

BOARD OF DIRECTORS' MEETING

➡ AGENDA

MAY 16, 2022, 11:30 AM



- I. Welcome
- II. Approval of Minutes
 - A. *April Board Meeting
- III. *Financial Report
 - A. Financials
- IV. Staff Report
- V. Old Business
- VI. New Business
 - A. Nominating Committee Update
 - B. Discussion of Budget for FY 22-23
- VII. Public Forum
- VIII. Adjournment

* Denotes action items

Upcoming Meetings:

June 20, 5:00 pm - Annual Meeting followed by 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

APRIL 18, 2022, 11:30 AM

The Board of Directors of Downtown Knoxville Alliance met on Monday, April 18, 2022, at 17 Market Square, Knoxville, TN.

Board members present included board chair, Matthew DeBardelaben, Vince Fusco, Rick Emmett, Lori Matthews, John Sanders, Daniel Smith, and Mary Katherine Wormsley. DKA and Knoxville Chamber staff in attendance included: Michele Hummel and Angela Lunsford

I. Welcome

Matthew DeBardelaben, chair of the Board, called the meeting to order.

II. Minutes

Mr. DeBardelaben called for the approval of the minutes from the March board meeting. Lorie Matthews made a motion to approve the minutes. Rick Emmett seconded the motion, which was unanimously approved by the board.

III. Financial Report

Angela Lunsford delivered the financial report for the corporation. Mary Katherine Wormsley made a motion to approve the financial report as presented. Rick Emmett seconded the motion, which was unanimously approved by the board.

Bible Harris Smith provided a follow-up to the board from the audit. The reports were included in the agenda packet.

IV. Committee Reports

A. Development Committee

Staff reported that the Development Committee met on March 24. The committee has \$100,000 allocated for development projects but has not received any applications since COVID. The committee discussed ways to make people aware of the Economic Impact Program, ways in which DKA could help with parking, and interactive art projects for kids visiting downtown. Mary Katherine Wormsley, Matthew DeBardelaben and Michele Hummel will meet with the city to see how we can collaborate on priorities in downtown.

B. Marketing Committee

Staff presented the Marketing Committee Report. The committee met on March 29 and reviewed five sponsorships but has recommendations for four events while they are waiting for more feedback from the last event sponsorship.

The committee made the following recommendations in the form of a motion to the Board:

Asian Festival	\$5,000
WDVX Blue Plate Special	\$5,000
Festival on the 4th	\$3,000 (to sponsor Market Square Concert Series)
Knox Food Fest	\$5,000

John Sanders seconded the motion, which was unanimously approved by the board.

V. Staff Report

Staff presented the staff report, providing an update on the 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

- A. Matthew DeBardelaben asked for a board director to chair the Nominating Committee and Mary Katherine Wormsley offered to chair. The committee will meet in May in preparation for the June's Annual Meeting.
- B. Board discussed the draft budget for FY 22-23. The board will review again in May for approval in June.

VIII. Public Forum

There was no Public Forum.

IX. Adjournment

With no other business, the meeting was adjourned.

Secretary

Downtown Knoxville Alliance**Statement of Cash Flows****Fiscal YTD April 30, 2022**

	Jul '21 - Jun '22
OPERATING ACTIVITIES	
Net Income	(24,514)
Adjustments to reconcile Net Income to net cash provided by operations:	
1110 · Other Receivable	82,861
2020 · Accounts Payable	14,020
2600 · Accrued Payables	2,500
Net cash provided by Operating Activities	74,867
FINANCING ACTIVITIES	
3900 · Change in NA - unrestricted	-
Net cash provided by Financing Activities	-
Net cash increase for period	74,867
Cash at beginning of period	1,020,386
Cash at end of period	1,095,253
Current Liabilities	(62,808)
Approved Events/Quality of Life Sponsorships not booked	
Support Now Safe Local Initiatives	(2,933)
Cradle of Country Music Park (\$83,000)	(83,000)
FY22 Event Sponsorship Approved Requests (Original \$51,500)	(8,000)
FY22 QOL (Dogwood Arts: Sculptures \$10,000, Murals \$15,000; Two Bikes Mural \$7,500)	(32,500)
FY22 Event Sponsorship Requests (approved April Board Meeting in amount of \$18,000)	(18,000)
(Asian Festival \$5,000; WDVX Blue Plate Special \$5,000; Festival on the 4th \$3,000; Knox Food Fest \$5,000)	
FY22 Ambassador Program	(20,512)
Accounts receivable and Other	40,656
Approvals contingent on future events:	
COVID Related Initiatives	(75,108)
Halloween /Outdoor Activation Related Expenses (approved at August 2021 Board Meeting)	(2,534)
Subtotal	(264,741)
Projected Remaining Budgeted Income (Expenses)	
Revenue	(107,030)
Development	(100,000)
Quality of Life	(105,968)
Business Support	(17,517)
Marketing/Sponsorships	(54,756)
Administration	(52,736)
Subtotal	(438,008)
Projected Cash - Before Minimum Reserve	392,505
Minimum Cash Balance - Reserve	(150,000)
Projected Cash Availability	242,505

Downtown Knoxville Alliance**Statement of Cash Flows**

Fiscal YTD April 30, 2022

Project	Grants	Permit Date	Comp Date	YE 6/30/2019	YE 6/30/2020	YE 6/30/2021	YE 6/30/2022	Total to Pay
Transit Alliance of East TN	25,000			0	0	0	0	0
Fort Kid	250,000					250,000	0	250,000
	275,000			0	0	250,000	0	250,000

* 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, 2022

	Acct #	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	YTD FY22	FY22 Budget	Remainder
Income																
CBID Tax Assessments	4020	-	(15,988)	7,727	494,179	138,728	42,888	44,146	66,651	123,404	40,543	-	-	942,277	835,000	(107,277)
Investment income	4100	13	7	6	(14)	(29)	(9)	8	181	74	14	-	-	253	500	247
Total Income		13	(15,981)	7,734	494,165	138,699	42,879	44,154	66,832	123,478	40,557	-	-	942,530	835,500	(107,030)
Expenses																
Development																
Path to Prosperity	5225	-	-	-	-	-	-	-	-	-	15,000	-	-	15,000	15,000	-
Special Projects	5205	-	-	-	-	-	-	-	-	-	-	-	-	-	100,000	100,000
Total Development		-	-	-	-	-	-	-	-	-	15,000	-	-	15,000	115,000	100,000
Quality of Life																
Beautification	5650	77	4,991	78	81	20,340	(2,419)	87	334	1,782	70	-	-	25,421	90,000	64,579
Residential - Other	5900	-	-	-	-	-	-	-	-	(4,288)	-	-	-	(4,288)	-	-
Residential	5901	-	-	-	-	-	-	-	-	27	-	-	-	27	3,000	2,973
Security	5700	18,299	11,079	10,778	8,663	10,926	15,597	11,489	12,024	6,438	6,290	-	-	111,583	150,000	38,417
Total Quality of Life		18,376	16,070	10,856	8,744	31,266	13,178	11,576	12,358	3,960	6,360	-	-	132,744	243,000	105,968
Business Support																
Business Support	5676	500	1,927	7,758	6,650	7,846	1,526	3,104	236	701	2,235	-	-	32,483	50,000	17,517
Total Business Support		500	1,927	7,758	6,650	7,846	1,526	3,104	236	701	2,235	-	-	32,483	50,000	17,517
Marketing Expenses																
Advertising General	5305	100	3,714	6,951	840	4,405	7,765	3,963	3,680	6,518	2,914	-	-	40,851	50,000	9,149
Print & Design	5306	2,124	1,415	2,216	2,880	6,389	2,636	4,809	500	2,195	1,262	-	-	26,425	35,000	8,575
Website - All Committees	5375	350	1,224	1,190	2,068	1,412	1,320	550	2,277	2,973	1,310	-	-	15,968	20,000	4,032
Sponsorship Prior Year	5362	-	-	-	-	-	-	-	-	6,313	-	-	-	6,313	-	-
Events and Sponsorship	5360	-	1,000	-	-	2,500	-	-	-	28,500	15,000	-	-	47,000	80,000	33,000
Total Marketing Expenses		2,573	7,353	10,357	5,788	14,706	11,721	9,322	6,457	46,498	20,486	-	-	136,556	185,000	54,756
Administration																
Meals/ Lodging/ Travel	5420	722	1,149	672	234	177	489	559	27	384	-	-	-	4,412	5,500	1,088
Office Expense	5430	395	379	584	424	525	312	2,065	365	379	717	-	-	4,850	7,000	2,150
Bank Fees	5435	-	-	-	-	-	-	-	157	18	18	-	-	193	-	-
Postage	5440	-	6	7	10	-	-	8	15	9	384	-	-	439	2,500	2,061
Professional Dev.	5465	-	-	-	-	-	940	-	-	-	-	-	-	940	6,000	5,060
Professional Svc	5450	-	-	-	3,733	-	-	-	1,800	1,000	1,000	-	-	7,533	12,000	4,467
Svc Contract - Operations	5461	18,125	19,619	18,872	18,872	18,872	18,872	18,872	18,872	18,872	18,872	-	-	188,720	226,464	37,744
Insurance Directors/Officers	5750	-	-	-	804	-	-	-	-	-	-	-	-	804	800	(4)
Software	5480	-	-	-	-	-	-	-	-	830	-	-	-	830	1,000	170
Supplies	5470	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Administration		19,243	21,153	20,136	24,076	19,573	20,613	21,504	21,236	21,492	20,991	-	-	208,722	261,264	52,736
Total Expenses		40,692	46,503	49,107	45,258	73,392	47,037	45,507	40,287	72,651	65,071	-	-	525,505	854,264	330,978
Change in NAV		(40,679)	(62,484)	(41,373)	448,907	65,307	(4,159)	(1,353)	26,545	50,827	(24,514)	-	-	417,026	(18,764)	438,008
Surplus spending																
Approved Event / Fort Kid Playground		0	0	0	250,000	0	0	0	0	0	0	0	0	250,000	250,000	-
Approved Events/Support Now Save Local		0	0	0	0	0	0	0	0	0	0	0	0	0	2,933	2,933
COVID Related Initiatives		0	0	10,200	0	2,266	0	10,000	0	0	0	0	0	22,466	100,108	77,643
Subtotal Surplus Spending		0	0	10,200	250,000	2,266	0	10,000	0	0	0	0	0	272,466	353,041	80,576
NAV Total after Surplus Spending		(40,679)	(62,484)	(51,573)	198,907	63,042	(4,159)	(11,353)	26,545	50,827	(24,514)	0	0	144,560		

Downtown Knoxville Alliance

Balance Sheet

As of April 30, 2022

	Apr 30, 22
ASSETS	
Current Assets	
Checking/Savings	
1000 · Cash & Cash Equiv.	
1005 · Cash	
1016 · Regions - Checking	595,084.67
Total 1005 · Cash	595,084.67
1020 · Investments - Cert Dep and MM	
1026 · First Century Bank	114,842.01
1029 · Home Federal Bank - MM	43,535.98
1011 · Regions - MM	3,874.20
1021 · First Bank 2774	71,770.44
1024 · First Bank MM 2976	23,752.09
1023 · First Bank CD 2781	104,749.67
1027 · SunTrust MM Account	137,644.45
Total 1020 · Investments - Cert Dep and MM	500,168.84
Total 1000 · Cash & Cash Equiv.	1,095,253.51
Total Checking/Savings	1,095,253.51
Accounts Receivable	
1110 · Other Receivable	40,656.03
Total Accounts Receivable	40,656.03
Total Current Assets	1,135,909.54
TOTAL ASSETS	1,135,909.54
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Acc. Payable	
2020 · Accounts Payable	36,853.65
Total 2000 · Acc. Payable	36,853.65
Total Accounts Payable	36,853.65
Other Current Liabilities	
2600 · Accrued Payables	25,954.58
Total Other Current Liabilities	25,954.58
Total Current Liabilities	62,808.23
Total Liabilities	62,808.23
Equity	
3900 · Change in NA - unrestricted	667,045.71
Net Income	406,055.60
Total Equity	1,073,101.31
TOTAL LIABILITIES & EQUITY	1,135,909.54

Downtown Knoxville Alliance
Statement of Cash Flows
April 2022

	<u>Apr 22</u>
OPERATING ACTIVITIES	
Net Income	-24,514.26
Adjustments to reconcile Net Income to net cash provided by operations:	
1110 · Other Receivable	82,860.95
2020 · Accounts Payable	14,020.34
2600 · Accrued Payables	<u>2,500.00</u>
Net cash provided by Operating Activities	<u>74,867.03</u>
Net cash increase for period	74,867.03
Cash at beginning of period	<u>1,020,386.48</u>
Cash at end of period	<u><u>1,095,253.51</u></u>

Downtown Knoxville Alliance

Profit & Loss

April 2022

	Apr 22
Ordinary Income/Expense	
Income	
4020 · CBID Assessment	40,542.72
4100 · Interest on Cash Reserves	14.38
Total Income	40,557.10
Expense	
5676 · Merchant Support	2,235.00
5200 · Development	
5225 · Path to Prosperity	15,000.00
Total 5200 · Development	15,000.00
5300 · Marketing Expenses	
5305 · Advertising	2,913.97
5306 · Miscellaneous Printing	1,261.56
5375 · Website	1,310.00
5360 · Sponsorships - Events	15,000.00
Total 5300 · Marketing Expenses	20,485.53
5400 · Administration	
5435 · Bank Fees	18.00
5430 · Office Expenses	717.11
5440 · Postage	383.72
5450 · Professional Svc	1,000.00
5460 · Services Contract	
5461 · Svc Contract - Operations	18,872.00
Total 5460 · Services Contract	18,872.00
Total 5400 · Administration	20,990.83
5700 · Security Committee	
5710 · Bike Patrol	6,290.00
Total 5700 · Security Committee	6,290.00
Total Expense	65,001.36
Net Ordinary Income	-24,444.26
Other Income/Expense	
Other Expense	
5650 · Quality of Life	
5202 · Beautification	70.00
Total 5650 · Quality of Life	70.00
Total Other Expense	70.00
Net Other Income	-70.00
Net Income	-24,514.26

Downtown Knoxville Alliance
A/P Aging Summary

As of April 30, 2022

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Knoxville Chamber	34,404.68	0.00	0.00	0.00	0.00	34,404.68
Knoxville News Sentinel	2,073.97	0.00	0.00	0.00	0.00	2,073.97
Rainey, Holly	375.00	0.00	0.00	0.00	0.00	375.00
TOTAL	36,853.65	0.00	0.00	0.00	0.00	36,853.65

Downtown Knoxville Alliance
A/R Aging Summary

As of April 30, 2022

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
City of Knoxville.	40,542.72	0.00	0.00	0.00	0.00	40,542.72
Hyatt Place Knoxville	0.00	0.00	113.31	0.00	0.00	113.31
TOTAL	40,542.72	0.00	113.31	0.00	0.00	40,656.03

BOARD OF DIRECTORS' MEETING

➡ STAFF REPORT FOR MAY 2022

DEVELOPMENT

- Met with Stephanie Welch and Rick Emmett with the City of Knoxville to discuss the city's priorities in downtown. The topics discussed included parking, safety, quality of life issues, pedestrian improvements, which align with DKA's priorities.

MARKETING

- Ongoing updates to social media and online engagement; website updates for businesses, event calendar, and Insider's Guide.
- Social Media – 120,383 followers (previous: 119,316; 118,379; 117,354).

BUSINESS SUPPORT

- Mobile passport for UT System employees scheduled for launch on May 16 with 90+ businesses participating.
- Website update for First Friday ArtWalk events and promotion for May 6 including 33 merchants.
- Initial planning for Waldo Scavenger Hunt for July 1–31.
- Provided businesses information on monthly conventions and events impacting staffing.
- Assisting Knoxville Opera with a survey regarding the Rossini Festival to downtown merchants.

QUALITY OF LIFE

- Communicated with the downtown residents and merchants about new ambassador program and KAT Reimagined. FYI - KAT is examining their current services and trying to decide to move more towards ridership or coverage. Trolleys will be slightly adjusted.
- Ambassador Program started April 15, results included in packet.
- Plants will be replanted for Spring this month but we did a refresher in March prior to Big Ears, Dogwood Arts, Rossini, etc.

OTHER

- Mailed a 'Save the Date' to DKA stakeholders for the Annual Meeting (June 20, 5:00 pm).
- Working on Annual Meeting Packet, which will be mailed at the beginning of June.



May 2022

Week 1

5/2/2022-5/8/2022



Safety Highlights



Syringe Collection

Just outside the back door of Visit Knoxville, Tasha found a syringe. Three more were found near the construction outdoor restrooms. Compared to the previous week, there is an increase in drug paraphernalia found. Ambassadors routines and routes have remained similar to the initial start up. This suggest that drug users are more careless about the disposal of drug paraphernalia.

Ambassadors start up a friendly conversation with panhandlers before reminding them that their actions are discouraged. Response to this reminder varies on the panhandler. Aggressive panhandlers have been easily directed so far.

The next page shows visual references for scooter relocations and Market Square business doorways in the morning. For everyone's safety, scooters are moved out of the walk path to the side of the sidewalk. Ambassadors are also encouraged to group the scooters together, if possible. Ambassadors are to politely ask people sleeping in doorways to help clean their area and relocate so that businesses can open.

QUICK VIEW

May 02, 2022 -- May 08, 2022

- 6 Panhandling - Passive
- 3 Panhandling - Aggressive
- 125 Scooter Relocation
- 4 Drug Paraphernalia Found

Safety References

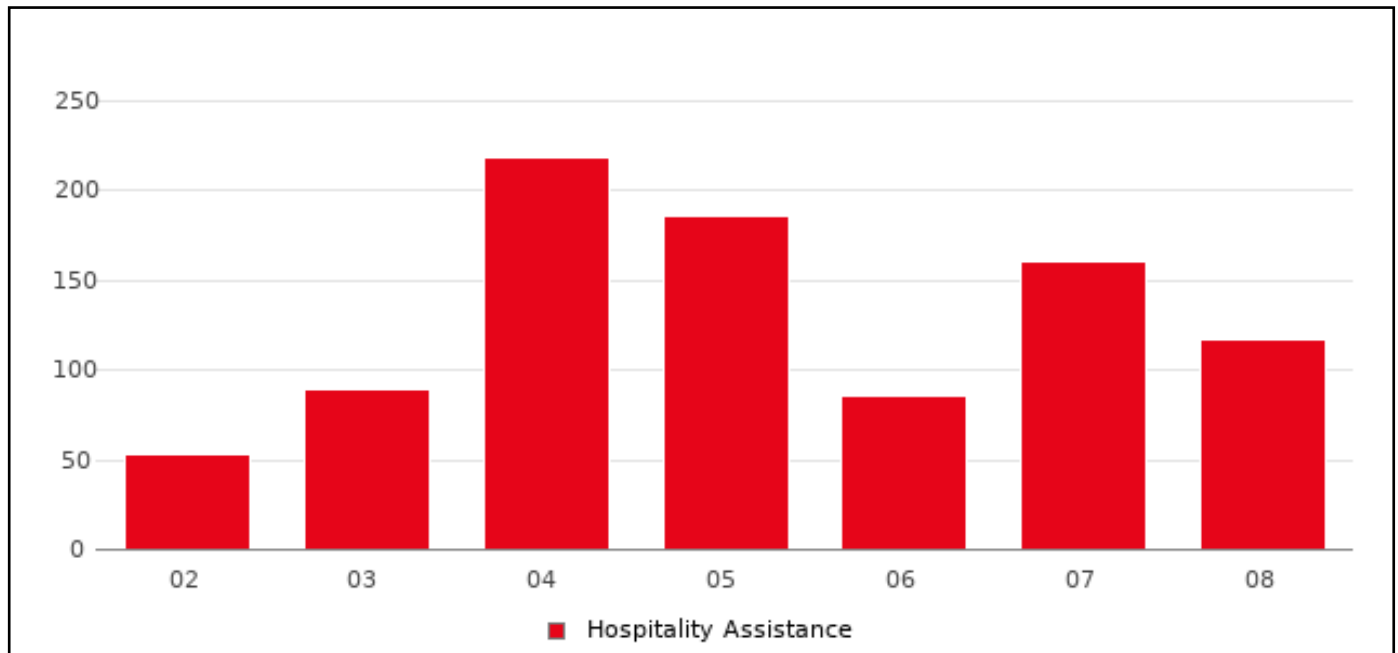


Hospitality Statistics

May 2, 2022 through May 8, 2022

	02	03	04	05	06	07	08	TOTAL
Directions Provided	126	9	121	129	86	3	1	475
Hospitality Assistance	53	89	218	186	86	161	117	910
Hospitality Escort	8	7	15	5	2	4	5	46
Photo Assist	17	10	51	38	13	5	15	149

Hospitality Assistance -- May 02, 2022 through May 08, 2022



Now that the farmers market is open Ambassadors are polishing their ability to assist locals and visitors during market hours. This will increase stats in the downtown area on Wednesday's and Saturday's for the next couple of months. Over the last week visitors have repeatedly asked directional questions. By the end of the summer, everyone should be even more fluent with the district.

Southern Hospitality

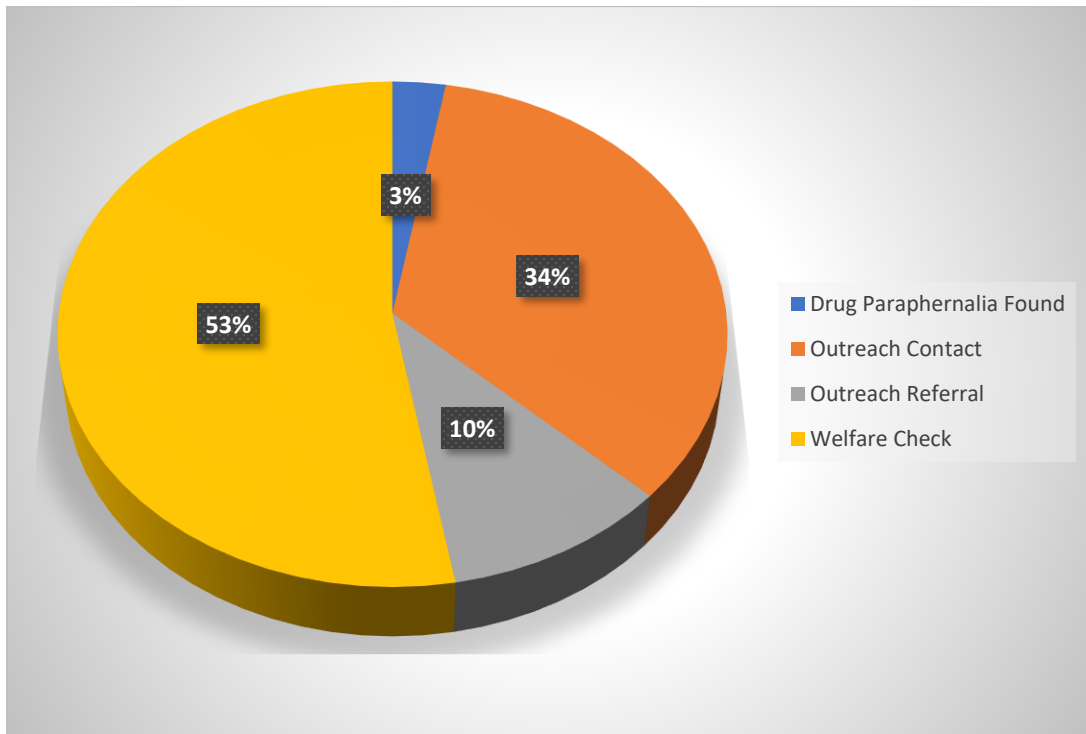
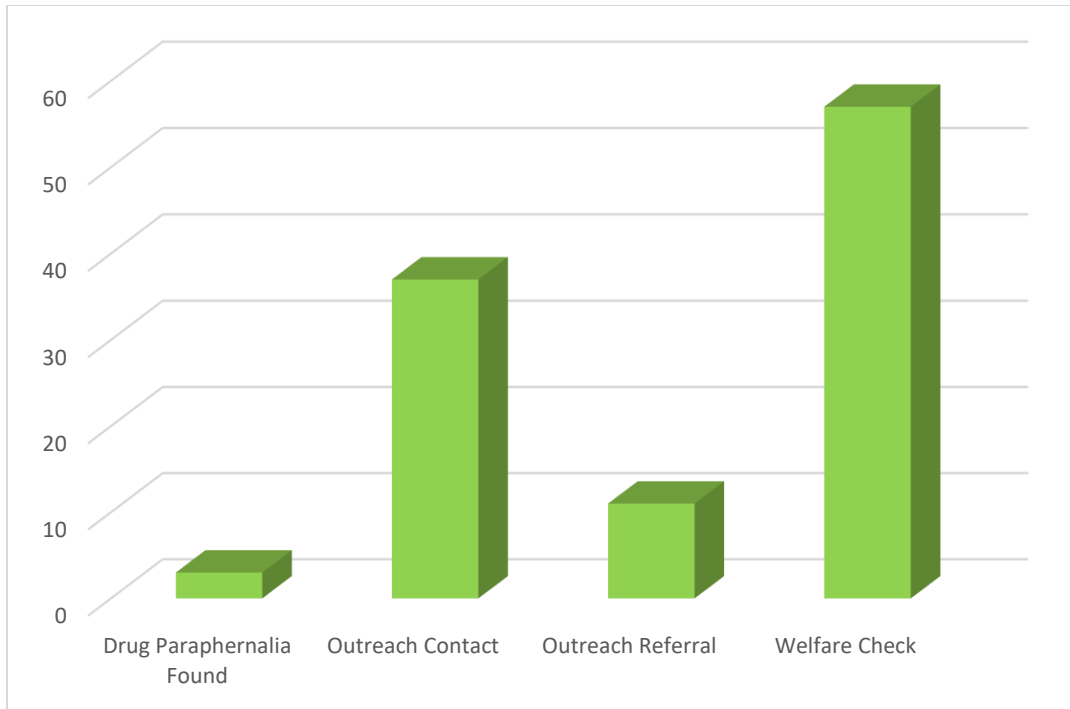


Outreach Highlights



Initiatives

The picture to the left shows Clarissa in action helping someone who is illiterate with a housing application. This is just one of the many ways Ambassadors are making an impact in the district. Other assistance includes but is not limited to, proofreading job applications, referrals for clothing, or general life navigation tools. The next page shows statistical data for outreach services over the last week. Now that Ambassadors have a role in the Knox County CHAMP system, referrals should become more streamlined.



Downtown Knoxville Alliance
Budget for FY 21-22

	BUDGET FY 21-22	BUDGET FY 22-23
Income		
CBID Tax Assessment	\$ 835,000	\$ 910,000
Investment Income	\$ 500	\$ 500
Total Income	\$ 835,500	\$ 910,500
Expenses		
Business Support		
Merchant Support	\$ 50,000	\$ 50,000
Total Business Support	\$ 50,000	\$ 50,000
Development		
Special Projects/Impact Program	\$ 100,000	\$ 100,000
Path to Prosperity	\$ 15,000	\$ 15,000
Total Development	\$ 115,000	\$ 115,000
Marketing Expenses		
Advertising General	\$ 50,000	\$ 50,000
Print & Content Development	\$ 35,000	\$ 35,000
Website-all committees	\$ 20,000	\$ 20,000
Events and Sponsorships	\$ 80,000	\$ 90,000
Total Marketing Expenses	\$ 185,000	\$ 195,000
Quality of Life		
Security	\$ 150,000	\$ 110,000
Ambassador Program		\$ 82,000
Beautification	\$ 90,000	\$ 90,000
Residential	\$ 3,000	\$ 3,000
Total Quality of Life	\$ 243,000	\$ 285,000
Administration		
Meals/Lodging/Travel	\$ 5,500	\$ 5,500
Office Expense/Supplies	\$ 7,000	\$ 6,000
Bank Fees		\$ 200
Postage	\$ 2,500	\$ 2,500
Professional Development	\$ 6,000	\$ 6,000
Professional Services	\$ 12,000	\$ 11,000
Services Contract	\$ 226,464	\$ 232,000
Insurance Directors/Officers	\$ 800	\$ 800
Software	\$ 1,000	\$ 1,000
Total Administration	\$ 261,264	\$ 265,000
Total Expenses	\$ 854,264	\$ 910,000
Change in NAV	\$ (18,764)	\$ 500