MINUTES OF THE 77th MEETING OF THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY

The 77th meeting of the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County (CCA) was held on March 1, 2018 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, Irwin Fisher, Willie McDonald, Renata Soto, and Leigh Walton

AUTHORITY MEMBERS NOT PRESENT: Randy Goodman, Vonda McDaniel, David McMurry, and Randy Rayburn

OTHERS PRESENT: Charles Starks, Charles Robert Bone, Heidi Runion, Larry Atema, Pat Emery, Joe Bucher, Burgin Dossett, Mary Anne Morris, Jennifer Pedginski, Donna Gray, and Mary Brette Wyly

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: Irwin Fisher made a motion to approve the 76th Meeting Minutes of December 7, 2017. Leigh Walton seconded the motion, and the Authority approved unanimously.

The next regularly scheduled meeting is scheduled for April 3, 2018.

Pat Emery from Hall Emery, Joe Bucher from Gresham, Smith & Partners, and Burgin Dossett from OliverMcMillan gave an update on Fifth + Broadway (Attachment #2) and there was discussion.
Charles Starks provided an update on the Finance & Audit Committee for the Music City Center Fiscal Year 2019 Operating and Capital Budget held on February 23, 2018 (Attachment #1) and there was discussion.

Chairman Dickens called for accepting and adopting the recommendations of the Finance and Audit Committee, which adopted and approved the Music City Center Fiscal Year 2019 Operating and Budget to fund the activities, operations and capital needs of the Music City Center. With no objections it was adopted.

Charles Starks and Charles Robert Bone provided an update on MOU with Metropolitan Government (Attachment #1) and there was discussion.

Chair Marty Dickens provided an update on the Executive Committee (Attachment #1) and there was discussion.

Charles Starks gave an update on the Composting Contract Extension (Attachment #3) and there was discussion.

**ACTION:** Leigh Walton made a motion authorizing Charles Starks to negotiate and execute an amendment to the composting services agreement with Compost Company, LLC exercising the option to extend the agreement for an additional two years from April 20, 2018 to April 20, 2020 on substantially the same terms as considered this day. Willie McDonald seconded the motion, and the Authority approved unanimously.

Charles Starks gave an update on the RFP for Pouring Rights (Attachment #4) and there was discussion.

**ACTION:** Irwin Fisher made a motion [i] accepting the recommendation of the evaluation committee and [ii] authorizing Charles Starks to execute an amendment with Coca Cola Bottling Consolidated Company for pouring rights on substantially the same terms as set in the RFP and considered this day. Leigh Walton seconded the motion, and the Authority approved unanimously.

Charles Starks gave an update on the RFP for Air Filters (Attachment #5) and there was discussion.

**ACTION:** Leigh Walton made a motion [i] accepting the recommendation of the evaluation committee and [ii] authorizing Charles Starks to negotiate and execute an agreement for air filters with Camfil USA on substantially the same terms as set forth in the RFP and considered this day. Irwin Fisher seconded the motion, and the Authority approved unanimously.

Charles Starks gave an update on the RFP for Promotional Amenities (Attachment #6) and there was discussion.

**ACTION:** Leigh Walton made a motion [i] accepting the recommendation of the evaluation committee and [ii] authorizing Charles Starks to negotiate and execute an agreement for promotional amenities with Blink Marketing on substantially the same
terms as set in the RFP and considered this day. Renata Soto seconded the motion, and the Authority approved unanimously.

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

Charles Starks presented ideas for Music City Center's 5th Anniversary (Attachment #1) and there was discussion.

With no additional business, the Authority unanimously moved to adjourn at 10:13 a.m.

Respectfully submitted,

Charles L. Starks
President & CEO
Convention Center Authority

Approved:

Marty Dickens, Chair
CCA 77th Meeting Minutes
of March 1, 2018
Appeal of Decisions

Appeal of Decisions from the Convention Center Authority—Pursuant to the provisions of § 2.60.030 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.

Happy Birthday

Randy Rayburn January 24
Leigh Walton January 26

Happy Birthday

Irwin Fisher March 11
Charles Robert Bone March 15
Willie McDonald March 27

CONGRATULATIONS!

- Marty Dickens & Irwin Fisher – On your re-appointments to the Convention Center Authority Board
- David McMurry – Scheduled for re-appointment on Tuesday, March 6th to the Convention Center Authority Board

UPDATE ON FIFTH + BROADWAY
MCC FY18 Business

FY 2018 Year-End Estimates:
- 274 events
- 519,242 attendees
- 340,088 room nights
- $293,778,625 economic impact

Non-Profits:
- 31 events
- 22,709 attendees

Tours:
- 25 tours YTD
- 353 attendees

MCC Future Bookings

Events booked through 2026:
- 310 events
- 1,893,606 attendees
- 2.5 million total room nights
- $1.99 billion in economic impact

Future Bookings Include:
- National Association of Music Merchants (annual)
- Hearth, Patio, & Bar-B-Que Association (2)
- National Rural Electric (2)
- International Car Wash Association (2)
- Mary Kay Inc. Leadership Conference (2)
- International Roofing Expo
- Tractor Supply (4)

Operational Revenue

- Building Rental: $6,174,500
- F&B: $20,672,500
- Parking: $8,188,200
- Utility Service: $1,616,000
- Audio Visual: $769,000
- Business Center: $19,800
- Technology: $1,830,300
- Labor: $1,175,600
- Equipment: $213,100
- Technology: $1,181,200
- Advertising: $179,600
- Misc/Other: $66,000
- Utility Service: $33,000
- Damages: $33,000

Operational Expense

- Salaries & Benefits: $12,207,800
- F&B Payroll: $7,953,500
- F&B COGS: $4,235,300
- Building Utilities: $4,513,200
- F&B Other Expenses: $2,500,063
- Interest: $90,400
- Insurance: $648,600
- Internal Service Fees: $804,300
- Reserves Transfers: $830,300
- Parking: $193,000
- Legal, Audit & Banking: $407,990
- Maintenance Contracts: $644,000
- Legal, Audit & Banking: $407,990
- Maintenance Contracts: $644,000
**MCC FY19 Budget**

**Addition of 13.5 FTEs**
- 6 Security Officers
- 1 Security Supervisor
- Convert one PT Security Officer to Full Time
- 2 Parking Customer Service Representatives
- 2 Ambassadors
- Digital Media Coordinator
- Engineering Tech 1

**Metro Agreements**

**MOU With Metropolitan Government**

Let’s Move Nashville: Metro’s Transportation Solution
- Proposed annual $2 million contribution starting in FY19, assuming voter approval of the plan on May 1st

**FY19 Capital & Non-Operating Summary**

<table>
<thead>
<tr>
<th>Grand Total - $1,352,500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainability - $134,200</td>
</tr>
<tr>
<td>- Recycling Containers</td>
</tr>
<tr>
<td>Parking - $165,000</td>
</tr>
<tr>
<td>- Event Parking Module</td>
</tr>
<tr>
<td>Engineering - $190,000</td>
</tr>
<tr>
<td>- Exhibit Hall Door Access</td>
</tr>
<tr>
<td>- Parking Garage Restripe</td>
</tr>
<tr>
<td>F&amp;B - $30,000</td>
</tr>
<tr>
<td>- 2 Smokers + Installation</td>
</tr>
<tr>
<td>Admin - $50,000</td>
</tr>
<tr>
<td>- Miscellaneous Equipment</td>
</tr>
</tbody>
</table>

| Security - $438,300       |
| - Camera Upgrades & Additions|
| - NVR Upgrade              |
| - Electronic Key Box       |
| - Prox Card readers upgrade|
| - Door Contacts            |

| Finance - $45,000         |
| - Online Payment Portal   |

| Technology - $300,000     |
| - Phone System Upgrade    |
| - AV Server Replacement   |
| - Due Diligence on Building Management Software |

**FY19 Total Revenue & Expense**

**Anticipated Surplus - $47,798,300**

| Operating Revenues          | $39,180,400 |
| Hotel Taxes                 | $54,958,100 |
| Rental Car                  | $1,569,400  |
| Airport Departure           | $2,215,200  |
| Campus Tax                  | $19,616,800 |
| TDZ                         | $25,548,100 |

**TOTAL REVENUE**

$143,088,000

| Operating Expenses          | $35,133,200 |
| MCC Bond Payment            | $40,610,700 |
| Omni Hotel Payment          | $12,000,000 |
| Bond Administrative Cost    | $193,300    |
| Transit Contribution        | $2,000,000  |
| Capital Expenses Anticipated| $1,352,500  |

**TOTAL EXPENSES**

$95,289,700

**Executive Committee**
OPERATIONS UPDATE

COMPOSTING CONTRACT EXTENSION

POURING RIGHTS CONTRACT

AIR FILTERS CONTRACT

PROMOTIONAL ITEMS CONTRACT

TAX COLLECTIONS
**MCC/Hotel Tax Collection**

**Collections Thru December 2017** (unaudited)

<table>
<thead>
<tr>
<th>Month</th>
<th>2/5 of 5% Occupancy Tax</th>
<th>Net 1% Occupancy Tax</th>
<th>$2 Room Tax</th>
<th>Hotel Tax</th>
<th>Rental Vehicle</th>
<th>Hotel Tax</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$2,039,306</td>
<td>$902,408</td>
<td>$1,292,898</td>
<td>$105,567</td>
<td>$142,722</td>
<td>$1,983,364</td>
<td>$9,205,382</td>
</tr>
<tr>
<td>August</td>
<td>$1,988,283</td>
<td>$963,755</td>
<td>$1,215,131</td>
<td>$174,400</td>
<td>$168,287</td>
<td>$749,274</td>
<td>$5,191,176</td>
</tr>
<tr>
<td>September</td>
<td>$2,387,365</td>
<td>$1,064,070</td>
<td>$1,387,374</td>
<td>$191,229</td>
<td>$143,228</td>
<td>$701,167</td>
<td>$5,955,038</td>
</tr>
<tr>
<td>October</td>
<td>$2,015,139</td>
<td>$1,107,899</td>
<td>$1,301,885</td>
<td>$230,396</td>
<td>$190,623</td>
<td>$3,718,125</td>
<td>$3,205,179</td>
</tr>
<tr>
<td>November</td>
<td>$1,922,729</td>
<td>$333,717</td>
<td>$1,123,770</td>
<td>$161,409</td>
<td>$200,270</td>
<td>$1,437,882</td>
<td>$5,339,777</td>
</tr>
<tr>
<td>December</td>
<td>$1,851,629</td>
<td>$667,340</td>
<td>$1,045,161</td>
<td>$550,434</td>
<td>$224,429</td>
<td>$1,784,753</td>
<td>$4,756,764</td>
</tr>
<tr>
<td>January</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>February</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>March</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>April</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>May</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>June</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>YTD Total</td>
<td>$12,514,713</td>
<td>$5,498,770</td>
<td>$7,377,190</td>
<td>$5,095,461</td>
<td>$7,072,567</td>
<td>$38,604,294</td>
<td>13.85%</td>
</tr>
</tbody>
</table>

*All numbers subject to change by CCA Auditors*

**Net 3% Hotel Tax**

**$2 Room Tax**

**Rental Vehicle**

**Contracted Vehicle**

**MCC Portion of December 2017 Tourism Tax Collections**

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/5 of 5% Occupancy Tax</td>
<td>$13,784,124</td>
<td>$13,784,124</td>
<td>0.00%</td>
</tr>
<tr>
<td>Net 1% Occupancy Tax</td>
<td>$1,004,586</td>
<td>$1,004,586</td>
<td>0.00%</td>
</tr>
<tr>
<td>$2 Room Tax</td>
<td>$667,340</td>
<td>$667,340</td>
<td>0.00%</td>
</tr>
<tr>
<td>Hotel Tax</td>
<td>$1,983,364</td>
<td>$1,983,364</td>
<td>0.00%</td>
</tr>
<tr>
<td>Rental Vehicle</td>
<td>$749,274</td>
<td>$749,274</td>
<td>0.00%</td>
</tr>
<tr>
<td>Campus Sales Tax</td>
<td>$1,437,882</td>
<td>$1,437,882</td>
<td>0.00%</td>
</tr>
<tr>
<td>TDZ Sales Tax Increment</td>
<td>$0</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Total Tax Collections</td>
<td>$5,339,777</td>
<td>$5,339,777</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

**MCC Portion of Year-to-Date Tourism Tax Collections**

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/5 of 5% Occupancy Tax</td>
<td>$13,317,892</td>
<td>$13,317,892</td>
<td>0.00%</td>
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<tr>
<td>Net 1% Occupancy Tax</td>
<td>$1,000,848</td>
<td>$1,004,586</td>
<td>4.07%</td>
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<tr>
<td>$2 Room Tax</td>
<td>$6,738,546</td>
<td>$6,738,546</td>
<td>0.00%</td>
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<tr>
<td>Hotel Tax</td>
<td>$1,998,283</td>
<td>$2,000,000</td>
<td>0.80%</td>
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<tr>
<td>Rental Vehicle</td>
<td>$791,437</td>
<td>$791,437</td>
<td>0.00%</td>
</tr>
<tr>
<td>Campus Sales Tax</td>
<td>$1,437,882</td>
<td>$1,437,882</td>
<td>0.00%</td>
</tr>
<tr>
<td>TDZ Sales Tax Increment</td>
<td>$0</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Total Tax Collections</td>
<td>$20,064,855</td>
<td>$20,064,855</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

*All numbers subject to change by CCA Auditors*
**Campus Tax**

**TOTAL MCC COLLECTIONS BY YEAR**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Collections</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY'14</td>
<td>$16,441,682</td>
</tr>
<tr>
<td>FY'15</td>
<td>$19,374,524</td>
</tr>
<tr>
<td>FY'16</td>
<td>$21,751,678</td>
</tr>
<tr>
<td>FY'17</td>
<td>$23,163,472</td>
</tr>
<tr>
<td>FY'18</td>
<td>$27,250,709</td>
</tr>
</tbody>
</table>

**Campus Tax**

- FY'14: $0
- FY'15: $5,000,000
- FY'16: $10,000,000
- FY'17: $15,000,000
- FY'18: $20,000,000

**JANUARY EVENTS**

- 14 Events
- 46,536 Attendees
- 18,081 Room Nights
- $15,979,876 Economic Impact

**JANUARY TOURS & SITE VISITS**

- 6 Sales Site Visits
- 2 Group tours with 31 attendees

**FEBRUARY EVENTS**

- 22 Events
- 50,686 Attendees
- 24,486 Room Nights
- $14,829,028 Economic Impact

**FEBRUARY TOURS & SITE VISITS**

- 5 Sales Site Visits
- 5 Group tours with 26 attendees

**MCC 5TH ANNIVERSARY SUGGESTIONS**
CONVENTION CENTER AUTHORITY
UPDATE
March 1st, 2018
Rooftop Brewery & Entertainment

- 25 food stalls of all local and regional flavor
- 100,000 sf of Indoor/Outdoor space
METROPOLIS

NASHVILLE

PUBLIC MARKET

FIFTH • BROADWAY

Hawkins Partners, Inc.

rsm design

Herr Schaudt

Johannes Pappageorge

Haymes

Gensler

3/1/2018

Attachment #2
AN IMPRESSIVE ENTRANCE
OFFICE SPACE REIMAGINED
PANORAMIC VIEWS
SKY VIEW AMENITY DECK EXCLUSIVE TO OFFICE TENANTS

- 16th floor deck with built-in seating areas and modern TVs all surrounded by lush landscaping.
- 2,500 sf well-appointed fitness center with state-of-the-art equipment, lockers and showers along with locker and valet services.
- Several meeting facilities ranging in size that can accommodate groups up to 150.
- Amenity deck available for office tenant use. Private or company bookings also available.
- Private exterior courtyards adjacent to tenant spaces to extend the work environment to the outside.
- Ornamental club-like lounge spaces for general office tenant use or as use for events.
- Individual work space areas with access to Wi-Fi, printers and more.
- Full functioning kitchen for daily use or to house catering for events.
- Green roof with walking path.
# Contract Extension Summary Sheet for the Music City Center

| Contract Service: | Composting Services  
|                   | Provide composting services to the Music City Center |
| Contracted Vendor: | Compost Company, LLC |
| Contract Value:    | **Compost Operations**  
|                   | Fees include the costs for processing food waste and supporting operations, including labor and equipment utilization. Costs will be a flat fee of $200 per pull |
|                    | **Transportation of Waste Containers**  
|                    | Fees include costs for the collection of food waste from Music City Center and hauling to facility in Ashland City. Costs will be a flat fee of $210.00 per pull. |
|                    | **Disposal Fee**  
|                    | In the event that a significantly contaminated load with non-compostable material, The Compost Company will charge a fixed fee of $100 per instance plus 125% of the tipping fees incurred to dispose of the waste at the landfill. |
|                    | **Monthly Rental container Fee**  
|                    | The Compost Company will be supplying a 10-yard container to meet collection needs and will charge a monthly rental fee of $400.00 |
|                    | **Container Sanitizer Fee**  
|                    | The Compost Company will thoroughly clean each container after collection to ensure it is absent of odors upon the next drop off. |
| Term Extension:    | April 20, 2018 - April 20, 2020 |
| DBE participation: | Small Business |

**Justification for Extension:**  
The Music City Center is still committed to initiatives that support environmental sustainability. The Compost Company provides pickup service that makes sure our food waste becomes useful material instead of decomposing and releasing harmful greenhouse gases in a landfill. They are very responsive and provide helpful consultation on compostable materials and accurate messaging for collection.
RFP Intent to Award Summary Sheet for the Music City Center

RFP: Pouring Rights for the Music City Center

Selected Vendor:
Coca Cola Bottling Consolidated Company

Compensation and Cost:

One Time Payment $50,000

Guaranteed Annual Marketing Fund $100,000

Per Case Rebate $1.50 per case

Full Service Vending Commissions at 30%

Donations Cases Year 1 Year 2 Year 3 Year 4 Year 5

Product cost per case (24 count):
20oz Soft Drinks - $18.63
20oz Water - $14.54
15.2oz Juice - $25.92

Term:
Five (5) Years

DBE participation:
None

Other Vendors that Submitted Bids:
PepsiCo Foodservice
RFP Intent to Award Summary Sheet for the Music City Center

RFP: Air Filters for the Music City Center

Selected Vendor: Camfil USA

Compensation and Cost:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>36 Even Monthly Payments</td>
<td>$2,428.80</td>
</tr>
<tr>
<td>Camfil Even Pay Program Total</td>
<td>$87,436.80</td>
</tr>
</tbody>
</table>

Term:

- Three (3) year term
- With two (2) one year options to renew

DBE participation:

- Hara, Inc dba Hot Shot Delivery (Small Business)

Other Vendors that Submitted Bids:

- ConServ Building Services, Inc.
- Bonded Filter Co., LLC
RFP Intent to Award Summary Sheet for the Music City Center

RFP: Promotional Amenities for the Music City Center

Selected Vendor:
Blink Marketing

Compensation and Cost:
All cost are as specified in the Contractor’s catalog (www.blinkmarketing.com) and varies depending on item.

Term:
Three (3) year term
With two (2) one year options to renew

DBE participation:
Blink Marketing is 100% Woman-Owned Business

Other Vendors that Submitted Bids:
Northcutt & Associates
Dynamark (non-responsive)
Southern Trophy House (non-responsive)
Lifeforce Glass, Inc. (non-responsive)