MINUTES OF THE 34th MEETING OF THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY

The 34th meeting of the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County (CCA) was held on November 1, 2012 at 8:00 a.m., in Room 209-10 at the Nashville Convention Center, Nashville, Tennessee.

AUTHORITY MEMBERS PRESENT: Mark Arnold, Marty Dickens, Francis Guess, Ken Levitan, Willie McDonald, Luke Simons, *Mona Lisa Warren, and Leo Waters

AUTHORITY MEMBERS NOT PRESENT: Vonda McDaniel and Vice-Mayor Diane Neighbors, Ex-Officio

OTHERS PRESENT: Charles Starks, Elisa Putman, Eileen McGinn, Larry Atema, Rich Riebeling, Tod Roadarmel, Dan Piotrowski, Teri McAlister, Kim McDoniel, Kristen Heggie, Ed Henley, Patrick Holcombe, Roxianne Bethune, Mark Sturtevant, Ryan Johnson, Peter Heidenreich, Charles Robert Bone, Bob Lackey, Kim Hawkins, Hunter Gee, Buford Manley, Stephanie Harris, Ross Burden, Sharon Hurt, Jasmine Quattlebaum, Eric Blouin, Joey Garrison, Brett Cimorelli, Andy McLean, Holly McCall, Danielle Trost, Terry Clements, Heidi Runion, and Rob Svedberg. In addition, other members of the public were present.

The meeting was opened for business by Chairman Marty Dickens who 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 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.

Mr. Dickens announced that the next scheduled meeting of the CCA would be December 6, 2012 at 8:00am.

ACTION: Mark Arnold made a motion to approve the 33rd Meeting Minutes of October 4, 2012. The motion was seconded by Ken Levitan and approved unanimously by the Authority.

* Denotes arrival of Mona Lisa Warren

Kim Hawkins and Hunter Gee were introduced to give a South of Broadway planning update. (Attachment #1) There was discussion.

Dan Piotrowski, Tod Roadarmel, and Brett Cimorelli were introduced to give an Omni sales and project update. (Attachment #2)

Mark Arnold was asked to report on the Finance & Audit Committee meeting.

Eileen McGinn was then asked to give the 2012 audit report. (Attachment #2) There was discussion.

ACTION: Mark Arnold made a motion to accept the audit of the financial statements of the Convention Center Authority as of June 30, 2012, pending the correction of the opening salutation on the appendices. The motion was seconded by Willie McDonald and approved unanimously by the Authority.

Mona Lisa Warren was asked to report on the Construction & Development Committee meeting.

Mona Lisa Warren was then asked to report on the Marketing & Operations Committee meeting.

Willie McDonald was asked to report on the DBE & Procurement Committee meeting.

Roxianne Bethune was then asked to give a DBE update and there was discussion. (Attachment #2)

Next, Ryan Johnson gave a project budget update. (Attachment #2) There was discussion.

Danielle Trost was then introduced to discuss the furniture, fixtures, and equipment for the Music City Center public space. (Attachment #2) There was discussion.

Charles Starks was asked to give a tax collection report. (Attachment #2) There was discussion.

There was closing discussion and then with no additional business a motion was made to adjourn, with no objection the CCA adjourned at 9:40 a.m.

Respectfully submitted,

Charles L. Starks
Executive Director
Convention Center Authority

Approved:

Marty Dickens, Chairman
CCA 34th Meeting Minutes
of November 1, 2012

South of Broadway Planning Update

NASHVILLE, TENNESSEE

Prepared for the Convention Center Authority and
The Nashville Downtown Partnership

1 NOVEMBER, 2012

URBAN DESIGN ASSOCIATES *with*
SMITH GEE STUDIO
THE EISEN GROUP
PARSONS BRINCKERHOFF
HAWKINS PARTNERS
CIVIL SITE DESIGN GROUP
VARALLO PUBLIC RELATIONS

Overview

1. Vision
2. Market
3. Big Idea
4. Plan

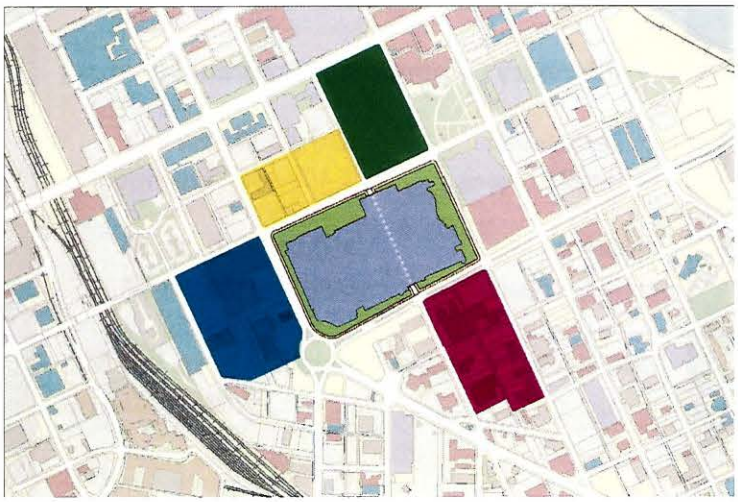
Vision

Preliminary Development Program Summary

• Residential:	**850-1,650 new units**
• Hotel/Lodging	**3,400 additional rooms** **8-12 new hotels**
• Office	**250,000-550,000 SF**
• Retail Space	**300,000-400,000 SF**

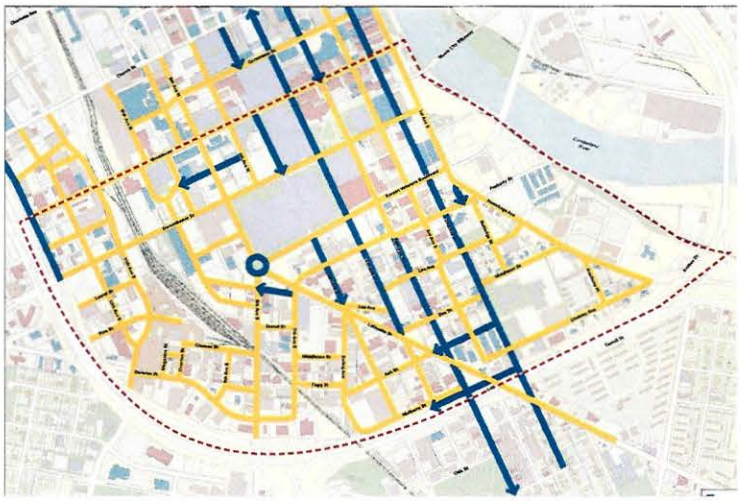
Preliminary Total Dvt. Program: Up to 5.6 M SF over 10 YRs

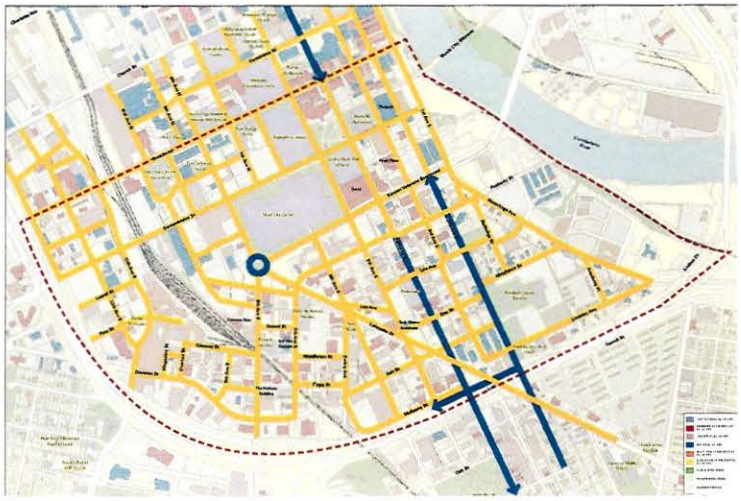
The Plan



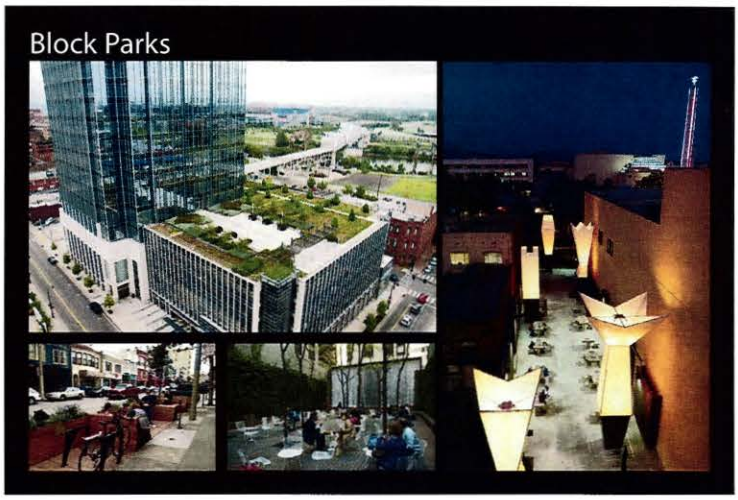
Complete Streets

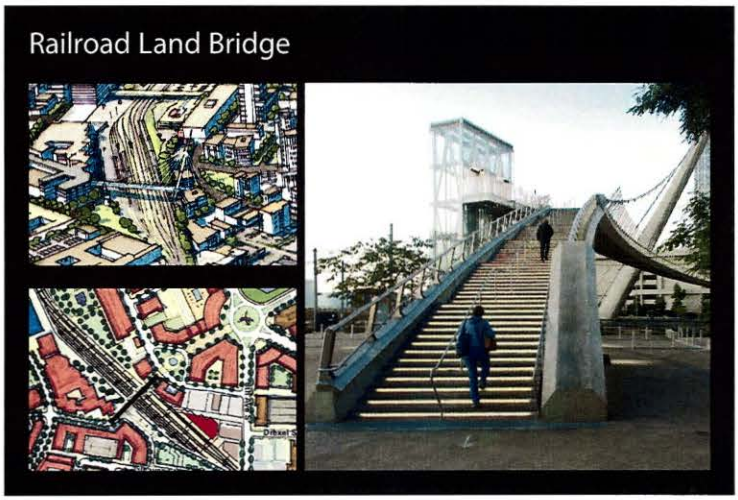
- Mayoral Executive Order
- Safe accommodation of cars, bikes, people, and transit
- Green infrastructure that handles its own stormwater
- Increase connectivity





City Parks
Neighorhood Parks


Block Parks


Railroad Land Bridge

Opportunities for the Gulch

Open Space
- » Neighborhood Parks
- » Gulch Greenway
- » Play and Dog Park

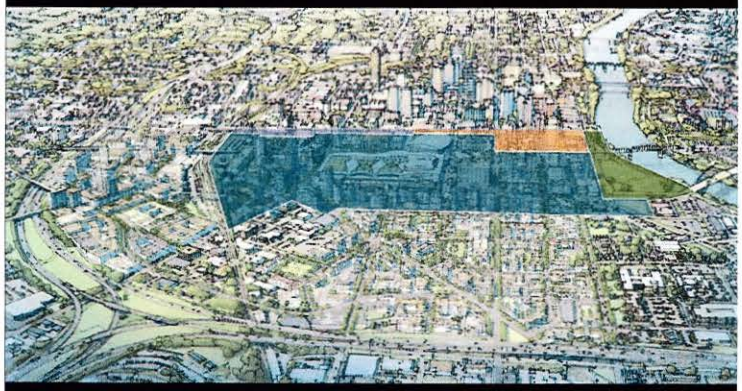
Connectivity
- » Pedestrian/Bike Bridge
- » Demonbreun/Landport Promenade
- » Division Extension

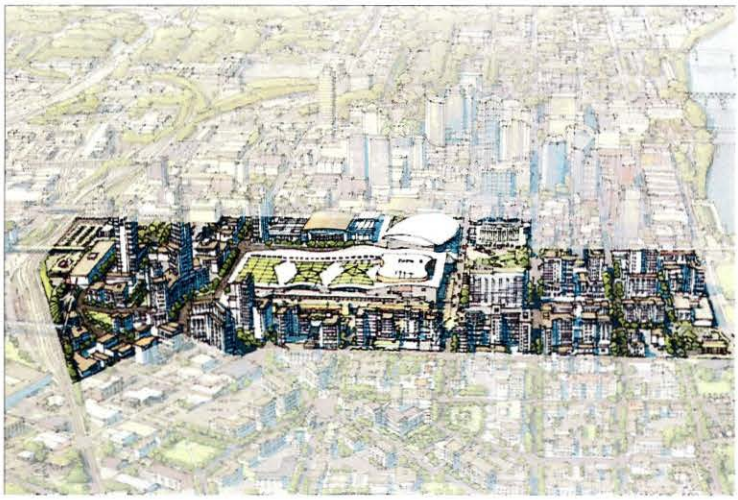
Opportunities for Rutledge Hill & Rolling Mill Hill

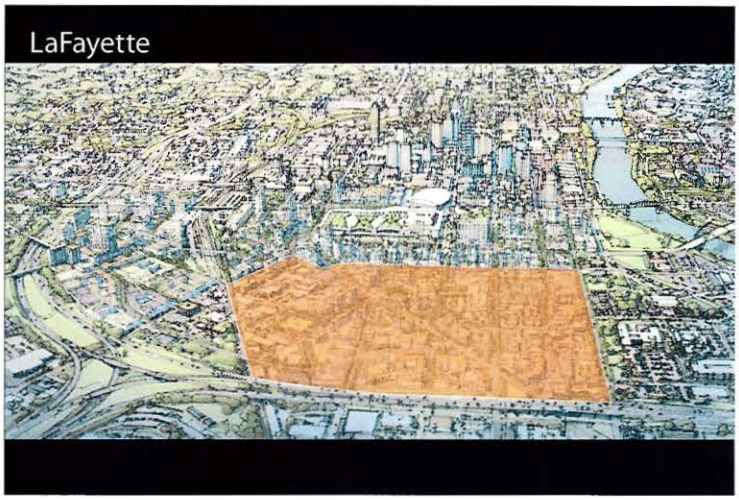
Open Space
- » Rolling Mill Hill Neighborhood Park
- » Captain Ryman Garden
- » Academy Place Parklet
- » The Bottoms

Connectivity
- » Middleton Street
- » Academy Place and Pedestrian Bridge
- » Hermitage Avenue

SoBro






LaFayette

Vision

CONVENTION CENTER AUTHORITY

November 1, 2012

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 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.*

By The Numbers - Omni Nashville Sales Stats

- 118 definite groups contracted to date
- 180,662 contracted room nights to date
- 104 site visits and presentations conducted since January 2012
- 87,266 room nights contracted for 2014
- 47,974 room nights contracted for 2015

Key Bookings:

- **American Trucking Association:**
  2014 through 2017 contracted with over 2,500 room nights per year
- **American Correctional Association:**
  2021 & 2024 contracted with over 2,600 room nights per year
- **National Rural Electric Cooperative Association:**
  2014 February meeting contracted with over 3,000 room nights
- **NCAA Women's Final Four:**
  2014 April event contracted with over 2,500 room nights

By The Numbers – Omni Nashville Construction

➢Total cubic yards of concrete placed on this project:	67,000 cy
➢Total rebar installed on this project:	5,700 tons
➢Total PT installed on this project:	1,500,000 lbs
➢Total excavation on this project:	142,000 cy
➢Miles of conduit installed as of 10/31:	87 miles
➢Number of man-hours worked as of 10/31:	890,000
➢# of Workers to be onsite as of 10/31:	850
➢Lost time accidents to date:	0

➢$67,000,000 to DBE on $177,000,000 purchased

➢Commitment of $88,000,000 to local suppliers on $177,000,000 purchased

➢Partnership with the Construction Management Masters Program at Vanderbilt University. To date, we have hired three interns with a commitment to employ one each semester until the job is complete.

Omni Video Presentation

Finance & Audit Committee

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KPMG's Client Service Team

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KPMG's Audit Responsibility

We have a responsibility to conduct our audit in accordance with professional auditing standards.

- AICPA
- Government Auditing Standards

In carrying out this responsibility, we plan and perform the audit to obtain reasonable – not absolute – assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud.

We have no responsibility to obtain reasonable assurance that misstatements that are not material are detected.

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KPMG's Independence

KPMG has established an integrated and comprehensive system of quality control over independence that includes a framework of detailed policies and procedures supported by sophisticated, web-based, electronic systems and a dedicated group of experienced professionals to provide technical guidance and support.

Our system seeks to ensure compliance with all guidelines established by the AICPA Independence Standards Board and Government Accountability Office including:

- Restrictions on financial interests in the debt securities of the Convention Center Authority
- Restrictions on consulting and information technology services, as well as placing restrictions on the types of "non-audit" services that can be provided by KPMG to the Convention Center Authority
- Annually, report to the Audit Committee the status of KPMG's independence with respect to the Convention Center Authority

KPMG is compliant with all established independence guidelines.

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Approach to Fraud Risks – How KPMG Addresses Fraud Risks in the Audit

Identification of fraud risks

- Perform risk assessment procedures to identify fraud risks, both at the financial statement level and at the assertion level
- Discuss among the engagement team the susceptibility to fraud
- Inquire of management, internal audit, audit committee, and others
- Evaluate broad programs/controls that prevent, deter, and detect fraud

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Audit Scope, Reports, and Other Deliverables

	Audit Scope
Applicable financial reporting framework	• Accounting principles generally accepted in the United States of America
Scope of work	• Audit of financial statements and issuance of other deliverables as of the year ended June 30, 2012
Applicable auditing standards	• Auditing standards generally accepted in the United States of America as issued by the Auditing Standards Board of the American Institute of Certified Public Accountants. • Generally accepted *Government Auditing Standards*

Audit Report	Status
• Auditors' report on the consolidated financial statements of the Convention Center Authority	• Unqualified opinion issued

Other Deliverables	Status
• Material written communications between KPMG and management	• Report issued
• Letter regarding internal control	• No Material Weaknesses Identified

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Required Communications

KPMG's responsibility under generally accepted auditing standards and *Government Auditing Standards*	• Express our opinion on the financial statements based on our audits • Assess risk that financial statements may contain a material misstatement • Consider internal control structure/secure understanding of accounting systems
Accounting Policies	Policies adopted in first year of Convention Center Authority are customary for industry and scope of activities – described in Note 1 to financial statements
Consideration of Internal Control Structure	• No material weaknesses in internal controls were noted during the year ended June 30, 2012 • Scope of work performed on internal controls not sufficient to render an opinion on effectiveness of internal controls
Disagreements with Management	There were no disagreements with management on financial accounting and reporting matters that, if not satisfactorily resolved, would have caused a modification of our report on the Authority's financial statements.
Consultation with Other Accountants	To the best of our knowledge, management has not consulted with or obtained opinions, written or oral, from other independent accountants during the year ended June 30, 2012.
Major Issues Discussed with Management Prior to Retention	Retention was pursuant to a competitive bid proposal effort. There were no preconditions to retention. Minority enterprise participation in our contract continued to be 23% for the 2012 audit.

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Required Communications (continued)

Risks Requiring Extensive Audit Procedures	Risks requiring extensive audit procedures were as follows: • Existence and valuation of invested bond proceeds held for future Convention Center construction expenditures • Completeness and accuracy of capitalization of construction work-in-progress • Litigation accruals and disclosures • Self-insurance exposure related to property, builder's risk, worker's compensation, automobile, and general liability claims and other expenses
Difficulties Encountered in Performing the Audit	We encountered no difficulties in dealing with management and appreciated their cooperation while performing our audit.
Significant Written Communications Between KPMG and Management	In accordance with the communications requirements of SAS No. 115, copies of the following material written communication between management and KPMG are included in Appendix A to this presentation (Management Representation Letter).
Review of other Information	• Our responsibility for other information in documents containing the Convention Center Authority's financial statements and our report thereon does not extend beyond the financial information identified in our report, and we have no obligation to perform and procedures to corroborate other information contained in these documents. • We have read the other information included in the Convention Center Authority's financial statements. • No matters came to our attention that cause us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

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Required Communications (continued)

Audit Differences

- Corrected
  - None identified.
- Uncorrected
  - None identified.

Internal Control Recommendations Communicated to Management

- No material weaknesses noted.

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Recently Issued Accounting Standards

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, required for fiscal periods beginning after June 15, 2012. This Statement is designed to improve financial reporting for governmental entities by amending the requirements of GASB Statements No. 14 and 34, to better meet user needs and address reporting entity issues that have come to light since those Statements were issued.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, required for fiscal periods beginning after December 15, 2011. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government reports with information about how past transactions will continue to impact a government's financial statements in the future.

GASB Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, required for fiscal periods beginning after December 15, 2012. This Statement improves accounting and financial reporting by resolving conflicting guidance that resulted from the issuance of Statements No. 54 and No. 62.

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KPMG Contact Information

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Appendix A:

Other Audit Committee Materials

KPMG
cutting through complexity

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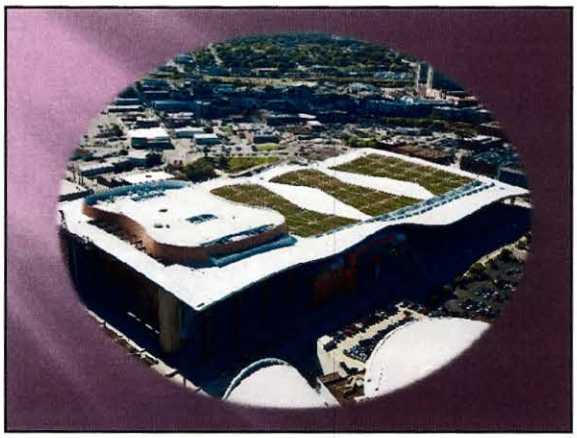
Construction & Development Committee

Marketing & Operations Committee

DBE & Procurement Committee

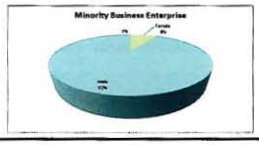


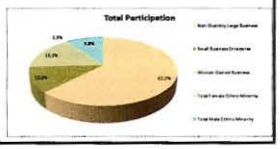
MUSIC CITY CENTER
DBE PARTICIPATION

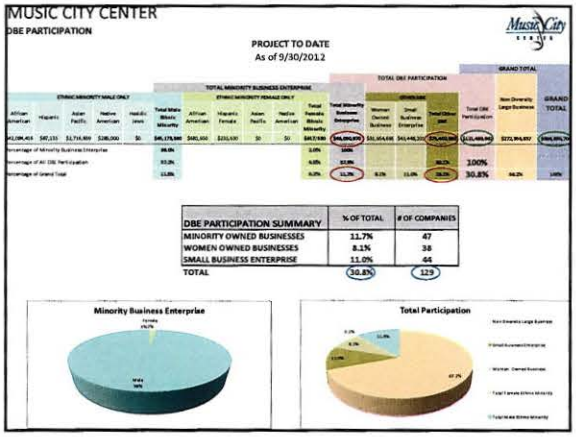
3rd Quarter 2012

ETHNIC MINORITY MALE ONLY						TOTAL MINORITY BUSINESS ENTERPRISE	ETHNIC MINORITY FEMALE ONLY					TOTAL DBE PARTICIPATION	WOMEN ONE				GRAND TOTAL		
African American	Hispanic	Asian Pacific	Native American	Hasidic Jews	Total Male Ethnic Minority	African American	Hispanic Females	Asian Pacific	Native American	Total Female Ethnic Minority	Total Minority Business Enterprise	Women Owned Business	Small Business Enterprise	Total Other DBE	Total DBE Participation	Non Diversity Large Business	GRAND TOTAL
$2,366,236	$1,800	$170,820	$66,000	$0	$2,616,916	$24,136	$180,000	$0	$0	$204,136	$2,821,052	$6,000,000	$1,015,000	$9,015,000	$8,836,000	$14,663,987	$23,499,987
Percentage of Minority Business Enterprise					65.7%					5.1%	100%						
Percentage of All DBE Participation					26.6%					2.0%	28.6%			71.4%	100%		
Percentage of Grand Total					6.68%					0.00%	10.7%	15.1%	12.0%	22.0%	37.8%	62.2%	100%

DBE PARTICIPATION SUMMARY	% OF TOTAL
MINORITY OWNED BUSINESSES	10.7%
WOMEN OWNED BUSINESSES	15.1%
SMALL BUSINESS ENTEPRISE	12.0%
TOTAL	37.8%







MUSIC CITY CENTER

DBE PARTICIPATION

PROJECT TO DATE
As of 9/30/2012

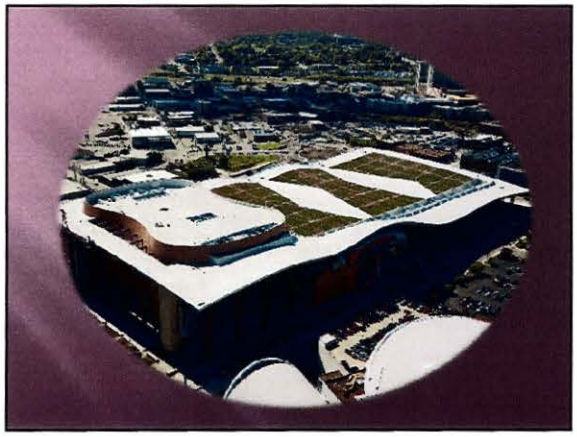
DBE PARTICIPATION SUMMARY	% OF TOTAL	# OF COMPANIES
MINORITY OWNED BUSINESSES	11.7%	47
WOMEN OWNED BUSINESSES	8.1%	38
SMALL BUSINESS ENTERPRISE	11.0%	44
TOTAL	30.8%	129

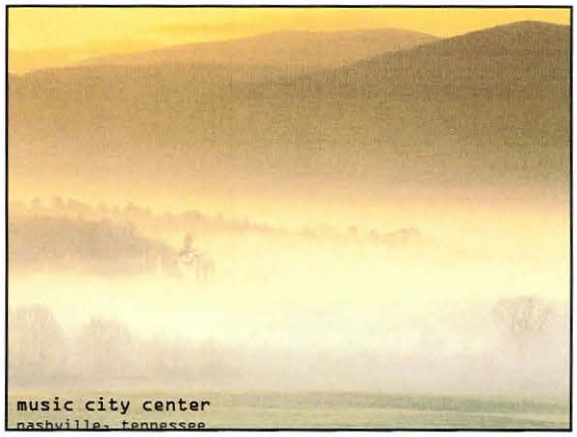
MUSIC CITY CENTER BUDGET SUMMARY

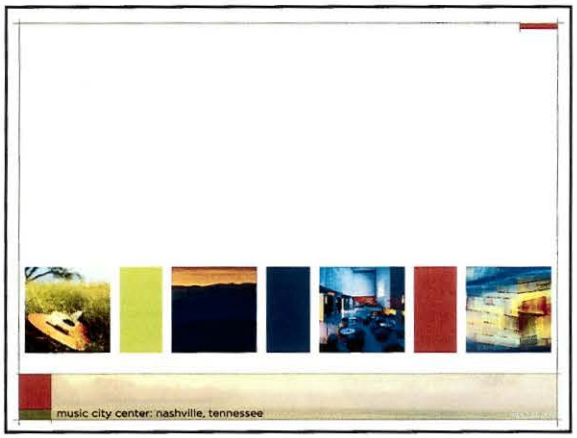
As of: September 30th, 2012

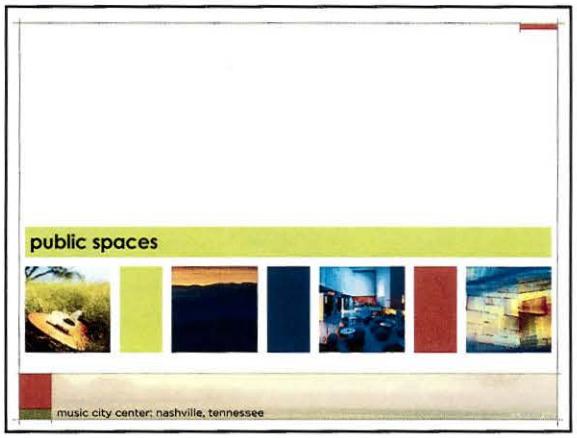
MCC MASTER BUDGET	BUDGET	SPENT TO DATE	REMAINING BUDGET	COST TO COMPLETE	VARIANCE
BUILDING SITE WORK	19,372,298	17,552,046	1,820,252	1,846,112	(25,860)
BUILDING STRUCTURE	108,301,343	108,213,136	88,207	1,070,311	(982,104)
BUILDING ENCLOSURES	47,396,217	43,331,183	4,065,034	4,213,875	(148,841)
BUILDING INTERNAL MATERIALS	47,921,882	39,164,457	8,757,425	9,511,539	(754,114)
BUILDING SPECIAL EQUIPMENT	42,707,922	30,430,873	12,277,049	12,333,189	(56,140)
BUILDING MEP	105,771,200	97,139,255	8,631,945	10,444,098	(1,812,153)
BUILDING SOFT COSTS	43,529,138	32,998,039	10,531,099	10,669,377	(138,278)
CONSTRUCTION SUBTOTAL	**415,000,000**	**368,828,989**	**46,171,011**	**50,088,501**	**(3,917,490)**
OFF SITE UTILITIES	21,549,757	8,942,786	12,606,971	12,606,971	-
PROJECT CONTINGENCY	15,000,000	-	11,082,509	11,082,509	3,917,490
LAND / LITIGATION RESERVE	57,000,000	71,106,099	-	4,893,901	(19,000,000)
DESIGN & ENGINEERING	40,684,684	38,484,987	2,199,697	2,199,697	-
PROJECT MANAGEMENT	10,993,758	7,613,498	3,380,260	3,380,260	-
PROJECT INSURANCE & PROGRAMS	8,252,322	6,919,908	1,332,413	1,332,413	-
LEGAL, FINANCIAL, CONSULTANTS	2,869,480	2,157,819	711,661	711,661	-
FF&E and PUBLIC ART	11,650,000	1,936,305	9,713,695	9,713,695	-
PRE OPENING OPS	2,000,000	-	2,000,000	2,000,000	-
TOTAL	**585,000,000**	**505,990,392**	**89,198,217**	**98,009,608**	**(19,000,000)**

**Note: This variance is covered by surplus revenues as discussed at 2/2/12 meeting.

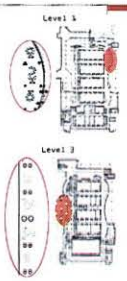








concourse furniture group 1

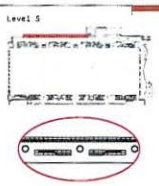


music city center: nashville, tennessee

bench type 1

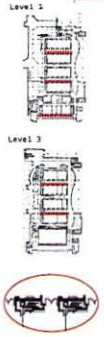
music city center: nashville, tennessee

bench type 2



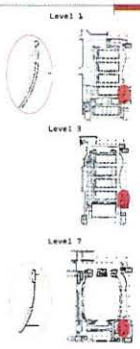
music city center: nashville, tennessee

bench type 3



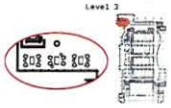
music city center: nashville, tennessee

bench type 4



music city center: nashville, tennessee

concourse furniture group 2



music city center: nashville, tennessee

cafe seating

Level 5

music city center: nashville, tennessee

meeting spaces

music city center: nashville, tennessee

board room furniture - grouping A

Level 3

music city center: nashville, tennessee

board room furniture - grouping B

Level 3

music city center: nashville, tennessee

board room furniture - grouping C

Level 2

music city center: nashville, tennessee

show managers offices

Level 4

music city center: nashville, tennessee

green rooms

Level 7

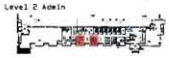
music city center: nashville, tennessee

administrative spaces

music city center: nashville, tennessee

typical workstations

Level 2 Admin



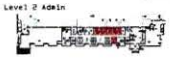
Level 3 Admin

Level 4 Admin

music city center: nashville, tennessee

typical private offices

Level 2 Admin



Level 3 Admin

Level 4 Admin

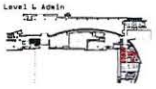
music city center: nashville, tennessee

typical private guest seating

Level 2 Admin

Level 3 Admin

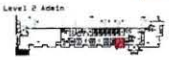
Level 4 Admin



music city center: nashville, tennessee

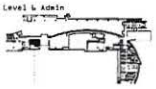
typical executive offices

Level 2 Admin



Level 3 Admin

Level 4 Admin



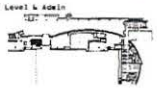
music city center: nashville, tennessee

typical executive guest seating/conference

Level 2 Admin

Level 3 Admin

Level 4 Admin

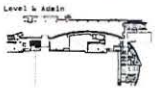


large conference room

Level 2 Admin

Level 3 Admin

Level 4 Admin



exterior

exterior terrace furniture - type 1

Level 2

exterior terrace furniture - type 2

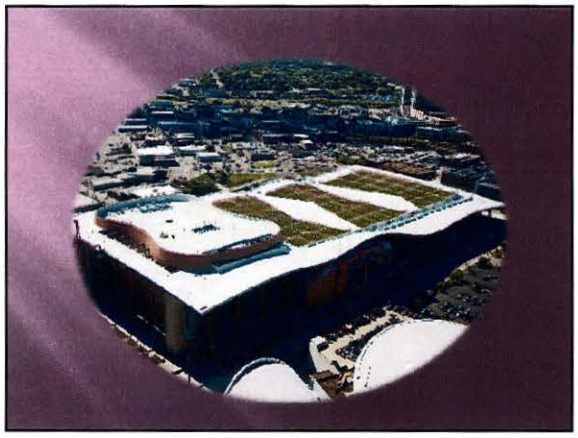
Level 3

Level 7

exterior benches

small exterior bench

large exterior bench



MCC/Hotel Tax Collection

As of August 31, 2012

	2/5 of 5% Occupancy Tax	Net 1% Occupancy Tax	$2 Room Tax	Contracted Vehicle Tax	Rental Vehicle Tax	Total	Variance to FY 11-12
July	$980,966	$396,506	$939,316	$40,583	$108,516	$2,465,887	1.83%
August	$924,309	$374,097	$893,228	$61,843	$119,420	$2,372,897	3.41%
September							
October							
November							
December							
January							
February							
March							
April							
May							
June							
YTD Total	$1,905,275	$770,603	$1,832,544	$102,426	$227,936	$4,838,784	2.60%

These numbers are still subject to change by Metro/Division of Accounts Auditors

MCC/Hotel Tax Collection

August Total Tax Collections

	2011	2012	Variance
5% Occupancy Tax	$2,242,625	$2,310,772	3.04%
Gross 1% Occupancy Tax	$448,525	$462,154	3.04%
$2 Room Tax	$887,063	$893,228	0.70%
Contracted Vehicle	$50,318	$61,843	22.90%
Rental Vehicle	$107,305	$119,420	11.29%
$.50 Room Tax	$221,766	$223,307	0.69%
Total Collections	**$3,957,601**	**$4,070,724**	**2.86%**
Total YTD Collections	**$8,144,848**	**$8,336,925**	**2.36%**

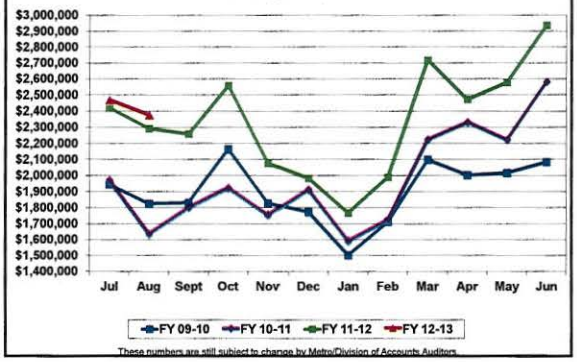
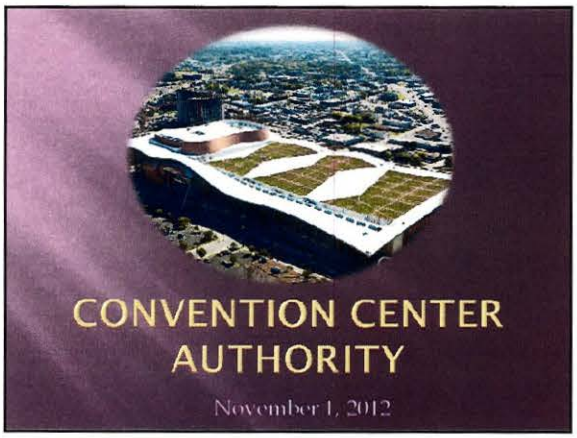
MCC Portion of August Tax Collections

	2011	2012	Variance
2/5 of 5% Occupancy Tax	$897,050	$924,309	3.04%
Net 1% Occupancy Tax	$353,000	$374,097	5.98%
$2 Room Tax	$887,063	$893,228	0.70%
Contracted Vehicle	$50,318	$61,843	22.90%
Rental Vehicle	$107,305	$119,420	11.29%
MCC Collections	**$2,294,735**	**$2,372,897**	**3.41%**
MCC YTD Collections	**$4,716,297**	**$4,838,784**	**2.60%**

These numbers are still subject to change by Metro/Division of Accounts Auditors

MCC Tax Collections

As of August 31, 2012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