsuits so that
15 we can ensure that not only does this district have
16 adequate funding sources, but our Orange County
17 Public Schools are not hit in the way that they're
18 telling Disney they will be hit. Do I have your
19 consensus for that?

20 MR. GARCIA: Is there a motion?

21 MR. AUNGST: Mr. Chair?

22 MR. GARCIA: Yes.

23 MR. AUNGST: So moved, and I would also like to
24 include in that with Mr. Langley and his firm's
25 oversight of outside counsel at Carlton Fields, I



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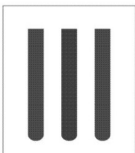
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1 certainly would like to include the authority for
2 our attorneys to engage our own appraisal experts to
3 support the appraisal of the Orange County Property
4 Appraiser, ensure that we are actively involved in
5 defending that appraisal, and supportive by creating
6 our own evidence and our own expert witness
7 opinions. And again, I defer to Mr. Langley and his
8 firm on oversight and management of the outside
9 counsel, but I'd like to include that as part of the
10 authority that we're granting you.

11 MR. PERI: Second.

12 MR. GARCIA: Any -- anyone opposed? Motion
13 passes unanimously. Thank you.

14 MR. LANGLEY: One more thing I'll mention is
15 that the act gives this district substantial eminent
16 domain authority in order to acquire lands as
17 necessary to implement the purposes of the act. If
18 the board desires, I can talk about that more at the
19 next meeting. I don't have something prepared. I
20 just wanted to mention that because some of the
21 things that the planning firms may come back with
22 are some ideas or concepts that may need
23 infrastructure to support those ideas, and so there
24 may be a need to go beyond what the district already
25 owns and acquire additional properties for those



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1 purposes. But at this time, I have nothing further.

2 Thank you.

3 MR. GARCIA: Okay. Is -- are there any
4 questions or comments from the board relative to Mr.
5 Langley's presentation?

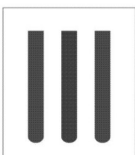
6 MR. PERI: I think I would like to add, Mr.
7 Chair, that Mr. Langley prepare that presentation
8 and bring it back to us at the next meeting so we
9 can be fully briefed on his last remark.

10 MR. GARCIA: Okay. Any other questions or
11 comments?

12 MR. AUNGST: Just thank you for a great job. I
13 appreciate it.

14 MR. LANGLEY: Thank you.

15 MR. GARCIA: The only -- the only comment I
16 would make is what to me seems highly unusual that a
17 government body would stand neutral in litigation
18 when there's an opportunity to raise revenue for
19 their district, and that's -- that needs to be
20 understood, that the old board did nothing but sit
21 idle in terms of helping or asserting in the
22 litigation favorable help to Osceola and Orange
23 County and the school districts. I've never seen
24 such a thing. But our action item will cure that --
25 that problem that was part of the old board's



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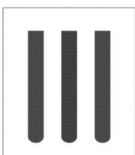
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1 policy. Anything else with respect to this
2 presentation, Mr. Langley?

3 MR. LANGLEY: No, nothing further. Thank you.

4 MR. GARCIA: Okay. And now we're going to hear
5 from our trial counsel. We'll first hear from David
6 Thompson and then from former Justice Lawson, and
7 let me give a brief introduction. In the legal
8 community, neither one of these two need any
9 introduction. David Thompson is the managing
10 partner of Cooper and Kirk, which is a premier
11 litigation firm headquartered in Washington, D.C.
12 He is nationally recognized for arguing regularly
13 before the US Supreme Court constitutional issues
14 and issues across the country. He and his firm
15 regularly go up against the nation's largest
16 corporate entities, including Google, Microsoft, and
17 Exxon. He secured victories worth billions of
18 dollars for his clients, and we're glad to have him
19 on our team along with former Justice Lawson.
20 Former Florida Supreme Court Justice Alan Lawson,
21 who founded the Lawson Law Firm, before serving on
22 the Supreme Court of Florida, he spent most of his
23 career right here in our backyard in Central
24 Florida, first as a trial court judge, and then
25 elevated to chief judge of the Fifth District Court



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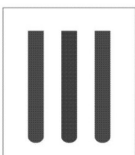
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1 of Appeals. He has seen it all in terms of Florida
2 law, both as a lawyer and as a judge at the trial
3 court, appellate court, even at the supreme court
4 level. And I don't know anybody more qualified to
5 interpret Florida law than former Justice Lawson.
6 So with those introductions, I'd ask Mr. Thompson to
7 please present.

8 MR. THOMPSON: Thank you, Mr. Chairman. On
9 February 8th of this year, Disney and the outgoing
10 supervisors of this district engaged in a blatant
11 effort to attempt to subvert the will of the people
12 of Florida in a backroom deal. For over 50 years,
13 Disney had enjoyed a sweetheart deal that exempted
14 it from the type of government regulation that every
15 other business in the state complies with. The
16 Florida legislature and Governor DeSantis sought to
17 end that special treatment. They were committed to
18 having Disney treated the same as all other
19 businesses in the state. Disney responded by
20 engaging in an illegal and indeed unconstitutional
21 effort to extend the life of its sweetheart deal,
22 but Disney's efforts are riddled with illegality,
23 and they will not withstand judicial scrutiny.
24 Procedurally, Disney and the prior board failed to
25 adhere to the state Sunshine Laws. Specifically,



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1 they failed to mail notices to the other property
2 owners in the district. The obligation to make such
3 a mailing is crystal clear under the law of Florida,
4 and Disney's failure dooms their entire effort to
5 evade the will of the people of Florida. And
6 there's a second procedural flaw in Disney's
7 efforts. Under Florida law, a development agreement
8 of this type can be entered into only if the
9 district has put in place procedures to adopt such
10 an agreement, and the Reedy Creek Improvement
11 District neglected to do so. There are no such
12 procedures in this district, and these purported
13 contracts are therefore null and void for that
14 reason alone. Substantively, the agreements are
15 unconstitutional. Under Florida law, it's well
16 established that governments cannot confer their own
17 powers onto private parties. If they do so, that
18 violates the private non- delegation doctrine, and
19 here, Disney attempted to use these contracts to
20 seize for itself numerous governmental functions.
21 Under these agreements, Disney would have the right
22 to set the maximum height of buildings in the
23 district. Disney would have all of the development
24 rights to the exclusion of every other property
25 owner in the Disney -- district, and Disney would

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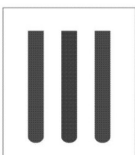
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1 have the right to insist that roads be built
2 regardless of the advisability of building such
3 roads. Beyond the unconstitutionality, the
4 development agreement and the restrictive covenants
5 failed to comply with Florida's law of contracts.
6 At the most basic level, they are blatant and
7 obvious efforts to evade HB 9, and under Florida
8 law, contracts that are inconsistent with public
9 policy are null and void. And in addition, these
10 contracts violate the unconscionability doctrine.
11 They are completely one- sided. Disney takes
12 governmental powers for itself for decades, and
13 offered the district precisely nothing in return.
14 The bottom line is that Disney engaged in a caper
15 worthy of Scrooge McDuck to try to evade Florida
16 law. Its efforts are illegal, and they will not
17 stand. And now I'd like to turn the presentation
18 over to former Justice Allen Lawson, who will
19 address certain aspects of what I've covered, and
20 then I'll come back and hit the other points. Thank
21 you.

22 MR. LAWSON: Good morning. Mr. Chairman,
23 members of the board, on May 12, 1967, I turned 6,
24 an event of little consequence that passed without
25 any fanfare outside the humble home owned by my



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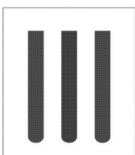
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1 parents in Tallahassee. That same day, however, the
2 Florida legislature created the Reedy Creek
3 Improvement District, and that event was widely
4 covered nationwide in the press because it was so
5 unprecedented and groundbreaking. The press
6 recognized that the Disney company would be able to
7 build a massive entertainment complex with theme
8 parks, hotels, other facilities without being
9 subject to independent local government regulations
10 that applied to everyone else. From the media
11 accounts, it seemed that most, particularly in
12 Florida, viewed this as a -- as a positive, seeing
13 the district as an innovative way for the Disney
14 Company to bring to reality the beloved Walt
15 Disney's dream of a self-contained community of the
16 future. Even then, however, critics, especially
17 those in states that had a lot more experience with
18 for-profit corporations of a large scale, raised
19 concerns about the potential lack of oversight and
20 accountability for the district, with some
21 questioning the soundness of the public policy that
22 would hand a for-profit corporation this kind of
23 unprecedented control over its own local government.
24 Whatever the public opinion, however, that was the
25 law. Disney and its shareholders were able to

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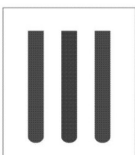
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1 benefit from that unique arrangement until the
2 Florida legislature acted to sunset the Reedy Creek
3 Improvement Company. As a 6-year-old, of course, I
4 had no opinion on the wisdom or propriety of the
5 1967 enactment, and irrespective of what Disney
6 thinks or anyone else thinks about the sunseting of
7 the district, it is the law. And that fact is the
8 starting point for any legitimate analysis of the
9 events that we're here to discuss. After all, the
10 whole point of our constitutional republic is that
11 we're all equally subject to the law. Early in my
12 judicial career, I presided over more than 100
13 criminal jury trials. One of the most solemn
14 responsibilities that I had was instructing each
15 jury immediately before it began its deliberations,
16 and this is what I would say: "In closing, let me
17 remind you that it is important that you follow the
18 law spelled out in these instructions in deciding
19 your verdict. There are no other laws that apply to
20 this case, and even if you do not like the laws that
21 must be applied, you must use them. For more than
22 two centuries, we have lived by the constitution and
23 by the law. No juror has the right to violate rules
24 that we all share." Having served for 22 years as a
25 judge and then justice, I can tell you that I've

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1 never seen a more blatant and hostile attempt on a
2 scale like this to openly thwart the law. A
3 governmental entity acting at the behest of a
4 private for-profit corporation and attempting to
5 contract away its governmental powers, brash,
6 breathtaking, and unlawful for the reasons that
7 David previewed, and we'll discuss in more detail
8 next. Before I turn this over to David, I want to
9 walk through one of the most glaring and obvious
10 procedural defects that renders void this attempt to
11 evade the rules that we all share. It's been widely
12 reported and talked about here that the mechanism
13 used by the Reedy Creek Improvement District and
14 Disney was a development agreement. Development
15 agreements are provided for in Chapter 163, Florida
16 statutes in a part known as the Florida Local
17 Government Development Agreement Act. If you could
18 put up the first slide? If you can see that, you'll
19 see that the agreement that we are talking about
20 that was entered on February 8th is entitled, The
21 Walt Disney World Chapter 163 Development Agreement.
22 And it outlines in the whereas clauses beginning
23 with the 12th recital that the Disney Creek
24 Agreement was entered into for the maximum allow --
25 amount of time allowed by that chapter. It recites

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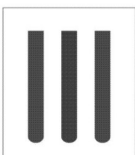
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1 that, "development agreements are used all over
2 Florida", which is certainly true. And then it
3 confirms that this agreement is entered pursuant to
4 that statute. Next slide. And then again, in the
5 very first section, section 1, subsection C,
6 Authority for the Agreement, it states, "This
7 agreement is entered into pursuant to the authority
8 of the Florida Local Government Development Act."
9 Next slide. That act has very clear requirements as
10 to what a local governmental entity must do before
11 it can enter any development agreement. Those are
12 found in Section 163.322, Florida statutes entitled,
13 Public Hearings. Florida has broad government in
14 the Sunshine Laws that require important actions to
15 be taken in the sunshine at public hearings, and the
16 action of entering into a development agreement is
17 no exception. You'll see here that before a local
18 government can enter a development agreement, it has
19 to conduct at least two public hearings in the
20 sunshine. And Reedy Creek did hold two public
21 hearings, however, an important precursor to any
22 public hearing that must be held in the sunshine is
23 notice. You'll see here that section 163.322
24 requires two types of notice. First, notice in a
25 newspaper of general circulation. You've seen

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1 newspapers, maybe not in a long time, but in the
2 very back, there're all these little notices that
3 just are all over the place. And you question
4 whether in today's world that's very effective to
5 let anybody know what's going on, but more
6 importantly, you'll see -- and Reedy Creek did that,
7 they did publish notice in a -- in a newspaper.
8 You'll see, highlighted in yellow, that, "Notice of
9 intent to consider a development agreement shall
10 also be mailed to all affected property owners
11 before the first public hearing." Without a notice
12 that alerts those who have an interest in the action
13 that's going to be taken, appearing in the sunshine
14 is nothing but a facade. That second notice, that
15 mailed notice, never happened. Those most directly
16 affected by and that would have seen and taken note
17 of what Reedy Creek and Disney were about to do
18 together never had that opportunity because that
19 notice was never sent. That's, of course, important
20 for two reasons. One is the practical reason that,
21 as you can tell from what's been discussed here
22 today, the -- these agreements substantially
23 affected and would affect Central Florida if they
24 were left in place. They substantially and directly
25 would affect the other property owners in this area

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1 in the ways that David outlined, and we'll talk
2 about later. But secondly, even more importantly as
3 a legal matter -- next slide. "Florida law requires
4 strict compliance by local governments with notice
5 requirements, and the failure to comply with them
6 means that the governmental action is null and
7 void," or put another way, "void ab initio." It
8 doesn't matter whether property owners would've
9 objected, or anybody would've shown up for the
10 hearing, it is so important the law says that if the
11 notice is not given, it is as if the action taken at
12 that facade of a meeting never occurred. Black's
13 Law Dictionary defines void as, "of no legal
14 effect," void ab initio, "of no legal effect, from
15 the first moment that a contract is entered into."
16 And that is perhaps the easiest way -- issue that
17 can be explained as to why these agreements will
18 fall, already have fallen. They have no legal
19 effect. David will go through the others, but I'd
20 also like to add that a void development agreement
21 also invalidates the restrictive covenants because
22 -- and I could put up the same whereas clauses, but
23 in the interest of time, we won't. But as recited
24 in the restrictive covenants themselves, they were
25 entered into in furtherance of an in consideration

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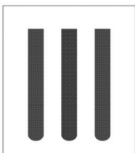
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1 of the development agreement, and that development
2 agreement is void, as if it was never entered.

3 Thank you.

4 MR. THOMPSON: Thank you, Alan. There's a
5 second procedural defect with the Development
6 Agreement. Prior to 1986, districts were not able to
7 enter into these types of arrangements. And the
8 legislature in 1986 empowered districts to enter
9 into development agreements, but they did so on a
10 condition. They required the district by ordinance
11 to put in place procedures governing the adoption of
12 these types of agreements, and counties around the
13 state have done so; Miami-Dade, Jacksonville, and
14 you know, this -- but Reedy Creek failed to do so.
15 There are no such procedures, even though it is a
16 statutory pre-condition to entering into any
17 development agreement. And this development
18 agreement is a perfect example of why there should
19 be procedures, and why the Florida legislature in
20 1986 insisted on this. Here, the development
21 agreement was drafted by Disney. Here, there was no
22 meaningful staff level review of the agreement, and
23 the board voted and approved the development
24 agreement based on Disney's representations about
25 the agreement. The fact is that this failure to



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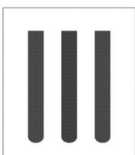
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1 have these procedures in place is a second
2 independent basis for concluding that these
3 agreements are null and void. And as Alan said, the
4 restrictive covenants themselves are premised on the
5 adoption of the development agreement. So, if the
6 development agreement falls, it necessarily follows
7 that the restrictive covenants fall as well. Now,
8 there are a myriad of problems with the restrictive
9 covenants, which I'll get to in a few moments, but
10 the two are tied in that way. There are also
11 substantive flaws with these agreements. It's well
12 established under Florida law that a development
13 agreement in a restrictive covenant is a contract,
14 and thus is governed by the law of contract. And
15 there are -- and so that's an issue, and I will
16 explore that in some detail. But before I get to
17 that, I want to talk about the unconstitutionality
18 of these agreements, because these agreements
19 purport to confer onto Disney governmental
20 authority. And under the private non-delegation
21 doctrine, a government -- a district cannot confer
22 governmental authority onto a private party. Here,
23 the development agreement provides, "if there is any
24 conflict between the agreement and the district's
25 land development regulations, this agreement shall

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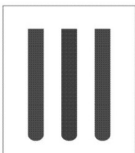
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1 prevail." That's an astonishing grant of authority.
2 That's saying that even if there are regulations
3 that have been adopted by the district that have the
4 force of law, that this agreement trumps those laws.
5 And that's not all. As I mentioned in my opening
6 remarks, Disney also takes for itself the basic
7 zoning power to identify how tall the buildings can
8 be in the district. They also take for themselves
9 all of the development rights and entitlements. And
10 Disney, under these agreements, is the only one
11 allowed to, "assign portions of the master
12 development rights and entitlements to other
13 landowners." So, Disney takes these governmental
14 functions for itself. Disney also obligates the
15 district to fund, design, and construct public
16 facilities to accommodate Disney's growth. And it
17 does so without giving the district the opportunity
18 to reassess. Now, some may say, well, wasn't there
19 a comprehensive plan? Isn't this just mirroring
20 what's in the comprehensive plan? And that would be
21 fallacious for a number of reasons. First of all,
22 it's just not true in the sense of this has a date
23 that goes well beyond the comprehensive plan. It
24 extends that by a long period of time. It assigns
25 the exclusive development rights to Disney, that

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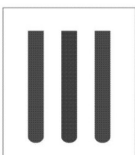
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1 wasn't in the comprehensive plan. And of course,
2 the restrictive covenants place all sorts of
3 restrictions upon the district that were not in the
4 comprehensive plan. And so, Disney cannot hide
5 behind the comprehensive plan as a justification for
6 the development agreement. And all of this is to
7 say, these agreements are unconstitutional, but they
8 also violate the basics of contract law in three
9 separate ways. First, at a most basic level, they
10 are a blatant effort to evade HB9, and under Florida
11 law of contracts, contracts that are inconsistent
12 with public policy are null and void. The
13 legislature was trying to empower this district to
14 take back authority from a Disney, and Disney has
15 tried to thwart that, and indeed exacerbate that, by
16 taking even more powers that it did not have before.
17 So that's one way in which these agreements are
18 inconsistent with the Law of Contracts. The second
19 is unconscionability. When you -- under Florida law,
20 there's a strong public policy that when a contract
21 is inconsistent with public policy, it's
22 unconscionable, and you look at both procedural and
23 substantive unconscionability. Here, with respect
24 to procedure, we see self-dealing. We see a prior
25 board that was hand-picked by Disney. We heard what

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1 the selection process looked like from one of the
2 public commenters. And in addition, the
3 supervisors, they had -- to the prior board, they
4 had to own land in the district to serve. Where did
5 that land come from? Disney, on a temporary basis,
6 gave them use of the land. So that's self-dealing,
7 and that's a hallmark under the case law of
8 unconscionability from a procedural perspective.
9 But there was also a lack of independent counsel for
10 the district. The lawyer for the district has been
11 working with Disney on real estate matters. To his
12 credit, he disclosed this, but that doesn't change
13 the fact that he has been working for Disney for
14 some time now. And I'd like to show a series of
15 slides that we've unearthed in our investigation.
16 These are internal e-mails that we have discovered
17 since we've been retained. And the first one shows
18 that -- Disney's effort to obscure, that it drafted
19 the development agreement by having the district's
20 lawyer, who as I just mentioned works for Disney
21 too, put his name on as the drafter. You can see
22 the subject. It says, "Developer Agreement, Chapter
23 163." This e-mail at the bottom is from John
24 McGowan in his -- he says he's the chief Counsel in
25 the legal department of Walt Disney World. And we

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1 can see that he says in the body of it, "My name is
2 currently at the top of the document," that's the
3 development agreement, "as the drafter, and I'm
4 comfortable having my name on it, but from an optics
5 perspective, that is not ideal, and it would be
6 better to have a non-Disney employee be the
7 drafter." So we see Disney doing the drafting and
8 then trying to cover it up right away. And if we
9 look at the next slide, we'll see the same was true
10 of the restrictive covenants. Here we can see that
11 originally, it says that it's John McGowan, that's
12 the in-house Disney lawyer. We just saw it was
13 listed as prepared by and returned to, and then
14 that's struck out, and then they put in the
15 district's lawyer instead, and you can see that in
16 the red line. If we look at the next slide, we can
17 see that the Disney in-house lawyer also edited the
18 development agreement agenda for the district's
19 board meeting. We can see the subject line,
20 "Forward: Agenda for January 25, 2023 BOS Meeting."
21 And we can see that this is from John McGowan, the
22 in-house Disney lawyer. And we can see he says in
23 the first line, "I would also suggest modifying the
24 agenda item as follows." So he's -- Disney's lawyer
25 is literally writing the agenda for the board

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1 meeting. If we look at the next e-mail, we can see
2 that this same Disney in-house lawyer edits the
3 talking points relating to the restrictive covenants
4 for the administrator. And so here again, Disney is
5 pulling the strings, and all of that is procedurally
6 highly irregular and would satisfy the requirements
7 of procedural unconscionability. But beyond these
8 procedural irregularities, there also is substantive
9 unconscionability. The touchstone is looking to see
10 is an agreement unreasonably unfavorable to one
11 party. The factors you look at are the length of
12 the agreement, and the benefits that flow to both
13 parties. And here we can see that the benefits that
14 Disney has taken for itself are one-sided and
15 substantial. And we've covered them, whether it's
16 the zoning or the building of the roads, or the veto
17 over the district's own alteration, or use of its
18 property under the restrictive covenants, they even
19 take the ability to censor the speech of the
20 district on its own property, and the benefits are
21 long term. And in return, the district received
22 nothing, received absolutely nothing. Now, Disney
23 may say, well, you know, we agreed not to sell our
24 land at more than fair market value to the district.
25 Guess what? You were never going to have to pay

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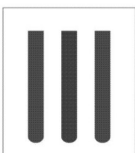
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1 more than fair market value for the value of the
2 land. So, this is totally elusory, and it is
3 totally meaningless, and the district received
4 nothing in return. And not only does that render
5 these contracts substantively unconscionable, but
6 there's a separate requirement under Florida law
7 that a contract has to have consideration, and these
8 contracts do not have that. Indeed, the restrictive
9 covenants don't even purport to have a peppercorn of
10 consideration. Now, if we look at those restrictive
11 covenants, in addition to not having any
12 consideration and in addition to suffering from all
13 the unconscionability factors that we've just looked
14 at in the development agreement, there are two other
15 points I'd like to make. Number one, under Florida
16 law, restrictive covenants are not binding on
17 governmental entities. Under Florida law, we don't
18 want governments having their hands handcuffed by
19 private parties in contracts. And so, it's crystal
20 clear that restrictive covenants simply do not have
21 any force or effect vis-a-vis this governmental
22 entity. And there's another problem, that these
23 restrictive covenants are, once again, a violation
24 of the private non-delegation doctrine. We can look
25 at section 2.1 of the covenants. They restrict the

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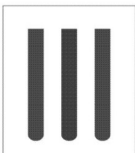
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1 district to use its property solely for the uses
2 that it is currently being used for. We saw that in
3 Dan's presentation. In addition, under section 3,
4 the district cannot alter its property without
5 Disney's review and consent. And the covenants even
6 restrict the district's own speech on its own
7 property. This is Disney setting itself up as a
8 sensor in violation of the private non-delegation
9 doctrine. No private party has that right. The
10 bottom line is that Disney's efforts are riddled
11 with procedural impropriety and illegality, and they
12 are riddled with substantive impropriety and
13 illegality. And we are confident that both the
14 development agreement and the restrictive covenants
15 will not withstand any judicial scrutiny. Thank
16 you.

17 MR. GARCIA: Wow. Thank you, Mr. Thompson and
18 Justice Lawson. Very powerful presentation. And as
19 I said earlier, it's -- it really is shameful what
20 Disney tried to do. At this point in the agenda
21 we're going to hear from some state agencies. I
22 understand that there's a representative from DOT,
23 DPR and DOH. And what I'd ask is first, a
24 representative from DOT to please step up, and give
25 your name, and provide us with your presentation.



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1 MR. WATTS: Good morning, Chair and committee.
2 My name is Will Watts, I'm the assistant secretary
3 over engineering and operations for the agency. So
4 our primary focus in the agency is to lead -- to
5 lead the transportation system and manage one of the
6 most comprehensive transportation systems in the
7 country. Just a reminder of our mission is to
8 provide a safe transportation system that ensures
9 the mobility of people and goods, enhances economic
10 prosperity, preserves the quality of our environment
11 and communities. As a part of that mission we
12 ensure the transportation system is interconnected
13 and supports a multimodal network consisting of air,
14 rail, sea, spaceport, transit, and the ever-
15 expanding deployment of bicycle and pedestrian
16 facilities. As Florida's transportation system
17 impacts every aspect of daily living, maintaining
18 strategic relationships with both public, private
19 and quasi-governmental partners or paramount. This
20 includes regional organizations and special
21 districts like the Central Florida Tourism Oversight
22 District. Our relationship with the prior Reedy
23 Creek Improvement District is unique compared to any
24 other entity in Florida. For transportation and
25 infrastructure related matters, Reedy Creek received

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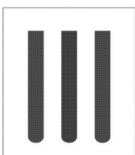
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1 the best of both worlds, the private and the
2 government worlds, and were not subject to the same
3 oversight in terms of uniform protocols and
4 standards or local standards as specified in the
5 Florida Green Book, which sets minimal standards for
6 transportation. We first addressed during the --
7 this was first addressed during the recent special
8 session by removing the requirement for the
9 department to first seek approval from the Reedy
10 Creek when determining where to place intersections,
11 how to build thoroughfares, or design and construct
12 standards for access and connecting to other state
13 roads, including US 192, State Road 535, and
14 Interstate 4. The concept that a private entity
15 could unduly influence a state and/or federal funded
16 highway project is an exception to the rule and not
17 in the public's best interest. The legislation also
18 added substantial requirements for the district when
19 attempting to construct or impact state or federal
20 land within its boundaries. This brings the new
21 Central Florida Tourism Oversight Board in the same
22 standards expected of all local entities and local
23 governments. Over the years, Reedy Creek
24 Improvement District has been quick to attempt to
25 influence the department's decision making by

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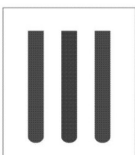
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1 removing Reedy Creek's exclusive authority to
2 acquire, construct, and maintain public roads within
3 the district by way of their self-appointed board.
4 Commuters within the Central Florida region can be
5 rest assured that their best interest will be taken
6 into account when it comes to transportation-related
7 development decisions. In addition to the
8 aforementioned changes, there are several additional
9 items the board may want to consider when
10 determining how to best maintain the best interest
11 of the public as you continue to settle in your new
12 roles as members. As you begin to dig into the long
13 history of the agreements between state agencies and
14 the prior Reedy Creek Improvement District, there
15 are some conceptual comparisons of what is typically
16 looked like when we work with different partners,
17 none of which are consistent when working with Reedy
18 Creek. So we're going to talk a little bit about
19 safety. The first category we're going to talk
20 about is structural safety. So anytime structures
21 are over state roads or under state roads, such as
22 bridges or tunnels, we require ourselves, and any
23 government entity, to inspect bridges every two
24 years. We increase that inspection frequency as we
25 need to, based on the condition of the structure. As

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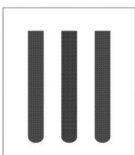
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1 a state agency, we also self-imposed for safety
2 structural inspections for large sign structures,
3 and signals -- and signal structures like trestles
4 or traffic masked arms. And we were -- we would
5 inspect those every five years for public safety.
6 As a reminder, the roadways operating throughout the
7 district within the limited exceptions -- with
8 limited exceptions are under your control. And as
9 far as roadway safety, every public entity is
10 required to follow the Federal Highway
11 Administration Manual on uniform traffic control.
12 And local entities are subject to also the Florida
13 Green Book by statute. This essentially requires
14 all entities to develop standards to meet minimal
15 expectations as well as experiences for all drivers
16 on the -- on the highway system. After a long day
17 at the theme park, commuters should be provided the
18 same standards they're familiar with, whether
19 they're within Reedy Creek or traveling on other
20 public roads. Transit safety is also very important,
21 required regulations, and inspections, and FDOT
22 oversight over fixed guideway systems, fairies, and
23 other transits used by the public. Similarly,
24 quasi-private entities, which receive taxpayer
25 dollars, such as airports, are subject to these

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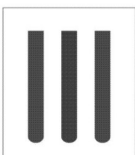
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1 inspections. As the governor mentioned earlier this
2 week, the monorail system, and its structures, are
3 one of the few systems in the state, and the
4 country, that are not reviewed or inspected by any
5 government entity. This was highlighted also by the
6 National Transportation Safety Board in 2009. The
7 agency has experts throughout the modes of public
8 transit, including bus transportation, and we're
9 happy to provide additional information to you. A
10 couple other areas I want to highlight. One is
11 maintenance. As a state agency, we maintain, of
12 course, all of our infrastructure. That starts with
13 a good inventory of what's out there. Of course
14 maintenance also includes pothole repairs, repaving
15 and pavement markings. It also includes mowing,
16 litter, cleanup, signage repair and maintenance,
17 lighting, safety features, such as guardrail as well
18 as drainage conveyance systems, ITS maintenance and
19 operations as well as -- and as well as traffic
20 signals. So, there's quite a bit of inventory out
21 there that you do have to maintain. Permitting,
22 when dealing with fellow governmental entities,
23 state law prevails, which means government does not
24 pay for fees for permitting with local jurisdiction
25 because it is public use. When engaging a private

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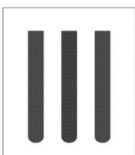
1 entity, government entities must pay fees because
2 they're impacting private property rights.
3 Currently, it is looking like FDOT could have to pay
4 nearly \$2 million to link up to the Reedy Creek
5 drainage system if we make any I-4 improvements.
6 This is another example how they're receiving the
7 best of both worlds, even though this construction
8 is for the benefit of the traveling public. Thank
9 you, Chair.

10 MR. GARCIA: Are there any questions or comment
11 from my fellow board members? Well, thank you for
12 your report, and thank you for the valuable service
13 that you provide to the citizens of Florida. And I
14 can assure you that this board welcomes you, and
15 your department, and your services in our district.
16 Thank you.

17 MR. WATTS: Thank you, Board. Thank you.

18 MR. GARCIA: Next, I'd like to hear from DPR.
19 And the representative please state your name, and
20 tell us the agency you're representing.

21 MR. MCMANUS: Thank you, Chairman. My name is
22 Brian McManus. I am the deputy secretary for the
23 Florida Department of Business and Professional
24 Regulation. The DBPR is responsible for ensuring
25 that more than 1.6 million licensees across more



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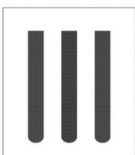
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1 than 30 fields of industry provide safe, quality
2 services to Florida's millions of residents and
3 visitors. Florida's population has more than
4 tripled since the 1970s, adding more than 3 million
5 people every decade, and under Governor DeSantis'
6 leadership, our team at DBPR has worked diligently
7 to enhance and improve the department services to
8 provide a smooth and efficient experience for
9 residents, visitors, business owners and licensed
10 professionals. Our mission is to license
11 efficiently, regulate fairly. We implement this
12 every day by helping businesses open their doors,
13 and creating a pro-business climate to support all
14 of our licensees. Vital duties of the agency
15 include safeguarding the health, safety and welfare
16 of the citizens of Florida, combating unlicensed
17 activity, ensuring professionalism through
18 education. DBPR is organized into two parts. In
19 our business regulation side we have the Division of
20 Alcoholic Beverages and Tobacco, the Division of
21 Condominiums, Timeshares, and Mobile Homes, the
22 Division of Drugs, Devices, and Cosmetics, and the
23 Division of Hotels and Restaurants. Our
24 professional regulation side includes the Division
25 of Real Estate, the Division of Certified Public

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1 Accounting, the Florida Athletic Commission, the
2 Division of Regulation, and the Division of
3 Professions, which administers 12 professional
4 boards, one counsel, one commission, five department
5 regulated professions and a Florida building code.
6 We have licensed professionals ranging from
7 cosmetologists, veterinarians, real estate agents,
8 and geologists to talent agents, certified public
9 accountants, and contractors. We have nearly 1,600
10 employees and 13 offices throughout the state to
11 directly oversee and support Florida businesses and
12 professionals. Now, our Division of Hotels and
13 Restaurants licenses and inspects all public food
14 service and lodging establishments in the state. We
15 inspect hotels and motels twice a year, and we
16 inspect restaurants between one and four times per
17 year based on risk. During these inspections, we
18 evaluate everything from sanitation and cleanliness
19 to compliance with state human trafficking awareness
20 laws, which thanks to the ongoing leadership of the
21 governor and of Florida legislature in recent years,
22 requires hotels to post information about human
23 trafficking, and to formally train their staff to
24 spot signs of human trafficking. Given the target
25 audience for businesses within the Central Florida

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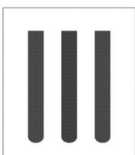
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1 Tourism Oversight District, compliance with the
2 human trafficking awareness requirements is
3 incredibly important, and we take this
4 responsibility very seriously. We estimate there
5 are 359 permanent food service establishments and 28
6 hotels and motels in the district. Inspection of
7 these establishments over the last 15 months have
8 yielded over 3,300 violations, which include 393
9 high priority violations. The category of high
10 priority violations is considered to be capable of
11 directly contributing to foodborne illness or
12 injury. This is just one example of how important
13 maintaining proper sanitation standards are for the
14 safety of our residents, visitors, and workers.
15 Though DBPR has the authority to conduct unscheduled
16 inspections, as is the norm across the state,
17 certain license premises within this district have
18 recently attempted to coordinate the times
19 inspections are scheduled as well as insisting only
20 one inspector having access to license premises at a
21 time. Normally our inspectors do not encounter this
22 type of resistance when they are conducting business
23 elsewhere. We have seen these instances escalate in
24 the last six to 12 months. This has been a
25 noticeable change in feedback from our Central

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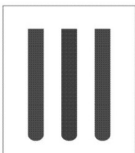
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1 Florida inspectors. DBPR also issues alcohol
2 licenses through our Division of Alcoholic Beverages
3 and Tobacco, also known as ABT. In this district
4 there are at least 40 alcohol licenses obtained
5 through the Special Act, and an additional 17
6 licenses obtained through general law. At this
7 time, we do not anticipate changes to the Special
8 Act impacting the 40 licenses. ABT inspects license
9 premises to ensure compliance with state laws, which
10 include beverage laws, such as only selling to
11 adults 20 [sic] years of age or older, ensuring
12 alcohol is sold at, licensed premises, such as bars
13 restaurants, pool areas, room service, and others.
14 Alcohol licensees must maintain compliance with all
15 state laws and local ordinance. And as there have
16 been past violations involving the sale of alcohol
17 to underage persons in the district, inspection of
18 these license premises are quite important. Any
19 changes in local zoning by this board can impact
20 licensees and the DBPR is responsible for enforcing
21 compliance with any zoning changes. Other licensed
22 categories of note under our jurisdiction include
23 veterinary clinics and healthcare clinic
24 establishments, which are able to access
25 prescription drugs, including opioids. We also

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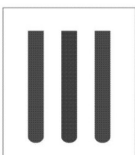
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1 enforce child labor laws and elevator safety. There
2 are three licensed veterinary establishments, and
3 three healthcare clinic establishments in the
4 district. There are also certain child labor
5 requirements regarding employees under the age of
6 18, such as allowable hours to work and mandatory
7 breaks. Businesses looking to employ children as
8 part of an entertainment show or attraction are
9 required to obtain a child labor permit from the
10 department. Additionally, our Bureau of Elevator
11 Safety works to ensure elevators and escalators
12 throughout the state of Florida remain safe. And
13 regarding elevators via an MOU with the department,
14 the district has been allowed to process
15 applications internally for permits of installations
16 and/or alterations of elevators, and this is
17 separate from DBPR's licensing system. The district
18 has been allowed to conduct oversight for inspector
19 compliance with inspection standards for elevators,
20 escalators, and moving walkways. They have been
21 allowed to correct any division performance by
22 inspectors through direct employment or contractual
23 relationships, and they have in the past been
24 allowed to grant variances and waivers regarding the
25 Florida Elevator Safety Code. Monthly activity

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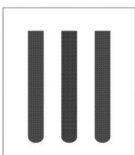
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1 reports are required to be submitted to DBPR, and
2 include the number of inspection, inspection types,
3 accidents, and complaints. The district, we
4 understand, has three employees dedicated to
5 conducting the inspections required by the MOU.
6 Should this agreement be terminated, the agency
7 would assume their responsibilities. This is a ten-
8 year agreement and will expire on June 30, 2030. We
9 have identical MOUs in place with Broward County,
10 Miami-Dade County, the City of Miami, and the City
11 of Miami Beach. However, those local governments'
12 relationships to the businesses in their
13 jurisdiction are different than what has -- than
14 that of the previous board here. If the new state
15 control board wants to reevaluate the MOU and direct
16 DBPR to perform the duties which were delegated to
17 the previous board, we're certainly happy to do so.
18 We share the governor's vision and the board's
19 desire to ensure everything within district
20 boundaries and across the state complies with state
21 law, and protecting the health and safety of the
22 residents and visitors of our state is our top
23 priority. Thank you again for the time today. And
24 if you or any members of the board have questions
25 about our regulatory authority in the district, I'm

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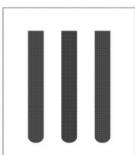
1 happy to take those.

2 MR. GARCIA: More comments from my fellow board
3 members?

4 MR. MCMANUS: Thank you.

5 MR. GARCIA: Well, let me thank you for your
6 report, and thank you for the valuable service you
7 provide to the citizens of Florida, and assure you
8 that this board welcomes and expects you to regulate
9 everyone within the district, just like you're
10 regulating those outside of the district. Next, we
11 have someone from DOH, please come forward.

12 MS. KHOURY: I have a presentation. Good
13 morning, Chair and board. My name is Weesam Khoury,
14 and I'm the deputy chief of staff at the Department
15 of Health. I was born and raised right outside
16 Orlando so it's a pleasure to be home to discuss
17 this critical issue with you-all today. Many travel
18 from around the globe to experience Orlando just
19 once, but I was lucky enough to grow up within an
20 hour of the best attractions in the world. From
21 WonderWorks on International Drive to swimming with
22 dolphins at Discovery Cove, Central Florida is home
23 to experiences like any other. These experiences
24 are a cornerstone of my childhood and truly very
25 precious to me. They're a monument to Florida, and



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1 something that should always be cherished and
2 protected. To protect the unique resources of our
3 beautiful state there must be checks and balances.
4 Government, law and order, and consistency is a
5 central component of that protection. I'm here to
6 talk to you today about the Department of Health's
7 role in that protection of Floridians and visitors,
8 and how this is essential to ensuring the safety and
9 success of tourism and hospitality, specifically in
10 Orlando. An essential element of the department is
11 the ability to collect and assess data and develop
12 evidence-based approaches to the protection of
13 health and wellness. By having population-based
14 data surrounding disease outbreaks, injury risks,
15 and healthcare standards, the department is able to
16 identify issues in public health, develop mitigation
17 strategies, and develop regulation to prevent risk
18 to our communities. Swimming pools are a prime
19 example of this. To protect from the risk of
20 disease and injury at public swimming pools, the
21 department has regulatory authority over operations
22 of public pools and inspections. This is outlined
23 in Florida Administrative Code and Florida statutes.
24 For these pools and water parks in Florida,
25 including at theme parks and their hospitality

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1 counterparts, the Department of Health regulations
2 include water quality and chemistry, pool
3 cleanliness and safety measures, proof of contract
4 with pool service technicians or proof of pool
5 operator training, pool maintenance records,
6 location and condition of bathroom facilities,
7 because improper maintenance of pools can result in
8 injury, illness, drowning, and even death. High
9 volume pools and water parks, including those at
10 Disney, are prime areas for infections among open
11 wounds, illnesses as a result of improper handling
12 of fecal matter, injuries, drownings, and sometimes
13 the tragic death of children. Sadly, drowning is
14 the leading cause of accidental death for children
15 ages 1 to 4 in Florida. In 2021, 98 children were
16 victims of drowning in the state among various water
17 bodies. This is why water safety is essential in
18 our state, and why standardized operation and
19 regulation prevents these tragedies, especially by
20 requiring safety infrastructure in pool areas.
21 Sufficient pool chemistry is not only essential for
22 maintenance, but to prevent the spread of illness.
23 Waterborne disease and parasite outbreaks like
24 giardia, legionnaires, E. coli, and cryptosporidium
25 are culprits among high volume pools. Legionnaire

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1 specifically has a 10 percent mortality rate, for
2 example, so it's especially critical to ensure that
3 the chemistry of all pools in Florida are maintained
4 at the same standard. Outlined in Florida
5 administrative code, the department's protocols for
6 public high-volume pools and water parks are in
7 place to mitigate these risks, minimize incidents,
8 and outline corrective actions. The difference
9 between Disney and other properties? Through Reedy
10 Creek, Disney is solely responsible for reporting
11 and management of any incidents. Disney addressed
12 their complaints in-house, creating risk of
13 conflicts of interest. There are 267 pools on
14 Disney World properties that were delegated to Reedy
15 Creek for inspection under this sovereign authority.
16 To put that into perspective, Universal Studios'
17 properties only have around 40. Ensuring the health
18 and safety of 267 pools requires uniquely trained
19 and well-organized resources and management. I
20 think we can all agree on that. Our county health
21 departments are built to manage this. We conduct
22 over 100,000 inspections annually at 42,000
23 facilities statewide. 267 pools are less than a 10
24 percent increase in Orange County alone, which our
25 team is prepared to absorb. Since 1996, the

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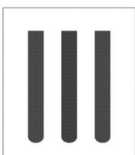
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1 department is aware of over 7,000 violations on
2 Disney property. Since pool inspections were
3 delegated to Disney in 2014, over 3,000 violations
4 occurred. Disney was the judge and jury for these
5 incidents since 2014, and the State is only aware of
6 what was reported to us. There was no ability for
7 confirmation or assessment to ensure protocol was
8 followed. Essentially, there was no external
9 oversight for the pools and water parks, aside from
10 Disney themselves. By eliminating special
11 jurisdiction, the Department of Health has resumed
12 the work of the Reedy Creek swimming pool inspection
13 program. This will allow us, as a third party, to
14 ensure safety of Floridians and visitors to prevent
15 injuries and illness. Protecting the health and
16 safety of Floridians is our core mission. This
17 mission also provides authority over healthcare
18 licensure in Florida, including within the
19 boundaries of Reedy Creek. This has never been an
20 exception. Within the department, the Division of
21 Medical Quality Assurance is responsible for
22 regulatory activities of various healthcare
23 practitioners and facilities. Within the confines
24 of Celebration alone, over 1,000 healthcare
25 professionals are licensed by the department. That

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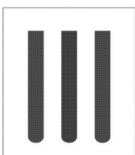
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1 includes doctors, nurses, dentists, pharmacists, and
2 even EMTs and paramedics we've heard from today.
3 And I also wanted to say, I'm very glad that your
4 teammate is okay. And thank you for your service.
5 All licensees are required to meet criteria and
6 scopes of practice determined by the department and
7 their subsequent boards. Could you imagine if your
8 doctor or nurse was exempt from the same standards
9 as other providers in Florida or if the enforcement
10 varied as you cross geographical boundaries? That's
11 not the case. Under this authority, the department
12 is able to issue restrictions or suspensions through
13 emergency orders. If a practitioner poses an
14 immediate serious danger. That authority is
15 essential, and protects Floridians daily from any
16 unsafe healthcare. This oversight also feeds into
17 our license verification database, which is an
18 online resource that provides Floridians with the
19 ability to check the status of any licenses,
20 complaints, and any disciplinary action of their
21 providers, allowing Floridians to remain informed
22 and make safe decisions for their needs. Government
23 oversight of all entities in Florida, including
24 Disney, should match this structure. Facilities of
25 much smaller scope are also regulated by the

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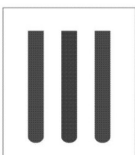
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1 department. For example, massage therapists and
2 establishments are regulated by the department.
3 Reedy Creek is home to a few massage establishments
4 licensed by the department and has always been
5 required to meet standards under Florida law. With
6 this authority, we are able to detect, investigate,
7 and halt criminal activity conducted through massage
8 establishments and fraudulent practitioners.
9 Regulations require that massage establishments pass
10 inspections conducted by the department ourselves,
11 provide proof of insurance coverage, ensure human
12 trafficking training and reporting procedures, and
13 comply with background screening requirements, which
14 does not allow for ownership or management by any
15 individual who has been charged with any heinous
16 crimes, including but not limited to, sexual
17 assault, prostitution, human trafficking, or child
18 abuse. Overall, the department's authority shows
19 that checks and balances are in place to protect the
20 health and safety of our communities. It also
21 supports transparency and accountability for our
22 residents and visitors. This requires a partnership
23 between the public and private sectors. Our role is
24 to protect the health and safety of Floridians and
25 visitors alike when they enjoy all that Florida has

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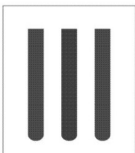
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1 to offer. We all have the shared intention of
2 supporting the unique experiences available in
3 Florida. We look forward to working with you, as
4 the board, as we continue this mission together.
5 Thank you for your time.

6 MR. GARCIA: Are there any comments or
7 questions from my fellow board members? I would
8 like to thank you for that wonderful report. And
9 thank you for the very valuable services that you
10 provide to the citizens of Florida. And I can
11 assure you that our board supports your providing
12 these services of health, safety, and transparency
13 within the district. And we look forward to seeing
14 you and your agency here in the district. Thank
15 you.

16 MR. AUNGST: Thank you.

17 MR. GARCIA: And that concludes -- the --
18 reports. We'll now go to new business. Item 8.1.
19 A couple weeks ago, I received a call from the
20 inspector general who is conducting a civil and
21 criminal investigation into the activities -- past
22 activities here at the district. And she asked me
23 if our financial advisor would cooperate with her
24 department. And I said, of course. And she -- so I
25 contacted our financial advisor, and was advised



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1 that they would like a direction from the board for
2 their permission to cooperate with the inspector
3 general. So I think I'll ask for a motion to
4 effect. Yes, Mr. Langley?

5 MR. LANGLEY: So moved. Yeah. That would be
6 -- would like you to include in that motion also
7 direction to the district staff and in addition to
8 just the PRAG consultants?

9 MR. GARCIA: Yes. So not only our financial
10 advisor, but everyone in the staff to cooperate with
11 the inspector general. So is there a motion to that
12 effect?

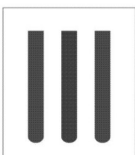
13 MR. AUNGST: So moved.

14 MR. GARCIA: Second?

15 MR. PERI: Second.

16 MR. GARCIA: Anyone opposed? Motion passes
17 unanimously. Next item, 8.2, which is a report for
18 -- from management on a Fourth Amendment to the Tide
19 Bay Solar Facility.

20 MR. CROOKS: Morning, Mr. Chair, fellow members
21 of the board. My name is Ray Crooks. I am a member
22 of the Business Affairs Team for Reedy Creek Energy
23 Services. Our responsibility is to plan for the
24 long- term energy supply for the district as well as
25 natural gas supplies. So this morning we're going



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1 to talk about a solar project that's associated with
2 Amendment 4. Next slide, please. Just some brief
3 information about the project. The project is
4 called the Tide Bay Solar Project. It's going to be
5 in Polk County, Florida. The developer of the
6 project is Origis Energy, which is a nationally --
7 actually, an internationally recognized solar
8 developer. They have many projects in the country
9 as well as outside of the continental United States.
10 They're located in Miami, Florida. The project is
11 going to be in Polk County, Florida. And it's going
12 to be roughly on Highway 555 and I -- Highway 603 in
13 Polk County, right at that corner near Duke Energy's
14 transmission facilities. It's going to be a total
15 capacity of 75 megawatts, and it's going to serve --
16 the projection at the time when we presented this to
17 the board, it was supposed to be online in January
18 20 -- January 1, 2023. There's a purchase power
19 agreement in place that the board signed back in
20 June 2020. It's a 20-year agreement. And the
21 estimated savings at the time that we went to the
22 board was about \$173 million over a 20-year period,
23 roughly \$8.7 million savings per year. And again,
24 as I said, it was approved by the board on June 20,
25 2020. Next slide. The district has pursued a

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1 portfolio of renewable resources for quite some time
2 now, seeking, as the chair said earlier, to minimize
3 this carbon footprint. These projects definitely do
4 that, and add to that objective of the board. We
5 have facilities here on property called the Citrus
6 Ridge Facility, and you can see that driving down
7 the 429. And if you drive down World Drive here on
8 property as well, you'll see a solar facility that
9 was developed by Duke Energy. That has the shape of
10 Mickey's head, if you will. But we work with the --
11 with Duke Energy in the development of that project.
12 The other ones that are being contemplated here, and
13 we'll discuss the Tide Bay project here in a minute.
14 But there's two others that were being contemplated.
15 The first one is Tide Bay, which we're going to talk
16 about, which is in Polk County. And the second one,
17 which we were planning at that time and having
18 discussions, is called the Bell Ridge Solar
19 Facility, which is going to be located in Gilchrist
20 County, which is kind of northwest of Gainesville,
21 Alachua County. Next slide, please. Whenever
22 evaluations are done with respect to resources for
23 portfolio, specifically the districts, we have to
24 make sure we understand what the natural gas market
25 is doing. Natural gas is the predominant fuel for

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1 generation in the state of Florida. Roughly 50 to 60
2 percent of electricity generation comes from natural
3 gas. So whatever we're doing, we have to kind of
4 evaluate it with respect to what natural gases are
5 -- prices are forecasted to be, and how our project
6 or proposed projects will be impacted by it. When
7 we originally thought about this in late 2018, going
8 into 2019, the NYMEX futures market was about \$2.65.
9 And we subsequently before the board meeting in
10 2020, we looked at the gas prices again, and they
11 were very similar. So we were confident that we
12 used the appropriate gas prices for the evaluation.
13 Next slide, please. When we looked at these
14 opportunities or additions to the district's
15 portfolio, we saw that adding the Tide Bay Solar
16 Project would generate roughly about \$92 million in
17 savings over the 20-year period. And over time,
18 even with the change in gas prices, even though the
19 gas prices have gone down, they're still driving
20 significant amount of savings over the 20-year
21 period. The green line on this graphic is what you
22 should be focusing on, where the savings were
23 developed. The other two lines, the gray line and
24 the blue line, are just basically sensitivities
25 around the analysis that was done, and it's still

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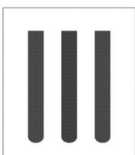
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1 generated savings for us. The difference between
2 the Tide Bay Project and the other two is that we
3 also added additional solar, or contemplated
4 additional solar, which then drove additional
5 savings. The bottom line here is, as natural gas
6 prices increase, solar projects become much more
7 financially beneficial to the district. Next slide,
8 please. I apologize for the -- there we go. Thank
9 you. The district has a long-term tenured
10 relationship with Duke Energy. We have been
11 business partners with Duke for a long period of
12 time. They have supplied the district for many
13 years. However, over time, they've started to let
14 us know that they won't have energy to sell us,
15 excess energy. And so we had to figure out other
16 ways that we could supply the rest of our portfolio.
17 And we looked at other suppliers within the Central
18 Florida region, and quite frankly, in the state.
19 The biggest suppliers in the state, we asked them
20 for proposals, if you will, to supply our needs.
21 And we got some responses, but not -- certainly not
22 from everybody that we had solicited from. Bottom
23 line is when we looked at the portfolio using a
24 particular supplier other than Duke, it's still
25 generated savings into the tune of about \$173

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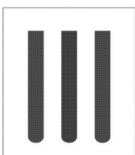
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1 million savings over the 20 years. And as gas
2 prices -- as I said earlier, as gas prices increase,
3 that line gets more and more savings tool for the
4 district. So in our -- in our estimation, the Tide
5 Bay Project proved itself to be a couple things.
6 One, beneficial from a long-term perspective in
7 terms of keeping our costs low. The second thing is
8 a reliable supply because it's part of the Florida
9 grid. The third thing that I want to emphasize is
10 that it's a great effort on the part of the district
11 to reduce its carbon footprint. And we know that
12 that is an important thing for not just the
13 district, but the other energy providers in the
14 state of Florida. So all in all, this project, this
15 Tide Bay project kind of checked all the boxes for
16 us. Financially feasible, reliable, reduction in
17 carbon footprint. It was a win-win no matter which
18 way we looked at it. Next slide, please. So we had
19 had a preliminary discussion with the chair, and he
20 asked us -- he says, "This can't be as good as it
21 sounds. Put some pros and cons on here, and let me
22 see really what we're talking about." Well, let's
23 focus on the pros for just a minute. It was the
24 least cost alternative for the district. Make no
25 mistake about it. It was \$92 million initially.

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1 When we reevaluated it with other suppliers in the
2 mix, it was \$173 million of savings over the 20-year
3 period. So there was no doubt that it was a
4 financially smart thing to do. The second thing is,
5 in these types of arrangement, the district has no
6 capital outlay. There's no bonds involved. There's
7 nothing. The developers are the ones that spend the
8 capital to build the facility. The district has a
9 purchase power agreement that buys the supplies from
10 the -- from the project, and has no capital exposure
11 whatsoever. And that's something that you can't do
12 when you're building a gas plant, or a coal plant,
13 or a nuclear plant. You will have to expend
14 capital, so the developer takes that risk. It's a
15 fixed price over 20 years. That's also unheard of
16 in the market. There's no other generation source
17 that will give you a fixed price over a 20-year
18 period. That doesn't exist. And then it's a great
19 hedge against natural gas. As you are all aware,
20 the natural gas market has been very volatile.
21 Prices go up and down, and sometimes it goes up for
22 a significant amount of time. The higher the gas
23 prices for -- on the NYMEX is the more savings
24 you're going to derive. And we showed you in slide
25 2 or 3 what the natural gas forecasts were, and

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1 they're still fairly consistent today. The gas
2 price is still \$4 for the -- for the forward curve.
3 So we're still within the realm of reasonableness
4 for this project. It's connected to the Duke Energy
5 Transmission System. If you kind of learn a little
6 bit about our -- the district's service territory,
7 we're surrounded by Duke Energy. Duke Energy
8 Transmission System surrounds us, and we're
9 connected to them. That's another way of reducing
10 our costs. If we went outside of the boundaries of
11 where we are, we would have more than one
12 transmission requirements to take care of, which
13 would increase our cost of energy supply to the
14 district. And then last but not least, it lowers
15 the carbon footprint. I was encouraged when I heard
16 the chair say that was one of the things he's
17 wanting to do. This does exactly that. On the cons
18 side, however -- and I did find some cons. Solar
19 plants are subject to weather abnormalities. If
20 something comes and wipes out the facility in Polk
21 County, it is what it is. But suffice it to say
22 that even if you build a gas plant and a hurricane
23 came through, it would've wiped that out as well.
24 So that is a con. I get it, but it's -- we can't --
25 we can't avoid that risk. The second thing is

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1 there's no off-peak energy production, meaning solar
2 is going to operate when the sun is shining, for the
3 most part. So, what do you do at night? Well, what
4 we do, because it's the most economic thing to do,
5 the district buys power off peak. So it uses solar
6 during the on peak period. At probably about 11:00
7 at night to 7:00 in the morning we buy market power
8 because it's the cheaper thing to do. If we use --
9 the only way we could do that with a solar facility
10 is to add battery. And battery technology is
11 completely out of the picture right now in terms of
12 cost. So, it's cheaper to buy market power. So if
13 you view the market power availability as a con,
14 that's still the cheapest thing for us to do. The
15 other con to this is, should it happen, and we have
16 surveyed the market since our conversation and even
17 before that, then nobody's forecasting the longer
18 marginal price of natural gas to be \$2 for 20 years.
19 It hasn't happened before, and we don't expect it to
20 happen now. So if gas prices don't stay at 2 bucks,
21 then this project will always be in the money, no
22 matter what. Then lastly -- I got to read my own
23 writing here. Solar degradation. Over time, the
24 panels degrade as part of the normal process of
25 using them. If that degradation goes faster than

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1 was -- is anticipated by the developers, then it
2 will have a shorter life, yes. But they also have
3 the ability to replace those panels, and we can just
4 continue generating and the district will get the
5 benefits of that supply at a lower price, fixed
6 price for 20 years. Next slide, please. So in this
7 slide, I wanted to show you that before we started
8 adding solar to the portfolio, roughly 91 percent of
9 the district's portfolio was based on natural gas,
10 because that's the predominant fuel in the market.
11 And so, as we started to look up about having more
12 solar and more renewables in our portfolio, and
13 reducing our carbon footprint, we ventured off into
14 looking at solar projects. That was the real
15 genesis of what -- why Tide Bay occurred. And so,
16 if you look on the left-hand side, it tells you that
17 we were predominantly natural gas and market power.
18 And market power in the state of Florida is
19 typically natural gas. And then we move towards the
20 graphic on the right side that says we're going to
21 have about -- with the solar project, we're going to
22 have about 23 percent of our portfolio in solar
23 energy, 58 percent in natural gas, and 23 percent in
24 market power. What that says to us is that we're
25 improving our carbon footprint, we're reducing our

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1 dependence on natural gas, because that's a carbon-
2 based fuel. And we're also lowering our cost. The
3 chair chided me. When I spoke to him, he says, "You
4 tell me this is a no-brainer." It's our opinion
5 it's still a no-brainer. This does -- checks all
6 the boxes for the district. Next slide, please. So
7 when we -- when we prepared this deck to go to the
8 board, we had some recommendations that we thought
9 were prudent and kind of the direction that we think
10 the district ought to go in. What we said was, we
11 should continue to work with Origis Energy, the
12 developer of this Tide Bay Project, and get this
13 project in place and online so the district can
14 start saving significant amount of money in its
15 profile. We also had to manage their transmission
16 service requests because as the developer, they had
17 to request service from Duke in order to connect to
18 Duke's system to be able to deliver energy to us.
19 That's just part of the process. And then we had to
20 also review their generation interconnection service
21 agreement, which is also an agreement with Duke. So
22 we had to kind of follow them, if you will, in their
23 process, in them getting permission from Duke to use
24 their transmission system to connect their solar
25 facility so they can send the energy to us. So it

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1 wasn't just a one-off where you sign an agreement
2 and you're done. It's a process that we helped them
3 manage, follow the rules of the road, if you will,
4 to make sure that come the time for in-service, that
5 the energy would be delivered to the district,
6 because again, the price, the reliability was so
7 good we didn't want to waste any time. We wanted to
8 get going. And then we also asked them to pursue
9 formal proposals for incremental capacity for the
10 district because this solar project in and of itself
11 did not supply all of the district's needs. We
12 still had to go and get other things. The problem
13 with that is our previous suppliers, including Duke
14 and others, didn't have anything to offer us. And
15 they told us that. We had worked with them for
16 several periods of time, and they kept us apprised
17 of what was going on. And they just couldn't go on
18 beyond a certain point. And so we have to find
19 other ways of looking at it, and we're still doing
20 that even today. And then lastly, we wanted to
21 continue discussions with another solar developer
22 that we had been talking to out of south Florida,
23 NextEra Energy, another nationally recognized solar
24 development firm to see if they had a solar facility
25 that we could probably get into. Because again, the

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1 economics simply said as natural gas prices went up,
2 it was cheaper to get a fixed price solar deal for
3 20 years, and you could create a significant amount
4 of savings over a 20-year period.

5 MR. GARCIA: Does that conclude your report?

6 MR. CROOKS: Yes, sir. It does.

7 MR. GARCIA: Are there any questions or
8 comments from my fellow directors? Just so the
9 board knows, I've been through this presentation and
10 had several questions. And my questions were
11 answered by additional items that were put on the
12 slide.

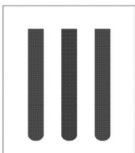
13 MR. CROOKS: That's good.

14 MR. GARCIA: I want to thank you for an
15 excellent report. And for your recommendation.
16 What we need from the board is a motion to ratify
17 the April 6, 2023 forbearance letter, and authorize
18 our district administrator to execute the Fourth
19 Amendment to the Power Purchase Agreement that's in
20 your material. Is there such a motion?

21 MS. ZIEGLER: So moved.

22 MR. AUNGST: Second.

23 MR. GARCIA: Any opposed? The motion passes
24 unanimously. Thank you again, sir, for an excellent
25 report.



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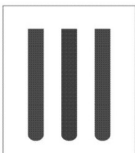
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1 MR. CROOKS: Yes, sir. Thank you.

2 MR. GARCIA: The next item on the agenda is
3 8.3, removal from office and terminate all Planning
4 and Zoning Board members, and appoint the board of
5 supervisors to serve as a local planning agency of
6 the Central Florida Tourism Oversight District. And
7 I'll ask our general counsel to address this item,
8 please.

9 MR. LANGLEY: Yes. Under the State Growth
10 Management law, the governing body of the district
11 has the authority to self-appoint this body as the
12 local planning agency. Currently, there's a board
13 called Planning and Zoning Board that serves that
14 function. That prior board is made up of, I assume
15 volunteers, but of course, were not appointed by
16 you. I think it would make a lot of sense for this
17 board, in order to know what is going on with the
18 functions of that board, to take over that duty.
19 And to -- so this action item would remove and
20 terminate the existing Planning and Zoning Board
21 members and appoint yourselves to serve in the
22 capacity of the local planning agency. There's
23 another item coming up on the agenda that would also
24 put into the land development regulations that same
25 thing. But you independently have this authority



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1 under the act to remove the members of the existing
2 advisory board and to self-appoint five members of
3 the board. I'd also point out that some of our
4 members have backgrounds in this area of the law.
5 And I know Board Member Aungst especially. I'm sure
6 others have some experience in these areas as well.
7 And I'm pretty certain that you- all could handle
8 this role very easily. Sir, that's my
9 recommendation. I have included a motion for your
10 consideration in the agenda packet. If you have any
11 questions, let me know.

12 MR. GARCIA: So the motion or a package of
13 motion to remove from office and terminate all
14 Planning and Zoning Board members, and appoint the
15 board of supervisors to serve as the local planning
16 agency of the Central Florida Tourism Oversight
17 District, and to perform the functions of the
18 Planning and Zoning Board. Do I have a motion to
19 that effect?

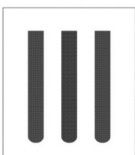
20 MR. AUNGST: So move.

21 MR. GARCIA: Is there second?

22 MR. PERI: Second.

23 MR. GARCIA: Any discussion? Anyone opposed?

24 Motion passes unanimously. Next item is 8.4,
25 discussion and potential action regarding the



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1 selection of an urban planning firm, and conducting
2 a regional fiscal impact analysis or study to assist
3 the district in the review and evaluation required
4 by the district's Enabling Act. Some of the items in
5 my prepared comments related to housing, traffic,
6 and environmental issues that this district is going
7 to want to take up. Can't be done without the
8 assistance of an urban planner, and probably an
9 economist to do the regional impact study. And so
10 what I'm asking for, and I'm going to -- I'm going
11 to need Supervisor Aungst assistance with this
12 because he is one of the preeminent land use lawyers
13 in Florida. But I'd -- what I'd -- what I'd like at
14 this stage is authorization from the board to move
15 forward to evaluate regional urban planners and
16 economists. And I'll figure out a way to use the
17 capability of Supervisor Aungst in that review
18 process. And then what I envision is that he and I,
19 working of course under the Sunshine Laws, will
20 bring some recommendations to the board. And this
21 is -- by the way, this is something that I think we
22 need to fast track because I indicate -- as I had
23 indicated in my prepared remarks, we want to get our
24 evaluation to this legislature and this governor
25 before the next legislative session. So I'd ask for

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1 that authority. Does it require a motion, Mr.
2 Langley?

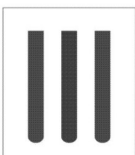
3 MR. LANGLEY: Yes, sir. On --

4 MS. ZIEGLER: I move to direct -- or authorize
5 the chair to gather information, and bring back to
6 us regarding urban planning firm.

7 MR. SASSO: I'll second, I'd like to add some
8 discussion points, Mr. Chair.

9 MR. GARCIA: Awesome. Sure.

10 MR. SASSO: The discussion points are I'm not
11 sure if this is something that Mr. Aungst wants to
12 take on himself, but I wouldn't be comfortable if
13 you are either delegating it to him to bring back to
14 us, or I'm not sure if you were envisioning a
15 committee of two. Either way, I think we can decide
16 on how you'd like to proceed with that. If you --
17 if you would want to expand upon your original
18 remarks and how you want to use Mr. Aungst, and
19 ourselves, within the confines of Sunshine. I would
20 ask that two points be considered. I'm sure you're
21 thinking of it already. You mentioned them earlier,
22 but the affordable housing needs of the district
23 that's been a significant challenge throughout
24 central Florida and probably the state. I'd be
25 curious what kind of results come out of a study,



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1 and make sure we get an elaboration on that point.
2 As well as some of the utility remarks that were
3 shared earlier. What makes the most sense in terms
4 of utilities? Again, you- all are probably already
5 thinking of this, but from my perspective, I think
6 this will be important for us to consider.

7 MR. GARCIA: Those are well taken comments. And
8 I agree we're going to deal with those issues. Let
9 me ask Mr. Langley, Supervisor Aungst and I can't
10 work together as a committee, can we? Which --

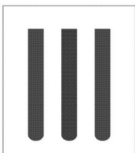
11 MR. LANGLEY: Well, the only way you could do
12 that is if we have public meetings where you two are
13 having these discussions. So it's really better if
14 the board delegates to just one board member of this
15 process to bring back a contract for the board
16 approval.

17 MR. GARCIA: Well, let me ask Supervisor
18 Aungst. Is this something that you're willing to
19 take on, on your own?

20 MR. AUNGST: Yes, Mr. Chair. With the board's
21 approval and support, of course, it would be
22 something I'd be willing to do.

23 MR. GARCIA: Awesome.

24 MS. ZIEGLER: So let me amend my motion to
25 authorize Board Member Aungst to go through a fact-



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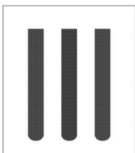
1 finding mission and provide us with a -- with a
2 recommendation for an urban planning firm and a --
3 as well as conducting a fiscal impact analysis.

4 MR. GARCIA: Is there a second to that motion?

5 MR. SASSO: Second.

6 MR. GARCIA: Any other discussion? Any
7 objections? Note that the motion passes
8 unanimously. Next item is 8.5, board discussion and
9 potential action regarding direction to the district
10 staff and legal counsel and priorities of the board
11 for future agendas. One of the action items that I
12 know our general counsel will direct us on is with
13 respect to the powerful presentations that we
14 received from trial counsel today, in terms of what
15 action he recommends that the board take. So I'll
16 turn it over to our general counsel.

17 MR. LANGLEY: Thank you. I would recommend at
18 this time that the board move to direct the
19 district's litigation counsel to prepare a
20 resolution for consideration at the April 26th board
21 meeting, which is next week, which does the
22 following: declares the development agreement and
23 covenant restrictions entered into by Reedy Creek
24 Improvement District and Walt Disney Parks and
25 Resorts U.S.A., void ab initio. Makes findings of



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1 fact in support thereof and directs actions as
2 needed to assert the district's positions on those
3 issues.

4 MR. GARCIA: Is there a motion to support that?

5 MS. ZIEGLER: So moved.

6 MR. GARCIA: A second?

7 MR. PERI: Second.

8 MR. GARCIA: Any discussion? Anyone opposed?

9 Please note the motion passes unanimously. Are
10 there any other action items under 8.5, Mr. Langley?

11 MR. LANGLEY: None for me.

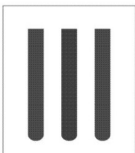
12 MR. SASSO: Can I --

13 MR. GARCIA: Okay.

14 MR. SASSO: -- interject, Mr. Chair?

15 MR. GARCIA: Yes, sir.

16 MR. SASSO: I don't know if this is the best
17 place. It might be in 8.6, but it's a bit of a
18 hybrid. There's some good informational items I
19 wanted to provide some comments to the board to
20 consider for the next meeting. Some of those
21 crossed over, both legal and district administrator,
22 you have a copy. If anyone would like an electronic
23 copy, I think Mr. Classe and Mr. Langley also have
24 electronic copies. I just wanted to bring that up.
25 It's mundane, but if you'd like those remarks from



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1 me, I want to make sure you knew that I had provided
2 some comments.

3 MR. GARCIA: So you want to -- you want to
4 provide comments?

5 MR. SASSO: Comments on the -- on some -- I
6 think it was item 6.2 and 6.4, job descriptions.

7 MR. GARCIA: So you want to have a discussion
8 on that now?

9 MR. SASSO: I don't need any further discussion
10 right now. I think we're going to bring it up in
11 the next meeting. I just wanted to note that I had
12 provided some feedback in the form of written
13 comments.

14 MR. GARCIA: Okay.

15 MR. SASSO: That's all.

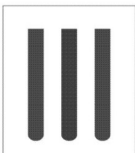
16 MR. GARCIA: Mr. Langley, anything else on 8.5?

17 MR. LANGLEY: I believe earlier in the meeting,
18 Mr. Classe was directed to bring back something for
19 next week, based on a prior discussion we had during
20 his report. And I don't think we need further
21 direction on that, correct?

22 MR. CLASSE: Correct.

23 MR. LANGLEY: Okay. Thank you. That's all I
24 have.

25 MR. GARCIA: Okay. And then 8.6. Vice Chair,



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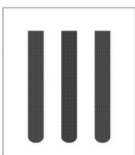
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1 is that something that you've already provided or is
2 there more that you want to provide on the
3 negotiations that you're having with Mr. Classe?

4 MR. SASSO: I don't think there's anything
5 further than what was already shared, but I'm
6 certainly happy to discuss it if someone has a
7 question or a comment. Otherwise, I'm okay moving
8 on until next week or the next meeting.

9 MR. GARCIA: Any comments or questions by my
10 fellow board members on 8.6? 8.7 is an item that
11 the Vice Chair put on the agenda, so I'll turn it
12 over to him.

13 MR. SASSO: So I believe this was predominantly
14 covered in another resolution, and I think we're
15 going to hear about it next week, so it might be
16 something that I'd want included on that agenda, Mr.
17 Langley, which we've already discussed. And it also
18 bleeds in subject matter-wise into 9.1 with the
19 COVID resolutions and what the policy is of this
20 district. I understand we'll hear about that 9.1
21 whereas this district is not going to enforce any
22 COVID restrictions, vaccine mandates, et cetera,
23 within the district staff, and I think at our next
24 meeting, we'll hear about that with respect to other
25 entities outside of just the district itself or the



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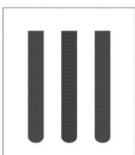
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1 district staff and our employees. I think it's well
2 known that the emergency officially ended, according
3 to Washington, D.C., on April 10th, and I think
4 we're just kind of catching up to an extent and
5 piggybacking off of that. I know the Florida House,
6 I think it's House Bill 1013, is also addressing
7 this currently in the legislature. So again, an
8 important housekeeping item, I think, for the
9 district, but did want to bring that up and have it
10 recognized in case there are other comments. I'm
11 happy to address those if there are some.

12 MR. GARCIA: So is this an item you're going to
13 put on the agenda for the next meeting, Vice Chair?

14 MR. SASSO: I believe Mr. Langley can more
15 accurately describe that point.

16 MR. LANGLEY: Yes, sir. So we already have
17 advertised for the next meeting Resolution number
18 640, which addresses COVID-19 restrictions and
19 mandates by businesses within the district. That
20 regulation -- resolution also puts in place, in
21 resolution form, other things that affect district
22 operations and contractors of district -- of the
23 district and district meetings. I'd also point out,
24 and we could talk about this in 9.1, but the
25 resolution adopting the board's rules and



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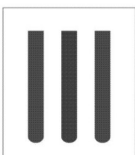
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1 regulations also provides a rule that discusses that
2 we do not require for your attendance at our public
3 meetings any COVID restrictions, mask mandates, or
4 vaccines. And also as a policy, we do not require
5 these matters from our district employees. We will
6 not deny services from any taxpayer that wants
7 services from the district on a basis of any sort of
8 COVID mandate. So we are taking action, in part
9 today, on those issues, but we're being a little --
10 we're going to capture some additional items next
11 week in Resolution 640.

12 MR. AUNGST: Mr. Chair, I think this is
13 somewhat germane, but Mr. Langley, in reviewing the
14 docket of litigation, and I can't remember if it was
15 the Middle District or the Ninth Circuit, but I
16 noticed that the district has been named recently in
17 some retaliation or discrimination lawsuits as it
18 relates to COVID-19 practices, and I just wanted to
19 see if we can get an update on those at a future
20 shade meeting. Not to put you on the spot about
21 that right now, but it's something that I've
22 noticed. I think -- I don't know if they've been
23 served, but they were filed recently.

24 MR. LANGLEY: All right. We'll have to bring
25 that back for a future meeting so I can get updated



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1 on that.

2 MR. AUNGST: Thank you.

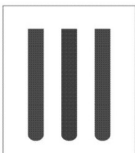
3 MR. LANGLEY: Thank you.

4 MR. GARCIA: Okay. Anything else, Vice Chair,
5 on that point?

6 MR. SASSO: No, Mr. Chair.

7 MR. GARCIA: Okay. So that -- have I missed
8 anything on new business? Is there any further new
9 business that anybody on the board wants to discuss
10 or address? If not, we'll move to the public
11 hearings part of the agenda, and first, the 9.1,
12 which is Resolution number 638, and I'll turn that
13 over to our General Counsel.

14 MR. LANGLEY: All right. I'm going to read the
15 title first. Resolution number 638, a Resolution of
16 the Central Florida Tourism Oversight District
17 Creating Rules and Procedures for the Board of
18 Supervisors and Governing Procedures, Conduct
19 Decorum for Meetings of the Board Providing for
20 Severability Conflicts and an Effective Date. As
21 the board directed, I have prepared for your review
22 and consideration Board Rules and Procedures for the
23 operation of your meetings and the general conduct
24 of the members of the board. This document also
25 governs the decorum and conduct of the attendees of



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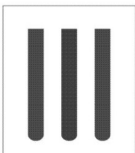
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1 the meetings of the board. And as I mentioned
2 previously, there's also a COVID policy within this
3 resolution as well. This is a -- sort of a working
4 procedures for how matters get on an agenda, and how
5 we conduct our meetings, the time limitations set
6 for public speakers, the enforcement mechanisms for
7 the chair to implement and enforce these rules.
8 There's a number of items in here. It's -- you
9 know, it doesn't address all the organizational
10 issues of the entire district, but it is a good
11 start. And I know this is something that the prior
12 board did not really -- well, it appears, from what
13 I understand, that they did not have formalized
14 rules for how they governed their meetings, which is
15 very unusual. So as this board directed, they
16 wanted to correct that, and that's why we expedited
17 these set of rules for your consideration today.
18 That's all I have. I have -- this would be a motion
19 to approve Resolution number 638 as presented or if
20 any board member has any potential or suggested
21 revisions, we can, if the board agrees, incorporate
22 those today with the adoption of the resolution.

23 MS. ZIEGLER: I move to approve Resolution 638,
24 and just want to add that it was well done, so I
25 appreciate that.



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1 MR. LANGLEY: Thank you.

2 MR. GARCIA: Is there a second?

3 MR. AUNGST: Second.

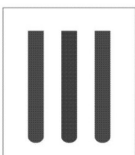
4 MR. GARCIA: Any discussion?

5 MR. SASSO: Mr. Chair, I have one point of
6 discussion on this. Would it be appropriate to
7 include something about public identification of
8 lobbyists who wish to contact the board in the
9 procedures, or would that be better addressed in
10 another fashion, Mr. Langley?

11 MR. LANGLEY: I think we need to -- it'll be
12 tough to come up with that today. It is something I
13 think we do need to address. I think because the
14 importance of the working order sort of procedures,
15 I wanted to get this in front of you. I think the
16 lobbyist part needs to be addressed separately, and
17 I'm willing to tackle that and forward bringing it
18 back to the future meeting.

19 MR. SASSO: Okay. Well, for discussion
20 purposes only, I think it'd be helpful if we had
21 that maybe at the next meeting if you can muster it.
22 If not, I have no further discussion on this other
23 than I thought it was very well done. Thank you for
24 your efforts on it.

25 MR. LANGLEY: Thank you. Appreciate it.



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1 MR. GARCIA: Yeah. The only thing I want to
2 make sure that everybody understands is in terms of
3 board policies. You know, as you've heard a number
4 of times, the old board had virtually no board
5 policies, which is highly irregular, and this really
6 is just the tip of the iceberg. The vice chair has
7 just identified an issue that we're going to need to
8 address and there's many more. And so we're going
9 to have a much more comprehensive board policy.
10 I'll just share with you one of the items -- one of
11 the ideas that I've been discussing with our
12 financial advisor is that we don't have an internal
13 audit function in this district, and with some of
14 the accounting irregularities, and what we've heard
15 from some of our employees, that their complaints,
16 grievances, and suggestions fell on deaf ears with
17 the last board, and I've read what is purported to
18 be a whistleblower policy for the district, and I
19 find it to be highly inadequate, there really is no
20 anonymity for the employee. And so that is one of
21 the other items is we're going to have a very
22 accessible whistleblower policy. We're going to
23 look at having an internal auditor function that
24 reports dotted line to the administrator and direct
25 line to the general counsel. So this is just the

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1 tip of the iceberg. We're going to continue to work
2 on board policies, like lobbying issues,
3 whistleblower policies, and many more. So what I
4 anticipate is at every meeting or every other
5 meeting, we're going to be proposing new policies
6 until we bring this district into the appropriate
7 good practices for a governing agency. Any other
8 comments on that?

9 MR. LANGLEY: Chair, on this item, I would ask
10 for a voice vote because it is a regulation. I'd
11 like to --

12 MR. GARCIA: Yes.

13 MR. LANGLEY: -- make it clear that -- for the
14 record that all voted in favor.

15 MR. GARCIA: Okay. Is there anyone opposed to
16 it? Does that work?

17 MR. LANGLEY: Well, it will work, but I
18 would --

19 MR. GARCIA: Okay.

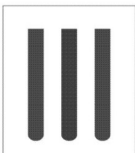
20 MR. LANGLEY: -- was asking if you could go
21 ahead and do the aye and --

22 MR. GARCIA: Okay. All in favor?

23 MR. SASSO: Aye.

24 MR. AUNGST: Aye.

25 MS. ZIEGLER: Aye.



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1 MR. PERI: Aye.

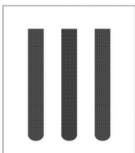
2 MR. GARCIA: Any opposed? Passes unanimously.

3 MR. LANGLEY: Thank you.

4 MR. GARCIA: Okay. 9.2, Resolution number 639.

5 Mr. Langley?

6 MR. LANGLEY: Resolution number 639, a
7 Resolution of Central Florida Tourism Oversight
8 District to Amending Article 6, Chapter 6-90 in
9 Article 7, Chapter 7-20, and seven -- Chapter 7-30
10 of the RCID Land Development Regulations Providing
11 for Codification, Severability, and an Effective
12 Date. Now the Enabling Act of this district is very
13 clear on this matter. As constituted by the law
14 effective on February 27, 2023, this district has
15 superior authority over the entire district,
16 including within the cities within the district, on
17 the issues of comprehensive planning, zoning, land
18 development regulations, environmental protection
19 regulations, platting, subdivision regulations, fire
20 and safety, building. This act that created this
21 district also gave specifically the authority for
22 this district to review, process, comment on,
23 approve, approve with conditions, or reject
24 applications for development orders and building
25 permits pertaining to and -- properties within the



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1 entire district. Not only does it give that
2 authority, it actually compels by legislation that
3 you must -- you must exercise these powers. You
4 have no discretion, you must do it, within the city
5 limits and throughout the entire district. The
6 purpose of this resolution is to make the land
7 development regulations that predate this
8 legislation consistent with this legislation. So
9 it's clear on the books that this district has these
10 authorities, and that the cities within the district
11 do not have the ability to get in our lane and
12 interfere with your duty as a district to enforce
13 these superior authorities and these regulations.
14 One of the important ways of enforcing a
15 comprehensive plan and land development regulations
16 is where you get a development application that has
17 to be reviewed. That's the process, in part, where
18 you enforce these regulations. You get a site plan,
19 you get an application, you determine whether or not
20 that project meets these regulations. So if you
21 have another jurisdiction reviewing applications,
22 that is a problem. And it's very clear in the law
23 that creates this district, this is our job, this is
24 our role, and we must do it. So again, what this
25 does is it makes the existing regulations consistent

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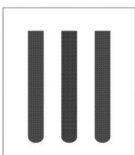
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1 with our act. It also further clarifies that this
2 board is now serving the function of the local
3 planning agency and you are also serving as the
4 planning and zoning board with respect to any
5 reference of that board in the Land Development
6 Code. It also makes the notice provisions for
7 amendments to the Land Development Code consistent
8 with the Act. The Act provides that this board acts
9 in adoption of regulations through resolution, so
10 we're making that clear, and that resolution could
11 be done through a single public hearing and a single
12 vote. I am recommending that we have a second
13 reading of this for the next week, that's already
14 been advertised, and it's teed up for the next
15 meeting. But, you know, under the Act, that's not
16 necessary, we're just giving public additional
17 opportunity to comment if these so desire. So also
18 the Act provides that if -- to the extent the cities
19 wish to adopt regulations on land development
20 matters, their regulations cannot be in conflict
21 with the district's regulations, and they must -- if
22 they do pass them, must be more stringent against
23 development than our own regulations. So that,
24 again, is just making our regulations consistent
25 with state law. So I don't have any further

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1 comments on this. I did have a proposed motion in
2 the requested item. It would be to approve this
3 resolution and to set next -- the next reading and
4 public hearing on April 26th.

5 MR. GARCIA: Is there a motion to that effect?

6 MR. AUNGST: Mr. Chair, I move to approve
7 Resolution number 639 and set second reading for
8 April 26th.

9 MR. GARCIA: Second?

10 MR. SASSO: Second.

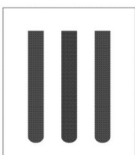
11 MR. LANGLEY: Before we vote, can we make sure
12 that no one wants to speak on this matter? Although
13 -- and I don't think anyone requested to, but just
14 for the record.

15 MR. AUNGST: Public comments?

16 MR. GARCIA: Yeah, I thought public comments
17 would've covered that, but in the --

18 MR. LANGLEY: Yeah. Well, we're having a
19 public hearing. I just want to make sure no one who
20 was here earlier wants to speak now on this
21 particular issue, because this is a public hearing.

22 MR. GARCIA: Anybody want to speak on the
23 subject? Hearing none, is there any discussion from
24 the board on the motion? Anyone opposed? Motion
25 passes unanimously.



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1 MR. LANGLEY: Can I get a voice vote again? I'm
2 sorry.

3 MR. GARCIA: Oh, you want -- okay.

4 MR. LANGLEY: I just like --

5 MR. GARCIA: All in favor, say aye?

6 MR. SASSO: Aye.

7 MR. AUNGST: Aye.

8 MS. ZIEGLER: Aye.

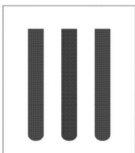
9 MR. PERI: Aye.

10 MR. AUNGST: Any opposed?

11 MR. LANGLEY: Thank you.

12 MR. GARCIA: And then the -- there are no items
13 on unfinished business, and so that takes us to the
14 part of the agenda for other business. At this
15 point in the meeting, we're going to go into what's
16 called a shade meeting, or a attorney client
17 conference with our lawyer -- lawyers concerning the
18 union negotiations with the firefighters. But I do
19 know that my fellow directors, some have had -- made
20 some comments on this subject. Before we go into the
21 shade meeting, do any of my directors want to make
22 any comment on this subject?

23 MR. AUNGST: Mr. Chair, I will. One of the
24 biggest priorities that I've had as a board member
25 here in the district is to ensure that the men and



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1 women of our fire department, our first responders,
2 our paramedics, our EMTs, have the resources they
3 need to do their jobs. And I will say, it's not
4 anti-business to expect one of the most powerful
5 corporations in the world to pay the same impact
6 fees for its development that every other business
7 in the state of Florida has to pay. And it's not
8 anti-Florida for us to ensure that the men and women
9 of our fire department, our first responders, are
10 appropriately paid, and they have the equipment and
11 the certifications they need to do their jobs and to
12 keep our guests and our stakeholders safe. And I am
13 extremely pleased, Mr. Chair, that under your
14 leadership, and the board's leadership, and Mr.
15 Classe working together that we have come -- we've
16 bridged a gap of five years in about two weeks, and
17 I'm very confident that we're going to close that
18 gap and get this job done. But I just want you to
19 know, men and women of our fire department, our
20 first responders, that we have your back, you do
21 matter, and we're going to represent you going
22 forward. And I'm so thankful to hear that our first
23 responder who had his medical issue is out of the
24 hospital and is doing well. And I hope his family
25 knows that they're in our prayers, and that we're

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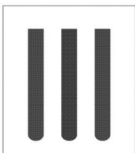
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1 going to support them no matter what. And I
2 especially want to make sure we take a look at those
3 benefits and those investigations and make sure
4 those are done fairly and that we set a new tone in
5 that regard. Thank you.

6 MR. GARCIA: Thank you for those comments.
7 Thank you for those comments. Any other comments on
8 this point?

9 MS. ZIEGLER: I just wanted to make one
10 comment, because I see members of staff here, and I
11 just wanted to thank you guys, because I know that
12 you've been put in somewhat of an uncomfortable
13 position, but it's no reflection -- as Chair Garcia
14 had mentioned before, you guys have served this
15 district incredibly well, it was wonderful meeting
16 with you and has been, and so I just wanted to
17 recognize you-all.

18 MR. GARCIA: Anything other -- anything else?
19 So just so I -- everyone understands, we as a board
20 are going to recess now temporarily and go into
21 another room with our lawyers to discuss the union
22 negotiation for the firefighters, and then we will
23 reconvene or come back in here after recess and then
24 we will adjourn after that, and you're welcome to
25 stay until we come back and adjourn and make



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1 yourself at home, but we'll be back in a little bit.

2 (OFF THE RECORD)

3 MR. SASSO: Okay. Well, that's -- actually,
4 that's the digital court reporter.

5 MR. GARCIA: Okay. We have concluded the shade
6 meeting. If there's no other business before the
7 board, we will stand adjourned. We're adjourned.

8 MR. AUNGST: Thank you.

9 MS. ZIEGLER: Thank you.

10 (END OF RECORDING)

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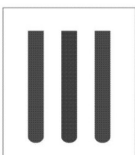
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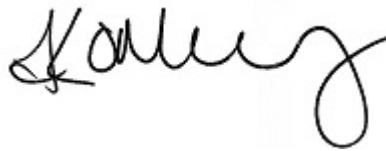
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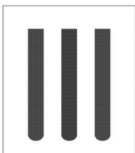
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