

Metro Tourism and Convention Commission Meeting Minutes

February 12th, 2025

Time: 8:30 am

Location: 500 11th Ave North, Suite 650, Nashville, TN

Leesa LeClaire called the meeting to order at 8:35 am

Commissioners Present

- Leesa LeClaire, Chair
- Mark Hayes, Vice Chair
- Sherry Franklin
- Dr. Sybril Brown
- Derrick Free
- Nealy Glenn

Commissioners Not in Attendance

- Robert Higgins
- Q-Juan Taylor
- Brittany Chandler

Metro Staff

- Courtney Mohan, Legal Counsel
- Metro IT Representatives

Nashville Convention & Visitors Corp (NCVC) Staff:

- Deana Ivey
- Andrea Arnold
- Adrienne Siemers
- Heather Middleton
- Bruce McGregor
- Elgin Cato
- Almichael Rogers

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 of the November meeting.

Two spelling corrections were noted.

Franklin motioned to approve the minutes from November 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, who provided the following highlights:

- Hotel tax collections are reported through November, reporting 40% above the tax collections for the same time before the pandemic, showing that Nashville is maintaining extraordinary tax revenue levels.
- October 2024 showed a record for hotel tax collections compared to any month.
- The total amount allocated by the NCVC to our Metro contract for the first half of the fiscal year was \$17,317,931.
- Hotel taxes do not come directly to the NCVC; NCVC's contract with Metro is a reimbursement contract, meaning the company bills the city for expenses incurred to promote the city per the scope of the contract; the NCVC does not automatically receive all hotel occupancy tax collections received.
- The total revenue reported for this period was \$21,257,489.
- No unexpected expenses were reported. Expenses weighed more heavily on marketing activities for the period due to the timing of related activities.
- The annual NCVC CPA audit was completed based on the June 2024 results. Once available, a copy of their final report will be filed with the city.

Discussion ensued involving the pattern of increased levels of hotel tax collections and increase of short-term rental properties in the city; it was clarified that short-term rentals are required to obtain a permit with the city to operate and hotel occupancy tax to Metro.

Hayes 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 give a research update, who provided the following report:

- In 2024, Davidson County hotels saw a 0.3% decrease in demand compared to the previous year, and daily rates dropped 2%. This is due to our increase in hotel supply in the downtown area, increasing 2.7% compared to the previous year.
- October was a peak month for sales in 2024.
- Downtown Nashville accounted for just over \$1 billion in room revenue, representing 52% of the county's total. Downtown Nashville represents 33% of the total hotel supply.
- Nashville's short-term rental market had an increase; 12-month revenue was up 18.7% year over year.

- 23% of total lodging revenue in 2024 came from short-term rentals from Nashville's 9,500 active listings.
- The New Year's Eve event recorded a record attendance of 220,000, up 2.3% year over year. The event generated over \$41 million in estimated direct visitor spending, averaging \$2,000 per visitor. Downtown hotels experienced an increase in demand during this event, up 7.2% from the previous year.
- Nashville is projected to see a 2% increase in domestic visitors, with a 3% increase in national growth. Visitor segmentation is projected to be 36% business and 64% leisure travelers.
- International visitors traveling to Nashville is reported to increase by 5.7%
- Visitor spending in Nashville is projected to show growth of 3.6% to reach \$11.2 billion yearly, roughly \$30.7 million per day.
- Multiple conventions in January resulted in room demand increasing by 8.7%. It was reported that 40% of rooms sold in January were group rooms and 58% were transient.
- Major events in Nashville resulted in large increases in hotel demand periods. Noting that the upcoming CMA Fest will have 90,000 visitors per day. Other large events expected to increase demand are AC/DC and Coldplay.
- Future Partners recently studied visitors' upcoming annual leisure spend. It was reported that Nashville's visitors' leisure budget increased by 35%.
- Future Partners also reported Nashville as the #1 Most Welcoming City. Nashville was voted #4 in safety compared to 40 other US cities.

Discussion ensued including:

- Short-term rental permits and regulations;
- Bonnaroo music festival and its impact on Nashville occupancy;
- Nashville hotel rates and visitor segmentation.

LeClaire asked Deana Ivey, CEO of the NCVC, to give a report from the organization, who provided the following report:

- In addition to the impact on tax collections referenced in the research report, New Years Evea was equally successful with marketing. The event was broadcast as a national, five-hour live show on CBS, serving as a commercial for Nashville; the coverage equated to \$400 million in advertising.
- The NCVC partnered with local community organizations to provide services and receive marketing exposure, including Safe Bar, Red Frogs, Cumberland Heights, and KultureCity..
- The event survey results showed that 90% of attendees stated that it was their first time visiting Nashville.

- NCVC is in discussions with CBS for a renewed contract; final details will be provided.
- NCVC will host a site visit for the U. S. Special Olympics committee later this month; Nashville is one of two cities remaining in the bid to recruit the U.S. Special Olympics in 2030.
- The NCVC announced the SEC Party in the Park event, supporting the SEC Men's Basketball tournament at Bridgestone Arena in March.
- The FIFA World Club Cup selected Nashville as a host city for three games; games will be at GEODIS Park in June and attract visiting fans from over six different countries.
- Nashville recorded a record-breaking attendance at the AU women's basketball tournament earlier this month.
- The NCVC hosted partnered with the Nashville Music Venue Alliance to host a new event called 615 Indie Live in January; the event showcased local musicians and venues, and supported NMVA. Ticket sales exceeded projections, with more than 2,000 sold.
- Discussion ensued regarding the U. S. Special Olympics bid committee site visit and potential venues that would be utilized for the games.

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

- The NCVC sales team has hit their sales goals for the quarter.
- NCVC secured a 10-year contract with Safari International to host their convention.
- NCVC will host CVent Connect, a major convention for meeting professionals, in June 2026 for the first time; the event will result in significant convention and small business meetings for the city.
- The NCVC sales team is hosting a series of sales missions in key markets throughout the U.S. in the next two months; these trips will include members of the hospitality community who will help sell Nashville.
- The NCVC has received some recent cancellations from Canadian travelers in the last few weeks due to increased geopolitical tension; the team is monitoring the travel patterns from all key international destinations.
- Discussion ensued regarding group cancellations and increased communications on research and travel patterns to Nashville hospitality business partners.

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

- The NCVC team is heavily promoting Nashville's two new international flights, which are scheduled to launch in April; the team has broadened its marketing reach in key

markets in the UK in support; the PR team is hosting several international press tours in the city in support of the flights.

- The NCVC team will participate in a travel sales mission in Dublin in March to promote the new direct flight and market Nashville.
- NCVC created a promotion called "Winter Rocks," which markets major events occurring in January and February.
- Dine Nashville is a special promotion in February to showcase Nashville restaurants; the promotion features special chef collaborations and a traditional restaurant week.

Marie Sueing, Chief Diversity Officer of the NCVC, provided the following report:

- The Music City Chart Climbers program had their first session in January; the inaugural class includes 15 minority business entrepreneurs who desire to grow their business through Nashville's tourism industry; the class will meet monthly to learn about the hospitality industry and sales and marketing opportunities.
- Shannon Sanders, a well-known Nashville music producer, performer and executive, is being honored in an exhibit in the African American Music Museum for his contribution to music and hospitality in Nashville.

LeClaire stated that the next commission meeting is on Thursday, May 15th, at 8:30 am.

LeClaire reminded the commission members to review the legal training manual distributed by Metro to all Metro commission members.

LeClaire called for any additional business, with none noted.

Franklin motioned to adjourn at 9:27 am, Hayes seconded; the motion passed unanimously.