MINUTES OF THE 9th MEETING OF THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY

The 9th meeting of the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County (CCA) was held on March 4, 2010 at 8:05 a.m., in Room 209-210 at the Nashville Convention Center, Nashville, Tennessee.

AUTHORITY MEMBERS PRESENT: Mark Arnold, Marty Dickens, Darrell Drumwright, Ken Levitan, Vonda McDaniel, Willie McDonald, Luke Simons, Mona Lisa Warren, Leo Waters, and Vice-Mayor Diane Neighbors, Ex-Officio

AUTHORITY MEMBERS NOT PRESENT:

OTHERS PRESENT: Rich Riebeling, Larry Atema, Charles Starks, Barbara Solari, Mark Sturtevant, Charles Robert Bone, Kristen Heggie, Roxianne Bethune, Kevin Glasgow, Peter Heidenreich, Ric Miller, Bill Phillips, Terry Clements, Joey Garrison, Bob Lackey, Steve Curtis, Larry Carter, Lethia Swett Mann, Gary Schalmo, Irvin Mims, Victor Alexander, In addition other members of the general public and media were present.

The meeting was opened for business by Chairman Marty Dickens who stated that a quorum was present. The Appeal of Decisions was shown.

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.

It was announced that the next meeting of the Authority would be on April 1, 2010.

ACTION: Darrell Drumwright made a motion to approve the 8th Meeting Minutes of February 4, 2010. The motion was seconded by Leo Waters and approved unanimously by the Authority.

Chairman Dickens noted that at the last meeting the amendments to the contracts for Commonwealth Development and Bone McAllester Norton had been approved pending a special subcommittee reviewing those contracts. He asked Willie McDonald to report on the committee meeting.

ACTION: Leo Waters made a motion to approve the minutes of the special subcommittee meeting of February 11, 2010. The motion was seconded by Vonda McDaniel and approved unanimously by the committee. (Attachment #1)

Mr. Dickens said that each committee of Authority had requested a charge be written and those would be presented at the next committee meetings.

Chairman Dickens stated that the Finance & Audit Committee had met and asked Mark Arnold, Committee Chairman, to report. Mr. Arnold gave a summary of the committee meeting and discussion. He also noted that their next meeting would be a joint meeting with the Construction & Development Committee.

Rich Riebeling was asked by Marty Dickens to give an update on the bonds. Mr. Riebeling said everything should be complete by mid April. He also reported that the RFP for Audit services should be ready to present at the next committee meeting and then to the full CCA.

Next, Vonda McDaniel, Chair of the Diversity Business Enterprise & Procurement Committee, was asked to report. Ms. McDaniel gave an overview of the committee meeting. There was discussion about local and DBE participation in the project.

Mr. Dickens then asked Mona Lisa Warren, Marketing and Operations Committee Chair, to report on the committee meeting. Ms. Warren gave a summary of the committee meeting.

Leo Waters, Chair of the Construction and Development Committee, was then asked by Mr. Dickens to report. Mr. Waters gave an overview of what the committee had discussed. Larry Atema was asked to give a project update. There was discussion about the project and land.

Mr. Dickens noted that the next committee meetings would be on March 25th.

He then asked Ric Miller and Kevin Glasgow with Willis and Victor Alexander with Alexander & Associates to walk through the Builders Risk Insurance and OCIP insurance. (Attachment #2)

ACTION: Willie McDonald made a motion to approve the Builders Risk policy as presented. The motion was seconded by Leo Waters and approved unanimously by the Authority.

Kevin Glasgow and Victor Alexander then reviewed the Owner Controlled Insurance Program (OCIP). (Attachment #2) There was discussion regarding the insurance.

ACTION: Luke Simons made a motion to approve the Owner Controlled Insurance Program as presented. The motion was seconded by Willie McDonald and approved unanimously by the Authority.

Larry Atema was then asked to report on the AT&T and XO Communications cable relocation. (Attachment #2) There was discussion about the cost.

ACTION: Willie McDonald made a motion to approve moving forward with the AT&T and XO Communications cable relocation. The motion was seconded by Darrell Drumwright and after discussion was approved unanimously by the Authority.

Next, Charles Robert Bone discussed workers compensation coverage for Convention Center Authority employees.

ACTION: Leo Waters made a motion to authorize Willis to find and purchase workers compensation coverage for the Convention Center Authority employees and to give Chairman Dickens the ability to sign on behalf of the Authority. The motion was seconded by Vonda McDaniel and approved unanimously by the Authority.

Mr. Bone then provided an update on the Rocket Town property.

ACTION: Leo Waters made a motion to approve a Memorandum of Understanding with MDHA that memorializes the Convention Center Authority's obligation to purchase the Rocket Town property in the future and to give Chairman Dickens the ability to sign the MOU on behalf of the Authority. The motion was seconded by Ken Levitan and approved unanimously by the Authority.

Charles Robert Bone then shared details about the convention center site which MDHA currently owns and stated that a temporary lease agreement needed to be signed between the CCA and MDHA.

ACTION: Leo Waters made a motion to approve the lease agreement between MDHA and the CCA memorializing the Convention Center Authority's right to be on MDHA's property for construction activities and to give Chairman Dickens the ability to sign the short form lease agreement on behalf of the Authority. The motion was seconded by Willie McDonald and approved unanimously by the Authority.

Next, Mr. Bone discussed the Bridgestone Arena tunnel property and an easement needed between the Sports Authority and Convention Center Authority.

ACTION: Leo Waters made a motion to approve the temporary easement between the Convention Center Authority and the Sports Authority to allow access to the Bridgestone Arena tunnel during construction and for the CCA to file a permanent easement later. The motion was seconded by Ken Levitan and approved unanimously by the Authority.

Larry Atema was asked to give an update on hiring for project positions. He discussed the recommended salary ranges and contract for employees and how the payroll and benefits would be handled. (Attachment #3, #4, and #5) There was discussion.

ACTION: Ken Levitan made a motion to amend the employee contract language stating the employer can terminate employment with 15 days notice, but the employee must give 45 days notice, and to clarify the termination with cause language. The motion was seconded by Willie McDonald and after discussion was approved unanimously by the Authority.

ACTION: Mark Arnold made a motion to approve the salary ranges and give Chairman Dickens the ability to sign the Memorandum of Understanding with Metro for the Authority to reimburse Metro for the administration of salaries and benefits of the CCA employees and for the Senior Project Manager to enter into these contracts on behalf of the Authority reflecting the positions and salary ranges that have been approved. The motion was seconded by Ken Levitan and approved unanimously by the Authority.

Charles Starks was then asked to report on the hotel tax and Music City Center tax collections through December 2009. Rich Riebeling shared information on the contracted

vehicle tax and a new system to ensure collection with the cost being shared between the City/Convention Center Authority and the Airport Authority. There was discussion about the collection of the various taxes.

With no additional business a motion was made to adjourn, with no objection the CCA adjourned at 9:56 a.m.

Respectfully submitted,

Charles L. Starks
Executive Director
Nashville Convention Center

Approved:

Marty Dickens, Chairman
CCA 9th Meeting Minutes
Of March 4, 2010

MINUTES OF THE SPECIAL SUBCOMMITTEE MEETING OF THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY

A special subcommittee meeting of the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County (CCA) was held on February 11, 2010 at 8:00 a.m., in Room 211 at the Nashville Convention Center, Nashville, Tennessee.

AUTHORITY COMMITTEE MEMBERS PRESENT: Marty Dickens, Vonda McDaniel, Willie McDonald, Mona Lisa Warren, and Leo Waters

AUTHORITY COMMITTEE MEMBERS NOT PRESENT:

OTHERS PRESENT: Rich Riebeling, Larry Atema, Charles Starks, Barbara Solari, Charles Robert Bone, and Peter Heindenreich

The meeting to discuss contract amendments for Bone McAllester Norton, PLLC and Commonwealth Development Group, Inc. was opened for business by Chairman Marty Dickens who stated that a quorum was present. Mr. Dickens then asked Rich Riebeling, Metro Finance Director, to begin the discussion on the amendments.

Mr. Riebeling began by reviewing the Bone McAllester Norton contract original terms and then discussed the amended contract that was presented to the full Authority at the February 4, 2010 meeting. There was discussion.

ACTION: Leo Waters made a motion that after reviewing the amended contract for legal services the committee upholds the prior decision of the Convention Center Authority to go forward on it. The motion was seconded by Willie McDonald and approved unanimously by the committee.

Next Mr. Riebeling began discussion regarding the Commonwealth Development Group contract original terms and then discussed the amended contract that was presented to the full Authority at the February 4, 2010 meeting. There was discussion.

ACTION: Willie McDonald made a motion that after reviewing the amended contract for Commonwealth Development Group, Inc. the committee upholds the prior decision of the Convention Center Authority to go forward with it. The motion was seconded by Vonda McDaniel and after discussion was approved unanimously by the committee.

Charles Robert Bone clarified that the amendments would be effective after the formal assignments from MDHA (Bone McAllester Norton) and from Metro (Commonwealth Development Group) were completed.

With no additional business a motion was made to adjourn, with no objection the CCA committee adjourned at 8:30 a.m.

Respectfully submitted,

Charles L. Starks
Executive Director
Nashville Convention Center

Approved:

Marty Dickens, Chairman
CCA Special Subcommittee Meeting Minutes
Of February 11, 2010

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.*

Music City Center

Recommended Project Insurance Program

March 4, 2010

1. **Builders Risk**

Description: Provides property coverage while the building is under construction, and includes loss of profit due to a covered loss.

Structure:

Limits

$415,000,000	Hard Costs
$100,000,000	Flood/Earthquake
$50,000,000	Soft Costs (loss of profit, extra expense)

Deductibles

$25,000	Basic deductible
$100,000	Flood/Earthquake

Cost

$845,000	(Project term, includes fees)

Insurer: Travelers (AM Best Rating: A+)

Willis

2. **Owner Controlled Insurance Program (OCIP)**

Description: Owner provides certain insurance coverages for the project participants. Bell/Clark/Harmony and subs required contractually to remove their costs for the provided coverages from their bid prices.

Structure:

Cost:

Estimated cost of insurance for Bell/Clark/Harmony and subcontractors: $11,660,000

OCIP cost (varies based on losses):

	Projected	*Worst Case*
	$5,200,000	$7,353,000

Estimated savings

	Projected	*Worst Case*
Contractor Cost	$11,660,000	$11,660,000
OCIP cost	-$5,200,000	-$7,353,000
Savings	$6,460,000	$4,307,000

Insurer: Hartford (AM Best Rating: A)

Willis

Utility Relocation

- AT&T – relocate telephone service line existing in footprint of MCC to the south of project (Cost estimate: $210,000-$225,000)
- XO Communications – relocate existing overhead fiber optic lines underground (Cost estimate: $240,000)
  - Currently at Demonbreun from 5th to 8th
  - 6th Avenue from Demonbreun to Franklin
- Line item for offsite utilities

Legal Update

- Rocket Town
- MDHA Lease Agreement

Hotel Tax Collection

As of December 31, 2009

	5% Tax FY 08-09	5% Tax FY 09-10	5% Tax % Change	Additional MCC Taxes FY 08-09	Additional MCC Taxes FY 09-10	Additional MCC Tax % Change
July	$2,257,815	$1,850,177	-18.05%	$1,475,132	$1,303,610	-11.63%
August	$2,091,987	$1,709,551	-18.28%	$1,390,454	$1,206,205	-13.25%
September	$1,807,532	$1,767,539	-2.21%	$1,181,727	$1,208,328	2.25%
October	$2,426,977	$2,155,206	-11.20%	$1,483,607	$1,399,769	-5.65%
November	$2,032,881	$1,826,391	-10.16%	$1,249,352	$1,202,153	-3.78%
December	$1,839,033	$1,768,126	-3.86%	$1,154,837	$1,172,019	1.49%
January	$1,510,652			$1,020,915		
February	$1,777,679			$1,141,318		
March	$1,833,711			$1,195,980		
April	$1,882,543			$1,258,976		
May	$1,835,817			$1,228,475		
June	$2,109,245			$1,374,112		
YTD Total	$12,456,225	$11,076,991	-11.07%	$7,935,109	$7,492,084	-5.58%

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

Music City Center Tax Collection

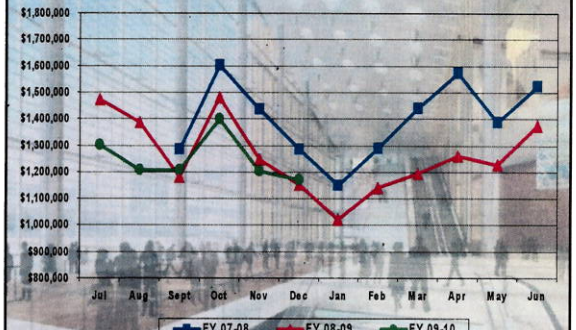
December 2008 vs. 2009

	2008	2009	Variance
1% Occupancy Tax	$367,807	$353,625	-3.86%
$2 Room Tax	$684,445	$720,644	5.29%
Contracted Vehicle	$26,730	$24,425	-8.62%
Rental Vehicle	$75,856	$73,325	-3.34%
Total December	$1,154,838	$1,172,019	1.49%

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

MCC Tax Collection

As of December 31, 2009



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CONVENTION CENTER AUTHORITY

CONTRACT PROJECT MANAGEMENT GROUP POSITIONS AND COMPENSATION RANGES

POSITION	ANNUAL RANGE	
	Low	**High**
1. Administrative Assistant I	$ 30,000	$ 42,500
2. Administrative Assistant II	$ 35,000	$ 47,500
3. Project Technician/Inspector	$ 35,000	$ 47,500
4. Project Manager I (QA/QC)	$ 60,000	$ 80,000
5. Manager, Public Information & Community Affairs	$ 62,500	$ 82,500
6. Supervisor, Accounting & Contracts	$ 65,000	$ 85,000
7. Manager, Development Analysis & Special Projects	$ 65,000	$ 85,000
8. Project Manager II	$ 80,000	$100,000
9. Manager, Diversity Business Enterprises	$ 90,000	$110,000
10. Manager, Budget, Finance & Administration	$ 95,000	$115,000
11. Project Manager III	$100,000	$120,000
12. Manager, Design, Engineering & Construction	$110,000	$130,000
13. Project Manager IV	$120,000	$140,000

CONVENTION CENTER AUTHORITY

PERSONAL SERVICES CONTRACT SUMMARY

- One (1) year contract term
- May be cancelled:
  - For cause – by Authority
  - With 15 days notice – by either party
- Reimburse contractor's reasonable cell phone charges, not to exceed $100.00 per month
- Authority to reimburse approved travel expenses, including mileage at a rate to be determined by Metro travel policy, and other reasonable documented expenses
- 10 paid holidays – same holidays observed as Metro employees
- Vacation time – new contractors – 10 days; others shall vary based on previous project/MDHA service
- Sick time – Eight (8) hours per month with pay. If time is not used, it may be converted to vacation time, not to exceed 24 hours per contract/one (1) year period. Sick pay for others shall be based on previous project/MDHA service.
- Under a MOU (being drafted), Metro will:

  a. Be responsible for withholding federal income taxes, matching Social Security and Medicare taxes
  b. Allow access for contractor to Metro's medical, dental, and vision benefits
  c. Authority will reimburse Metro for cost and administration of the above items (a & b)

- Contract shall include conflict of interest provisions

NOTE: Upon approval of Personal Services Contract form and Compensation Ranges, Senior Project Manager is authorized to execute, on behalf of the Authority, said contracts/documents, provided compensation falls within the range(s).

THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY CONTRACT FOR PERSONAL SERVICES

THIS CONTRACT is entered into this ___ day of _____, 2010 by and between the Convention Center Authority of The Metropolitan Government of Nashville and Davidson County (the "Authority"), and an individual, _____ (the "Contractor").

WITNESSETH:

WHEREAS, the Authority is developing and constructing a new convention center (the "Convention Center Project")

WHEREAS, the Authority believes that the services of the Contractor will be of benefit to the Authority and the Convention Center Project and desires to assure itself of the continued availability of such services;

WHEREAS, the Contractor desires to accept employment with Authority on the terms and subject to the conditions hereinafter stated;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

SECTION I – SCOPE OF SERVICES

The Contractor shall work with the Authority and shall report to the Senior Project Manager for the Convention Center Project or to such other person or persons as the Authority may designate from time to time. The services provided by the Contractor shall be in the nature of and include, but are not limited to, the following, which may be designated by the Authority from time to time:

- *(Insert scope of work here)*

A valid Tennessee's driver's license is required to perform the duties in this contract. Further, the Contractor shall diligently and conscientiously devote his/her full business time and attention and best efforts during normal business hours (giving due consideration to vacation time, sick leave and other reasonable personal time off) in discharging his/her duties hereunder.

SECTION II – TIME OF PERFORMANCE

a. The services of the Contractor are to commence on the _____ day of _____, 2010, and shall continue for one year or until the contract is terminated by either party in accordance with Section II (b).

b. This contract can be terminated by the Contractor or by the Authority upon fifteen (15) days written notice to the other party. This contract may be terminated

immediately by the Authority if it determines, in its sole discretion, that the services of the Contractor should be terminated.

c. The Contractor's regular work week is _____hours per week. This is an exempt position.

SECTION III – COMPENSATION AND METHOD OF PAYMENT

The Contractor's compensation shall consist of a base salary of _____ and No/100 Dollars ($____,000.00). The salary shall be paid in accordance with the normal payroll practices of the Metropolitan Government of Nashville and Davidson County ("Metro"), which is providing certain administrative services, including payroll processing, to the Authority.

SECTION IV – CONTRACTOR BENEFITS

a. Metro shall be responsible for withholding federal income taxes and for withholding and matching Social Security and Medicare payments.

b. Reimbursement for travel expenses, including mileage, will be at the rates allowed in the Metro travel policy.

c. Contractor shall be allowed to access the medical, dental and vision benefits available to Metro employees, in accordance with the terms and conditions of such benefits and plans applicable to employees of Metro.

d. The Authority will reimburse the Contractor his/her reasonable cell phone charges in an amount not to exceed $100.00 per month.

e. The Authority shall reimburse Contractor for all reasonable and necessary out-of-pocket expenses incurred in carrying out his/her duties under this agreement, including parking, in accordance with the Authority's policies or as otherwise approved by the authorized officer of the Authority. Contractor shall present to the Authority from time to time receipts and an itemized account of such expenses in any form reasonably required by the Authority in order to be reimbursed.

f. Contractor shall be entitled to the 10 paid holidays available to Metro employees.

g. Contractor shall be entitled to vacation time of _____ (___) days with pay during each employment year, to be earned one day per calendar month and to be taken at times convenient to the Authority. At the end of this contract period, Contractor will be entitled to be paid for any remaining vacation days not taken.

h. Contractor shall be entitled to sick time of (8) hours per month with pay. Sick time does not expire, and up to 24 hours of sick time can be converted to vacation time at the end of this contract period.

i. For Contractors with previous contracts with the Metropolitan Development Housing Agency ("MDHA"), any remaining vacation and sick leave balances as verified by MDHA, will be carried forward and can be taken during this contact period at times convenient to the Authority.

j. Should the Contractor be required to work excess hours for an extended period of time, and only if approved in advance by the Senior Project Manager, the Contractor may be given compensatory time in an amount determined by the Authority or its designee to partially offset any excessive hours worked. Any compensatory time will be used prior to vacation time.

SECTION V – CONFLICTS OF INTEREST

The Contractor covenants that he/she presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this agreement. Further, the Contractor agrees that he/she will adhere to the general ethical standards adopted by the Authority for employees from time to time.

When Contractor ceases to be employed by the Authority, Contractor promptly shall deliver to the Authority all documents, memoranda, diskettes or other electronic or magnetic media, records, notes, and other materials in his possession, whether prepared by him/her or others, and all copies thereof, that contain any proprietary information concerning the Convention Center Project, and Contractor shall have no further right to therein.

The Contractor acknowledges that he/she is not considered to be an employee of the Metropolitan Government of Nashville and Davidson County and is not entitled to any benefits available to members of the Metropolitan Employee Benefit System.

IN WITNESS WHEREOF, the Authority and the Contractor have executed this agreement as of the date written above.

THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

_____

CONTRACTOR

_____