

BOARD OF DIRECTORS' MEETING

➡ AGENDA

JANUARY 23, 2023, 11:30 AM



- I. Welcome
- II. Approval of Minutes
 - A. *December Board Meeting p. 3
- III. *Financial Report p. 5
- IV. FY 2021-2022 Audit Presentation - Bible Harris Smith p. 13
- V. Committee Reports
 - A. *Marketing Committee p. 13
- VI. Staff Report p.
- VII. Old Business
- VIII. New Business
- IX. Public Forum
- X. Adjournment

* Denotes action items

Upcoming Meetings:

February 20, 10:00 am – Budget Workshop, 11:30 am – Board Meeting
March 20, 11:30 am - Board Meeting
April 17, 11:30 am - Board Meeting

This meeting, and all communications between Board Members, are subject to the provisions of the Tennessee Open Meetings Act.

BOARD OF DIRECTORS MEETING

➡ MINUTES

DECEMBER 19, 2022, 11:30 AM

The Board of Directors of Downtown Knoxville Alliance met on Monday, December 19, 2022, at 11:30 am at 17 Market Square, Knoxville, TN.

Board members present included board chair, Matthew DeBardelaben, Rick Emmett, Vince Fusco, Lorie Matthews, Drew McKenna, John Sanders, Daniel Smith, Adrienne Webster, and Mary Katherine Wormsley. DKA and Knoxville Chamber staff in attendance included: Michele Hummel, Karen Kakanis, Angela Lunsford, and Robin Thomas.

I. Welcome

Matthew DeBardelaben welcomed everyone and called the meeting to order.

II. Minutes

Matthew DeBardelaben called for the approval of the minutes from the November board meeting. Mary Katherine Wormsley made a motion to approve the minutes. Adrienne Webster seconded the motion, which was unanimously approved by the board.

III. Financial Report

Angela Lunsford delivered the financial report for the corporation explaining the various reports. Vince Fusco made a motion to approve the financial report, Lorie Matthews seconded the motion, which was unanimously approved by the board.

IV. Committee Reports

A. Quality of Life

Matthew DeBardelaben is on the board for Two Bikes. He asked Lorie Matthews to preside over this portion of the meeting and recused himself from the discussion and vote. In November the Quality of Life Committee reviewed a new design for a mural that was approved last fiscal year. The board asked the applicant to present the mural design overlay on the building for them to review at the December board meeting. The board reviewed the design overlay. A recommendation in the form of a motion was made by the committee. John Sanders seconded the motion, which was approved by the board. Matthew DeBardelaben recused himself from the vote.

B. Development

The board reviewed an Economic Impact Program from Melrose Knoxville for 501 E. Hill Ave in November and asked the applicant to make a presentation at the board in December. The applicant withdrew their application prior to the December meeting. This item was withdrawn from discussion and board vote at the meeting.

V. Staff Report

Staff presented their report which provided an update on activities from the previous month, social media numbers, and highlighted the upcoming month's meetings. The full reports were included in the agenda packet.

VI. Old Business

There was no Old business.

VII. New Business

There was no New Business.

VIII. Public Forum

Tim Yates with East Tennessee History Center thanked DKA for all their efforts to bring traffic to their doors and welcomed more involvement in the coming year.

IX. Adjournment

With no other business, the meeting was adjourned.

Secretary

Downtown Knoxville Alliance
Statement of Cash Flows
Fiscal YTD December 31, 2022

Jul '22 - Jun '23

OPERATING ACTIVITIES

Net Income (6,036)

Adjustments to reconcile Net Income
to net cash provided by operations:

1110 · Other Receivable 164,792

2020 · Accounts Payable (13,431)

2600 · Accrued Payables 8,337

2700 · Accrued Wages -

Net cash provided by Operating Activities 153,662

FINANCING ACTIVITIES

3900 · Change in NA - unrestricted -

Net cash provided by Financing Activities -

Net cash increase for period 153,662

Cash at beginning of period 1,136,503

Cash at end of period **1,290,165**

Current Liabilities (29,893)

Accrued Payables (263,500)

Accounts receivable and Other 46,849

Subtotal **(246,544)**

Projected Remaining Budgeted Income (Expenses)

Revenue 163,916

Development (115,000)

Quality of Life (233,687)

Business Support (31,415)

Marketing/Sponsorships (117,873)

Administration (132,446)

Subtotal **(466,505)**

Projected Cash - Before Minimum Reserve **577,116**

Minimum Cash Balance - Reserve (150,000)

Projected Cash Availability 427,116

Downtown Knoxville Alliance
Statement of Cash Flows
Fiscal YTD December 31, 2022

Project	Grants	Permit Date	Comp Date	YE 6/30/2023	Total
Cradle of Country Music	83,000			83,000	83,000
314 Union Ave (COK)	250,000			250,000	250,000
	333,000			0	333,000

* City approval required

Note: Disclosure of Tax Abatement for Farragut Building. CBID Board agreed to receive current assessment of \$4,578 and forgo \$19,012/year for 25 years - total abatement \$475,302. Based on estimated increase in projected value \$18.4mm versus \$3.6mm. Tax is .32 per \$100 on 40% of projected value.

Note: In 2013, Knox County Commission and Knox County Industrial Development Board approved a 10 year PILOT for Marble Alley Lofts, LLC. The property was held by Knox County and did not pay property taxes because of its tax exempt status. The property is now held by the Knox County Industrial Development Board. Based on the current appraised value, at the end of the 10 year PILOT, CBID would be entitled to a projected assessment of \$36,800 annually.

Note: In July of 2019, the Board of the Downtown Knoxville Alliance agreed to approve a 10-year abatement of the incremental CBID assessment for the State Supreme Court projects starting 48 months after the Dover Signature Properties closes on the two parcels of property from the City of Knoxville to allow for construction and project stabilization. CBID will receive an assessment for both properties based on the acquisition cost of \$2.6mm or approximately \$320 for the property that will house the hospitality project, purchased for \$250,000 and \$3,008 for the parcel that houses the apartment project, purchased for \$2,350,000. Downtown Knoxville Alliance will receive this yearly assessment during the 48 month construction and stabilization period and during the 10-year abatement, after which the CBID assessment will be paid at full value.

Downtown Knoxville Alliance
Profit & Loss Actual vs Budget June 30, 2023

	Acct #	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	YTD FY23	FY23 Budget	Remainder
Income																
CBID Tax Assessments	4020	3,684	557	1,989	481,364	211,641	46,849	-	-	-	-	-	-	746,084	910,000	163,916
Investment income	4100	12	19	18	45	21	184	-	-	-	-	-	-	299	500	201
Total Income		3,696	575	2,007	481,409	211,662	47,033	-	-	-	-	-	-	746,382	910,500	164,118
Expenses																
Development																
Path to Prosperity	5225	-	-	-	-	-	-	-	-	-	-	-	-	-	15,000	15,000
Special Projects	5205	-	-	-	-	-	-	-	-	-	-	-	-	-	100,000	100,000
Total Development		-	-	-	-	-	-	-	-	-	-	-	-	-	115,000	115,000
Quality of Life																
Beautification	5659	33	68	77	4,073	83	90	-	-	-	-	-	-	4,424	90,000	85,576
Ambassador Program	5657	6,833	6,833	6,844	6,837	6,837	6,837	-	-	-	-	-	-	41,021	82,000	40,980
Residential - Other	5900	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential	5901	-	-	(6,705)	-	-	-	-	-	-	-	-	-	(6,705)	3,000	9,705
Security	5700	2,204	1,904	1,100	2,104	1,524	3,739	-	-	-	-	-	-	12,573	110,000	97,427
Total Quality of Life		9,070	8,805	1,317	13,013	8,443	10,665	-	-	-	-	-	-	51,313	285,000	233,687
Business Support																
Business Support	5676	1,898	2,201	4,605	2,138	4,410	3,133	-	-	-	-	-	-	18,585	50,000	31,415
Total Business Support		1,898	2,201	4,605	2,138	4,410	3,133	-	-	-	-	-	-	18,585	50,000	31,415
Marketing Expenses																
Advertising General	5305	3,691	3,746	3,999	8,843	7,938	7,068	-	-	-	-	-	-	35,284	50,000	14,716
Print & Design	5306	211	486	813	5,728	9,194	2,548	-	-	-	-	-	-	18,978	35,000	16,022
Website - All Committees	5375	1,150	1,050	1,379	1,450	1,540	2,295	-	-	-	-	-	-	8,864	20,000	11,136
Sponsorship Prior Year	5362	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Events and Sponsorship	5360	-	5,000	4,000	-	-	5,000	-	-	-	-	-	-	14,000	90,000	76,000
Total Marketing Expenses		5,051	10,282	10,190	16,021	18,671	16,911	-	-	-	-	-	-	77,127	195,000	117,873
Administration																
Meals/ Lodging/ Travel	5420	362	488	241	383	726	194	-	-	-	-	-	-	2,395	5,500	3,105
Office Expense	5430	274	595	753	587	1,431	1,219	-	-	-	-	-	-	4,859	6,000	1,141
Bank Fees	5435	12	36	18	18	18	18	-	-	-	-	-	-	120	200	80
Postage	5440	-	151	10	9	-	23	-	-	-	-	-	-	193	2,500	2,307
Professional Dev.	5465	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000	5,000
Professional Svc	5450	500	2,200	-	2,750	-	1,500	-	-	-	-	-	-	6,950	11,000	4,050
Svc Contract - Operations	5461	19,405	19,405	19,405	19,405	19,405	19,405	-	-	-	-	-	-	116,430	232,859	116,429
Insurance Directors/Officers	5750	-	-	-	828	-	-	-	-	-	-	-	-	828	800	(28)
Software	5480	-	-	-	-	415	-	-	-	-	-	-	-	415	1,000	585
Supplies	5470	-	-	-	223	-	-	-	-	-	-	-	-	223	-	(223)
Total Administration		20,554	22,875	20,427	24,202	21,995	22,359	-	-	-	-	-	-	132,413	264,859	132,446
Total Expenses		36,573	44,162	36,540	55,375	53,520	53,068	-	-	-	-	-	-	279,438	909,859	630,421
Change in NAV		(32,877)	(43,587)	(34,532)	426,034	158,142	(6,036)	-	-	-	-	-	-	466,945	641	466,304
Board Approved Spending																
314 Union Avenue		0	0	250,000	0	0	0	0	0	0	0	0	0	250,000	-	-
Subtotal Board Approved Spending		0	0	250,000	0	0	0	0	0	0	0	0	0	250,000	-	-
NAV Total after Surplus Spending		(32,877)	(43,587)	(284,532)	426,034	158,142	(6,036)	0	0	0	0	0	0	216,945		

Downtown Knoxville Alliance

Statement of Cash Flows

December 2022

	TOTAL
OPERATING ACTIVITIES	
Net Income	-6,035.51
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1110 Other Receivable	164,791.80
2020 Acc. Payable:Accounts Payable	-13,431.47
2600 Accrued Payables	8,336.75
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	159,697.08
Net cash provided by operating activities	\$153,661.57
NET CASH INCREASE FOR PERIOD	\$153,661.57
Cash at beginning of period	1,136,503.15
CASH AT END OF PERIOD	\$1,290,164.72

Downtown Knoxville Alliance

Balance Sheet As of December 31, 2022

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1000 Cash & Cash Equiv.	0.00
1005 Cash	0.00
1012 First Bank Checking	205,291.15
1016 Regions - Checking	588,304.94
Total 1005 Cash	793,596.09
1020 Investments - Cert Dep and MM	
1021 First Bank 2774	71,823.24
1023 First Bank CD 2781	104,867.24
1024 First Bank MM 2976	23,820.04
1026 First Century Bank	115,011.95
1027 SunTrust MM Account	137,653.65
1029 Home Federal Bank - MM	43,392.51
Total 1020 Investments - Cert Dep and MM	496,568.63
Total 1000 Cash & Cash Equiv.	1,290,164.72
Total Bank Accounts	\$1,290,164.72
Accounts Receivable	
1110 Other Receivable	46,848.99
Total Accounts Receivable	\$46,848.99
Total Current Assets	\$1,337,013.71
TOTAL ASSETS	\$1,337,013.71
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Acc. Payable	0.00
2020 Accounts Payable	29,893.11
Total 2000 Acc. Payable	29,893.11
Total Accounts Payable	\$29,893.11
Other Current Liabilities	
2600 Accrued Payables	263,500.00
Total Other Current Liabilities	\$263,500.00
Total Current Liabilities	\$293,393.11
Total Liabilities	\$293,393.11
Equity	
3900 Change in NA - unrestricted	826,675.99
Net Income	216,944.61
Total Equity	\$1,043,620.60
TOTAL LIABILITIES AND EQUITY	\$1,337,013.71

Downtown Knoxville Alliance

Profit and Loss

December 2022

	TOTAL
Income	
4020 CBID Assessment	46,848.99
4100 Interest on Cash Reserves	183.53
Total Income	\$47,032.52
GROSS PROFIT	\$47,032.52
Expenses	
5100 Business Support	
5150 Merchant Support	3,132.51
Total 5100 Business Support	3,132.51
5300 Marketing Expenses	
5305 Advertising	7,067.70
5306 Print and Content	2,548.18
5360 Sponsorships - Events	5,000.00
5375 Website	2,295.00
Total 5300 Marketing Expenses	16,910.88
5400 Administration	
5420 Meals/Lodging/Travel	194.25
5430 Office Expenses	1,218.70
5435 Bank Fees	18.00
5440 Postage	23.34
5450 Professional Svc	1,500.00
5460 Services Contract	19,405.00
Total 5400 Administration	22,359.29
5650 Quality of Life	
5655 Bike Patrol	3,738.60
5657 Ambassador Program	6,836.75
5659 Beautification	90.00
Total 5650 Quality of Life	10,665.35
Total Expenses	\$53,068.03
NET OPERATING INCOME	\$ -6,035.51
NET INCOME	\$ -6,035.51

Accrued Payables at 11.30.22

Old City Market	FY22	\$2,500.00
Asian Festival	FY22	\$0.00
Two Bikes Mural	FY22	\$7,500.00
Cradle of Country Music	FY22	\$0.00
City of Knoxville (314 Union Ave)	FY23	\$250,000.00
Hola Festival	FY23	\$0.00
Make Music	FY23	\$1,000.00
East TN Historical Society	FY23	\$2,500.00
Ambassador Program	FY23	-\$20,510.25
Ambassador Program	FY23	\$6,836.75
Ambassador Program	FY23	\$6,836.75
Ambassador Program	FY23	\$6,836.75
		\$263,500.00

Downtown Knoxville Alliance

A/R Aging Detail
As of December 31, 2022

DATE	TRANSACTION TYPE	NUM	CUSTOMER	DUE DATE	AMOUNT	OPEN BALANCE
Current						
12/31/2022	Invoice	350	City of Knoxville.	01/31/2023	46,848.99	46,848.99
Total for Current					\$46,848.99	\$46,848.99
TOTAL					\$46,848.99	\$46,848.99

Downtown Knoxville Alliance

A/P Aging Detail

As of December 31, 2022

DATE	TRANSACTION TYPE	NUM	VENDOR	DUE DATE	PAST DUE	AMOUNT	OPEN BALANCE
Current							
12/31/2022	Bill	INV009567	Knoxville Chamber	12/31/2022	13	19,405.00	19,405.00
12/31/2022	Bill	12312022	Thomas, Robin	12/31/2022	13	1,903.09	1,903.09
12/31/2022	Bill	Final Payment	Bike Walk Knoxville	12/31/2022	13	1,000.00	1,000.00
12/31/2022	Bill	INV009573	Knoxville Chamber	12/31/2022	13	234.38	234.38
12/31/2022	Bill	2210386	High Resolutions, Inc	12/31/2022	13	220.56	220.56
12/31/2022	Bill	INV009681	Knoxville Chamber	12/31/2022	13	61.18	61.18
12/31/2022	Bill	DKA-010223	Hannah Gils	01/02/2023	11	1,235.00	1,235.00
12/22/2022	Bill	12222022	KUB	01/09/2023	4	90.00	90.00
12/29/2022	Bill	2212337	High Resolutions, Inc	01/18/2023	-5	220.56	220.56
12/31/2022	Bill	0005226351	Knoxville News Sentinel	01/20/2023	-7	5,198.34	5,198.34
12/25/2022	Bill	132663	The University of Tennessee	01/24/2023	-11	325.00	325.00
Total for Current						\$29,893.11	\$29,893.11
TOTAL						\$29,893.11	\$29,893.11

DOWNTOWN KNOXVILLE ALLIANCE

FINANCIAL STATEMENTS

JUNE 30, 2022

DOWNTOWN KNOXVILLE ALLIANCE

YEAR ENDED

JUNE 30, 2022

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Bible Harris Smith, P.C.

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Member of the AICPA Peer Review
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Member of the Tennessee Society
of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Downtown Knoxville Alliance
Knoxville, Tennessee

Opinion

We have audited the accompanying financial statements of Downtown Knoxville Alliance (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Downtown Knoxville Alliance as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Downtown Knoxville Alliance and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Downtown Knoxville Alliance's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

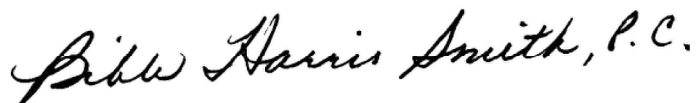
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and

therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Downtown Knoxville Alliance's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Downtown Knoxville Alliance's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in black ink that reads "Bible Harris Smith, P.C." in a cursive script.

Bible Harris Smith, P.C.
Knoxville, Tennessee
January 17, 2023

DOWNTOWN KNOXVILLE ALLIANCE

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 973,916
Accounts Receivable	<u>2,042</u>

Total Current Assets	<u>975,958</u>
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TOTAL ASSETS	<u><u>\$ 975,958</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Liabilities	\$ 66,283
Grants Payable	<u>83,000</u>

Total Current Liabilities	<u>149,283</u>
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TOTAL LIABILITIES	149,283
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NET ASSETS

Without Donor Restriction	<u>826,675</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 975,958</u></u>
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The accompanying notes are an integral part of these financial statements.

DOWNTOWN KNOXVILLE ALLIANCE

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

REVENUES AND OTHER SUPPORT

City of Knoxville Assessments	\$ 994,379
Interest Income	<u>405</u>

TOTAL REVENUES AND
OTHER SUPPORT

994,784

EXPENSES

Program:

Business Support	99,442
Beautification	181,033
Development	34,308
Marketing	239,203
Quality of Life	<u>170,242</u>

Total Program 724,228

General and Administrative Expense	<u>110,927</u>
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TOTAL EXPENSES

835,155

CHANGE IN NET ASSETS

159,629

NET ASSETS - WITHOUT DONOR RESTRICTION - BEGINNING OF
YEAR

667,046

NET ASSETS - WITHOUT DONOR RESTRICTION - END OF YEAR

\$ 826,675

The accompanying notes are an integral part of these financial statements.

DOWNTOWN KNOXVILLE ALLIANCE

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Program Activities			
	Business Support	Beautification	Development	Marketing
Allocation of Service Contract	\$ 53,433	\$ 21,823	\$ 19,308	\$ 53,434
Advertising	-	-	-	51,465
Bank Fees	-	-	-	-
Beautification	-	159,210	-	-
Bike Patrol	-	-	-	-
Covid-19 Initiatives	-	-	-	-
Development Grants	-	-	-	-
Insurance	-	-	-	-
Meals/Lodging/Travel	-	-	-	-
Merchant Support	46,009	-	-	-
Miscellaneous Printing	-	-	-	30,430
Office Expenses	-	-	-	-
Other Program Allocation	-	-	-	-
Path to Prosperity	-	-	15,000	-
Postage	-	-	-	-
Prior Year Sponsorship Expense	-	-	-	6,313
Professional Development	-	-	-	-
Professional Fees	-	-	-	-
Quality of Life	-	-	-	-
Residential Projects/Initiative	-	-	-	-
Software	-	-	-	-
Sponsorship - Events	-	-	-	76,000
Website	-	-	-	21,561
	-	-	-	-
Total Expenses	<u>\$ 99,442</u>	<u>\$ 181,033</u>	<u>\$ 34,308</u>	<u>\$ 239,203</u>

(CONTINUED ON PAGE 6)

The accompanying notes are an integral part of these financial statements.

DOWNTOWN KNOXVILLE ALLIANCE

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

(CONTINUED FROM PAGE 5)

	Program Activities		G&A	
	Quality of Life	Total Program	G&A	Grand Total
Allocation of Service Contract	\$ 23,230	\$ 171,228	55,236	\$ 226,464
Advertising	-	51,465	-	51,465
Bank Fees	-	-	331	331
Beautification	-	159,210	-	159,210
Bike Patrol	125,213	125,213	-	125,213
Covid-19 Initiatives	-	-	22,466	22,466
Development Grants	-	-	-	-
Insurance	-	-	804	804
Meals/Lodging/Travel	-	-	4,698	4,698
Merchant Support	-	46,009	-	46,009
Miscellaneous Printing	-	30,430	-	30,430
Office Expenses	-	-	10,013	10,013
Other Program Allocation	-	-	-	-
Path to Prosperity	-	15,000	-	15,000
Postage	-	-	2,301	2,301
Prior Year Sponsorship Expense	-	6,313	-	6,313
Professional Development	-	-	940	940
Professional Fees	-	-	13,308	13,308
Quality of Life	26,060	26,060	-	26,060
Residential Projects/Initiative	(4,261)	(4,261)	-	(4,261)
Software	-	-	830	830
Sponsorship - Events	-	76,000	-	76,000
Website	-	21,561	-	21,561
	-	-	-	-
	-	-	-	-
Total Expenses	<u>\$ 170,242</u>	<u>\$ 724,228</u>	<u>\$ 110,927</u>	<u>\$ 835,155</u>

The accompanying notes are an integral part of these financial statements.

DOWNTOWN KNOXVILLE ALLIANCE

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 159,629
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities:	
(Increase) Decrease in Assets:	
Accounts Receivable	(1,317)
Increase (Decrease) in Liabilities:	
Accounts Payable and Accrued Liabilities	(15,379)
Grants Payable	(167,000)
Net Cash Provided By (Used In) Operating Activities	<u>(24,067)</u>
NET INCREASE (DECREASE) IN CASH	(24,067)
CASH & CASH EQUIVALENTS - BEGINNING OF YEAR	<u>997,983</u>
CASH & CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 973,916</u></u>

The accompanying notes are an integral part of these financial statements.

DOWNTOWN KNOXVILLE ALLIANCE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Note 1 - Summary of Significant Accounting Policies

The Organization - Downtown Knoxville Alliance (Organization), formerly known as Knoxville Central Business Improvement District Management Corporation, is a nonprofit organization established on April 5, 1993, to assist in developing and beautifying the downtown area of Knoxville, Tennessee.

Substantially all revenues are derived from assessments on downtown property owners collected by the City of Knoxville. Activities include making renovation/development grants for projects within the defined area of the Central Business Improvement District and support of downtown activities and events.

General - The Organization's policy is to prepare its financial statements on the accrual basis. Under this method, revenues are recognized when earned and expenses are recognized when incurred.

Tax-Exempt Status - The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision has been recognized for income taxes in the accompanying financial statements.

Effective with the fiscal year beginning July 1, 2009, authoritative guidance for the uncertainty in income taxes became effective under the provisions of FASB ASC 740. The standard prescribes a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization determined that there were no matters that would require recognition in the financial statements or which may have any effect on its tax-exempt status. As of June 30, 2022 the statute of limitations for tax years 2018 through 2020 remains open with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense. As of June 30, 2022, the Organization had no accruals for interest and/or penalties.

Basis of Presentation - Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Statement of Financial Accounting Standards Update ASU 2016-14. The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed

restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

Revenue Recognition - Contributions are recorded on the date on which they are pledged. Currently, substantially all Organization revenues are derived from City of Knoxville tax assessments. Assessments are recorded when collected by the City of Knoxville as reported by the City to the Organization. Past due assessments, interest and penalties are not recorded until collected by the City as reported by the City to the Organization. The assessments contain a single delivery element at a single point in time when ownership, risks, and rewards transfer from the City to the Organization.

Expense Allocation – Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. Directly identifiable expenses are charged to programs and supporting services. General and administrative expenses include those expenses that are not directly identifiable with any other specific function, but to provide for the overall support and direction of the Organization. Contract service agreement costs are allocated based on estimated time incurred for each functional category.

Cash Equivalents - The Organization generally considers all certificates of deposit and highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Receivables - Receivables are stated at the amount management expects to collect from balances outstanding at year-end. No allowance for doubtful accounts is considered necessary. At June 30, 2022, substantially all accounts receivable are from the City of Knoxville.

Property and Equipment – It is the Organization's policy that property and equipment that are purchased are recorded at cost. Property and equipment is depreciated over the estimated useful lives of the assets. Maintenance, repairs, and minor renewals are charged to expense; betterments or major renewals and improvements that materially prolong the life of the assets are capitalized. At June 30, 2022, the Organization did not hold or own any property and equipment.

Grants Payable – Grants payable represent all unconditional grants that have been authorized prior to year-end, but remain unpaid as of the statement of financial position date. Conditional grants are expensed and considered payable in the period the conditions are substantially satisfied.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, including the liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Agency Transactions - The Organization's policy, if it acts as an intermediary or agent, is to record the receipt and disbursement of financial assets specified for a beneficiary as assets and liabilities of the Organization. Accordingly, there is no effect on the statement of activities.

Advertising - Advertising costs are expensed as incurred and totaled \$51,465 for the year.

In-Kind Contributions - Contributions of donated non-cash assets are recorded at their fair values in the period received.

Subsequent Events- Management has evaluated subsequent events through January 17, 2023, the date the financial statements were available to be issued.

Note 2 – Information Regarding Availability and Liquidity

Financial assets in excess of daily cash requirements can be invested in certificates of deposit and money market funds.

The following table reflects the Organization’s financial assets as of June 30, 2022, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal board designations.

Financial Assets at Year End:	
Cash and Cash Equivalents	\$ 973,916
Accounts Receivable	<u>2,042</u>
Total Financial Assets	975,958
Less amounts not available to be used within one year:	
Contingent grants and grants payable expected to be paid	<u>333,000</u>
	<u>333,000</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 642,958</u>

Note 3 – Contract Services

Another nonprofit organization provides certain services to the Organization. These services include operations administration, marketing services, accounting and financial oversight, professional services, insurance, recommendations for improvements and capital expenditures, contract negotiating, services to ensure compliance with applicable laws and to maintain licenses and permits, and other management services. This amount has been allocated among the Organization’s various functional areas. On July 1, 2020 the Organization renewed the contract services agreement for a five-year period. The current agreement is cancelable by either party with 90 days’ notice. The total paid for these services during the year ended June 30, 2022 was \$226,464.

Note 4 – Grants Payable and Abatements

Because of their ownership and development of properties, either as individuals or as owners of companies within the Central Business Improvement District, current Board Members may have received grants from the Organization while not serving on the Board. If they, or a company they are involved in, requests funding for any project while a Board Member of the Organization, that Board Member will recuse themselves from voting on any project they have involvement with and will disclose this activity to the Board for consideration. There were no such grants payable at June 30, 2022.

The Organization paid \$250,000 in 2022 that was applicable to 2021 performance requirements. This amount was recorded as Grant Liabilities at June 30, 2021. The Board has approved grants to be paid in

2022 totaling \$83,000. This amount is recorded as Grant Liabilities at June 30, 2022.

The Board has also approved other grants totaling \$250,000, provided certain performance requirements are met. This contingent grant liability is not recorded at June 30, 2022, because the performance requirements have not been met as of the report date.

In July 2019 the Board agreed to a 10-year abatement of incremental tax assessments related to the State Supreme Court project. The abatement is effective during the construction period and for 10 years following construction. During the construction and abatement period, the Organization will receive assessments based on the project's acquisition cost, which total approximately \$3,300 per year.

Note 5 - Concentrations of Risk

The Organization maintains nine accounts with three local financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2022, cash deposits exceeded federally insured limits by \$259,835.

Note 6 – COVID-19 Pandemic

During early 2020 the COVID-19 Pandemic had spread across the globe, and affected virtually every aspect of life throughout the local area. During 2022, the Organization reallocated its budget to provide assist downtown businesses affected by the Pandemic. The Pandemic continues to affect various segments of the downtown area. The Organization continues to have a reasonable expectation that it has adequate resources to continue in operation for at the least the next 12 months and that the going concern basis of accounting remains appropriate.

MARKETING COMMITTEE

➡ MINUTES

JANUARY 17, 2023 1:00 PM



Downtown Knoxville Alliance board members present included Matthew DeBardelaben. Committee members present included Lisa Belleman, Public Building Authority; Scott Bird, Moxley Carmichael; Nicki Collett, Tennessee Theatre; Dana Dalton, downtown resident; Shera Petty, Visit Knoxville; Kat Torbett, Loch & Key Productions; Chad Youngblood, See Why Consulting. Staff members included Robin Thomas.

Sponsorship Requests

Requests were submitted for five events for the period of March/April.

Organization	Event	Request	Recommendation
Big Ears Casey Fox, Director of Development	Big Ears Festival	\$10,000	\$8,000
Dogwood Arts Sherry Jenkins, Executive Director Emily Curran, Program Manager	Dogwood Arts Festival	\$6,000	\$6,000
Dogwood Arts	Chalk Walk	\$2,500	\$2,500
Knoxville Opera Jason Hardy, General Director & CEO	Rossini Festival	\$5,000	\$5,000
Old City Association Amy Roskop, Market Manager	Old City Market	\$8,000	\$6,000*
Total			\$27,500

* Contingent on COK approval of Thursday night markets beginning in April.

Recommendation for Board Approval

\$27,500 to be approved as outlined above for Event Sponsorships. FY 22-23 budget, summary of events, and event applications are attached.

Primary discussion points:

Big Ears - The committee acknowledged the incredible financial impact of Big Ears to the downtown community. There was some discussion related to open-to-the-public programming (within the central business district) being shifted to smaller venues than in 2022. Primarily, the discussion was related to the potential impact of funding as compared to requests during the 2022-2023 period from new or smaller events. Although at less than amount requested due to budget considerations, the committee felt strongly about continued sponsorship and partnership with the festival.

Old City Market - Very positive discussion about the addition of the monthly Thursday night markets. The recommendation of \$6,000 is contingent on the addition of these markets beginning in April. If the addition of these markets is delayed, it is requested that the application be resubmitted. The request of \$8,000 exceeds our funding guidelines of 20% of total event expenses. Primary discussion was the lack of additional financial sponsors or a large corporate sponsor. This has been raised as a concern for several years. It is not the intent of the Downtown Knoxville Alliance to be the presenting sponsor of events. It was requested that this be relayed to the Old City Association and it be noted that future funding could be reduced or eliminated without the addition of a primary financial sponsor.

Other Discussion

The committee also discussed the pros/cons of allowing organizations with multiple events throughout the year to submit an organization-wide annual request versus applications for individual events. In general, it was agreed that this could simplify the sponsorship process for committee, board, and applicant.

Next Meeting

The next Marketing Committee meeting is scheduled for Tuesday, March 7 at 3:00 PM.

Downtown Knoxville Alliance - Event Sponsorships
FY 22-23 (as of December 31, 2022)

	FY 19-20 Requests	FY 19-20 Funded	FY 20-21 Requests	FY 20-21 Funded	FY 21-22 Requests	FY 21-22 Funded	FY 22-23 Requests	FY 22-23 Funded
Budget		60,000		60,000		80,000		90,000
Previously Approved								
Asian Culture Center of TN - Asian Festival*			n/a		20,500	5,000		
Asian Culture Center of TN - Japanese New Year					5,650	1,000		
Big Ears - Big Ears Festival					10,000	10,000		
Bike Walk Knoxville - Tour De Lights	4,500	2,500	n/a		2,500	2,500	2,500	2,000
City of Knoxville - Concerts in the Park			5,000	5,000				
City of Knoxville - Concerts on the Square					8,000	3,000		
Downtown Knoxville - Support Now		32,500	n/a					
Downtown Knoxville - Peppermint Grove			10,000	10,000				
Downtown Knoxville - Spring Lighting			10,000	10,000				
Dogwood Arts - Arts Festival*	6,000		6,000	6,000	6,000	6,000		
Dogwood Arts - Chalk Walk*	4,000		n/a		2,500	2,500		
Dogwood Arts - Southern Skies *	5,000		n/a		5,000	5,000		
East TN Historical Society - Children's Gallery			2,500	2,500				
East TN Historical Society - Lights! Camera! East TN!							5,000	5,000
Event Pro LLC - Knox Food Fest					10,001	5,000		
HoLa Hora Latina - HoLa Festival			5,000	5,000			5,000	5,000
IndiaFest Knoxville - IndiaFest	5,000	4,000						
Knox Co - Children's Festival of Reading*	3,000		n/a		3,000	3,000		
Knox Co - LitUP Teen Literary Festival	3,000	3,000	n/a					
Knox Co - Movies on the Square*								
Knoxville Community Media - Fall Concerts					10,000	-	5,000	-
Knoxville Opera - Musical Theater Marathon			4,000	1,500				
Knoxville Opera - Rossini Festival*	25,000		n/a		20,000	5,000		
Knoxville Opera - Spring Regatta			1,050	-				
Make Music Knoxville - Carol Cart							3,400	2,000
Maker City - Maker City Summit							5,000	-
Nourish Knoxville - Farmers' Market	10,000	8,000	10,000	10,000	10,000	10,000		
Old City Assn - Dolly Fest					10,000	5,000		
Old City Assn - Old City Market	5,000	5,000	5,000	5,000	5,000	5,000		
River & Rail Theatre - 2021-22 Season**					10,000	-		
TN Stage - Shakespeare on the Square*	2,500							
Sweet Ps & Balter Beerworks - Jazz Fest*	10,000		n/a					
WDVX - Blue Plate Special	5,000	5,000	5,000	5,000	5,000	5,000		
Approved to Date	88,000	60,000	63,550	60,000	143,151	73,000	25,900	14,000
Balance Prior to Requests								76,000

* Events in 19-20 canceled due to COVID-19. Balance of non-funded events to be used for COVID-19/Support Local initiatives.

** Board chose to fund outside of Event Budget.

Requests January 2023

	Requests	Proposed
Big Ears - Big Ears Festival	10,000	8,000
Dogwood Arts - Arts Festival	6,000	6,000
Dogwood Arts - Chalk Walk	2,500	2,500
Knoxville Opera - Rossini Festival	5,000	5,000
Old City Assn - Old City Market	8,000	6,000
Total Current Requests	31,500	27,500

Remaining Balance	48,500
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	Big Ears Festival	Dogwood Arts Festival	Chalk Walk	Rossini Festival	Old City Market
Recommendation	\$8,000	\$6,000	\$2,500	\$5,000	\$6,000
Request	\$10,000	\$6,000	\$2,500	\$5,000	\$8,000
Date(s)	March 30-April 2 4 days	April 28-30 3 days	April 1	April 22	2 nd Sunday + 3 rd Thursday April – Dec, Dolly Market and Small Business Sat 20 markets
Location	Various Downtown Venues	World’s Fair Park	Market Square and Market Street	Gay Street, Church Ave, Clinch Ave, Market Square, and Market Street	Jackson Ave between State St and Central St
History	Prior Years: 9 Funded by DKA: 2	Prior Years: 61 Funded by DKA: 10	Prior Years: 15 Funded by DKA: 1	Prior Years: 19 Funded by DKA: 3	Prior Years: 5 Funded by DKA: 5
Most Recent Funding	\$10,000 FY 21-22 \$10,000 request	\$6,000 FY 21-22 \$6,000 request	\$2,500 FY 21-22 \$2,500 request	\$5,000 FY 21-22 \$20,000 request	\$5,000 FY 21-22 \$5,000 request
Event Producer	Big Ears	Dogwood Arts	Dogwood Arts	Knoxville Opera	Old City Association
Other Sponsors	Aslan Foundation, Pilot, City of Knox, Knox County, Cherokee Dist, National Endow. for the Arts, TN Arts Commission, South Arts, Visit Knoxville, plus several others	ORNL Federal Credit Union, Home Federal Bank, Graphic Creations, Crowne Plaza, TN Arts Commission, Knox County, City of Knoxville	ORNL Credit Union, First Horizon Foundation, Graphic Creations, plus working on others	Embassy Suites, Event Rentals by Rothchild, YMCA of East TN, WATE, Eagle Distributing, Sherri and John Murphy	RALA, Robin Easter Design 2022: Arrowmont, Corr-Tenn, First Horizon
Admission	Ticketed plus free at five official venues	Free	Free	Free	Free
Expected Attendance	30,000+ over the 4-day weekend. 70% from outside of Knoxville	15,000-20,000 over the 3-day weekend	25,000-30,000	35,000-100,000	12,000 – 20,000
Estimated Expenses	\$2,666,740	\$113,500	\$25,950	\$141,925	\$33,550
Projected Profit	\$976,670 excludes staff + admin	\$19,250 excludes staff + admin	\$4,050 excludes staff + admin	\$12,575 Includes staff	\$450 Includes staff
% of Expense	0.4%	5.3%	9.6%	3.5% (6.1% w/o staff)	23.8% (28.5% w/o staff)
Per Attendee	\$0.33	\$0.34	\$0.09	\$0.07	\$0.67
Use of Funds	Artist and production fees for free community concerts at Jackson Terminal	Rental fees	Help cover costs of 6- 8 commissioned professional artists	Logistics, marketing, performers	Marketing and security

**Downtown Knoxville Alliance
Sponsorship Request Application**



Event: 2023 Big Ears Festival

Date(s): March 30-April 2, 2023

Location: TN Theatre, Bijou Theatre, The Standard, Civic Auditorium, Boyd's Jig & Reel, First Baptist Church, Jackson Terminal, Mill & Mine, Old City Performing Arts Center, The Pilot Light, Knoxville Visitors' Center, St. John's Episcopal Church, Southern Railway Depot

Produced by: Big Ears

Sponsorship amount requested: \$10,000

Event History:

 First-time event (#) 9 prior years (#) 2 years of previous Alliance funding

Contact: Casey Fox Phone: 865-207-5024

Address: 900 S. Gay St, Ste. 1601

Email: casey@bigearsfestival.org

Event description:

Founded in 2009, the Big Ears Festival is the flagship event of our organization. As we've evolved to become a free-standing nonprofit with a dedicated staff and mission, however, Big Ears' activities have grown to include expanded community engagement programming and cultural events beyond the confines of the festival.

Big Ears' mission is to collaborate with artists, audiences, and communities to create joyful, meaningful, and transcendent cultural experiences that defy boundaries, fuel curiosity, ignite the spirit, and nourish the soul. The impact areas on which we focus our work are:

1. Arts Presenting: Big Ears works to sustain world-class cultural events in Knoxville that provide innovative, enriching, and transformative experiences for all, while maintaining a unique curatorial vision.
2. Arts Access: Big Ears cultivates deep public engagement with, and access to, innovative arts experiences that spark curiosity, build community, and open minds to a broad spectrum of sound and creativity.

The tenth Big Ears Festival will take place March 30-April 2, 2023, presenting nearly 200 concerts, talks, workshops, film screenings, residencies, and more in over a dozen venues across downtown Knoxville. Ticket sales are already outpacing 2022 by a wide margin and we expect 30-35,000 people will participate over the four-day event. At least 15,000 will exclusively attend non-ticketed free events.

To decrease disparities in arts access at the festival, all programming at five of our official venues will be free and open to the public, enabling thousands of East Tennessee residents to attend dozens of performances without purchasing a 2023 festival pass. We also provide the opportunity for emerging and established professional artists to attend the festival for free through an application-based scholarship program, piloted in 2022.

We will also increase participants in the Big Ears parade and street party that we launched in 2022. Beginning in January 2023, Big Ears will host 6-8 weekly workshops at 8-10 community partner sites like Boys & Girls Clubs, Centro Hispano, and Knoxville Community Schools (all materials provided by Big Ears). Youth will design and create big puppets & other art for the parade, forming their own marching krewes so they can then share this art with the community. We are currently working with Knox County Schools to create a parade arts curriculum for art teachers to use in their classes as well.

Additional sponsors:

Aslan Foundation, Pilot Company, City of Knoxville, Knox County, Cherokee Distributing, National Endowment for the Arts, Tennessee Arts Commission, South Arts, Visit Knoxville, The Shifting Foundation, The Aaron Copland Fund for Music, Boyd's Jig and Reel

Planned use of funds requested:

Downtown Knoxville sponsorship funds will be used to pay artist and production fees for Big Ears' free-to-the-public community concerts at the Jackson Terminal throughout the festival weekend. The Jackson Terminal is the Big Ears Festival hub and, in addition to performances, hosts the box office and merch store, as well as book signings. Every attendee must check in at this location to pick up their festival wristband and credentials, and the venue stays full the entire festival weekend.

What is the projected attendance for this event? How will actual attendance be measured? Describe the demographics of anticipated attendees.

Big Ears uses both quantitative and qualitative methods for evaluating the success of the festival. We carefully track the sale and pace of ticket purchases to assess enthusiasm for the festival. At each community engagement event, we count the number of audience members as well as the amount and type of music that is presented at each concert.

Ticket sales have already outpaced every previous year, and we will likely sell out in early February. Between ticket purchasers and free event attendees, we project an audience of 30,000 over the course of the weekend. 2022 festival attendees came from 47 states and 16 countries. On average, 30% of festival passes are purchased by residents of the Knox Metro Area, and thousands more East Tennessee residents attend our free concerts and programs. The 70% of ticket purchasers who travel from outside of Knoxville spend the entire festival weekend eating, sleeping, and shopping in Downtown Knoxville. In 2022, the Big Ears Festival's local economic impact was \$36.1 million.

What opportunities, if any, will be provided for downtown merchants to participate?

Partnerships with downtown businesses are vital to Big Ears' success. We work with Visit Knoxville to provide a hotel reservation portal and food and shopping recommendations for out-of-town guests on our website, and local restaurants provide hospitality services to artists and audiences alike. Knoxville hoteliers and restaurateurs regularly report the Big Ears Festival to be their most profitable weekend of the year, and a welcome harbinger of Spring after slow winter business.

Big Ears partners with Nothing too Fancy to create festival merchandise, Downtown Wine & Spirits provides in-kind support for artist hospitality, and more than two dozen downtown restaurants participate in a meal program for staff and artists. In 2023, we are hosting special events for donors and VIP passholders at the Five-Thirty Lounge on the Hyatt Place rooftop.

In 2023, Big Ears is coordinating with Dogwood Arts, since the Chalk Walk will take place during the festival. We look forward to showing off this beautiful outpouring of public art to our attendees.

In 2022, in partnership with the Downtown Knoxville Alliance, more than two dozen local businesses opened their doors to Big Ears attendees with First Friday-type concerts and exhibitions. We look forward to continuing – and deepening – this engagement with local businesses through ongoing partnership with the DKA.

How will this event positively impact downtown?

In 2022, Big Ears commissioned its first independent survey and economic impact report in partnership with AngelouEconomics, an industry leader specializing in festival and event impact. This additional method of evaluation helped to quantify the festival's contribution to the region.

With 70% of the Big Ears audience traveling from out of town, attendees spend several hundred dollars daily during the four-day festival, mostly downtown. In 2022, this spending represented a \$36.1 million impact on the local economy over four days. With increased ticket demand for 2023, we are confident that this number will only go up.

What effect would lack of Downtown Knoxville Alliance funding have on this event?

Having the support of the Downtown Knoxville Alliance is incredibly meaningful for the festival as we continue working to ensure the Knoxville community is engaged with and invested in the success of the event. While a lack of funding would not impact the scale of the festival on the whole, it would have a negative impact on the breadth and depth of free-to-the-public community-focused events we can present in 2023, as well as our engagement with local businesses.

Attach the following:

Projected *budget*, including detailed income and expenses
Detailed marketing and promotion plans
Previous three-year *actual* financial results (if applicable)
Proof of nonprofit status (if applicable)



MARCH 30 _ APRIL 02.23 / KNOXVILLE, TN / USA

2023 Big Ears Festival Marketing & Promotion

Big Ears contracts with Pitch Perfect PR, a music public relations firm based in Chicago, for publicity and media relations. The festival's lineup announcement in September 2022 was picked up by most major music outlets, including Rolling Stone, Pitchfork, Spin, and Stereogum. The lineup is advertised in local, regional, and international publications, including *Blank News*, *The Nashville Scene*, and *The Wire*.

Major media outlets regularly provide previews and reviews of the festival. These include the *Knoxville News Sentinel*, *ArtsKnoxville*, *Blank News*, *Compass*, and *Inside of Knoxville*; local TV channels WBIR, WVLT and WATE; WUOT and WDVX radio stations; and other local and regional media. National press mentions include the *New York Times*, *Rolling Stone*, *Wall Street Journal*, *Oxford American*, *The New Yorker*, the *Guardian*, and NPR, among others.

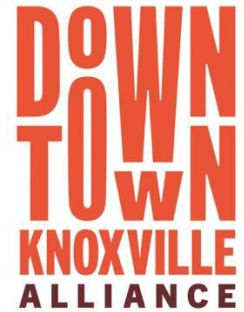
Our social media reach is 38,000, our e-newsletter has 36,200 subscribers, and our website, bigearsfestival.org averages 522,000 page views per year, with 75,552 individual users.

On-site promotion during the festival includes light pole banners throughout downtown and branded wraps on Knoxville trolleys.

Big Ears Festival
Operating Budget Summaries
Fiscal Year: July 1 - June 30

	FY 2021	FY 2022	FY 2023 BUDGET
REVENUE AND SUPPORT			
Earned revenue			
Ticket sales	39,629	1,248,352	1,953,085
Performance fees/Contracted services	500	-	-
Endowment/investment Income	-	-	-
Advertising (programs, web site, etc.)	-	-	-
Tuition for education programs	-	-	-
Concessions	-	19,724	15,000
Net income from fundraising events	-	-	-
Other earned income: merchandise sales and investment income	2,568	44,369	97,500
Subtotal earned revenue	42,697	1,312,445	2,065,585
Contributed support			
Government grants	130,339	1,311,125	569,325
Foundation grants	156,099	313,000	516,000
Corporate grants	5,000	117,500	192,500
Individual contributions	90,442	230,195	300,000
In-kind support	-	-	-
Subtotal contributed support	381,880	1,971,820	1,577,825
Total revenue and support	424,577	3,284,265	3,643,410
EXPENSES			
Program expenses			
Musician salaries	-	-	-
Musical staff salaries	-	-	-
Guest artist and composer fees	45,664	1,007,232	1,345,000
Commission fees	-	-	-
Other program personnel	-	381,488	320,000
Travel, housing, & meals	-	90,290	197,000
Production, house & stagehands	28,135	259,278	383,000
Performance & rehearsal space	777	60,298	75,000
Music rental & license fees	645	536	1,500
Equipment rental	1,608	81,018	23,000
Marketing & promotion	12,275	53,530	82,500
2020 ticket refunds	-	-	-
Other program expenses: Insurance, Waste Management, Supplies, Printing, Festival Merchandise, Merchant Service Fees; Charity & Preservation Fees, Surveying, Sponsorship Expenses and VIP benefit costs	5,823	110,956	239,740
Subtotal program expenses	94,927	2,044,626	2,666,740
Administrative expenses			
Administrative staff salaries	248,456	396,942	500,000
Staff benefits	-	-	36,000
Bookkeeping & accounting fees	18,676	29,232	30,000
Consultants, legal & insurance	3,305	7,819	47,000
Rent and utilities	3,600	24,876	63,750
Office supplies, materials & equipment	10,355	9,363	10,050
Travel and meetings	10	5,682	6,500
Professional development & dues	-	85	7,500
Debt service	-	-	-
Other administrative expenses 1: Printing and postage, donor database, donor benefit cost, donation processing fees, janitorial service, bank charges, registration fees, parking	6,730	24,502	32,550
Subtotal administrative expenses	291,132	498,501	733,350
Total expenses	386,059	2,543,127	3,400,090

**Downtown Knoxville Alliance
Sponsorship Request Application**



Event: Dogwood Arts Festival 2023

Date(s): April 28-30, 2023

Location: World's Fair Park

Produced by: Dogwood Arts, Inc

Sponsorship amount requested: \$6,000

Event History: The Dogwood Arts Festival has a rich history in Knoxville with events dating back to 1961. We have received funding from DKA (previously CBID) since 2012.

____ **First-time event** **(#) _61_ prior years** **(#) _10_ years of previous Alliance funding**

Contact: Sherry Jenkins

Phone: 865-637-4561

Address: 123 W Jackson Avenue, Knoxville, TN 37922

Email: sjenkins@dogwoodarts.com

Event description:

Since 1961, the Dogwood Arts Festival has showcased the original work of artists & artisans from throughout the country working in clay, fiber, glass, metalwork, photography, painting, wood, and more. The juried show also includes live entertainment to engage festival-goers and artmaking at Creation Station is enjoyed by thousands of children and their families attending the event. Overall, the festival creates an engaging, inspiring, and family-friendly event for Downtown Knoxville.

After years on Market Square, we are now hosting the event at Historic World's Fair Park where we benefit from the City's investment in that space to design a world class event hosting space. While rental of the park facilities adds a significant cost to the event budget, the ease of use and ready access to utilities plus the improved ability to provide more effective security of a gated space makes the park the right place for this event.

Historically, artists have reported an average of more than \$3,750 in sales for the 3-day weekend which is very competitive with other similar events throughout the country. Support and participation from the community is what keeps many of the artists coming back year after year.

Additional sponsors:

While we are currently working to secure all 2023 sponsors, we have confirmed investment from ORNL Federal Credit Union, Home Federal Bank, Graphic Creations, The Crowne Plaza, The Tennessee Arts Commission, Knox County, and the City of Knoxville.

Planned use of funds requested:

Funding from DKA is critical in helping us keep the festival within the downtown footprint just as we have for so many years despite the changes in our city center. In addition to the significant park rental fee and additional required staffing fees for the Performance Lawn, we are expanding our footprint to include the amphitheater and surrounding lawn this year to make room for more vendors, community organizations, and performances by groups on the amphitheater stage. This will add even more rental costs to the budget but we feel like it is critical to continue to expand the impact of the event - bringing more attendees downtown.

What is the projected attendance for this event? How will actual attendance be measured? Describe the demographics of anticipated attendees.

We expect 15,000-20,000 attendees for this event plus nearly 100 volunteers who will work the event in different shifts. Attendees come from all over the city, outlying counties, and travelers from all over the eastern portion of the US.

What opportunities, if any, will be provided for downtown merchants to participate?

We welcome any opportunity to work with DKA and downtown businesses to encourage festival-goers to include visits to Market Square, Gay Street, and Old City Businesses as part of their festival experience and would promote whatever any of the businesses put together in support of the event to appeal to festival goers.

How will this event positively impact downtown?

The Dogwood Arts Festival is the perfect opportunity for residents and visitors to experience all downtown has to offer. In addition to buying art from our exhibitors, attendees spend thousands of dollars eating lunch and buying other retail items in downtown businesses during the festival. The festival also creates a strong sense of community, promotes opportunities for social bonding, and helps foster pride in Knoxville. It is a perfect event to share the vibrancy of our city with visitors.

What effect would lack of Downtown Knoxville Alliance funding have on this event?

COVID and the resulting inflation that we are all experiencing is also significantly impacting the entire special events industry resulting in rising costs of labor and equipment. That coupled with the additional park rental means that we need support from every single returning sponsor PLUS the addition of others in order to effectively promote and host a successful event.

Attach the following:

Projected *budget*, including detailed income and expenses (combined with prior 3 years actuals in one doc emailed with this application)
Detailed marketing and promotion plans (Following page)
Previous three-year *actual* financial results (if applicable)
Proof of nonprofit status (if applicable)

Marketing & Promotion Plans

Dogwood Arts is supported by every major media outlet in the Knoxville area including radio, tv, print, and outdoor advertising. The Dogwood Arts Festival will be promoted as a part of our April Celebration with TV commercials and radio spots running mid-March through the end of April 2023. An event listing is included in the following print publications with local and regional distribution: Visit Knoxville 2023 Knoxville Visitors & Relocation Guide (225k copies), Dogwood Arts 2023 Rack Card (25k copies), The Dogwood Arts Annual Publication (NEW - 8k copies), and the House & Garden Show Program (10k copies). The marketing plan also includes digital billboards, paid social media promotion, print flyers, listserv announcements, and print advertising in the Knoxville News Sentinel, Farragut Press, Smoky Mountain Living Magazine, Tennessee Home & Farm Magazine, and the Knoxville Symphony Orchestra's 2023 season program. According to numbers compiled by our media buying partner, the total media value of our 2022 April Celebration was more than \$200,000 which garnered over 13.9 million impressions. We expect this year's promotions to mirror those numbers.

Dogwood Arts has media agreements in place with WBIR, WATE, WVLT, Cumulus Media, M&M Broadcasting, Midwest Communications, WFIV, Summit Media, Farragut Press, Knoxville News Sentinel, East Tennessee PBS, WUTK, WDVX, and Lamar Advertising.

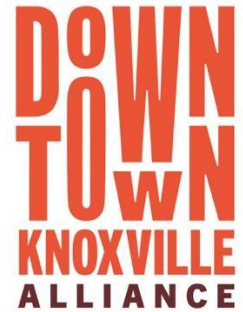
Dogwood Arts Festival FY23 Budget Prev 3 Yrs

	ACTUAL FY20	ACTUAL FY21	ACTUAL FY22	BUDGET FY23	Difference FY23 vs FY22	Variance Notes
Income						
4000 · Application Fees	8095	33715	43879.2	45,000.00	1120.8	
4025 · Revenue	1619.21	12667.51	45406.11	50,000.00	4,593.89	
4030 · Donations	0	2105.5	312	1,500.00	1,188.00	
4040 · Grants	250	250	6250	6,250.00	0.00	
4050 · Sponsor	0	34000	41000	30,000.00	-11,000.00	Expecting pull back of some key sponsors due to current fiscal climate - FY22 was sponsorship was unusually high
4060 · Ticket Sales	0	0	203.36	0.00	-203.36	
4200 · In-Kind						
Total Income	9964.21	82738.01	137050.67	132,750.00	-4,300.67	
Cost of Goods Sold						
5050 · Advertising & Promotions	4415.13	5224.7	4473.03	5000	526.97	
5100 · Artists' Commissions	0	500	600	7500	6900	Working with artists in advance of show to build some infrastructure elements
5150 · Awards	1000	1250	1450	2000	550	Adding awards to encourage artist involvement
5250 · Contract Labor	0	3653.5	5325	8000	2675	Adding support staff to manage extended footprint
5300 · Cost of Goods Sold	0	1278.03	9431.51	10000	568.49	Adding Merchandise items to sell
5350 · Decorations	0	2099.61	0	2500	2500	Did not purchase any new Decorations in FY22
5400 · Entertainment	0	2575	6650	8000	1350	
5450 · Expense Account	417.64	2078.61	17169.76	18000	830.24	Adding a large tent to the footprint to add shade
5500 · Food	261.6	5105.16	1048.33	1200	151.67	
5675 · Insurance Expense				2500	2500	Insurance company requiring new event specific policies
5750 · Judge Expense				900	900	Included in Contract Labor in previous years
5760 · Licenses/Fees	1431.92	1578.32	850	2000	1150	Added new software to help manage communication and logistics
5850 · Postage	243.24	0	0	150	150	
5900 · Printing	1174.59	933.5	0	1000	1000	Used volunteer shirts from previous year in FY22
6000 · Rent	0	13588.75	19173.75	20000	826.25	Extending footprint to include Amphitheatre so rent will go up
6050 · Signs	0	4023.7	2028.04	3000	971.96	Extending footprint to include Amphitheatre so more signs will be required
6170 · Sound Lights Production/Misc	0	3900	4605	6000	1395	
6200 · Supplies	1191.53	5640.1	3733.32	5000	1266.68	Adding balloons and additional rental items to draw crowds to new part of footprint not previously used
6250 · Security	0	3400	4480	7500	3020	Extending footprint to include Amphitheatre so cost of security has to increase
6275 · Service Fees	1683.85	1189.46	2772.47	3000	227.53	
6400 · Transportation	501.93	37.02	56.2	250	193.8	
Total COGS	12321.43	58055.46	83846.41	113500	29653.59	
Gross Profit	-2357.22	24682.55	53204.26	19250	-33954.26	

Gross Profit listed for the Event/Program does not include the real cost of staff time or overhead for the organization. Profit from our large events help cover the cost of all other programs that do not generate gross income individually

Revenue in FY20 & FY21 was dramatically impacted by COVID - food/alcohol sales are expected to be a bit higher due to inflation; also reinvesting in new elements and décor overall after a very conservative couple of years dealing with unknown impact of COVID

**Downtown Knoxville Alliance
Sponsorship Request Application**



Event: CHALKWALK

Date(s): April 1, 2023 (Rain Makeup Day April 2)

Location: Market Square and Market Street

Produced by: Dogwood Arts, Inc

Sponsorship amount requested: \$2,500

Event History: We have produced ChalkWalk in Downtown Knoxville since 2007. This event is always at the top of the list as most viewed and shared on our social media platforms. We hope to be able to keep ChalkWalk on Market Square and Market Street for years to come.

___ First-time event (15)prior years (#) _2_ years of previous Alliance funding

Contact: Sherry Jenkins

Phone: 865-637-4561

Address: 123 W Jackson Avenue, Knoxville, TN 37922

Email: sjenkins@dogwoodarts.com

Event description:

The Dogwood Arts Chalk Walk has grown to be the largest, most exciting, community-driven art event in Knoxville. After returning from COVID last year with record crowds, we are excited to see where the next chapter of this event leads us. As always, hundreds of artists of all age groups will leave their mark on downtown sidewalks during the one-day event. And professional artists, K-12 students, college art majors, school clubs, church groups, and families have signed up months in advance to secure their sidewalk square for the April event. All of the artworks are created onsite during an 8-hour time period. Cash prizes and ribbons are awarded to select artists who have created imaginative and inspiring artworks in their age division in 11 categories.

Additional sponsors:

As always, all of our events are sponsored by our presenting sponsor, ORNL Federal Credit Union. Additionally, The First Horizon Foundation is returning as sponsor of the Chalk Walk Fun Zone where free sidewalk chalk is distributed to thousands of children and families throughout the day and Graphic Creations is sponsoring as part of an overall agreement helping to offset costs of signs and graphics. We are also working on 1-2 additional sponsors to cover the cost of high-quality pastel chalk for all of our artists and fund \$3,500 in awards (33 awards total in 13 categories). Small businesses and organizational partners have an opportunity to sponsor individual artist squares for \$25-\$500 and that will be available as well. We have found it to be challenging to garner donations from attendees at the event but we are working on figuring out a more effective on-site model.

Planned use of funds requested:

In the interest of keeping the event exciting and ensuring that we have continued participation by professional artists, we are commissioning 6-8 artists to participate by invitation. We understand that their time and talents are valuable and more in-demand every day. We recognize this as a requirement to keep them involved and to keep their amazing work that draws the crowds to the event each year. The Downtown Knoxville sponsorship will help cover this cost.

What is the projected attendance for this event? How will actual attendance be measured? Describe the demographics of anticipated attendees.

After a bigger than ever event last year, we expect the crowds to return this year with attendance estimated at 25-30,000 people over the course of the day. We have over 350 artists that participate as individuals or part of a group and downtown sidewalks are packed to capacity. ChalkWalk brings all demographics in all age groups from all parts of our city and surrounding counties together. We proudly welcome our most diverse group of attendees to this event every year.

What opportunities, if any, will be provided for downtown merchants to participate?

Chalk Walk has been the busiest day for restaurants and retail on and near Market Square for years. This event creates excitement and encourages people to come downtown to celebrate spring in the city. We also welcome more downtown merchants to participate in our Sponsor-A-Square opportunity so they can have visibility in front of the large crowd even if their business is not located on Market Square or Market Street.

How will this event positively impact downtown?

Chalk Walk is the perfect opportunity for residents and visitors to experience art, culture, and the natural beauty of our city while socializing with citizens across our area. We believe Chalk Walk will bring people downtown who might not normally make the trip and it creates an indelible memory in the minds of our young participants of downtown as a fun, welcoming space that they will be eager to return to.

What effect would lack of Downtown Knoxville Alliance funding have on this event?

Lack of additional funding from DKA would make it challenging for us to cover the cost of commissioning professional artists to participate in the event. We believe strongly that it is critical to take this step to ensure we continue to have the WOW factor that people get excited about.

Attach the following:

Projected *budget*, including detailed income and expenses
Detailed marketing and promotion plans (below)
Previous three-year *actual* financial results (if applicable)
Proof of nonprofit status (if applicable)

Marketing & Promotion Plans

Dogwood Arts is supported by every major media outlet in the Knoxville area including radio, tv, print, and outdoor advertising. ChalkWalk will be promoted as a part of our April Celebration with TV commercials and radio spots running from mid-March through the end of April 2023. An event listing is included in the following print publications with local and regional distribution: Visit Knoxville 2023 Knoxville Visitors & Relocation Guide (225k copies), Dogwood Arts 2023 Rack Card (25k copies), The Dogwood Arts Annual Publication (NEW - 8k copies), and the House & Garden Show Program (10k copies). The marketing plan also includes digital billboards, paid social media promotion, print flyers, listserv announcements, and print advertising in the Knoxville News Sentinel, Farragut Press, Smoky Mountain Living Magazine, Tennessee Home & Farm Magazine, and the Knoxville Symphony Orchestra's 2023 season program. According to numbers compiled by our media buying partner, the total media value of our 2022 April Celebration was more than \$200,000 which garnered over 13.9 million impressions. We expect this year's promotions to mirror those numbers.

Dogwood Arts has media agreements in place with WBIR, WATE, WVLT, Cumulus Media, M&M Broadcasting, Midwest Communications, WFIV, Summit Media, Farragut Press, Knoxville News Sentinel, East Tennessee PBS, WUTK, WDVX, and Lamar Advertising.

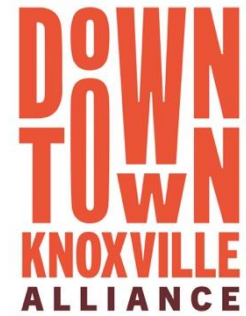
Dogwood Arts - FY23 ChalkWalk Budget & prior 3 Years

	Actual FY20	Actual FY21	Actual FY22	Budget FY23
Ordinary Income/Expense				
Income				
4000 · Application Fees			2,380.00	2,000.00
4025 · Revenue		1,650.00	4,486.90	5,000.00
4030 · Donations		73.00	378.80	500.00
4040 · Grants			2,500.00	12,500.00
4050 · Sponsor	5,000.00	18,500.00	18,200.00	10,000.00
4060 · Ticket Sales				0.00
4080 · Festival Prints				0.00
4085 · Past Prints				0.00
Total Income	5,000.00	20,223.00	27,945.70	30,000.00
Direct Program Expenses				
5050 · Advertising & Promotions	1,402.45	1,514.72	2,311.44	2,500.00
5100 · Artists' Commissions	1,400.00	4,085.00	150.00	5,000.00
5150 · Awards	-50.00	2,304.55	4,125.00	5,000.00
5250 · Contract Labor			780.00	1,500.00
5300 · Cost of Goods Sold			1,933.20	2,500.00
5350 · Decorations				0.00
5400 · Entertainment				0.00
5450 · Expense Account	102.25	132.17	728.00	2,000.00
5500 · Food	90.00	46.96	162.92	250.00
5550 · Gardeners				0.00
5675 · Insurance Expense				0.00
5750 · Judge Expense				0.00
5760 · Licenses/Fees				0.00
5850 · Postage	87.65			0.00
5900 · Printing	205.59			0.00
5940 · Professional Fees				0.00
6000 · Rent				0.00
6050 · Signs		110.00	2,167.82	2,500.00
6170 · Sound Lights Production/Misc			500.00	750.00
6200 · Supplies	2,323.32	5,887.93	1,145.59	3,000.00
6250 · Security			960.00	500.00
6275 · Service Fees	81.77	22.60	85.30	250.00
6320 · Supporter Gifts				0.00
6400 · Transportation	105.24	66.58		200.00
Total COGS	5,748.27	14,170.51	15,049.27	25,950.00
*Gross Profit	-748.27	6,052.49	12,896.43	4,050.00

* Gross Profit listed for the Event/Program does not include the real cost of staff time or overhead for the organization

Net profit from our large events help cover the cost of all other programs that do not generate gross income individually

**Downtown Knoxville Alliance
Sponsorship Request Application**



Event: 20th Annual Rossini Festival International Street Fair

Date(s): April 22nd, 2023

Location: Gay St between Clinch and Church Ave; Church, Clinch, and Church Ave between Gay St and Market St; Market Square; Market St; Krutch Park Extension

Produced by: Knoxville Opera

Sponsorship amount requested: \$5,000

Event History:

____ First-time event (#) 19 prior years (#) 2 years of previous Alliance funding

Contact: Jason Hardy, General Director & CEO Phone: (o) 865-524-0795 (c) 404-441-7363

Address: 612 East Depot Avenue, Knoxville, TN 37917

Email: jhardy@knoxvilleopera.org

Event description:

The Knoxville Opera Rossini Festival is a celebration of the performing arts in East Tennessee. Designed as a European-style pedestrian street mall, the event hosts hundreds of performers, food vendors, and artisans. Streets are closed to vehicle traffic so families can:

- enjoy non-stop entertainment on one of four outdoor stages,
- purchase food and drinks (including beer/wine) from sidewalk tents and food trucks, and
- watch arts and crafts demonstrations, from wood carving to weaving.

In 2023, after significant surveying of 2022's stakeholders, the Rossini Festival has identified several strategic initiatives that we feel will enhance the fair and ensure that it maintains its position as one of the most significant events of its type in East Tennessee:

- Leadership will reinvigorate the international aspect of the fair by encouraging international food, drink, and vendor items.
- More modern vending methods and a new layout should ensure ALL stakeholders (attendees, vendors, downtown merchants, sponsors, performers, etc.) have a positive festival experience.
- New partnerships and careful study and feedback has led us to simplify and professionalize operations and communications.

These strategic priorities will begin in 2023 will set the tone for future years.

Additional sponsors:

Confirmed: Embassy Suites-Downtown Knoxville (new), Event Rentals by Rothchild, YMCA of East TN, WATE, Eagle Distributing, Sherri and John Murphy (new)

We are excited to announce a lead sponsorship and partnership with the Embassy Suites. In addition to their significant financial support, the Embassy Suites will be staffing the beer and wine booths at the Festival. With their help, we significantly reduce the volunteer load on the Festival and ensure a more professional and efficient experience for our attendees.

Planned use of funds requested:

Funds will be used primarily toward logistics (staging, sound equipment, tenting, set up, tear down, and labor for similar), paid marketing, and compensation for some performers. Note that a revamped social media presence should be evident this year with the onboarding of Knoxville Opera's new marketing director. A revitalized partnership with media partner WATE will help ensure visibility and encourage attendance at the Festival.

What is the projected attendance for this event? How will actual attendance be measured? Describe the demographics of anticipated attendees.

Since the Festival is free and has multiple entry points, our best approximations of attendance are based on the City of Knoxville Traffic and Engineering Department's annual estimates. In years of good weather, we plan for 50,000 to 100,000. In years when it rains most of the day, the estimates are closer to 35,000 to 60,000. With the YMCA Fun Zone and much to see and do, the Festival is popular with families and is designed to be child-friendly. Most attendees are local, from East Tennessee, or are already visiting the area. A full demographic spectrum of individuals is observed at the Rossini Festival.

What opportunities, if any, will be provided for downtown merchants to participate?

After the 2022 festival, we reached out to downtown merchants on and near the festival footprint to discover their thoughts about the Rossini Festival. We learned that most restaurants and bars fared well during the fair, but some storefronts did not receive the increase in traffic they had hoped.

In 2023 we would like to offer merchants a chance to opt into our Journey Around the World program. Using an online tool, children and their families will be encouraged to enter storefronts in search of the international country flag "hidden" inside that store. Once families are inside and find the flag, merchants may choose to engage with the visitors by offering a coupon or a prize (such as a piece of candy or a sticker) or by speaking a word or phrase in the language of the designated country. Rossini Festival volunteers will deliver flags and instructions to each participating merchant in the days leading up to the Festival.

With a \$5,000 grant, the Downtown Knoxville Alliance may choose to be the named sponsor of the Journey Around the World experience.

How will this event positively impact downtown?

In nearly 20 years of offering the Rossini Festival as a free public event, the Knoxville Opera has managed to attract over half a million visitors to the downtown Festival footprint. Most visitors are from East Tennessee and will likely revisit the area in the months following the Festival. The Festival introduces newcomers to the culture and feel of Knoxville's downtown establishments and celebrates international influence on the arts in our region. In keeping with Knoxville Opera's mission of arts education, the Festival helps bring visitors in contact with opera and other performing arts and artists in East Tennessee.

What effect would lack of Downtown Knoxville Alliance funding have on this event?

Simply put, rising costs are significantly affecting the Knoxville Opera's ability to offer the Festival on an ongoing basis. Without the collective support of organizations like the Downtown Knoxville Alliance, we could not cover the costs of staging the Rossini Festival.

Attach the following:



Rossini Festival 2023 Strategic Initiatives

Mission of the Rossini Festival:

To bring people together to celebrate and experience international influence on the performing arts (including opera), the culture, and the cuisine of East Tennessee.

Strategic Initiatives

1) Reinvigorate International Aspect of Festival

- Recognize and correct mission drift
- Curate new participants with international offerings
- Encourage returning participants to consider international offerings

2) Improve Stakeholder Experience

- Consider all stakeholders: Attendees, Vendors, Downtown Merchants, Sponsors, Performers
- Increase operational efficiency (festival footprint, beverage sales procedure, technology)
- Improve communication, assistance, and feedback

3) Simplify and Professionalize Operations

- Reduce time/effort impact on current KO staff
- Create a horizontal volunteer leadership structure
- Operate on a larger and more professional scale

4) Build Net Revenue

- Explore successful partnerships and sponsorships
- Create additional revenue-generating processes
- Review expenses as needed
- Attract more festival visitors



K N O X V I L L E
O P E R A
GIVING VOICE TO STORIES THAT CONNECT US

Rossini Festival Financial History and Budget

2023 Budget

Revenue	
Sponsorships	115,000
Booth Rental	36,500
Merch Sales (net)	1,000
Other	2,000
TOTAL REVENUE	154,500
Expenses	
KO Staff	60,000
Beverages (+ fees)	14,150
Paid Entertainment	2,500
Parking Lot Rental	5,000
Mrkt Square Expenses	1,500
Sound Equipment Rental	6,000
Tent and Stage Rentals	16,500
Toilet Rentals	1,800
VIP Tent	2,000
Insurance	4,500
Emergency Personnel	12,000
Setup-takedown Labor	10,500
Fees & Photographer	1,475
Other/Misc	4,000
TOTAL EXPENSES	141,925
Net	12,575

Financial Highlights-2023

Significant increase in sponsorship revenue

Reduction in dependence on weather and beverage revenue

Replacement of food ticket revenue with higher booth fees

Less dependence on cash management

Financial History

	2018	2019	2022
Revenue	234,000	162,000	207,366
Expense	265,000	216,000	235,571
Net Loss	(31,000)	(54,000)	(28,205)
Due to Covid-19, there was no 2020 or 2021 Rossini Festival			



Knoxville Opera Rossini Festival International Street Fair 2023 Marketing and Promotion Plans

Knoxville Opera seeks to create vocal and theatrical experiences that entertain, provoke, and console. We do this through giving voice to stories that connect us. The beauty in this annual free community event is that we are able to give voice to many of our local artists, makers, creators, entertainers, and businesses; each of which have a story to share. This festival celebrates the various international cultures represented locally and is an opportunity for us to bring our community together to connect with one another. Our goal in marketing this event is awareness, engagement, and education. We want to make our community aware of the festival as well as the various local vendors; engage with them and welcome them into this vibrant community; and educate one another on the cultures and stories we have to share.

Print

This event is extensively covered and prominently featured in several local publications, including CityView, Knox TN Today, Knoxville Focus, Go! Knoxville, and Mountain Escapes starting four weeks leading up to the Festival. The cost of this exposure is either negotiated as an in-kind gift by the provider as part of a larger marketing purchase for our operas, or is provided for free as a good-will gesture.

Radio

Knoxville Opera has strategically partnered with WUOT (local NPR station) to advertise the event during news segments for morning, lunch, and evening commutes. A combination of cash spend and donated air time doubles our marketing efficiency.

Digital Social Media

We will leverage our social media following on all platforms including Facebook, Instagram, and Twitter to promote organic traffic and paid social media ads to target both return and new audiences for this event. We have seen a reach of over 200k on these platforms in the past 6 months.

Display Ads

We partner with various outlets such as WATE-TV, New2Knox, VisitKnox, Arts Knoxville, Inside Knoxville, and others to promote our programming. We'll ensure all of these outlets have the content they need to promote the Rossini Festival to ensure their audience is aware of the free access available to them.

Press

Starting four weeks leading up to the event, Knoxville Opera distributes a press release that always results in a minimum of six local event planning websites requesting digital ads. Additionally, we have a good-will relationship with Knox TN Today that results in free display ads on their website. We have also partnered with WATE-tv for free PSAs.

Partner Signal Boosts

Partner boosting begins with the built-in benefits from the marketing effects of all the vendors, artisans, and exhibitors sharing information about the event with their clientele. In addition, the Festival benefits from the gracious social media and email newsletter boosting power of the Tennessee Department of Tourism, TN Education Lottery, and many other event sponsors and local media partners.

**Downtown Knoxville Alliance
Sponsorship Request Application**



Event: The Old City Market _____

Date(s): Starting in April, the markets will be held every 2nd Sunday of the month, and every 3rd Thursday of the month. In addition to those, we will host our Dolly Market in June, and the Small Business Saturday market in November. This comes to 20 markets total.

Location: 100 Block of W. Jackson Ave. between State St. & Central St. _____

Produced by: The Old City Association _____

Sponsorship amount requested: \$8,000 _____

Event History:

____ First-time event (#) ____5__ prior years (#) ____5__ years of previous Alliance funding

Contact: Amy Roskop _____ Phone: (313) 590-5976

Address: 132 W. Jackson Ave _____

Email: oldcitymarketknox@gmail.com _____

Event description: The Old City Market is a monthly artist market dedicated to showcasing our local makers since 2018. Conducted by both the Old City Association and the current Market Director, Amy Roskop, we work together as a committee to carefully curate a market to drive traffic and tourism to the Old City, and to give our artists a consistent space to sell and promote their craft.

Our vendors have been curated to include a variety of artists, from fine art, to ceramics, to baked goods and jewelry. One of our goals for 2023 is to celebrate the number of new makers we have in our town, and continuously rotate our variety to keep our Knoxville community curious for what's new.

The Markets will take place every 2nd Sunday from 11a-4p and 3rd Thursday of the month from 530p-9p, beginning in April of 2023 and running through our Holiday Market in December. We will host additional markets in June for the Old City Association's Dolly Fest, as well as November for Small Business Saturday. Both of these additional markets have proven to be extremely well visited markets!

Additional sponsors: In 2022, our additional sponsors included Robin Easter Designs, RALA, Arrowmont School of Art, Corr-Tenn, and First Horizon. We have confirmed sponsorships for 2023 from RALA (monetary) and Robin Easter Designs (in-kind). We have submitted sponsorship requests for both First Horizon and Arrowmont School of Arts for 2023. In addition to our previous sponsors, we will be submitting requests for The Maker City, Dogwood Arts, and the Knoxville Entrepreneur Center. We worked alongside Dogwood Arts in 2022 to introduce the "Emerging Artists" tent, for new makers in

town that are interested in vending at markets but needed additional support. We plan to partner with them in the 2023 season as well.

Planned use of funds requested: For 2023, our requested funds would be allocated to our additional efforts in driving more traffic to the Old City. We will be hosting double the amount of markets than we had in 2022, which will require additional funding for security, required amenities from the City of Knoxville, marketing materials, and additional draws to the market such as live music and activities for the family. This will also help us cover increases in expenses, such as the increased hourly rate for our security officers.

For our Holiday Market in 2023, our plan is to create a Holiday Festival with activities for all, strolling carolers, and even a possible visit from some of our favorite Holiday characters. With these additions, sponsorships like the one from DKA would truly help us continue to grow our market and host a bigger, better market season than ever.

What is the projected attendance for this event? How will actual attendance be measured? Describe the demographics of anticipated attendees.

Projected attendance for our markets range from 600-1000 attendees depending on the month. These are measured by hourly head counts with a clicker, and averaging out the hours for a grand total.

Our market demographic has been such a wonderful variety, which shows that our market is reaching out to all areas of Knoxville. Our Old City residents are always in attendance, as well as tourists learning about our market through social media outlets. Our marketing on Gay St. helps draw the traffic down to the market, and we just love watching people walk down the Jackson Ave. ramp to join us!

The age range of our visitors is an extremely wide range, and that is what is so special about the Old City Market. We are attracting college students, to families, to young professionals, and retirees. We like to curate the market so that we have something for every single person in attendance.

What opportunities, if any, will be provided for downtown merchants to participate?

This year, we are looking to work with all of our Old City merchants and for them to have a hand in our market. We would like to draw traffic to their locations by extending a special partnership on market days, including promotions and discounts for our market attendees.

In addition to partnerships, we are continuously supporting our downtown merchants by sharing their events with our social media marketing, in hopes that our following can help drive foot traffic to their locations. This includes consistent post sharing, and communication through direct messages on how we can improve our relationships.

How will this event positively impact downtown?

As the first artist and maker market in Knoxville, The Old City market has developed a strong following, and with our following brings a lot of love and support for our city. The market will continue to bring hundreds of people to the Old City consistently, which will allow other businesses to benefit from the heavy foot traffic. We want to be the premier market that sets the standard quality for markets all around downtown, and in addition to Knoxville foot traffic, we want to draw both vendors and visitors from outside of Knoxville to help increase that traffic.

Businesses like Awaken, Curious Dog and RALA already see a large increase of sales on our market days, so we hope to continue to increase their sales in addition to the newer businesses in the Old City including ACF Jewelry, Bettie Lou's, Red Panda Kitchen, etc.

In 2022, we also coordinated with the monthly Honeymouth Markets that were held on the same day. This was an extra bonus so that our visitors could walk their entirety of the Old City and increase the patronage of the businesses on Central St.

What effect would lack of Downtown Knoxville Alliance funding have on this event?

The Downtown Knoxville Alliance funding would be instrumental for the growth the Old City Market needs to continue to drive traffic to the Old City. With over 400 vendor applications for our market in 2022, and having a footprint large enough for 32 vendors, we want to do our best to help support as many local makers as we can by increasing the number of markets, and we would not be able to do that without the support of DKA. This funding will help with not only our day to day operations to keep the market functioning, but will help support so many small business owners who make a living creating their passions.

We truly appreciate your time and consideration, and look forward to hearing from you soon.

Attach the following:

Projected *budget*, including detailed income and expenses
Detailed marketing and promotion plans
Previous three-year *actual* financial results (if applicable)
Proof of nonprofit status (if applicable)

Old City Market - P&L 2022 + Budget 2023

Old City Market																	
Profit & Loss Statement																	

Old City Market - Marketing Plan for 2023

- Social Media:
 - Instagram and Facebook ads are going to be on the forefront of our minds
 - Creating 2-3 ads that will run throughout the year
 - Focusing on reaching areas outside of Knoxville to encourage out of town visitors
 - Facebook events for those who search events they're interested in
 - Cross promotion with downtown platforms: Old City Association, DKA, Visit Knoxville, New2Knox
 - Work with New2Knox to create a stronger collaboration
- Printed Marketing Materials
 - Create new branding materials to be utilized for downtown distribution
 - 11x14 posters to showcase our dates, as well as our new night market dates
 - Flyers to hand out during markets for Old City business promotion
 - Large banners for market days that include our 2023 sponsors
 - New A-Frame signage for the new night market timeframes
 - Banners for the light poles in the Old City
- Additional promotion plans
 - Contacting local radio and tv stations for on site interviews, as well as in studio interviews to promote the OCM
 - Reach out to Knoxville News Sentinel in hopes of a write up introducing our newest market additions
 - Old City Market merchandise that collaborates with the Old City Association to help promote the support of the Old City
 - Creating a larger, Holiday market that will begin to be promoted earlier in the year with more offerings than the year prior
 - Create and sell a reusable tote bag as an additional offering to the market goers