Music City Center Tourism Development Zone and the Joint Capital Tourism Board

October 1, 2026

Tennessee Comptroller of the Treasury

Outline

- History
- The TDZ, Tourism Revenues, The Success
- Public Chapter 1079
- Statutory Framework for Accumulated Excess Revenues and Annual Excess Revenues
- Next Steps



History

1998

- General Assembly passes the **Convention Center and Tourism Development Financing Act of 1998**.
- Allows for incremental state & local sales taxes from a TDZ to be apportioned to repay bonds issued for convention centers & related public-use facilities.

2009

- General Assembly passes the **Convention Center Authorities Act of 2009**.
- Authorizing cities, counties, and metro govts, by resolution, to create convention center authorities to plan, finance, construct, acquire, and develop convention center facilities and related public-use facilities.

2009

- Metro Nashville votes to create the **Convention Center Authority of the Metropolitan Government of Nashville and Davidson County** pursuant to new state legislation passed earlier that year.
- Created to oversee the development and operation of the Music City Center.

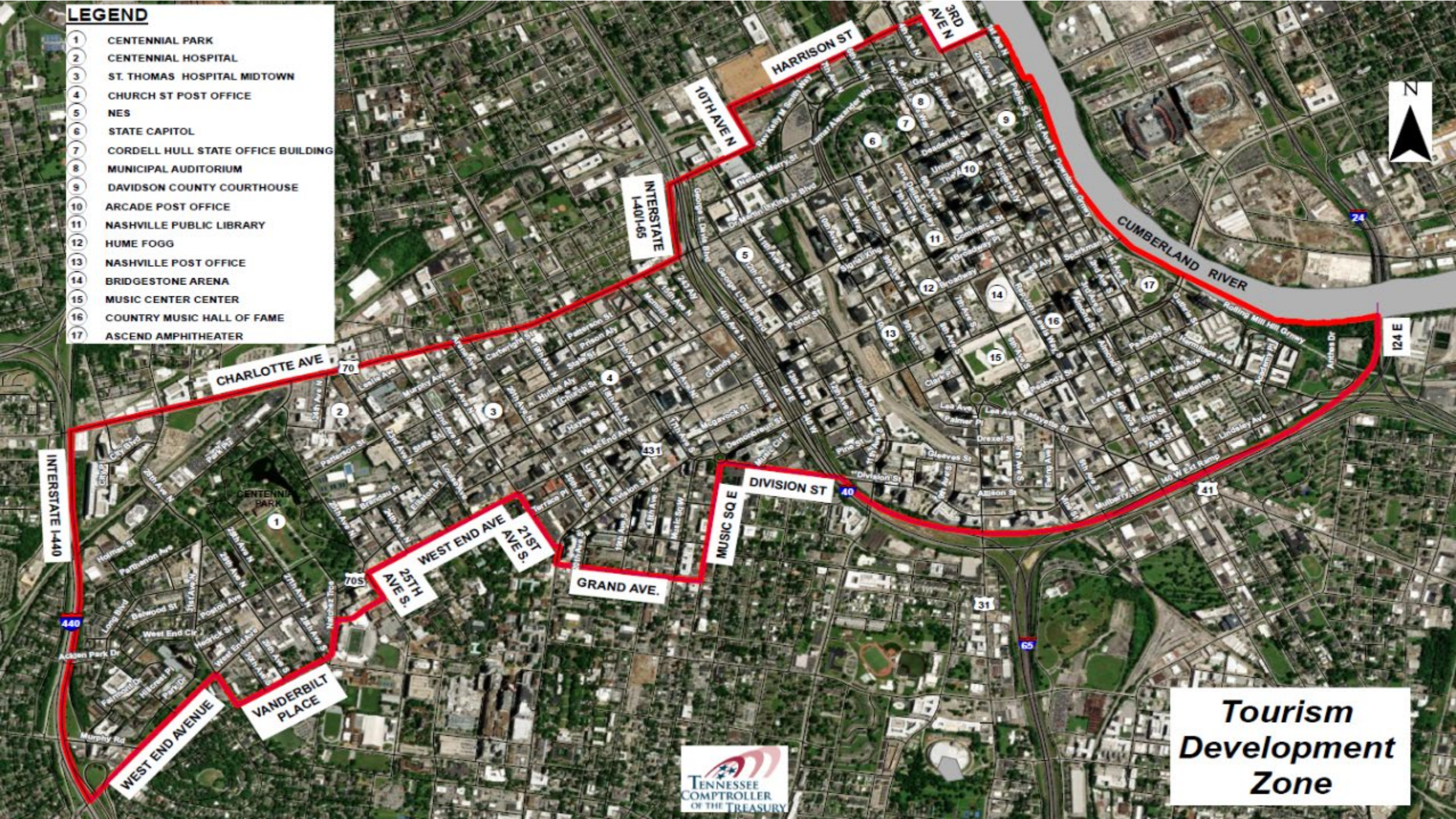
2009/2010

The Nashville CCA receives state approval to:

- Construct the **Music City Center**.
- Issue bonds to finance the construction.
- Receive incremental sales tax dollars and other tourism taxes to secure the repayment of the bonds.

What is the Tourism Development Zone (TDZ)? What is Incremental TDZ Revenue?

- The TDZ is the area around the Music City Center expected to benefit from tourism-driven economic growth.
- The incremental amount is the portion of state and local sales tax growth within the TDZ above the county growth rate. The growth rate is determined and applied annually by the Tennessee Department of Revenue.


LEGEND
1 CENTENNIAL PARK
2 CENTENNIAL HOSPITAL
3 ST. THOMAS HOSPITAL MIDTOWN
4 CHURCH ST POST OFFICE
5 NES
6 STATE CAPITOL
7 CORDELL HULL STATE OFFICE BUILDING
8 MUNICIPAL AUDITORIUM
9 DAVIDSON COUNTY COURTHOUSE
10 ARCADE POST OFFICE
11 NASHVILLE PUBLIC LIBRARY
12 HUME FOGG
13 NASHVILLE POST OFFICE
14 BRIDGESTONE ARENA
15 MUSIC CENTER CENTER
16 COUNTRY MUSIC HALL OF FAME
17 ASCEND AMPHITHEATER
HARRISON ST
3RD AVE N
10TH AVE N
INTERSTATE I-40/I-65
CUMBERLAND RIVER
I24 E
CHARLOTTE AVE
INTERSTATE I-440
WEST END AVE
25TH AVE S.
21ST AVE S.
VANDERBILT PLACE
GRAND AVE.
MUSIC SQ E
DIVISION ST
Tourism Development Zone
TENNESSEE COMPTROLLER OF THE TREASURY

Tourism Taxes Apportioned to the CCA:
Collected within the TDZ

1
State and Local
Incremental TDZ Sales & Use Taxes

2
State and Local Sales and Use Taxes Collected
on the premises of the MCC, Omni, and Renaissance
("Campus Taxes")

- Incremental TDZ sales and use taxes end 2042, when the 2026 bonds mature.
- Campus taxes end 2058, or when the convention center expansion bonds are repaid, whichever is sooner.
- PC 1079 expands and clarifies statutorily-allowed uses, but these tax dollars remain dedicated to repayment of CCA debt obligations.

Tourism Taxes Apportioned to the CCA:
Collected within Metro

3	4	5	6
3% Hotel Taxes 1/3 and 1/6 of 1% increases	1% Rental Car Tax	$2 Room Charge	$2 Airport Departure Tax

- Not limited to the TDZ
- No statutory end date
- PC 1079 expands and clarifies statutorily-allowed uses, including JCTB allocations.

The Success of Tourism in Nashville

- When the bonds were issued in 2010, America was still recovering from the 2008 financial crisis.
- In response to economic uncertainty, legislators and state officials established a broad TDZ footprint and restricted revenues from tourism taxes to secure bond repayment.
- As the economy strengthened and tourism increased, the Convention Center, Broadway, and tourism tax revenues thrived.
- Because the tax revenues were restricted, **excess revenues** accumulated over time into what PC 1079 refers to as **accumulated excess revenues**.

Public Chapter 1079
2026 Public Acts of Tennessee

- Creates the JCTB and defines roles and responsibilities.
- Gives the CCA a clear statutory revenue stream for an expansion of the MCC.
- Extends state and local TDZ and other tourism tax revenue streams to finance a planned MCC expansion.
- Expands and clarifies uses for (1) prior **accumulated excess revenues** and (2) future annual **excess revenues** from dedicated tourism revenue.



Accumulated Excess Revenues vs. Excess Revenues

Accumulated Excess Revenues	VS	Excess Revenues
Directs current use of prior reserves.		Directs current and future use of excess revenues.
Funds remain with the CCA.		Funds are distributed to the JCTB.
CCA approves allocation of funds subject to statutory limitations from PC 1079.		JCTB approves allocation of funds subject to statutory limitations from PC 1079.

Accumulated Excess Revenues:
Convention Center Authority

Roles & Responsibilities

- Retains funds until disbursement.
- Controls the disposition of accumulated excess revenues within statutory parameters.



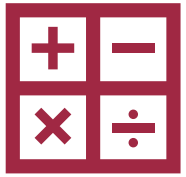
Accumulated Excess Revenues:
The Calculation

Equals:

Cash reserves accumulated through July 1, 2025.

Plus: Cash received for TDZ revenues earned during FY 2025.

Less: Statutorily-defined operating reserve (2 prior years of operating expenses).



Accumulated Excess Revenues:
Statutorily-Allowed Uses – PC 1079

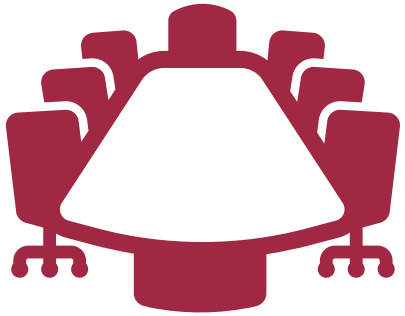
CCA must direct the use as provided in statute:

- Payment, prepayment, or defeasance of debt service or other contractual obligations of the CCA
- Capital investment in a convention center expansion approved by the State Building Commission (SBC), with land acquisition and other predevelopment costs allowed before SBC approval
- A transfer of up to $300 million to the East Bank Development Authority for the capital costs & debt service related to public infrastructure, including associated land acquisition
- Any other lawful costs related to the Music City Center or to a qualified associated development, if approved by the JCTB

Excess Revenues:
Joint Capital Tourism Board

Roles & Responsibilities

- May establish policies and procedures governing the administration and distribution of excess revenues of the Convention Center Authority.
- Directs the use of excess revenues among the purposes allowed by statute.



Excess Revenues:
JCTB Composition

9
Voting
Members

5
members
constitutes a
quorum

- Two members appointed by the Governor, one designated as Chair
- Two members appointed by the Speaker of the Senate
- Two members appointed by the Speaker of the House
- The Mayor of Nashville or designee
- The president of the Convention Center Authority
- The president of the Nashville Convention and Visitors Corp.

Excess Revenues:
Comptroller of the Treasury

Roles & Responsibilities

- Receives excess revenues from the CCA each year and retains them until disbursement.
- Disburses excess revenues solely at the direction of the JCTB.
- Publishes quarterly public reporting.

Excess Revenues:
Annual Process

Step 1

CCA audit is released.

Step 2

COT calculates excess revenues available to allocate.

Step 3

CCA disburses excess revenues to COT.

Step 4

JCTB directs the use of excess revenues to statutorily-allowed purposes.

Excess Revenues:
Annual Calculation

Total Revenues from CCA's most recent audit

Authorized Obligations of the CCA:

1. Cash expenses and debt service
2. Operating reserve replenishment
3. Up to $20 million to a restricted capital fund, increasing by 3% each year
4. $21 million to Metro for ongoing public safety funding in the TDZ, increasing by 3% each year

Excess Revenues distributed to the JCTB

Excess Revenues:
Statutorily-Allowed Uses - PC 1079

The JCTB directs the use as defined by statute:

First Priority

1. Limited to **significant tourism events**.
2. Annual amount is defined by state law.
3. JCTB consults with the Nashville Convention and Visitors Corp. for payment of costs related to significant tourism events.

Excess Revenues:
Statutorily-Allowed Uses - PC 1079

The JCTB directs the use as defined by statute:

Second Priority

1. State and local public safety, streetscape and public space cleanliness,
   a) for significant tourism events;
   b) within the TDZ
2. Capital improvements;
3. Debt service and operating expenses.
4. Capital city economic assistance;

Annual amounts are determined by JCTB.

Statutorily-Allowed Uses of Excess Revenues: Significant Tourism Events

- Sports, entertainment, arts, convention, and other events anticipated to attract significant out-of-state tourism
- Greater of:
  - $30 million, with a 3% annual growth rate; or
  - 40% of annual excess revenues






Statutorily-Allowed Uses of Excess Revenues: Public Safety Specific to Events

- State and local public safety, streetscapes and cleanliness related to **significant tourism events**
- Examples:
  - Clean-up or improvements after significant tourism events
  - Additional public safety support



Statutorily-Allowed Uses of Excess Revenues: Capital Improvements

- Capital improvements to the MCC and other facilities within the TDZ
- Requests brought by the MCC to the JCTB for consideration





Statutorily-Allowed Uses of Excess Revenues:
Public Safety within the TDZ

State and local public safety, streetscape, and cleanliness **in the TDZ**

- Public safety such as additional presence during times that are not considered significant tourism events
- Streetscape improvements such as landscaping and planters
- Cleanliness efforts such as additional public restrooms









Statutorily-Allowed Uses of Excess Revenues:
Debt Service & Operating Expenses

To address circumstances relating to operation of or debt service specific to the MCC or a qualified associated development.





Statutorily-Allowed Uses of Excess Revenues:
Capital City Economic Assistance

Economic assistance provided to eligible businesses or eligible commercial property owners, as determined by the JCTB, to be used to support operating expenses.





Capital City Economic Assistance:
Eligible Business

Defined in Tenn. Code Ann. § 7-89-112(n)(4)(D) as:

i. An establishment permanently operating in the restaurant, retail, hospitality, or entertainment sector that is physically located within the TDZ;

ii. Is registered for sales and use tax purposes with the department of revenue, and has a business license from the metropolitan government; and

iii. Has executed a long-term lease of a commercial property or owns the commercial property in which the establishment is operated.



Capital City Economic Assistance:
Eligible Commercial Property Owner

Defined in Tenn. Code Ann. § 7-89-112(n)(4)(E) as a person or entity that:

i. Owns a commercial property within the TDZ;

ii. Has executed a long-term lease with an eligible business for the commercial property; and

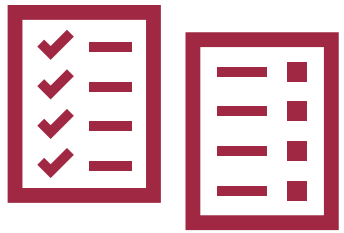
iii. Does not own, in whole or in part, and is not affiliated with, the eligible business that occupies the commercial property.



Capital City Economic Assistance:
Determining Allocations

PC 1079 establishes who is eligible and the permissible use of assistance but does not establish detailed criteria for prioritizing eligible applicants or determining amounts allocated.

The JCTB is responsible for determining the allocation of funds.



Looking Ahead and Next Steps

- JCTB may wish to set criteria for allocating excess revenues.
- JCTB approves guidelines, applications, request forms, as applicable, and application windows.
- CCA refunds its 2010 Bonds this fall – enabling application of PC 1079 defined uses of accumulated excess revenues and excess revenues.
- If approved by the JCTB staff publishes the application to apply for excess revenues.
- Board staff calculates excess revenues for JCTB acceptance after the issuance of the 2026 CCA audit, scheduled for December 2026.
- JCTB schedules meeting to direct the use of excess revenues.
- Comptroller's Office effectuates directions of JCTB.



Music City Center Tourism Development Zone and the Joint Capital Tourism Board

October 1, 2026

Tennessee Comptroller of the Treasury

The Tennessee Public Records Act & Tennessee Open Meetings Act

Rachel Buckley
General Counsel

TENNESSEE COMPTROLLER OF THE TREASURY

TENNESSEE COMPTROLLER OF THE TREASURY

Tennessee Open Meetings Act

"The general assembly hereby declares it to be the policy of this state that the formation of public policy and decisions is public business and shall not be conducted in secret." Tenn. Code Ann. § 8-44-101(a).

TENNESSEE COMPTROLLER OF THE TREASURY

Tenn. Code Ann. § 8-44-101, et seq.

- Construed broadly in favor of the public.
- Provides the right to notice, the right to attend, and the right to comment.
- Applies to all "meetings" of any "governing body."
- Public Chapter 1079 provides "… all [JCTB] meetings, including all votes of the board, must comply with the open meetings provisions compiled in title 8, chapter 44."

TENNESSEE COMPTROLLER OF THE TREASURY

What is a "meeting"?

- A "meeting" is defined as "the convening of a governing body of a public body to make a decision or to deliberate toward a decision on any matter."
- "Deliberation"- weighing arguments for or against a proposed course of action.

TENNESSEE COMPTROLLER OF THE TREASURY

Requirements

- Meeting must be open to the public. Beware of emails, text messages, and informal discussions!
- Adequate Public Notice
- Meeting Minutes
  - Record of persons present
  - All motions, proposals, and resolutions offered
  - The results of any votes taken
  - A record of individual votes in the event of roll call
- All votes by public vote- roll call if any members are attending by electronic means
- Agendas available 48 hours in advance
- Opportunity for public comment

TENNESSEE COMPTROLLER OF THE TREASURY

Public Comment Period

- "A governing body shall, for each public meeting, reserve a period for public comment to provide the public with the opportunity to comment on matters that are germane to the items on the agenda for the meeting." Tenn. Code Ann. § 8-44-112(a)(1).
- The governing body may establish reasonable restrictions for public comment.
  - Length of the comment period
  - Number of speakers
  - Length of time that each speaker is allowed to comment
  - Advance notice of desire to comment
- Must take all practicable steps to ensure opposing viewpoints are represented fairly.

TENNESSEE COMPTROLLER OF THE TREASURY

Executive Sessions

- LIMITED Exceptions! All votes must still be in public.
- Discussions between the JCTB and its attorney concerning pending litigation.
- PC 1079: Sessions conducted by the JCTB to discuss applications and supporting materials related to attracting or seeking to host significant tourism events must be closed to the public.
- PC 1079: Sessions conducted by the JCTB to discuss trade secrets and proprietary information of applicants for capital city economic assistance must be closed to the public.

TENNESSEE COMPTROLLER OF THE TREASURY

Proprietary Information

"'Proprietary information' means rating information, plans, or proposals; actuarial information; specifications for specific services provided; and any other similar commercial or financial information used in making or deliberating toward a decision by employees, agents or the board of directors of such association or corporation; and which if known to a person or entity outside the association or corporation would give such person or entity an advantage or an opportunity to gain an advantage over the association or corporation when providing or bidding to provide the same or similar services to local governments."

TENNESSEE COMPTROLLER OF THE TREASURY

Trade Secrets

"'Trade Secrets' means the whole or any portion or phrase of any scientific or technical information, design, process, procedure, formula or improvement which is secret and of value. The trier of fact may infer a trade secret to be secret when the owner thereof takes measures to prevent it from becoming available to persons other than those selected by the owner to have access thereto for limited purposes."

TENNESSEE COMPTROLLER OF THE TREASURY

Violation Consequences

- "Any action taken at a meeting in violation of this part shall be void and of no effect[.]" Tenn. Code Ann. § 8-44-105.
- Courts have broad jurisdiction to issue injunctions, impose penalties, and enforce TOMA "upon application of any citizen of this state."
- Court retains jurisdiction for one year after the court issues its final judgment and must order the governing body to report in writing semiannually its compliance with TOMA.
- Willful violation- reasonable costs to petitioners, including attorneys' fees.

TENNESSEE COMPTROLLER OF THE TREASURY

Tennessee Public Records Act

Symbol of Transparency

"Facilitating access to governmental records promotes public awareness and knowledge of governmental actions and encourages governmental officials and agencies to remain accountable to the citizens of Tennessee."

Schneider v. City of Jackson, 226 S.W.3d 332, 339 (Tenn. 2007).

Tenn. Code Ann. § 10-7-503

- "All state… records shall, at all times during business hours,… be open for personal inspection by any citizen of this state, and those in charge of the records shall not refuse such right of inspection to any citizen, unless otherwise provided by state law."
- Creates a presumption of openness! Records are open to Tennesseans unless state law provides otherwise.
- PC 1079: "… [A]ny records or information relating to or arising out of the [JCTB]'s operations are open for public inspection under title 10, chapter 7."

TENNESSEE COMPTROLLER OF THE TREASURY

What is a "public record"?

- Broad definition in Tenn. Code Ann. § 10-7-503(a)(1)(A)
- "All documents, papers, letters, maps, books, photographs, microfilms, electronic data processing files and output, films, sound recordings, or other material, regardless of physical form or characteristics, made or received pursuant to law or ordinance or in connection with the transaction of official business by any governmental entity."
- Does not include the device or equipment that was used to create or store the record.
- Determined by the substance of the record.

TENNESSEE COMPTROLLER OF THE TREASURY

POP QUIZ!!!

TENNESSEE COMPTROLLER OF THE TREASURY

"…unless otherwise provided by state law"

- PC 1079: "Applications and supporting materials related to attracting or seeking to host significant tourism events are confidential and not open for public inspection under title 10, chapter 7."
- PC 1079: "Any trade secrets and proprietary information regarding an applicant for capital city economic assistance are confidential and not subject to the open records law in title 10, chapter 7."
- "Information made confidential by state law shall be redacted whenever possible, and the redacted record shall be made available for inspection and copying." Tenn. Code Ann. § 10-7-503(a)(5).

TENNESSEE COMPTROLLER OF THE TREASURY

Requests for JCTB Records

- Typically will come through the Comptroller's Office.
- Comptroller's Public Records Request Coordinator or JCTB staff may contact you.
- Please be responsive- the TPRA gives us 7 business days to respond!

Violation Consequences

- Denial, could include a constructive denial (no response).
- Petition filed in court.
- Burden is on governmental entity to prove that denial was justified.
- Court could order access to records and may impose attorney's fees if it finds the denial was "willful."
- Tenn. Code Ann. § 10-7-505

TENNESSEE COMPTROLLER OF THE TREASURY

The Tennessee Public Records Act & Tennessee Open Meetings Act

Rachel Buckley
General Counsel

TENNESSEE COMPTROLLER OF THE TREASURY

TENNESSEE COMPTROLLER OF THE TREASURY