

Metro Tourism & Convention Commission

Metropolitan Government of Nashville & Davidson County

Meeting Minutes November 14, 2024

Leesa LeClaire called the meeting to order at 8:33 am and conducted roll call.

Commissioners Present:

- Leesa LeClaire, Chair
- Mark Hayes, Vice Chair
- Sherry Franklin
- Dr. Sybil Brown
- Robert Higgins
- Derrick Free
- Nealy Glenn
- Q-Juan Taylor

Metro Staff:

- Courtney Mohan, Legal Counsel
- Metro IT Representatives

Nashville Convention & Visitors (NCVC) Staff:

- Deana Ivey
- Andrea Arnold
- Adrienne Siemers
- Heather Middleton
- Bruce McGregor
- Elgin Cato
- Brad Lineberry

Following roll call, Leesa LeClaire opened the public comment period. With no one from the public attending during this time, the meeting moved to the rest of the agenda. LeClaire requested approval for the minutes from the September meeting.

Sherry Franklin highlighted three spelling corrections of Commissions' names – Leesa LeClaire, Mark Hayes, and Nealy Glenn.

Franklin motioned to approve the minutes from September 2024 with the corrections; Derrick Free seconded motion; motion passed unanimously.

LeClaire asked Jeff Mefford, the CFO of the NCVC, to provide the financial report. He provided the following highlights:

- The organization is on pace with performance goals; it it noted that hotel tax collection data is only through August 2024.
- July 2023 was the highest collection for hotel rooms in the city's history; July 2024 was slightly behind 2023, but it still resulted in the city's 3rd highest July for monthly tax collections on record.
- October 2024 is on pace to be another record for hotel tax collection based on current performance trends.
- As noted in the financial summary, the NCVC's total reimbursement amount for the first quarter, per the organization's contract with the city, was \$7,297,021; total revenue received by the city for that period was \$10,142,168. As a reminder, the contract between the NCVC and the city is a reimbursement contract; the NCVC does not receive dedicated funding from the city and is only reimbursed for sales and marketing expenses incurred through execution of the scope of services outlined in the contract.
- All expenses are in line financially with planned budget activities.
- The main expenses of significance are production costs from the July 4th event, which came in under budget, client events, and sales trade shows.
- Several major sales and marketing initiatives are anticipated for the year, all of which are included in the budget plan.
- The organization's audit report is closed for last year's activities; the organization will report to the city when the report is completed.

Mefford concluded his report and invited questions from the Commission.

Free motioned to approve the financial report; Franklin seconded; the motion passed unanimously.

LeClaire asked Bruce McGregor, Senior Vice President of Research with the NCVC, to provide a research update. He provided the following report:

- According to CoSTAR, Nashville #1 in hotel room demand growth for downtown hotels in 2023, beating Florida, Dallas, Phoenix, and Las Vegas. Overall, downtown Nashville saw a 36% hotel demand growth compared to 2019.
- The growth in rooms sold was countered by the even higher 45% increase in hotel room supply.
- For YTD 2024, downtown hotel demand has increased by 3.5% compared to last year, which is on pace with pre-COVID levels.
- Nashville's hotel performance has underperformed in September compared to last year. Hotel rooms sold were down 2.4%, and average hotel rates were flat at \$215, resulting in room revenues being down 2.6%.
- It is notable that September 2024 had four Saturdays, while September 2023 had five, which impacted numbers.

- Hotels that were within one mile from the Music City Center experienced a 1.6% increase in rooms sold this month.
- October had an increase of 2.7% in rooms sold over the last year; October is the highest-performing month annually; rates increased by 1%; supply increased by 4%. October's increases were largely due to major events and large, citywide conventions, including notable collegiate games, professional sports games and an increase of due to displaced evacuees from the hurricanes. Peak days in October were Saturdays in the middle of the month.
- Pacing data for future months show that November is ahead in year-to-date comparisons by 7.2%, and December is even; January 2025 is pacing 14% ahead, largely due to several major conventions at the Music City Center.
- November's increase is notable due to the CMA Awards show and the Thanksgiving holiday occurring later in the month than typical, both positively impacting demand.
- The top 10 performing weekends for 2024 were shared, each attributed to a major concert, event or convention.
- For 2025, several new major events and concerts have been announced, complementing the annual large-scale events, signaling similar, high-performing weekend trends.

Discussion ensued involving the following:

- September's performance was not the only month numbers were down; July was a soft month for business downtown.
- It is noted that it is a positive sign that transient numbers are increasing.
- Visitation expectation for future events, including the Vanderbilt vs. Tennessee game.

LeClaire asked Deana Ivey, CEO of the NCVV, to give a report from the organization. She began the report with the following updates:

- The two new international flights from Iceland and Dublin to Nashville are performing well; the Iceland flight is selling 30% ahead of projections and will begin service five weeks earlier than announced to accommodate demand; Dublin will start service in May 2025; the NCVV team has marketed to the Nordic area for many years, which has helped create demand.
- FIFA Club World Cup is a new competition that features the best teams from each country. Matches will be announced soon.
- The AU women's basketball tournament will be in Nashville in February in 2025, featuring WBNA and collegiate stars.
- Nashville has made the finalists list for consideration for hosting the Special Olympics in 2030; the bid committee will conduct a site visit in February.

- The NCVC produced a Walk of Fame introduction ceremony on October 30th, including four members: Colin Reed, Bill Cody, the Fairfield Four, and Jimmy Buffet.
- New Year's Eve will feature Keith Urban as a host and performer, Kane Brown, Jelly Roll; more artists will be announced.
- The NCVC announced a new minority incubator program called the Music City Chart Climbers; applications closed last week with 80 applications for 15 spots in the inaugural class; the advisory board is meeting soon to select the first cohort.
- The NCVC is partnering with the Nashville Music Venue Alliance to produce a new event called 615 Indie Live, to raise money for NMVA and their efforts to support local music venues.

Heather Middleton, Chief Marketing Officer for the NCVC, provided the following marketing report:

- The NCVC launched our fall advertising campaign, using Bruce's research to help create a strategic marketing plan to target audiences for soft weekends. This campaign's main audience is Canada and the drive market.
- Launching marketing campaigns for BNA's new international flights.
- NCVC has hosted 70 journalists this fiscal year, both domestic and international.
- The Dine Nashville event kicks off again this February, and it includes collaboration dinners, restaurant week, and other special events.

Adrienne Siemers, Chief Sales Officer for the NCVC, provided the following sales report:

- The sales team met all Q1 goals and is on track to meet Q2 goals.
- The Music City Center will have a record-breaking year for 2024; 2025 is forecast to exceed this performance.
- The need-period promotion for conventions continues to be successful, with 32 hotels participating. The promotion offers a per room discount to the master for convention groups that book during a future month and year when pace is slow for the city.
- Sales team members attended IMAX in Las Vegas, the premiere convention tradeshow, which resulted in connecting with over 500 clients and resulting in over 70 new leads.
- The team conducted two sales market blitzes to DC and Chicago. For the DC market, 15 local member hospitality organizations joined the sales team to sell the city. The NCVC hired local Nashville songwriters Liz Rose and Phil Barton to entertain clients and sell Nashville. For the Chicago market, Nashville artist Ryan Heard performed for clients to sell the city; Heard is a Chicago native.
- Nashville was recently ranked #5 for MICE destinations (Meetings, Incentives, Conferences, and Exhibitions tourism), further evidence that the higher-end hotels in Nashville have heightened demand and businesses in Nashville.

After the sales report, discussion ensued including the following:

- Room demographics for recent bookings.
- It was noted that most of the current meetings business are corporate clients.
- Clarification that the MICE destination ranking for Nashville ranked was for the US market.
- Clarification on the strategy for the need period promotion, stating that the discount was on rooms that booked during a specified window that had a defined lower volume of business booked.

Marie Sueing, Chief Diversity Officer for the NCVC, is out of town attending the National Black Event Planners Conference in Birmingham; Ivey provided the following report in her absence:

- Two major multicultural conventions have booked for 2026: the National Urban League, and the National Bar Association; it was noted that the team has been pursuing booking the National Urban League for over seven years.

At the conclusion of the NCVC report, Commissioner Higgins started a conversation regarding increasing efforts to make Nashville tourism more diverse. Discussion ensued regarding current marketing strategies and partnerships, including the NCVC-partnered projects of the Urbanite Meeting Planning Guide and the African American Business Guide, and consistent efforts to showcase the city's diversity of talent in major events. After discussion, LeClarie invited interested Commissioners to meet separately with the NCVC team to discuss marketing efforts in more detail.

LeClaire discussed 2025 meeting dates for the Commission. All agreed to maintain the previous meeting schedule, selecting a date on the third Thursday of every quarter and an 8:30 a.m. meeting time. LeClaire agreed to review room availability based on this schedule and secure meeting space.

Q-Juan Taylor motioned to approve a 2025 meeting schedule pending room availability; Higgins seconded; the motion passed unanimously.

LeClaire called for any additional business; no additional business was mentioned.

Taylor made a motion to adjourn at 9:19; Franklin seconded; the motion passed unanimously.