

Blue Ribbon Commission

Minutes

January 27, 2020 4:00 PM
Historic Metropolitan Courthouse
One Public Square Suite 205
Committee Room 2 Nashville, TN 37201

Members Present: VM Jim Shulman, CM Bob Mendes, CM Gloria Hausser, Chair Dave Goetz, Gracie Porter, Emily Evans, Margaret Darby, and Tracy Kane. Attending on behalf of Mayor Cooper: Kristin Wilson. Attending for Finance Dept.: Talia Lomax-O'dneal.

Members Absent:, DJ Wootson, Patrick Green and Brad Rayson

Per the published Agenda:

1. Call to Order, Notice of Appeal Rights
The meeting was called to order by Chair Goetz at 4:00PM CST. The Chair notified the public of their appeal rights.
2. Approval of Minutes from January 13, 2020
Draft minutes were unanimously approved without amendment.
3. Tourism Analysis and Discussion
 - a. Several different documents had been provided to Commission members and posted on the site for the public. These contained different sets of information on tourism in Nashville, its growth and revenue sources.
 - b. Emily Evans presented a compilation of this and other material she had gathered and analyzed. This compilation is also posted on the site. It provides more detail on the authorizations and uses of the eight different revenue sources, some of which are used in other cities and counties, and some of which are more specific to Nashville. A full discussion of the material was had. For detail beyond this summary please see the recording of the meeting at <https://www.youtube.com/playlist?list=PLAAE32390485B37DB>.
 - c. CM Mendes requested that the chart based on Metro accounts be simplified and graphically represented based upon the tax and what it supports so that it can better present the funding for tourism for public consumption. There was discussion of the use of local and state sales taxes derived from the Tourism Development Zone. CM Mendes noted that if the TDZ were eliminated, while Metro would keep the local sales tax component, the state portion would revert to the state. He stated concern this would cost Metro funds currently used for debt service.
 - d. Evans discussed the bond issues for the Music City Center. There were three different sets of bonds issued, \$51M, \$152M and \$419M respectively. The agreement with the Omni Hotel also contains a 20-year property tax abatement of the non-school portion, a \$25M TIF loan and incentive payments of \$12M to \$15M through 2032. Evans presented three alternatives to address how to restructure the debt and free up some portion of the revenues currently dedicated to paying debt service and the Omni. One would be to continue relying on intergovernmental agreements where funds are transferred by the

MCC and others to the general fund. Second would be to seek changes in the underlying state law to free up the funds that now are in excess of the debt service requirement. Third was to refinance the debt. The two larger bond issues require that if the bonds were called prior to maturing, bondholders would receive the same amount as if the bonds were held to maturity. Both this requirement and the Omni agreement were approved during a difficult economy and were considered necessary to secure the funding. Funding sources were also dedicated to debt service for the same reason, as it was not clear that Nashville's tourism industry would be successful. It was agreed there would need to be a financial analysis to see what changes might be feasible. CM Mendes restated his concern of forgoing the revenues currently used for debt service. VM Shulman expressed concern over understanding what would happen to revenues in an economic downturn or loss of tourism volume. Mendes expressed the need to better understand what the capital needs of the MCC will be going forward to maintain and potentially expand the MCC to remain competitive with other cities. Commission members thanked Evans for her work and how this will help build public understanding.

4. Review of recommendations to BRC

Given the time spent on the prior discussion, review of the draft list of prioritized recommendations was deferred.

5. Adjourn

There being no other business, the Commission adjourned at 5:15 PM.