

MINUTES OF THE 49th MEETING OF THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY

The 49th meeting of the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County (CCA) was held on April 10, 2014 at 8:57 a.m., in the Administrative Board Room of the Administrative Offices at the Music City Center, Nashville, Tennessee.

AUTHORITY MEMBERS PRESENT: Waverly Crenshaw, Jr., Marty Dickens, *Irwin Fisher, Francis Guess, Vonda McDaniel, Willie McDonald, Luke Simons, and **Leo Waters

AUTHORITY MEMBERS NOT PRESENT: Mona Lisa Warren and Vice-Mayor Diane Neighbors, Ex-Officio

OTHERS PRESENT: Charles Robert Bone, Charles Starks, Barbara Solari, Elisa Putman, Jasmine Quattlebaum, Mary Brette Clippard, Heidi Runion, Brian Ivey, Natasha Blackshear, 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.

ACTION: Francis Guess made a motion to approve the 48th Meeting Minutes of March 13, 2014. The motion was seconded by Willie McDonald and approved unanimously by the Authority.

It was announced that the next scheduled meeting of the CCA is Thursday, May 8, 2014.

Charles Starks was asked to discuss the proposed Nashville Convention Center budget for FY 2015. (Attachment #1)

*Denotes arrival of Irwin Fisher

ACTION: Francis Guess made a motion to adopt the recommendation of the Finance & Audit Committee and approve the 2015 Fiscal Year Operating Budget funding the activities and operations of the Nashville Convention Center. The motion was seconded by Luke Simons and approved unanimously by the Authority.

Charles Starks was then asked to discuss the proposed Music City Center budget for FY 2015 and there was discussion. (Attachment #1)

**Denotes arrival of Leo Waters

ACTION: Leo Waters made a motion to adopt the recommendation of the Finance & Audit Committee and approve the 2015 Fiscal Year Operating Budget funding the activities and operations of the Music City Center. The motion was seconded by Francis Guess and approved unanimously by the Authority.

There was discussion about the Nashville Convention Center redevelopment and operations. Francis Guess commended Charles Starks and Heidi Runion for their work regarding the budget.

Charles Starks and Jasmine Quattlebaum then discussed the RFP for Insurance Brokerage Services.

ACTION: Vonda McDaniel made a motion (i) accepting the recommendation of the evaluation committee and (ii) authorizing Charles Starks to negotiate and execute an agreement with Willis of Tennessee for professional insurance brokerage and consulting services on substantially the same terms as set forth in the RFP and considered this day. The motion was seconded by Willie McDonald and after discussion was approved unanimously by the Authority.

ACTION: Francis Guess made a motion (i) accepting the recommendation of the evaluation committee and (ii) authorizing Charles Starks to negotiate and execute an agreement with Bone McAllester Norton PLLC for legal services on substantially the same terms as set forth in the RFP and considered this day. The motion was seconded by Willie McDonald. After discussion, Francis Guess made a motion to amend by inserting the phrase "including the new lower monthly retainer of \$10,000 being retroactive to February 1, 2014." The motion was seconded by Willie McDonald and approved unanimously by the Authority as amended.

Charles Starks then gave an insurance, operations, and tax collection update and there was discussion. (Attachment #1) Mr. Starks also noted the Music City Center's recent LEED® Gold and REAL certifications.

There was closing discussion and with no additional business a motion was made to adjourn, with no objection the CCA adjourned at 10:10 a.m.

Respectfully submitted,



Charles L. Starks
President & CEO
Convention Center Authority

Approved:



Marty Dickens, Chairman
CCA 49th Meeting Minutes
of April 10, 2014

Convention Center Authority

April 10, 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.

Convention Center Authority

April 10, 2014

Convention Center Authority

Finance & Audit Committee



NASHVILLE CONVENTION CENTER OPERATING BUDGET FISCAL YEAR 2015

Nashville Convention Center

- Renaissance took over the meeting rooms and ballroom space January 1, 2014
- The CCA will continue to operate the exhibit hall
- Spectrum/Emery selected to redevelop the site
- FY 2015 budget is based on only firm events in exhibit hall
- FY 2014 Year-End Estimate
 - 60 Events
 - 46,317 Attendees
 - \$30,320,806 Economic Impact

FY 2015 NCC Budget

	FY 2014 Budget	FY 2015 Budget
Revenue	\$1,534,500	\$465,400
Expenses	\$2,029,400	\$1,343,800
Fund Balance Utilized	\$494,900	\$878,400

Significant FY 2015 Expenses	FY 2014 Budget	FY 2015 Budget
Salaries	\$419,200	\$144,400
Utilities	\$1,106,600	\$614,500
Insurance	\$128,800	\$153,300
Internal Service Fees	\$151,800	\$165,300



MUSIC CITY CENTER OPERATING BUDGET FY 2015

Music City Center

- Grand Opening Events
 - May 19-20, 2013
 - Over 15,000 attendees for open house
 - 10,000 attendees for opening night concert
- FY 2014 Year-End Estimates
 - 311 Events
 - 438,236 Attendees
 - 266,805 Room Nights
 - \$295,658,907 Economic Impact

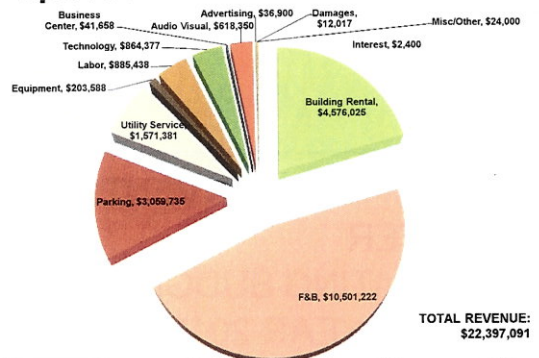
MCC Business Since Opening

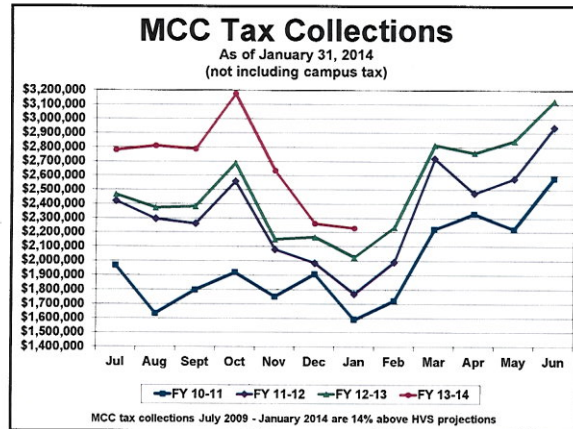
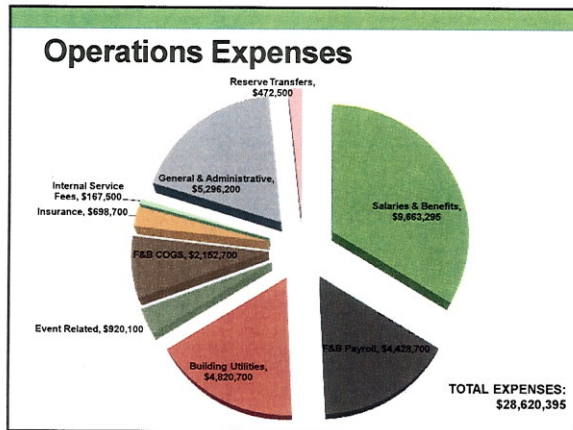
- Events:
 - Academy of General Dentistry (3,100 attendees)
 - NAMM (11,500 attendees)
 - Archery Trade Association (8,800 attendees)
 - National Rural Electric (6,500 attendees)
 - NCAA Women's Final Four in-house now
- Fiscal YTD we have hosted 80 local/non-profit events with over 34,400 attendees
- Banquets: Over 500,000 guests since grand opening.
- Tours: 196 with 4,768 attendees

MCC Future Bookings

- Events thru 2026:
 - 229 events
 - 1,706,199 attendees
 - 2,218,991 total room nights
- Future Bookings Include:
 - Hearth Patio & BBQ – March 2015 (10,000 attendees)
 - American Society of Association Executives – August 2014 (6,000 attendees)
 - Mary Kay – January 2015 (6,000 attendees)
 - National Rifle Association – April 2015 (65,000 attendees)

Operations Revenue





Total Revenue & Expenses

Revenue	FY 2015 Budget
Operating Revenues	\$22,397,091
Hotel Taxes*	\$31,540,195
Rental Car*	\$1,381,830
Airport Departure*	\$761,862
Campus Tax	\$8,138,000
TDZ	\$7,436,000
TOTAL REVENUE	\$71,654,978

Expenses	FY 2015 Budget
Operating Expenses	\$28,620,395
MCC Bond Payment	\$28,471,332
Omni Hotel Payment	\$8,000,000
TOTAL EXPENSES	\$65,091,728

*Assume 3% growth over current collections

MUSIC CITY CENTER OPERATING BUDGET FY 2015

Convention Center Authority

Operations Updates

RFPs for Consideration

- Professional Insurance Brokerage Consulting Services
- Legal Services

Insurance Highlights

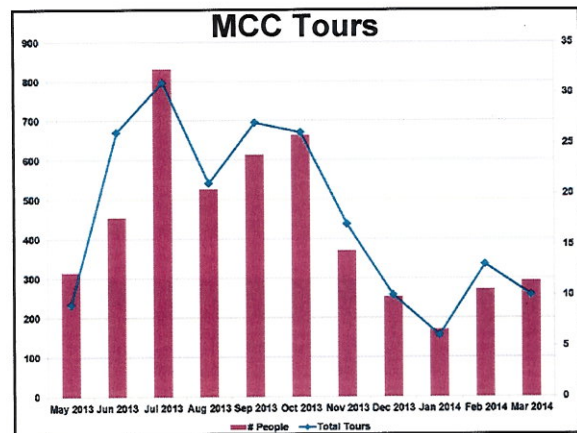
- Coverage Levels remain unchanged
- Property Insurance moving from Travelers to American International Group (AIG)
- Workers' Compensation moving from Hartford to Travelers
- General Liability and Auto Liability moving from American Specialty to Travelers
- Adding Privacy Liability Insurance
- Yearly Premiums Decreasing by \$32k

March Events

- 20 Events
- 63,901 Attendees
- 39,353 Room Nights
- \$47,797,491 Economic Impact

March Tours & Site Visits

- 22 Sales Site Visits with estimated attendance for future events of over 30,600.
- 10 Group Tours with 294 attendees. This included 3 public tours with 87 attendees.



MCC/Hotel Tax Collection

As of January 31, 2014
(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	\$486,766	\$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	\$573,206	\$1,043,866	\$64,136	\$132,808	\$3,171,405	17.93%
November	\$1,130,693	\$461,224	\$912,105	\$56,724	\$72,645	\$2,633,291	22.52%
December	\$931,321	\$354,586	\$791,183	\$60,484	\$126,426	\$2,262,998	4.58%
January	\$922,014	\$380,996	\$791,022	\$60,508	\$74,132	\$2,228,671	10.16%
February							
March							
April							
May							
June							
YTD Total	\$7,776,046	\$3,183,717	\$6,512,871	\$436,125	\$761,896	\$18,670,365	14.93%

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

MCC/Hotel Tax Collection

Jan 2013 Total Tax Collections

	FY 2013	FY 2014	Variance
5% Occupancy Tax	\$2,113,882	\$2,305,034	9.04%
Gross 1% Occupancy Tax	\$422,776	\$461,007	9.04%
\$2 Room Tax	\$753,127	\$791,022	5.03%
Contracted Vehicle	\$44,521	\$60,508	35.91%
Rental Vehicle	\$57,748	\$74,132	28.37%
\$.50 Room Tax	\$188,281	\$197,755	5.03%
SubTotal of Tax Collections	\$3,580,334	\$3,889,459	8.63%
Campus Sales Tax	\$0	\$471,349	-
Total Tax Collections	\$3,580,334	\$4,360,808	21.80%

MCC Portion of Jan 2013 Total Tax Collections

	FY 2013	FY 2014	Variance
2/5 of 5% Occupancy Tax	\$845,553	\$922,014	9.04%
Net 1% Occupancy Tax	\$322,200	\$380,996	18.25%
\$2 Room Tax	\$753,127	\$791,022	5.03%
Contracted Vehicle	\$44,521	\$60,508	35.91%
Rental Vehicle	\$57,748	\$74,132	28.37%
SubTotal of Tax Collections	\$2,023,149	\$2,228,671	10.16%
Campus Sales Tax	\$0	\$471,349	-
Total Tax Collections	\$2,023,149	\$2,700,020	33.46%

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

MCC/Hotel Tax Collection

Year-to-Date 2013 Total Tax Collections

	FY 2013	FY 2014	Variance
5% Occupancy Tax	\$16,526,580	\$19,440,114	17.63%
Gross 1% Occupancy Tax	\$3,305,315	\$3,888,023	17.63%
\$2 Room Tax	\$5,998,641	\$6,512,871	8.57%
Contracted Vehicle	\$340,653	\$436,125	28.03%
Rental Vehicle	\$682,882	\$761,595	11.53%
\$.50 Room Tax	\$1,499,800	\$1,628,253	8.56%
SubTotal of YTD Tax Collections	\$28,353,870	\$32,666,981	15.21%
Campus Sales Tax	\$0	\$3,069,823	-
Total YTD Tax Collections	\$28,353,870	\$35,736,804	26.04%

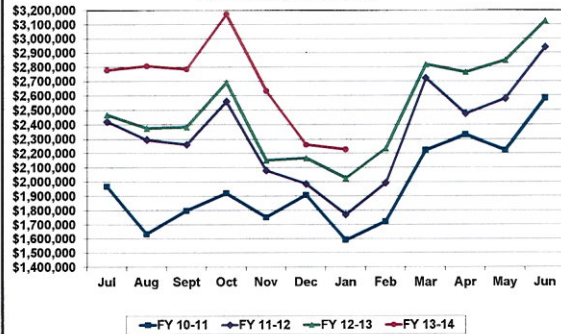
MCC Portion of Year-to-Date 2013 Total Tax Collections

	FY 2013	FY 2014	Variance
2/5 of 5% Occupancy Tax	\$6,610,632	\$7,776,046	17.63%
Net 1% Occupancy Tax	\$2,612,216	\$3,183,716	21.88%
\$2 Room Tax	\$5,998,641	\$6,512,871	8.57%
Contracted Vehicle	\$340,653	\$436,125	28.03%
Rental Vehicle	\$682,882	\$761,595	11.53%
SubTotal of YTD Tax Collections	\$16,245,024	\$18,670,352	14.93%
Campus Sales Tax	\$0	\$3,069,823	-
Total YTD Tax Collections	\$16,245,024	\$21,740,176	33.83%

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

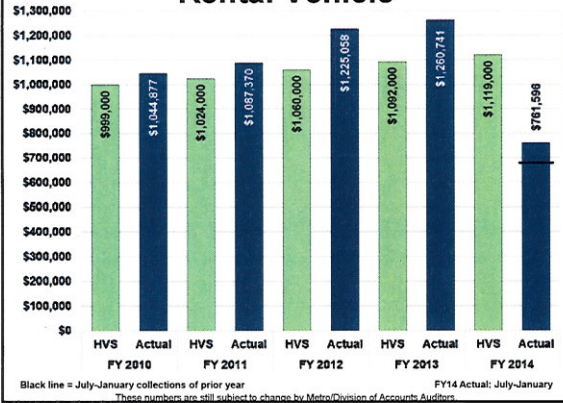
MCC Tax Collections

As of January 31, 2014
(not including campus tax)



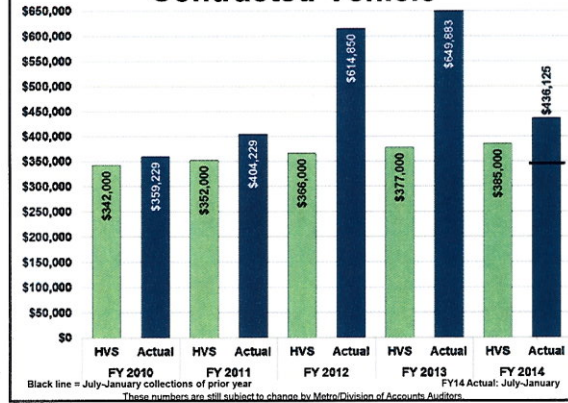
These numbers are still subject to change by Metro/Division of Accounts Auditors.

Rental Vehicle



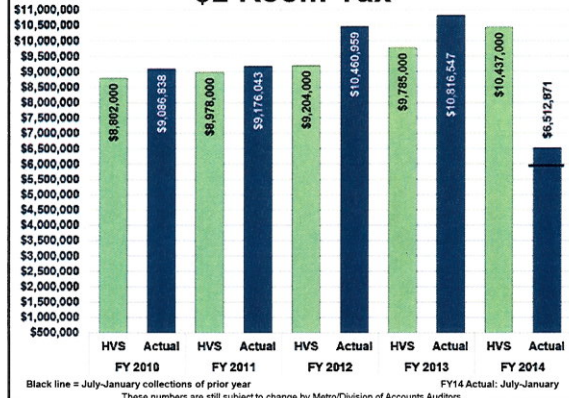
Black line = July-January collections of prior year
These numbers are still subject to change by Metro/Division of Accounts Auditors.

Contracted Vehicle



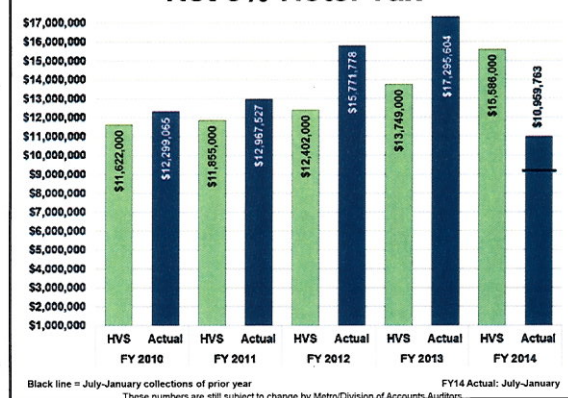
Black line = July-January collections of prior year
These numbers are still subject to change by Metro/Division of Accounts Auditors.

\$2 Room Tax



Black line = July-January collections of prior year
These numbers are still subject to change by Metro/Division of Accounts Auditors.

Net 3% Hotel Tax



Black line = July-January collections of prior year
These numbers are still subject to change by Metro/Division of Accounts Auditors.

