



FISCAL YEAR 2015

# ANNUAL REPORT

JULY 1, 2014 - JUNE 30, 2015



# 2015

MUSIC CITY  
CENTER'S

## ANNUAL REPORT

WE MAKE IT HAPPEN  
IN MUSIC CITY

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## MISSION STATEMENT

*THE MISSION OF THE MUSIC CITY CENTER IS TO CREATE SIGNIFICANT ECONOMIC BENEFIT FOR THE CITIZENS OF THE GREATER NASHVILLE REGION BY ATTRACTING LOCAL AND NATIONAL EVENTS WHILE FOCUSING ON COMMUNITY INCLUSION, SUSTAINABILITY AND EXCEPTIONAL CUSTOMER SERVICE DELIVERED BY OUR TALENTED TEAM MEMBERS.*



# A LETTER FROM THE PRESIDENT & CCA CHAIRMAN

As we wrap up our second fiscal year, we want to thank all who have supported us these last two years. Your partnership and patronage is an integral part of our success and thanks to all of you, our first two years have gone incredibly well.

When the Music City Center project began, all of our supporters put their faith in us to build and operate a convention center that would bring hundreds of thousands of new visitors to the city and we are proud to now say we have done just that. In our first two years of operation, we brought over 1.3 million people to Nashville and have seen tax revenues increase by 20 percent. We also generated over \$32.5 million in operating revenue this fiscal year, which greatly exceeded the budgeted operational projections.

We can't emphasize enough that none of this would have been possible without the support of so many - our customers, neighbors, friends and the Nashville community. Together we have built the Music City brand and our focus now is on maintaining our momentum. Our team and partners have done an incredible job these first two years of operation and we are excited to see what the future holds.



CHARLES STARKS  
*PRESIDENT & CEO, MUSIC CITY CENTER*



MARTY DICKENS  
*CHAIRMAN, CONVENTION CENTER AUTHORITY*







## HISTORY OF THE CONVENTION CENTER AUTHORITY

In 2004 Metro Nashville released a study recommending the construction of additional convention space in Nashville, either through expansion of the existing Nashville Convention Center or development of a new downtown convention center. The Music City Center Coalition was formed to study both possibilities, and in February 2006, presented a report demonstrating the best option would be to build a new convention center - one large enough to accommodate 75 percent of the nation's convention market. The project gained momentum after Karl Dean was elected Mayor in September 2007. Dean announced early on that one of his priorities was seeing the construction of a new downtown convention center come to fruition.

The Convention Center Authority was created to oversee the development of the Music City Center. The Tennessee General Assembly authorized the entity in early 2009 and Metro Council voted to approve the creation of the Authority in August 2009. Since its inception, the Convention Center Authority has served the Nashville community by owning and operating the Music City Center. The CCA is led by nine board members, nominated by the Mayor and approved by Metropolitan Council and these members serve on a volunteer basis for four-year terms. In addition to the Music City Center, the CCA also oversees the city's investments in the Omni Nashville Hotel and other projects connected to the convention center.

The CCA board members donate their time and energy to help Nashville attract leisure, business and convention travelers. Fiscal year 2015 saw record tourist traffic, tax revenue and hotel occupancy. The hospitality industry is a huge economic engine for Nashville and as the city continues to grow, so will the CCA's role as the driving force bringing people to downtown Nashville.



ECONOMIC IMPACT & EVENTS

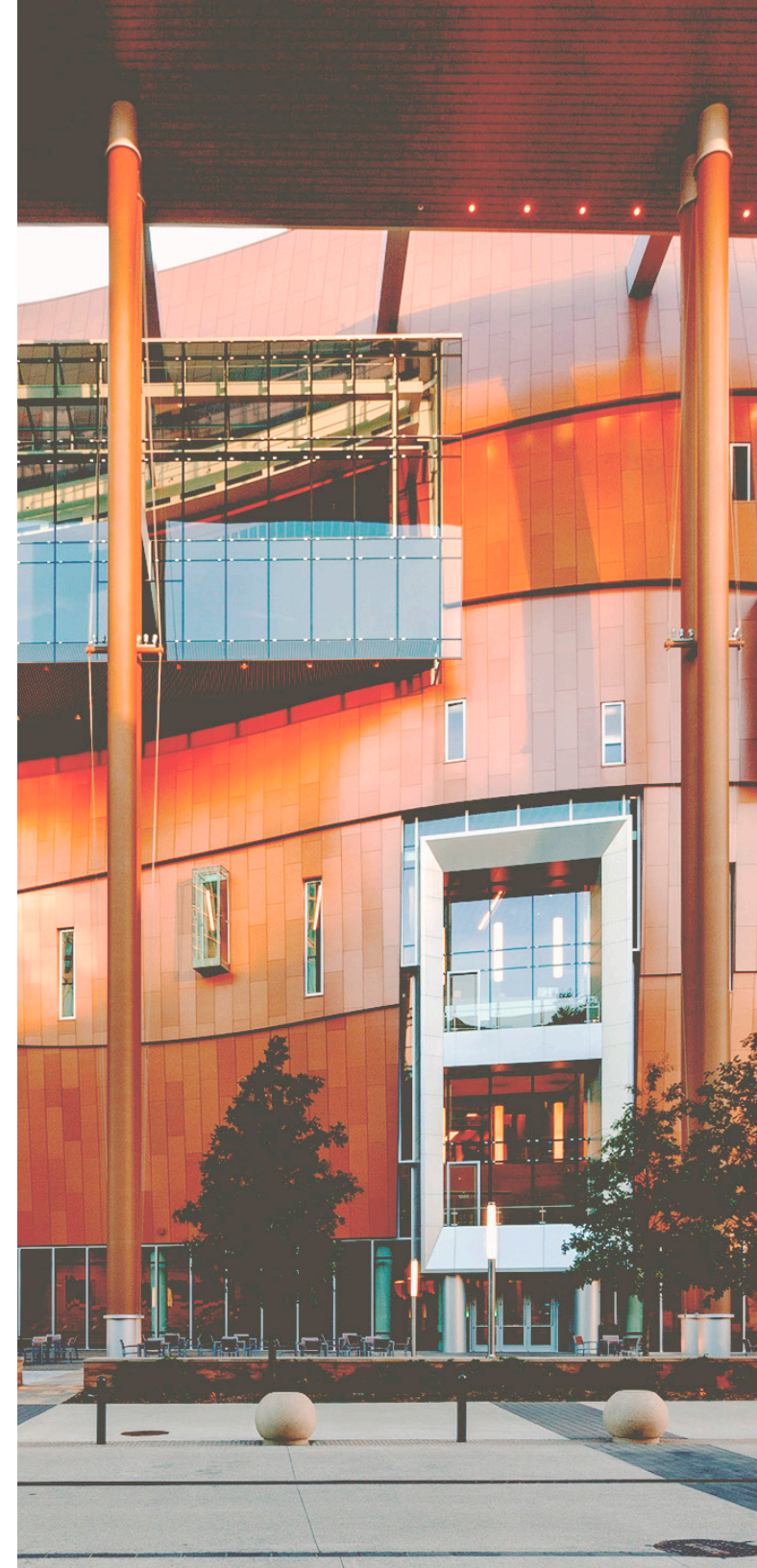
# MEETING THE CHALLENGE

When we set out to build the Music City Center, our hope was that the building would bring an unprecedented number of visitors to the city - visitors that would stay in our hotels, eat in our restaurants, ride in our cabs and help boost the local economy. Now we can with certainty say that the Music City Center has done just that. Fiscal year 2015 was a record-breaking year in many ways - attendance, economic impact, and tax revenue numbers were far beyond our expectations as were operating revenues.

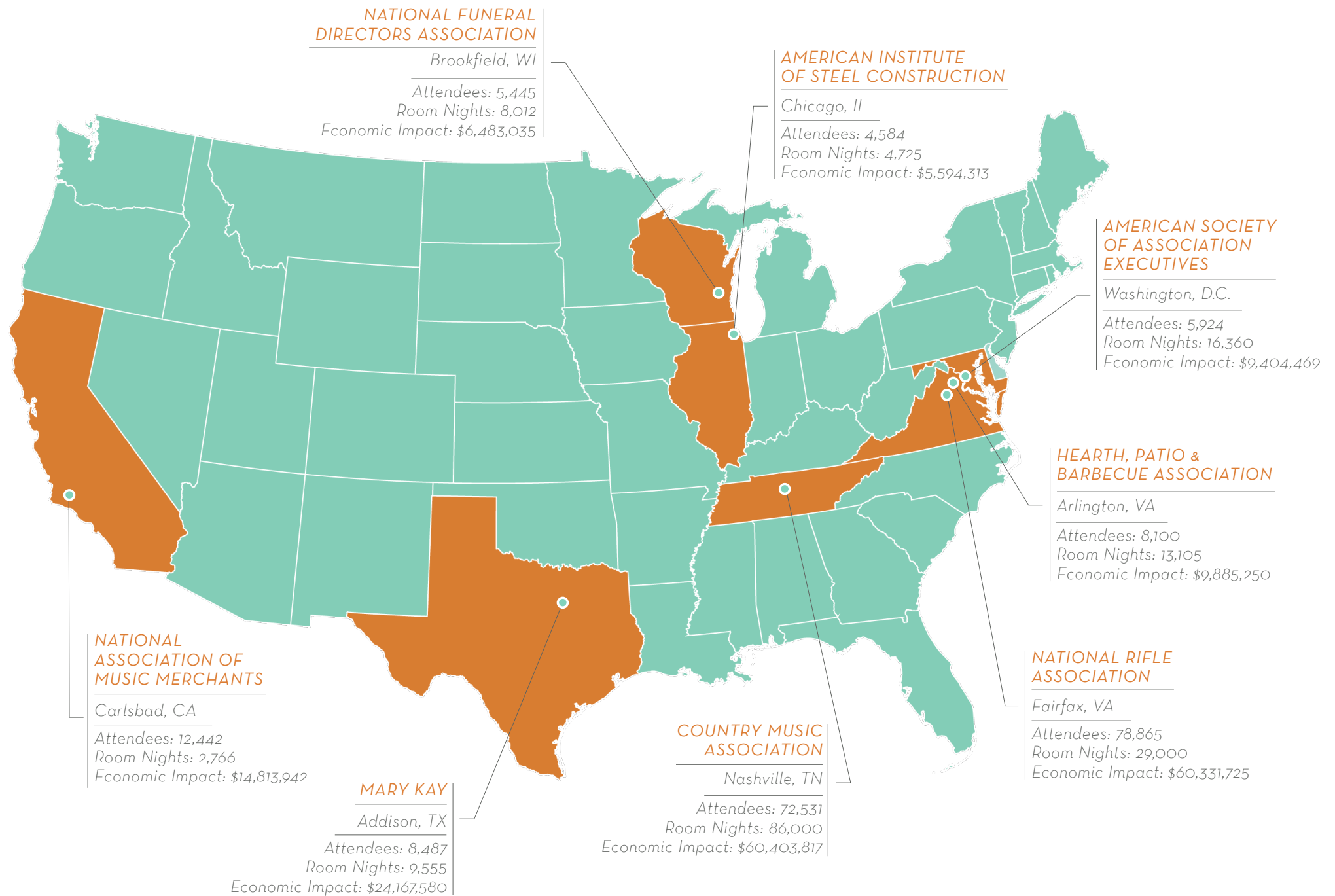
This fiscal year we hosted 305 events with 676,060 attendees, generating 389,696 room nights for a total of \$392.2 million in economic impact. Since opening the building just over two years ago, the Music City Center has brought over 1.3 million people to the city and generated over \$645 million in direct economic impact. Tax collections have been outperforming projections since December 2010 and this fiscal year was no different with tax collections up 20 percent over fiscal year 2014.

305 *EVENTS*  
389,696 *HOTEL ROOM NIGHTS*  
676,060 *ATTENDEES*

\$392,231,007  
*GENERATED IN ECONOMIC IMPACT*









### *NATIONAL ASSOCIATION OF MUSIC MERCHANTS*

The Music City Center welcomed over 12,000 music enthusiasts in July 2014 for the National Association of Music Merchants. NAMM is a not-for-profit association that promotes the pleasures and benefits of making music. The association serves as a hub for people wanting to seek out the newest musical products, technology, sound and lighting. This year's event was NAMM's 19th trade show in Nashville.



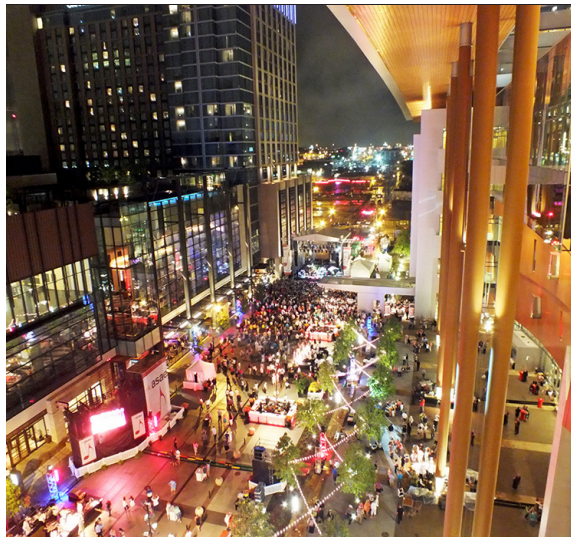
### *NATIONAL FUNERAL DIRECTORS ASSOCIATION*

The Music City Center welcomed over 5,000 guests in October 2014 for the National Funeral Directors Association's International Convention and Expo. The show featured the world's largest funeral service expo, educational sessions led by industry experts, and tours of Nashville.



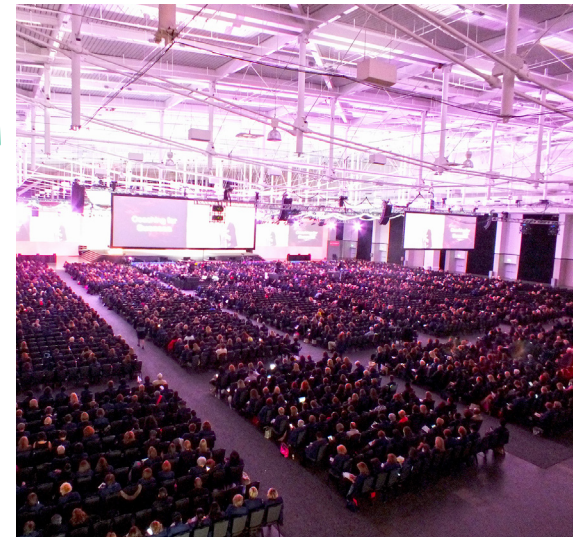
### *AMERICAN SOCIETY OF ASSOCIATION EXECUTIVES*

The Music City Center welcomed almost 6,000 association executives, hospitality industry professionals and corporate partners in August 2014 for the American Society of Association Executives (ASAE) Annual Meeting & Exposition. Considered the "Super Bowl of conventions," ASAE brings in some of the most influential people in the industry and reported that their 2014 conference had a total of 5,924 participants, making it ASAE's largest conference since 2007 in Chicago.



### *MARY KAY*

The Music City Center hosted almost 8,500 leading Mary Kay Independent Beauty Consultants in January for the 2015 Mary Kay Leadership Conference. The conference, which consisted of two, back-to-back, four-day conferences, was designed to provide education, inspiration and further develop the leaders within Mary Kay's independent sales force.





### *HEARTH, PATIO & BARBECUE EXPO*

The Music City Center welcomed 8,100 guests in March for the HPBExpo, which is North America's largest indoor-outdoor living showcase. Every year over 350 leading hearth, patio and barbecue manufacturers travel to exhibit their latest home heating solutions, grills and fully-equipped outdoor kitchens.



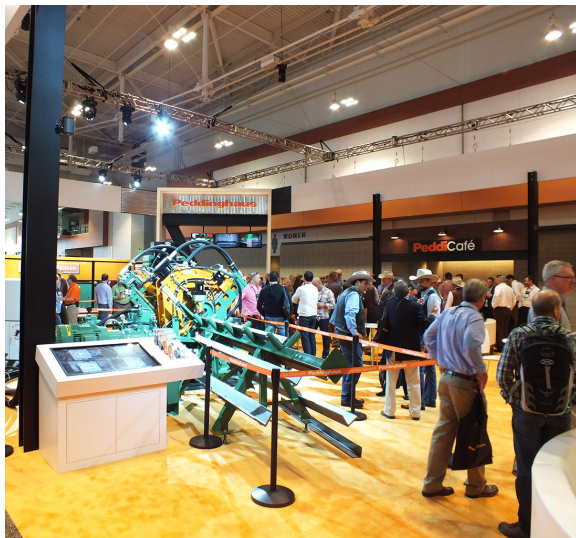
### *NATIONAL RIFLE ASSOCIATION*

Over 78,000 members of the National Rifle Association took over the Music City Center in April for their 144th NRA Annual Meetings and Exhibits. The conference featured over 550 exhibitors covering 450,000 square feet of interior and exterior exhibit hall space, educational seminars, celebrities and more.



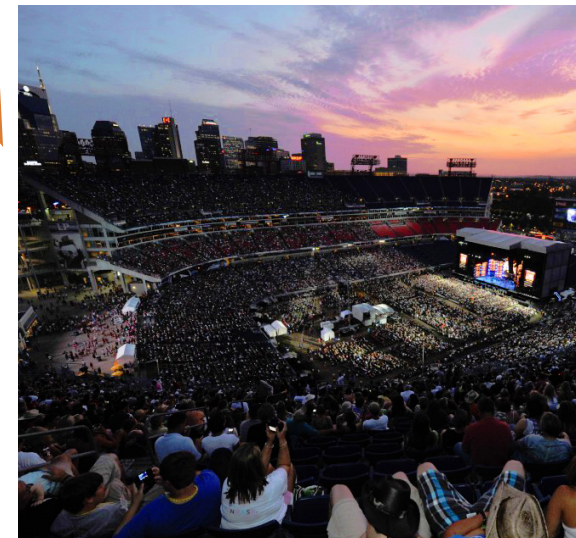
### *AMERICAN INSTITUTE OF STEEL CONSTRUCTION*

The Music City Center welcomed thousands from across the globe this spring for the 2015 North American Steel Construction Conference. The three-day conference was the place for engineers, fabricators, detailers and erectors to learn about structural steel design and construction. This year's conference offered over 100 technical sessions and an extensive trade show.



### *COUNTRY MUSIC ASSOCIATION*

The 2015 CMA Music Festival brought a record-setting daily attendance of 87,680 fans that traveled from across the country to see their favorite artists and celebrities. This year's festival generated a record \$46.8 million in direct visit spending, an increase of \$7.5 million over last year.





## DIVERSITY BUSINESS ENTERPRISE

# MAKING IT POSSIBLE

The Music City Center's Diversity Business Enterprise Program is an outgrowth of Mayor Karl Dean's 2007 commitment to ensuring Nashville's diversity is reflected through the way local government conducts business. With the oversight of the Convention Center Authority, the MCC team designed the DBE program to ensure that all qualified and registered minority, women-owned and small businesses are provided the opportunity to participate as subcontractors/suppliers/vendors at the Music City Center.

During fiscal year 2015 the Music City Center spent 48.18 percent of direct operating expenses with minority, women-owned and small businesses. Additionally, the Music City Center's contractors spent a combined \$1.6 million with DBE firms.

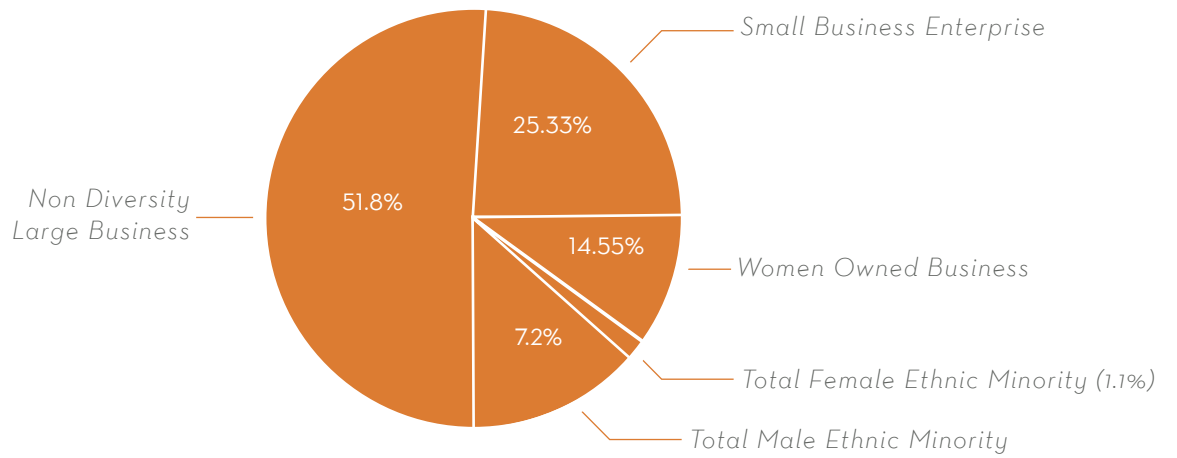






DBE PARTICIPATION SUMMARY | % OF TOTAL | # OF COMPANIES

MINORITY OWNED BUSINESSES	8.3%	9
WOMEN OWNED BUSINESSES	14.55%	14
SMALL BUSINESS ENTERPRISE	25.33%	4
<b>TOTAL</b>	<b>48.18%</b>	<b>27</b>





COMMUNITY OUTREACH

# MOVING FORWARD

## EXTERNSHIP WITH THE STATE OF TENNESSEE

The Music City Center partnered with the Tennessee Department of Education and participated in this year's Teacher Externship Program. The purpose of the program is to expose Tennessee teachers to all aspects of a 21st century company so that they can better prepare their students for future careers. The program presents a remarkable opportunity for not only Tennessee teachers and students but also for Tennessee companies to communicate current and future workforce demands to a wide audience of educators. The Music City Center hosted two teachers from West Carroll County School District. Both teachers spent a full week observing and participating in tasks associated with the hospitality industry.

## HUNTERS LANE HIGH SCHOOL

The Music City Center works closely with Hunters Lane High School's Academy of Hospitality. This year the Music City Center hosted 30 students from Hunters Lane for a field trip as well as a full day of job shadowing where the students observed and participated in daily tasks with Music City Center team members. Additionally, the MCC Communications Coordinator volunteered to assist a group of five students develop a magazine and design concept for a final senior project and competition.







### HEALTHY HISPANIC FAMILIES DAY

Music City Center's Chef Max Knoepfel participated in Conexión América's Healthy Hispanic Families Day in September at Casa Azafrán, the community center that stands at the gateway to Nashville's international district. Chef Max demonstrated and shared recipes while offering delicious samples of some favorite foods prepared with a healthy twist. The event also featured fresh produce from vendors, a free puppet show, and face painting. According to the 2010 census, Tennessee has the sixth largest Latino population in the country, with 22 Latino countries represented in Nashville. As a city, Nashville is putting greater focus on healthy lifestyles and Conexión América's goal is to help Latino families in the community be proactive about their health and well-being.

### MCC WAYFINDING APP

The Music City Center partnered with Vanderbilt University this year to develop the Music City Center App, complete with a wayfinding system that uses beacon technology to help guests navigate their way through the 1.2 million square foot facility. Whenever visitors need directions, they can simply open the app and tell it where they need to go, whether it is the closest restroom or the parking garage. The app can pinpoint a person's location anywhere in the building and provide them with precise, turn-by-turn, photo-based directions. The app was created by Dr. Jules White, an Assistant Professor of Electric Engineering & Computer Science at Vanderbilt, and a team of Vanderbilt students as a part of a class project. The unique public/private partnership between the Music City Center and Vanderbilt's Institute for Software Integrated Systems led to the development of the wayfinding technology and the launch of Dr. White's new Nashville-based startup company, Ziiiio.



### MYCITY ACADEMY

The Music City Center hosted MyCity Academy this year for the sixth session of their program. With the help of the New Americans Advisory Council, Mayor Dean launched MyCity Academy in 2012. The first of its kind in the nation, MyCity empowers New Americans to understand and participate in Nashville's government. Over the course of a session, MyCity participants meet with leaders from Metro departments and gain a better understanding of how their government works. More than 30 countries have been represented so far among MyCity participants. The class at the Music City Center featured presentations from the Metro Deputy Finance Director, the Director of Economic and Community Development, the Davidson County Property Assessor, the Vice President of Public Affairs of the Nashville Convention & Visitors Corporation and the Director of Finance at the Music City Center.





## SUSTAINABILITY

# MAKING A DIFFERENCE

After receiving LEED® Gold certification for New Construction by the U.S. Green Building Council last year, the Music City Center has continued to put sustainability at the forefront of its mission. Every day the MCC team focuses on ways to reduce the building's carbon footprint and the team has made great strides in sustainable efforts this fiscal year.

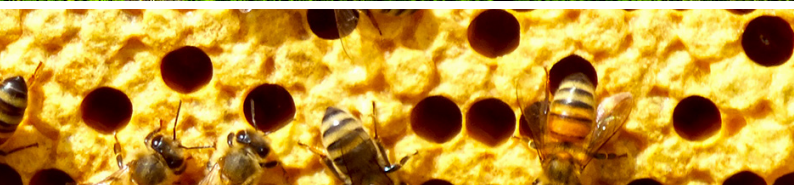
Most notably, the team has implemented an incredibly successful water reuse program. The MCC's four-acre green roof, currently the largest in the Southeast, is composed of 14 different types of vegetation which slow rainwater runoff and direct it to a 360,000 gallon collection tank under the Marty Dickens Terrace. The harvested rainwater is then used to irrigate outdoor landscaping and flush over 500 toilets/urinals in the building. This water reuse program has enabled us to reduce water usage by 54% this fiscal year, saving over 3.4 million gallons of water.

The MCC also recently installed four beehives on the green roof. The hives are home to over 200,000 bees and these bees will produce an estimated 360 pounds of honey annually. Half of this honey will be used by the Music City Center culinary team, while the rest will be jarred for promotional use. Aside from being a source of local food, the honeybees are essential to a sustainable environment and there has been a recent decline in honeybee populations due to the widespread use of insecticides. In an effort to combat that, beekeeping, specifically urban beekeeping, is on the rise and the Music City Center is proud to now be a part of the initiative.

Lastly, the Music City Center has recently implemented a composting program. Much of the leftover food from the kitchen is donated to the Nashville Rescue Mission but in an effort to cut down on waste, the team in the kitchen is now composting food waste. Since starting the program, the kitchen has composted eight tons in addition to donating 57,500 pounds of leftover food.







### SOLAR

Along with the many energy-saving features of our building, the MCC is dedicated to producing and using renewable energy. This year our array of 845 solar panels produced

**340,668 kWh**

of energy saving

**\$26,598.33**

in energy costs. This is enough energy to power 27 homes or 2,168 light bulbs for an entire year.



### WATER

Due to our rain water reuse program, our facility reduced water usage by **54%** this year: saving

**3,353,284**

*gallons of water*

This is enough water to fill an Olympic-sized pool five times.

### WASTE



The MCC is dedicated to reducing our environmental impact by implementing extensive recycling programs to avoid sending recyclable materials to the landfill.

**MIXED RECYCLING:**  
*170 tons*

**GREASE:**  
*4,201 lbs*

**PALLETS:**  
*3,067 total*

**PRINTER CARTRIDGES:**  
*148 total*



### AWARDS & CERTIFICATIONS

TN Green Star Partnership & Mayor's Workplace Challenge: Green (Gold) & Healthy (Silver) 2015

### SUSTAINABLE CATERING



Over **57,500** lbs of leftover food have been donated to our partner, the Nashville Rescue Mission, to help those in need.

The Music City Center has purchased over

**\$2.3 million**

worth of food and beverage from **36** local farms this year.



### HONEY BEES

The four-acre green roof at the Music City Center is now home to over

**200,000 bees!**

The bees live in four hives on the green roof and are expected to produce an estimated **360** pounds of honey annually.



### COMMUNITY ENGAGEMENT

Hosted **87** educational and sustainable building tours for members of the local community.

Since 2013, the MCC has been a corporate sponsor and exhibitor for the **NASHVILLE EARTH DAY FESTIVAL**.



FOOD & BEVERAGE

# FEEDING THE MASSES

With hundreds of thousands of guests visiting the Music City Center each year, the team in the kitchen stays very busy keeping up with demand. But despite the hectic schedules, award-winning Executive Chef Max Knoepfel and his team pride themselves on their creative menus, new ideas and breathtaking presentation. Always inspired by what's in season, the team works with a number of farmers in the region to offer customers the best, local produce available and make it a priority to feature aspects of Nashville and the region in all their dishes.

The MCC Food & Beverage team believes wholeheartedly that it is important to return as much as we take from the land and to always respect the land, the sea, the community and ourselves. That belief is very much at the forefront of every decision made in the kitchen, from always buying local produce from the best sources with a minimal carbon footprint to implementing a composting program to reduce food waste. Since opening in 2013, the kitchen has donated all leftover food to our neighbor and partner, the Nashville Rescue Mission. In just this last fiscal year, the MCC donated over 57,500 lbs. of food to help those in need.









ART & TOURS

# MAGNIFYING THE EXPERIENCE

Over 1,800 individuals have toured the Music City Center this fiscal year to see the beautiful architecture and exquisite art collection. Music City Center is proud to be the home of over 120 pieces of public art. During the master planning process, the Convention Center Authority budgeted \$2 million for art in the new convention center and worked with an art committee, consisting of art professionals and Nashville citizens, to select the pieces for the building. Over 225 artists submitted applications and the pieces that were chosen feature a broad spectrum of artistic media, including paintings, suspended pieces, new media, mosaics, and light works. Of the 52 artists represented in the acquired art

collection, 32 are from Davidson County. Another 16 are from other parts of Tennessee, and the remaining four are from Georgia and Kentucky. The art committee also chose to commission eight site-specific, monumental pieces and two of these pieces came from local artists, Jamaal Sheats and Alicia Henry.

Individuals wishing to tour the Music City Center may do so by registering on the website for one of the available tour dates. Tours are complimentary and will last anywhere from 45 minutes to an hour. Business and civic organizations wishing to tour the building should visit [nashvillemusiccitycenter.com/registration-events](http://nashvillemusiccitycenter.com/registration-events) to schedule a group tour.

*TOP ROW PHOTOS FROM LEFT TO RIGHT*

*BLACK BEAT: RON PORTER, AT THE RIVER: TERRY LYNN (TWIN), TWIN CITY: CAROLINE ALLISON,  
GIANT HACKBERRY TREE ON EDGE OF AGRICULTURAL LANDSCAPE: CHARLES BRINDLEY*

*BOTTOM ROW PHOTOS FROM LEFT TO RIGHT*

*SHAKER FRONTIER VIII: JOHN FOLSOM, DUALTIES XXV: WHITNEY WOOD-BAILEY,  
THE BOOKSHELF: BOB DELVANTE, FLAMEOBIC OPULATION: CHARLES CLARY*



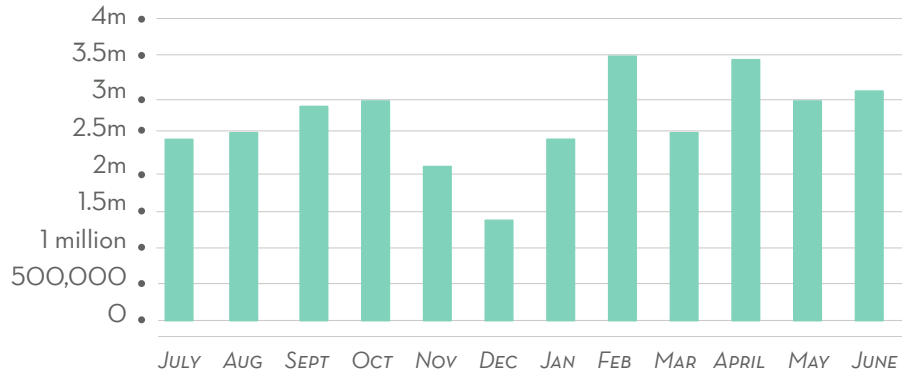




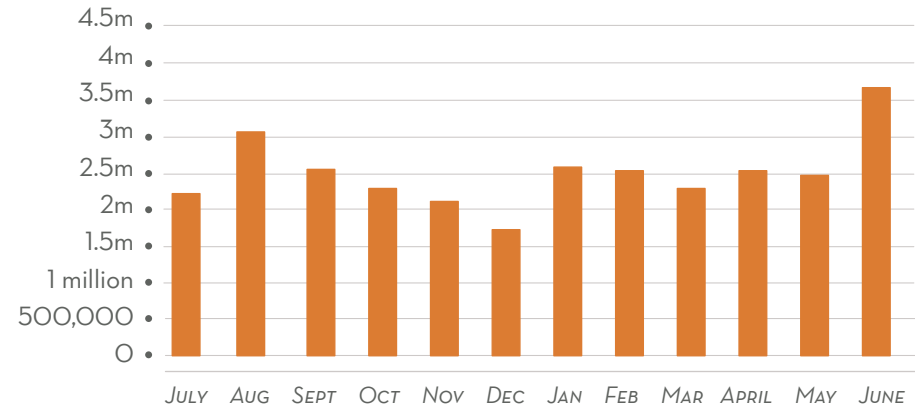


# FINANCIALS

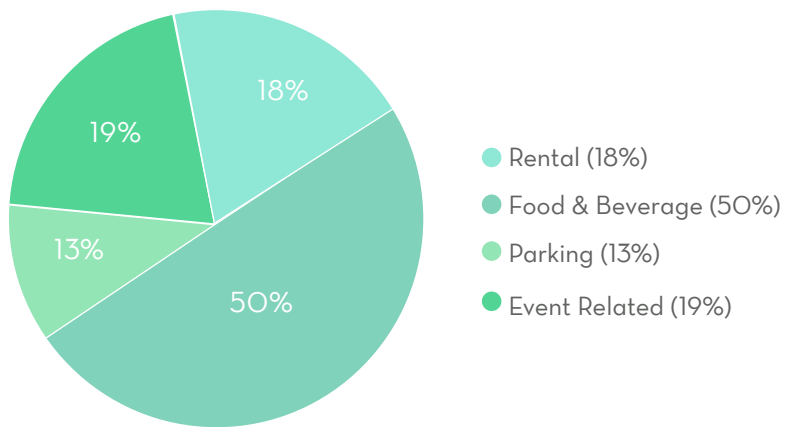
OPERATIONAL REVENUE FISCAL YEAR 2015



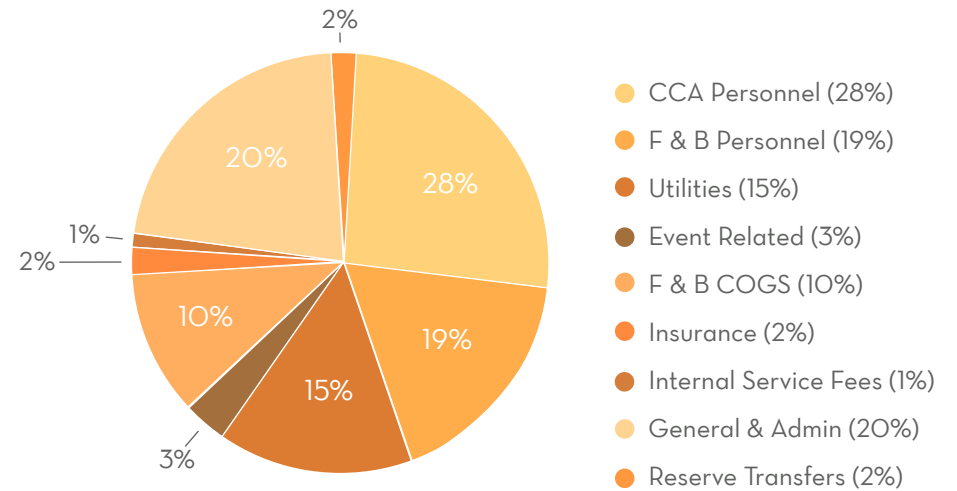
OPERATIONAL EXPENSE FISCAL YEAR 2015



TOTAL FISCAL YEAR REVENUE BY CATEGORY



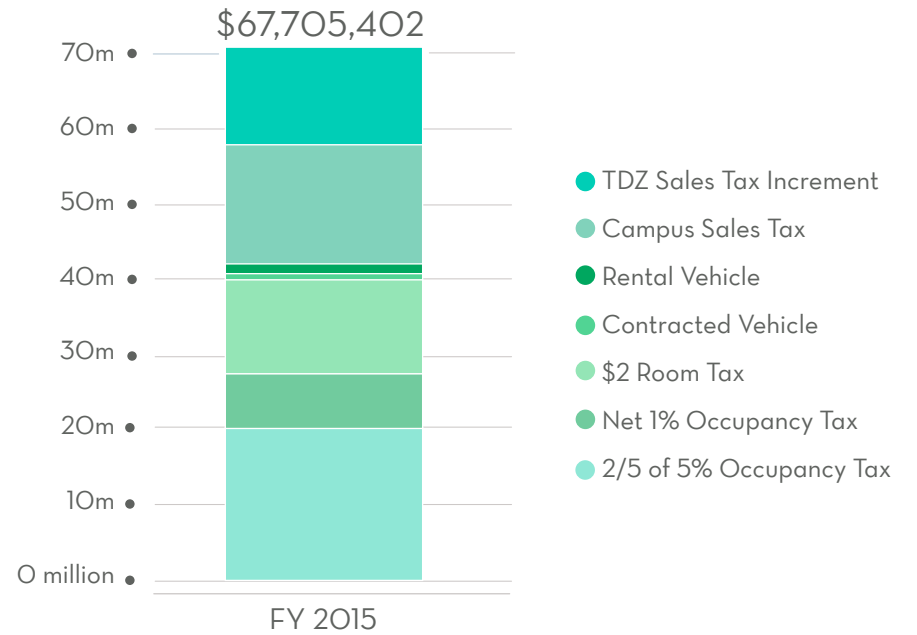
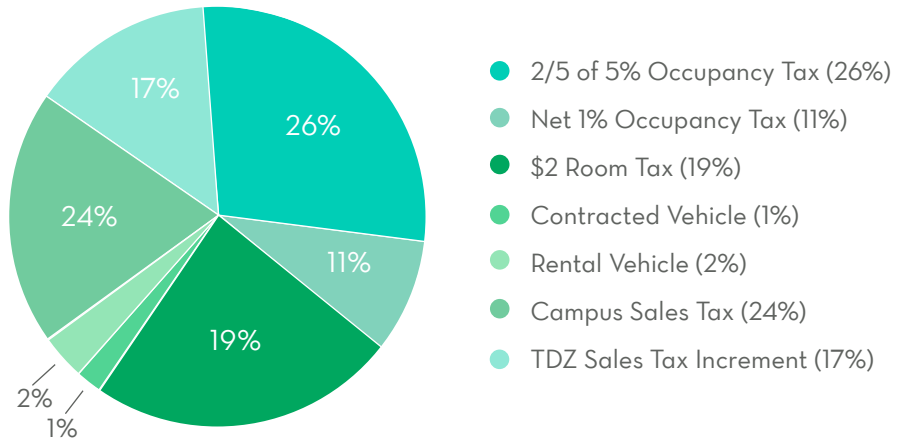
TOTAL FISCAL YEAR EXPENSE BY CATEGORY



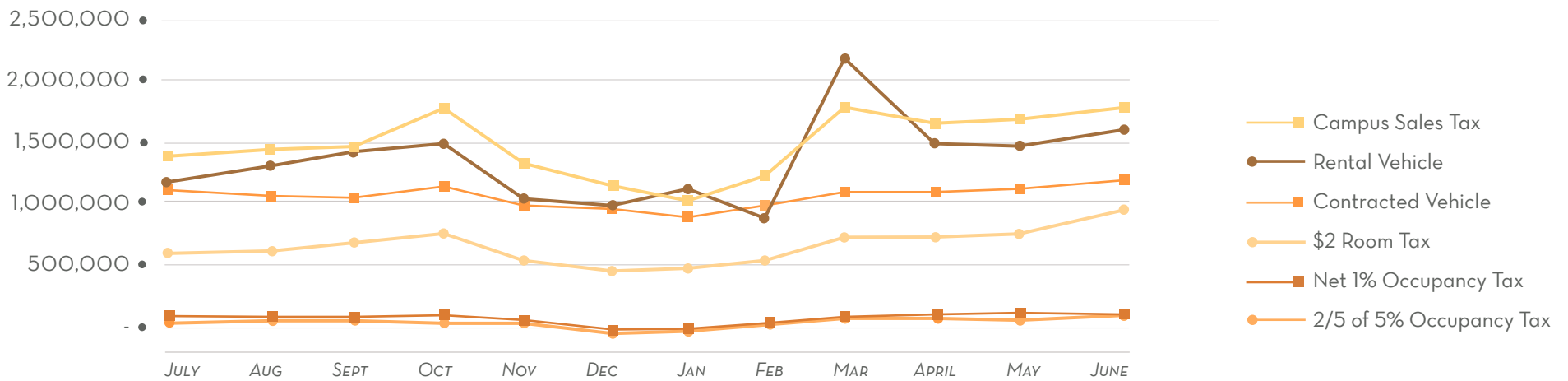
\*Fiscal data above includes Gross Revenue & Expense for Food & Beverage Operations.



FY2015 MCC TOTAL TOURISM TAX COLLECTIONS



FY2015 TAX COLLECTIONS BY MONTH\*



\* TDZ collections are not included in the tax collections by month graph.



# CONVENTION CENTER AUTHORITY MEMBERS



WAVERLY D. CRENSHAW, JR.



MARTY DICKENS  
*CHAIRMAN*



IRWIN FISHER



RENATA SOTO



VONDA MCDANIEL  
*VICE CHAIR*



WILLIE MCDONALD



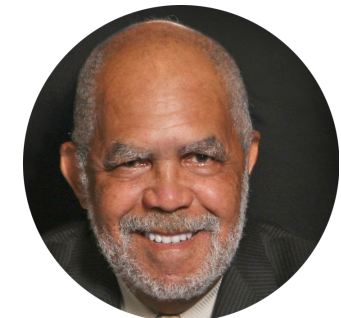
LUKE SIMONS



MONA LISA WARREN  
*SECRETARY / TREASURER*



RANDY GOODMAN



FRANCIS GUESS  
*- IN MEMORY -*  
*SERVED: 2011 - 2015*



# MUSIC CITY CENTER LEADERSHIP TEAM



ERIC BLOUIN  
*DIRECTOR OF TECHNOLOGY*



MARY BRETTE CLIPPARD  
*MARKETING & PR MANAGER*



CHRIS SCHAPPERT  
*DIRECTOR OF EVENT SERVICES*



TERRY MCCONNELL  
*DIRECTOR OF ENGINEERING*



ERIN HAMPTON  
*VICE PRESIDENT OF HUMAN RESOURCES*



BRIAN IVEY  
*VICE PRESIDENT OF SALES & MARKETING*



TERI MCALISTER  
*DIRECTOR OF SALES*



ELISA PUTMAN  
*SR. VICE PRESIDENT &  
CHIEF OPERATIONS OFFICER*



JASMINE QUATTLEBAUM  
*DIRECTOR OF PURCHASING/DBE*



AARON HAVILAND  
*DIRECTOR OF SECURITY*



HEIDI RUNION  
*DIRECTOR OF FINANCE & ADMINISTRATION*



DEWAYNE SMITH  
*DIRECTOR OF FACILITIES*



CHARLES STARKS  
*PRESIDENT & CEO*



RICHARD WAGNER  
*DIRECTOR OF PARKING*



DOUG ZIMMERMAN  
*FOOD & BEVERAGE GENERAL MANAGER*





MUSIC CITY CENTER | 201 5TH AVENUE SOUTH | NASHVILLE, TENNESSEE | 37203

[nashvillemusiccitycenter.com](http://nashvillemusiccitycenter.com) | 615-401-1400

