

Metro Tourism & Convention Commission

Metropolitan Government of Nashville & Davidson County

Meeting Minutes | May 9, 2024

Leesa LeClaire called the meeting to order at 8:30am and begins with roll call.

Commissioners Present:

- Leesa LeClaire, Vice Chair
- Britney Chandler
- Mark Hayes
- Howard Kittell
- Hank Locklin
- Rob Higgins
- Q Taylor

Metro Staff:

- Courtney Mohan, Legal Counsel
- Jamari Brown, Mayor's Office
- Metro IT Representatives

NCVC Staff:

- Deana Ivey
- Andrea Arnold
- Adrienne Siemers
- Marie Sueing
- Heather Middleton
- Bruce McGregor
- Brady Cannon
- Brad Lineberry

Following roll call, Leesa LeClaire opens the public comment period. With no one from the public attending, the meeting moves onto the rest of the agenda. LeClaire requests approval for the minutes from the February meeting.

Hank Locklin motions to approve the minutes from February 2024 meeting; seconded by Mark Hayes, motion passes.

LeClaire asks Jeff Mefford to provide the financial report. See the highlights from his report below.

Financial Report:

- The financial report covered the nine months ending March 31st, with Metro reporting hotel tax collections through February amounting to \$96,757,000. Of this, \$28 million is allocated to tourism promotion.

- The city's financial performance is strong, with the CVC's expenses totaling nearly \$31 million for the nine months.
- A notable point in the report highlighted spending under the "International Programs" category, which appeared under budget due to funds earmarked for a new direct international flight at the airport.
- A question was raised regarding hospitality training, with a budget of \$75,000, of which only \$62 has been spent. It was clarified that most costs are incurred in the fourth quarter.
- A motion to approve the financial statement was made by Mark Hayes, seconded by Rob Higgins, and approved unanimously.

Mark Hayes motions to approve the minutes the financial report; seconded by Rob Higgins, motion passes.

LeClaire asks Deana Ivey to share the President's report. See below the highlights from her report.

President's Report:

- **Premier League Event:** Successfully hosted the Premier League Morning's Live, achieving the highest attendance of any event they've hosted across the country with 15,000 attendees. The event was broadcast globally, providing significant exposure for Nashville.
- **Predators Watch Parties:** Despite the team's early exit, the watch parties were well-attended, continuing Nashville's tradition of engaging hockey fans.
- **Safety Campaign:** A proactive campaign titled "Push Pause When You Play Nashville" was launched to promote safety in the entertainment district. The campaign has received positive feedback and support from Metro PD and the Mayor's office.
- **July 4th Event:** Plans for the upcoming July 4th event were discussed, with a diverse lineup of artists and a partnership with the PENCIL program for charitable contributions.
- **Safe Bar Program:** Continued promotion of the Safe Bar program has led to 18 bars being certified, with 8 more in the process.

LeClaire asks Adrienne Siemers and Marie Sueing for an update on the sales and multicultural report. See the highlights from their reports below.

Sales and Multicultural Reports:

- **Convention and Tourism Sales:**
 - The sales team is on track to meet assigned goals, with ongoing success in booking room nights and promoting during 'need' months. This effort resulted in over 65,000 room nights since January.
 - The recent Atlanta Sales Blitz, featuring Cassidy Pope, was highlighted as a key event.
- **Multicultural:**
 - Plans for June, focusing on Black Music Month, Pride Month, and Juneteenth events were outlined.
 - Delta Sigma Theta sorority will be hosted in July, with an appeal for event information from local establishments to promote to attendees.

LeClaire asks Heather Middleton to provide a marketing update. See highlights from her report below.

Marketing Report:

- **James Beard Event:** Successful execution of the event in Manhattan with five sold-out sessions, featuring Nashville chefs and significant marketing reach.
- **Advertising and PR Efforts:** Continued focus on multiple platforms, with added emphasis on Canadian markets. Numerous journalists have been hosted recently, and a new website is currently in development.

LeClaire asks Bruce McGregor to share his research report with the commission. See highlights from his report below.

Research Report:

Introduction and Recap

The meeting commenced with a warm welcome to all attendees. The speaker expressed excitement about presenting the latest data and insights, particularly following a successful concert weekend. Last year, around the same time, record numbers were reported due to Taylor Swift's performance at Nissan Stadium. This year, Morgan Wallen's three-night concert at the same venue provided a similar boost, underscoring Nashville's strong position as a premier destination for large-scale events.

- **April 2024 Hotel Performance Overview:** The speaker provided a comprehensive review of Nashville's hotel performance for April 2024. The key points were as follows:
- **Rooms Sold:** A total of over 908,000 rooms were sold across the county, marking a modest year-over-year increase of approximately 1%.
- **Hotel Revenues:** Despite the slight uptick in rooms sold, hotel revenues for the month were \$196 million, reflecting a 2% decline from April 2023. This decrease was primarily due to a reduction in the Average Daily Rate (ADR), which dropped by 3% year-over-year.
- **Occupancy and Supply:** Monthly occupancy stood at 75%, down by a few percentage points from the previous year. This decline is attributed to a 3% increase in hotel room supply, which now totals 40,591 rooms county-wide.
- **Weekly Analysis:** A bar chart illustrated the weekly average number of rooms sold per night, revealing that two of the four weeks showed higher results compared to the same period last year.
- **Market Segmentation:** The speaker highlighted a pie chart breaking down room sales by segment—transient, group (10 or more rooms), and contracted. In April, 62% of rooms sold were transient, and 35% were group bookings. The mix was consistent with last April, though there was a 2% increase in transient room share, indicating a market shift. Transient demand decreased by 3%, while group demand surged by 8% year-over-year.

Downtown Nashville Performance Analysis

The report then zoomed in on downtown Nashville, specifically within a one-mile radius of the Music City Center:

- **Rooms in Operation:** Downtown Nashville currently has 13,475 hotel rooms in operation, reflecting a stronger demand growth of 4% year-over-year.
- **Occupancy and ADR:** Occupancy downtown increased by 1% to 84%, while the ADR decreased by 3.4% to \$305.
- **Revenues and Segmentation:** Hotel revenues remained flat compared to last year. The segmentation was similar to the county, with 60% transient and 38% group bookings. Transient demand slightly declined by 1.4%, but group demand showed a robust recovery with a 14% year-over-year increase.

Weekend Event Impact: May 3-4, 2024

The speaker celebrated a particularly busy weekend on May 3-4, highlighting the events that drove significant hotel occupancy:

- **Major Events:** The weekend saw Morgan Wallen performing three consecutive nights at Nissan Stadium, the Nashville Predators' playoff game, and multiple college graduations (Belmont, Lipscomb, Tennessee State, and Middle Tennessee State University).
- **Occupancy Rates:** County-wide occupancy rates were 94% on Friday and 92% on Saturday. Downtown occupancy was even higher, with 98% on Friday and 96% on Saturday.
- **Room Sales and Rates:** Over 75,000 rooms were sold across Friday and Saturday, surpassing the numbers from Taylor Swift's concert weekend. The ADR was \$322 county-wide and \$487 downtown.
- **Airport Activity:** The surge in visitors resulted in a record 43,474 departing passengers from Nashville Airport on Sunday, May 5, 2024. The airport anticipates a total of 24.5 million passengers for the year, a 7% increase from 2023.

Hotel Pacing for Upcoming Months

Looking ahead, the speaker shared insights from newly acquired data via TravelClick, which tracks occupancy pacing:

- **June 2024:** Overall, hotel bookings for June are pacing 4.3% higher than the previous year. A significant spike of 20% is expected during the CMA Fest (June 6-9). Zach Bryan's concert at Nissan Stadium on June 29 is also driving a 51% increase in pacing for that day.
- **July 2024:** However, July is pacing down by 30% compared to last year. The speaker noted that this is due to the timing of major events, with July 2023 having seen two nights of George Strait and Chris Stapleton.
- **August 2024:** Pacing for August looks more promising, particularly with Brad Paisley's concert on August 3, which is driving a 66% increase in bookings for that day. Overall, August pacing is up by 38.5%.

Strategic Marketing and Future Planning

The speaker emphasized the importance of this research in guiding strategic decisions. Given the pacing data, there is a clear need to bolster advertising efforts, particularly for July. The conversation then shifted to broader marketing and forecasting efforts, specifically focusing on the years 2026-2028.

Discussion and Questions

A question was raised about the integration of strategic partnerships with international travel and the promotion of areas beyond downtown Nashville. The speaker acknowledged the importance of these partnerships and the need to highlight diverse neighborhoods to attract a broader audience.

Conclusion

The meeting concluded with a reiteration of the importance of continuous data analysis and strategic planning to maintain Nashville's competitive edge as a top travel destination.

Next Steps

- Enhance marketing efforts for July 2024 to address the anticipated pricing shortfall.
- Continue fostering strategic partnerships to diversify and expand the appeal of Nashville beyond the downtown core.

LeClaire reminds the commission of the next meeting, which is scheduled for September 12 at 8:30am.

Hank Locklin motions to adjourn; seconded by Q Taylor, motion passes.