



Expansion Market Study

Music City Center — Nashville, TN

HVS Convention, Sports, & Entertainment

June 5, 2025

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Introduction & Scope Review

Introduction



Client & Relationship

The Convention Center Authority of the Metropolitan Government of Nashville and Davidson County hired HVS Convention, Sports & Entertainment.

Purpose of Assignment

Evaluate the strategic need and feasibility of expanding the Music City Center.

Phase 1 Scope

Assess MCC's current market position, provide expansion recommendations, and preliminary projections of expansion demand.

Next Steps

Site selection, concept planning and architectural design, development cost estimates, financial performance, and economic impact analysis

Scope Review



Phase 1 answers the questions “Should the MCC expand? If so, how?”



Site Visit & Fieldwork

- Stakeholder interviews
- Facility tour
- Interviews with management & operations staff



Market & Industry Benchmarking

- Assessed Nashville market conditions and national convention industry trends
- Benchmarked MCC against 15 peer venues



Historical Performance

- Analyzed historical event and lost business data
- Identified function space usage and constraints



User Perspective & Input

- Interviewed MCC’s Customer Advisory Board
- Surveyed current and prospective event planners

Benchmarking

Name	Location
Orange County Convention Center	Orlando
Georgia World Congress Center	Atlanta
Ernest N. Morial Convention Center	New Orleans
Anaheim Convention Center	Anaheim
George R. Brown Convention Center	Houston
Colorado Convention Center	Denver
San Diego Convention Center	San Diego
Seattle Convention Center	Seattle
Indiana Convention Center	Indianapolis
Phoenix Convention Center	Phoenix
Henry B. Gonzalez Convention Center	San Antonio
Boston Convention & Exhibition Center	Boston
Greater Columbus Convention Center	Columbus
Broward County Convention Center	Fort Lauderdale
Austin Convention Center	Austin
Music City Center	Nashville

Competitive & Comparable Venue Set

Fifteen top-tier convention centers in competitive and comparable national markets

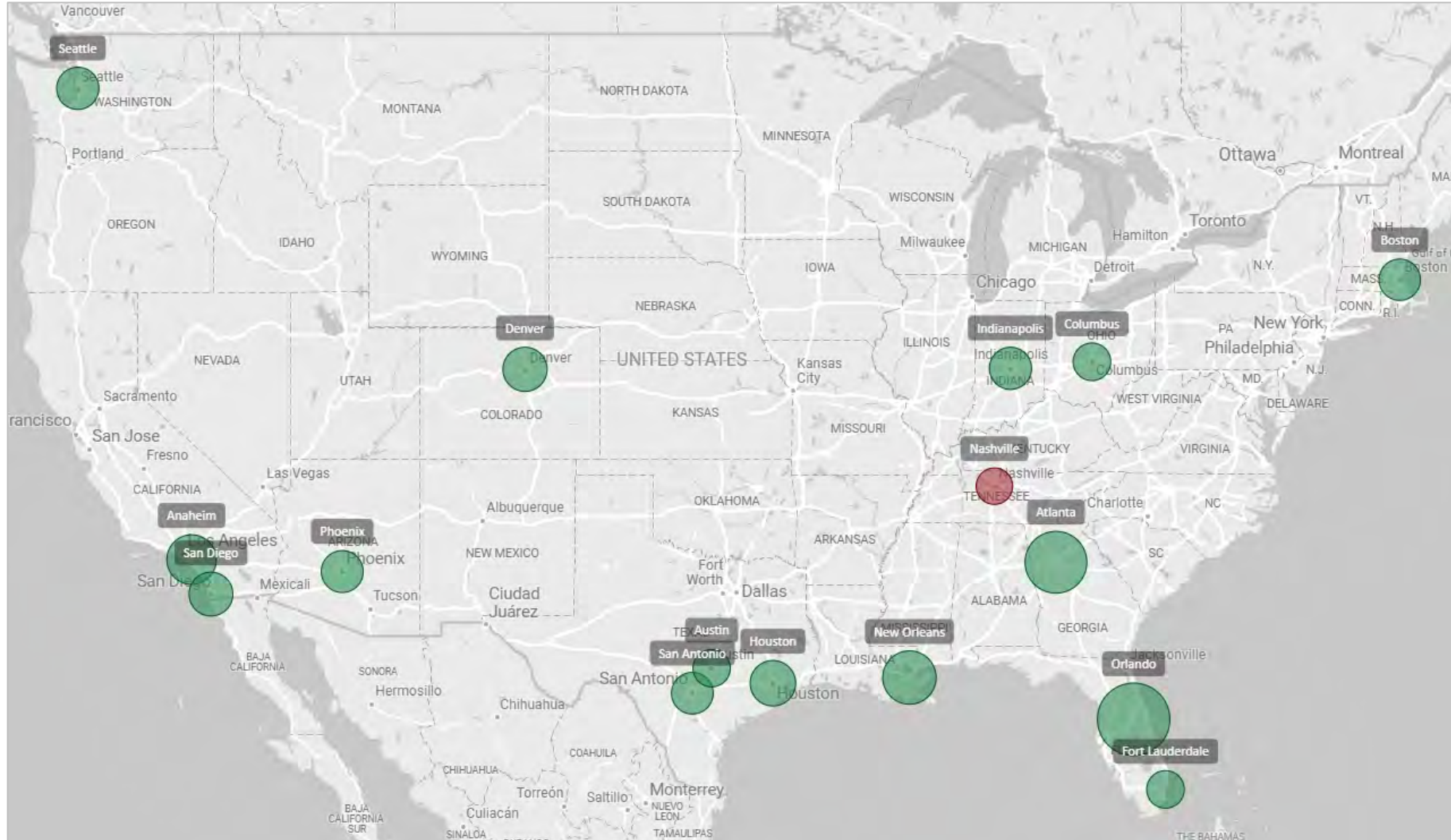
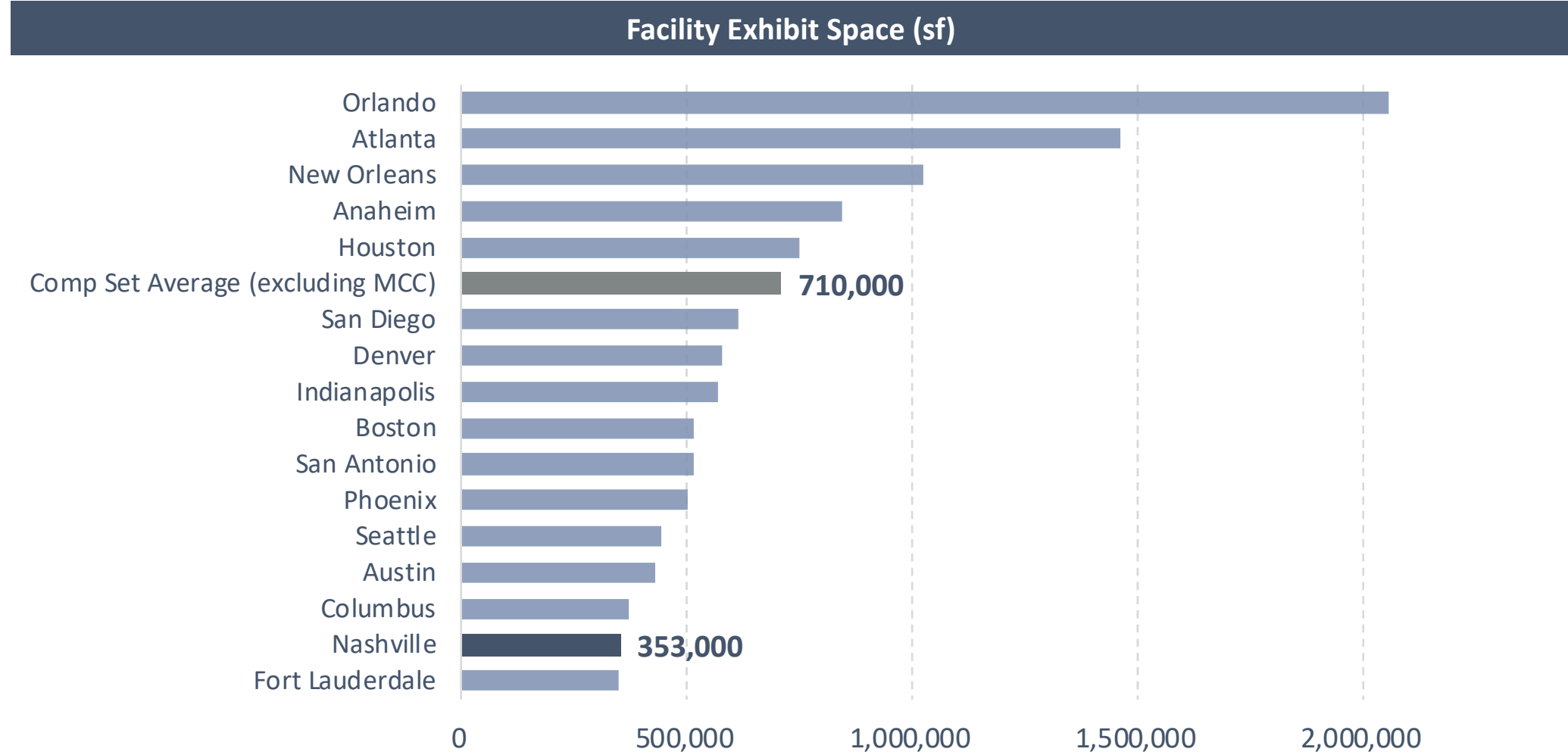


Exhibit Space Comparisons



Music City Center is second to last, less than half the set average

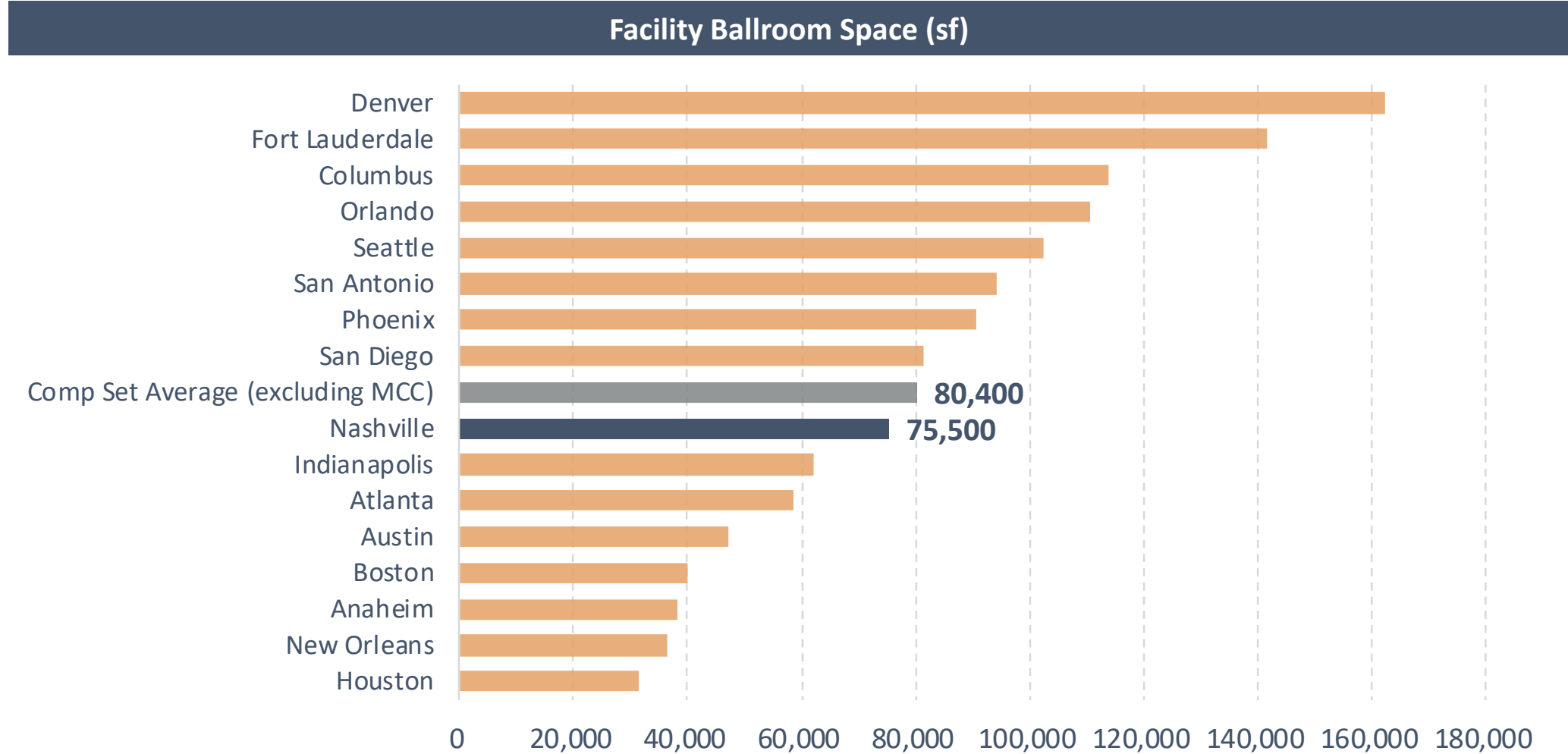


Source: Respective Venues

Ballroom Space Comparisons



Music City Center is middle of the pack, slightly below the set average

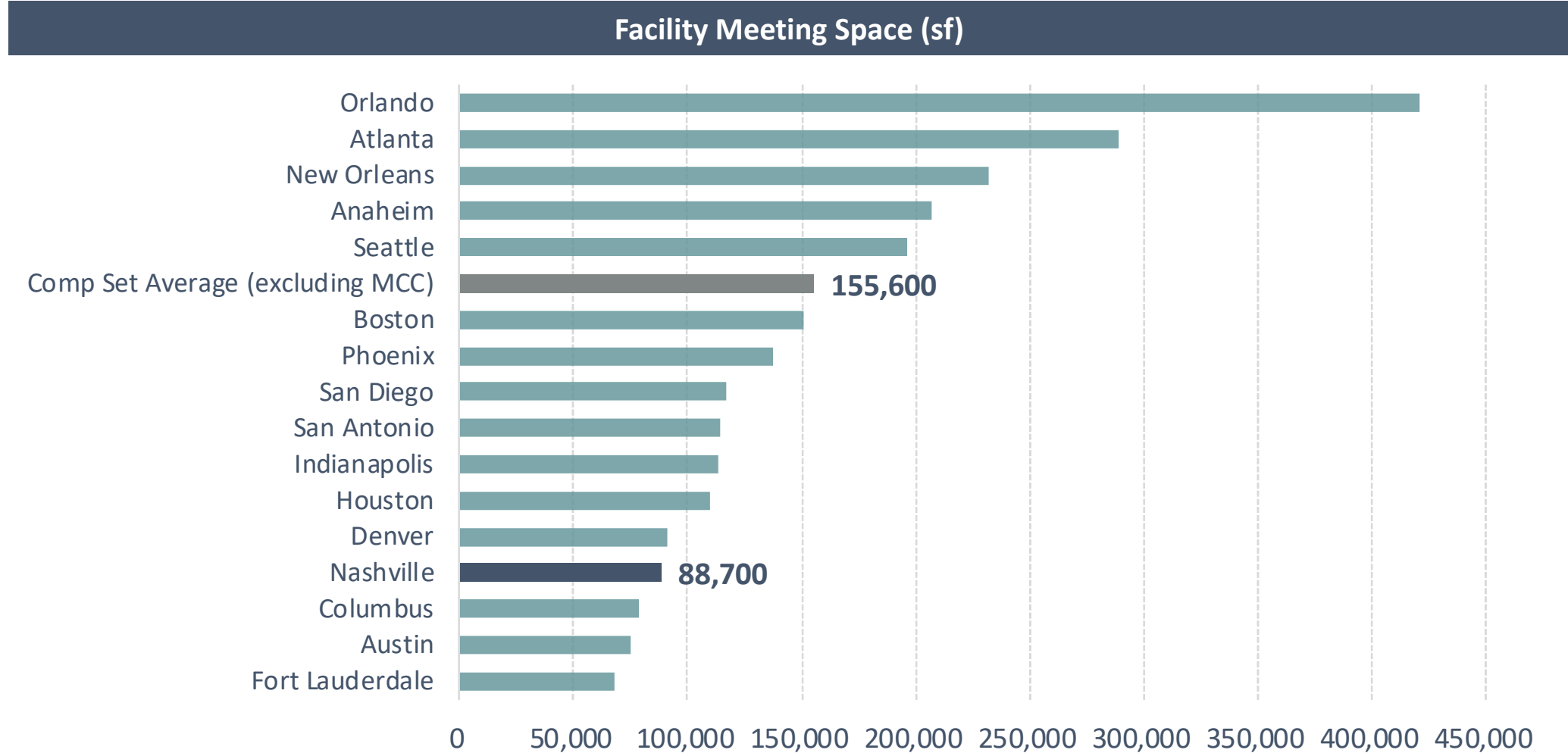


Source: Respective Venues

Meeting Space Comparisons



Music City Center is near the bottom, well below the set average

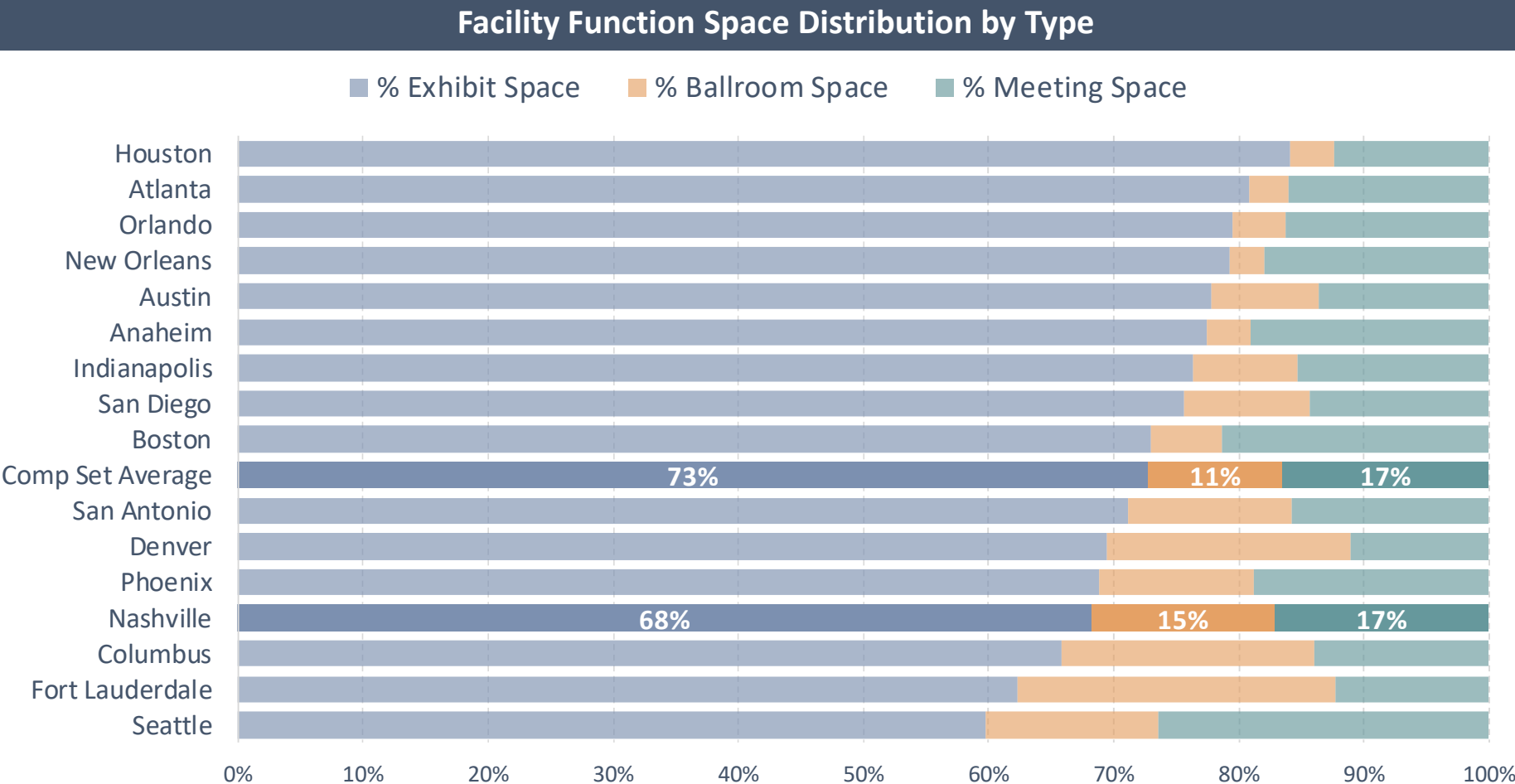


Source: Respective Venues

Function Space Distribution Comparisons



Music City Center has a balanced distribution of function spaces, similar to its peers

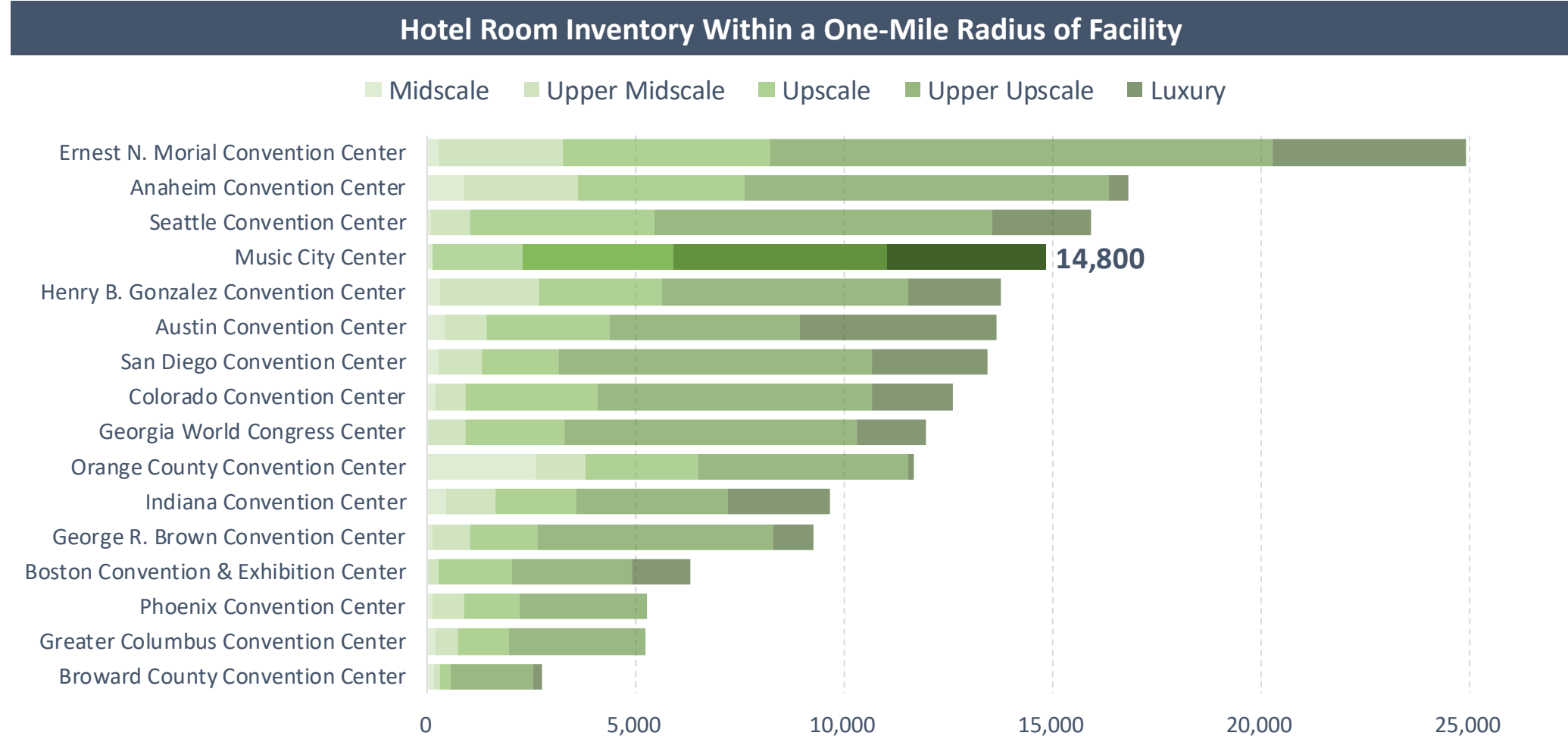


Sources: Respective Venues, HVS

Hotel Inventory Comparisons



Nashville has a strong hotel market, though it lacks properties with more than 1,000 rooms



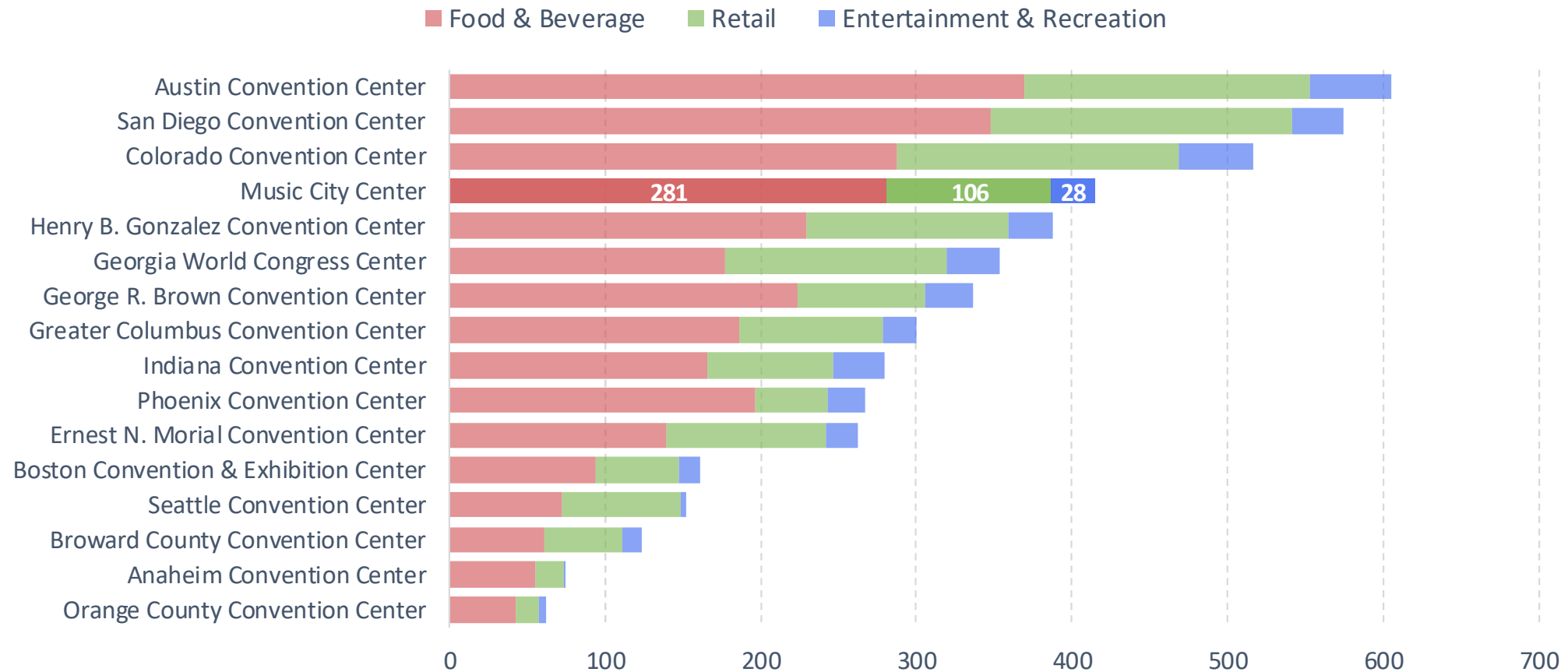
Sources: Smith Travel Research ("STR"), HVS

Tourism Amenity Comparisons



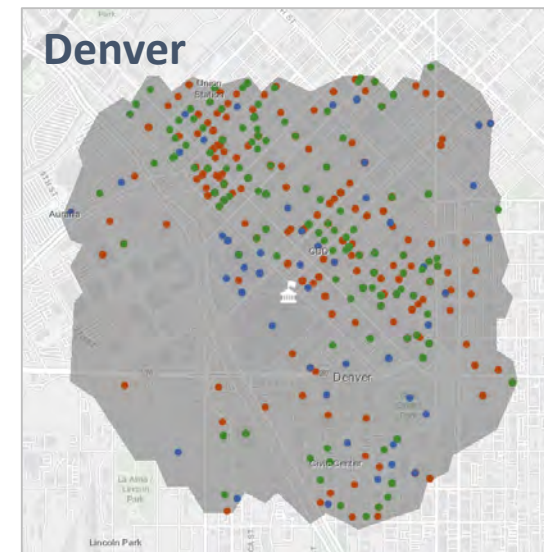
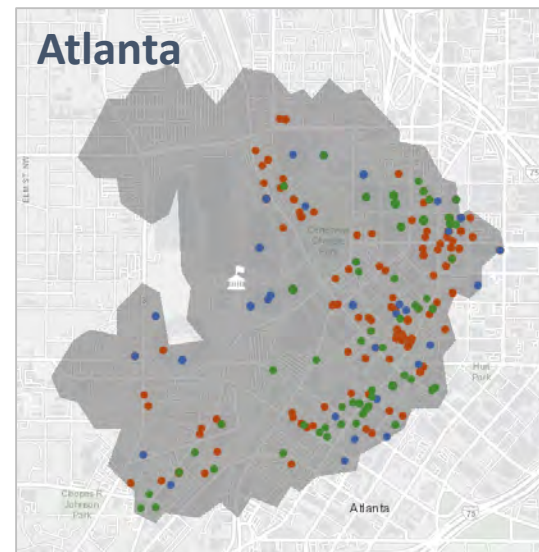
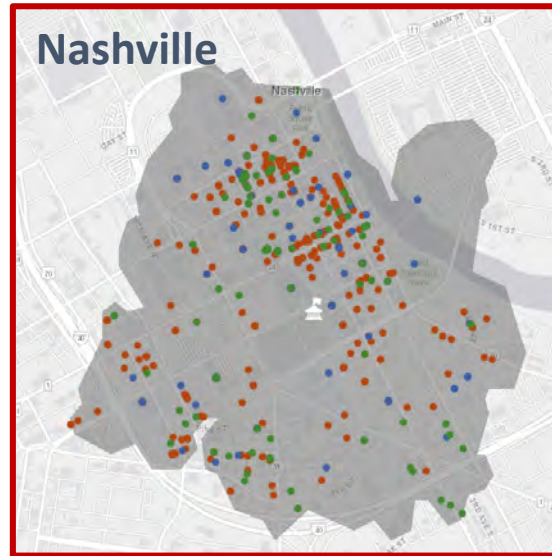
Nashville's strong tourism infrastructure supplies the MCC with ample nearby amenities

Establishments Within a 15-minute Walking Distance by Type



Sources: Esri, HVS

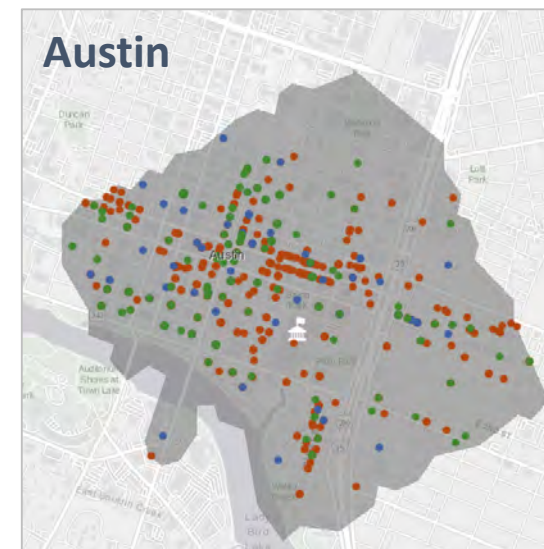
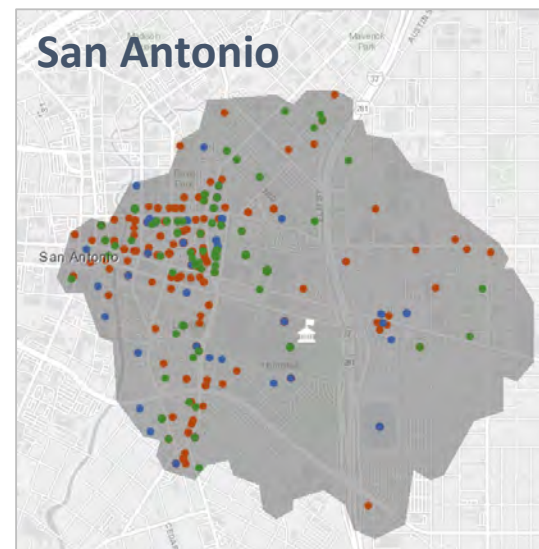
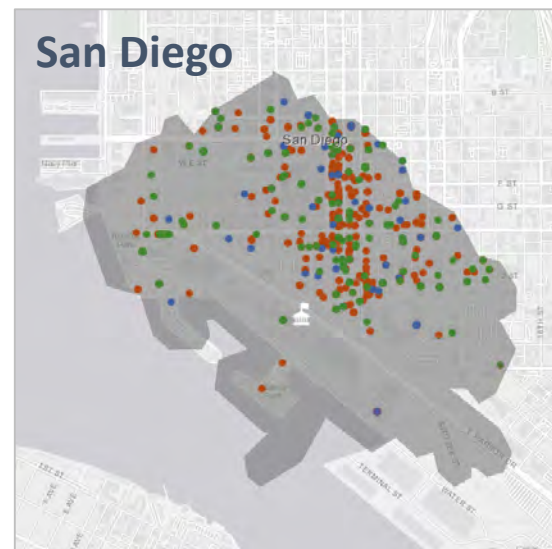
Tourism Amenity Maps (high-density)



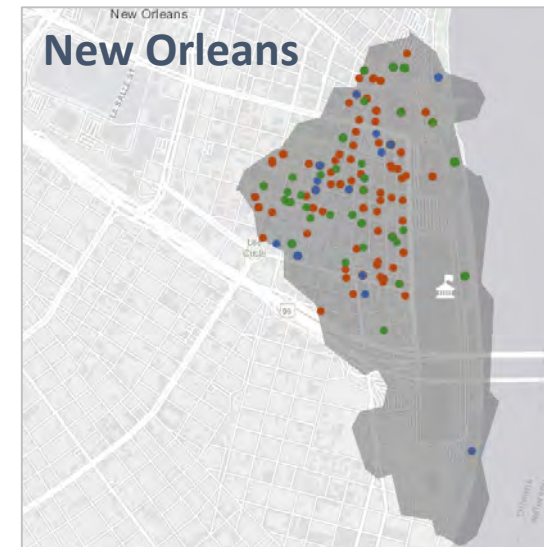
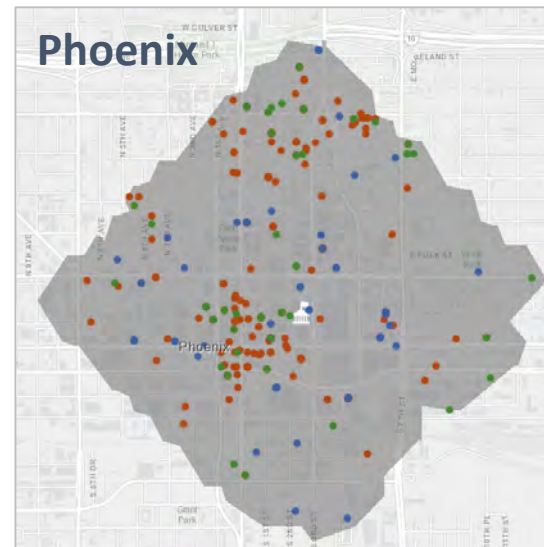
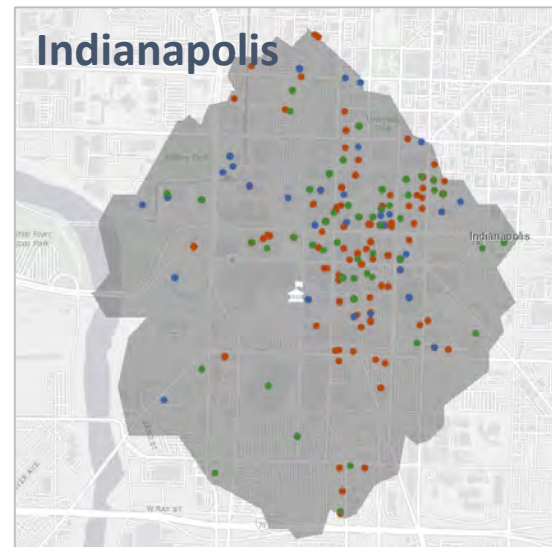
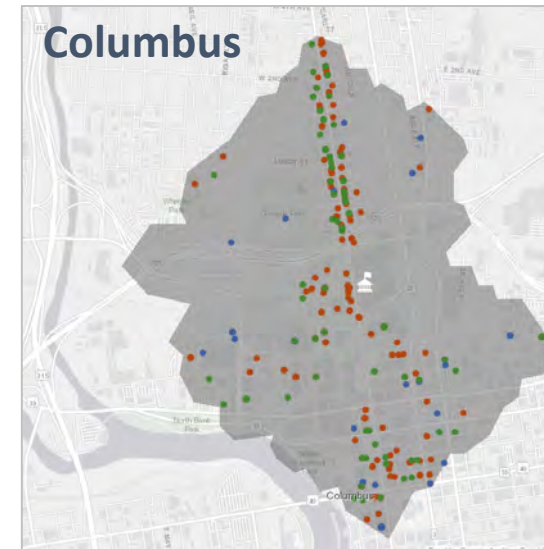
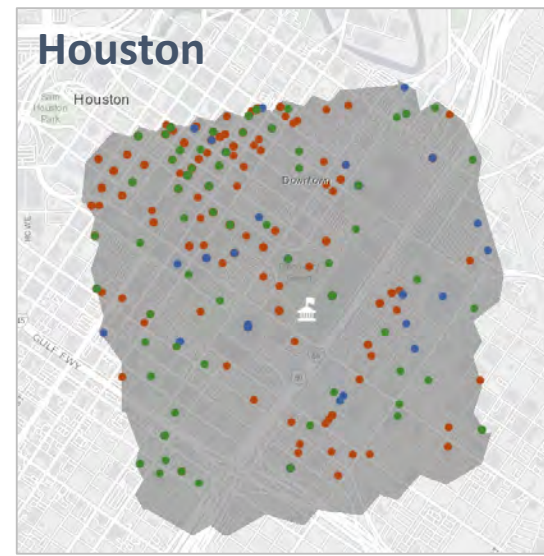
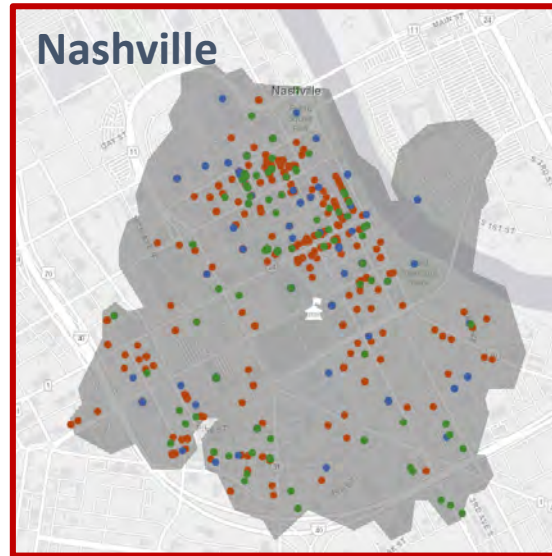
Map Legend

- Food & Beverage
- Retail
- Entertainment & Recreation

Sources: Esri, HVS



Tourism Amenity Maps (medium-density)

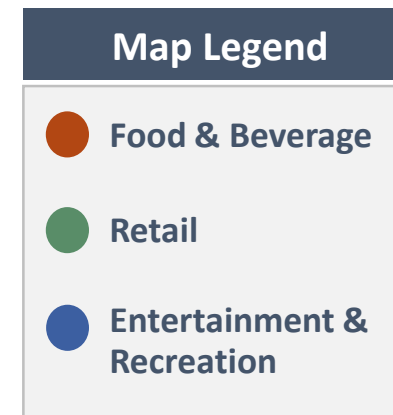
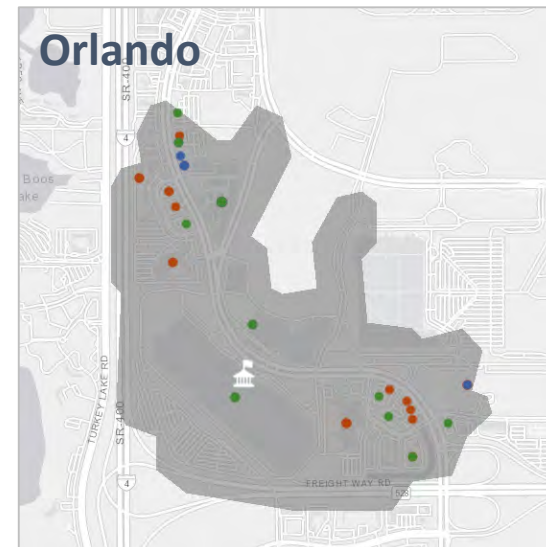
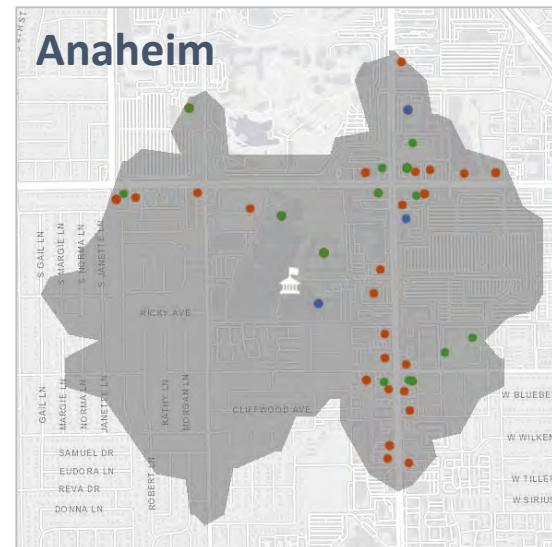
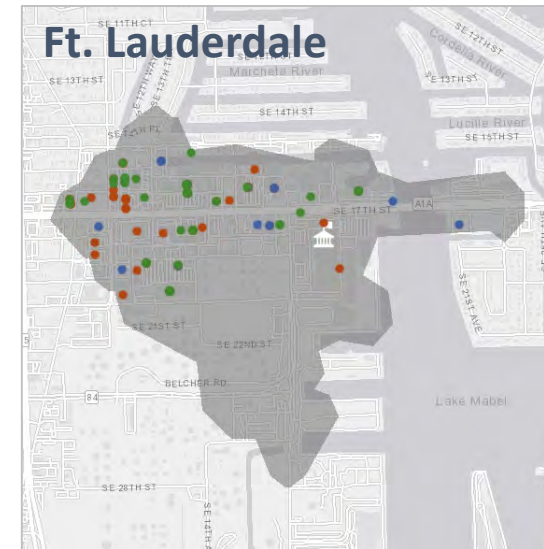
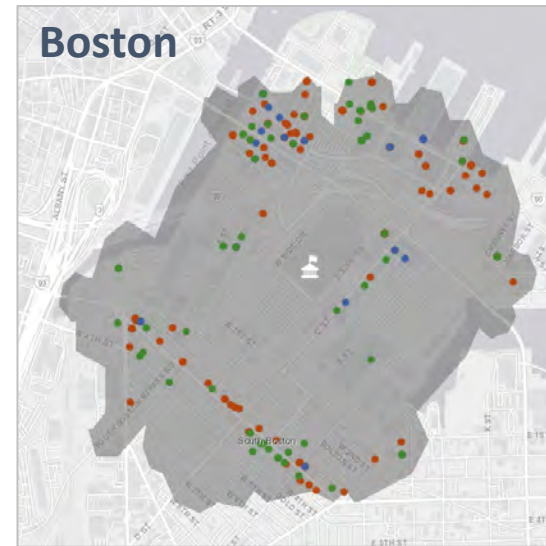
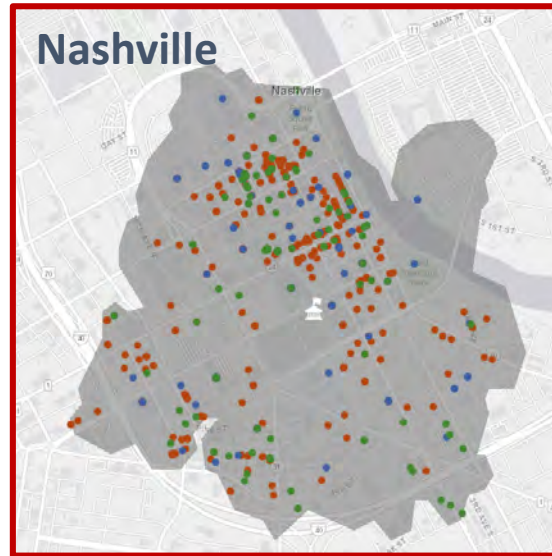


Map Legend

- Food & Beverage
- Retail
- Entertainment & Recreation

Sources: Esri, HVS

Tourism Amenity Maps (low-density)



Sources: Esri, HVS

Industry Supply Trends



Many top-tier venues are expanding or renovating to maintain competitive positioning



Historical Performance

MCC Sales & Marketing Strategy



MCC prioritizes high-value, hotel demand-generating events

*“Events that bring many out-of-town visitors will yield the **greatest economic impact** for our city. As such, we reserve our meeting and exhibit space, two or more years into the future, for **national meetings, conventions, tradeshow**s, and events that require at least **1,500 peak night hotel rooms**, commonly referred to as citywides. We will begin to sell to non-citywide events for dates that are less than two years out, but still yielding our space to events that commit to hotel room blocks. At one year out, we will begin to offer dates to events that bring little or no hotel rooms, such as public consumer shows and local meetings/meals.”*

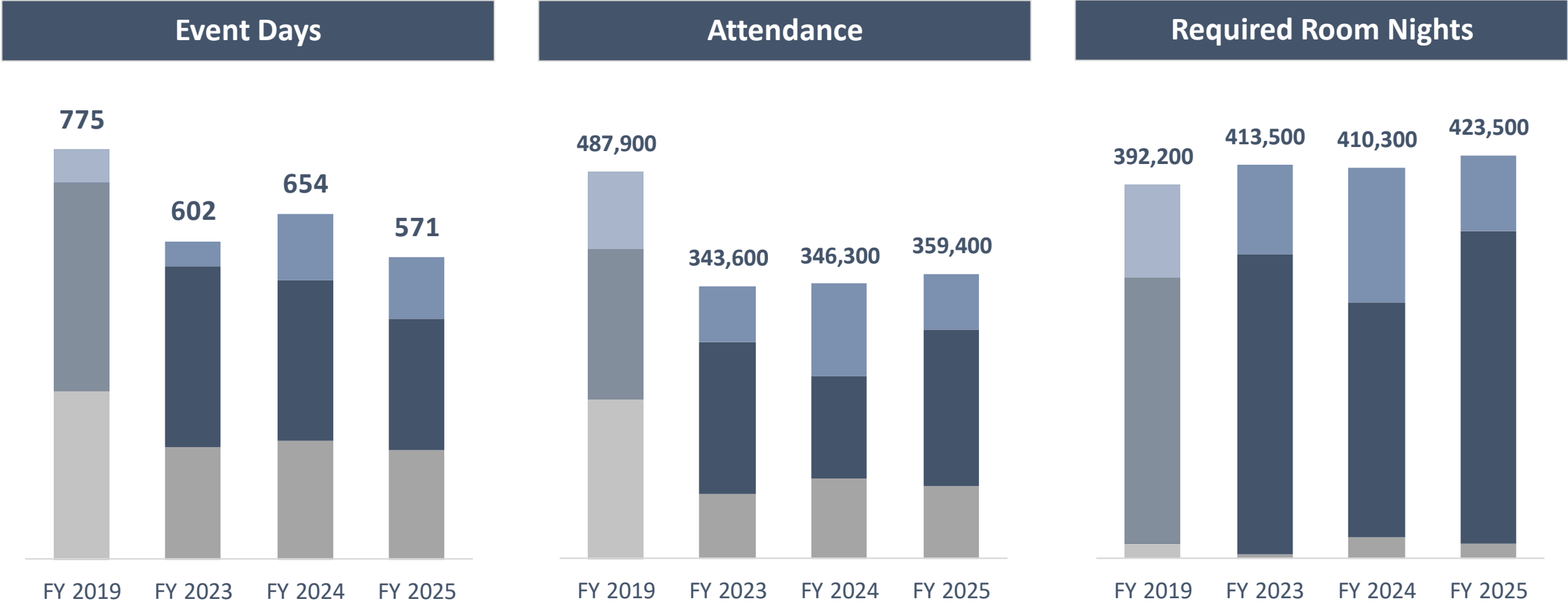
Source: Music City Center FY 24 – FY 25 Sales & Marketing Plan

Historical Performance (FY 19, FY 23 — FY 25)



*Events and attendance have declined while room nights have increased. **Fewer, more impactful events.***

■ All Other Events ■ Conventions ■ Tradeshows

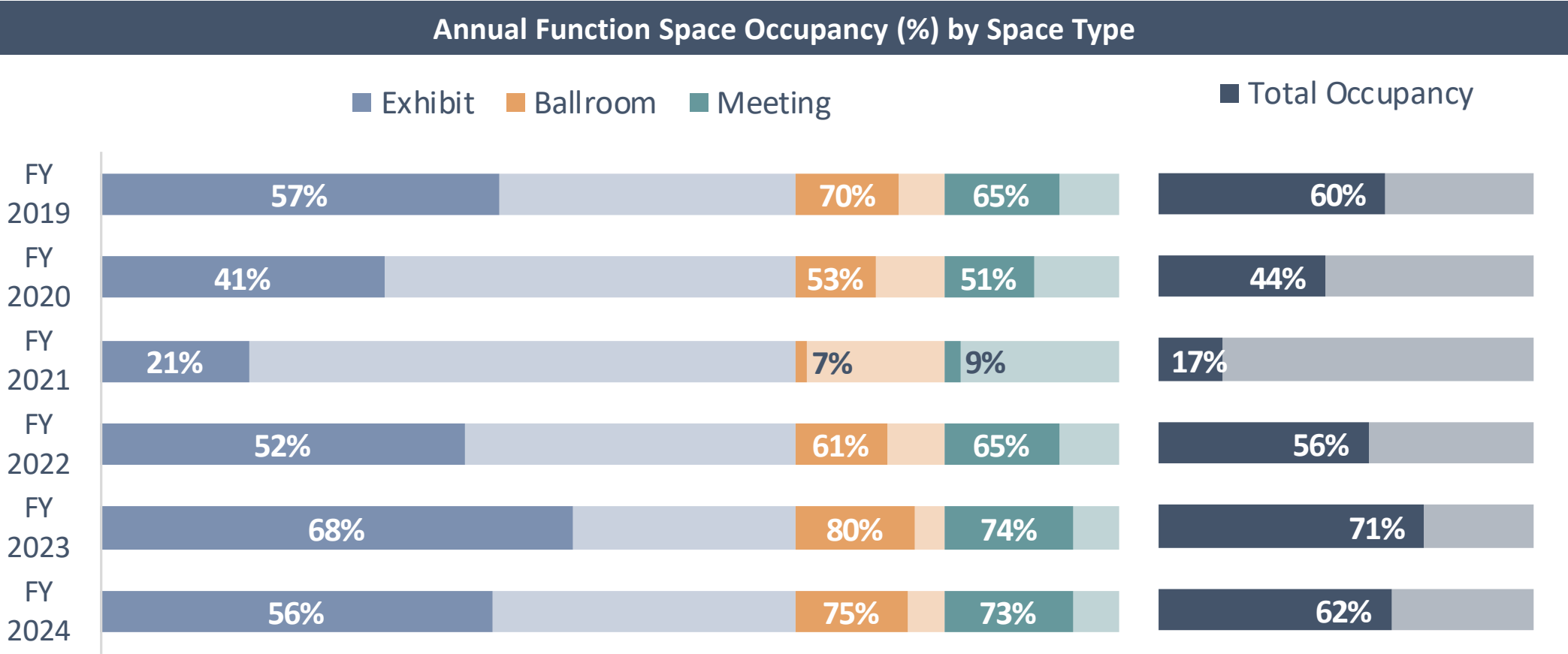


Source: Music City Center

Function Space Occupancy



*Occupancy rates have been strong, averaging **63%** total occupancy over the last three years*

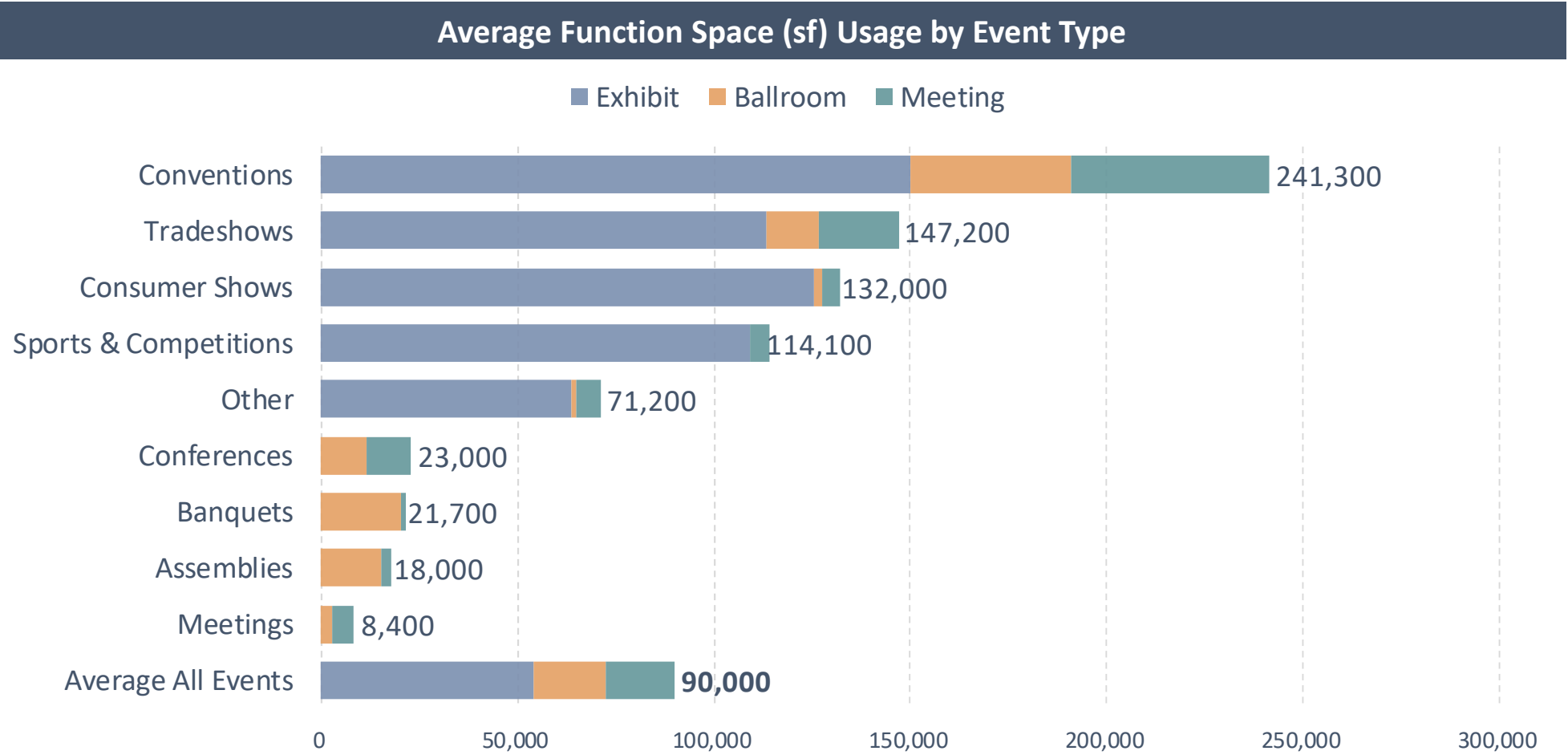


Sources: Music City Center and HVS

Function Space Usage



*Space usage is driven by conventions and tradeshow with their **heavy exhibit space utilization***

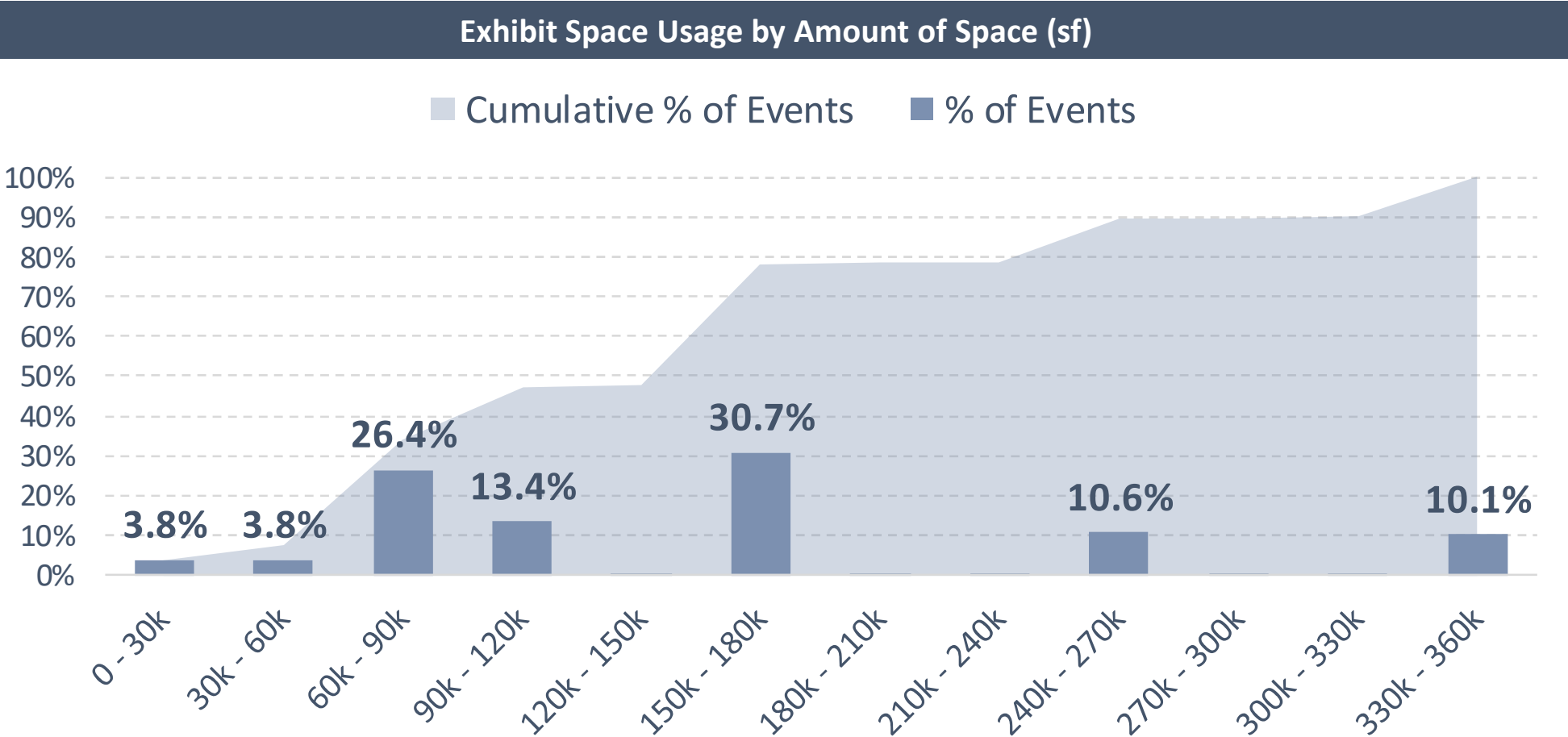


Sources: Music City Center and HVS

Distribution of Usage — Exhibit Space



80% of events utilize 180,000 sf or less, with the remaining 20% of events using over 240,000 sf

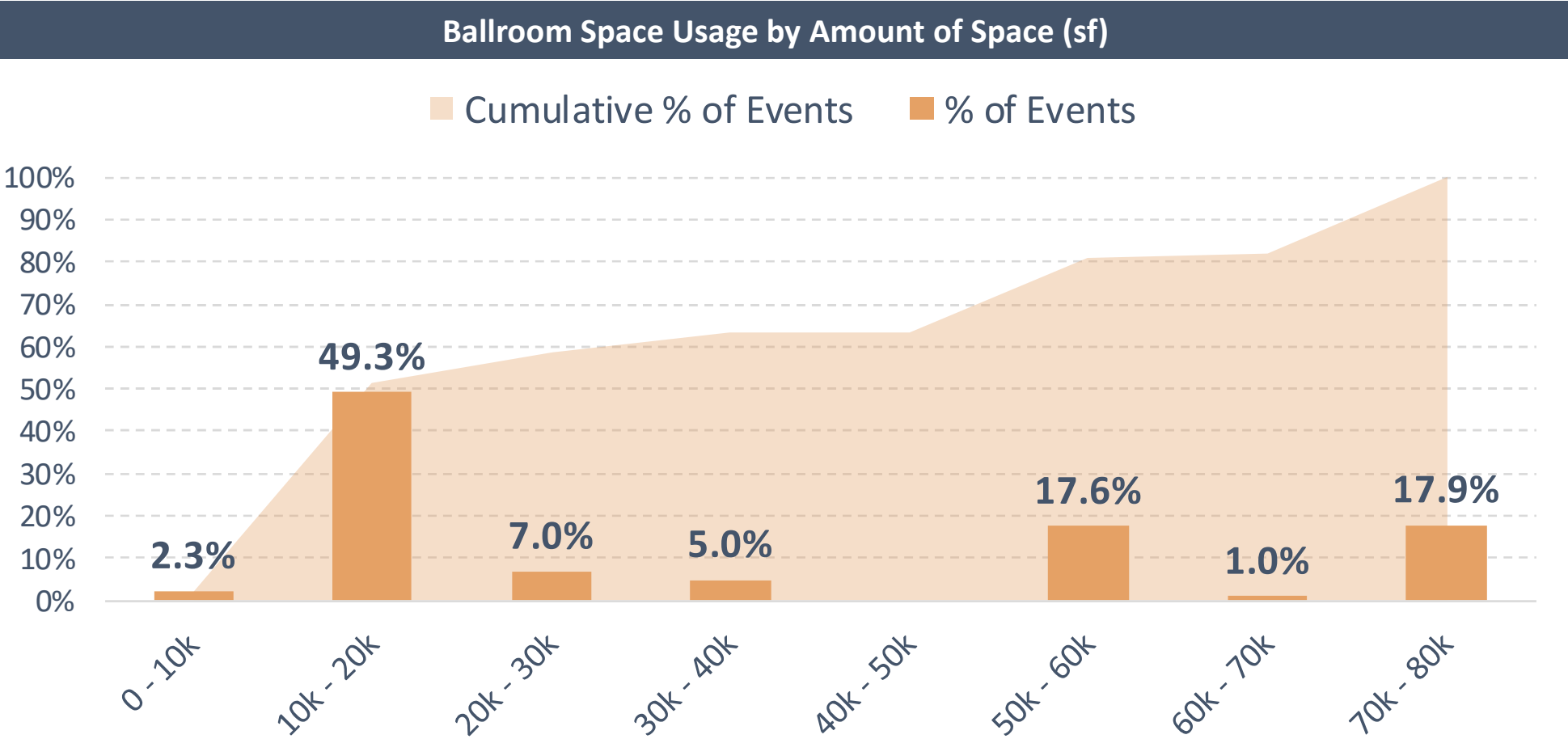


Sources: Music City Center and HVS

Distribution of Usage — Ballroom Space



Over **50%** of ballroom usage occurs in smaller divisions, but **30%** of events use 50,000+ sf

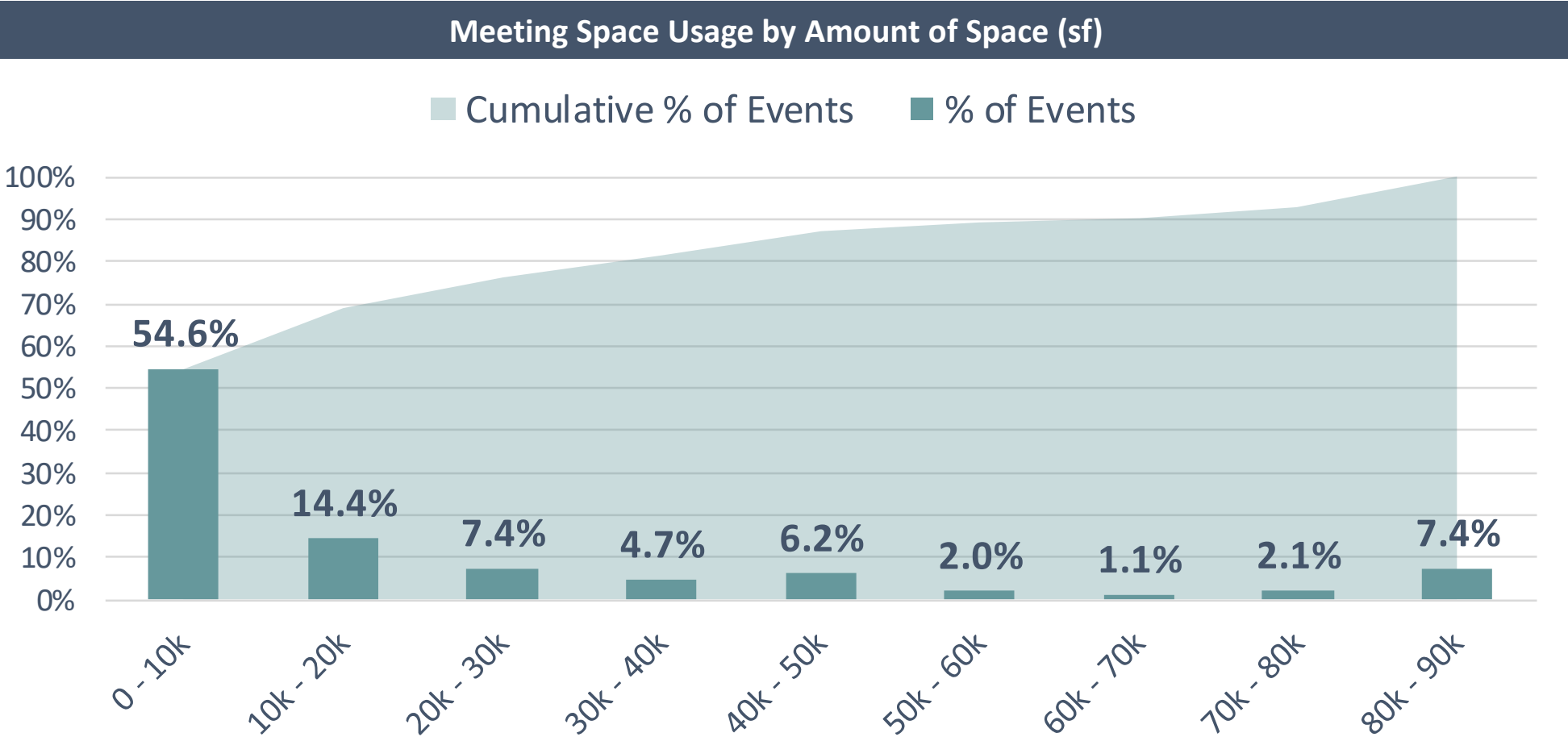


Sources: Music City Center and HVS

Distribution of Usage — Meeting Space



Almost **70%** of events use less than 20,000 sf of meeting space, but **12%** utilize 50,000+ sf



Sources: Music City Center and HVS

Lost Business



Lost business is primarily driven by conventions, averaging over 350 events and 2,400 days annually

Lost Events by Type (AVG FY 23/24)

■ Conventions ■ Trade & Consumer Shows ■ All Other Events



Lost Event Days by Type (AVG FY 23/24)

■ Conventions ■ Trade & Consumer Shows ■ All Other Events



Sources: Music City Center and HVS

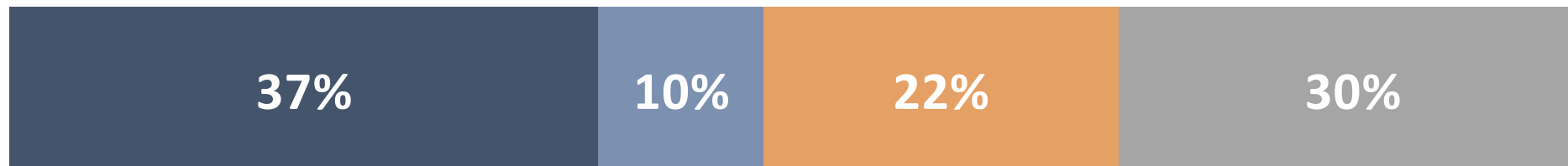
Lost Business Reasons



*Of known reasons, over **45%** of events are lost due to space limitations and availability constraints*

% of Total Events Lost by Known Reason (AVG FY 23/24)

- Preferred Dates not Available
- Insufficient Function Space
- Alternate Destination
- All Other Known Reasons



Sources: Music City Center and HVS

User Input & Preferences

Customer Advisory Board Discussion



MCC is held in high regard, but function space limitations threaten its ability to retain and grow events

	POSITIVE	NEGATIVE
INTERNAL	STRENGTHS <ul style="list-style-type: none">› Venue condition and aesthetic appeal› Operational execution and staff performance› Location and destination appeal	WEAKNESSES <ul style="list-style-type: none">› Breakout room size, capacity, and location complaints› Limited general session flexibility› Constrained function space mix
EXTERNAL	OPPORTUNITIES <ul style="list-style-type: none">› Expanding meeting and breakout space› Increased pre-function access and flexible space design› Improved vertical circulation and space distribution	THREATS <ul style="list-style-type: none">› Major events outgrowing the current capacity› Loss of competitive positioning among peer venues› Hotel price and room block challenges

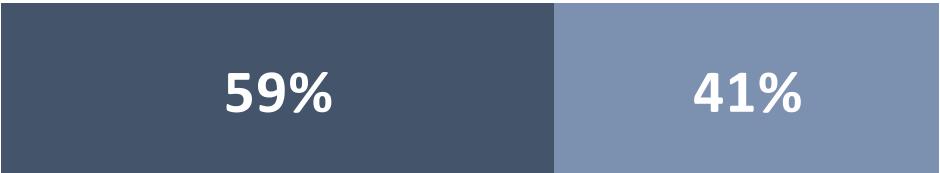
Event Planner Survey Summary



*Survey issued to roughly 2,200 national event planners, producing a **16%** response rate*

Response Status Summary

■ Complete ■ Partial



n = 341

Have you held an event at the MCC during the past five years?

■ Yes ■ No

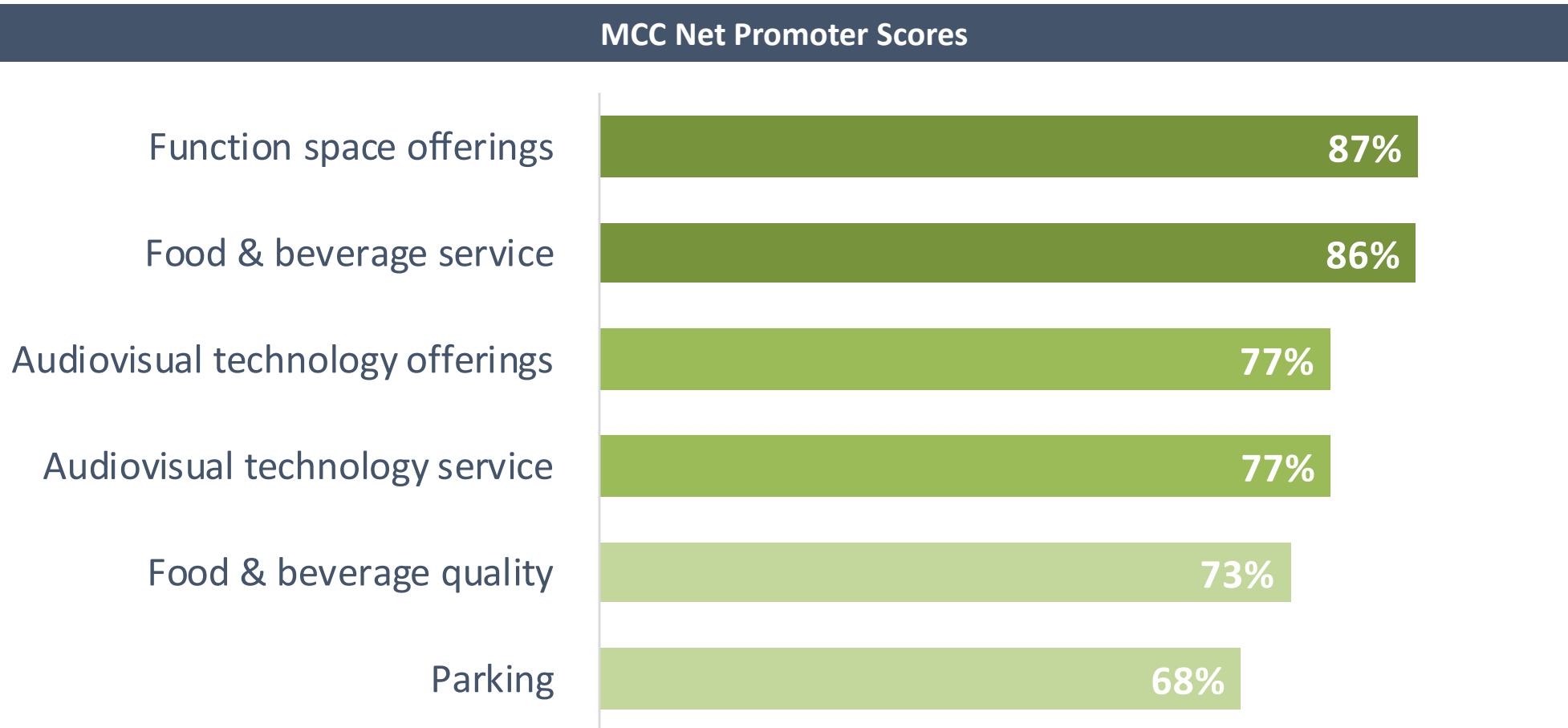


n = 306

Overall User Experience



Respondents indicated a positive overall user experience, though there is room for improvement

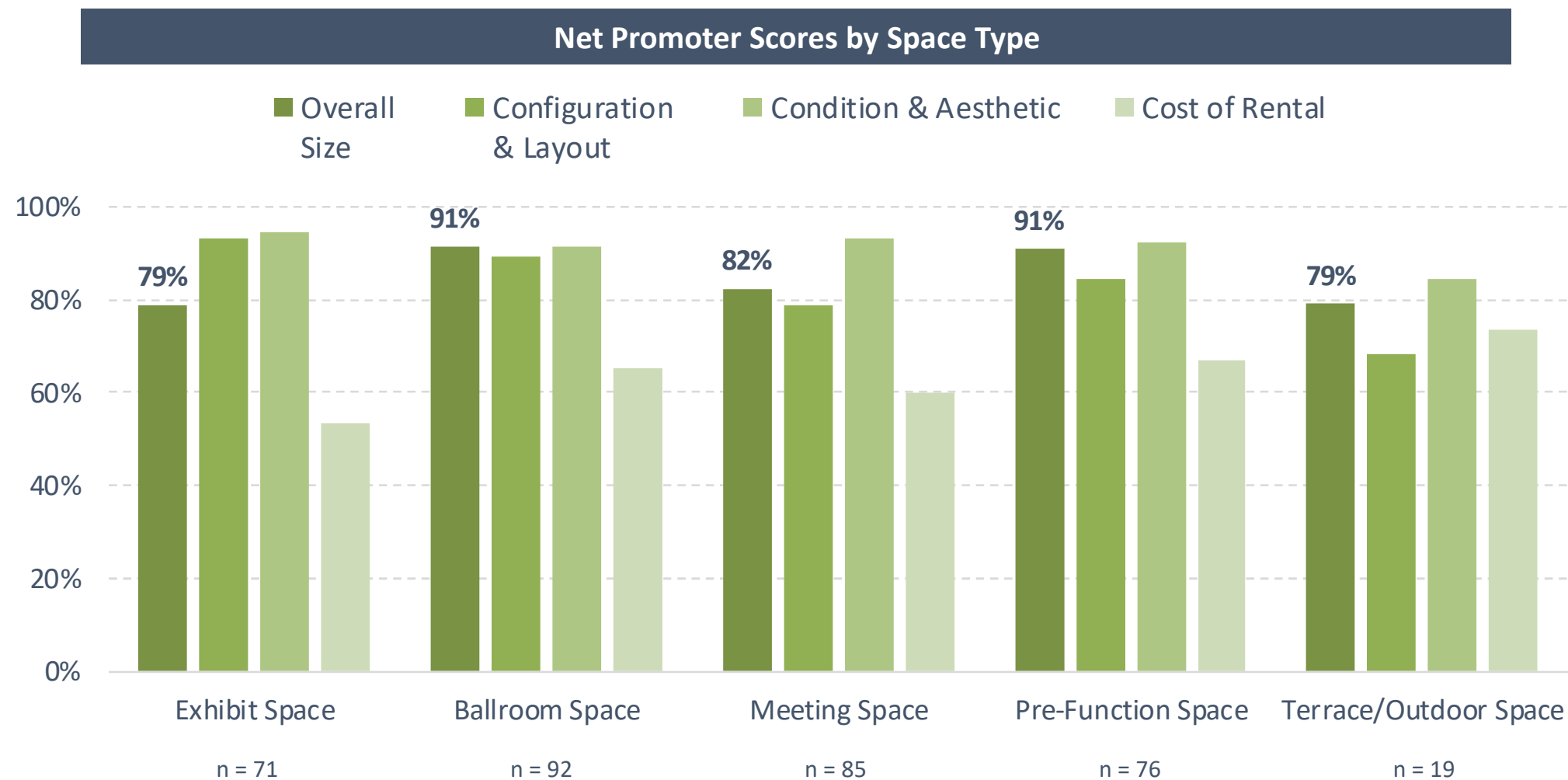


n = 136

Function Space Ratings



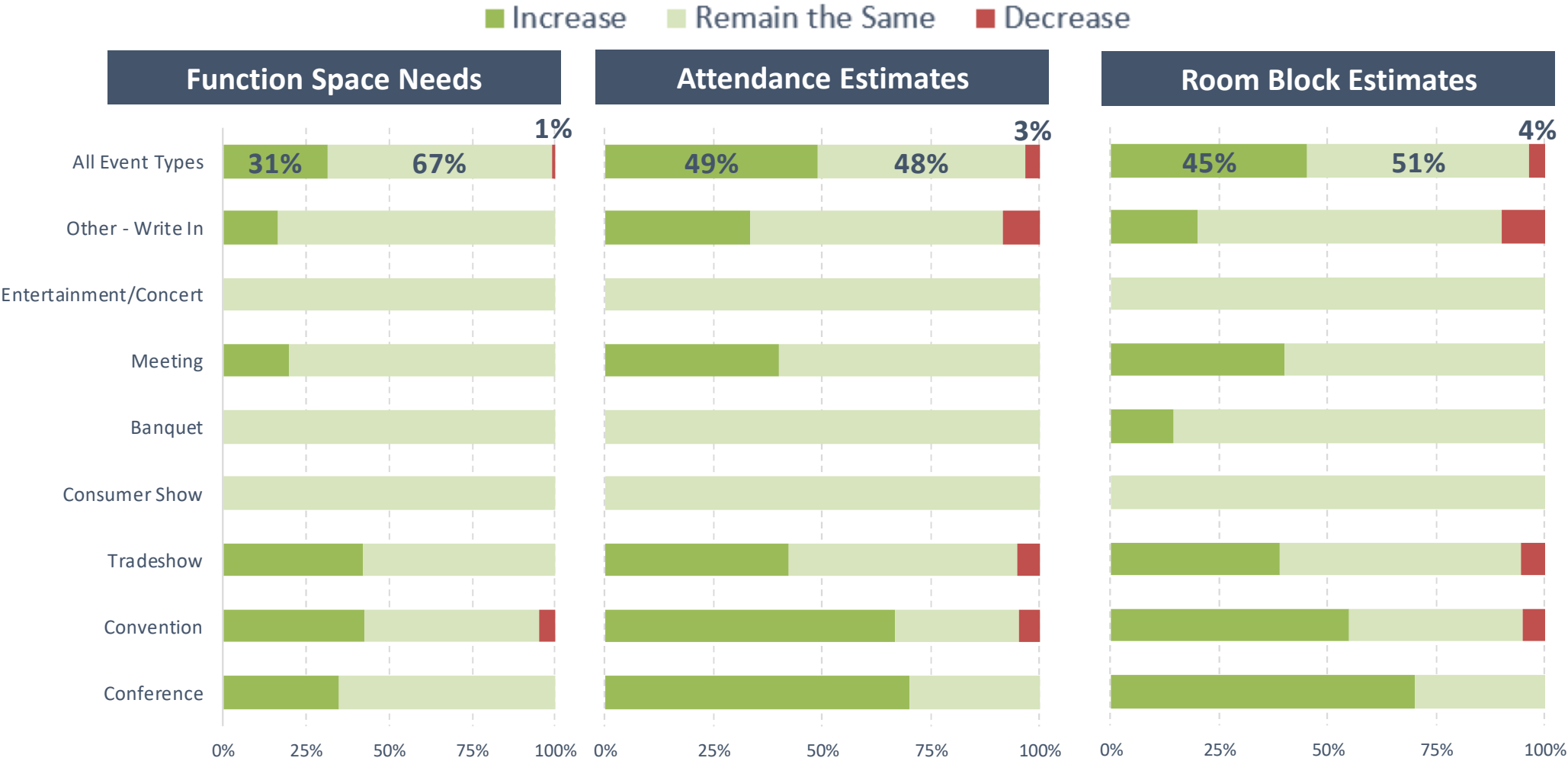
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Event Planner Future Expectations



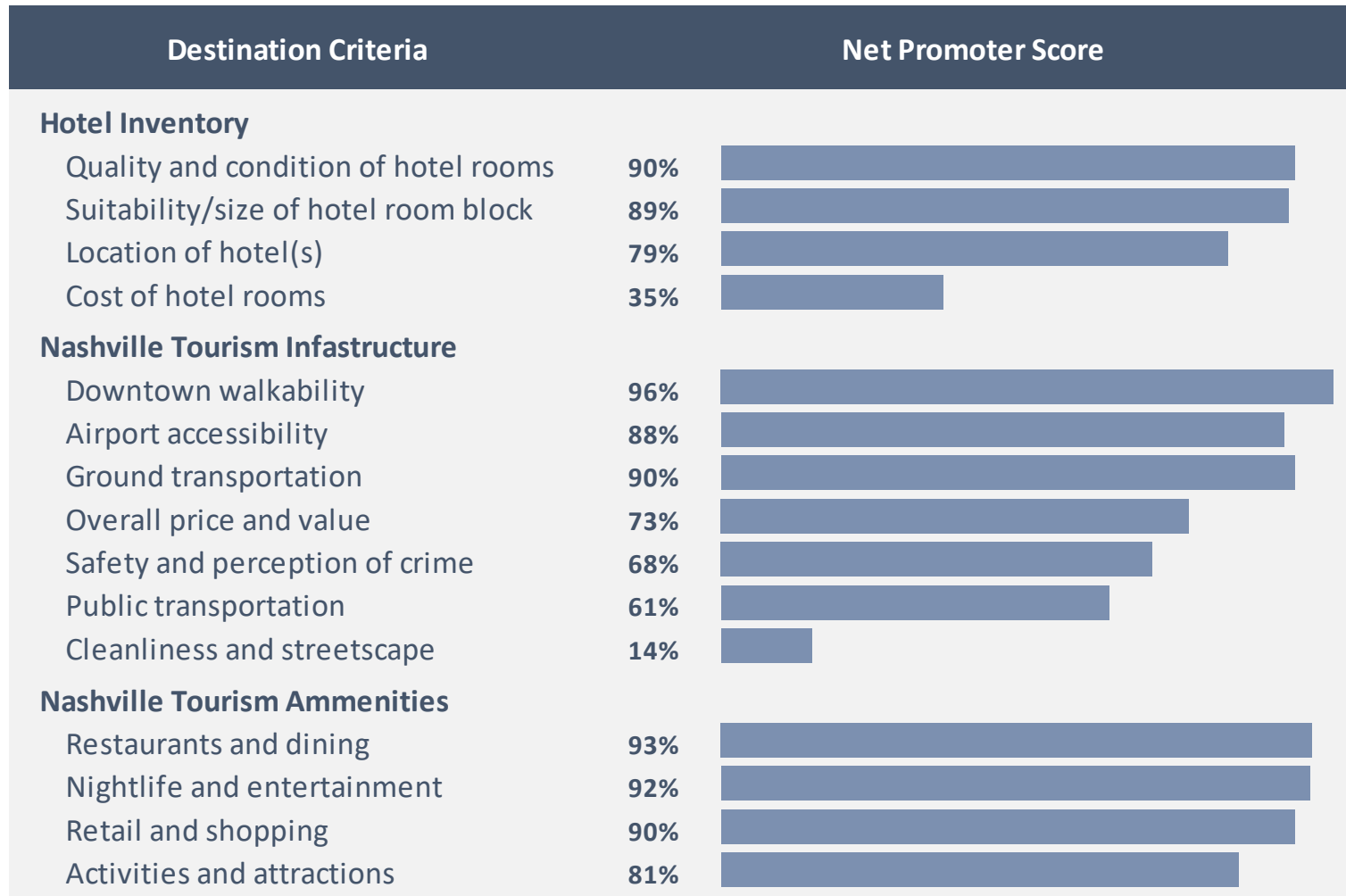
Survey respondents expect function space needs, attendance, and room block estimates to increase



Nashville Destination Ratings



Respondents view Nashville positively, though hotel prices and street cleanliness are drawbacks



n = 122

Expansion Program Recommendations

Expansion Program Summary



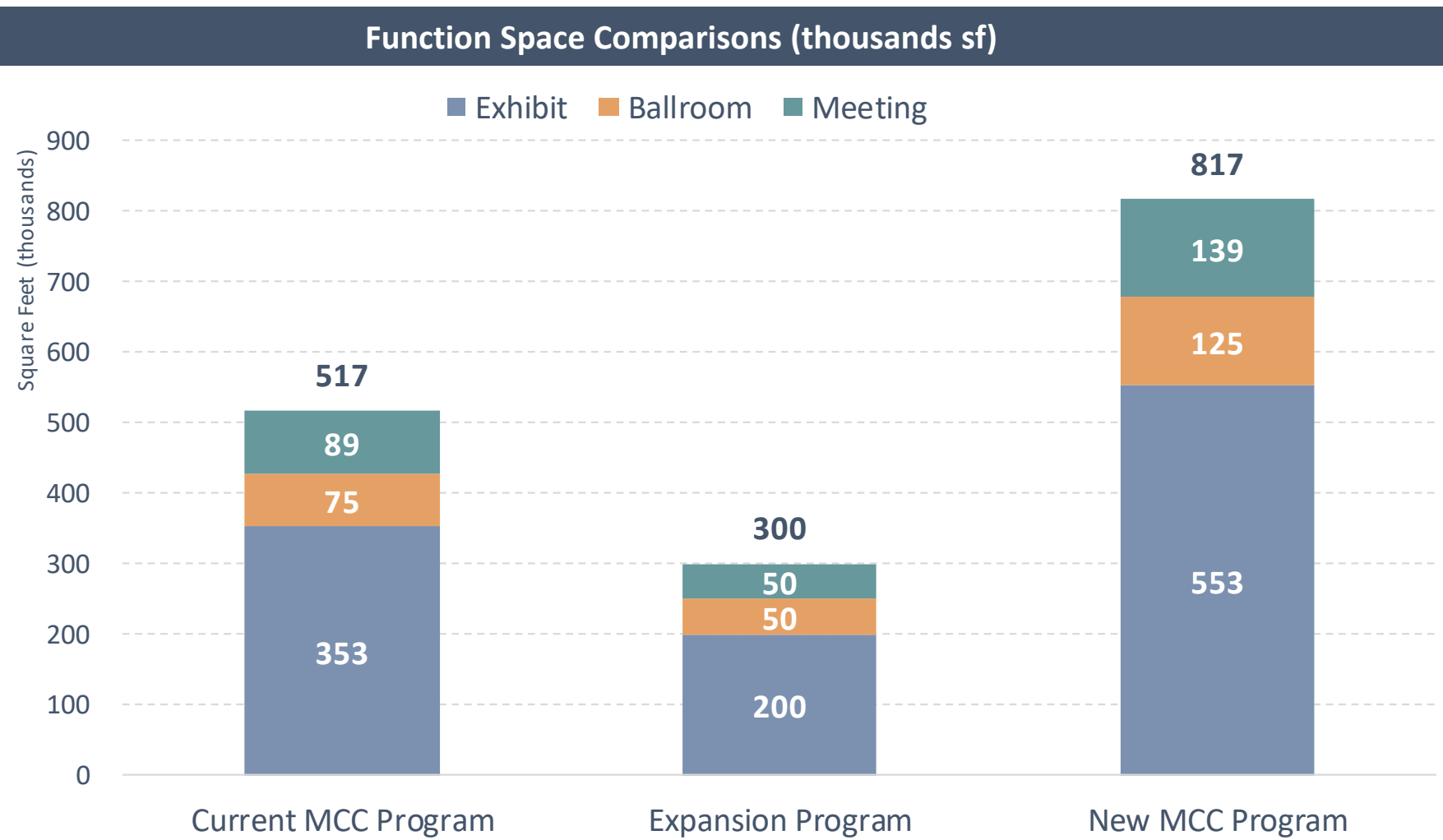
300,000 sf expansion program intended to meet rising demand and improve competitiveness

Event Space	Floor Area (sf)	Capacities			
		Theatre/ Reception	Banquet	Classroom	Exhibit Booths 10' x 10'
Flex Hall (4 divisions)	200,000	20,000	10,000	13,790	1,400
Grand Ballroom (7 divisions)	50,000	5,000	2,500	3,450	350
Meeting Room Block 1 (7 divisions)	18,000	1,800	900	1,240	
Meeting Room Block 2 (9 rooms)	18,000	1,800	900	1,240	
Meeting Room Block 3 (10 rooms)	12,000	1,200	600	830	
Board Rooms (2)	2,000				
TOTAL EXPANSION SPACE	300,000				

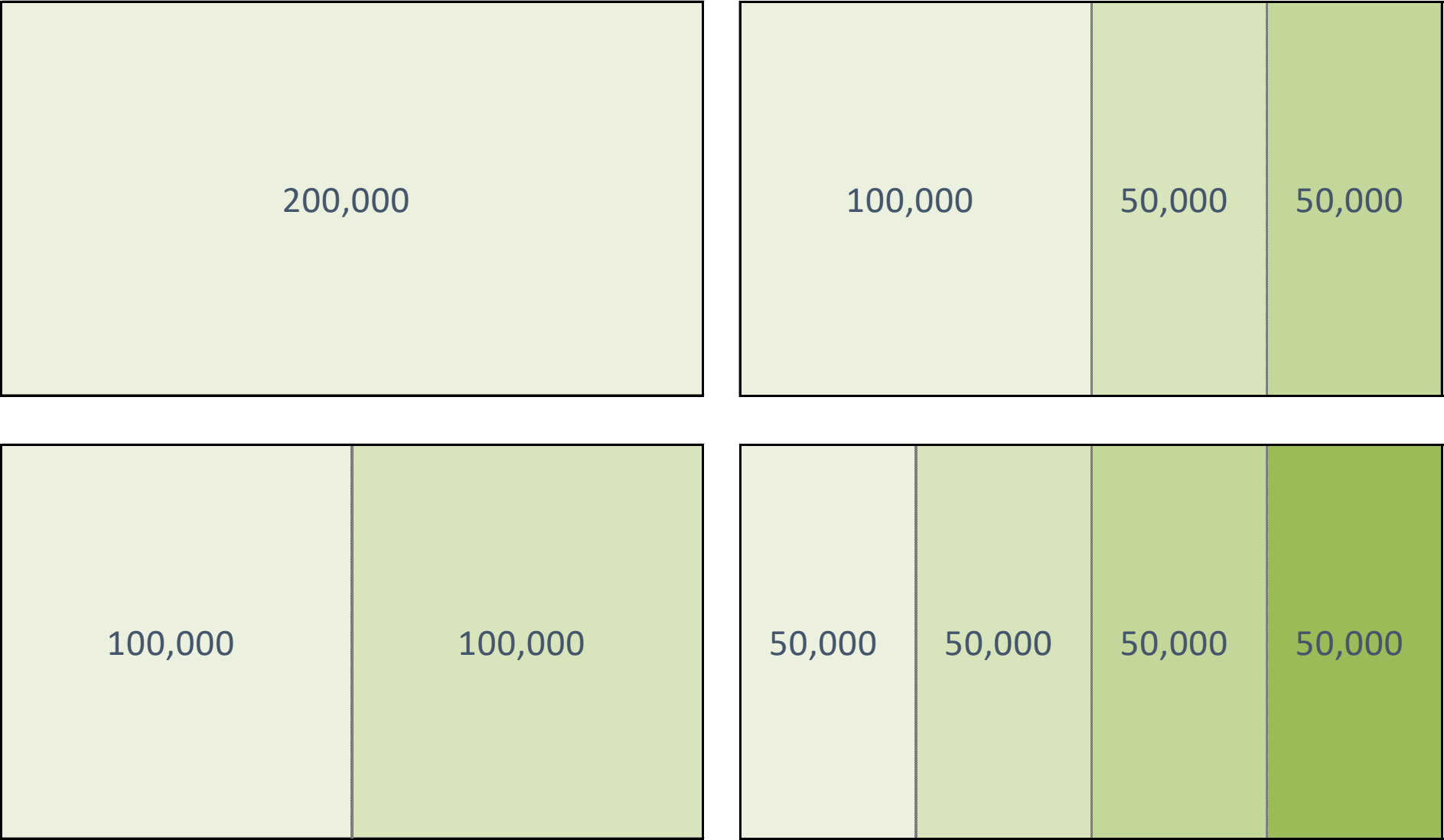
Current & Expansion Programs



*Total function space would rise to **817,000** square feet, representing a **58%** increase*



Flex Hall Configurations



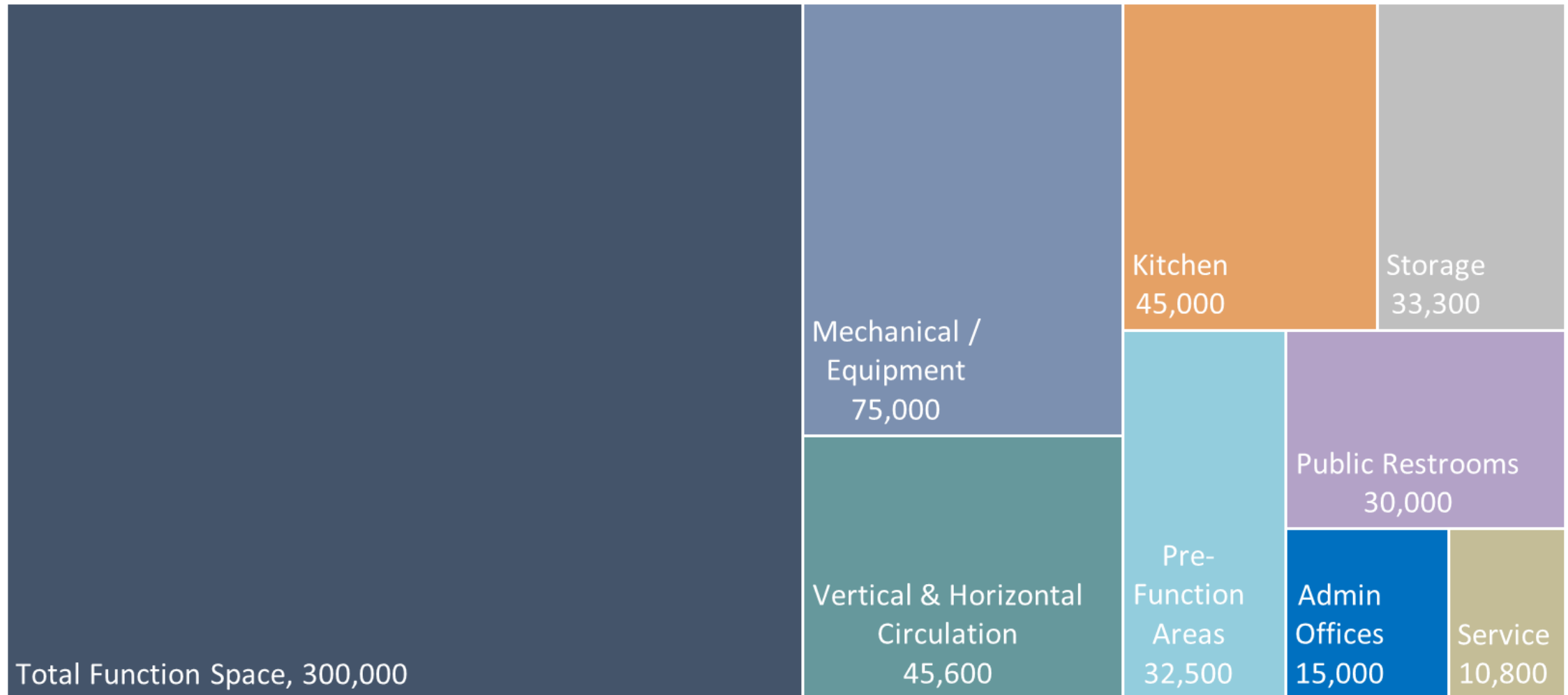
Grand Ballroom Configurations



Total Gross Floor Area



*We estimate total gross floor area to be roughly **587,000 square feet***



Improved Competitive Positioning



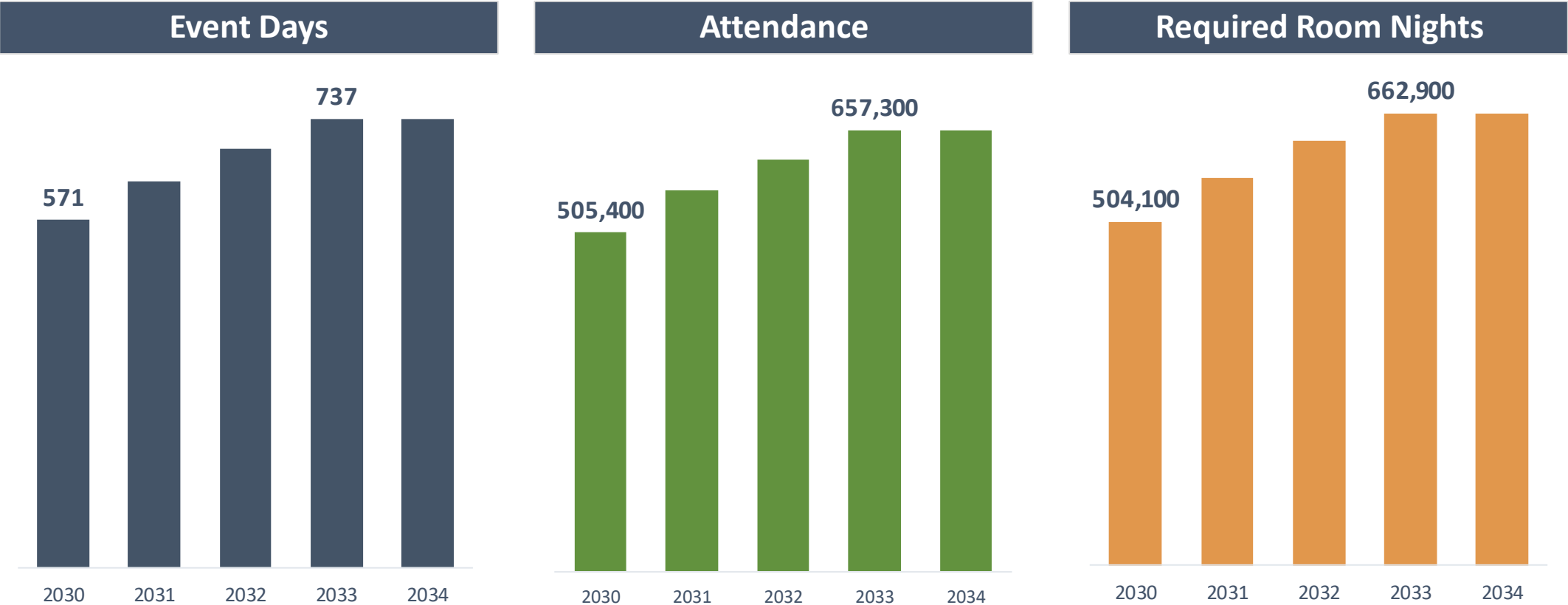
Nashville's competitive positioning would improve, placing it on par with top-tier peers

Name	Location	Function Space (sf)	
Orange County Convention Center	Orlando	2,587,000	
Georgia World Congress Center	Atlanta	1,808,000	
Ernest N. Morial Convention Center	New Orleans	1,295,000	
Anaheim Convention Center	Anaheim	1,087,000	
George R. Brown Convention Center	Houston	890,000	
Colorado Convention Center	Denver	830,000	
Proposed MCC Expansion	Nashville	817,000	
San Diego Convention Center	San Diego	814,000	
Seattle Convention Center	Seattle	743,000	
Indiana Convention Center	Indianapolis	742,000	
Phoenix Convention Center	Phoenix	730,000	
Henry B. Gonzalez Convention Center	San Antonio	723,000	
Boston Convention & Exhibition Center	Boston	707,000	
Greater Columbus Convention Center	Columbus	562,000	
Broward County Convention Center	Fort Lauderdale	558,000	
Austin Convention Center	Austin	550,000	
Music City Center	Nashville	517,000	
<i>Comp Set Average (excluding MCC)</i>		<i>946,000</i>	

Expansion Demand Projections



Led by an increase in conventions and tradeshow, event demand would lift attendance and room nights



Source: HVS

Expansion Site Considerations

Limited available land, existing infrastructure, and connectivity concerns constrain site selection



Site Priority List

1. Single, contiguous, adjacent site
2. Multiple adjacent sites
3. Nearby site with connection
4. Disconnected downtown site

Note: *Some of the expansion could be programmed into the existing building footprint.*

Next Steps

Next Steps & Future Phases



Phase 1: Market and Demand Analysis

Project Orientation and Fieldwork

Market Assessment

Historical Data Analysis

Interviews and Surveys

Competitive Venue Analysis

Case Studies

Building Program Recommendations

Demand and Attendance Projections

Site Selection & Building Planning

Site Selection

Concept Planning

Preliminary Cost Estimates

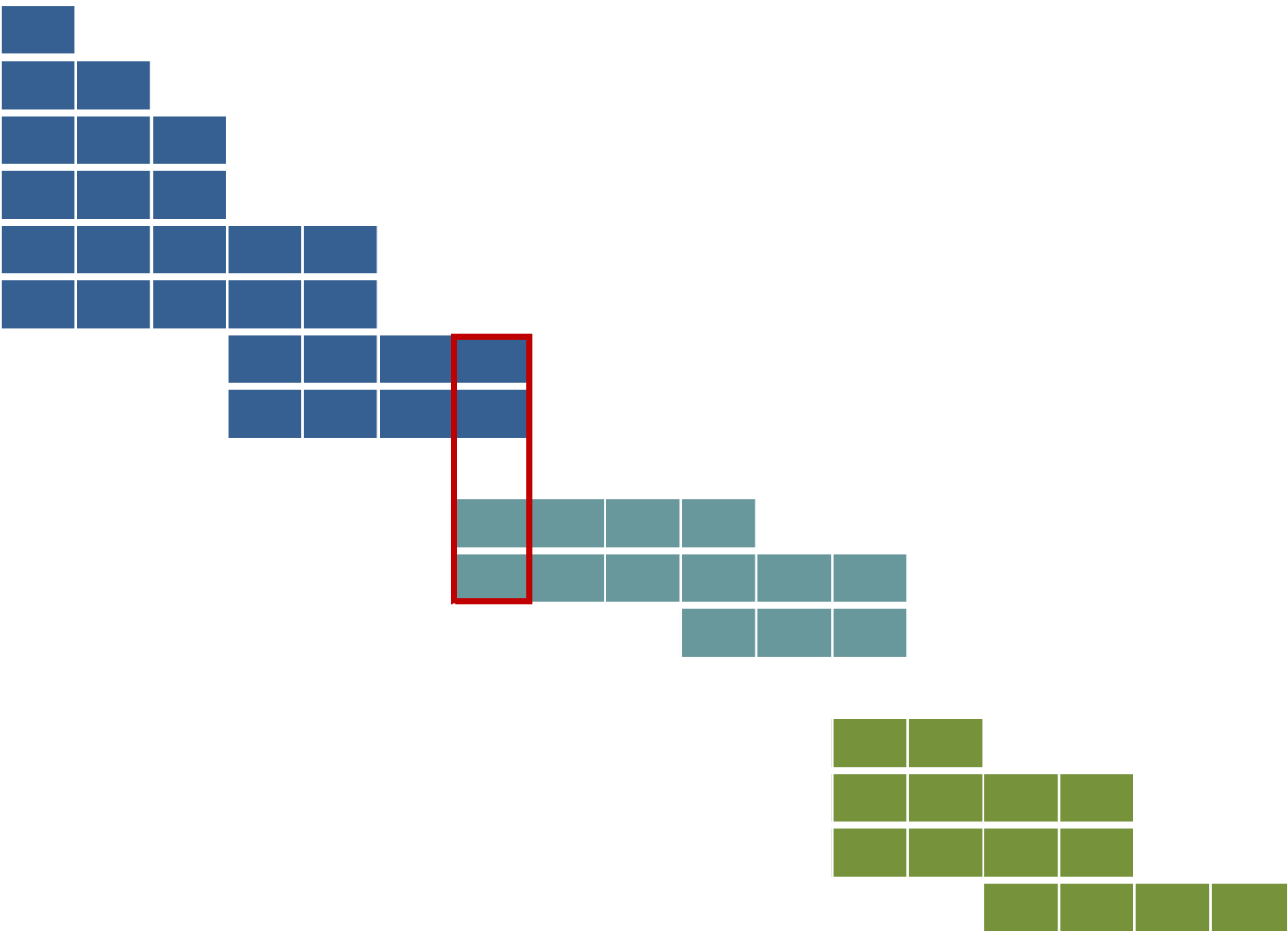
Phase 2: Financial and Impact Analysis

Refine Demand Projections

Operating Financial Projections

Authority Financing Capacity

Economic and Fiscal Impact Analysis



Questions

Thank you!

Assumptions and Limiting Conditions



1. This report is to be used in whole and not in part.
2. No responsibility is assumed for matters of a legal nature.
3. We have not considered the presence of potentially hazardous materials on the proposed site, such as asbestos, urea formaldehyde foam insulation, PCBs, any form of toxic waste, polychlorinated biphenyls, pesticides, or lead-based paints.
4. All information, financial operating statements, estimates, and opinions obtained from parties not employed by HVS are assumed to be true and correct. We can assume no liability resulting from misinformation.
5. Unless noted, we assume that there are no encroachments, zoning violations, or building violations encumbering the subject property.
6. We are not required to give testimony or attendance in court by reason of this analysis without previous arrangements, and only when our standard per-diem fees and travel costs are paid prior to the appearance.
7. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material presented in this report, it is recommended that the reader contact us.
8. We take no responsibility for any events or circumstances that take place after the date of our report.
9. The quality of a convention facility's on-site management has a direct effect on a facility's economic performance. The demand and financial forecasts presented in this analysis assume responsible ownership and competent management. Any departure from this assumption may have a significant impact on the projected operating results.
10. The impact analysis presented in this report is based upon assumptions, estimates, and evaluations of the market conditions in the local and national economy, which may be subject to sharp rises and declines. Over the projection period considered in our analysis, wages and other operating expenses may increase or decrease due to market volatility and economic forces outside the control of the facility's management.
11. We do not warrant that our estimates will be attained, but they have been developed based on information obtained during our market research and are intended to reflect reasonable expectations.
12. Many of the figures presented in this report were generated using sophisticated computer models that make calculations based on numbers carried out to three or more decimal places. In the interest of simplicity, most numbers have been rounded. Thus, these figures may be subject to small rounding errors.
13. It is agreed that our liability to the client is limited to the amount of the fee paid as liquidated damages. Our responsibility is limited to the client and use of this report by third parties shall be solely at the risk of the client and/or third parties. The use of this report is also subject to the terms and conditions set forth in our engagement letter with the client.
14. Although this analysis employs various mathematical calculations, the final estimates are subjective and may be influenced by our experience and other factors not specifically set forth in this report.
15. This report was prepared by HVS Convention, Sports & Entertainment Facilities Consulting. All opinions, recommendations, and conclusions expressed during the course of this assignment are rendered by the staff of this organization, as employees, rather than as individuals.
16. This report is set forth as a market study of the subject facility; this is not an appraisal report.

Certifications



The undersigned hereby certify that, to the best of our knowledge and belief:

1. the statements of fact presented in this report are true and correct;
2. the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
3. we have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved;
4. HVS is not a municipal advisor and is not subject to the fiduciary duty set forth in section 15B(c)(1) of the Act (15 U.S.C. 78o-4(c)(1)) with respect to the municipal financial product or issuance of municipal securities;
5. we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
6. our engagement in this assignment was not contingent upon developing or reporting predetermined results;
7. our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this analysis;
- 8.

DRAFT

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Contact Information



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