



# METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

**JOHN COOPER**  
MAYOR

**OFFICE OF THE MAYOR**  
METROPOLITAN COURTHOUSE  
NASHVILLE, TENNESSEE 37201  
PHONE: (615) 862-6000  
EMAIL: mayor@nashville.gov

September 8, 2020

Honorable Bill Lee, Governor of Tennessee  
State Capitol, 1<sup>st</sup> Floor  
600 Dr. Martin L. King, Jr. Blvd.  
Nashville, TN 37243

Dear Governor Lee,

**Tennessee's economic recovery begins in Nashville. Right now.** Tennessee's economy relies heavily on Nashville, and Nashville's economy relies heavily on the hospitality and entertainment industry, which has been crushed by COVID-19. As evidence of the bruising impact of COVID-19 on our local finances, we note that Nashville's hotel and short-term rental occupancy tax revenues have dropped by more than 80%. Similar revenue crashes affect Nashville's air travel and bar and restaurant revenues. The State of Tennessee will feel that same impact on the \$377 million in annual sales taxes collected from Davidson County tourism in 2019.

In its first year, our administration has demonstrated its ability to prudently and swiftly address Nashville's legacy financial challenges as well as deploy CARES Act funds (CRF) received to date. However, Nashville requires a robust, speedy federal and state response in order to effectively jumpstart its economy, and the economy of the entire state along with us.

To assist Nashville in addressing its near-term needs and poise it to recover swiftly, we are requesting an additional \$82.6 million in relief funds to assist Nashville with a portion of its response through the end of the calendar year. Critical local services are overwhelmed while Nashville's ability to meet those needs is impeded by insufficient local tax revenues generated by Nashville's previously booming hospitality and entertainment economy.

The remainder of this letter, and the attachments hereto, will set forth:

1. Our current, urgent needs necessitating our request for a \$82.6 million allocation of the State's CRF;
2. A description of our ongoing emergency response costs for which Nashville will shoulder the burden unless additional funds are made available; and
3. A summary of our prudent, strategic use of federal funds to date.

Nashville's pace of recovery will determine the trajectory of Tennessee's economic recovery, and we seek to work with you to achieve those shared goals.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Cooper".

John Cooper  
Mayor of Nashville



# METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

JOHN COOPER  
MAYOR

OFFICE OF THE MAYOR  
METROPOLITAN COURTHOUSE  
NASHVILLE, TENNESSEE 37201  
PHONE: (615) 862-6000  
EMAIL: mayor@nashville.gov

1. **Current, Urgent, Unfunded Needs - \$82.6 million** (See Attachment 1).

**a. Supplemental Relief for Tourism-Related Businesses - \$35.2 million.** Tourism in Nashville contributed \$377 million in sales tax revenue to the State in 2019. Nashville's international entertainment and hospitality brand is dependent upon a vibrant, diverse ecosystem of creative enterprises, restaurants, and non-profit organizations dedicated to music, arts, and culture. However, the core businesses of "Visit Music City" are reeling and at risk of permanent harm without intervention. They need additional resources to protect staff and to welcome the world back to a safe, healthy Nashville.

- **Legendary Venues and Keeping Music Alive - \$11.7 million.** Nashville's major tourism non-profits, such as the Country Music Hall of Fame (1.29 million visitors in 2019), Nashville Symphony (646,000 visitors), Zoo (1.26 million visitors), and the Frist Center for the Arts (359,000 visitors), form the backbone of the entire arts and culture ecosystem for Nashville and the region. Similarly, Nashville's live music venues draw tourists from around the world to hear world-class music in Tennessee. While some of these arts and entertainment venues are completely shut down, the remainder are open with attendance down 80-90%. We are seeking \$11.7 million to shore up these core non-profits, to assist live music venues, and to put musicians safely back to work.
- **Restaurants and Hotels - \$23.5 million.** Our internationally acclaimed hospitality industry employs more than 150,000 people from Davidson County and surrounding counties in the 2501 restaurants and 246 hotels in Nashville. While revenues at these businesses have plummeted by 60-80%, health mandates require that they provide PPE to staff and modify their facilities and practices to protect staff well-being and to foster public trust. Frequent and rapid testing is also key to keeping these establishments open safely. While welcomed by responsible establishments eager to reassure the public that "open for business" means "open safely for business," these measures are costly.
  - i. We seek State assistance in saving these core businesses. Specifically, we propose a fund to help assist our restaurants and hotels so that Nashville can once again welcome the world to Music City.
  - ii. Our homeless population has grown considerably due to COVID-19. Our shelters have reduced capacity and many more homeless residents are seeking shelter and assistance in our downtown core. Our hard-hit tourism economy is struggling to effectively address the needs of our homeless population and the pandemic simultaneously. In order to provide meaningful services to this vulnerable population and to enhance the recovery of our tourism economy, we seek the State's assistance with these needs.

**b. Expanded Relief for Small and Micro-Business Assistance - \$33.5 million.** Nashville's international entertainment and hospitality brand is dependent upon a vibrant, diverse ecosystem of creative enterprises, restaurants, and non-profit organizations dedicated to music, arts, and culture. Our music industry alone employs 46,000, and many of those work in our 18,000



## METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

JOHN COOPER  
MAYOR

OFFICE OF THE MAYOR  
METROPOLITAN COURTHOUSE  
NASHVILLE, TENNESSEE 37201  
PHONE: (615) 862-6000  
EMAIL: mayor@nashville.gov

small and micro-businesses that have been completely shut down or that may remain hampered indefinitely.

- Small and Micro-Business COVID-19 Relief - \$23.5 million. Small businesses and Mom-and-Pop businesses have had a difficult time accessing state and federal assistance. While 6,785 of our small businesses qualified for the State's small business relief program, many need additional support to sustain them during this extended pandemic. We are seeking to assist these businesses with PPE and other safety measures, to provide some rent/mortgage assistance, and to provide a measure of help with lost operational revenues due to restricted capacity.
- Arts - \$10 million. An additional 16,000 Nashvillians work for music, arts, and cultural organizations. Those entities generate \$50 million in state and local tax revenues annually. These arts organizations provide direct services to more than 100,000 school children each year, and they are hurting. Some will not survive.

**c. Expanded Social Safety Net – \$13.9 million.** While certain sectors of the social safety net are receiving the resources they need to respond adequately to the pandemic and to the needs of 100,000 unemployed Nashvillians, other sectors are not receiving critical resources. Stretched pre-COVID-19, the pandemic is highlighting the weaknesses in essential services that are critical to our speedy recovery:

- Behavioral Health - \$5.2 million. The COVID-19 pandemic has triggered brutally high levels of behavioral health distress that are exacerbating our public health crisis. Fatal overdoses are up 42% over last year's rates, with an average of eleven deaths *per week*. Requests for mental health counseling for children have doubled during the pandemic. Depression and anxiety screening requests are up more than 370% since January. Telemedicine behavioral health therapies have increased from 2% to 85% as a result of the pandemic and they are working. The long-term financial and societal implications for schools, employers, law enforcement, and our State of failing to address the current mental and behavioral health crisis are well documented. A minimum of \$5.2 million is urgently needed to expand services to children and adults so that they are prepared for work and school.
- Workforce Development - \$5 million. Nashville's unemployment has leaped from 2.4% in February to 12.1% now. This quintupling of unemployment, together with a shift to remote and automated work, will permanently displace many of our most vulnerable, low-skilled workers. To address this, Metro seeks to bolster existing workforce development efforts, but also to implement a rational, comprehensive, and effective structure to rapidly assist with job training and job placement. Employers of good-paying jobs are calling our office weekly for this assistance and we can provide it with additional resources.
- Childcare/Distance Learning - \$2 million. 42% of Nashville families lived in a childcare desert *before Covid*, and that statistic has only become worse during the pandemic. Numerous centers have closed or dramatically reduced capacity, despite state and federal efforts. The YMCA typically provides childcare to 2,000 Metro school children during the summer. This summer, they could only serve 700 children. We are seeking to grow the number of childcare centers as well as to increase the capacity of currently licensed providers. We also seek your



## METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

JOHN COOPER  
MAYOR

OFFICE OF THE MAYOR  
METROPOLITAN COURTHOUSE  
NASHVILLE, TENNESSEE 37201  
PHONE: (615) 862-6000  
EMAIL: mayor@nashville.gov

assistance for a pilot program that would temporarily modify regulatory measures applicable to childcare centers.

Alarming, recent reports indicate that more than 3,500 MNPS students are not logging into school daily. As a result, our remote learning necessitates the creation of safe study/learning spaces where children can readily access suitable technology under the supervision of caring, capable adults. Without this intervention, these most vulnerable children will fall further behind. The Nashville Afterschool Zone Alliance has a program in place but cannot serve those seeking the service due to lack of funds.

- Interpersonal Violence - \$1.3 million. In the first half of 2020, Nashville has seen a 250% increase in domestic violence homicides, a 280% increase in requests for telephonic and in-person advocacy assistance for victims of domestic violence by advocates at our community based Family Safety Center, and a 30% increase in professional partners needing additional domestic violence prevention and response training. We attribute this to pandemic-related difficulties for victims accessing services. The assistance requested here would enable the hiring of four case managers, four therapists, and one professional development trainer to undertake a robust public education and outreach campaign. This also will provide significant additional funding to nonprofits to partner with Metro to provide the services at scale.
- Eviction Mediation - \$0.3 million. Thousands of evictions are expected in Nashville as eviction moratoria expire. In order to reduce the numbers of evictions (and the ensuing long-term consequences to tenants of an eviction history), we propose providing free mediation services to landlords and tenants. While the goal of mediation would be to prevent evictions (and ensuing homelessness) by establishing a viable payment path for landlords and tenants, mediation can also devise a move-out and re-payment plan without a formal court-ordered eviction. This will go a long way toward ensuring that our struggling families will eventually be able to secure new housing and avoid homelessness. The funds requested here would enable the hiring of four trained mediators by Nashville Conflict Resolution Center.
- Pandemic Indigent Burial Assistance - \$0.3 million. Sadly, no more needs to be said here.

In summary, immediate financial assistance is imperative to jump-start our economy, save our hard-won and easily-lost brand, and preserve the tax revenues on which Nashville, and indeed the entire State, rely. Without the robust tax revenues generated by Nashville's tourism and entertainment industries, Tennessee's low-tax attractiveness will be imperiled.

### **2 A Summary of our Ongoing Emergency Response Costs for which Nashville will Shoulder the Burden Unless Additional Funds are Made Available – \$169.1 million.** (See Attachment 2).

Our existing \$121 million CRF allocation is covering only about 40% of our current and projected CRF-eligible expenses. When our urgent needs described in Section 1 of this letter are included, our CRF allocation totals only 32% of our urgent pandemic response costs. We need help.



## METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

JOHN COOPER  
MAYOR

OFFICE OF THE MAYOR  
METROPOLITAN COURTHOUSE  
NASHVILLE, TENNESSEE 37201  
PHONE: (615) 862-6000  
EMAIL: mayor@nashville.gov

Attachment 2 sets forth our on-going pandemic response projected costs. It is daunting.

We know that the challenges of our community will not go away on December 30th when the use of federal funds expires. The secondary impacts of this virus will be far reaching and long lasting. We are eager to get our residents back to work and school and to return Nashville to its role as the economic engine for our State.

### 3 **A Summary of Our Use of Federal Funds to Date - \$93.8 million.** (See Attachment 3).

**Nashville has mounted an integrated, robust, compassionate emergency response to the pandemic. We have been careful stewards of our direct allocation of CRF funds.** While Nashville accounts for 10% of Tennessee's population, 17.2% of Tennessee's COVID-19 cases have been reported here. While maddeningly high, a potentially catastrophic loss of life was averted due to our assertive public health response. The public health measures we have taken have constrained parts of our economy in order to preserve the health of our residents and maintain our regional hospital capacity. Nashville's medical centers have been able to serve COVID-19 patients from across the Middle Tennessee region and beyond because Metro Nashville's public health actions prevented our hospitals from being overwhelmed. **We are proud to report our efforts to date:**

- **Emergency Staffing and PPE- \$51.3 million.** Nashville has conducted over 200,000 COVID-19 tests. As a city government, we have facilitated mass testing by operating three assessment sites in addition to mobile testing, operating phone hotlines, and encouraging residents to get tested. Nashville's focused, comprehensive approach to our pandemic response includes labor costs and hazard pay for more than 3,000 critical infrastructure employees who are exposed to coronavirus in their daily duties. These workers include our first responders as well as temporary staff at our testing sites and emergency homeless shelters. We also are incurring substantial overtime pay for our public safety and public health workers.
- **Education - \$24 million.** Nashville has committed \$24 million to support distance learning for pupils in traditional public schools and charter schools. Metro also has committed to provide extra nurses in schools when students resume in-person instruction. With the assistance of the State grant and these Metro funds, MNPS will be able to provide a laptop to all students in grades 3-12, as well as to teachers. 17,000 students without internet access will be provided that access. Metro also is covering approximately \$10M in PPE needs for schools in a separate filing to FEMA.
- **Rent, Mortgage, and Utility Assistance - \$10 million.** With nearly 100,000 Davidson County residents unemployed, the need for rent, mortgage, and utility assistance has skyrocketed.
- **Small Business Assistance Fund - \$5.7 million.** With more than 18,000 employees, small businesses undergird Nashville's economy. Their limited access to capital and dependence on weekly cash flow constrain their ability to adapt to the financial whipsaw of this pandemic. It is our sincere hope that this modest fund, together with supplemental technical support, will help many businesses survive the pandemic and come out stronger. This fund is modeled after and will complement the State Small Business Relief Fund.



## METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

**JOHN COOPER  
MAYOR**

**OFFICE OF THE MAYOR**  
METROPOLITAN COURTHOUSE  
NASHVILLE, TENNESSEE 37201  
PHONE: (615) 862-6000  
EMAIL: [mayor@nashville.gov](mailto:mayor@nashville.gov)

- Non-Profit Assistance to Extend our Public Health Response - \$2.8 million. We have provided existential financial assistance to critical nonprofit partners such as the Sexual Assault Center and YWCA, that are experiencing increased demand for critical services due to the COVID-19 pandemic.
- Food Security - \$2.5 million. This additional funding to Second Harvest to help ensure our residents will not go hungry. In a collaborative approach, local non-profits, religious congregations, and Metro Nashville departments are working together to provide food boxes, hot meals, school lunches, and community refrigerators to Nashvillians in need. We are reaching young and old, marginalized communities, and the disabled.
- Needs Assessment and Response - \$0.5 million. We have partnered with The Equity Alliance to undertake a comprehensive assessment of the needs of our communities of color that have been particularly hard hit by the pandemic. Based upon preliminary findings, we have committed to the \$10 million in rent/mortgage and utility assistance as well as \$2.5 million in food assistance described above. These latter two allocations are made in accordance with various [Metro Council resolutions](#) and with the "Our Fair Share" needs assessment, which was produced in partnership between the Mayor's Office and The Equity Alliance. The assessment was produced by surveying historically underserved communities in Nashville to ensure that the needs of Black and Brown residents, people experiencing homelessness, and minority-owned small businesses are equitably represented in the consideration of CARES Act distributions.

**Attachment 1  
Urgent Needs of Our City**

		Coronavirus Relief Fund (in millions)
<b>Expanded Support for Tourism Related Business</b>		
Hotel & Restaurant industry- funding for covid-related increased operating expenses	\$ 23.5	
Tourism Landmarks - funding for covid-related increased operating expenses	7.5	
Longer term relief for Live Music Venues	3.2	
Putting Musicians Back to Work	1.0	
		\$ 35.2
<b>Expanded Small Business Relief</b>		
Rent/mortgage and other operating expenses relief for small businesses	\$ 12.0	
Arts Organizations - grants to arts, culture and music related non profits	10.0	
PPE and building preparation for safe reopenings and new operating procedures	6.8	
New businesses which were not eligible for State relief grants	4.7	
		\$ 33.5
<b>Expanded Funding for Social Safety Net</b>		
Behavioral Health Needs	\$ 5.2	
Workforce Development	5.0	
Childcare/Distance Learning Assistance	2.0	
Interpersonal Violence- domestic , child, & elder abuse, sexual assault & human trafficking	1.1	
Eviction Mediation	0.3	
Funeral Assistance Fund for deaths due to coronavirus	0.3	
		\$ 13.9
		\$ 82.6

**Attachment 2**  
**Eligible Metro Costs Unfunded due to Lack of Sufficient CRF**

Coronavirus  
Relief Fund  
(in millions)

Enhancements to City's Public Response			
Health Dept - vehicles, expansion at Lentz and Woodbine	\$	19.4	
Police - additional patrol cars for social distancing		2.9	
Fire - equipment, supplies, and vehicles (net of FEMA reimbursement)		2.8	
Farmer's Mkt - enclosure to manage capacity, handsfree doors & faucets		2.1	
County Clerk - remote location w/ drive through		2.0	
Nissan Stadium - hands free updates		1.8	
OEM - equipment, supplies, and vehicles (net of FEMA reimbursement)		1.7	
General Services - upgrades to HVAC per CDC guidelines		1.7	
Health Dept - Electronic Health Records		1.5	
Office of Family Safety- utilization of top floor-increased service/social distancing		1.2	
Public Library - e content and NAZA funding for digital learning		1.1	
Farmer's Mkt - small biz grants and training for their vendors		1.0	
Social Services - staffing and programming		0.8	
Public Works - video conferencing & technology		0.4	
Police Department- video conferencing & technology		0.4	
Juvenile Court- staffing and programmng		0.3	
		41.0	\$ 41.0
Public safety regular salaries (50% of Q1 & Q2 FY 21)			\$ 73.6
Public health department regular salaries (50% of Q1 & Q2 FY 21)			\$ 3.5
Funds Needed for Ongoing Response Efforts through end of FY 21 after CRF Expires			
Education: Additional Support for Public Schools	\$	12.5	
Overtime for public safety and health personnel		6.0	
PPE, mitigation, sanitization		4.0	
Temporary labor at testing sites		2.7	
Nurses in Every School (Jan - June)		2.5	
Temporary labor at Metro Health Dept		1.8	
Temporary labor at homeless shelters		1.2	
Increased Metro personnel for shelter sites		0.2	
Individual/Non profit relief		10.0	
Small Business Relief		10.0	
		50.9	\$ 50.9
			169.1



**Attachement 3  
What We Have Committed**

**Coronavirus  
Relief Fund  
(in millions)**

City's Emergency Response		
Staffing and temp labor (OT, testing sites, homeless shelters, etc.)	\$	24.8
Hazard pay for critical infrastructure employees		20.0
PPE, safety supplies, building prep, etc		6.5
TANS interest		2.6
Technology, remote work		1.5
Health Dept: At-Risk Plan, outreach, communications		1.4
Net impact of FEMA claim for covid-eligible expenses		(8.0)
		\$ 48.8
Support for Public School Children		
Laptops for all 3rd-12th graders & teachers	\$	20.0
Nurses in every school (Sept - Dec)		2.0
Internet hotspots, service through 12/30/20		1.4
Translation support, other reserve for technology		0.6
		\$ 24.0
Rent, Mortgage and Utility Assistance	\$	10.0
Small Business Grants and Technical Support	\$	5.7
Essential Metro Services conducted through Nonprofits	\$	2.8
Funding to reduce Food Insecurity	\$	2.5
Undesignated use of Funds	\$	27.3
Total Funds Received from the Coronavirus Relief Fund	\$	121.1