

MINUTES OF THE 85th MEETING OF THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY

The 85th meeting of the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County (CCA) was held on June 6, 2019 at 9:00 a.m. in the Administrative Conference Room of the Administrative Offices at the Music City Center, Nashville, Tennessee.

AUTHORITY MEMBERS PRESENT: Marty Dickens, Randy Goodman, Vonda McDaniel, Willie McDonald, *Randy Rayburn, and Leigh Walton

AUTHORITY MEMBERS NOT PRESENT: Irwin Fisher, David McMurry, and Renata Soto

OTHERS PRESENT: Charles Starks, Jasmine Quattlebaum, Donna Gray, Renuka Christoph, Heidi Runion, *Abby Trotter, *Dawn Johnson, *Tom Cross, and Cara Lippman

Chairman Marty Dickens opened the meeting for business at 9:04 a.m. and stated that a quorum was present.

ACTION: Appeal of Decisions from the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County – Pursuant to the provisions of § 2.68.030 of the Metropolitan Code of Laws, please take notice that decisions of the Convention Center Authority may be appealed if and to the extent applicable to the Chancery Court of Davidson County for review under a common law writ of certiorari. These appeals must be filed within sixty days after entry of a final decision by the Authority. Any person or other entity considering an appeal should consult with private legal counsel to ensure that any such appeals are timely and that all procedural requirements are met.

ACTION: Vonda McDaniel made a motion to approve the 84th Meeting Minutes of May 2, 2019. The motion was seconded by Leigh Walton and approved unanimously by the Authority.

The next regularly scheduled meeting is scheduled for July 11, 2019 at 9:00 a.m.

Charles Starks, Tom Cross, Abby Trotter, and Dawn Johnson provided information on the Consent to Sale and assignment of agreement from DES to ENGIE (Attachment #1 and #2) and there was discussion.

* Denotes the arrival of Randy Rayburn.

ACTION: Leigh Walton made a motion [i] consenting to the sale and assignment of District Energy System to ENGIE Development, LLC or its subsidiary ENGIE S.A.; [ii] consenting to the termination of the Initial System Operating Agreement and the removal of Constellation New Energy, Inc. as the Initial System Operator; and [iii]

ACTION: Leigh Walton made a motion [i] consenting to the sale and assignment of District Energy System to ENGIE Development, LLC or its subsidiary ENGIE S.A.; [ii] consenting to the termination of the Initial System Operating Agreement and the removal of Constellation New Energy, Inc. as the Initial System Operator; and [iii] consenting to ENGIE (or its affiliate) becoming the Replacement System Operator and waiving any consent rights that the Authority may have now or in the future over the terms of the Replacement System Operator Agreement, contingent upon the closing of the sale of District Energy System, and authorizing Charles Starks to negotiate and execute a Consent to the Sale of the Metro Nashville District Energy System and Assignment of Agreement and any necessary documents related thereto. The motion was seconded by Willie McDonald and approved unanimously by the Authority.

* Denotes the departure of Tom Cross, Abby Trotter, and Dawn Johnson.

Charles Starks stated the RFP for Elevator/Escalators was being deferred until the July meeting as a new RFP was being issued.

Charles Starks and Jasmine Quattlebaum provided information on the RFP for Project Management (Attachment #1 and #3) and there was discussion.

ACTION: Willie McDonald made a motion [i] accepting the recommendation of the evaluation committee and [ii] authorizing Charles Starks to negotiate and execute an agreement with Commonwealth Development Group, Inc. for project management services on substantially the same terms as set forth in the RFP and considered this day. The motion was seconded by Vonda McDaniel and approved unanimously by the Authority.

Charles Starks provided an update on Tax Collections (Attachment #1) and there was discussion.

Chairman Marty Dickens asked Charles Starks for an update regarding the Alliance Bernstein and Amazon incentive articles that appeared in the local newspapers. Charles Starks shared that he had not received any request from the Metro Council and only knew what had been reported. He stated that he had spoken with Convention Center Authority's bond and legal counsels in the event a request was received. They both concur that this would not be a permissible use of Convention Center Authority's dedicated revenues.

There was discussion among several members regarding the lack of understanding within the general public as it relates to inaccurate statements that the Convention Center Authority is taking money from schools and other public services and that a statement and/or response should be considered in response to such.


With no additional business, the Authority unanimously moved to adjourn at 9:59 a.m.

Respectfully submitted,



Charles L. Starks
President & CEO
Convention Center Authority

Approved:



Marty Dickens, Chair
CCA 85th Meeting Minutes
of June 6, 2019

CONVENTION CENTER AUTHORITY



Appeal of Decisions

Appeal of Decisions from the Convention Center Authority – Pursuant to the provisions of § 2.68.030 of the Metropolitan Code of Laws, please take notice that decisions of the Convention Center Authority may be appealed if and to the extent applicable to the Chancery Court of Davidson County for review under a common law writ of certiorari. These appeals must be filed within sixty days after entry of a final decision by the Authority. Any person or other entity considering an appeal should consult with private legal counsel to ensure that any such appeals are timely and that all procedural requirements are met.

CONSENT TO SALE AND ASSIGNMENT OF AGREEMENT FROM DES TO ENGIE

Operations Update

RFP PROJECT MANAGEMENT

NASHVILLE UPDATE: TOURISM & HOSPITALITY

Chelsea McCreedy
Director of Research
Nashville Convention & Visitors Corp



HOTELS

NASHVILLE MSA
 387 hotel properties
 with 45,450 rooms

NASHVILLE/DAVIDSON COUNTY
 227 hotel properties
 with 31,545 rooms

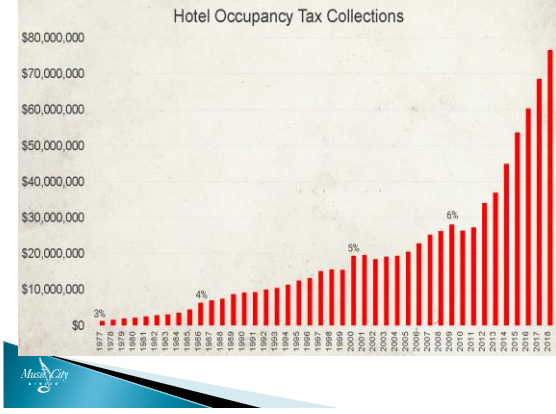
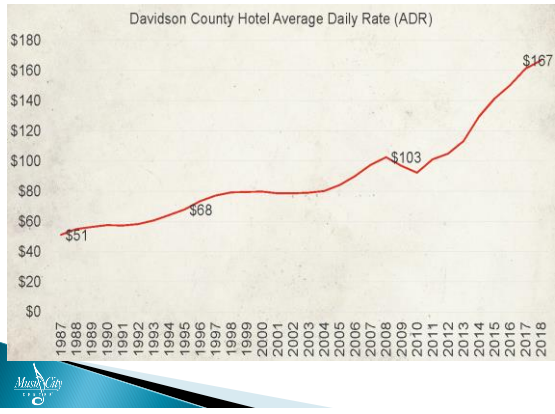
Musico City



INDUSTRY INDICATORS

- 15.2 million visitors in 2018
- Hotel Tax Collections FY 18-19 (Jul-Feb): +13.8%
- 2017 Direct Visitor Spend: \$6.5 billion

Musico City



STR HOTEL INDICATORS (2018)

	Nashville – growth over 2017	U.S. Average – growth over 2017
Hotel Rooms Sold	+6.0%	+2.5%
Occupancy	-0.1%	+0.5%
Average Daily Rate	+3.6%	+2.4%
Revenue per Available Room	+3.5%	+2.9%
Total Hotel Room Revenue	+9.7%	+5.0%
Hotel Rooms Available	+6.0%	+2.0%

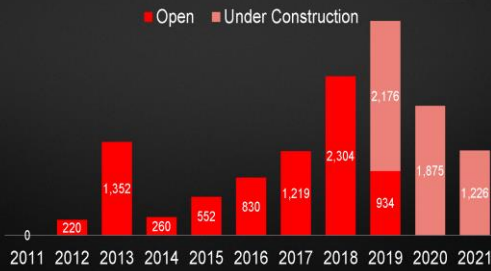
Nashville has seen Rooms Sold growth 96 out of the last 99 months (Dec 2010 – Oct 2018, with the exceptions of Oct 2016, Apr 2017, and July 2017)

NEW HOTELS 2019

Slated to open in 2019: 21 hotels with 3,110 rooms

Name	Open Date	Rooms
Studio 154 Luxury Hotel	Jan-19	17
AC/SpringHill Suites/Residence Inn	Jan-19	470
Hilton Green Hills	Jan-19	209
Holiday Inn Hotel & Suites Downtown	Feb-19	230
Vandyke Bed & Beverage	Apr-19	8
Downtown Sporting Club	Apr-19	20
GLD Best Western	May-19	93
Hampton Inn & Suites North Skyline Center	Jun-19	117
Fieldhouse Jones	Jun-19	93
The Refuge	Jun-19	17
121 Hotel	Jun-19	5
Trio & Home2 Suites Nashville Downtown	Jul-19	232
MOXY Downtown	Jul-19	166
MOXY Hillsboro Village	Jul-19	130
Home2 Suites Bellevue	Jul-19	110
Graduate Hotel	Sep-19	206
Bento Living	Sep-19	86
Margaritaville Hotel	Nov-19	217
Dury Plaza	Nov-19	300
Hampton Inn & Suites Downtown Capitol View	Dec-19	169
Element Airport	Dec-19	120

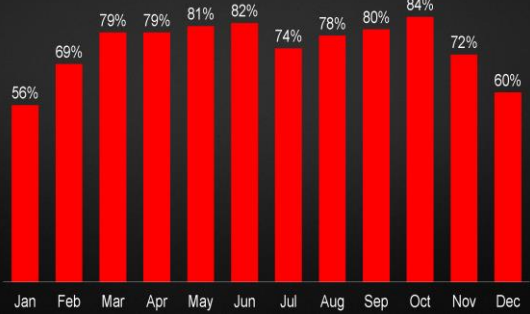
HOTEL DEVELOPMENT PIPELINE



HOTEL SUPPLY & DEMAND GROWTH

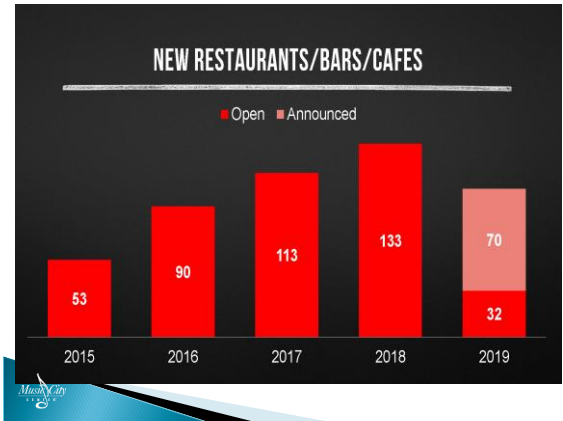
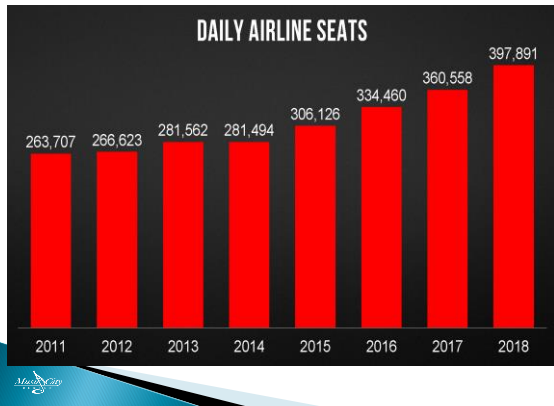
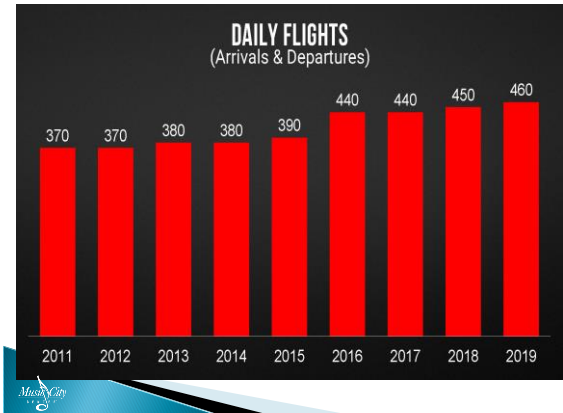
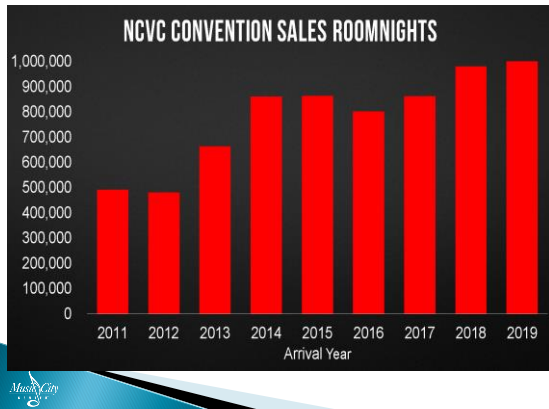


MONTHLY HOTEL OCCUPANCY



SEGMENTATION

- Group: 38%
- Leisure: 37%
- Business: 22%
- Other: 3%



- ### NEW VENUES/ATTRACTIONS
- 2013: Music City Center, Johnny Cash Museum
 - 2014: City Winery
 - 2015: Goo Goo Shop, The George Jones
 - 2016: GRAMMY Gallery at Musicians Hall of Fame
 - 2017: Patsy Cline Museum, Madame Tussauds, Top Golf, Famous Saloon, Whiskey Row
 - 2018: Ole Red, New TN State Museum, Nashville Shores Aqua Park, Soundwaves (indoor)
 - 2019: Downtown Sporting Club, Soundwaves (outdoor)
 - 2020: Nat'l Museum of African American Music

Hotel Key Performance Indicators – STR Forecast

	2018 actual	2019 forecast	2020 forecast
Rooms Sold (Demand)	+6.0%	+4.6%	+4.1%
Occupancy	-0.1%	-0.7%	+0.4%
Average Daily Rate (ADR)	+3.6%	+3.0%	+2.6%
Revenue per Available Room (RevPAR)	+3.5%	+2.3%	+3.1%
Room Revenue	+9.7%	+7.7%	+6.8%
Supply	+6.0%	+5.3%	+3.6%

Source: STR, Inc.



TAX COLLECTIONS

MCC/HOTEL TAX COLLECTION

Collections Thru March 2019

	2/5 of 5% Occupancy Tax	Net 1% Occupancy Tax	\$2 Room Tax	Contracted Vehicle Tax	Rental Vehicle Tax	Campus Tax	Total	Variance to FY 17-18
July	\$2,271,684	\$1,039,840	\$1,403,793	\$201,928	\$206,704	\$1,425,479	\$6,549,427	5.19%
August	\$2,315,364	\$1,041,480	\$1,311,833	\$165,614	\$130,399	\$1,635,868	\$6,600,557	27.15%
September	\$2,412,449	\$1,077,646	\$1,316,276	\$314,700	\$156,263	\$1,474,234	\$6,751,568	15.31%
October	\$3,084,962	\$1,394,767	\$1,595,518	\$284,022	\$184,879	\$1,550,746	\$8,094,893	-10.41%
November	\$2,042,379	\$886,184	\$1,162,962	\$42,732	\$126,600	\$1,309,228	\$5,570,085	0.55%
December	\$1,987,006	\$849,505	\$1,259,977	\$499,748	\$201,515	\$1,176,375	\$5,974,125	25.59%
January	\$1,658,032	\$718,536	\$1,094,680	\$211,109	\$113,067	\$1,361,162	\$5,156,566	40.25%
February	\$2,004,632	\$892,610	\$1,172,039	\$201,016	\$118,838	\$1,574,639	\$5,953,774	-1.00%
March	\$2,473,668	\$1,095,070	\$1,411,102	\$270,376	\$117,418	\$1,830,325	\$7,197,958	-0.27%
April	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%
May	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%
June	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%
YTD Total	\$20,250,175	\$8,995,636	\$11,728,160	\$2,191,246	\$1,355,681	\$13,338,055	\$57,858,954	8.10%

MCC/HOTEL TAX COLLECTION

MCC Portion of March 2019 Tourism Tax Collections

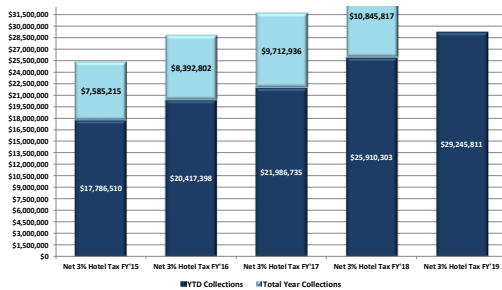
	FY 2018	FY 2019	Variance
2/5 of 5% Occupancy Tax	\$2,491,442	\$2,473,668	-0.71%
Net 1% Occupancy Tax	\$1,105,443	\$1,095,070	-0.94%
\$2 Room Tax	\$1,435,931	\$1,411,102	-1.73%
Contracted Vehicle	\$195,850	\$270,376	38.05%
Rental Vehicle	\$142,188	\$117,418	-17.42%
Campus Sales Tax	\$1,846,256	\$1,830,325	-0.86%
TDZ Sales Tax Increment	\$0	\$0	0.00%
Total Tax Collections	\$7,217,109	\$7,197,958	-0.27%

MCC Portion of Year-to-Date Tourism Tax Collections

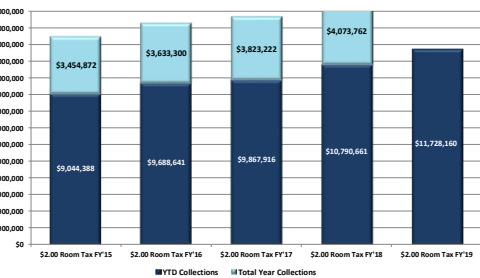
	FY 2018	FY 2019	Variance
2/5 of 5% Occupancy Tax	\$18,018,080	\$20,250,175	12.39%
Net 1% Occupancy Tax	\$7,892,222	\$8,995,636	13.98%
\$2 Room Tax	\$10,790,661	\$11,728,160	8.69%
Contracted Vehicle	\$1,593,836	\$2,191,246	37.48%
Rental Vehicle	\$1,241,286	\$1,355,681	9.22%
Campus Sales Tax	\$13,986,002	\$13,338,055	-4.63%
TDZ Sales Tax Increment	\$27,641,384	\$44,760,433	61.93%
Total YTD Tax Collections	\$81,163,472	\$102,619,387	26.44%

All numbers subject to change by CCA Auditors

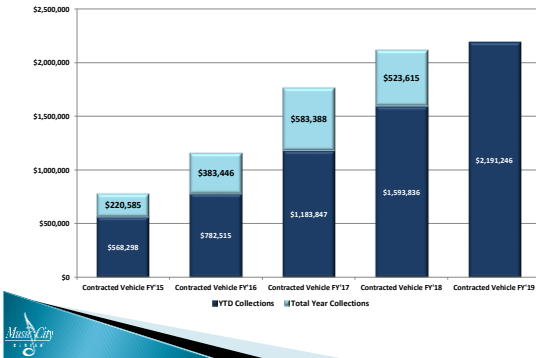
NET 3% HOTEL TAX



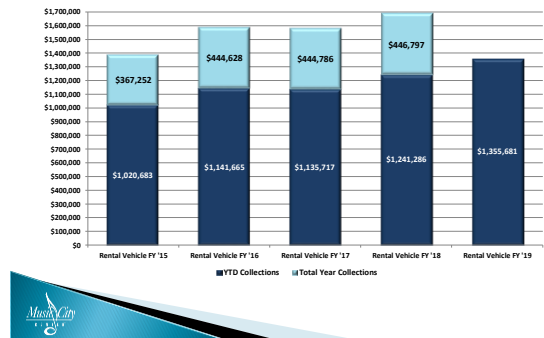
\$2 ROOM TAX



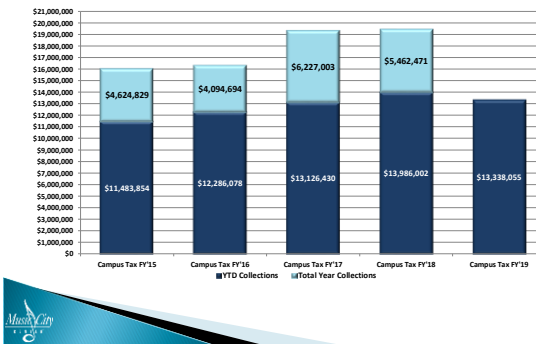
CONTRACTED VEHICLE



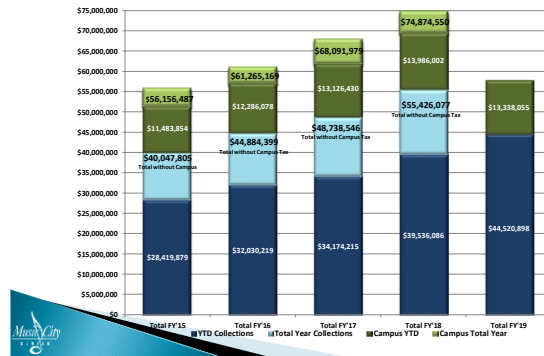
RENTAL VEHICLE



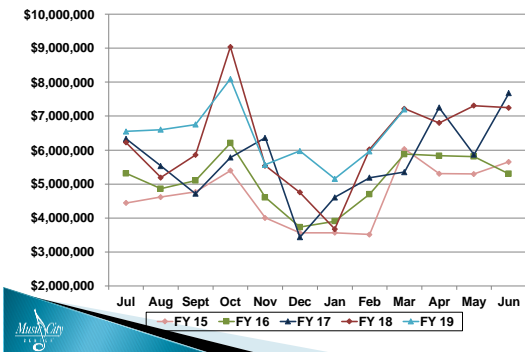
CAMPUS TAX



TOTAL MCC COLLECTIONS BY YEAR WITH CAMPUS TAX



TOTAL MCC COLLECTIONS BY YEAR (excludes TDZ)



APRIL EVENTS

- 26 Events
- 59,343 Attendees
- 40,215 Room Nights
- \$66,944,141 Economic Impact

MAY EVENTS

- 31 Events
- 25,597 Attendees
- 23,700 Room Nights
- \$34,669,549 Economic Impact

APRIL TOURS & SITE VISITS

- 12 Sales Site Visits
- 4 Group tours with 11 attendees

MAY TOURS & SITE VISITS

- 6 Sales Site Visits
- 2 Group tours with 4 attendees



**CONVENTION CENTER
AUTHORITY**





May 21, 2019

RE: Consent to Sale of the Metro Nashville District Energy System and Assignment of Agreement

Dear Mr. Starks:

The Metropolitan Government of Nashville and Davidson County ("Metro") has entered into a Service Agreement, dated as of May 22, 2013, as amended (the "Agreement") with The Convention Center Authority of the Metropolitan Government of Nashville and Davidson County (the "Customer" or "you"), pursuant to which Metro, as "Supplier", is providing you with certain steam and/or chilled water services through its District Energy System (the "DES"). As Metro has informed you, and as further explained in our letter dated May 1, 2019, Metro intends to sell the DES (the "Sale") to ENGIE Development, LLC, or another subsidiary of ENGIE S.A. (collectively "ENGIE"). As a condition to consummating the Sale, ENGIE requests your advance written consent to the Sale pursuant to the terms of this letter.

By countersignature to this letter, you agree to the terms and conditions set forth below. Any proper terms not otherwise defined in this letter shall have the meaning assigned thereto in the Agreement.

1. **Consent to Sale and Assignment:** You consent to the consummation of the Sale between Metro and ENGIE, and the related assignment of the Agreement from Metro (as the current Supplier) to ENGIE (as the new Supplier) without any further condition, notice or consent necessary from or to Customer by Metro or ENGIE.
2. **Consent to ENGIE as System Operator:** You consent to the termination of the Initial System Operating Agreement and the removal of Constellation New Energy, Inc. as the Initial System Operator. Further, you consent to ENGIE (or its affiliate) becoming the Replacement System Operator and waive any consent rights you may have now or in the future over the terms of the Replacement System Operator Agreement.
3. **Charges:** Following the sale, all of your charges shall remain the same as you had been paying to Metro and shall be in accordance with the terms of the Agreement.
4. **Future Modification of the DES:** ENGIE will continue to look for ways to reduce costs and charges to you and other DES customers through potential future modification of the DES.
5. **Support of ENGIE's Positions with the PUC:** As you know, Services under the Agreement have not been regulated by the Tennessee Public Utility Commission (the "PUC"). ENGIE will ask the PUC to issue a declaratory ruling stating that it will refrain from exercising regulatory authority over DES as a public utility after the consummation of the Sale. We expect to include the letter from customers such as you attached as Exhibit A in our request to the PUC, and request that you please execute it as well.

With your consent and support as outlined herein, ENGIE looks forward to continuing to provide the Services to you pursuant to the Agreement. Please indicate your acceptance and agreement to the foregoing terms of this letter by executing the signature block indicated below and returning this letter to ENGIE.



Sincerely,

Convention Center Authority
Attachment #2
June 6, 2019

By: _____
Name: _____
Title: _____

ENGIE Development, LLC
1990 Post Oak Boulevard, Suite 1900
Houston, TX 77056
Office: 713 636-1726
andre.cangucu@engie.com

Acknowledged and Agreed:

The Convention Center Authority of the
Metropolitan Government of Nashville and
Davidson County

By: _____
Name: Charles Starks
Title: _____

[To be put on Customer Letterhead]

Tennessee Public Utility Commission
502 Deaderick Street
4th Floor
Nashville, TN 37243
contact.tpuc@tn.gov

[Insert Date], 2019

RE: Support for the Metro District Energy System as a Non-Regulated Facility

To Whom It May Concern:

The undersigned is a customer of the District Energy System (the "DES") in Nashville, Tennessee currently owned by the Metropolitan Government of Nashville and Davidson County. We understand that ENGIE is seeking a declaratory ruling for the Public Utilities Commission to refrain from regulating the DES as a public utility, and are writing to support ENGIE's position. As the Commission is aware, there are many district energy systems similar to the DES in the United States that are not regulated as public utilities and we do not see a need for additional regulation of the DES here in Nashville.

Thank you for your consideration of our expression of support for ENGIE's petition for a declaratory ruling.

Sincerely,

The Convention Center Authority of the Metropolitan Government of Nashville and Davidson County

By: _____

Name: Charles Starks

Title: _____



RFP Intent to Award Summary Sheet for the Music City Center

RFP: *Project Management Services for the Music City Center*

Selected Vendor:

Commonwealth Development Group, Inc.

Compensation and Cost:

	Yr. 1	Yr. 2	Yr.3	Yr.4	Yr.5	5 Yr. Cost
Program Executive/Director	\$210.00	\$215.00	\$220.00	\$225.00	\$230.00	\$220,000.00
Sr. Project Manager/Advisor	\$165.00	\$170.00	\$175.00	\$180.00	\$185.00	\$437,500.00
Project Manager	\$120.00	\$125.00	\$130.00	\$135.00	\$140.00	\$195,000.00
Administrative Staff	\$125.00	\$130.00	\$135.00	\$140.00	\$145.00	\$67,500.00

Term:

Five (5) years

DBE participation:

	DBE Category	Contribution*
Pillars Development	Minority	10 - 25%
Alliance Synergy Group	Minority Woman	7.5 - 20%
ASA Engineering & Consulting	Women Owned	5 - 10%
MEPR Agency	Minority Woman	2.5 - 5%
Commonwealth Development Group	Small Business	75 - 40%
Project Management Total		100%

**Established DBE participation estimates are based on the size and scope of capital project needs.*

Other Vendors that Submitted Bids:

- Capital Project Solutions, Inc.
- GHP Environmental & Architecture
- Sevalus, LLC
- Volkert, Inc.
- CRI Solutions Group, LLC. (non-responsive)
- Compass Partners, LLC. (non-responsive)