

**MINUTES OF THE 46th MEETING OF THE
CONVENTION CENTER AUTHORITY OF THE
METROPOLITAN GOVERNMENT OF NASHVILLE &
DAVIDSON COUNTY**

The 46th meeting of the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County (CCA) was held on January 9, 2014 at 9:00 a.m., in Davidson Ballroom C at the Music City Center, Nashville, Tennessee.

AUTHORITY MEMBERS PRESENT: Marty Dickens, Irwin Fisher, Francis Guess, Willie McDonald, Mona Lisa Warren, and Vice-Mayor Diane Neighbors, Ex-Officio

AUTHORITY MEMBERS NOT PRESENT: Vonda McDaniel, Luke Simons, and Leo Waters

OTHERS PRESENT: Charles Robert Bone, Rich Riebeling, Charles Starks, Larry Atema, Barbara Solari, Peter Heidenreich, Natasha Blackshear, Roxianne Bethune, Ed Henley, Heidi Runion, Mary Brette Clippard, Jasmine Quattlebaum, Brian Ivey, Rich Boyd, Bo Campbell, Pat Emery, Jeff Kuhnhenh, Steve Kulinski, Henry Hicks, Buck Haltiwanger, Sharon Hurt, and Stephanie Harris

The meeting was opened for business by Chairman Marty Dickens who 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.

It was announced that the next scheduled meeting of the CCA is Thursday, February 13, 2014.

ACTION: Willie McDonald made a motion to approve the 45th Meeting Minutes of December 3, 2013. The motion was seconded by Irwin Fisher and approved unanimously by the Authority.

Charles Starks was asked to give an update on the Nashville Convention Center redevelopment and he introduced the team from Spectrum/Emery, LLC who presented on the redevelopment plans. (Attachment #1) There was discussion.

ACTION: Mona Lisa Warren made a motion (i) accepting the Evaluation Panel's recommendation of Spectrum/Emery Development, LLC for the redevelopment of the Nashville Convention Center; (ii) approving the Memorandum of Understanding with Spectrum/Emery Development, LLC and (iii) authorizing Mr. Dickens to execute the Memorandum of Understanding and take any actions necessary or appropriate to finalize it. (Attachment #2) The motion was seconded by Willie McDonald and approved unanimously by the Authority with Francis Guess voting with the prevailing side.

Charles Starks then gave an operations update and there was discussion. (Attachment #1)

Larry Atema gave a project update and there was discussion.

Charles Robert Bone noted one final remaining property issue and gave an update. There were final construction comments and discussion.

With no additional business a motion was made to adjourn, with no objection the CCA adjourned at 9:42 a.m.

Respectfully submitted,

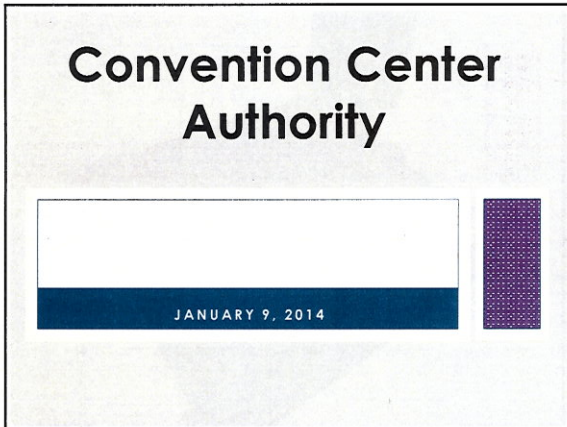


Charles L. Starks
President & CEO
Convention Center Authority

Approved:

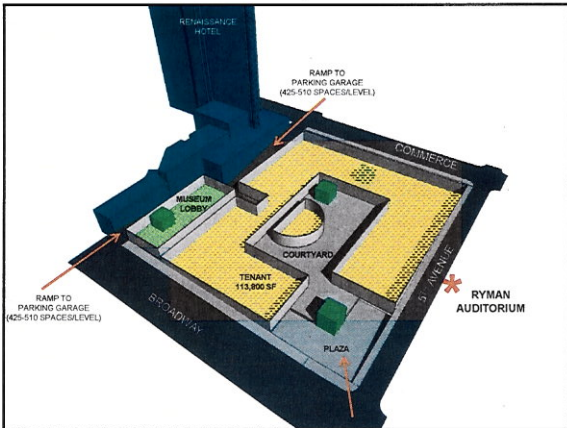
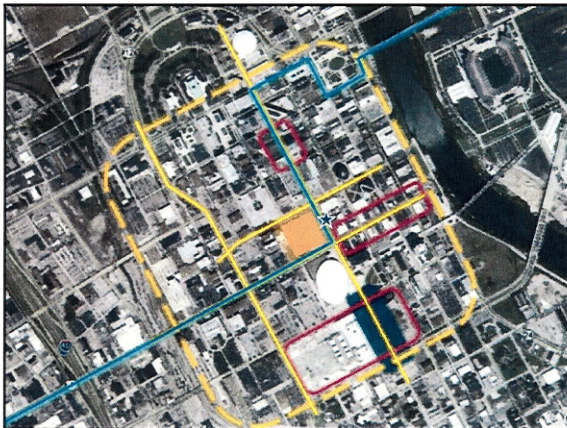
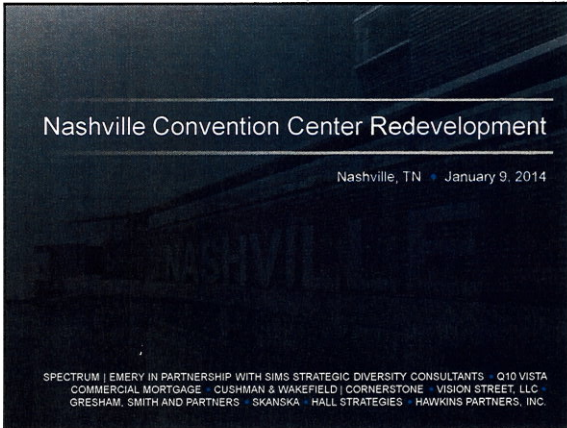
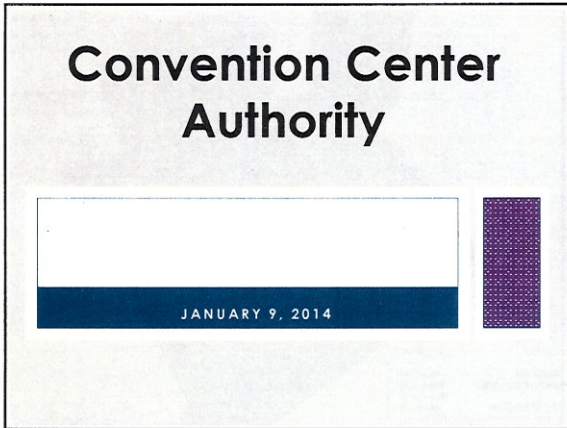


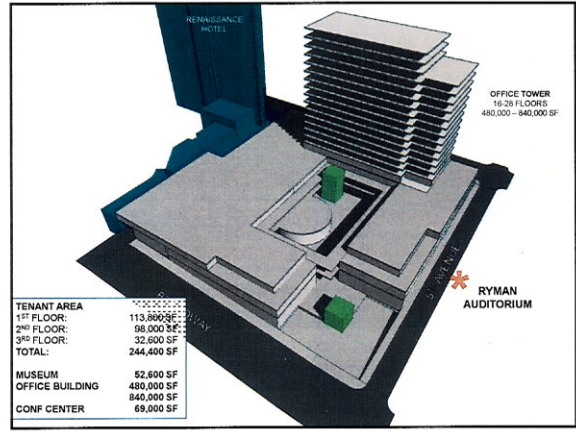
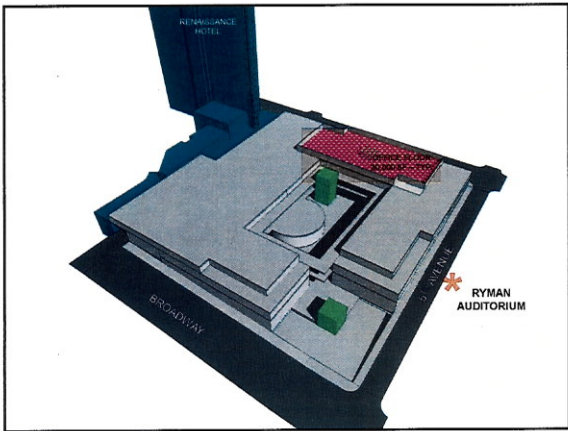
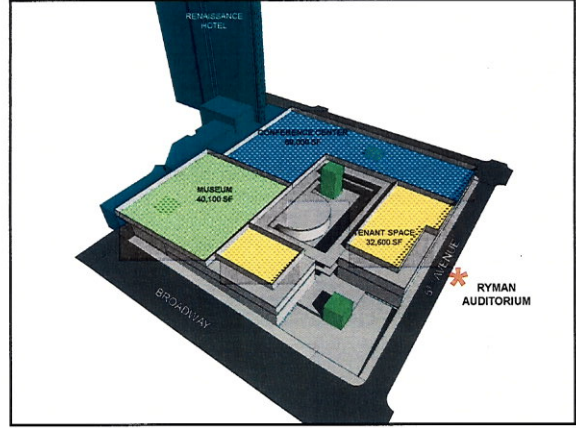
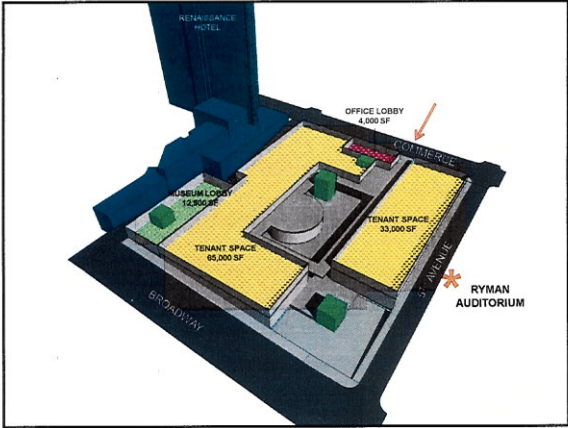
Marty Dickens, Chairman
CCA 46th Meeting Minutes
of January 9, 2014

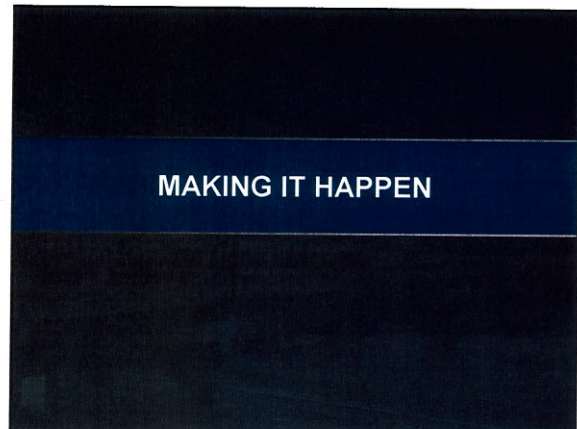
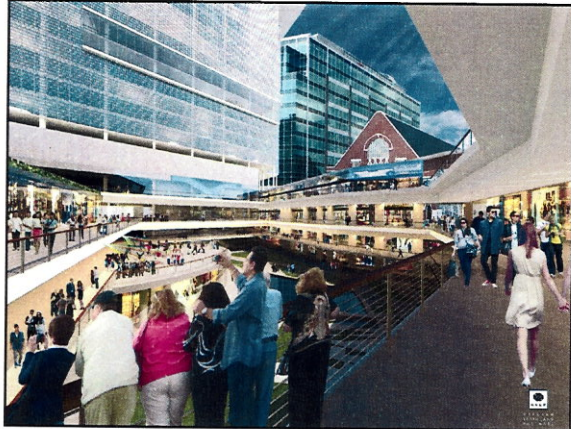


APPEAL OF DECISIONS

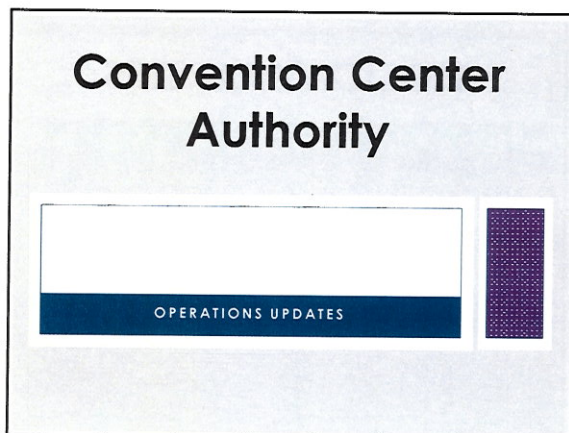
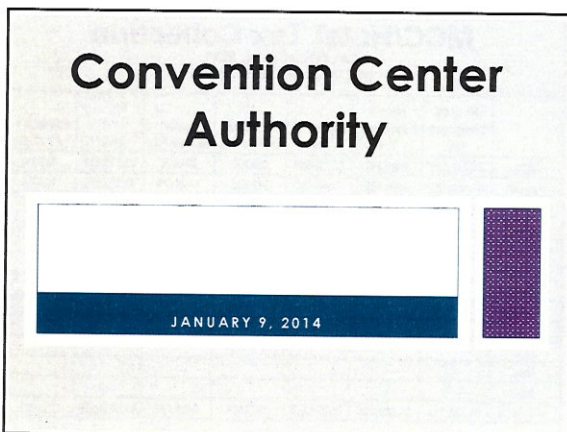
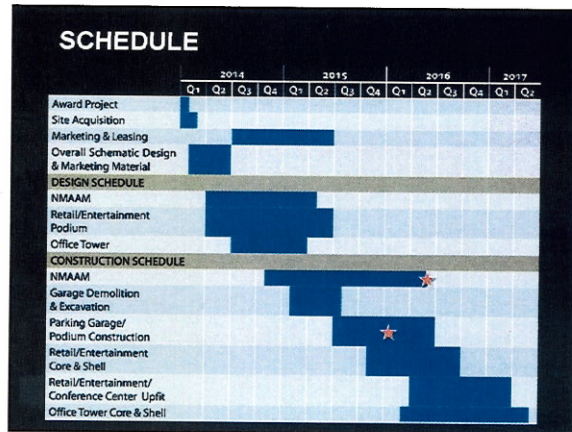
Appeal of Decisions from the Convention Center Authority—Pursuant to the provisions of § 2.68.030 of the Metropolitan Code of Laws, please take notice that decisions of the Convention Center Authority may be appealed if and to the extent applicable to the Chancery Court of Davidson County for review 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.







- ### CONSTITUENTS
- Renaissance Hotel / Ashford Hospitality Group
 - NMAAM
 - Ryman
 - Bridgestone Arena
 - Downtown Merchants
 - Council Member Erica Gilmore
 - CVC
 - Music City Center
 - Downtown Partnership
 - CBD BID
 - ECD / P2020



DECEMBER EVENTS

- **36 Events**
- **12,724 Attendees**
- **4,401 Room Nights**
- **\$3,648,344 Economic Impact**

FISCAL YTD EVENTS

- **212 Events**
- **142,236 Attendees**
- **47,231 Room Nights**
- **\$47,299,726 Economic Impact**

DECEMBER TOURS & SITE VISITS

- **10 Group Tours with 254 attendees. This included 3 public tours with 40 attendees.**
- **19 Sales Site Visits with estimated attendance for future events of 52,500.**

FISCAL YTD TOURS & SITE VISITS

- **158 Group Tours with 3,716 attendees. This included 15 public tours with 355 attendees.**
- **155 Sales Site Visits with estimated attendance for future events of 419,850.**

HOLIDAY PARTIES

- **19 parties**
- **Over 5,400 attendees**
- **Over \$425,000 in F&B**



MCC/Hotel Tax Collection

As of October 31, 2013
(not including campus tax)

	2/5 of 5% Occupancy Tax	Net 1% Occupancy Tax	\$2 Room Tax	Contracted Vehicle Tax	Rental Vehicle Tax	Total	Variance to FY 12-13
July	\$1,137,290	\$464,641	\$1,033,863	\$59,259	\$84,579	\$2,779,632	12.72%
August	\$1,143,196	\$466,765	\$986,724	\$52,868	\$159,170	\$2,808,713	18.37%
September	\$1,154,242	\$482,312	\$954,108	\$82,146	\$112,837	\$2,785,645	17.00%
October	\$1,357,390	\$573,205	\$1,043,866	\$64,136	\$132,808	\$3,171,405	17.93%
November							
December							
January							
February							
March							
April							
May							
June							
YTD Total	\$4,792,118	\$1,986,913	\$4,018,561	\$258,409	\$489,394	\$11,545,395	16.52%

These numbers are still subject to changes by Metro/Division of Accounts/Auditors

MCC/Hotel Tax Collection

OCTOBER TOTAL TAX COLLECTIONS

	2012	2013	Variance
5% Occupancy Tax	\$2,841,776	\$3,393,474	19.41%
Gross 1% Occupancy Tax	\$568,355	\$678,695	19.41%
\$2 Room Tax	\$932,880	\$1,043,866	11.90%
Contracted Vehicle	\$49,425	\$64,136	29.76%
Rental Vehicle	\$114,161	\$132,808	16.33%
\$.50 Room Tax	\$233,220	\$260,966	11.90%
Collections Subtotal	\$4,739,817	\$5,573,944	17.60%
Campus Tax	\$0	\$503,685	
Total Month Collections	\$4,739,817	\$6,077,629	28.22%
Total YTD Collections	\$17,219,766	\$21,843,004	26.85%

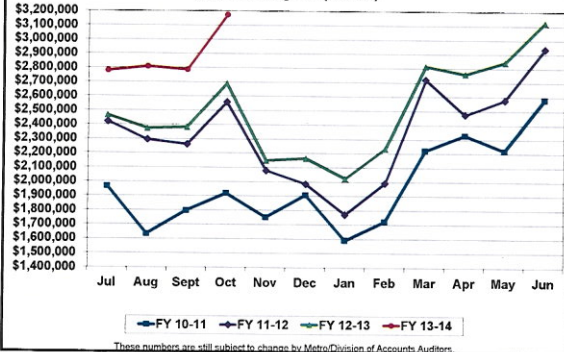
MCC PORTION OF OCTOBER TAX COLLECTIONS

	2012	2013	Variance
2/5 of 5% Occupancy Tax	\$1,136,710	\$1,357,390	19.41%
Net 1% Occupancy Tax	\$455,942	\$573,205	25.72%
\$2 Room Tax	\$932,880	\$1,043,866	11.90%
Contracted Vehicle	\$49,425	\$64,136	29.76%
Rental Vehicle	\$114,161	\$132,808	16.33%
MCC Collections Subtotal	\$2,689,119	\$3,171,403	17.93%
Campus Tax	\$0	\$503,685	
MCC Month Collections	\$2,689,119	\$3,675,087	36.67%
MCC YTD Collections	\$9,908,749	\$13,241,004	33.63%

These numbers are still subject to change by Metro/Division of Accounts Auditors

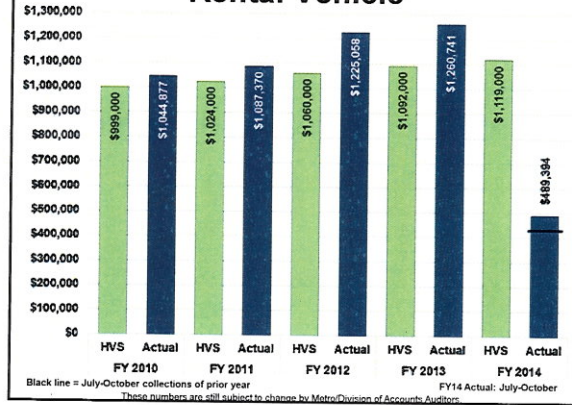
MCC Tax Collections

As of October 31, 2013
(not including campus tax)



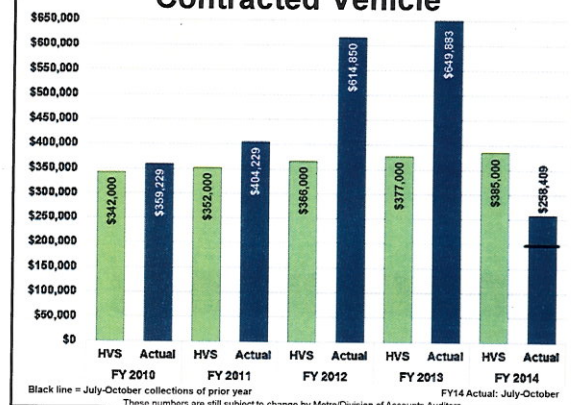
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Rental Vehicle



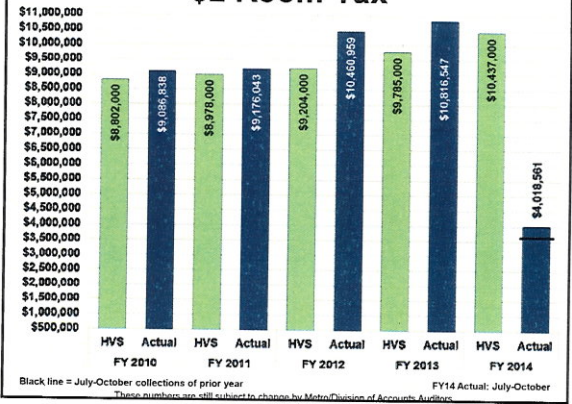
Black line = July-October collections of prior year
FY14 Actual: July-October
These numbers are still subject to change by Metro/Division of Accounts Auditors

Contracted Vehicle



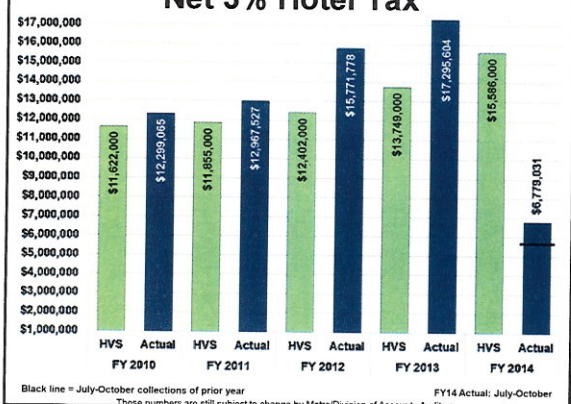
Black line = July-October collections of prior year
FY14 Actual: July-October
These numbers are still subject to change by Metro/Division of Accounts Auditors

\$2 Room Tax

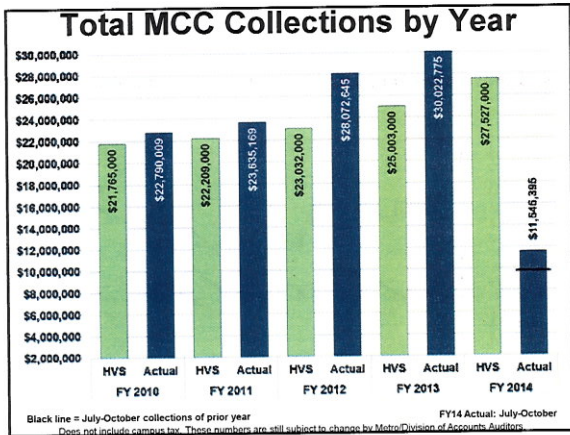


Black line = July-October collections of prior year
FY14 Actual: July-October
These numbers are still subject to change by Metro/Division of Accounts Auditors

Net 3% Hotel Tax



Black line = July-October collections of prior year
FY14 Actual: July-October
These numbers are still subject to change by Metro/Division of Accounts Auditors



Convention Center Authority

PROJECT UPDATES

Convention Center Authority

JANUARY 9, 2014

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING is entered into as of January __, 2013 (the “Effective Date”) by and between **THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY** (the “Authority”) and **SPECTRUM/EMERY DEVELOPMENT, LLC** (“Master Developer”).

RECITALS:

WHEREAS, the Authority manages, operates and maintains the Nashville Convention Center (the “Center”) pursuant to an Interlocal Agreement with the Metropolitan Government of Nashville and Davidson County (“City”) dated June 15, 2010.

WHEREAS, the Center is located at 601 Commerce Street, Nashville, Tennessee on 6.69 acres of land. The Authority has solicited qualification proposals for the redevelopment of the Center pursuant to Request for Quotation 413467 (the “RFQ”).

WHEREAS, the Authority’s objectives, with respect to the RFQ and the redevelopment of the Center, are, in part, to (i) maximize the development opportunities and possibilities for the Center and site; (ii) complement the development of and minimize any disruptions to the Music City Center and the operations of the Renaissance Hotel; (iii) encourage the expansion of retail development on Broadway; and (iv) limit the financial participation and financial risk to the City.

WHEREAS, Master Developer submitted a response to the RFQ and the Authority has determined that it is in its best interest to designate the Master Developer as the master developer for the redevelopment of the Center subject to execution of a final agreement, or series of agreements between the City, the Authority and the Master Developer, for the long term lease and/or purchase of the Center.

WHEREAS, this Memorandum of Understanding sets forth the understanding and agreement of the Authority and the Master Developer with respect to redevelopment of the Center and the negotiation of one or more agreements relating thereto.

TERMS AND CONDITIONS:

1. Designation of Master Developer. The Authority hereby designates Master Developer as the exclusive developer of the Center. Such designation shall become effective upon the Effective Date and, unless otherwise agreed to in writing by the parties, shall expire 180 days after the Effective Date (the “Exclusivity Period”). During the Exclusivity Period, the Authority shall negotiate exclusively with Master Developer for the redevelopment of the Center, and shall not solicit, negotiate, or consider any proposal for the redevelopment of the Center with any other party.

2. Anticipated Scope of the Redevelopment. The Master Developer’s redevelopment of the Center is anticipated to include: demolition of the existing facility; a 1,800 car parking

garage; 480,000 to 840,000 square feet of office space; 52,600 square feet of space for the Nashville Museum of African American Music (“NMAAM”); 62,000 square feet of conference facilities; and 244,400 square feet of retail and entertainment space. The scope and components of the project are subject to modification as approved by the Authority and the development may be undertaken in phases, based on market conditions and development priorities to be agreed upon.

3. Project Team. Master Developer’s project team is set forth on Exhibit A attached hereto.

4. Master Agreement. Authority, City and Master Developer will use commercially reasonable and good efforts to negotiate a Master Development and Ground Lease Agreement (“Master Agreement”) setting forth the terms of a long-term ground lease of the Center and various contractual agreements and timelines relating to the redevelopment of the Center. The parties may also discuss the potential for the Master Agreement to provide for the acquisition of the fee simple interest in the Center by Master Developer, in lieu of a long-term ground lease. The Master Agreement is subject to the approval of the Metropolitan Council. Notwithstanding the foregoing, this Memorandum of Understanding does not constitute a legally binding or enforceable agreement or commitment on the part of the parties hereto to enter into the Master Agreement. Such agreement is subject to the negotiation, execution and delivery of a definitive legally binding agreement approved by the City, Authority and Master Developer.

5. Requirements of the Master Agreement. It is the intent of the parties that the Master Agreement require, among other things, that the Master Developer will (i) manage and produce a successful diversified business enterprise result and to assist small, minority-owned, and women-owned business enterprises with respect to their doing business with the redevelopment of the Center pursuant to the Authority’s non-discrimination program and related procedures adopted by the Authority; (ii) comply with Metro Ordinance BL2013-517 regarding diversified business enterprise goals and workforce development programs, including spending a minimum of twenty percent (20%) of the project’s costs with small, minority-owned, and women-owned business enterprises and utilizing the City’s workforce development program to ensure that reasonable efforts are made to hire or utilize residents of Davidson County for the project; and (iii) give local and regional business enterprises first consideration and the maximum practical opportunity to participate in construction trade agreements and/or subcontracts, to the full extent consistent with the efficient performance of the work provided that such local and regional business enterprises offer competitive pricing, quality, work and service.

6. Duties of the Authority. The Authority covenants and agrees, during the Exclusivity Period, as follows:

(a) Use commercially reasonable and good efforts to negotiate the Master Agreement.

(b) Deliver to Master Developer promptly following the Effective Date, any and all relevant documents, instruments, agreements, studies, analysis, plans, specifications and other information in its possession or control relating to the Center and its redevelopment. Master

Developer understands and acknowledges that neither the Authority nor any representative of the Center is making any representation or warranty, express or implied, as to the accuracy or completeness of any information provided hereunder and that neither the Authority nor any representative of the Center will have any liability to Master Developer or any other person resulting from use of the information.

(c) Reasonably allow Master Developer and its consultants, agents, advisors, architects, engineers, and other professionals and team members, access to the Center for the purpose of undertaking such investigations, testing, analysis, and other evaluation of the Center as Master Developer determines to be necessary or desirable in connection with its analysis of the redevelopment of the Center. Such access shall be coordinated with the Authority and/or the Renaissance Hotel, as necessary, to minimize disruptions in the operation of the Center, as well as ongoing events at the Center.

7. Duties of the Master Developer. The Master Developer covenants and agrees, during the Exclusivity Period, as follows:

(a) Use commercially reasonable and good efforts to negotiate the Master Agreement.

(b) Conduct stakeholder interviews with various parties having an interest in the redevelopment of the Center including, without limitation, NMAAM, the owners of the adjacent Renaissance Nashville Hotel, Nashville Predators, Music City Center officials, the Authority, and the Mayor's Office of Economic and Community Development.

(c) Complete a development and programming plan in concert with the comments obtained in the stakeholder interviews.

(d) Continue site investigation and analysis of existing conditions, including site and infrastructure planning.

(e) Provide periodic updates to the Authority, upon request, regarding the status of Master Developer's redevelopment efforts.

(f) Pursue project financing for the redevelopment of the Center including debt, equity and possible tax increment financing or other support from the City or other governmental agencies.

(g) With respect to its right of entry rights in Section 6(c) and otherwise, to the fullest extent permitted by law, indemnify, save and hold harmless the Authority, City and their officers, directors, employees, agents and consultants, from and against any and all damages, claims, liabilities, losses, costs, and expenses including reasonable attorney's fees, but not including incidental, consequential, special or punitive damages, arising from any acts by the Master Developer or any of its employees or agents in the exercise of its right of entry.

(h) Comply with all applicable federal, state and local laws and regulations.

8. Miscellaneous and Notices. This Memorandum of Understanding is governed by the laws of the State of Tennessee and may be executed in one or more counterparts, all of which constitute one agreement. Any notices given under this Memorandum of Understanding shall be given by registered, certified, express mail by depositing same in the United States mail or by private courier in the continental United States, postage prepaid or by facsimile. Notice given by mail or sent by express mail shall be effective on the date following deposit with the United States mail or private courier. Notice given by facsimile shall be effective on the date receipt is confirmed of transmission. Either party shall have the right, by given written notice to the other, to change the address that its notices are to be received. Until any such changes made, notices shall be delivered as follows:

To Authority:

Convention Center Authority for the Government of
Nashville and Davidson County
201 Fifth Avenue South
Nashville, TN 37203
Attn: President & CEO
Fax: (615) 401-1480

And to:

Metropolitan Government Finance Department
Metropolitan Courthouse
1 Public Square, Suite 106
Nashville, Tennessee 37201
Attn: Mr. Richard Riebeling, Finance Director
Fax (615) 862-6156

And to:

Bone McAllester Norton PLLC
511 Union Street, Suite 1600
Nashville, Tennessee 37219
Attn: Charles Robert Bone, Esq.
Fax: (615) 238-6301

Master Developer:

Spectrum/Emery Development, LLC
810 Crescent Centre Drive, Suite 560
Franklin, TN 37067
Attn: Patrick G. Emery
Fax: (615) 656-2569

And to:

Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
Nashville, TN 37219
Attn: Robert R. Campbell, Jr., Esq.
Fax: (615) 244-6804

The provisions of this Memorandum of Understanding may be modified or amended only upon the mutual written agreement of the parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Memorandum of Understanding to be executed as of the day and date first shown above.

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

By: _____

Name: _____

Title: _____

Spectrum / Emery Development, LLC

By: _____

Name: _____

Title: _____

Exhibit A

Development Team

Master Developer - Spectrum / Emery

Office Marketing Leasing - Cushman & Wakefield / Cornerstone

Architecture/Engineering - Gresham, Smith and Partners

General Contractor - Skanska

Public Relations - Hall Strategies

Small/Minority/Woman-Owned Business Coordinator - Sims Strategic Diversity Consultants

Landscape Architecture - Hawkins Partners, Inc.

