

MINUTES OF THE 93rd MEETING OF THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY

The 93rd meeting of the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County (CCA) was held on May 7, 2020 at 9:00 a.m. at the Music City Center, Nashville, Tennessee – Virtual Meeting.

AUTHORITY MEMBERS PRESENT: Marty Dickens, Robert Davidson, Irwin Fisher, Barrett Hobbs, Vonda McDaniel, Seema Prasad, Randy Rayburn and Leigh Walton

AUTHORITY MEMBERS NOT PRESENT: David McMurry

OTHERS PRESENT: Charles Starks, Charles Robert Bone, Brian Ivey, Heidi Runion and Donna Gray

Chair Marty Dickens opened the meeting for business at 9:01 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 92nd Meeting Minutes of April 9, 2020. The motion was seconded by Randy Rayburn and approved unanimously by the Authority.

The Convention Center Authority welcomed Seema Prasad to the board (Attachment #1) and there was discussion.

The next regularly scheduled meeting is scheduled for Tuesday, June 2, 2020 at 9:00 am.

Charles Starks and Charles Robert Bone provided information on the MOU with Convention and Visitors Corporation (Attachments #1 and #2) and there was discussion.

ACTION: Irwin Fisher made a motion approving the Memorandum of Understanding with the Nashville Convention & Visitors Corporation, authorizing an advance for certain COVID-19 related expenses and services important to the operation of the Music City Center and repayment from the Nashville Convention & Visitors Corporation, and

authorizing Charles Starks to finalize and execute the Memorandum of Understanding and take any actions necessary or appropriate to formalize that agreement. The motion was seconded by Randy Rayburn and approved unanimously by the Authority.

Charles Starks and Brian Ivey provided an update on Lost Business due to COVID-19 (Attachment #1) and a sales update on business for the Fall of 2020 and there was discussion.

Charles Starks provided an update on STR, LLC statistics for downtown hotels (Attachment #1) and there was discussion.

Charles Starks and Heidi Runion provided a Financial Forecast update (Attachment #1) and there was discussion.

Charles Starks and Heidi Runion provided an estimate on the Metro PILOT Agreement if the proposed tax increase is adopted (Attachment #1) and there was discussion.

Charles Starks provided an update on the Music City Center's plans for housekeeping and sanitizing protocol post COVID-19 and there was discussion.

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

With no additional business, the Authority unanimously moved to adjourn at 10:03 a.m.

Respectfully submitted,



Charles L. Starks
President & CEO
Convention Center Authority

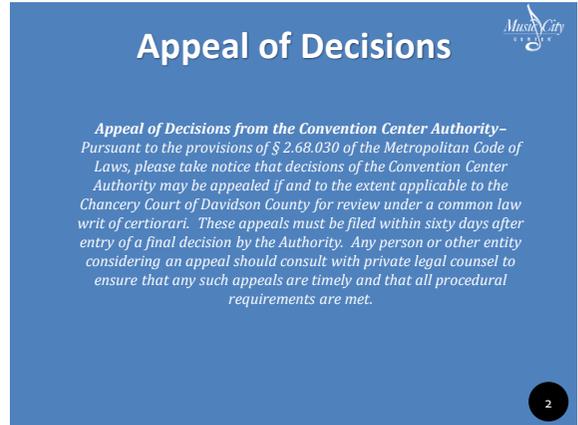
Approved:



Marty Dickens, Chair
CCA 93rd Meeting Minutes
of May 7, 2020



1



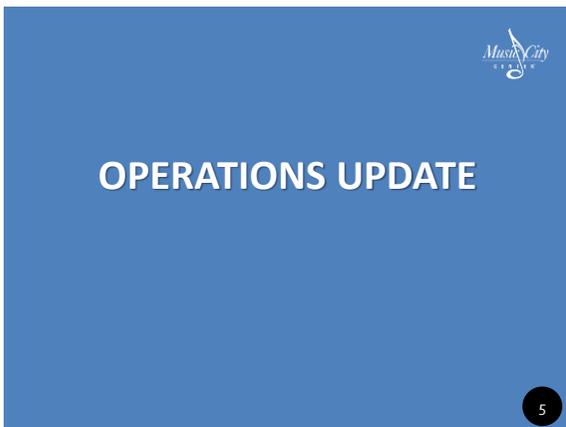
2



3



4



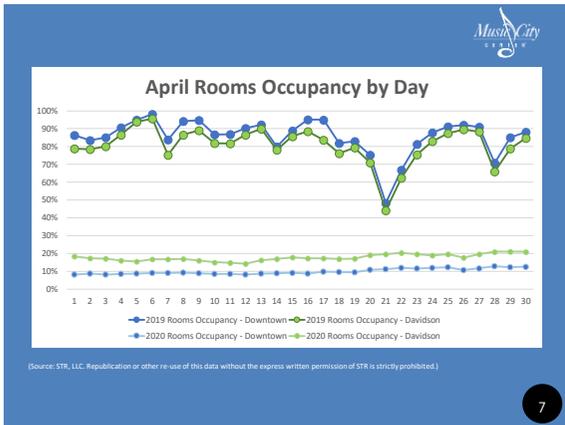
5

CANCELED EVENTS				
Groups	Attendees	Hotel Room Nights	*Contracted MCC Revenue	Direct Economic Impact
56	300K	249K	\$7.4M	\$277.8M

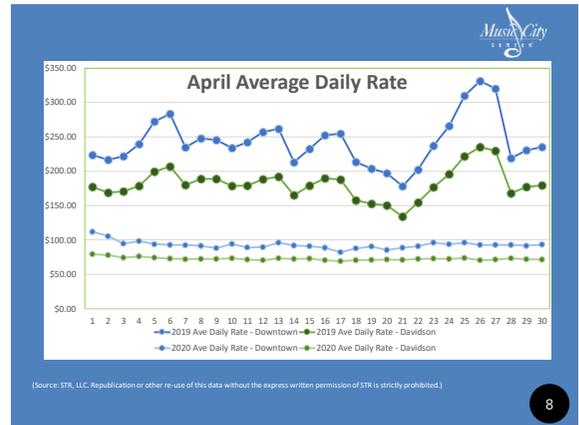
REBOOKED EVENTS				
Groups	Attendees	Hotel Room Nights	*Contracted MCC Revenue	Direct Economic Impact
22	20K	12K	\$1.5M	\$13.8M

*Does not include on-site revenues

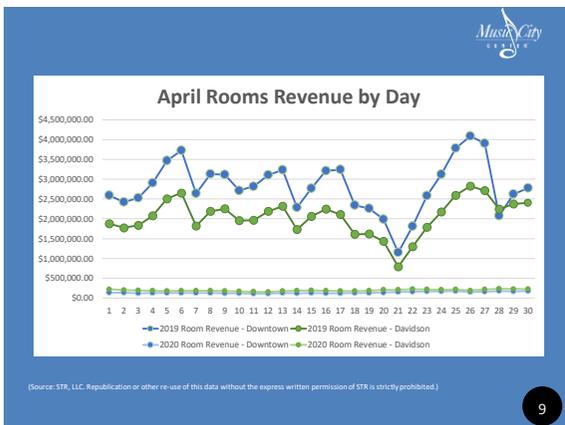
6



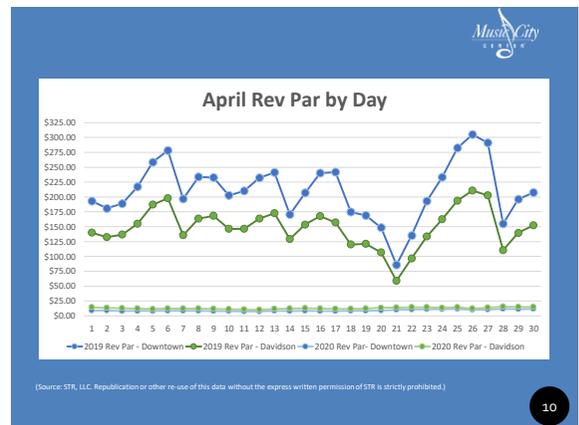
7



8



9



10

4th QTR FY2020

	FY 2019-2020		
	FY2020 Q4 Forecast	FY2020 Q4 Budget	Forecast vs. Budget
Revenue			
Rental	\$0	\$1,346,100	-\$1,346,100
F&B	\$0	\$6,791,528	-\$6,791,528
Parking	\$525,000	\$1,896,995	-\$1,371,995
Utilities	\$0	\$530,150	-\$530,150
Technology	\$0	\$933,160	-\$933,160
Security	\$0	\$254,505	-\$254,505
Rigging	\$0	\$163,150	-\$163,150
Audio/Visual	\$0	\$105,850	-\$105,850
Facilities	\$0	\$158,750	-\$158,750
Other	\$124,100	\$51,295	\$72,805
Revenue	\$649,100	\$12,231,483	-\$11,582,383
Expense			
Utilities	\$1,092,211	\$1,121,384	-\$29,173
Event Related	\$0	\$394,287	-\$394,287
MCC Labor	\$3,946,130	\$4,148,119	-\$201,989
F&B Labor	\$1,327,410	\$2,445,420	-\$1,118,010
F&B COGS	\$0	\$1,222,414	-\$1,222,414
Other	\$641,687	\$3,169,149	-\$2,527,462
Expense	\$7,007,438	\$12,500,772	-\$5,493,334
Gain/(Loss)	-\$6,358,338	-\$269,289	-\$6,089,049

11

FY2019-2020 Year End

	FY 2019-2020		
	FY2020 Forecast	FY2020 Budget	Forecast vs. Budget
Revenue			
Rental	\$5,115,047	\$6,122,600	-\$1,007,553
F&B	\$22,145,780	\$24,134,300	-\$1,988,520
Parking	\$5,844,643	\$7,266,200	-\$1,421,557
Utilities	\$1,377,592	\$1,762,400	-\$384,808
Technology	\$1,386,749	\$1,805,100	-\$418,351
Security	\$1,052,100	\$1,110,500	-\$58,400
Rigging	\$539,905	\$592,900	-\$52,995
Audio/Visual	\$224,682	\$379,800	-\$155,118
Facilities	\$127,126	\$284,300	-\$157,174
Other	\$1,081,654	\$779,800	\$301,854
Revenue	\$38,895,278	\$44,237,900	-\$5,342,622
Expense			
Utilities	\$4,312,685	\$4,527,700	-\$215,015
Event Related	\$1,503,916	\$1,297,000	\$206,916
MCC Labor	\$11,665,941	\$12,982,400	-\$1,316,459
F&B Labor	\$8,437,240	\$9,098,600	-\$661,360
F&B COGS	\$3,851,468	\$4,344,200	-\$492,732
Other	\$8,789,379	\$10,572,201	-\$1,782,822
Expense	\$38,560,629	\$42,822,100	-\$4,261,471
Gain/(Loss)	\$334,649	\$1,415,800	-\$1,081,151

12

1st QTR FY2021

	FY 2020-2021		
	Current 1st Qtr. Forecast	1st Qtr. Budget	Current Forecast vs. Budget
Revenue			
Rental	\$778,412	\$1,771,204	-\$992,793
F&B	\$2,600,897	\$8,494,455	-\$5,893,559
Parking	\$549,350	\$1,733,146	-\$1,183,796
Utilities	\$136,235	\$510,815	-\$374,580
Technology	\$249,175	\$473,548	-\$224,373
Security	\$67,487	\$261,865	-\$194,378
Rigging	\$26,339	\$207,756	-\$181,417
Audio/Visual	\$30,450	\$98,551	-\$68,102
Facilities	\$16,440	\$91,790	-\$75,350
Other	\$111,484	\$190,306	-\$78,822
Revenue	\$4,566,267	\$13,833,436	-\$9,267,169
Expense			
Utilities	\$1,255,411	\$1,375,500	-\$120,089
Event Related	\$59,394	\$313,653	-\$254,259
MCC Labor	\$2,589,484	\$2,918,355	-\$328,871
F&B Labor	\$1,524,197	\$3,586,170	-\$2,061,973
F&B COGS	\$468,161	\$1,537,497	-\$1,069,335
Other	\$1,939,695	\$2,607,434	-\$667,738
Expense	\$7,836,343	\$12,338,609	-\$4,502,266
Gain/(Loss)	-\$3,270,075	\$1,494,827	-\$4,764,903

13

Metro PILOT Agreement

CCA impact of proposed \$1.00 tax rate increase - \$4M

Current PILOT:
Appraised Value = \$1Billion
Assessed Value = \$400,000,000
FY2020 Payment = \$12,620,000

FY2021 Payment if tax rate increase is adopted = \$16,620,000

14

TAX COLLECTIONS

	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 19-20
July	\$2,589,786	\$1,163,092	\$1,542,238	\$374,970	\$146,689	\$1,643,485	\$7,460,260	13.91%
August	\$2,565,727	\$1,007,072	\$1,508,596	\$283,622	\$210,480	\$1,769,959	\$7,345,456	11.29%
September	\$2,764,923	\$1,253,699	\$1,471,867	\$318,931	\$169,672	\$1,838,470	\$7,817,561	15.79%
October	\$2,886,604	\$1,287,626	\$1,460,314	\$330,941	\$132,845	\$1,927,126	\$8,025,455	-0.86%
November	\$2,961,757	\$1,345,953	\$1,583,215	\$286,254	\$236,931	\$1,619,324	\$8,033,435	44.22%
December	\$1,795,863	\$754,436	\$1,176,395	\$243,736	\$122,152	\$1,072,234	\$5,184,815	-13.55%
January	\$1,908,874	\$834,653	\$1,206,733	\$256,777	\$154,728	\$1,652,359	\$6,014,025	16.63%
February	\$1,767,130	\$756,685	\$1,102,275	\$239,610	\$90,426	\$1,759,158	\$5,715,285	-4.17%
March								0%
April								0%
May								0%
June								0%
YTD Total	\$19,240,664	\$8,403,116	\$11,051,636	\$2,334,840	\$1,263,924	\$13,282,114	\$55,576,294	9.70%

15

MCC/Hotel Tax Collection

Collections Thru February 2020 (excludes TDZ)

	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 19-20
July	\$2,589,786	\$1,163,092	\$1,542,238	\$374,970	\$146,689	\$1,643,485	\$7,460,260	13.91%
August	\$2,565,727	\$1,007,072	\$1,508,596	\$283,622	\$210,480	\$1,769,959	\$7,345,456	11.29%
September	\$2,764,923	\$1,253,699	\$1,471,867	\$318,931	\$169,672	\$1,838,470	\$7,817,561	15.79%
October	\$2,886,604	\$1,287,626	\$1,460,314	\$330,941	\$132,845	\$1,927,126	\$8,025,455	-0.86%
November	\$2,961,757	\$1,345,953	\$1,583,215	\$286,254	\$236,931	\$1,619,324	\$8,033,435	44.22%
December	\$1,795,863	\$754,436	\$1,176,395	\$243,736	\$122,152	\$1,072,234	\$5,184,815	-13.55%
January	\$1,908,874	\$834,653	\$1,206,733	\$256,777	\$154,728	\$1,652,359	\$6,014,025	16.63%
February	\$1,767,130	\$756,685	\$1,102,275	\$239,610	\$90,426	\$1,759,158	\$5,715,285	-4.17%
March								0%
April								0%
May								0%
June								0%
YTD Total	\$19,240,664	\$8,403,116	\$11,051,636	\$2,334,840	\$1,263,924	\$13,282,114	\$55,576,294	9.70%

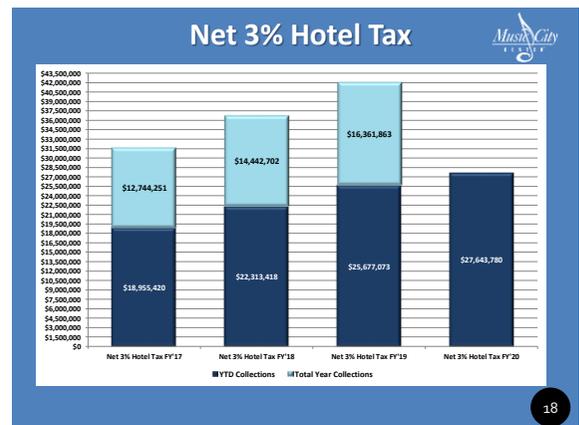
16

MCC/Hotel Tax Collection

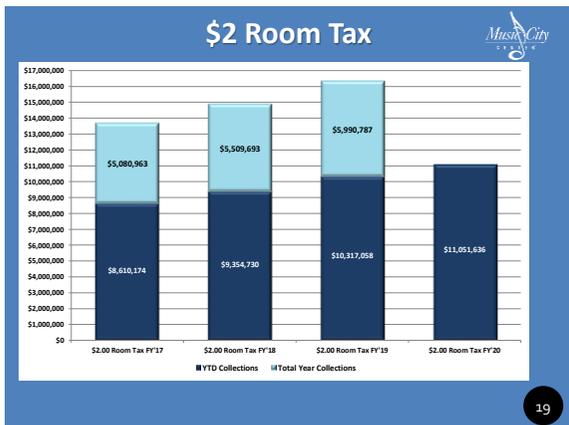
MCC Portion of February 2020 Tourism Tax Collections			
	FY 2019	FY 2020	Variance
2/5 of 5% Occupancy Tax	\$2,004,632	\$1,767,130	-11.85%
Net 1% Occupancy Tax	\$892,610	\$756,685	-15.23%
\$2 Room Tax	\$1,172,039	\$1,102,275	-5.95%
Contracted Vehicle	\$201,016	\$239,610	19.20%
Rental Vehicle	\$118,838	\$90,426	-23.91%
Campus Sales Tax	\$1,574,639	\$1,759,158	11.72%
TDZ Sales Tax Increment	\$0	\$0	0.00%
Total Tax Collections	\$5,963,774	\$5,715,285	-4.17%

MCC Portion of Year-to-Date Tourism Tax Collections			
	FY 2019	FY 2020	Variance
2/5 of 5% Occupancy Tax	\$17,776,506	\$19,240,664	8.24%
Net 1% Occupancy Tax	\$7,900,566	\$8,403,116	6.36%
\$2 Room Tax	\$10,317,058	\$11,051,636	7.12%
Contracted Vehicle	\$1,920,870	\$2,334,840	21.55%
Rental Vehicle	\$1,238,264	\$1,263,924	2.07%
Campus Sales Tax	\$11,507,731	\$13,282,114	15.42%
TDZ Sales Tax Increment	\$44,760,433	\$56,461,491	26.14%
Total YTD Tax Collections	\$95,421,429	\$112,037,784	17.41%

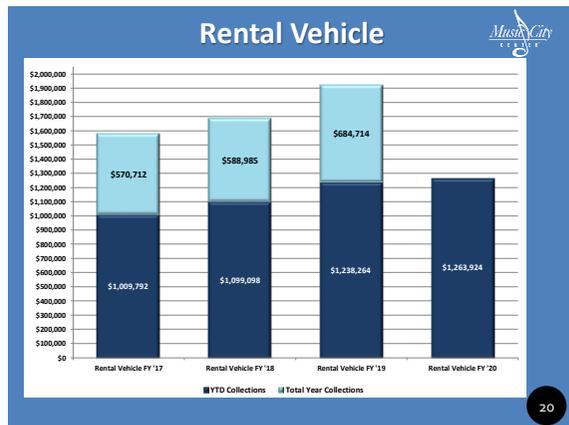
17



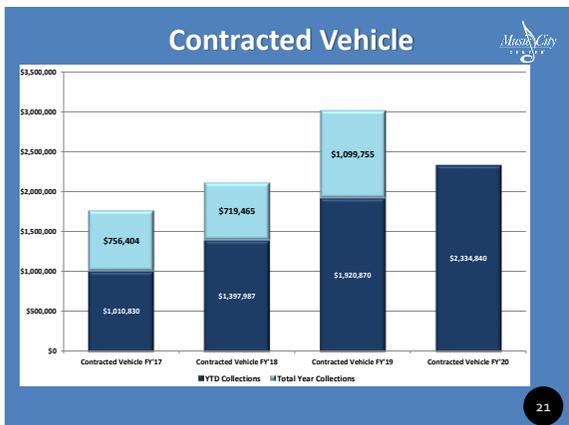
18



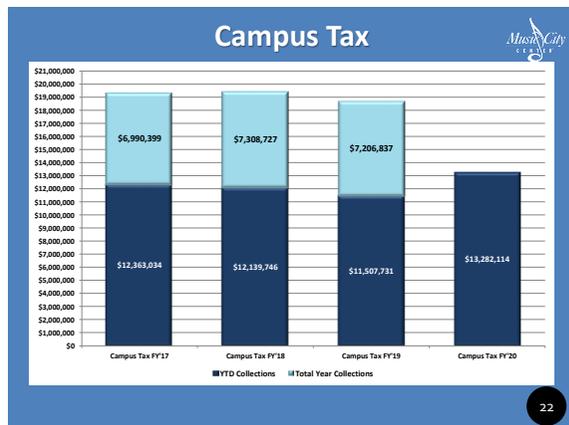
19



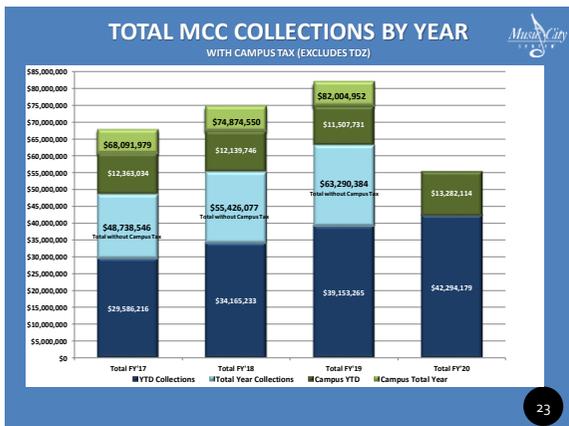
20



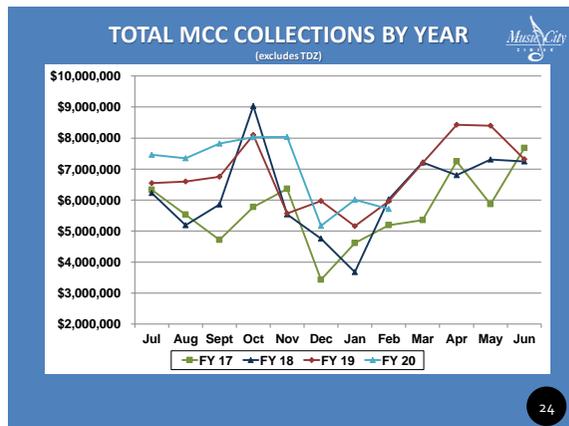
21



22



23



24



MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (the "Agreement") is made and entered into effective this 7 day of May, 2020 by and between THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (the "Convention Center Authority") and THE NASHVILLE CONVENTION & VISITORS CORPORATION, a Tennessee non-profit corporation (the "NCVC"). (The Convention Center Authority and NCVC are collectively referred to herein as the "Parties.")

WITNESSETH

WHEREAS, the Convention Center Authority is a public, nonprofit corporation and a public instrumentality of The Metropolitan Government of Nashville and Davidson County, Tennessee and is authorized under Title 7, Chapter 89, Part 1, Tennessee Code Annotated, as amended, to plan, promote, finance, construct, acquire, renovate, equip and enlarge convention center facilities along with associated hotel accommodations in order to promote and further develop tourism, convention and employment opportunities in the State of Tennessee and thereby provide a means to attract conventions, public assemblies, conferences, trade exhibitions or other business, social, cultural, scientific and public interest events to the State, enhance the State's image as a convention destination, and encourage and foster economic development and prosperity and employment within the State; and

WHEREAS, NCVC brands, sells and markets Nashville, Tennessee and Music City to the world as a premier entertainment destination for travelers who seek authentic and unique leisure and convention experiences; and

WHEREAS, as a result of the COVID-19 pandemic and the requirements of Nashville's Safer at Home order, along with additional orders and guidance from the State of Tennessee and the federal government, NCVC is working [i] to assist tourism and hospitality businesses, restaurants and bars and other small businesses initially with closing or limiting their operations and subsequently with reopening their businesses; [ii] to reschedule conventions and hotel bookings within Nashville; [iii] to mitigate the loss of tourism tax revenues; and [iv] to assist in tourism development, marketing and promotional efforts. As a result of these efforts, NCVC has incurred, and will continue to incur, significant revenue losses and unexpected expenses (the "COVID-19 Expenses"), which were unforeseen and, therefore, not budgeted; and

WHEREAS, the Convention Center Authority recognizes the importance of these efforts being undertaken by the NCVC and their importance to the operation of the Music City Center; and

WHEREAS, the Convention Center Authority recognizes the importance of tourism tax revenues to the Convention Center Authority and to the local economy and the immediate need, upon the implementation of Mayor Cooper's Roadmap for Reopening, to prevent further loss of those revenues; and

WHEREAS, the Convention Center Authority recognizes the need to assure the continued collection of these revenues and to promote economic recovery by continuing to promote and further develop tourism and convention opportunities; and

WHEREAS, in order to assure the continuation of these efforts by the NCVC, the Convention Center Authority believes it is necessary to advance funds to the NCVC to allow the NCVC to be able to continue these efforts.

NOW THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged and the mutual promises contained herein, the Parties agree as follows:

1. Advancement and Repayment of Post-Flood Expenses.

a. As a result of NCVC incurring the COVID-19 Expenses for services important to the operation of the Music City Center, and for the purposes and reasons set forth herein, the Convention Center Authority agrees to advance \$1,000,000.00 from operating revenues and/or revenues received pursuant to TCA 67-6-103 from sales tax revenues collected at the Convention Center Project and any convention center hotel that

b. Accordingly, NCVC agrees to repay the foregoing advancement in equal quarterly payments of \$83,333.33 beginning on or before March 31, 2021 and, thereafter, on the last day of each quarter until the advancement has been paid in full.

c. The Parties agree, if necessary and in good faith, to reevaluate the repayment schedule considering the timing of Nashville's phased reopening and the recovery of the tourism and hospitality industry.

d. To the extent that interest is owed or required on this advancement, it shall be charged and/or incurred at the minimum rate required to avoid imputed interest

2. Default. In the event either party shall fail to perform any of its obligations hereunder or shall become unable to perform by reason of bankruptcy, insolvency, receivership or other similar event, then the non-defaulting party, so long as said party is not itself in default hereunder, may seek specific performance, mandamus or other extraordinary relief to compel the defaulting party to perform hereunder.

3. Severability. If a court of competent jurisdiction determines that any term of this Agreement is invalid or unenforceable to any extent under applicable law, the remainder of this Agreement (and the application of this Agreement to other circumstances) shall not be affected thereby, and each remaining term shall be valid and enforceable to the fullest extent permitted by law.

4. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.

5. Entire Agreement. This Agreement contains the entire understanding among the Parties with respect to the matters contained herein, and supersedes any prior understanding and agreements between them respecting the within subject matter. There are no representations, agreements, arrangements or understandings, oral or written, between or among the Parties hereto relating to the subject matter of this Agreement which are not fully expressed herein. Notwithstanding the foregoing, to the extent this Agreement or any of the terms hereof shall conflict with the terms of any of the other documents or agreements referenced herein, the terms of said documents or agreements shall control.

6. Headings. The paragraph headings are inserted only as a matter of convenience and for references and in no way define, limit or describe the scope or intent of this Agreement or in any way affect this Agreement.

7. Assignment. The rights and obligations of the Parties may not be assigned, except to parties under the direct control and ownership of a Party hereto.

8. Notice. Any and all notices, offers or other communications provided herein shall be given in writing and delivered in person, by facsimile transmission and confirmed by mail or hand delivery, or by nationally recognized overnight courier, or by registered or certified mail, return receipt requested, which shall be addressed as follows:

To NCVC:

Butch Spyridon, President and CEO
One Nashville Place
150 4th Avenue North
Suite G-250
Nashville, Tennessee 37219

To The Convention Center Authority:

Charles Starks, President and CEO
Nashville Convention Center
201 Fifth Avenue South
Nashville, Tennessee 37203

Convention Center Authority
Attachment #2
May 7, 2020

9. Authorized Representatives: Approval. Any action required of or permitted to be taken by any of the Parties hereto may be performed by an authorized representative of the respective party without further action by the governing body of such party. Notwithstanding the foregoing, this Agreement and/or the respective obligations under this Agreement are subject to approval by the boards of NCVC and the Convention Center Authority. Further, each party shall cooperate with the other party and provide such assistance as reasonably necessary or requested in connection with the fulfillment of each party's respective obligations under this Agreement. Such cooperation shall include, without limitation, the best efforts of both parties to cause the cooperation and assistance of each party's respective employees, agents, consultants, contacts and principals.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

THE CONVENTION CENTER AUTHORITY OF NASHVILLE CONVENTION CENTER &
THE METROPOLITAN GOVERNMENT OF VISITORS CORPORATION
NASHVILLE AND DAVIDSON COUNTY



By:
Charles Starks, President & CEO



By:
Butch Spyridon, President & CEO

Date: 5/12/20

Date: 5/12/20