

BOARD OF DIRECTORS' MEETING

➤ AGENDA

JUNE 15, 2026, 11:30 AM



- I. Welcome
- II. *Approval of May 2026 Board Meeting Minutes p. 2
- III. Staff Report p. 5
- IV. Old Business
 - A. Embassy Suites Grant Application p. 7
- V. New Business
 - A. *Bible Harris Smith Engagement Letter for Audit and 990 p. 13
- VI. Public Forum
- VII. Adjournment

* Denotes action items

Upcoming Meetings:

- July 8, 3:00 pm – Marketing Committee Meeting
- July 20, 11:30 am – July Board Meeting
- August 17, 11:30 am - August Board Meeting
- September 9, 11:30 am – September 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

MAY 18, 2026, 11:30 AM

The Board of Directors of Downtown Knoxville Alliance met on Monday, May 18, 2026, at 11:30 am at the Emporium, 100 S. Gay Street.

Board members present included Natalea Cummings, who chaired the meeting; Chip Barry, Ilana Brodt, Nikki Elliott, Gay Lyons, and Bobby McCarter. DKA and Knoxville Chamber staff in attendance included: Callie Blackburn, Michele Hummel, Angela Lundsford, and Karen Kakanis.

I. Welcome

Natalea Cummings chaired the meeting and called the meeting to order.

II. Approval of Minutes

Natalea Cummings called for approval of the minutes from the April board meeting. Chip Barry made a motion to approve the minutes. Nikki Elliott seconded the motion, which was unanimously approved by the board.

III. Financials

Angela Lundsford delivered the financial report for May, explaining the various reports. Nikki Elliott made a motion to approve the report. Chip Barry seconded the motion, which was unanimously approved by the board.

IV. Committee Reports

A. Development

The Development Committee met twice over the last month: April 26 and May 14. The committee reviewed requests and made the following recommendations in the form of a motion to the Board:

Suffrage Museum: 706 S. Gay Street and 708 S. Gay Street

A recommendation in the form of a motion to approve \$50,000 for 706 S. Gay Street and \$50,000 for 708 S. Gay Street with the contingency that the Suffrage Coalition closes on 708 S Gay Street . The committee recommended that \$85,000 from the FY 25-26 Budget and \$15,000 from Available Cash Reserves.

Nikki Elliott seconded the motion, which was unanimously approved as presented.

Embassy Suites: 507 S. Gay Street

A recommendation in the form of a motion to approve \$100,000 for this project with the grant coming from Available Cash Reserves. For lack of a second, the motion failed.

Arts & Culture Alliance

DKA approved a grant for this project in June 2024 for \$200,000. They have completed 85% of the exterior work and expect to be completed in a couple of months. They have a large payment coming up soon and have asked DKA if they could pay \$190,000 of the grant

now and the remainder upon completion. A recommendation in the form of a motion to the board was made by the committee to approve the request as presented and pay the \$190,000 now. Bobby McCarter seconded the motion, which was unanimously approved as presented.

B. Marketing

The Marketing Committee met on May 13 and reviewed five grant applications. A recommendation in the form of a motion to the board to approve the following sponsorships:

Asian Festival	\$5,000
Concerts on the Square	\$4,000
Rhinestone Fest	\$3,000
European Culture Festival	\$2,500
Blue Plate Special	\$5,000

Nikki Elliott seconded the motion, which was unanimously approved as presented.

C. Quality of Life

The Quality of Life Committee met on May 11 and reviewed five grant applications. A recommendation in the form of a motion to the board to approve the following requests was made:

Corona Glass Recycling Event	\$1,300
Art in Public Places: Murals	\$17,500
Art in Public Places: Sculptures	\$10,000
Pet Waste Program	\$3,500
Jackson Terminal Mural	\$2,250

Bobby McCarter seconded the motion, which was unanimously approved as presented.

V. Report

Staff presented their report, which provided an update on activities from the previous month. The full reports were included in the agenda packet.

VI. Old Business

There was no Old Business.

VII. New Business

A. Budget FY 26-27

Staff and Board discussed the budget, which will be sent to members in May and approved at the Annual Meeting in June.

B. Annual Meeting/Nominating Committee

The Annual Meeting occurs on June 15 at 5:00 pm. Nominating Committee has met and is finalizing the ballot.

VIII. Public Forum

Shera Petty with Visit Knoxville discussed upcoming events.

IX. Adjournment

With no other business, the meeting was adjourned.

Secretary

APPLICATION

Name: Embassy Suites Knoxville Downtown

Project Address: 507 South Gay Street, Knoxville, TN 37902

Your Mailing Address: 410 N Cedar Bluff Road, Suite 200, Knoxville, TN 37923

Phone Number: 865-776-1127 Email Address: apatel@kanahotelgroup.com

Requested Amount: \$100,000 Total Project Costs: \$400,000

1. Describe the project: New construction Renovation

Please see attached for the drawings; wrap around balcony that will connect our breakfast/Ham N Goods Café space with Kopita on the mezzanine level overlooking Union Avenue

2. What is the request:

There really isn't a good return on investment for this major capital cost, but we think it will benefit our guest experience and overall activation along Union Avenue if we were to get a small portion of the project funded (25% or so)

3. For work to be performed on the building façade, the applicant is required to provide two itemized bids from general contractors licensed to do business within the City of Knoxville, consistent with the information on the drawings that are submitted with this application.

Contractor #1: Name Humphreys & Associates, LLC License Number: 35087
Total façade or public domain cost estimate \$322,580
Total project cost estimate \$400,000 (includes design work, tables, chairs, etc)

Contractor #2: Name _____ License Number: _____
Total façade or public domain cost estimate _____
Total project cost estimate _____

4. Has the project been submitted and/or approved by the Design Review Board (D1) or the Historic Zoning Commission (H1)? Yes No

5. Will you be receiving or asking for any financial incentives/assistance from other sources (i.e. Historic Tax Credits, PILOT, TIF, etc?) If so, how much: No

6. Do you have a financial commitment from another source(s) Yes (our cash equity)
 No

7. Anticipated start date: 7/1 /2026 Anticipated completion: 10 /1 /2026
If your project is not completed within 12 months of approval, you can come back to the Board for a possible extension.

8. Will this project increase the number of downtown residents or permanent jobs?
 Yes No If yes, by how many? An extra 5-10 jobs will be created, as this will help with restaurant and banquet sales at the hotel, Ham N Goodys Café, Kopita, etc

9. Has this building received DKA funding in the past? If so, when/what? No

10. How does your project help enhance DKA's mission to make downtown a better place in which to live, work and play?

We continue to invest in our Embassy Suites to make it an even more appealing destination long-term. We are working on an extension of Radius at the rooftop, have recently opened Kopita Bakery on Union Ave, etc. We think this is a wonderful opportunity to "activate" Union Avenue, as right now, this section looks like a side road, even though there are many pedestrians that walk through as it's a connection between Gay Street and Market Square. This balcony will have background music, tables and chairs with people sitting there, etc. It will make our hotel even more inviting to the local community, not just our hotel guests.

BUDGET

Please complete the budget summary:

Total Cost of Project:

Land: \$ 0 (we already own)

Building: \$ 0

Façade/Public Domain Improvements: \$ \$322,580

Other Improvements: \$ \$57,420

Soft Costs: \$ \$20,000

Total Project Cost: \$ **\$400,000**

Describe what is included in Soft Cost: architect, engineering and design fees

Sources of Funding:

Equity:

Cash: \$ \$300,000

Security: \$

In-kind: \$

Financing:

Requested from DKA: \$ \$100,000

Other sources: \$

Name Source of Other Financing:

Total Funding: \$ **\$400,000**

DEVELOPMENT COMMITTEE

➤ ECONOMIC IMPACT PROGRAM/APPLICATION



The Economic Impact Program was created to provide an incentive for projects that add to downtown vitality. The Development Committee was created to review and evaluate requests for funds and to make appropriate recommendations to the Downtown Knoxville Alliance (DKA) Board of Directors for their consideration. Proposals are selected based on the project's real public benefit, removal of blight, removal of long-term vacancy, and/or historic preservation.

MISSION

The Downtown Knoxville Alliance was created in 1993 to undertake programs and services that government agencies are unable to provide. **Its mission is to enhance downtown's existing assets and bring more people to Downtown Knoxville to work, shop, live and play.** The DKA ensures the downtown area is constantly renewed and improved so that it continues to be an asset to future generations. The special assessment district covers approximately .67 square miles or 400 acres which includes the core of downtown from the Old City to Volunteer Landing and 11th Street to Hall of Fame Drive.

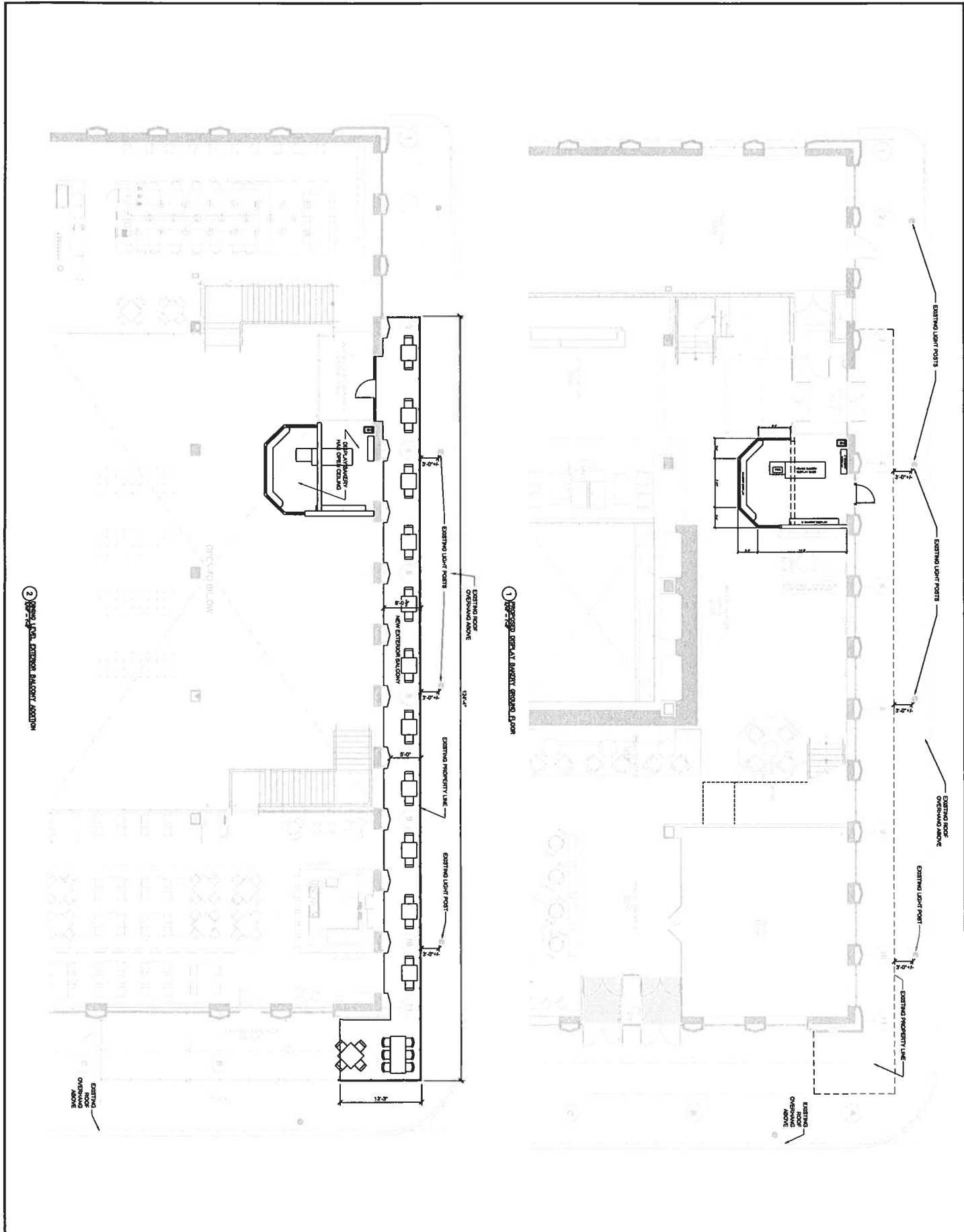
PROJECTS DKA CAN FUND

The DKA is a 501(c)3 charged with making improvements in the downtown. Any grants that are awarded must benefit the public. The organization's founding documents provide the direction where DKA's funds are awarded and/or spent. These areas include:

- Promotion and marketing
- Advertising
- Health and sanitation
- Public safety
- Elimination of problems related to traffic and parking
- Security services
- Recreation
- Cultural enhancements
- Consulting concerning planning, management, and development activities
- Maintenance of Improvements
- Activities in support of business or residential recruitment, retention, and management development
- Aesthetic improvements, including the decoration of any public space
- Professional management, planning, and promotion of the District
- Design assistance

GUIDELINES/CRITERIA

- 1. The maximum grant for each project is \$50,000 with the owner contributing greater than 20% of the incentive grant.**
- 2. Applications can be submitted by the property owner or potential buyer, and not by a tenant.**
 - a. For requests that involve a façade grant, the grants are for façade or other publically viewed enhancements only. Facades or enhancements facing alleyways, parking lots, etc. may be reviewed on a case-by-case basis.**
- 3. Requests must be approved before construction.**
- 4. The Development Committee and Board will evaluate a project(s) based on submittals that meet the established criteria such as real public benefit, removal of blight, removal of long-term vacancy, and/or historic preservation; and projects that give the best overall return on investment to downtown Knoxville.**
- 5. All improvements must conform to the City of Knoxville's Building Codes, Zoning, and if applicable, the D1 or H1 Design Guidelines. For more information on zoning guidelines, contact the Knoxville-Knox County Planning at 865.215.2500 or www.knoxmpc.org.**
- 6. Incentives regarding façade grants:**
 - a. Reimbursements of the approved grant will occur upon completion of the improvements by the application approved by DKA.**
 - b. Reimbursements will be made once invoices have been submitted to DKA with the façade/public domain costs separated from the total project expenses.**
 - c. DKA will not evaluate an application nor disburse funds on a project unless the City of Knoxville and Knox County property taxes and DKA assessments are current.**
 - d. Certificate of Completion and/or Certificate of Occupancy will be required before reimbursement.**



1 PROPOSED DISPLAY BAKERY, GROUND FLOOR

2 PROPOSED EXTERIOR BALCONY, ADDITION

PROJECT NO.	
DATE	
SCALE	
PROJECT TO BE SHOWN	
FLOOR PLAN	
DATE	
BY	
CHECKED BY	
DATE	
PROJECT NO.	
DATE	
SCALE	
PROJECT TO BE SHOWN	
FLOOR PLAN	
DATE	
BY	
CHECKED BY	
DATE	

KANA HOTEL GROUP
EMBASSY SUITES KNOXVILLE
DISPLAY BAKERY & EXTERIOR BALCONY ADDITION
 507 S GAY STREET, KNOXVILLE TENNESSEE


 123 E 7th St, Suite 400 Chattanooga, Tennessee 37402
 P. 423.834.0808 www.riverstreetarchitecture.com

ALL WORK SHOWN IS BASED ON THE INFORMATION PROVIDED BY THE CLIENT. THE ARCHITECT ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION PROVIDED. THE ARCHITECT'S RESPONSIBILITY IS LIMITED TO THE DESIGN AND CONSTRUCTION OF THE WORK SHOWN. THE ARCHITECT DOES NOT WARRANT THE ACCURACY OF THE INFORMATION PROVIDED. THE ARCHITECT'S RESPONSIBILITY IS LIMITED TO THE DESIGN AND CONSTRUCTION OF THE WORK SHOWN. THE ARCHITECT DOES NOT WARRANT THE ACCURACY OF THE INFORMATION PROVIDED.

Bible Harris Smith, P.C.

Certified Public Accountants and Business Advisors Since 1949

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E-mail leitner@BHSpC.com

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

May 21, 2026

The Board of Directors and Management
Downtown Knoxville Alliance
Attn: Ms. Angela Lunsford
100 S Gay Street, #109
Knoxville, Tennessee 37902

We are pleased to confirm our understanding of the services we are to provide for Downtown Knoxville Alliance (the Organization) for the year ended June 30, 2026.

Audit Scope and Objectives

We will audit the financial statements of the Organization, which comprise the statement of financial position as of June 30, 2026, the related statements of activities, functional expenses, and cash flows for the year then ended, and the disclosures (collectively, the “financial statements”).

The objectives of our audit 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 issue an auditor’s report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. 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 GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor’s Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention.

We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will obtain an understanding of the Organization and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We have identified the following significant risk of material misstatement as part of our audit planning:

- Determine whether recorded or unrecorded grant liabilities meet criteria for recognition

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks as well.

Planning for the current year audit has not concluded and modifications may be made.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers

Our audit of the financial statements does not relieve you of your responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. You are also responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws and regulations. You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

Other Services

As enumerated in the separate tax engagement letter, we will prepare the Organization's Form 990 for the year ended June 30, 2026 based on information provided by you. We will also prepare the financial statements of the Organization in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the information return, but management must make all decisions with regard to those matters.

You agree to assume all management responsibilities for the tax services, financial statement preparation services, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, and/or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

Holly Leitner is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit on approximately August 31, 2026.

Our fees for these services are not expected to exceed \$9,850 for the audit and \$1,750 for your Form 990. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. We reserve the right to stop work on this engagement if our invoices are not paid when due. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Reporting

We will issue a written report upon completion of our audit of the Organization's financial statements. Our report will be addressed to the Board of Directors of the Organization. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

Bible Harris Smith, P.C.

Bible Harris Smith, P.C.

RESPONSE:

This letter correctly sets forth the understanding of Downtown Knoxville Alliance.

Management signature: _____

Print Name: _____

Title: _____

Date: _____

Governance signature: _____

Print Name: _____

Title: _____

Date: _____

Auditing standards require that a copy of this communication be provided to appropriate members of governance. This may include members of your Board of Directors, Audit Committee, Finance Committee, Executive Committee, etc. Please forward appropriately and let Bible Harris Smith, P.C. know to whom it was sent.