

MINUTES OF THE 88th MEETING OF THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY

The 88th meeting of the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County (CCA) was held on November 7, 2019 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, Randy Goodman, Vonda McDaniel, Willie McDonald, and Leigh Walton

AUTHORITY MEMBERS NOT PRESENT: Irwin Fisher, David McMurry, Randy Rayburn, and Renata Soto

OTHERS PRESENT: Charles Starks, Charles Robert Bone, Jasmine Quattlebaum, Donna Gray, Renuka Christoph, Heidi Runion, Dewayne Smith, Eric Blouin, Jim Greer, Jason Freeman, and Kara Duke

Chairman 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 87th Meeting Minutes of October 3, 2019. The motion was seconded by Randy Goodman and approved unanimously by the Authority.

The next regularly scheduled meeting is scheduled for December 12, 2019 at 9:00 a.m.

The Authority congratulated Marty Dickens, Randy Goodman and Charles Robert Bone for being named Nashville Business Journal 2019 Power 100 (Attachment #1).

The Authority congratulated Leigh Walton for being selected as Fellow of American College of Governance Counsel (Attachment #1).

Charles Starks and Charles Robert Bone provided information on the Memorandum of Understanding (PILOT Agreement) with Metro (Attachment #1 and #2) and there was discussion.

ACTION: Vonda McDaniel made a motion approving the Memorandum of Understanding with the Metropolitan Government of Nashville and Davidson County, providing for a payment in lieu of tax payment to the Metropolitan Government of Nashville and Davidson County, and authorizing Marty Dickens to execute the Memorandum of Understanding and take any actions necessary or appropriate to formalize that agreement. The motion was seconded by Willie McDonald and approved unanimously by the Authority.

The Authority congratulated Jasmine Quattlebaum for being appointed to State Procurement Advisory Council (Attachment #1).

Charles Starks shared some fun facts about a recent group, Rodan + Fields which held their conference here in September (Attachment #1).

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

With no additional business, the Authority unanimously moved to adjourn at 9:38 a.m.

Respectfully submitted,



Charles L. Starks
President & CEO
Convention Center Authority

Approved:



Marty Dickens, Chair
CCA 88th Meeting Minutes
of November 7, 2019

Convention Center Authority



November 7, 2019



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.

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CONGRATULATIONS!

➤ Nashville Business Journal's 2019 Power 100



Marty Dickens



Randy Goodman



Charles Robert Bone

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CONGRATULATIONS!

➤ Kudos to our very own Leigh Walton – Elected as Fellow of American College of Governance Counsel



4



Memorandum of Understanding (PILOT Agreement) with Metro

5



Operations Update

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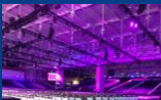
**CONGRATULATIONS
 JASMINE QUATTLEBAUM!**
 Appointed to State Procurement
 Advisory Council



Rodan + Fields – Fun Facts
 September 14-24, 2019



R + F 2019 Fun Facts



- Most Production Power**
- (8) 100 Amp 3 phase
 - (5) 200 Amp 3 Phase
 - (8) 400 Amp 3 phase
 - 4,000' + of cable pulled

- Most Rigged Motors**
- 472 motors rigged
 - 253,684 pounds in the air.
 - Highest gross rigging revenue ever - \$382,200

- Most Paper Products**
- 408 Jumbo rolls of toilet paper
 - 736 packs of Multifold towels



R + F 2019 Fun Facts

Most Bandwidth

- Most Downloads at 10,118 TB
- Most on Peak at 6.42 GB
- Most consecutive users at 7,219
- Most Fiber Optic cable at 7,000'

3rd Highest Spend

- \$1.747 million
- Behind Cox Automotive @ \$2.127 million and
- Anheuser Busch @ \$2.222 million

Digital Branding

- Complete buyout (excluding outdoor marquees) at \$70,000.



Tax Collections



MCC/HOTEL TAX COLLECTION

Collections Thru August 2019

	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								0%
October								0%
November								0%
December								0%
January								0%
February								0%
March								0%
April								0%
May								0%
June								0%
YTD Total	\$5,155,513	\$2,170,164	\$3,050,835	\$658,592	\$357,169	\$3,413,444	\$14,805,717	12.59%



MCC/HOTEL TAX COLLECTION

MCC Portion of August 2019 Tourism Tax Collections			
	FY 2019	FY 2020	Variance
2/5 of 5% Occupancy Tax	\$2,315,364	\$2,565,727	10.81%
Net 1% Occupancy Tax	\$1,041,480	\$1,007,072	-3.30%
\$2 Room Tax	\$1,311,833	\$1,508,596	15.00%
Contracted Vehicle	\$165,514	\$283,522	71.26%
Rental Vehicle	\$130,359	\$210,480	61.41%
Campus Sales Tax	\$1,635,868	\$1,769,959	8.20%
TDZ Sales Tax Increment	\$0	\$0	0.00%
Total Tax Collections	\$6,600,557	\$7,345,456	11.29%

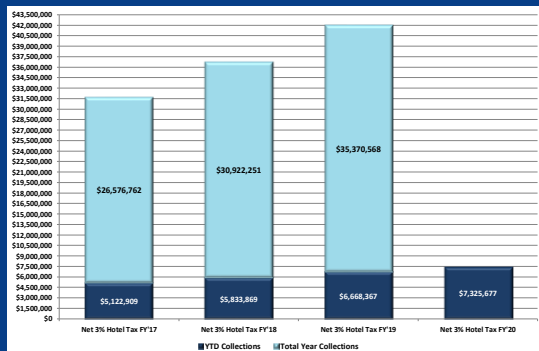
MCC Portion of Year-to-Date Tourism Tax Collections			
	FY 2019	FY 2020	Variance
2/5 of 5% Occupancy Tax	\$4,287,048	\$5,155,513	12.39%
Net 1% Occupancy Tax	\$2,081,319	\$2,170,164	4.27%
\$2 Room Tax	\$2,715,627	\$3,050,835	12.34%
Contracted Vehicle	\$367,542	\$658,592	79.19%
Rental Vehicle	\$337,102	\$357,169	5.95%
Campus Sales Tax	\$3,061,346	\$3,413,444	11.50%
TDZ Sales Tax Increment	\$0	\$0	0.00%
Total YTD Tax Collections	\$13,149,984	\$14,805,717	12.59%

All numbers subject to change by CCA Auditors.

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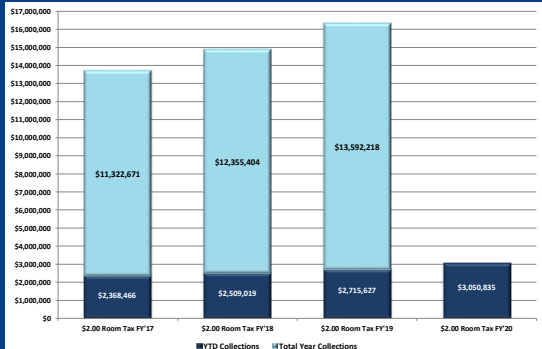
NET 3% HOTEL TAX



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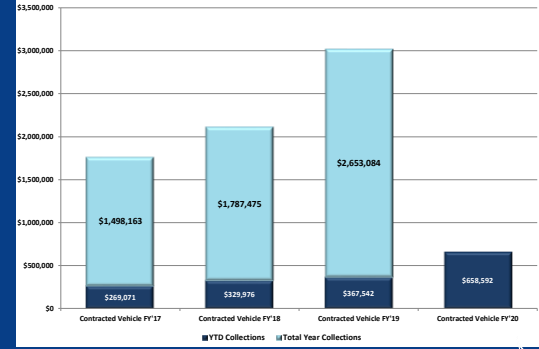
\$2 ROOM TAX



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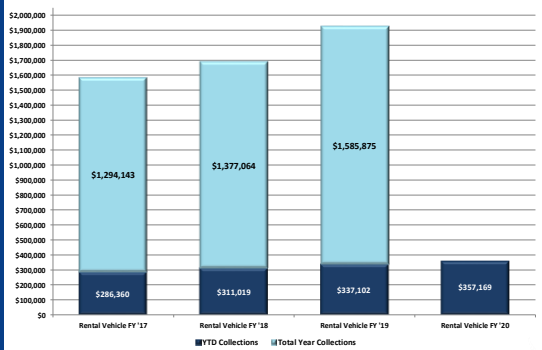
CONTRACTED VEHICLE



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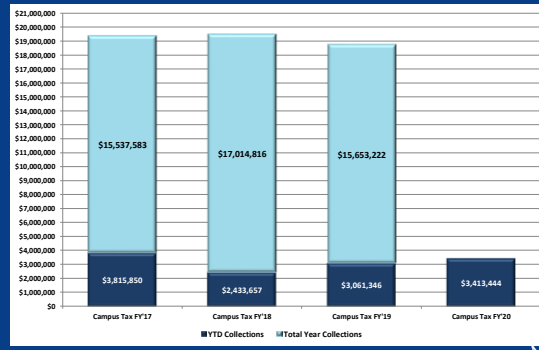
RENTAL VEHICLE



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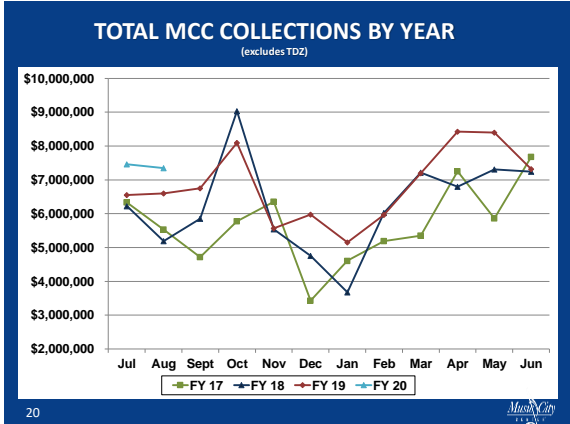
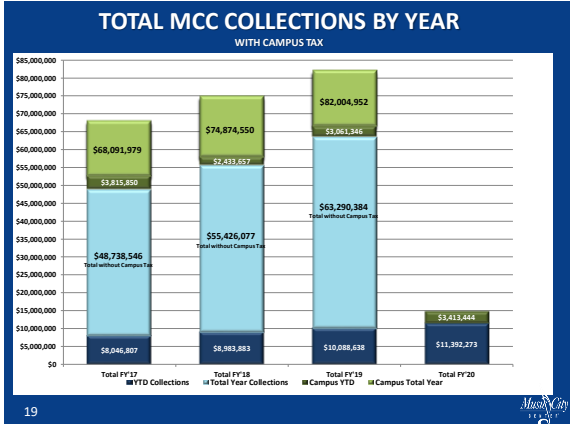


CAMPUS TAX



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September Events

- 32 Events
- 31,927 Attendees
- 34,898 Room Nights
- \$37,963,606 Direct Economic Impact

September Tours & Site Visits

- 4 Sales Site Visits
- 3 Group Tours with 18 Attendees

October Events

- 38 Events
- 50,856 Attendees
- 28,690 Room Nights
- \$28,633,190 Direct Economic Impact

October Tours & Site Visits

- 5 Sales Site Visits
- 4 Group Tours with 42 Attendees

Convention Center Authority



November 7, 2019



MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this "Agreement") is made and entered into as of the 13 day of Nov., 2019 (the "Effective Date") by and between **THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY** (the "Metropolitan Government") and **THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY** (the "Convention Center Authority").

WITNESSETH:

WHEREAS, the Convention Center Authority issued Tourism Tax Revenue Bonds, including Series 2010B (the "Bonds"), to pay the costs associated with planning, designing, engineering, acquiring, constructing, equipping, furnishing, improving, repairing, refurbishing and opening the Music City Center;

WHEREAS, as a part of the bond financing for the Music City Center, the Convention Center Authority entered into an Indenture of Trust, dated as of April 1, 2010, by and between the Convention Center Authority and U.S. Bank National Association, as the Trustee, pursuant to which the Series 2010B Bonds were issued (the "Indenture"; capitalized terms used but not defined in this Agreement have the meanings given them in the Indenture);

WHEREAS, the Indenture, pursuant to Section 5.02(f), established a Surplus Revenue Fund, which was further described in Section 5.10;

WHEREAS, the purpose of the Surplus Revenue Fund was to (i) receive and hold all Tourism Tax Revenues and Project Operating Revenues which are not otherwise used to pay Operating Expenses or required to be deposited into any other Fund or Account in accordance with Section 5.05 of the Indenture, and (ii) make disbursements into other Funds and Accounts or to Persons, including, without limitation, the Metropolitan Government, as required by the Indenture;

WHEREAS, the Convention Center Authority receives certain Tourism Tax Revenues from the Metropolitan Government under the Intergovernmental Project Agreement (Convention Center Project) dated as of February 1, 2010, by and between the Metropolitan Government, the Convention Center Authority and The Metropolitan Development and Housing Agency of Nashville and Davidson County, including (i) revenues received by the Metropolitan Government and granted to the Issuer under the terms of the Intergovernmental Agreement derived from 3% of the 6% hotel/motel tax imposed pursuant to Tennessee Code Annotated Section 7-4-102 and Metropolitan Code Section 5.12.020 to be charged, per night, to the occupant of any hotel, motel or other specified transient lodging within the Metropolitan Government, less that portion of such tax required to be deposited to the Metropolitan Government General Fund pursuant to Section 7-4-102(b)(3) and Section 7-4-110(f) of the Tennessee Code Annotated; (ii) revenues received by the Metropolitan Government from \$2.00 of the \$2.50 hotel room occupancy tax to be charged, per night, to the occupant of any hotel, motel or other specified transient lodging within the Metropolitan Government pursuant to Tennessee Code Annotated § 7-4-202 and Metropolitan Code § 5.12.120 and granted to the

November 7, 2019

Issuer by the Metropolitan Government under the terms of the Intergovernmental Agreement; (iii) revenues received by the Metropolitan Government pursuant to Tennessee Code Annotated § 67-6-103 from the diversion of sales tax revenues collected at the Convention Center Project and any convention center hotel that is approved by the Tennessee Department of Finance and Administration in accordance with Tennessee Code Annotated § 67-6-103; (iv) revenues received by the Metropolitan Government pursuant to Tennessee Code Annotated § 7-4-203 for the \$2.00 Contracted Vehicle Tax; (v) revenues received by the Metropolitan Government pursuant to Tennessee Code Annotated § 67-4-1908 for the 1% Rental Vehicle Surcharge Tax, and (vi) an allocation of state and local sales and use taxes derived from incremental sales tax growth within the Music City Center Tourism Development Zone authorized by Tennessee Code Annotated § 7-88-101 (collectively, the “Revenues”); and

WHEREAS, the parties now desire to enter into this Agreement to provide for an annual payment in lieu of ad valorem taxes (“In Lieu of Tax Payments”) made by the Convention Center Authority to the Metropolitan Government.

NOW, THEREFORE, in consideration of the premises, the mutual promises and benefits hereinafter set forth, and other good and valuable consideration, the receipt and legal sufficiency of which are acknowledged, the parties hereby agree as follows:

1. In Lieu of Tax Payments. The Convention Center Authority has agreed to make In Lieu of Tax Payments with respect to the Music City Center as described herein

- a. For purposes of this Memorandum of Understanding, a “Reappraisal Cycle” shall mean the regular quadrennial county-wide reappraisal process. During the term hereof, the parties agree to work together to request that the Assessor’s Office appraise all real property comprising the Music City Center and all improvement, facilities and properties located thereon in their current scope and configuration and to all replacements, enhancements, additions, expansions, and improvements to such properties and facilities on a schedule and pursuant to the same standards as other commercial properties to establish the appraised value. The parties agree that: (i) the Music City Center property and facilities will be reappraised during the year of completion of any material improvements thereto and (ii) the tax rate in effect on the Effective Date shall remain in effect until changed during a Reappraisal Cycle, and thereafter the tax rate shall change only during a Reappraisal Cycle.
- b. Each year during the term hereof, the Convention Center Authority shall make an In Lieu of Tax Payment from the Surplus Revenue Fund equal to the amount of real property ad valorem taxes that would be owed on privately-owned property of a nature similar to the Music City Center, computed as follows:

$$\text{Appraised Value} * 0.40 * \text{Applicable Tax Rate} = \text{Payment}$$

The parties agree that the appraised value of the Music City Center is currently and shall continue to be not less than \$1 billion, and that based upon such value

the Convention Center Authority will owe for tax year 2019 a payment of \$12,620,000 calculated as follows:

$$\$1,000,000,000 * .40 * 0.03155 = \$12,620,000$$

The parties shall work together to establish a process to ensure that the Convention Center Authority shall have the right to contest any appraisal, assessment and/or the calculation of the applicable real property ad valorem taxes.

- c. As a result, the Convention Center Authority agrees to pay \$12,620,000 for tax year 2019 and to continue such annual payment until the appraised value of the Music City Center is reestablished and/or adjusted pursuant to Section 1(a) above.
- d. The In Lieu of Tax Payment for tax year 2019 shall be paid on or before November 30, 2019 and the In Lieu of Tax Payments for subsequent tax years shall be made on or before the delinquent date for property taxes in Davidson County, Tennessee for each subsequent tax year.
- e. The In Lieu of Tax Payments shall be made in the same manner as ad valorem taxes under Tennessee Code Annotated §§ 67-5-101, et seq., and paid by the Convention Center Authority in the same manner and to the same tax collectors as are ad valorem taxes.

2. Term. The term of this Agreement, and the duties, responsibilities and payments provided for herein, shall begin on the Effective Date and shall extend for so long as the Convention Center Authority is receiving the Revenues and is able to pay its operating expenses and contractual obligations as and when such arise and can cure any deficiency in the required debt service and reserve funds.

3. Default. In the event any of the parties hereto 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. Notwithstanding anything to the contrary herein, termination of this Agreement shall not be permitted if such termination would impair in any way the ability or capacity of any of the parties hereto to fully and timely fulfill its obligations under any contract or agreement with any third party.

4. 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.

5. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee. Venue for any litigation arising out of this Agreement shall be in the courts of Davidson County Tennessee.

6. Entire Agreement. This Agreement contains the entire understanding between 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 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.

7. 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.

8. Force Majeure. No party shall have any liability to any other party hereunder by reason of any delay or failure to perform any obligation or covenant if the delay or failure to perform is occasioned by force majeure, meaning any act of God, storm, fire, casualty, work stoppage, strike, lockout, labor dispute, civil disturbance, riot, war, national emergency, act of Government, act of public enemy, or other cause of similar or dissimilar nature beyond its control.

9. Maintenance of Records. The books, records, and documents of the parties, as they relate to any money received under this Agreement, shall be maintained in accordance with the Metropolitan Government's record retention policies, generally for a period of seven (7) years from the date of the payment. The records shall be maintained in accordance with generally accepted accounting principles.

[SIGNATURES ON FOLLOWING PAGE]

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

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY:


Metropolitan Mayor

APPROVED AS TO AVAILABILITY
OF FUNDS


Director of Finance

APPROVED AS TO FORM AND
LEGALITY:


Director of Law

ATTEST:


Metropolitan Clerk

CONVENTION CENTER AUTHORITY OF
THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY:


Chairman

ATTEST:


Secretary