

**Metro Tourism Commission Meeting
February 9, 2023
Meeting Minutes**

Sherry Franklin called the meeting to order at 8:33 a.m. and conducted roll call:

Commissioners:

Britney Chandler – present
Sherry Franklin– present
Neely Glenn – present
Mark Hayes – present
Howard Kittell – present
Leesa LeClaire – present
Hank Adam Locklin – present
Shannon Sanders -- present
Q Taylor – not present

Other staff in attendance:

Metro Staff:

Ben Eagles – Mayor’s office
Courtney Mohan- Metro Legal
Ann Mikkelsen – Metro Legal
Metro IT representatives

NCVC Staff: Andrea Arnold, Deana Ivey, Bruce McGregor, Jeff Mefford, Adrienne Siemers, Brad Lineberry

Sherry Franklin congratulates Deana Ivey on announcement of promotion to CEO of the Nashville Convention & Visitors Corp as of July 1.

Franklin asked for a motion to approve minutes from previous meeting; Shannon Sanders made the motion; Leesa LeClaire seconded; no discussion; motion passed unanimously.

Franklin called on Jeff Mefford, CFO of the Nashville Convention & Visitors Corp, for a financial report. Highlights of Mefford’s report included:

- Hotel Occupancy Tax Collections received through November 2022 collected by Metro which are dedicated by law for Tourism Promotion have totaled \$18,663,401, an increase of 27 percent from the same time period from the previous year.
- NCVC contract is a reimbursement only contract. The total billed to the city through December \$15,318,061 to cover actual tourism promotion expenses. Hotel Occupancy Taxes collected go directly to Metro. All funds collected above

this contract reimbursement total remain with Metro for future Tourism Promotion use.

- Expenses for the first six months have totaled \$21,085,790, 72 percent of which this amount was funded through the NCVC's contract.
- All expenses are in line with or lower than budget projections with one exception, the new Visitor Information Center at the Nashville Airport. The shop was budgeted for FY 24. The timeline shortened at the request of the airport, putting expense in FY 23. There is available funding for the project, but will cause the expenses in the report to exceed original budget.
- The annual external CPA audit of the NCVC's FY 22 financial statements are complete. No adjustments were made and the NCVC received a clean opinion from the auditors. Final report has been provided to Metro Finance as required by the NCVC's contract.

LeClaire made a motion to accept the financial report; Neely Glenn seconded; no discussion; motion passed unanimously.

Franklin asked Deana Ivey, President of the NCVC, for a sales and marketing report. Highlights included:

New Year's Eve Event:

- NCVC manages event for the city
- CBS produced the event as a five-hour live national broadcast
- Economic results:
 - Generated \$38 million in direct visitor spending – 27 percent increase over previous year's record-breaking performance
 - 32,996 hotel rooms sold - 13 percent increase over last year
 - Occupancy rate for city was 85%
- Charitable components:
 - Donated furniture from Ashley Lounge to Nashville Rescue Mission and Nashville State Community College
 - Care Kitchen Outreach – recovered 2,657 pounds of prepared food to give to non-profit partners throughout city
 - Second Harvest Food Bank of Middle TN – solicited online donations prior to the event, which provided 3,300 meals for those who are food insecure in city and received \$1 of each event t-shirt sold

Dine Nashville:

- Second year of promotion aimed to showcase Nashville's dining scene during month of February
- Producing 13 chef collaboration events

- Hosting traditional restaurant week, the last week of the month – over 40 restaurants participating with deals and discounts
- Care Kitchen Outreach will serve as charitable component

James Beard Award Nomination Event:

- First time event held in Nashville
- Highlights Nashville's dining scene to national and trade media in town covering event

International press tour:

- Planning press tour focused on Nashville's neighborhoods
- Four journalists participating: 3 from London, 1 from Dublin – representing The Sun, Irish Daily News, Luxury Lifestyle Magazine, Citizen Feeme and more.

Music City Shop at Airport

- New shop at airport to sell Nashville merchandise; initial sales are strong; included as part of the overall Nashville Airport Grand Lobby opening announcement with other noted Nashville brands such as Parnassus Books and Country Music Hall of Fame.

Sales Highlights

- Sales team finished 119 percent of quarterly room night goal - 39 percent ahead of pace from same timeframe last year; organization on pace to hit all sales goals for the year
- Planning sales mission trips to key markets of Phoenix and Denver to increase convention business
- Attended PCMA annual convention in January - hosted event for more 250 key meeting planners that have interest in booking conventions in Nashville
- Attended American Bus Association annual convention to promote city to group tour clients
- Hosted Smart Flyer Corp, a group of 250 luxury tour planners meeting at the Four Seasons; first time this group has met in Nashville; planned event for attendees to be escorted by TSU Band to Country Music Hall of Fame

Research Highlights

2022 Hotel Results - Year Over Year Comparison

- Occupancy increased 20.9% 2021
- Average Daily Rate increased 24.7% - rate peaked in October at \$222

- Hotel supply increased by 5.4%
- Demand/Rooms sold increased 27%
- Hotel Room Revenue increased 58.9%
- Broke record for most hotel rooms sold in a year at 9.5 million room nights

90 Day Outlook

- Hotel Occupancy for rooms booked is 6% higher than same time period last year
- Weekday occupancy for next 90 days is 31%, which is 8% higher than same time period last year
- Weekend occupancy for next 90 days is 37%, which is 2% higher than same time period last year

Future Pace

- Economic forecasts point to multiple factors impacting growth, including continued recovery from the pandemic, inflation, global recession, and strength of the US dollar
- Recovery is occurring, but at a slower rate than anticipated, and larger markets are recovering faster
- Forecast for international visitation demonstrates that it is still recovering – for 2023, it is down 16.8% compared to 2019, but also shows strong signs of growth
- Economic forecasts predict this market segment to fully recover and show signs of significant growth by 2024, with a predicted increase of 9% over 2019
- Top markets for international travel to Nashville are: Canada, UK, Australia, Japan and Germany

New Year's Eve Event Data

- Attendance was 210,000, with 46% of attendees from Nashville
- Rooms sold - 33,000 rooms - increase of 13% from the previous year
- Occupancy - 84.7%
- Average daily rate was \$275.49
- Davidson County collected approximately \$9 million in room revenue

Franklin asked for other business.

Marie Sueing commented that the Tennessee State University band received two GRAMMYs and is the only collegiate band to receive such an honor.

Franklin announced the next meeting for May 11 at 8:30 a.m.

With no other business, the meeting adjourn at 9:05

Minutes approved – 5/11/2023