

Metro Tourism Commission Meeting
September 8, 2022
Meeting Minutes

Sherry Franklin called the meeting to order at 8:34 a.m. and conducted a roll call:

Commissioners:

Britney Chandler – not present

Sherry – present

Neely Glenn – present

Mark Hayes – arrived at 8:48

Howard Kittell – present

Leesa LeClaire – present

Hank Adam Locklin – present

Shannon Sanders – not present

Q-Juan Taylor – present

Other staff in attendance include:

Metro Staff: Ben Eagles, Ann Mikkelsen, Metro IT

NCVC Staff: Andrea Arnold, Deana Ivey, Bruce McGregor, Jeff Mefford, Marie Sueing, Adrienne Siemers

Franklin introduced new commissioner Britney Chandler who is the director of group sales with Gaylord Opryland. Chandler replaces Randy Miller who recently retired.

Howard Kittell made a motion to accept the minutes of the May 12, 2022 meeting. Leesa LeClaire seconded; all Commissioners in attendance voted aye; zero nays.

Hank Adam Locklin made a motion to accept the minutes of the special called Commission meeting on May 19, 2022 to discuss a letter in support of entertainment vehicle regulations from the MTCC to the Metro Transportation and Licensing Commission. Leesa LeClaire seconded; all Commissioners in attendance voted aye; zero nays.

Franklin called on NCVC CFO Jeff Mefford for a financial report. Mefford reported that the annual independent financial audit conducted by Cherry Bekaert began this week.

Mefford referenced the financial report in the packet for the 12-month fiscal year ending June 30, 2022. The hotel occupancy tax for FY 22 set a record for the city for annual collections at just under \$112 million; this exceeds 2019 total by approximately 28 percent. Four months in the year hit records for generating the highest amount of hotel occupancy tax for that month in the city's history. Mefford explained that the NCVC's contract with the city is a reimbursement contact, and the organization's budget is set on Metro's projections of collections for the year. Even though collections exceeded projections, the NCVC's total invoices to the city for reimbursement were slightly over

\$18 million. Expenses for the year tracked in line with budget expectations. Expenses of specific note included: marketing expenses to support the relaunch of the British Airways flight to Nashville; investment in a new software tool to better track information on group clients; a new convention trade show booth, additional research tools that aid in more effective advertising campaigns and covid and security related items required by CBS for the city's New Year's Eve national broadcast. Mefford noted that the organization received some grant funding from federal and state resources which was used first for advertising, saving money to Metro government. The total expenses for the year was slightly over \$27 million and 70 percent of that was reimbursed through the NCVC's contract with Metro. Mefford noted that the annual external CPA audit of the organization's FY 22 year-end financial statements is underway and Metro will be provided a report when the audit is finalized later this year.

Questions ensued regarding the discrepancy between the total amount of hotel occupancy tax collected compared to what was budgeted and invoiced to the city by the NCVC. Mefford explained that while the full two percent of occupancy tax collected is dedicated by state and Metro law to tourism promotion, the NCVC can only be reimbursed up to the amount that is allocated in the city's annual budget. Metro Finance asked the NCVC for additional market data in creating the FY 23 budget, and it resulted in the city forecasting \$36 million in hotel occupancy taxes for this line item. While the number is notably larger than years past, it is slightly less than actual collections for this past year. The NCVC has a reimbursement contract with the city, meaning that the organization pays for marketing and sales initiatives up front and invoices the city for payment. If collections ever underperform from budget projections, the NCVC does not get reimbursed for those expenses. Commissioners were appreciative of the effort to ensure the city's budget projection was more accurate so the full intention of the dedicated revenue for tourism promotion could be utilized.

Franklin asked NCVC President Deana Ivey for a report from the organization.

Ivey reported on the city's July 4th event, which the NCVC produces at the city's request. The event drew 250,000 – 300,000 in attendance (per Metro Police). The attendance was slightly lower than 2021, which was anticipated because the event was on a Monday as compared to a weekend date. Attendance compared to the last time the event was held on a Monday showed significant growth. The event resulted in 20,274 hotel rooms sold in Davidson County and \$11 million in direct visitor spending. It also received national broadcast through CMT. Award-winning act Old Dominion was the headlining act. The NCVC intentionally books acts that have a Nashville connection and demonstrate diversity of music genre. The NCVC also secures corporate sponsorships for the event to help offset costs and save Metro money. A recap video of the event was shared with the Commission.

The NCVC recently host the American Society of Association Executives (ASAE) which is one of the most important national conventions that results in significant future convention business. The convention had over 5,000 attendees, over half of which were potential clients for Nashville. The NCVC planned events and sightseeing tours

throughout the full county, demonstrating tourism assets in all major neighborhoods. Mayor Cooper spoke to the group at the opening session. The Nashville Downtown Partnership and Metro Police worked closely with the NCVC to ensure the downtown area was very clean and safe for all. The city last hosted this convention in 2014 and it resulted in over \$121 million in new business.

CBS renewed their contract to product the city's New Year's Eve event again as a five-hour national broadcast. They have agreed to change the local news broadcast on all CBS stations in the eastern time zone by one hour, which will retain higher viewership of the show. The main public live event will be at Bicentennial Mall and the live broadcast will feature other performances in venues throughout the city. They have announced Brooks and Dunn, Kelsea Ballerini and Zac Brown Band to date, with more artists to be announced. The broadcast serves as a five-hour commercial for the city, focusing on the music brand and featuring locations throughout the entire city that visitors can experience.

The NCVC is producing a Walk of Fame Induction Ceremony on October 10, with four inductees that are to be announced.

Advertising campaigns have launched supporting many of the new assets around the city for visitors to enjoy; of specific note is the international campaign to support of the relaunch of the British Airways flight and a regional buy to support upcoming holiday activations.

NCVC Senior Vice President of Sales Adrienne Siemers reported that Nashville is recovering faster than other competitive markets, noting that the convention and tourism sales team exceeded their annual goal for FY 22 and sold a record 999,000 room nights for conventions. Two significant sales events have occurred in FY 23, the ASAE convention previously reported on and a corporate market event which has resulted in over 400 leads of for corporate meetings. The team is anticipated to have record leads for FY 23. The team will attend the industry Summit Awards at the end of September and will bring Nashville Grammy-award artist Gramps Morgan to perform and highlight the Music City Brand. They also plan to attend a key event with PCMA in January and will take another Nashville songwriter to perform and sell the city. Discussion ensued with the Commission regarding how the sales strategies utilized by the team during the pandemic are directly positively impacting future leads and bookings.

Senior Vice President of Multicultural Sales and Marketing Marie Sueing reported that the organization raised over \$300,000 to provide critical renovations to the historic Elks Lodge on Jefferson Street, which is the former home of Club Baron, the premiere venue for emerging black artists in the 1950s and 60s. It is a critical piece of the Music City story and supports the brand and the project was listed on the Nashville Nine. Renovation is almost complete and will be a prime location for future meetings and conventions to book and learn of Nashville's music history. Nashville recently hosted the National Black Legislators Local Elected Officials conference. The sales team worked with Councilmember Hurt and Representative Love on the event. The team is currently

working with Representative Love on the upcoming meeting of the National Black Caucus of State Legislatures in Nashville.

The team is also attending the upcoming International Gay and Lesbian Association meeting and the Black Meeting Professionals conference, both of which will result in future bookings to Nashville.

Vice President of Research Bruce McGregor provided a research report demonstrating the performance of the city.

US visitors to Nashville was 12.5 million last year and projections to hit 14.2 this year, which exceeds the 2019 number by 3.3%. The international visitation is still in recovery. Top international markets for Nashville are Canada (57%) and the UK (6.8%).

The Tennessee Department of Tourist Development reported 2021 visitor spending numbers recently. Davidson County's annual visitor spending was \$7.36 billion, which is 93 percent of 2019 levels, the last normal year. 2021 numbers demonstrate that visitors to Nashville spend over \$20 million each day. Davidson County led the state for visitor spending, representing 31% of total spending.

June hotel demand for Davidson County broke a record for the most rooms sold in a single month and represented an increase of 20 percent compared to last year and 11 percent compared to 2019. The catalyst for this performance was meetings and conventions business to Nashville, which represented 32 percent of total demand. The city's hotel demand for the first six months of the calendar year is up 45.6 percent compared to 2021 and 5 percent over 2019.

As a result of record hotel demand the forecasted hotel revenues for 2022 will be up 23 percent compared to 2019 at \$1.86 billion.

Hotel room supply in Nashville has increased by approximately 18 percent since the pandemic began. Davidson County/Nashville Metro has 264 hotels with 38,297 rooms in operation today. Through 2024, the city is projected to open 2,735 additional rooms that are currently under construction. An additional 2,092 hotel rooms are in the final planning stages and are not yet under construction.

The Nashville airport serves 97 non-stop destinations domestically and abroad to Canadian cities and London. The airport broke a record for the largest passenger volume in a single month in May with 1.8 million and again in June with 1.83 million. For comparison, this was an increase of 9.3 percent over June 2019. This volume is due to both leisure and business travelers returning to Nashville. Nashville is surpassing most other medium hub markets, including Austin, St Louis, Raleigh, New Orleans and Cincinnati.

Discussion ensued clarifying that the British Airways non-stop flight between Nashville and London has resumed for seven days a week and is performing at 90 percent capacity each way.

Chief Public Affairs Officer Andrea Arnold stated that the Metro Transportation and Licensing Commission has issued multiple permits and created multiple operational rules aimed to support safety measures.

Franklin and Metro Attorney Ann Mikkelsen reported that the Metro Council passed an ordinance formally approving the Metro Tourism and Convention Commission to meet at the NCVV's offices.

Franklin stated that the MTCC rules and procedures needed to be amended to include the meeting space provision. She added that the rule and procedures also needed to be modified under section 4.c. outlining the duties of the secretary. These two recommended changes to the rules and procedures were sent to the Commission in advance of the meeting for review. If the Commission approves these changes, they will be sent to Metro for official filing. Mikkelsen added that the recommended new language in rules and procedures also formalizes the requirement to post the agenda and minutes of the meeting to Metro's website.

Mark Hayes made a motion to accept these changes to the rules and procedures; Howard Kittell seconded. All Commissioners in attendance voted aye; zero nays.

Franklin stated that the Commission needed to recommend and vote on a chair and vice chair for the Commission for the years. Currently Sherry Franklin serves as Chair; Leesa LeClaire as Vice Chair.

She opened the floor to nominations. LeClaire nominated Sherry Franklin as chair, noting the good work Franklin has done, specifically on the various changes made throughout the past year. No other nominations were made.

Mark Hayes made a motion to accept Sherry Franklin as chair of the MTTC; Hank Adam Locklin seconded. All Commissioners in attendance voted aye; zero nays.

Howard Kittell nominated Leesa LeClaire as vice chair, stating that she has done a great job this past year. No other nominations were made.

Howard Kittell made a motion to accept Leesa LeClaire as vice chair; Hank Adam Locklin seconded. All Commissioners in attendance voted aye; zero nays.

Franklin noted she had a new agenda item to introduce.

Howard Kittell made a motion to pause the agenda to introduce a new agenda item; Neely Glenn seconded. All Commissioners in attendance voted aye; zero nays.

Franklin discussed MTCC meeting dates, stating that the meeting schedule for 2023 will be presented and voted on in the November meeting, and recommended targeting the first Thursday of the month at 8:30 scheduling. Discussion ensued regarding the proposed start time with most agreeing that starting early in the day is more convenient. Franklin asked for any other business or announcements. Sherry Franklin noted the next meeting is scheduled for November 10, which is day after CMA Awards. Hank Locklin noted that most Commissioners will have an active role in that event and various other ancillary events during week of CMA. Ann Mikkelsen noted the meeting could be moved as we have appropriate time to notify Metro. Sherry Franklin agreed to move the meeting to Nov. 17 at 8:30 and noted she would immediately send notification to Metro to update the Metro commission calendar.

With no further business, Hank Adam Locklin made a motion to adjourn the meeting; Neely Glenn seconded. All Commissioners in attendance voted aye; zero nays.

The meeting adjourned at 9:30 a.m.