

AMENDMENT NO. A
TO
RESOLUTION NO. RS2019-1609

Mr. President –

I move to amend Resolution No. RS2019-1609 as follows:

- I. By adding the following recitals clauses between clauses 11 and 12 of the Resolution:

WHEREAS, the Nashville Convention Center Authority (CCA) receives tax revenues from a variety of sources, including portions of a hotel/motel tax (authorized under Tenn. Code Ann. §7-4-110), hotel room occupancy fees (Tenn. Code Ann. §7-4-202), a rental car tax (Tenn. Code Ann. §67-4-1908), campus sales taxes (Tenn. Code Ann. §67-6-103), airport departure taxes (Tenn. Code Ann. §7-88-101), and sales taxes collected within a Tourism Development Zone surrounding and extending beyond the convention center (Tenn. Code Ann. §7-88-101), which zone includes the Fifth and Broadway project designated as the site of the AllianceBernstein L.P. incentive proposal; and

WHEREAS, the project proposal submitted by AllianceBernstein L.P. will generate significant increased inflow of revenue to the CCA from (1) the sales tax revenue associated with the retail and dining spaces (estimated to total 235,000 square feet) to be located at this site and directed to the CCA, as well as (2) additional funds for the CCA generated as the result of the \$38.5 million parking garage being financed by the CCA on this same site; and

WHEREAS, the Metropolitan Government general fund will receive reduced property taxes at the Fifth and Broadway project for a number of years as the result of a \$25 million Tax Increment Financing payment that has been awarded to the developer, using the pledge of future property taxes from this site; and

WHEREAS, in fiscal year 2017, the CCA received over \$92,365,781 in revenues generated by the tourism-related taxes and fees described above, and \$102,539,865 in fiscal year 2018; and the CCA will receive substantial additional future revenues following completion of this Fifth and Broadway project, as well as others currently under construction; and

WHEREAS, as of June 2018, the CCA held \$124,392,777 in cash and cash equivalents of unrestricted funds in unencumbered surplus revenue (inclusive of sales taxes, other revenue streams dedicated to the convention center, and operating profits); and

WHEREAS, funds generated or received by the CCA may be applied to its operating expenses and/or to general CCA purposes; and

WHEREAS, the bylaws of the CCCA provide that among the “purposes” for which the Authority is organized are to operate within the meaning of and exercise all powers granted to it by state law, including the promotion of tourism *and business opportunities* through accommodating conventions or other means, and to do what is reasonable and necessary to promote and further develop tourism, convention *and employment opportunities*; and

WHEREAS, the CCA has previously defrayed expenses incurred by the Metropolitan Government by appropriating approximately \$10,441,661 from CCA revenues to the general fund of the Metropolitan Government. Pursuant to a Memorandum of

Understanding signed May 8th, 2018 between the CCA and the Metropolitan Government, the CCA appropriated portions of its receipts from hotel/motel tax revenues, hotel room occupancy tax revenues, and campus sales tax revenues; and

WHEREAS, this appropriation of funds as a reimbursement by the CCA of expenses incurred by the Metropolitan Government has been construed as consistent with the operating expenses and/or purposes of the CCA; and

WHEREAS, it is therefore appropriate that the CCA be requested to voluntarily pay for the economic and community development incentive grant, using the same means as the Memorandum of Understanding between the Metropolitan Government and the CCA dated May 8th, 2018; and

- II. By revising the economic and community development incentive grant agreement ("Agreement"), as referenced in recital clauses 11 and 12 and in Sections 1, 3, and 4 of the Resolution, by amending Section 2.4 of the Agreement by deleting it in its entirety and substituting therefore the following:

2.4 Annual Appropriation. Notwithstanding anything to the contrary herein, the Metropolitan Government's obligation to make any payments hereunder is contingent upon:

(a) the annual appropriation of funds for such purpose by the Metropolitan Council. Although the Parties recognize that such annual appropriation is a legal requirement of the Metropolitan Government, the Metropolitan Government acknowledges that this Agreement has served as a material inducement to AB to relocate and make material investments in the County; and

(b) the solicitation by the Metropolitan Government of a voluntary appropriation of funds from the Convention Center Authority (CCA), in an amount equivalent to the economic and community development incentive grant addressed herein, using legal revenue sources consistent with the operating expenses and/or purposes of the CCA; and

(c) the receipt of a response from the CCA to the solicitation by Metropolitan Government for a voluntary appropriation; the response to be delivered by the CCA to the Metropolitan Council prior to the adoption of the Budget Ordinance of the Metropolitan Government of Nashville and Davidson County for Fiscal Year 2020.

- III. By adding a new Section 3 to the Resolution as set forth below, re-numbering the remaining sections as necessary:

Section 3. Notwithstanding anything to the contrary herein or within the Agreement, the Metropolitan Government's obligation to make any payments hereunder is contingent upon (a) the solicitation by the Metropolitan Government of a voluntary appropriation of funds from the Convention Center Authority (CCA) in an amount equivalent to the economic and community development incentive grant approved herein, using legal revenue sources consistent with the operating expenses and/or purposes of the CCA; and (b) the receipt of a response from the CCA to the solicitation by the Metropolitan Government for a voluntary appropriation, to be

delivered by the CCA to the Metropolitan Council prior to the adoption of the Budget Ordinance of the Metropolitan Government of Nashville and Davidson County for Fiscal Year 2020.

INTRODUCED BY:

John Cooper

Tanaka Vercher

Erica Gilmore

Jonathan Hall

Steve Glover

Dave Rosenberg
Members of Council

AMENDMENT NO. C

TO

RESOLUTION NO. RS2019-1609

Mr. President,

I move to amend Resolution RS2019-1609, as follows:

I. By amending the Agreement by and among the Metropolitan Government, the Board, and AllianceBernstein, L.P. to substitute a revised Exhibit E.

INTRODUCED BY:

Member of Council

Exhibit E

AB Project Proposal

1.) Company Name: AllianceBernstein L.P.(“AB”)

2.) Project Description:

AB is a leading global investment management and research firm. AllianceBernstein Holding L.P. is a publicly traded limited partnership that is listed on the New York Stock Exchange. AllianceBernstein Holding L.P. owns approximately a 35 percent interest in AB. AB is a private limited partnership that conducts a diversified investment management services business bringing together a wide range of insights, expertise and innovations to advance the interests of its clients around the world. AB has comprehensive research, portfolio-management, wealth-management capabilities and client-service offices around the world, reflecting the company’s global capabilities and the needs of its clients. AB has grown to over \$530 billion in assets by having its global teams collaborate across asset classes. The company’s research capabilities bring together the perspective of a diverse range of expert analysts - from fundamental and quantitative to economic and glide path experts. Their common focus is on delivering investment solutions and results for their clients.

AB is currently headquartered in Manhattan, a location that represents the highest total cost of operations in AB’s real estate portfolio with higher real estate, workforce, tax and utility costs versus the other U.S. company locations.

AB is relocating its headquarters to Nashville. The FTEs associated with this project have an average annual wage in New York City of over \$207,000 including bonuses which remain stable year after year. AB also provides a full slate of benefits including health and dental, vision and life insurance. The value of the benefits is over \$17,800 per employee.

The proposed level of new job creation in Nashville is 1050 FTEs over the next five years. The proposed level of capital investment is \$70.1 million over the next 5 years.

AB strives to be a good global corporate citizen and wants to partner with the new headquarters community through philanthropy, volunteerism and social awareness. In 2015 and 2016 AB and its employees collectively donated more than \$15 million and thousands of hours to nearly 2,000 causes around the world. The company is especially proud of its AB Day of Service series, a global volunteer initiative sponsored and organized by its Cultural Advancement Team. For the third consecutive year, AB has achieved a perfect score of 100 on the Corporate Equality Index, the national benchmarking for corporate policies and practices for LGBTQ employees, administered by the Human Rights Campaign Foundation.

Construction Phase

N/A. AB is not building the building, it simply will be a tenant in the facility like any other tenant and they have no control over the contractor and the construction of the facility. However, AB will have Skanska, the general contractor for the project, be present at the Council vote and available to answer any questions the Council may pose. AB selected the site in a thoughtful and selective manner understanding Skanska’s history working with Metro and delivering projects with significant minority involvement and involvement from local laborers. As a result, AB has not completed the following tables relating to the construction phase of the Project since they relate to Skanska over which AB has no control. However, once the build-out of AB’s space occurs AB will also be happy to provide information as required by Metro from whomever is selected to do the build-out concerning the information below.

Job Category	Expected Hourly Wage	Average Wage in Davidson County for Comparable Positions	Number Employed by General Contractor	Number Employed by Sub Contractor	Percent Expected to Live in Davidson County

Will the construction of the Project utilize (circle one):

- Temporary or Staffing Agencies? **Yes** or No
- The Nashville Career Advancement Center? **Yes** or No
- U.S. Dept. of Labor Certified Apprenticeship Programs? Yes or **No**

List the number and type, within the preceding seven (7) years, of (a) violations assessed by the U.S. Department of Labor – Occupational Safety and Health Administration and/or by the Tennessee Occupational Safety and Health Administration against the qualified company, or any contractor or subcontractor of the company retained on the qualified project; or (b) employment or wage-related legal actions filed within federal or state courts against the qualified company, or any contractor or subcontractor of the company retained on the qualified project.

Name	TN OSHA	Dept. of Labor OSHA	Employment or Wage related legal claims
N/A but it is notable that AB has no TOSHA or OSHA violations to disclose nor any employment or wage related claims that were initially filed within the 7 year timeframe; however, AB did want to disclose that there was one FLSA wage case, concerning how			

employees were classified and if they should receive overtime, that was filed in 2009 which is outside of the above referenced window. This matter was settled and resolved with a settlement of approximately \$2.98 million dollars and final approval of the settlement occurred in 2013. See Silverstein and Stamatelos v. AllianceBernstein L.P.			

Ongoing Corporate Operations

AllianceBernstein Nashville Office Nashville-Davidson-Murfreesboro-Franklin, TN

The table provides the median annual wage in the region for the occupations defined below. These median wage rates were provided by the Chamber of Commerce who referenced the US Bureau of Labor Statistics report, May 2017, and the table provides the percentage of AB employees who will earn over that median wage rate for the occupation they are filling.

OCC_CODE	OCC_TITLE	Median Annual Wage	Projected # Permanent Salaried Jobs in Nashville	# of Permanent Salaried Jobs Based in Nashville Above Median (Based on Best Estimates as of January 2019) Please note these jobs do provide full benefits which are valued at approximately \$17,000 per employee.	Estimated percentage of employees residing in Davidson County
00-0000	All Occupations	47,110	1,050	90-95%	40%

OCC_CODE	OCC_TITLE	Median Annual Wage	Projected # of Permanent Salaried Jobs in Nashville	# of Permanent Salaried Jobs Based in Nashville Above Median	Estimated percentage of employees residing in Davidson County
11-0000	Management Occupations	104,830	230	90-95%	40%
13-0000	Business and Financial Operations Occupations	67,370	460	90-95%	40%
15-0000	Computer and Mathematical Occupations	77,920	220	90-95%	40%
23-0000	Legal Occupations	92,010	10	90-95%	40%
41-0000	Sales and Related Occupations	39,850	100	90-95%	40%
43-0000	Office and Administrative Support Occupations	37,540	30	90-95%	40%

* Please note that of the approximately 200 current employees, approximately 60 percent currently reside in Davidson County. Moreover, of those 200, 140 are new hires that were not relocated from New York. AB anticipates a majority of their total population in Nashville will be sourced with local and new hires. AB will aim to hire a majority of new hires locally from Middle Tennessee, posting and sourcing locally first for the positions, and then nationally if a local hire cannot be found.

Workforce Plan

Will the ongoing operations of the Project utilize (circle one):

Temporary or Staffing Agencies?

Yes or **No**

The Nashville Career Advancement Center?

Yes or **No**

U.S. Dept. of Labor Certified Apprenticeship Programs?

Yes or **No**

* Please note that the temporary staffing agencies used by AB in Nashville currently are for temp to hire positions in relatively high skilled job categories, and these agencies are only used on an as-needed basis.

AB has a multi-pronged approach to recruiting and training diverse populations. They partner with historically black colleges and universities (HBCUs) and minority student groups at local universities, and AB has already attended career fairs at Fisk, TSU, Belmont, Lipscomb, TN Tech, and MTSU. AB typically attends these job fairs semi-annually and they will continue these relationships going forward. Likewise, they are a WiTT scholarship sponsor and they sponsor other opportunities geared towards recruiting and hiring women in technology and will continue

to do so. They have a relationship with the Nashville Software School, which is focused on training professionals for a second career in tech and AB is in the process of finalizing a plan to position themselves as the employer of choice for diverse populations. To that end, they have joined several diverse Chambers including the Black Chamber and LGBTQ Chamber and will post and advertise jobs in addition to attending events across the city. Likewise, they are working with several firms specializing in diversity recruiting for more senior level positions and AB has created a diverse and locally-hired internal talent acquisition team to support the recruitment activities. This team is focused on hiring locally in the market, with the clear majority of hires to date coming from the Middle TN area.

AB offers training to their employees, providing online training and formal classroom education. AB focuses on ensuring all employees have the right mix of experience, exposure and more formal education opportunities to build their skills and knowledge, regularly sending employees to NY for formal training with their new team and rotating NY team members to Nashville to train new hires here as well.