

POWER STEERING

by E. THOMAS WOOD

Amid plentiful signs of progress, Nashville's gainfully employed hustled through their usual workday routine on Monday, May 15, 2000. Signage crews hauling down old corporate logos and putting up new ones, office workers going through their daily motions behind the smoked glass of downtown office buildings, a crew setting up folding chairs for yet another groundbreaking ceremony on the Vanderbilt University campus—the rhythm of routine industry produced its familiar hum. If the workers carrying out these rituals invested their labor that morning with any particular emotion, an outsider probably would not have noticed.

But many hearts beat with conflicted passions that day, especially among the city's leadership caste. Some of Nashville's most powerful individuals were caught up in the activities of that Monday—an ordinary day, but also one that bore a portent that the balance of power in Nashville was changing forever. For Nashvillians across the spectrum of class and wealth, the changes would be by turns promising, profitable, disruptive, and disturbing, all in varying measures not readily predictable by social status. By day's end, the question of who would control Nashville's future—the question of where money, power, and leadership were destined to be concentrated in the new century—would be just a little harder to answer than it had been the day before.

Ascending into the gathering heat of that morning in the buckets of cherry-pickers, workers from Cummings Sign Company were taking down the last vestiges of First American National Bank. The signage had remained temporarily on the branches and downtown headquarters of First American, Nashville's last major independent bank, after Alabama's AmSouth Bancorp purchased it in 1999. By the time the work crews hauled the signs to the scrap heap, many of the hundreds of bank employees who had been laid off or who had otherwise departed in the wake of the deal had long since landed new jobs in the bustling Middle Tennessee economy. Some were plotting to compete with AmSouth by launching new, local banks.

Someday, perhaps, one of those new institutions would be as important a factor in the city's life as its major banks once were—not just holding deposits and making loans, but influencing civic affairs in manifold ways and grooming a new generation of local power brokers. Eventually, perhaps, at a home-grown bank or some other institution, there would be a forum similar to First American's executive dining room, where the city's top business people and politicians used to lunch regularly with bank officers, far from the prying eyes of the public, discussing much more than banking. Perhaps such a new forum, known only to the cognoscenti, had already been established—or perhaps leadership in Nashville would take different forms in the new century.

Downtown, at the headquarters of regional investment bankers J.C. Bradford & Company, the partners were packing up their tombstones. A tombstone is what you get after you help put together a big financial deal, such as a multimillion-dollar issue of municipal bonds, a corporate merger, or the initial public offering of a company going public. Just about every little etched-glass memento crowded onto the shelves of a Bradford veteran represented scores of long days and nights of team effort expended, innu-

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1—Mayday! State legislators are rattled by the sight and sound of 250 protesters marching up Capitol Hill from the Bicentennial Mall. Their cry—"Tax reform now!"—echoes down the hallowed halls. Representing more than 25 groups, including Tennesseans for Fair Taxation and the League of Women Voters, this "May Day SOS" coalition marches to protest raising Tennessee's sales tax on food. In the throng of protesters, a man dressed as a giant empty dinner plate brandishes a knife and fork the size of hockey sticks. Three more people, including Nashvillian Marsha Hyne, place a life preserver at the capitol's entrance. The circus on Capitol Hill is only pitching its tent. . . . **Across the street** at the War Memorial Building, a rally to protest the low wages paid to day-care workers draws about three dozen adults. The starting salary for most day-care workers in the city is \$5.25 an hour—less than a first-day fry cook at McDonald's. . . . **Setting a bold new low** for sweeps-month hucksterism, WTVF-Channel 5 airs "The Spring Break Tapes," a heavy-breathing indictment of licentious behavior by Nashville-area students during spring break in Florida. The "exposé" shows bikini-clad girls baring their breasts and getting pawed and nuzzled. WTVF attracts the most viewers in the 10 p.m. time slot for the trial month, but the peephole footage makes the station's management an instant laughing-stock. . . . **A judge rules** that convicted killer Paul Dennis Reid is mentally competent to be tried for the murder of three people during the robbery of a McDonald's in Hermitage in March 1997. If convicted, he will likely receive his seventh death penalty. Reid was previously convicted of killings related to a string of fast-food robberies that shook the Midstate in 1997, including the murder of two employees at a Captain D's restaurant in Nashville



For well over a half-century, three major banks and two insurance companies with local roots had dominated the Nashville economic scene. When the last of these, First American National Bank, fell under absentee ownership in May of 2000, the lowering of its signs was symbolic of the end of "home rule."

merable take-out meals consumed over conference tables, hours of delicate negotiations brought to fruition, and millions in fees earned for the investment bank. Tombstones are happy things at a place like Bradford.

Now it was time, though, to bury the tombstones in newspaper padding and cardboard boxes: a bittersweet if not funereal occasion. For Bradford was no longer the dealmaker. Its own deal had been cut at the end of April, when the large New York brokerage house PaineWebber Group bought it for \$620 million in cash. Not that the tombstoners would suffer in material terms: Upon the closing of the deal later in the year, the windfalls to the company's owners would include more than \$50 million for Senior Partner J.C. Bradford Jr., whose father had founded the company in 1927, at the apex of Nashville's influence as the "Wall Street of the South." At least 26 other local partners would receive amounts ranging from \$2 million to \$18 million each; still more would get smaller but quite substantial payouts. Perhaps inevitably, with so much money on the



In the boom-boom '90s, J.C. Bradford & Co. reached its zenith as a regional banking and investment firm. In its seven-plus decades, the firm had helped create and multiply the fortunes of local companies and investors alike. Its roster of veteran equity traders like Harold Wilson (above) was the main prize sought by New York's PaineWebber when it acquired Bradford in 2000.



One of the giants of the New York-based brokerage industry, PaineWebber Group, already had a presence in Nashville when it paid well over a half-billion dollars in cash for the J.C. Bradford firm. Some of Bradford's brokers were retained, but a majority, though enriched, were out of work.

table, some would balk at how the spoils were divided. By year's end, disgruntled ex-partners were plotting litigation, claiming the deal had shortchanged them.

A third scene that Monday morning, May 15, featured a newer variety of money and power. At the corner of Pierce Avenue and 22nd Avenue South, Vanderbilt University broke ground on the Monroe Carell Jr. Children's Hospital, funded in part by a \$20-million donation from the local businessman who, unlike many in Nashville's old guard, remained firmly in control of his business.

Monroe Carell was a native Nashvillian and a member of the Belle Meade Country Club. He and his wife, Ann, moved in the social circles of the elite. Still, Carell was cut from a different cloth than many in the city's privileged class. He had earned his money the hard way. The New Nashville rightfully boasted of its entrepreneurial energy, but it still bore traces of the "son-in-law town" that was the Old Nashville, where heredity and marriage were the key determinants of power. Carell, it was true, had taken over the family business of running parking lots in the 1970s, but he had turned the sleepy little firm into something his father could not have imagined. By 2000, Central Parking Corporation operated more than 4,000 parking facilities throughout North America and Europe, and as far afield as Malaysia and Chile. No company in the world threatened its dominance in this field of business. On this day, some of Nashville's leading businesspeople must have gazed ruefully, if not enviously, at a peer who had become hunter rather than prey in the global marketplace.

Money made, money given: Does the combination equal "power wielded"? That equation, in some form, is surely part of the governing dynamic of every American city. Acknowledging as much does not mean belittling either the real accomplishment of many wealth-creators or the real altruism in the hearts of many (or most, or all) donors whose gifts help to make a city a better place. But it does invite the question: When out-of-town companies take control of industries that once accounted for a significant share (qualitatively if not quantitatively) of local wealth, do they assume a power that trumps the authority of even the wealthiest local individuals?

and the killing of two women who worked at a Baskin-Robbins ice-cream store in Clarksville. . . .

Author and scholar Chaim Potok, noted for his novels about the Jewish experience, speaks on the Holocaust before a packed hall at The Temple. His appearance coincides with a worldwide day of mourning and reflection on the deaths of 6 million Jews in Nazi concentration camps during World War II. "There were 103 members of our family in Europe," Potok tells the hushed audience. "No one survived."

2—R. Clayton McWhorter, former chairman of Nashville-based Columbia/HCA Healthcare Corp., the nation's largest hospital company, announces he'll step down from the health-care giant's board to focus on other ventures. McWhorter, 66, served as Columbia/HCA chairman in 1995-96 after his company, HealthTrust, merged with Columbia/HCA. He remained on the board after Dr. Thomas Frist Jr. took over as Columbia/HCA's chief executive officer in 1997, in the midst of the company's federal fraud investigation. . . . **His courtroom** clogged with 12 defendants in the same marijuana conspiracy hearing, General Sessions Judge John P. Brown sets a local record for the largest number of incarcerated defendants in court for a single case: an Apr. 19 drug bust, in which dealers with walkie-talkies negotiated the handoff of 100 pounds of pot at a Nolensville Road car wash. Seven people were arrested on the spot; the trail led to more arrests at two residences on Antioch Pike, where another 280 pounds of marijuana were found. Eleven of the 12 defendants are Hispanic and must be outfitted with headphones that translate the hearing into Spanish. Ten defense attorneys are present. . . . **West Nashville residents** heading home on Centennial Boulevard at 9 p.m. are startled to find the street blocked from 39th Avenue North to 51st and the sky flickering with the lights of emergency vehicles. An explosion at the Rhodia Company, a Nashville chemical plant, has



One by one, the headquarters buildings of Nashville financial institutions changed hands around the turn of the century. Two of the oldest—the Life and Casualty and National Life insurance companies—were the first to go, and others soon followed: First American (left) became the AmSouth Bank Building, The SunTrust Center (center) traced back to Third National Bank and First Union Tower (right), which had roots in the Nashville Trust Company, now is known as Firstar Tower.

belched a cloud of phosphine gas over the area near 4600 Centennial Blvd., and the Cumberland River. The flammable gas, which packs a garliclike stench, can be lethal in high doses, and dramatic TV news reports temporarily scare the hell out of viewers. But the factory blaze is extinguished by 10:40 p.m., and residents are home by 11:15, breathing easier.

3—Behind closed doors, House Democrats and Republicans scramble to fix the state's fiscal woes without inciting the wrath of sundry vested interests. Both parties are happy to leave Gov. Don Sundquist crying in the wilderness about the need for a state income tax, but there is still the matter of that budget shortfall, variously estimated at between \$300 million and \$400 million. By the end of the day, Democrats and Republicans alike claim to be formulating remedies—but since they're meeting clandestinely in what would seem

One after another, the old institutional centers of moneyed power had vanished from Nashville over the past two decades, dispersing into the hands of local individuals great quantities of money and, sometimes, power—both in search of a purpose. For a great many of the beneficiaries themselves, and for many more in the community at large, these cashed-out investments were paying a dividend of anxiety.

Such were the social and economic peculiarities of the time that the millionaire tombstone collectors of J.C. Bradford & Company may have been more likely to feel disquiet over the firm's deal than others lower on the organizational chart with whom they shared a fate of impending unemployment. On May 15, rumors and gallows humor were the order of the day for employees waiting to learn how deeply PaineWebber would pare back Bradford's organization.

To former Army officer Nathan Bedford Forrest Shoaf, a partner on Bradford's corporate finance staff, military history provided an analogy for the moment. Shoaf felt a kinship with the Romans of the fifth century A.D., besieged by Alaric and his Visigoths. "We knew we were sitting there in the ruins of a once-proud empire, and we knew our days were up," he recalled. "We knew that the Goths would be there any day—and when they got there, there was going to be a vast sacking. There was no business going on. Most of us were just showing up every day out of a sense of meaning, a sense of community."

On Wednesday, May 17, the first wave of department closures would be announced. More would follow in June, idling several hundred employees in all ranks of the organization. Shoaf was one of them; he got picked up by the Nashville office of a Memphis-based brokerage firm, Morgan Keegan & Company—which, within a few months, would be swallowed by a bigger fish in Birmingham. "So I answer to Memphis, who answers to Birmingham," Shoaf mused. "I'm an outpost of an outpost." Just a month after PaineWebber closed the deal to purchase Bradford, it sold out to a Swiss financial conglomerate UBS AG. At the local level, the disappearance of deep-rooted companies with reliable old names was profoundly unsettling, not only for customers and employees, but for the larger community's sense of identity and well-being.

There's never a good time to lose a job, especially for workers in the midst of other important life events—like April Hayes in Bradford's bond department and Shane Steely in its mail room, who were expecting their first child within a couple of months. Yet, getting a good job had never been easier in the Metro Nashville area, where the unemployment rate stood at 2.4 percent. The more vexing question on many minds, even of those who might never need to work again, was what kind of city Nashville would be with no domestic financial structure to call its own.

Bradford was gone. The city's other major brokerage house, Equitable Securities, had sold out in 1998. First American was gone. A succession of mergers in the 1980s and '90s had devoured the other mainstay commercial banks in town, including Commerce Union, which had played a political kingmaker role rivaling First American's, and Third National, a key financial supporter of Nashville's music and health-care industries in their early days. Nashville was no longer the Wall Street of the South, just as it had ceased to be the Hartford of the South, once National Life & Accident Insurance Company's \$4.6 billion in assets were sold to Texas-based American General Insurance Company in 1982.

Of all these transitions, one prominent Nashville attorney fretted late in 2000, "the banking piece of it is what causes me the most concern for the future." (Since his firm had banks as clients, he preferred not to speak for attribution.) "The next time there's a recession, what little lending is done will likely be done closer to home. We are now no longer home. When things aren't going so well, you're generally more likely to apply hard formulas in the hinterlands—and we're the hinterlands now." Like many among the elite, this lawyer also worried that out-of-town owners would not support charitable causes in Nashville at the level their local predecessors had. And he saw an ill-starred precedent: "I would cite the bankruptcy of the symphony in the mid-1980s as something that would not have happened had National Life not been sold." (This insider was not the only one haunted by the Nashville Symphony's financial collapse in 1987-88; as we shall see, many in the city's white-tie-and-tails crowd were preoccupied during 2000 with one grand effort to lay that memory to rest forever.)

More broadly, in Nashville as across America, local and familiar brand names continually gave way to out-of-town control by chains and conglomerates. In 2000, grocery shoppers still saw the logo of Purity Dairies on milk cartons, but after 73 years



Before being bought out by Illinois-based Dean Foods in 1998, Purity Dairies was a model of local corporate ownership. The founding Ezell family, led by chairman and CEO Bill Ezell (center), still offered such personal touches as home delivery. To its credit, Dean has continued the service.

to be a clear violation of the state Sunshine Law, nobody knows what those plans entail. Meanwhile, legislators celebrate "Asthma Awareness Day" on Capitol Hill in a fog of cigar and cigarette smoke. . . . **Lebanon-based** Cracker Barrel Old Country Store lays an egg with its book-give-away to libraries across the country. The libraries that were supposed to benefit from the restaurant's chainwide literacy drive last August are being deluged with hundreds, even thousands of copies of the same titles. One Arizona library opens a shipment of 15,000 books to find 11,796 copies of the children's book *What Would Happen If*.

4—An e-mail message labeled "ILOVEYOU" is a good thing, right? Not to thousands of Middle Tennesseans and millions worldwide whose computers are attacked by the "Love Bug" virus. Once opened, the innocuous-looking message replaces files with infected copies, mails itself to every address in the user's e-mail address book, and tries to relay passwords to an address in the Philippines. Along with computer systems from Tokyo to Kenya, Nashville's servers reel from the assault. Metro's nearly 5,000 government e-mail accounts are shut down while as many as 30,000 infected messages are deleted. Businesses ranging from Columbia/HCA to Bridgestone/Firestone are hit. By day's end, love has turned to hate. . . . **Nashvillians didn't know** they had it so good. A Rochester, Minn., consulting firm says Music City ranks 50th out of 51 U.S. cities in the amount of its total per capita tax burden. Nashville families in 1999 paid an average of \$11,902 in taxes on incomes of \$60,000. By contrast, New Yorkers paid \$16,362. . . . **Cable behemoth Viacom** completes its \$50-billion takeover of CBS. This means locally based Country Music Television and The National Network, a.k.a. CBS Cable Networks, will be merged under the command of MTV Networks Chairman Tom Freston. One of the two cable networks

will not survive the year in Nashville.

5—Speak of the devil. MTV chief Tom Freston appears in Music City at the Opryland offices of CMT and TNN to survey his new babies. Freston announces his mission to create a newer, hipper National Network, which shouldn't be hard: the channel's cutting-edge programming includes 20-year-old reruns of *Dallas* and *The Dukes of Hazzard*. His prescription involves adding the World Wrestling Federation, the cheesy "professional wrestling" charade that is currently the most popular program on cable. . . . **B.A. Pargh**, the Nashville-based office-supplies wholesaler, announces its sale to Texas company Daisytek International for an undisclosed sum. Founder Bernard Pargh started out selling showerheads out of a station wagon in 1973; by 1978 he had sold the business to Service Merchandise. When SM went bankrupt in 1999, Pargh bought it back for \$6 million. . . . **The New Nashville** in a nutshell:

Mack's Country Kitchen, the all-night 21st Avenue greasy spoon once beloved by Vanderbilt students and Metro cops on the graveyard shift, now serves sashimi. Kenji Ohno, the Osaka native and eight-year Nashvillian who won a loyal following as sushi chef at Ichiban on Second Avenue, has turned the former Mack's into Ken's Sushi. For decades, Mack's slung burgers and plate lunches at all hours. A couple of years ago, it became an upscale dining spot called Cafe Luna. Regulars of the old Mack's eyed the cappuccino machine suspiciously and prodded croissants as if they were alien spawn.

6—One of the city's largest and most influential congregations, the massive Christ Church in the Hickory Hollow Mall area, celebrates a trio of 50-year milestones this weekend. On its 50th anniversary, the church honors Pastor L.H. Hardwick for his five decades in the pulpit, as well as his 50th year of wedded bliss with his wife, Montelle. When Hard-

of independence, the Ezell family had sold the dairy company in 1998 to Illinois-based Dean Foods Company—which itself was soon to be gulped down by a larger competitor. Purity milk was still for sale at the nominally independent H.G. Hill supermarkets in town, but Oklahoma-based Fleming Companies had taken over the local Hill warehouse and now controlled what the stores sold. Homey hardware stores seemed a little emptier every year as The Home Depot's superstores bustled with do-it-yourselfers. Locally owned drugstores were a thing of the past, replaced by national chains that seemed to be fighting a scorched-earth battle for prime store sites on Nashville's street corners. The most notorious example of collateral damage from that competition had been the 1999 demolition—despite fierce community protests—of the Jacksonian, an old and widely admired apartment building on West End Avenue. In its place now sat a drive-thru Walgreens.

Ah, but we still had Central Parking Corporation. Nashville was still the one place that could tell the world: "Your asphalt is mine."

Early in 2000, Central Parking had reached a settlement to end a protracted tussle with federal antitrust authorities over its intended purchase of its closest competitor, Allright Corporation of Houston. ("Joel Klein, who also beat the hell out of Microsoft, was the [federal attorney] on our case," Carell recalled. "We probably were fortunate to get out with what we did.") In a city fretting over the predations of out-of-town corporate behemoths ranging from PaineWebber to Walgreens, Central Parking represented a unique inversion of the pattern: a local company with enough global might to arouse the suspicions of anti-monopoly forces.

Carell had briefly cracked the "Forbes 400" list of the nation's richest individuals in 1997, before dot-com upstarts nudged him out. Investors reacted to the Allright



Monroe Carell, chairman of Nashville-based Central Parking Corp., was one of a dwindling few "home-town boy" corporate leaders on the Nashville business scene. Apart from his company interests, Carell bestowed millions of dollars on educational, artistic and medical charities in Nashville in the '90s.



After assuming control of Central Parking from his father, Nashvillian Monroe Carell took the company to the top of its field. Having bought out its closest competitor, Texas-based Allright Parking, Central was by 2000 the dominant parking management company nationwide and also had extensive holdings in Europe, Asia and Latin America. As parking-lot prices escalated in downtown Nashville, so did grumbling about “price-gouging monopolies.”

wick became pastor in 1950, three weeks into his marriage, the church was called Woodbine United Pentecostal and housed in a single building at the corner of Rose and Church streets off Nolensville Road. By 1956, it had 56 members. In 1977, it moved to a rocky 5-acre site on Old Hickory Boulevard and changed its name to Christ Church Pentecostal, ultimately dropping the “Pentecostal” to accommodate an influx of Baptist and Church of Christ members. Today, it occupies 70 acres and boasts some 7,000 active members, including local politicians (Hardwick is U.S. Rep. Bob Clement’s brother-in-law) and bigwigs in the country and contemporary-Christian music industries. In Nashville, musicians often say choosing a church is a career move in itself.

7—Excitement greets the news that Vanderbilt University will be the first school in the country to subscribe to the “book of life”—a vast computerized database of human genetic information that will give researchers powerful new tools for conducting cancer research, studying mental disorders and locating and identifying new genes. The cost of this subscription over several years could run into millions of dollars. Celera Genomics Group, the company compiling the database, has been criticized for selling access to information that many believe should be shared freely, but for the moment, the issue is moot: Celera’s rough map of the human genetic code will not be finished until summer. . . . **Circle Players**, Nashville’s oldest community theater group, continues its three-week run of *One Flew Over the Cuckoo’s Nest* at TPAC’s Johnson Theater. Charles Howard stars as the recalcitrant asylum inmate McMurphy, the role Jack Nicholson had in the 1975 film; Cinda McCain plays the iron-willed, authoritarian Nurse Ratched.

8—Today’s guest of honor at Fisk University is a man who wasn’t allowed to set foot in this country for almost 40 years. Civil-rights activist Preston King, a

1956 Fisk alumnus, returns to his alma mater to deliver the commencement address to this year's graduating class. He has not lived in America since 1961, when he fled charges of draft evasion. He refused to serve in the military when the inductors at his Albany, Ga., draft board called him only by his first name—although they had addressed him by letter as “sir” or “Mr. King” before they knew he was black. King, who was pardoned in February by President Bill Clinton, tells the audience that his return to Fisk is bittersweet. Seeing some of Fisk's more decrepit facilities and the water damage done to Aaron Douglas' murals, he says, makes him feel “something verging on shame.” To lose the university, he says, “would be to lose much of the soul of this country.”

9—A police alert: beware of a motorist who flags down women on Interstate 65, convincing them they have engine trouble and offering help. The “I-65 Rapist” has assaulted four women after abducting them to a wooded area in Maury County . . .

Almost 150 puppies are found seriously overheated in the back of a truck being repaired in a Nashville garage. The dogs are en route from their breeder in Missouri to pet stores in several states, including some local stores, when the truck breaks down. While making repairs, employees at Neely Coble Co. find the puppies in the truck's airless and stifling cargo section. Four puppies die. The others dominate the local news for days to come. . . . **It may take a miracle** to find a parking space at Adelphia Coliseum for the upcoming Billy Graham Crusade, even though the event is still three weeks away. Two thousand parking passes have already sold for \$5 apiece for each night; only 2,000 more remain. The crusade is being greeted with intense fervor in many quarters and intense skepticism in a few—especially among those offended by TV and billboard ads that seem to make sport of other faiths (“No incense. No yoga. No charge.”). More

deal with something less than enthusiasm, and Central Parking's stock was having a rocky 2000, but the Carell family stake was still worth roughly \$400 million on May 15. In the last years of the 1990s, the Carells had embarked on a highly visible series of charitable efforts involving mainstay Nashville institutions. In addition to the Children's Hospital donation, they funded a \$5-million library for the private girls' school Harpeth Hall, eight full-tuition scholarships for Vanderbilt students working their way through college, the principal gift for a new Catholic high school in Hendersonville, a donation of at least \$1 million to the Nashville Symphony, and a permanent outdoor sculpture installation at Cheekwood.

More than a few locals quietly remarked on the irony of the Carell Woodland Sculpture Trail's establishment at more or less the same time large swaths of the city's former urban heart, Church Street, had been flattened for use as Central Parking spaces. By 2000, Carell's company and his family owned at least a dozen downtown lots and garages, with a total tax-appraised value approaching \$10 million, and managed numerous other facilities in the city's center (though the antitrust settlement would require Central to divest itself of several facilities). Nashvillians accustomed to cheap and easy downtown parking howled as prices shot up during the 1990s, many blaming Central Parking for squeezing up rates as it squeezed out competitors. Carell's personal reputation as a fearsome and demanding manager further cemented Central Parking's reputation for something less than model corporate citizenship.

It all may have been a bum rap. Central Parking didn't cause the department stores and other merchants of Church Street to wither and die; if any villain can be blamed with certainty for the decline, it's the car-loving, suburb-dwelling public. And Carell did not write the local ordinances giving property owners tax incentives to raze any building that is not producing a good stream of income—and no incentive to preserve beautiful or historic structures until a better use can be found for them. The sniping clearly rankled Carell. He said he became most vividly aware of the undercurrent of criticism at a meeting with Mayor Bill Purcell late in 2000. “I found out from the mayor's office that some of the people who I thought were my friends were, in fact, claiming that I had, that the company had, some sort of monopoly that was adversely affecting the business community,” Carell sighed. He blamed publicity from the recent antitrust case for kindling local sentiment against Central Parking. “We are being accused of things unjustly,” he said.

Well, then: Were all the donations meant to put forth a kinder, gentler image of Carell in the local public eye? He was offended at the notion his detractors might take such a cynical view. “I can stand their criticism, but if they thought I did it for material purposes, that would be totally unjust. I'd fight over that one,” he said. “I'm not going to buy anybody's support. I might give to the politician for that purpose, but as far as the hospital or school or churches, absolutely not.” (Federal Election Commission records show that Carell family members gave at least \$125,000 to candidates for federal office between 1992 and 2000, with roughly equal amounts going to Democrats and Republicans alike.) “What we do in that area is our responsibility. It's totally our choice, and we do it because we think we've been fortunate and we ought to share.”

It's not as though these were hard times—not for most Nashvillians, and certainly not for most of the commercial class. There were losers among the corporate winners, to be sure, but their sad fates could generally be explained away as unrepresentative of the overall economy. Service Merchandise Company, which had its roots in the now-extinct culture of small-town Jewish merchants in the South, and which grew to become one of the nation's major catalog and showroom retailers, was now in bankruptcy after years of fruitless attempts to adjust to the fickle tastes of shoppers. Pioneering restaurant chain Shoney's Incorporated, whose unpretentious offerings were a part of the fabric of life for a generation of diners in Nashville and beyond, had lost its footing. Every few months seemed to bring more bad news for Shoney's, continuing a downward financial spiral that had lasted for most of a decade.

Some of the more ambitious publicly held companies in town, especially in



In the topsy-turvy corporate world of mergers, acquisitions and globalization, giant chain stores like Best Buy (above) dominated some fields, driving smaller retailers out of the field.

health care, were finding that the basic assumptions behind their business plans did not fully hold up to investor scrutiny. Would-be prison-management giant Corrections Corporation of America faced similar problems as investors lost faith in its mission. CCA and health-care companies Phycor, American Healthcorp (now American Healthways) and ClinTrials Research, all based at Nashville's Burton Hills office park, had each been Wall Street darlings at moments in the 1990s. Money manager Jon Shayne, also located in Burton Hills, dubbed the office complex "High-P/E Plaza" in honor of these companies' lofty market valuations. By May 2000, Phycor had swooned from a high of \$41 a share to 44 cents, while ClinTrials had dropped from \$50 to \$3, and the others had followed similar trajectories. The collective price/earnings ratio at Burton Hills had reached a level closer to market norms.

Still, the misfortunes of these and other local businesses, including much of the music industry, which was facing crises of confidence and cash flow after years of robust growth, could not dampen the overall euphoria of the Nashville marketplace.

Middle Tennessee had never enjoyed a more sterling reputation as a place to do business. A poll of site-selection consultants, conducted in 2000 by the trade magazine *Expansion Management*, ranked Nashville as the sixth best city in the U.S. (among 331 metro areas) for expanding or relocating corporate operations. Metro government was a good credit risk. Municipal-bond rating agencies gave Nashville excel-



After years of growth and expansion from its origination in Nashville, Service Merchandise Co.'s catalog and showroom business fell on hard times. The few catalog retailers to master the art of marketing on the internet were thriving; the rest, including Service Merchandise, were declining rapidly.

representative of the civic mood are the handmade banners and church signs proclaiming, "Another Music City Miracle." In Middle Tennessee, there is little separation of church and sports.

10—At long last, a select audience of some 10,000 Nashvillians gets the chance to tour the new Opry Mills shopping center the day before its grand opening. Just getting to the Opry Mills exit on Briley Parkway from I-40 takes 70 minutes, with an additional 20 minutes spent parking. Once inside, shoppers stroll through the mall's villagelike enclaves, sampling paper cones of Thai noodles and nibbles of pizza. Among the attractions are the chocolate malts at Ghirardelli (\$3.49), the huge tank stocked with fish at the Bass Outdoor Pro Shop and the mechanized hippo snorting in a makeshift lagoon outside the Rainforest Cafe. Perhaps most striking is the yahoo-chic juxtaposition of ritzy boutiques with glorified arcade attractions. . . . **Citing the "unusual circumstances"** of three killings by Metro police in a 22-day period earlier this year, District Attorney General Torry Johnson orders a grand jury investigation of the deaths. Johnson says the probe is intended more to reassure the public than to bring any kind of criminal charges against the officers. . . . **A tempest in a dog bowl** is brewing over those puppies found sweltering in the back of a broken-down transport truck. Metro Animal Control personnel say they will file suit to bar the canines' Missouri-based owner and breeder from taking possession of the 143 surviving pups.

11—Braving traffic, parking hassles and clowns, close to 100,000 visitors pass through the portals of Opry Mills in its first official day of business. By closing time, approximately \$3 million in sales have poured into the shopping center's coffers. Yet some merchants worry that attendance is not higher. The Gaylord company's marketers are projecting 17 million shoppers a year, which works out to 46,575 a day. . . . **Nevada golfer Pat Hurst** shoots

a 65 to take a two-shot lead in the Ladies Professional Golf Association's Electrolux U.S.A. Championship, currently underway at The Legends Club of Franklin. One hundred forty-four women players from Japan, Peru, Italy, Canada, Australia and points beyond converge on the Legends' links, which are sculpted replicas of famous courses around the world. The tournament was previously known as the Sara Lee Classic, until the popular pound-cake peddler ended its sponsorship last year. . . .

West Meade resident Coleman Harwell, 57, spends two hours in jail this afternoon for his possession of grass—not marijuana, but plain old lawn grass. Harwell likes the grass in his yard tall and rangy, which has brought him citations from Metro codes inspectors. His crime: "excessive vegetation." General Sessions Judge Gloria Dumas finds Harwell in contempt of court for violating an injunction last September that ordered him to trim his yard; he receives a sentence of two days in jail. His attorney gets him released after a few hours while he appeals the ruling.

12—A group of 35 Franklin pastors decides to set Middle Tennessee straight on what's Christian and what's not—like, for instance, the Church of Jesus Christ of Latter-day Saints, which has just opened the Midstate's first Mormon temple to public tours in Franklin. The pastors take issue with the Mormon church calling itself a Christian organization. As members of a group called the Empty Hands Fellowship, which is devoted to racial and denominational reconciliation, the pastors outline eight key differences between the Mormon faith and Christianity. Chief among these is the Mormons' erstwhile ban on African-American men becoming lay priests. (No mention of women, whose denial of priestly functions is a point of general agreement among Mormons and Empty Hands fellows alike.) . . . **The return of commuter rail** service to Nashville after a half-century absence is the goal of the new Regional Transportation Authority, which has secured enough federal funds to test the concept on existing tracks. In a week of trial runs between the city and three

lent marks, citing a broad and diverse economy, the presence of large institutional employers, and stable economic growth rates. In 2000, relocating companies continued a two-decade pilgrimage toward the Nashville area, greatly diversifying its mix of industrial activity. On April 25, General Motors announced it would invest \$1.5 billion in upgrades to its Saturn Corporation plant in Spring Hill, south of town. Nissan was expanding its Smyrna operations, Dell Computer and Hewlett-Packard had each brought high-tech manufacturing operations to the region in recent years, and major telecom player Sprint PCS opened what was projected to become a large programming facility in Nashville during 2000.

The local economy had benefited from its past misfortunes. The occasional woes of the past two decades, such as the real estate-driven recession of the late 1980s, tended to strengthen the resolve of community leaders to insulate the city from such shocks in the future. The mid-to-late 1990s were boom years for commercial property development in town, but only because growth in the overall economy was creating new demand for office and warehouse space. This was not the speculative, debt-driven boom of the 1980s, a hot streak that ended with bad loans sending First American's stock to low single digits, Metropolitan Federal Savings & Loan being taken over by federal regulators, and the Federal Deposit Insurance Corporation citing Nashville as the nation's second-worst commercial real estate market. All parties involved had been humbled by the comedown. Developers were now more conservative in their plans, and so were local bankers.



When industry leader Dell Computer came looking for plant sites in 1999, Metro outbid all suitors by giving up free land next to the airport and exclusion from most taxes.



Pickets worked both sides of the issue when Mayor Bredesen brought the "Dell deal" before the Metro Council, which endorsed it after heated debate. Dell started construction immediately.



Within a year, in September 2000, Dell's assembly plant was up and running. The computer giant's 1,800 new employees assembled outside the new facility for opening ceremonies. Another 1,000 were already at work in rented warehouse space a few miles away, across the Wilson County line. In addition to tax breaks and free land, Dell would also receive from Metro a \$500 annual fee—in effect, a bonus—for every person on its Davidson County payroll.

stations to the east—Donelson, Hermitage and Mt. Juliet—free rides were taken by about 2,400 riders. This route, extending to Lebanon, is slated for regular service by 2002, with other routes to Gallatin, Murfreesboro, Franklin and Kingston Springs to follow—if funding becomes available.

13—What was that Oscar Wilde line on fox hunting—something about the unspeakable in pursuit of the uneatable? Banish the thought, as the 59th-running of the Iroquois Steeplechase draws more than 25,000 revelers to Percy Warner Park. So great is the turnout on this balmy spring day that Old Hickory Boulevard must be converted to one-way traffic to accommodate the flow. As always, spectators gravitate to the expensive box seats, where feathered chapeaux and goblets of chardonnay are plentiful, or to the cheaper vantage points on the hillside, where khakis and coolers prevail. The loftier patrons note with dismay the relaxed dress code (or undress code, since plunging décolletage is in). Others place bets, guzzle wine coolers and defend their sinuses against the onslaught of turf and manure.

14—From the jazz brunch at Bosco's in Hillsboro Village, featuring the Gypsy Hombres, to the lavish spread laid out at the Opryland Hotel's arboretum, the city's restaurants are filled for Mother's Day. Even the Cracker Barrel on Sidco Drive puts a 75-minute wait between Mom and her first white-gravy biscuit. The line outside Pancake Pantry stretches out the door and down the sidewalk, but that is nothing new for the beloved Hillsboro Village flapjack joint: It even keeps a vat of coffee stationed outside the entrance for the faithful. . . . **In solidarity** with the Million Mom March, a handgun-violence protest in Washington, D.C., that galvanizes tens of thousands of concerned parents, Nashville parents stage their own rally at Centennial Park in support of tighter gun-control laws. School shootings, handgun availability and their children's future are the key topics among the 250



Commercial development was booming not only in the vicinity of suburban shopping malls; there was evidence of it in downtown Nashville too: the Magnetek Building at Third and Commerce.

people on hand, mostly women. . . . Today's *New York Times* has a critique of Nashville by reporter Neil Strauss. "Yesterday's Nashville, the one Tom T. Hall sang about in 'Nashville is a Groovy Little Town,' lies on a scrap heap," Strauss says. "Many of the city's oldest, quaintest attractions are either moving or closing or have already been leveled. All of this is one reason why Nashville is in a tourist slump, with 15% fewer visitors over the past two summers." Don't wait for the city boosters to make it over into an ersatz Southern Manhattan, Strauss advises. "Now may be the best time to visit, while it's in the throes of a personality crisis." . . . Thousands of Middle Tennessee parents make the ultimate sacrifice for their children: they sit through boy-band 'N Sync's mobbed stadium show at Adelphia Coliseum. In a review on *The Tennessean's*



The rapid expansion of industry in the Nashville metropolitan area spurred high-income population growth throughout the 1990s, and that, in turn, caused a housing boom, particularly in Williamson County to the south. Scores of rambling mansions and showplaces were springing up like mushrooms in the rolling hills and farmlands, so many that a couple of generic names became attached to them: "McMansions" and "Brentwood houses."

More to the point, much of the economic risk of overbuilding in the Nashville area had been diffused far beyond its borders as real estate investment trusts (REITs) became the dominant force in commercial development. Few Nashvillians outside the realty business paid much attention as publicly held REITs—flush with cash as their stocks rose in the mid-1990s—snapped up immense chunks of Middle Tennessee property over the course of just a few years. But this transition was one case, at least, in which loss of local control in the economy appeared to be beneficial to the city. Henceforth, Nashville would be cushioned against the endemic cycles of boom, overbuild, and bust that had long plagued the area's economy. Shareholders of the REITs would feel the pain when occupancy trends turned south (as they had begun to do by 2000), but local lenders and investors would be less exposed than in the past.

For many individual Nashvillians, meanwhile, the boom times just kept on. Unemployment had been under 4 percent since 1993. Home values had shot upward, not just in the "Golden Triangle" of Belle Meade, Forest Hills, and Green Hills (where the average price of a single-family home was around \$400,000), but also in parts of East Nashville that had become newly chic after decades of quiet stagnation and blight. Every home-improvement contractor worth his or her salt was booked up months in advance, as homeowners all over town cast aside old concerns about "overbuilding the neighborhood," turning cottages into mansions and mansions into palaces.

Nashville's money was not just old and gray, either. "Who could have imagined there were so many young millionaires in this town?" marveled John Hardcastle, president of H.G. Hill Realty, after most of the lots in the company's 129-acre Hill Place residential development were sold in a one-day land rush in April 1995. Buyers, most of whom were under 50 and many under 40, put down as much as \$300,000 each that day, and nearly half paid more than the asking price for the privilege of owning raw land in what would become, by 2000, an ultra-upscale subdivision of huge and dazzling homes.

The striking thing about Monroe Carell, in both his accumulation of wealth and his community largess, was the very fact that he was far from unique in Nashville. His fortune paled next to those of at least two other clans that had made the "Forbes 400" list: the Ingram family (which dominated the businesses of wholesale book, video, and computer distribution) and the Frist family (which helped invent, and then dominated, the for-profit hospital industry, along the way sending a member of their clan, heart surgeon Bill Frist, to Washington as a senator). There was plenty of public-company wealth in town, and scores of Nashville families were also descended from old, private, well-invested money that had grown into nest eggs *Forbes* would have no way of estimating—but which, according to sometimes-reliable rumors, approached \$400 million in several instances. And it occasionally seemed that people spent more energy giving money away than making it. Carell himself recounted a comment from Hugh McColl, the North Carolina banker who parlayed a regional financial institution and a lot of raw nerve into what is now the national powerhouse Bank of America (owner of what used to be Nashville's Commerce Union Bank). "He thought Nashville was the most philanthropic city, for its size, of any in the United States," Carell recalled.

To be sure, some of Nashville's more recent millionaires found themselves in aberrantly generous spirits in 2000. The roaring NASDAQ stock market made many feel like pashas as the year began, and some were even wise enough to cash in their holdings before profits evaporated in the long slide of the last three quarters of the year. But the giving spirit of Nashville as a whole was nothing new. "Nashville has reached the point where there is overkill in charitable giving," moaned venture capitalist Ed Nelson, chairman of the Vanderbilt University Medical Center board and former head of Commerce Union Bank. "It's such a copycat city—whether it's the entrepreneurial starting of companies or starting a new disease ball." Examples of the extraordinary open-handedness of the city's residents were all around:

- **On campus.** Carell's \$20-million gift to Vanderbilt for the children's hospital was generous, but not by any means unique. Before the end of 2000, Baptist-affiliated

front page, critic Alison Embry writes, "It was loud and everybody screamed and they played all my favorite songs." She is 9. Summing up the parental consensus, a 35-year-old father of four calls it "prepubescent hell."

15—Vanderbilt University breaks ground on its new \$150-million children's hospital, to be located at the corner of Pierce Avenue and 22nd Avenue South. The nine-story facility will more than double the current space of the children's hospital. If all goes according to plan, it will open in 2003. . . . **The final stats** on opening weekend at Opry Mills: approximately 350,000 shoppers from the U.S. and 23 other countries, and \$10 million in sales. The only downside is that the mall had projected between 400,000 and 500,000 visitors.

16—The Sundquist administration puts a \$264-million price tag on overhauling TennCare, the state's health-insurance program for the poor, uninsured and uninsurable. Sundquist's "TennCare II" program calls for reducing some benefits and sharing the risk of cost overruns with the private insurance plans that administer the program's claims. . . . **The use of deadly force** by Metro police comes in for sharp raps at a public forum on law enforcement sponsored by the Metro Human Rights Commission. The forum, part of a conference on community relations issues, draws more than 300 people to the Renaissance Nashville Hotel, and the exchanges among local business owners, religious leaders, political figures and police representatives are often heated. Many agree with commissioner Rev. James Thomas, who says, "The police are untouchable." The criticism softens a bit when the police department's critics are invited to step into an officer's shoes. A virtual-reality role-playing game used in Metro Police Academy training lets audience members act in high-risk situations, and even harsh critics take notice when they see how little time officers have to react to some chal-

lenges. When Metro Police Sgt. Bob Allen finally guns down a computer-generated suspect, the audience cheers. . . . **On trial** for racketeering, money laundering and conspiracy, accused madam Tera M. Daniels contends that she is shocked to learn her employees at Dawn's Whirlpool and Health Spa on Eighth Avenue South were offering sex for money from 1993 to 1999. Dissenting views are given by Daniels' former boyfriend, her mother and stepbrother, her former employees and a customer who claims to have made 300 visits for sex. . . . **In one stroke**, Music City loses two downtown nightclubs, including the city's premier jazz hall. To focus attention on its new Bluegrass Showcase venue at Opry Mills, guitar manufacturer Gibson Music Instruments Co. closes Gibson's Guitar Cafe and Gallery on Lower Broadway and Gibson's Caffe Milano on Third Avenue North. Of the two, the four-year-old Caffe Milano is the greater loss. Before Gibson bought the money-losing nightspot in 1998, the 250-seat dinner club hosted artists ranging from Elvis Costello and the Fairfield Four to rising jazz vocal superstar Diana Krall. For salsa great Tito Puente, patrons shoved aside tables to dance the mambo. The club's acoustics, intimacy and state-of-the-art video and audio capabilities made it one of the city's most impressive music venues.

17—The altar rail of downtown St. Mary's Catholic Church is lined with photographs of the 33 Metro police officers and one sheriff's deputy who have been killed in the line of duty since 1903. The occasion is a memorial service honoring Nashville's slain law enforcement officers. Sgt. Jimmy Wheeler, president of Nashville's Fraternal Order of Police, commemorates the late policemen as having the "courage, integrity, heart and guts to work in a profession that many would not." After the service, officers fire a 21-gun salute outside the church, and 27 Goodlettsville fourth-graders sing the Latin hymn "Dona Nobis

Belmont University was planning to announce a \$10-million donation from recording executive Mike Curb, and David Lipscomb University would announce a bequest of similar size from the estate of longtime Nashville automobile dealer Alvin Beaman. And none of these gifts came close to what Martha Ingram, chair of the distribution conglomerate Ingram Industries Incorporated, had bestowed on Vanderbilt in 1998. In what may have been the largest private gift ever made to an American university, the Ingram Charitable Fund signed over shares of stock then valued at some \$340 million.

• **On Broadway.** A \$25-million grant from the Frist Foundation, under the aegis of Hospital Corporation of America co-founder Thomas F. Frist Jr., covered about half the cost of turning Nashville's former main post office—an imposing art-deco edifice at 901 Broadway—into the Frist Center for the Visual Arts. By May 2000, eleven months ahead of its scheduled opening, civic excitement over the "world-class" art museum was already running high. For the Frists, the city's eager anticipation was a welcome distraction from continuing legal unpleasantness surrounding the family company: During 2000, HCA agreed to pay a total of \$840 million in criminal and civil penalties to the federal government, settling just part of a billing-fraud case that had been in the news since 1997.

• **In national politics.** When the *Wall Street Journal* revealed in 1999 that the Belle Meade-Green Hills-Forest Hills zip codes of 37205 and 37215 were two of the top three zips in federal campaign contributions, the rest of the country learned what political insiders have known for some time: Nashville functions as an ATM for would-be senators and presidents. (The same front-page article yielded Belle Meade resident Herb Shayne's lapidary description of his neighborhood as a "hotbed of social rest.") Middle Tennessee in 2000 was home to an improbably large collection of key money people backing Washington politicians. An outsider might have presumed that homeboy Al Gore would have a coterie of financiers in town, and the Eskinds did fit that description—longtime Democratic operative Jane Eskind personally donated \$235,000 in "soft money" to the Democratic National Committee during 2000, and she and her family had contributed close to \$1 million in total support for Democrats since 1992. But most of the rainmakers in Nashville were Republicans. Four past national finance chairmen of the Republican National Committee lived in the city: Mike Curb (who served an embattled term as lieutenant governor of California before moving to Nashville), investor Joe M. Rodgers, real estate magnate Ted Welch, and financier David K. "Pat" Wilson. The



As a record company executive in Nashville, former California Lt. Gov. Mike Curb found the community to his liking. He branched out to become an important Republican Party fund-raiser and a major benefactor of Baptist-affiliated Belmont University.



Hospital Corporation of America co-founder Thomas F. Frist Jr. (right, with senior officer Jack O. Bovender) had turned over the reins to Richard Scott when restructured Columbia/HCA got into legal hot water that eventually cost the company almost a billion dollars in fines and directed settlements. Frist returned to top management and changed the name back to HCA. The company has spawned numerous for-profit healthcare companies in its image. The Frist name is prominent in local philanthropy.

Curb, Rodgers, Welch, and Wilson families gave roughly \$800,000 to national GOP candidates during the 1990s, but they raised many times that amount by passing the plate among fellow industrialists. Welch, universally acknowledged as the most successful Republican fund-raiser in history, had arranged the financing of Lamar Alexander's failed presidential bids in 1996 and 2000 and then, each time, moved on to raise millions more for the party's nominee. People who knew Welch observed that he seemed not to seek any personal gain from his efforts, and that he showed no signs of zealotry on the great issues of the day—nor, indeed, of having any strongly articulated political beliefs at all. He just enjoyed the hunt.

- **In the pews.** Nobody had any way of reliably tracking the total sums offered up by Nashville's religious congregations every week, but in a city full of impressive houses of worship, the total can only have been immense. Local accountants, in their off hours, could occasionally be heard speaking with wonder about the number of clients who engaged in honest-to-goodness tithing.

- o **At the office.** In a time when the United Way's system of workplace giving faced competition from a host of newly outstretched hands, Nashville's annual campaigns consistently ranked in the top 10 percent among United Ways nationwide in the amount donated per giver.

- o **At the Y.** The YMCA of Middle Tennessee outstripped YMCAs from some of the nation's largest metropolitan areas in its fund-raising. In 1998, Nashville's Y had revenues larger than those of Dallas, Philadelphia, Boston, or Metro Washington, according to public filings with the Internal Revenue Service. From 1994 through 1998, the YMCA increased annual revenues 116 percent, from \$19.6 million to \$41.3 million (rising to \$48.7 million in 1999). Bill Wilson, son of Pat Wilson, led a multiyear capital campaign that had raised almost \$50 million by the end of 1999. And all this recent

Pacem." . . . A U.S. District Court jury finds Tera Daniels guilty on 35 counts of prostitution-related racketeering, money laundering and conspiracy. The jury, deadlocked over whether the convicted madam should forfeit \$745,000 and her home in Mt. Juliet, eventually decides that she should. Daniels kisses her twin 9-year-old daughters goodbye and goes into custody. . . . Those 143 puppies whose status has been updated nightly on local newscasts are finding homes, but not with their owner in Missouri. In exchange for dropping animal-cruelty charges against the truck driver, an out-of-court settlement awards custody of the pups to the Metro Public Health Department Animal Control Facility. Eyeing the prospect of purebred pups for a song, Nashvillians eagerly await the public adoption three days hence. . . . Legendary banjo picker Earl Scruggs, 76, half of the famed Flatt and Scruggs bluegrass duo of the 1960s, plays the Ryman for the first time in a quarter-century. With country star Marty Stuart and others, Scruggs brings back memories of his wide-ranging career that included pairings with Joan Baez and Bob Dylan and gigs at Carnegie Hall and the Newport Folk Festival.

18—Who needs women pastors? Apparently not the Southern Baptists. For their annual convention in June, the nation's largest Protestant church body is considering a revised faith statement that says God did not intend women to ascend to the pulpit. Of the 190 congregations in the Nashville Baptist Convention, none has a female pastor. . . . **Columbia/HCA** agrees to a \$745-million civil settlement of claims that it habitually inflated bills at hospitals, home-health agencies and outpatient laboratories. This speeds up but does not end the federal government's fraud case against the health-care giant, which still stands charged of overbilling Medicare and giving kickbacks to doctors who referred patients to its hospitals.

19—King Crimson, the British progressive-rock band whose lineup includes veteran guitarist and Nashville resident Adrian Belew, begins a three-night stand at 12th & Porter. Since this will be the group's only North American performance before its European tour, fans arrive from as far away as Japan, Canada and Australia. Every show is filled to capacity. . . . **Donna Oquendo** pulls up outside the Metro Animal Control Facility in Bordeaux at 4:45 in the afternoon. Oquendo is the first person in line for one of the 143 purebred pups being put up for adoption tomorrow. She will wait there until . . .

20—. . . **the doors open** at 10 a.m., by which time the facility has become a madhouse. Would-be owners arrive throughout the night, and by 4 a.m., 32 people are already in line. At 5 a.m., the four police officers on the scene call for backup. A lottery system is briefly discussed but abandoned after bitter protest by those who have camped out. Adding to the frenzy is that 77 of the pups have already been adopted the previous day by volunteers and workers at the Neely Coble Co., where the pups were found. Only 28 dogs will be put up for adoption today, with an additional 30 to be released from quarantine later this week. By 8 a.m., police turn away hundreds of the approximately 1,000 people at the scene. Of those who remain, 28 get to pay the \$79 adoption fee and go home with purebred terriers, shelties, Labradors and golden retrievers. Donna Oquendo's first pick is a grey-and-white Italian greyhound, to be named Troubles. . . . **Meanwhile**, columnist Tim Chavez, *The Tennessean's* liberal conscience, wonders why the city and its media have spent the past 10 days agonizing over the fate of some puppies, while Nashville's children face more than \$10 million in possible school budget cuts. He surmises that the cuddly pups are easier to sentimentalize, and hence to save. "If only children were puppies," Chavez writes, "then we could help those living things with the longest history of abuse and neglect in our

revenue merely added to an already impressive asset base, built up over the course of more than a century of major donations—from the grocery and real estate wealth of the H.G. Hill family, the retail wealth of Dollar General Corporation's Cal Turner family, and other leading supporters. Although many of the Y's 107,000 area members frequented the family and athletic programs of its well-appointed suburban facilities, it also operated a number of inner-city programs credited with making a positive difference in Nashville housing projects.

Given the long-standing local habit of giving, it was jolting to recall that what should have been a bedrock institution, the Nashville Symphony, had gone bankrupt a mere thirteen years earlier. The problem, in the view of symphony supporters, was that Nashville's power people didn't see it as a bedrock institution. They were tone-deaf to the part played by the arts in the life of a community. Such a lack of civic communication might have happened anywhere in the United States. Only in the South, though, would leaders like Martha Ingram blame it on the War.

Nashville had an easy War Between the States, at least compared to Atlanta. Lacking an apocalyptic legacy of physical destruction, locals tend not to notice the evidence of a profound Yankee victory hidden in plain sight all around them: the triumph of commercial boosterism. The forces that won the Civil War lost the peace, in the sense that the "reconstructed" South remained defiantly resistant to an embrace of what we now call fundamental human rights. But they succeeded resoundingly in convincing Southern elites to become acolytes of a mercantile society. The last gasp of coherent opposition to the march of boosterism expired in the impotent and largely ignored pages of *I'll Take My Stand*, the 1930 manifesto of Vanderbilt's self-styled Agrarians, whose pleas to preserve the best of antebellum Southern culture were too intertwined with shrill promotion of the very worst of it to win over civilized hearts and minds.

None of this was ancient history, even if many contemporary Nashvillians wished it so. Within living memory, the civil rights movement had offered a vivid demonstration of how commercial power could shape the city's decisions on social issues far removed from everyday business.

Whether or not Fred Harvey and John Sloan thought they were breaking new ground, there were already generations of history to guide Nashville's two leading department-store merchants when they faced a choice in 1960 between loyalty to the old racial mores and "the right thing." They finally did the right thing, opening their lunch counters to African-American diners, in response to sit-ins. It does not diminish the rightness of the thing to observe that it dovetailed nicely with the immediate interest of Harveys and Cain-Sloan in letting black people spend green money in their stores, and with the longer-term interest of a broader community of commercial boosters in painting Nashville in the image of a city where moderation ruled.

The leaders in charge of Nashville industry at the turn of the millennium had faced less crucial issues on their way up, but the thoughtful among them found the burden of the deep past still weighing upon the community. Thus did Martha Ingram connect the hard times of Reconstruction with the dearth of public support that contributed to the symphony's bankruptcy. "When things were so bad in the South after the Civil War, there was little money to do anything but survive," Ingram reflected. "The arts simply got shoved aside. We've had four, five, six generations with very little exposure to the arts—other than the people whose families were wealthy enough to send them away to school. The general public has had so little exposure." And thus did Ingram resolve, in her crusade to complete the orchestra's rehabilitation, to lead a march straight into the heart of the Old Union: New York City. Her ambition, announced in 1998, was to take the Nashville Symphony to the stage of Carnegie Hall in the year 2000.

Ingram set to her task with the same steel-magnolia will and talent she had applied repeatedly in prior philanthropic efforts. Before she became the first woman chair of the Vanderbilt Board of Trust, before she played a decisive role in the development of the Bicentennial Mall in downtown Nashville, before the death of her husband,

Bronson, in 1995 left her at the helm of a corporation worth as much as \$4 billion—before any of that, she had long since become the go-to woman for the arts in Nashville. Back in the 1980s, when the Ingram family was merely very wealthy rather than fabulously wealthy, she had been not only a patron but also a fund-raiser and guiding presence for the city’s fledgling ballet, opera, and repertory theater companies, among many other arts groups. In the late 1970s, she had led the charge to build and fund the Tennessee Performing Arts Center downtown.

Now she saw it as her task to show Nashville’s sometimes out-of-touch overlords, once and for all, that the arts mattered to Nashville’s future. She may or may not have been an “art for art’s sake” person in her soul, but she knew that return on investment meant everything to the people she was addressing—and she made a plausible case about the consequences of failing to invest in the arts. “There was a real revelation that occurred when the symphony was forced to close down,” she said. “The chamber of commerce was unable to



More than two decades ago, Nashvillian Martha Ingram (with Tennessee Performing Arts Center CEO Steven Greil, above) led the campaign for development of TPAC. She has since been the driving force behind several major performing arts projects, including rescuing the symphony from bankruptcy.

state.” Chavez’s column appears on the front page of the Local section. The next day, the daily’s front page features two full-color photos under the headline, “Stranded puppies touch hearts.” . . . **A few blocks** from the Capitol, where tobacco lobbyists are as thick as the cigar and cigarette smoke, a new billboard on Church Street keeps a running tally of Tennessee’s tobacco-related deaths and costs. Like an odometer charting the mileage to the grave, the billboard ticks off “Tobacco’s Toll in Tennessee” over the past year and a half. Deaths: 13,870. Kids addicted: 35,570. Health-care costs: \$2 billion. If only puppies could smoke. . . . **The city’s print and PR pigs** turn out at 328 Performance Hall for the Swine Ball, the beer-and-barbecue bash founded by local media types to benefit the American Cancer Society while tweaking the chi-chi Swan Ball. The evening is dedicated to the memory of the late *Tennessean* columnist Jerry Thompson, who graced many a Swine Ball in years past.



Primarily through Ingram’s efforts, the symphony made its debut at Carnegie Hall in New York on Sept. 25, 2000, with musical director Kenneth Schermerhorn conducting. The orchestra’s home hall is TPAC’s Polk Theater.

21—Forty-four years after he arrived in Nashville with 15¢ to his name, German resident Rudolf Rischer preaches one last sermon at the East Nashville church that sheltered him, the Chapel Avenue Church of Christ. When Rischer turned 18, a missionary paid his way from war-ravaged Munich to America to study at David Lipscomb College. When he arrived in Nashville in 1956, he had little else but the phone number of Carroll Ellis, Chapel Avenue's pastor. Rischer was welcomed to Chapel Avenue, and he stayed there for two years before returning to Europe to found his own church. The church at Chapel Avenue continued to send him monthly checks for almost 15 years. But the congregation has dwindled from 300 members in 1980 to as few as 23 today, and the church building is being sold and converted into a recording studio. To ensure Chapel Avenue's legacy, the remaining members plan to put the \$150,000 in proceeds into an annuity for Rischer's church in Augsburg, Germany, thus ending his years of financial struggle. Those members who remain will continue meeting at a gymnasium space owned by the church a few blocks away. . . . The "hot" light is off at Krispy Kreme on Thompson Lane. The company is tearing down the popular doughnut den, which diverts motorists and Metro cops every day with its red neon sign—a signal that indicates piping hot doughnuts have just left the oven. Not to worry, though—the building is being leveled to make room for a larger Krispy Kreme with more seating. Cost of one last hot Krispy Kreme: 37 cents.

22—Vanderbilt University researchers may have found an important new step in the treatment and understanding of lung cancer. Studies offer evidence that solid tumors grow by usurping the functions of the body that produce new blood vessels. By squeezing off its blood supply, the growth of lung cancer can be slowed. The discovery will aid in the fight against tumors of the

attract a single company even to consider Nashville as a place where they would like to have an office or headquarters. Not even one company would look at it. That was a real wake-up call to the chamber that the arts were an economic development factor, and not just a frill. As a group, I think that's how they saw the arts before: 'If you can't support a symphony, well, who cares?' A lot of people care, because the health of a symphony is generally reflective of the health of an arts community. People don't want to move employees into an area where there is not an attractive lifestyle."

A cynic might have disparaged the whole Carnegie effort as a personal caprice of Ingram's. Her fortune had helped rebuild the symphony during the past decade, and, in recent years, she and its maestro, the debonair Kenneth Schermerhorn, had become a fixture on the social scene as a couple. But the rest of Nashville's elite clearly bought into her vision for the symphony. It wasn't just her contribution that raised the orchestra's endowment from \$7 million to \$20 million in a campaign leading up to September's self-financed Carnegie trip. She didn't force a thousand Nashvillians to pay more than \$1,000 a head for junkets to attend the show. Martha Ingram had a plan, and the rest of Nashville's elite was prepared to buy into it with a unanimity of purpose seldom if ever seen in any realm of local endeavor—and never, certainly, in support of the arts.

Despite the past decade's dramatic accomplishments, Nashville's leaders in the 21st century would inherit a catalog of unmet social needs from the current leadership cadre. All the recent progress the city's influential people had made, in working as a team to better the city, made the persistence of certain community-wide problems stand out in stark relief. The collective success of Nashville's most powerful people, in building up both civic amenities and personal wealth, often did not trickle down to the city's least powerful citizens: the working poor, the homeless, the children.

The rising tide of economic prosperity in Nashville had lifted some boats, but by no means all. The situation in three inner-city housing projects—James A. Cayce Homes, Sam Levy Homes, and Tony Sudekum Homes—offered a snapshot showing both progress and continued poverty on the bottom rungs of society. Income statistics for the years 1994, before state and federal welfare-reform initiatives came into effect, and 2000, several years into the welfare-to-work initiatives, show measurable progress. At the three sites combined, the number of employed residents nearly doubled in six years, while gross household income rose an inflation-adjusted 13 percent, outpacing the rate of the city as a whole. That performance sounds impressive, and Tennessee did earn a bonus from the U.S. Department of Health and Human Services in 2000 for its success in moving people off welfare and into the workplace. But the average gross

household income in the three housing projects was still only \$5,806; it had risen only from 37 percent to 41 percent of the federally defined poverty level.

Moreover, there were disturbing signs that more and more people were falling through the cracks of Nashville's social structures. Whether because of welfare reform or not (and according to advocates, only about 40 percent of the people compelled to leave the welfare rolls were employed), Nashville in 2000 was gaining the dubious distinction of being a



In Nashville during 2000, resources available for emergency food aid declined slightly, but requests for assistance went up by 25 percent. More than two-thirds of those seeking food are employed. Second Harvest Food Bank is one of several local nonprofit food-assistance programs in the city.



More than a thousand people live on the streets of Nashville, sleeping in parks and under bridges, even in winter. Contrary to common belief, about half of the homeless are employed but don't earn enough to afford housing.

national leader in one particular measure of poverty: the so-called “working poor.” The city figured prominently in a U.S. Conference of Mayors’ “Status Report on Hunger and Homelessness,” covering a twelve-month period in 1999-2000. The report found that 50 percent of Nashville’s homeless, and 70 percent of those seeking emergency food assistance, were employed. The latter percentage was the highest in the country, and more than twice the national average. Local resources available for food aid during the period actually decreased, while requests for emergency food assistance rose 25 percent—the highest rate of the 25 cities surveyed.

Nobody could rightfully blame Nashville’s corporate leaders for this state of affairs. Still, the medieval scale of the contrasts raised questions that a future generation would have to answer: If Nashvillians were generous enough to raise a \$20-million endowment for the symphony, why did the Second Harvest Food Bank go begging? What if the 1,000 people who paid \$1,000 each to attend the Carnegie spectacle had applied that million dollars to the Nashville Family Shelter?

Among middle-class Nashvillians, widespread prosperity was interspersed with growing pockets of economic misery, much of it self-inflicted. As the ruling class worried about a loss of control to out-of-town financial institutions, so did many ordinary workers, but their focus was on the financial control they had ceded by succumbing to the lure of easy credit. Personal debt problems had become a nationwide epidemic, but Tennessee led the U.S. in bankruptcy filings per capita, with one family in 43 resorting to legal protection from creditors. A typical case, one of 57 personal bankruptcies filed in the U.S. Bankruptcy Court for Middle Tennessee on May 15, 2000, involved a subur-

breast, colon, prostate and lungs, which will account for more than half the projected 552,000 cancer deaths this year.

23—A slender, jittery man dressed in black with graying dark hair and a narrow beard paces the downstairs lobby of Regal Cinemas’ Green Hills Commons 16-screen theater. At a distance, he is easily mistaken for Nashville film and TV producer Andy van Roon. In fact, it is filmmaker Joel Coen, nervously awaiting the first local screening of his new film *O Brother, Where Art Thou?* Coen, who made such films as *Raising Arizona* and the Oscar-winning *Fargo* with his brother and writing partner, Ethan, is showing the

movie in secret for the many Nashville musicians who appear on the movie's sound track. Most of them will perform tomorrow night at a gala concert at the Ryman Auditorium. . . . **After a three-month search**, the Metro Planning Commission appoints Rick Bernhardt to direct the staff of this influential city department. Bernhardt, who worked as a planning assistant at the commission in the 1970s, is selected for his expertise in "New Urbanism," the movement that promotes a return to compact, livable, pedestrian-friendly urban neighborhoods. Bernhardt will replace longtime planning director Jeff Browning, whose resignation in January was widely viewed as a shove by Purcell. "I think the city will thank you forever," the mayor tells the search committee that recommends the new director.

24—The Ryman Auditorium concert commemorating the music for the Coen brothers' new movie is a star-studded showcase for some of Nashville's finest gospel and string-band music. Among the highlights: the majestic Fairfield Four; the heavenly trio of Emmylou Harris, Alison Krauss and Gillian Welch; the Peasall Sisters, three adorable Nashville moppets ages 7, 9 and 12. The room hushes when venerable bluegrass star Ralph Stanley takes the stage. In a keening, unearthly tenor, he sings an eerie a cappella version of "O Death," which in the movie is placed in the mouth of a murderous Klansman. For much of the night, the legendary documentarian D.A. Pennebaker (*Don't Look Back*) stands onstage filming with a bulky camera hoisted atop his shoulder.

25—Yes to new libraries, no to across-the-board raises for Metro employees. Mayor Bill Purcell sets the city's priorities in the \$1.1-billion budget he presents to the Metro Council. The city has to contend with a \$12-million shortfall for the coming year, and some departments must be trimmed by as much as 10 percent, while others require additional funds. Purcell's budget sets

ban Nashville couple who owned a \$175,000 home, held \$23,000 in retirement assets, and had earned a combined income of \$85,000 in 1999. This family had second-mortgaged the home to almost its full value, owed more on a car note than the auto was worth, and had run up \$60,000 in unsecured debt with five credit cards, six charge accounts at jewelry and department stores, a credit-company loan, and medical bills. It was no wonder that Nashville, as the epicenter of the bankruptcy boom and the Bible Belt, was also the home base of radio personality Dave Ramsey's nationally syndicated fusion of financial advice and revivalist tradition, which preached a gospel of debt-reduction that clearly had a large potential audience in Nashville.

Perhaps spiritual assistance could help debtors come to terms with their errors of judgment in spending, but better education might have prevented the mistakes in the first place. Whether or not the chronic shortcomings of public education in Nashville could be directly correlated with the pervasive evidence of personal financial mismanagement, there was abundant evidence to suggest that it was clearly in the enlightened self-interest of Nashville business to work to invest in a more effective and productive system of public schools.

Civic boosters touted Nashville's "well-educated workforce" in pitching the city to relocating employers, but cocktail-party chatter among the managerial classes told a different story, much in the vein of a letter sent to the *Wall Street Journal* in 2000 by a Nashville businessman. "Boy, did I identify with your article, 'When Just Awful Becomes Good Enough,'"wrote Warren Feld, operator of a catalog company, in response to a story about how companies nationwide had been compelled to lower employment standards in a tight labor market. "To fill positions, I've had to play 'Let's Make a Deal.' To have Saturday coverage—a virtual impossibility—I've hired a mother and her daughter to rotate every other week. The mother is great; the daughter a dud. And of course there's an excellent chance that the employees, once hired, won't be able to do the job. I have to fire them if they can't add, count or fill in an invoice form. Many people actively looking for jobs can't perform these tasks."

It's true that there were individuals in Nashville's corporate arena who were deeply committed to creating an educational system that would not send "duds" into the workforce. Initiatives from the business community to improve schools had undoubtedly done some good. There was certainly no shortage of rhetoric about business support for education. But Nashville's elite sent a much clearer signal by what they did than by what they said. The vast majority of prominent businesspeople with school-aged children sent them to private schools. And the parents did not just pay tuition; they often became key supporters of the schools, remaining involved even after the kids had graduated. The best-established of these schools tapped into loyal bases of alumni, parents, and ex-parents to raise huge sums of money. Private boys' school Montgomery Bell Academy received more than \$13 million in contributions during the 1998-99 fiscal year. Just by way of comparison, both MBA's annual revenues and its endowment were larger than those of 134-year-old, historically black Fisk University across town.

Without question, Nashville got a payoff from MBA's wealth, as the school had been grooming future leaders, local and national, for more than a century (since 1855, in fact, when it was conceived in the will of Montgomery Bell, a reclusive industrialist, "for the education of children . . . who are not able to support and educate themselves and whose parents are not able to do so.") But there was simply no comparable mechanism in place to promote voluntary support of public education. A nonprofit entity the Metropolitan Nashville Public Education Foundation, existed to receive contributions on behalf of Metro schools, but it had almost no public profile and generally attracted only nominal contributions. On the other hand, some of the potential beneficiaries of any such support had squandered much goodwill by opposing the one major private fund-raising effort on behalf of a public school in recent years. In 1999, when parents and others raised \$500,000 to improve Julia Green School, located in an affluent area near Green Hills, black leaders raised objections. They said the new facilities perpetuated inequalities in school resources available to children in different parts of the city. The project went forward, but the Julia Green boosters, stung by criticism that they were simply buying their way to perpetual advantage over other public schools, added a pledge to set aside a percentage of the money they raised to start a rainy-day fund for all public schools. The set-aside was so small, though—\$14,000, less than 3



Radio talk-show host Dave Ramsey found a national audience for his “gospel of fiscal responsibility,” which he syndicates from a Nashville station. Ramsey, a Christian conservative, offers free tax advice and financial planning strategies on the air. He also has a book of money talk on the market.

percent—that it registered in the press as “token good intentions,” and nothing more came of it.

Mayors Phil Bredesen and Bill Purcell had each managed to channel large amounts of new government funding to the Metro school system, much of it earmarked for long-overdue capital improvements. In 2000, though, many schools still had to use portable classrooms to supplement their overcrowded buildings, and teacher pay remained stagnant. Average teacher salaries, adjusted for inflation, were lower in 2000 than they had been in 1991.

A casual observer—or a future historian—could be forgiven for finding the city fathers and mothers of 2000 morally obtuse in their apparent neglect of hunger and need in favor of already-wealthy institutions and artistic spectacle. Yet the climate of the times suggested a different problem—not a let-them-eat-cake attitude, but rather a failure to appreciate how much power they had to do good.

The symphony’s Carnegie Hall campaign was evidence that Nashville’s power people could band together to bring about positive change in civic life. Where the collective will could be mustered, the elite could lead the city toward quality-of-life improvements. A few earlier episodes had showed that, besides flexing their financial muscle, they could sway the general population to their point of view. In the 1960s, businesspeople in Metro Nashville had set out to legalize liquor-by-the-drink—a necessary lubricant, as they saw it, of economic development—and won over public support against great odds. In the 1990s, business adopted the cause of NFL football in Nashville, facing vocal opposition to the sweetness of the deal being offered to Bud Adams’ Houston Oilers, and helped mount a successful campaign to win a “Yes” vote in a referendum forced by the opponents.

Nashville’s leadership had accomplished these things while steadily becoming more inclusive. For the moment, the city’s bigwigs were still overwhelmingly white and male, but there were growing signs of diversity within the ruling class. Twenty or 30

aside \$3.4 million for operating the city’s new main library and branches. Popular programs such as chipper service, recycling, the Metro Human Relations Commission and a new animal-control facility remain uncut. A budget must be approved by June 30. . . . **Murray Philip**, who has earned a reputation as the mad bull of the Metro school board, announces today that he won’t seek re-election this summer. The controversial Philip has been on the board for four years, during which time his tenacious stand on issues and his confrontational style have impressed some colleagues and alienated others. But after a board meeting Tuesday night, at which his was the sole dissenting vote against building a new elementary school in an industrial area off Brick Church Pike, Philip says he is tired of fighting. “I’m just burned out,” he tells *The Tennessean*. “I’ve made a lot of enemies. So it’s time to go do other things.” . . . **Calvin Champion’s death** was accidental, rules the Metro medical examiner’s office. Champion, 32, died Apr. 30 in police custody after an altercation outside a store on Nolensville Road. The autistic man was pepper-sprayed, subdued and left face down, but the office finds that he died of an undiagnosed heart condition.

26—Save the Belcourt! becomes the rally call of preservationists determined to save the Belcourt Theatre in Hillsboro Village, the city’s last historic neighborhood cinema. The 75-year-old theater once housed both the Grand Ole Opry and the Nashville Academy Theater. The two-screen moviehouse was operated as an art-movie theater by Carmike Cinemas until 1997, when a group of investors led by developer Charles Hawkins purchased it on behalf of the Watkins Institute School of Art and Design. Faced with monthly losses, the independently owned and operated theater closed its doors in January 1999. However, a grassroots group, Belcourt YES!, has spearheaded an effort to save the theater. In January, the group signed a 10-year lease and will

begin showing foreign and independent films again on June 2.

27—Nashville clubgoers and rock bands rally to show support for Lennon Murphy, the teenage singer-songwriter who has suffered a crushing family tragedy. The 18-year-old Hendersonville musician has become a popular attraction on the local club scene, but last month her mother, manager and indefatigable champion, Kathleen Murphy, died unexpectedly at home of an apparent allergic reaction. Murphy, who was named for John Lennon by her mother, was suddenly left to juggle her escalating career and the responsibility of raising her 8-year-old sister. To help her out, Murphy's friend, Tony Armani, a Nashville stylist and image consultant, assembles a benefit show at the Elliston Place club The End. Among the popular local acts donating their time are the Brian Kotzur Band, Chris Mitchell & the Collection, Hangman's Daughter, Kacey Jones, Phyllbilly and Kim's Fable. Among Nashville's large, supportive community of club-level musicians, few of whom have health benefits or retirement plans, benefit shows take place almost daily.

28—"When you leave here today, hug your mother, hug your father, your grandmother, your grandfather," urges Darrell Hedgecoth, a senior at Cheatham County Central High School in Ashland City. That Hedgecoth is even here to speak at his graduation ceremony, held at Austin Peay State University in Clarksville, is remarkable. Hedgecoth, whose organs had been destroyed by cystic fibrosis, was the recipient of the first triple-organ transplant ever performed at Vanderbilt University Medical Center. The heart, lungs and liver he received on Jan. 23 are working fine. . . . **Freelance media queen** Drue Smith, the technicolor chatterbox whose news and views from Capitol Hill and local high society are the delight of fun-loving readers, gets a splashy feature from former society columnist Catherine Darnell in the



Business executive Marguerite Sallee is one of a few women who have served as CEOs of Nashville companies—and the only woman thus far to chair the Nashville Area Chamber of Commerce. The overwhelming majority of corporate leaders in the city are now, as in the past, white males.

years earlier, it had been considered progress for women and Jews to be allowed into business societies like the Exchange Club, the Cumberland Club, and the City Club. Now just about every club and social institution in town included members from varied racial and religious backgrounds. One woman, Marguerite Sallee, had served as both the CEO of a publicly held company and chair of the Greater Nashville Chamber of Commerce—and there was reason to believe that more would follow. Perhaps just as important was the increasing diversity of expertise and passions among the rising leaders of the city. To take just one category as an example, data-processing innovators Fred Goad, Rich Roberts, and Greg Daily—the latter two barely over 40—had become sought-after board members and investors as they built successful companies in the 1990s. These technology entrepreneurs were filling seats that would have belonged to old-line banking and insurance executives a generation ago.

And yet, in May 2000, behind the customary sunny optimism evident on the sidewalks of Union Street, a nagging self-doubt plagued the commercial gentry of Nashville. The subconscious origins of those feelings may have stretched back as far as the Civil War and may have been intertwined with a regional inferiority complex. But the immediate focus was the here and now, in moments of quiet reflection on the dizzying procession of deals that had brought about a fruit-basket turnover in the ownership of Nashville institutions. There was reason to wonder whether the next generation of elite Nashvillians, regardless of wealth, would hold enough of the levers of the area's social machinery to wield control over Nashville's destiny.

"In the collection of leadership, there is a vacuum," Ed Nelson said. "There are a lot of people that can get together and get something done. There are many who have



Business writer David Fox combined his experience as a journalist and his skills in electronic communications to create an online “magazine” of daily business news called NashvillePost.com. The website journal has attracted ___ subscribers since its startup in ____.

Mary Anne Howland (below) president of Ibis Communications, a marketing firm she founded in 19___, was honored in 2000 for five consecutive years of inclusion on the “Music City Future 50” list, a coveted designation indicating consistently strong revenue and employment growth.



Nashville-based Renal Care, headed by Sam Brooks, has survived a wave of consolidations and mergers in its field to become the nation’s fourth largest investor-owned kidney dialysis service provider.

Sunday *Tennessean*. The ageless (some say 80-ish) party girl, a fixture here since she moved up from Chattanooga about 30 years ago, takes the occasion to give some advice to “my fellow women.” Coos Drue: “I don’t want to criticize, but often they take themselves too seriously.” As for herself, she says, “I’ve never been serious about anything.”

29—Memorial Day. A military plane flanked by two helicopters drones high above Nashville National Cemetery in Madison, where the Al Menah Shrine and American Legion Post 5 bands play hymns to fallen defenders in wars past. Miniature American flags flutter alongside the lines of white tombstones at Stones River Battlefield in Murfreesboro. A lone bagpipe wails in the distance at Mt. Olivet . . . **Memorial Day tourism** is looking up for the first time since 1997, when the Opryland theme park closed. The newly opened Opry Mills shopping complex gets much of the credit. At the Nashville Shores water park, which has just added a make-believe Hawaiian lagoon, attendance is up 25 percent. But not everyone is hoisting drinks with umbrellas. Says Ted Lannom, owner of the Nashville Toy Museum on Music Valley Drive in the shadow of Opry Mills, “There’s no one I know having a party tonight. If anybody is up over last year, they must realize that a lot of us the last two years have been down over 50 percent.”

30—Four wholesale parts salesmen at Beaman Automotive Group on West End will never again have to settle for just taking a spin around the block. James Christian, Ronnie Mays, Andy Perry and Mike Alderdice hold the lucky ticket in the Kentucky State Lottery’s Powerball drawing. Its value: \$60.6 million. Christian, like thousands of other Tennesseans, trooped across the state line to buy the ticket. The four men decide to settle for the cash option, worth \$31 million, or \$7.75 million each. . . . **A million dollars** would help Metro’s embattled English as a Second

Language program. Enrollment of immigrant students has risen from 737 in 1990 to 3,046 10 years later, with many more expected. Yet the position of outgoing ESL director Sue Reynolds will not be filled, and ESL teachers are over-worked, spread thin across too many schools and increasingly unmanageable class sizes. . . .

Boy-wonder businessman Scott Mercy, 38, chairman and CEO of Lifepoint Hospitals, a spinoff of Nashville-based HCA, dies instantly when the four-seater Beechcraft he is piloting (with his former flight instructor, Deborah Ann Millwood, on board) plummets to earth next to a golf course in Smyrna. Millwood is also killed. Many local health-care executives say Mercy was being groomed to succeed Thomas Frist Jr., HCA's co-founder and CEO. . . . **Fine print** in the Adelphia Coliseum lease agreement between the Titans football team and the city will require the taxpayers to fork over about \$1 million a year for upkeep of the facility. City officials say their hands are tied.

31—From his home in Mexico, Perry March fires off a round of legal motions via Federal Express to the courtroom of Davidson County Circuit Judge Frank Clement Jr. The motions are meant to overturn Clement's \$113.5-million wrongful-death judgment against March for the alleged murder of his wife, Janet Levine March, in 1996. The story soon will take yet another strange turn. . . . **The Lost Lake Gallery**, a new shop on White Bridge Road, offers a selection of Native American artifacts and remnants from prehistoric cultures. The store attracts unusual attention because of its owner: Lionel R. Barrett Jr., the legendary Nashville defense attorney who has represented clients ranging from Perry March and Byron "Low Tax" Looper to numerous death-row convicts. At Barrett's request, the Tennessee Supreme Court put his license to practice law on "disability inactive" status May 17. As of now, he says in an interview, he has "no desire to go back into the practice of law."

a lot of money, who are very generous to the community. But it's to their pet things often. The bankers that were a logical power base—that has definitely changed. Bankers are still participating, but they're not known. You can't really name the heads of the institutions. They're all smart, personable, good people. They're just not known."

Nelson, who speaks Japanese and has long-standing business interests in Japan, saw worrying parallels between the Nashville business community's response to Tennessee's state financial woes in 2000 and Japan's inability to deal with persistent economic problems. "One of Japan's major problems is political will," Nelson said. "They don't have any leaders. And we've got a hell of a mess with our tax system. . . . I don't think there's any leadership." Nelson, who conceded that he personally would fare better under a new state income tax than under the existing Hall Tax on certain investment income, winced in patrician disgust at the rabble of protesters who descended on downtown in high and noisy dander after legislators proposed an income tax. "The horn-honkers are unelected officials—guys who want to be in the limelight and have the microphone," Nelson said. "Nobody wants to get behind the other option. But there needs to be some business leadership."

In the oligarchy of Old Nashville, things had been different. Key individuals—especially bankers like Nelson's former competitor at Third National Bank, Sam Fleming, who died in January 2000—wielded the authority necessary to begin building a consensus on public issues. "Sam Fleming could still, to the end of his life, stick his hand into something if he wanted, and things would move," Nelson recalled.

But not everybody was sorry to see that style of leadership—with its implication of backroom deal-making and elitism—on the wane. And not everyone believed the city was adrift. Many Nashvillians, including more than a few members of the privileged set, were throwing their energies into molding a new, more inclusive, more democratic model of leadership for the future. In 1993, a multiracial, multifaith group of religious congregations organized Tying Nashville Together. This grassroots effort to promote community improvement started with neighborhood audits, identifying a pothole here, a crack house there, and publicly calling for action to deal with the problems. By 2000, it had become a well-organized movement with effective programs to identify community needs and hold local politicians accountable for their promises. The year 2000 saw the creation of another broad-based organization seeking a new leadership vision, Cumberland Region Tomorrow. CRT's mandate was to encourage planned growth and the maintenance of hometown values, rather than haphazard suburban sprawl, in the multicounty Nashville area. These groups, as well as neighborhood associations and other community organizations that had come to life around the city, affirmed the possibility that Nashville might someday rely less on the wealthy residents of Belle Meade and Forest Hills to organize its community initiatives and plan its future.

Nashville in 2000 was, at various levels, a city struggling for self-control. More than a few locals spoke of the past decade—in some ways the past two decades—as "a wild ride." Roller-coasters can be fun, but there's always someone else at the wheel. Both the ups and the downs of recent years had served to reinforce a certain passivity. People had become satisfied with the status quo in some ways, and they lacked confidence in their ability to change it. The people in power had not yet reckoned with their own strength, had not yet fully grasped the responsibilities that came with the authority they did wield, and had only begun to work toward liberating the human potential of the greater community. That work remained to be done in the new millennium.

End of an Era

by BILL CAREY

Sam Fleming stayed busy. From helping out in his dad's Harpeth National Bank in Franklin in the early 1920s to helping close some major Nashville deals more than half a century later, he never was a slacker. Right to the end, he was still coming to the office, keeping an appointment book, hurrying from one thing to the next.

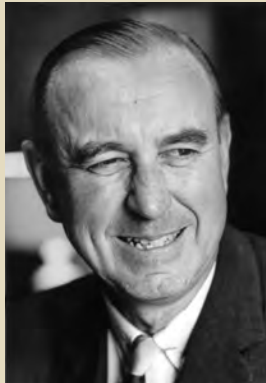
He was a lucky man to have been in his heyday when Nashville was smaller and the banks were locally owned. Fleming was more than just the president of Third National Bank; he was the godfather of the Nashville business community—and when he died at 91 on January 21, 2000, no successor stepped forward to take his place. A few months before his death, I sat in Fleming's office picking his brain about various nuances of Nashville business history. He was in his element—dominating the conversation, thumping his finger on the desk, lecturing me about everything from the importance of “milling in transit” to the value of finishing schools for young ladies in Old Nashville. His hearing was poor, but his concentration was such that he could pick up on my mispronunciation of Nashville financial giant Rogers Caldwell's last name (it's CaldWELL—emphasis on the second syllable.)

After an hour, Fleming announced that time for the interview had expired; if I needed more from him, I could call his secretary and she would fit me in. “Mr. Fleming,” I asked with a smile as he walked me to the door, “what could you have to do right now that's so important?” He recoiled, dumbfounded. Returning my smile, he let me know he always had something important to do—and then he closed the door.

In fact, Sam Fleming may have had more important things to do than just about anyone in Nashville business history. Because his career started so early and he never really retired, he was in business through several generations. In his time, regulators allowed bank presidents to operate venture capital companies on the side, so Fleming managed to acquire more businesses than future bank presidents could even dream of. He was personable and pragmatic—one of the few people outside Washington who was friends with both Dwight Eisenhower and Lyndon Johnson.

Just about everyone seemed to like Sam Fleming—except those who worked at competitor banks. “I think he infuriated First American,” former Commerce Union president Ed Nelson once said, recalling some of his own moments of frustration when he went toe-to-toe with the agile Fleming.

Third National helped launch many companies. When a young man named Herman Lay needed a loan to expand his potato chip delivery firm, he called Fleming. When Jack Massey needed the money to buy Kentucky Fried Chicken, he called Fleming. When HCA needed capital to purchase hospitals, Tommy Frist called Fleming. After months of meeting with bankers, HCA thought it had a \$35-million line of



credit from a group of banks, including Third National. At the last minute, First American dropped out. “It was a near disaster,” said John Neff, then HCA's chief financial officer, “but Sam Fleming saved the day.”

The pinnacle of Fleming's career came in 1968, when he convinced Dan Brooks, an old Vanderbilt classmate, to merge his insurance company, the venerable National Life, with Fleming's bank, creating NLT (National Life-Third). For one brief moment, it was the largest financial institution in the South (as Caldwell and Company had been before the crash of '29). “It was one of the greatest things that ever happened here,” Fleming said in 1999. “We really thought we had hit the jackpot.” But it was not to be. As Nashville's Genesco had learned in the 1950s, the government balks when companies grow too big too fast. A few months after NLT was formed, the feds forced it to divest the bank. Nashville's second historic moment of leadership in the South's financial affairs would be its last.

In the final two decades of his life, Sam Fleming was no longer actively running Third National. The era of locally owned financial institutions was ending, and Nashville was a juicy plum waiting to be picked by others with more resources. American General took over NLT in 1982. Third National merged with SunTrust in 1986. First American held on until 1999, when it was merged into AmSouth. Commerce Union is now in its third reincarnation, as a Bank of America outpost.

Nashville has become a branch town. The skyline once dominated by monuments to Fleming, his friends, and his rivals (Guilford Dudley Jr.'s L&C Tower, Dan Brooks' National Life Center, Andrew Benedict's First American Center) is left without a single locally owned skyline.

None of this seemed to bother Sam Fleming. His friends say he was an eternal optimist; he believed that a merger would lead to new opportunity, that the decline of one industry would lead to the rise of another, that Nashville would always find a way to rebound. “After the war, in 1947, we had a big downturn, and it didn't seem like we were ever going to get out of it,” he said. “But things came back.”

He also loved to outfox the big dogs. “During the depression, First American had nearly all of the established firms,” he recalled, “so we started lending money to people who were just going into business, and we stayed with them when things got tough. We were responsible for lots of businesses getting started in Nashville.” Sam Fleming loved to remember himself as a 42-year-old bank president in the 1950s: “I was very aggressive. I worked hard and built a great organization. We went after the business. And we got it.”

Bill Carey's popular history of Nashville business, Fiddles, Fortunes, and Fried Chicken, was the best-selling local book of 2000.

The Business of Medicine in Nashville

by JOHN SERGENT

In many ways the United States health-care system is the envy of the world. Our medical schools, libraries, and information systems are probably the best anywhere. High quality primary and specialist physicians are in cities large and small, and virtually every American lives within a short drive of the latest technology, whether it's cardiac catheterization laboratories, MRI machines, or ambulatory surgical facilities.

In all these particulars, Nashville and Middle Tennessee are fairly representative of the rest of the country—ahead of most places, behind a few. You can get coronary arteriography in several Nashville hospitals and in Franklin, Murfreesboro, Clarksville, and Cookeville, among other cities. MRI machines are ubiquitous. And Nashville offers full open-heart surgery programs in all four of its large central hospitals.

But all is not well. Not in Nashville, and not in the nation.

Despite all of our technology and education, our outcomes are not what they should be. For example, it's been proven that patients coming to an emergency room with a possible heart attack should receive aspirin immediately, yet 17 percent of the time that does not occur. And people being discharged after heart attacks should be sent home on a drug called a beta blocker—but 31 percent of Americans with heart attacks do not go home on a beta blocker. Only 65 percent of women over 65 have received a mammogram within the last two years, and less than half of diabetics have had a thorough examination by an ophthalmologist or optometrist within the past year.

Then there is the problem of random variation. The rates of all sorts of procedures, from back surgery to hysterectomy to coronary angioplasty, vary severalfold from city to city across the nation, for no apparent reason. All of this variation is expensive and sometimes dangerous. The government spends \$8,414 per year on each Medicare recipient in Miami and only \$3,341 in Minneapolis. The elderly in Miami undergo many more medical procedures and tests, to be sure, but there is no apparent benefit to their health in comparison to their counterparts in Minneapolis.

These inconsistencies exist because we have some



antiquated ideas about how best to operate our enormous and complex systems of health care. It's sort of like using a mid-20th century telephone system to communicate in the new millennium. When health insurance, and then Medicare, expanded rapidly in the two decades after World War II, the overriding concern was acute illnesses and injuries requiring hospitalization.

Health insurance and Medicare were designed specifically to cover the costs of expensive procedures and hospitalizations. In the 1960s that was a reasonable goal. In this new century, it is not. There are three components to health care: preventive care and health maintenance, episodic care, and chronic disease management. Our reimbursement system is geared to cover episodic care such as treatment for appendicitis, accidents, heart attacks, and cancer. It will pay some, but precious little, for preventive care and maintenance. And, by and large, it pays virtually nothing for chronic disease management.

As an example, look at congestive heart failure. It has been proven in a number of studies that disease management works in preventing unnecessary hospitalizations and in improving quality of life. But disease management is expensive. It requires nurses to call patients to check on their weight, ankle swelling, shortness of breath, and compliance with medications. It requires the development of a database on each patient in order to detect early on when things are going wrong. All of that is time-consuming and costly, yet in the vast majority of health plans, physicians or hospitals receive nothing for those services.

Now let's look at Nashville. Health care is serious business here, and a massive enterprise, with operating costs in the billions of dollars annually. We have intensely competitive systems, including the HCA hospitals, St. Thomas/ Baptist and their affiliates, and Vanderbilt. All spend millions advertising this or that service. All have far-flung physician affiliates, diagnostic facilities, ambulatory surgery centers, and the like. And yet the figures on health outcomes are even worse for Tennessee than for the rest of the nation.

Unless we come to a fundamentally different mindset, it is likely that the future will simply yield more of the same, and Nashville, like the rest of the country, will continue to have a health-care system with great potential but

mediocre results. If we don't want that to happen—if we truly want to make a change for the better—we have to think outside the box. So here goes:

What if the hospitals in our region, starting with the four large Nashville hospitals plus Metro General, set about collectively to improve the health of the people of our region? That's not to suggest that they stop competing with each other, but rather that they look for areas where cooperation would be clearly in the public's best interest—and theirs.

One such area of cooperation, which potentially would have a huge impact, is the creation of a unified electronic medical record. There are many advantages to electronic records. They are accessible from many areas at the same time. New data, such as laboratory reports, radiology results, and operating-room notes, can be added to the record quickly and simultaneously. And electronic records can also reduce the chance for human error that now exists every time new sheets are added to the often-flimsy paper charts.

As valuable as these advantages are, though, they pale in comparison to the two principal advantages of a unified electronic record: It's portable, which makes it instantly accessible from anywhere; and it can be kept continually up-to-date, incorporating the latest research and guidelines for medical practice.

Portability is critical because health care in America is hopelessly fragmented and likely to remain that way. Americans have voted with their feet, and they demand two things from their health plans: the latest in high-tech specialty care, and their own choice of doctors and hospitals. In Nashville it's commonplace to find families who have their babies at Baptist, use Vanderbilt for pediatric services, get heart surgery at St. Thomas, and go to one of the HCA hospitals for emergency care. Meanwhile, their next-door neighbors choose Vanderbilt's heart program, Centennial for obstetrics, St. Thomas for cancer care, and Baptist orthopedic surgery. And so it goes.

While this ability to choose is obviously valued by the public, one of its unwanted consequences is a dangerously fragmented system in which all sorts of vital information on everything from allergies to drug interactions to major diagnoses may not be available and known by all concerned. The Institute of Medicine, the medical arm of the National Academy of Sciences, has estimated that between 50,000 and 100,000 Americans die each year because of preventable medical errors, many of them due to the fact that doctors ordered drugs and tests that were contra-indicated, but the physician didn't have the full information.

Incorporation of the most up-to-date guidelines into the electronic record could be done fairly easily. When a patient has a mammogram, not only would the results be recorded but an automatic reminder would appear when her next one is due. That could be communicated to the patient electronically or by other means. And an endocrinologist or primary-care provider monitoring a patient with diabetes could have immediate access to the patient's file, with prompts for the next eye examination, blood

tests, or visit to a kidney specialist, all based on the latest recommendations.

A unified medical record is not just cybernetic pie in the sky; it's doable now. Vanderbilt already has an electronic record, developed under the leadership of Dr. Bill Stead. It also has the nation's most sophisticated system for writing orders electronically, although to date it is used primarily for hospitalized patients. Establishing a consolidated repository for the medical records of all hospitals and medical groups in our region would cost some money, but it would not present an impossible technical hurdle. In fact, Dr. Stead has previously proposed just such a system, with appropriate checks and balances to ensure patient confidentiality.

Where would the money to do this come from? Some would no doubt come from hospitals, which would be saving the millions of dollars they now spend on paper records. The rest would have to come from insurance companies and, ultimately, employers and the insured themselves. The other major player in health and medicine, the federal government, could also be expected to cooperate in a venture of this sort.

As long as we are thinking unconventionally, let's imagine that for every enrollee in a commercial health plan in Nashville and Middle Tennessee, an insurance company must write a check for \$50 each year to develop and maintain the electronic record. If there are 500,000 insured people in our region, that would generate \$25 million per year. For that amount of money—\$4.17 per person per month—we would be able to develop and maintain a comprehensive, current, secure record that can be utilized with the patient's permission by any authorized physician. The record would be organized in such a way that the doctor or hospital or emergency room could quickly get all the information needed to treat whatever medical problem the patient has, from a broken arm to a stroke.

And what would that mean? It would mean that our citizens would get better health care, and that once again Nashville would be showing the rest of the nation that health-care innovation starts here. It would also mean that our hospitals and medical groups, while intensely competitive in most areas, recognize that their primary mission is to improve the health of the people they serve.

And somewhere down the road, perhaps it would also mean that the seeds for a comprehensive plan to meet America's health-care delivery needs would have been planted here in Nashville. We have all the elements of a microcosm: medical schools, university research hospitals, religion-based charity hospitals, public hospitals (city, state, and federal), for-profit medical systems and patient-care facilities, private insurance companies, doctors' groups, and of course patients. The nation's health is too important to be left to one or a few of these. It will take all—and Nashville is an ideal place to create the model.

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