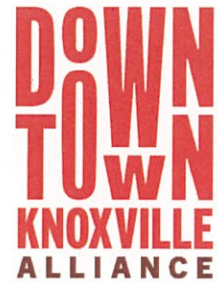


# **BOARD OF DIRECTORS' MEETING**

## **➡ AGENDA**

**OCTOBER 17, 2022, 5:00 PM**



- I. Welcome
- II. Approval of Minutes
  - A. \*September Board Meeting p. 3
- III. \*Financial Report p. 5
- IV. Discussion with Chief Noel/KPD and K-Town Connect
- V. Staff Report p. 15
- VI. Old Business
  - A. MOU with City/314 Union Ave. p. 17
- VII. New Business
  - A. KAT Board Representative
  - B. Cradle of Country Music Grant
- VIII. Public Forum
- IX. Adjournment

\* Denotes action items

### Upcoming Meetings:

November 21, 11:30 am - Board Meeting  
December 19, 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**

**SEPTEMBER 19, 2022, 11:30 AM**

The Board of Directors of Downtown Knoxville Alliance met on Monday, September 19, 2022, at 17 Market Square, Knoxville, TN.

Board members present included board chair, Matthew DeBardelaben, Rick Emmett, Vince Fusco, Lorie Matthews, Drew McKenna, John Sanders, 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, chair of the Board, welcomed everyone to the meeting and called the meeting to order.

### **II. Minutes**

Mr. DeBardelaben called for the approval of the minutes from the August board meeting. Mary Katherine Wormsley made a motion to approve the minutes. Vince Fusco 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 reverse the accrual for hanging baskets for Market Square in the amount of \$6,704.58. Lorie Matthews seconded the motion, which was unanimously approved by the Board.

Vince Fusco suggested that staff check rates and consider moving money around to CDs with higher interest rates as rates are increasing.

Vince Fusco made a motion to approve the minutes, Rick Emmett seconded the motion, which was unanimously approved by the board.

### **IV. Committee Reports**

#### **A. Marketing**

Robin Thomas presented the report for the Marketing Committee, which met on September 14. The committee reviewed two sponsorship requests: Tour de Lights and Carol Cart. The committee made a recommendation in the form of a motion that the board approve \$2,000 for each event. Lorie Matthews seconded the motion, which was unanimously approved by the board.

## **B. Development**

Michele Hummel provided a summary of the 314 Union Ave request from the city. She noted that the Development Committee and Board reviewed the request last month. As the requested amount is over \$75,000, DKA's policy requires the project be reviewed during two different board meetings. Last month a motion was approved that the board was in favor of approving \$250,000 for this project but asked the city for a draft Memorandum of Understanding (MOU), survey or title search, and agreements associated with the parcel. The city provided a draft MOU and agreements. A survey and title search will occur later if the project moves forward.

The board discussed the draft MOU and were concerned with two areas:

- The long-term use of the parcel may not be best suited as a public building as proposed in the MOU.
- The proposed term stating that the MOU will last until terminated by one or both parties.

The board had a discussion with Chad Weth and Rick Emmett from the city regarding the project and potential amendments to the MOU. The city will amend the MOU to discuss possible green space as a long-term use for the space, will update the terms of the document, will discuss how to manage the parking spaces that belong to the Kirk family, and will state that DKA's funds will not be requested until the parties are close to closing on the parcel.

John Sanders made a motion to approve the request for 314 Union Ave in the amount of \$250,000 contingent upon final board approval of the MOU and review of the fully executed contract between Regions Bank and the City of Knoxville. Matthew DeBardelaben seconded the motion, which was approved by the Board. Rick Emmett recused himself from the vote.

## **V. Staff Report**

Staff presented the staff report, providing an update on the activities from the previous month, social media numbers, and highlighting 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. Fraud Inquiries for FY 21-22 Audit**

Staff distributed the fraud inquiries document to board members, asking them to return the inquiries directly to Bill Snyder or Bible Harris Smith. The inquiries are part of the FY 21-22 audit.

**B. Equalization Assessment Rate for BID**

At the August Board Meeting, the board discussed the possibility of lowering or equalizing DKA's assessment rate considering the recent appraisals. Staff reported they have contacted Mark Mamontov to determine the process if the board agrees to move forward with the idea. Mr. Mamontov stated that DKA will not be able to lower the rates this year as tax bills will be mailed soon. Staff also presented a report detailing the assessments over the last 20 years. The board would like to have a better understanding of the BID boundaries, if expanded, and what impact that will have on the budget as well.

**VIII. Public Forum**

Marie Battle asked about graffiti and noted that OP Jenkins was recently tagged. Staff will contact the owner, city, and Keep Knoxville Beautiful to make all parties aware and encourage removal of the graffiti asap.

**IX. Adjournment**

With no other business, the meeting was adjourned.

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Secretary

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

	<u>Jul '22 - Jun '23</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	(284,532)
Adjustments to reconcile Net Income to net cash provided by operations:	
1110 · Other Receivable	(1,432)
2020 · Accounts Payable	(5,008)
2600 · Accrued Payables	231,129
2700 · Accrued Wages	-
Net cash provided by Operating Activities	(59,843)
<b>FINANCING ACTIVITIES</b>	
3900 · Change in NA - unrestricted	-
Net cash provided by Financing Activities	-
Net cash increase for period	(59,843)
Cash at beginning of period	901,089
Cash at end of period	<u><b>841,246</b></u>
 <b>Current Liabilities</b>	
	(25,869)
Accrued Payables	(352,000)
 <b>Accounts receivable and Other</b>	
	2,102
Subtotal	<u><b>(375,767)</b></u>
<b>Projected Remaining Budgeted Income (Expenses)</b>	
Revenue	904,221
Development	(115,000)
Quality of Life	(265,809)
Business Support	(41,295)
Marketing/Sponsorships	(169,476)
Administration	(204,115)
Subtotal	<u><b>108,525</b></u>
<b>Projected Cash - Before Minimum Reserve</b>	<u><b>574,005</b></u>
Minimum Cash Balance - Reserve	(150,000)
<b>Projected Cash Availability</b>	<u><b>424,005</b></u>

Downtown Knoxville Alliance  
Statement of Cash Flows  
Fiscal YTD September 30, 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	Reminder
<b>Income</b>															
CBD Tax Assessments	4020	3,684	557	1,989	-	-	-	-	-	-	-	-	6,230	910,000	903,770
Investment Income	4100	12	19	18	-	-	-	-	-	-	-	-	49	500	451
<b>Total Income</b>		<b>3,696</b>	<b>575</b>	<b>2,007</b>	-	-	-	-	-	-	-	-	<b>6,279</b>	<b>910,500</b>	<b>904,221</b>
<b>Expenses</b>															
<b>Development</b>															
Path to Prosperity	5225	-	-	-	-	-	-	-	-	-	-	-	-	15,000	15,000
Special Projects	5205	-	-	-	-	-	-	-	-	-	-	-	-	100,000	100,000
<b>Total Development</b>		-	-	-	-	-	-	-	-	-	-	-	-	<b>115,000</b>	<b>115,000</b>
<b>Quality of Life</b>															
Beaification	5659	33	68	77	-	-	-	-	-	-	-	-	178	90,000	89,822
Ambassador Program	5657	6,833	6,833	6,844	-	-	-	-	-	-	-	-	20,510	82,000	61,490
Residential - Other	5900	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential	5901	-	-	(6,705)	-	-	-	-	-	-	-	-	(6,705)	3,000	9,705
Security	5700	2,204	1,904	1,100	-	-	-	-	-	-	-	-	5,208	110,000	104,792
<b>Total Quality of Life</b>		<b>9,070</b>	<b>8,805</b>	<b>1,317</b>	-	-	-	-	-	-	-	-	<b>19,191</b>	<b>285,000</b>	<b>265,809</b>
<b>Business Support</b>															
Business Support	5676	1,898	2,201	4,605	-	-	-	-	-	-	-	-	8,705	50,000	41,295
<b>Total Business Support</b>		<b>1,898</b>	<b>2,201</b>	<b>4,605</b>	-	-	-	-	-	-	-	-	<b>8,705</b>	<b>50,000</b>	<b>41,295</b>
<b>Marketing Expenses</b>															
Advertising General	5305	3,691	3,746	3,999	-	-	-	-	-	-	-	-	11,436	50,000	38,564
Print & Design	5306	211	486	813	-	-	-	-	-	-	-	-	1,509	35,000	33,491
Website - All Commitees	5375	1,150	1,050	1,379	-	-	-	-	-	-	-	-	3,579	20,000	16,421
Sponsorship Prior Year	5362	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Events and Sponsorship	5360	-	5,000	4,000	-	-	-	-	-	-	-	-	9,000	90,000	81,000
<b>Total Marketing Expenses</b>		<b>5,051</b>	<b>10,282</b>	<b>10,190</b>	-	-	-	-	-	-	-	-	<b>25,524</b>	<b>195,000</b>	<b>169,476</b>
<b>Administration</b>															
Meals/ Lodging/ Travel	5420	362	488	241	-	-	-	-	-	-	-	-	1,091	5,500	4,409
Office Expense	5430	274	334	753	-	-	-	-	-	-	-	-	1,362	6,000	4,638
Bank Fees	5435	12	36	18	-	-	-	-	-	-	-	-	66	200	134
Postage	5440	-	-	10	-	-	-	-	-	-	-	-	10	2,500	2,490
Professional Dev.	5465	-	-	-	-	-	-	-	-	-	-	-	-	5,000	5,000
Professional Svc	5450	-	-	-	-	-	-	-	-	-	-	-	-	11,000	11,000
Svc Contract - Operations	5461	19,405	19,405	19,405	-	-	-	-	-	-	-	-	58,215	232,859	174,644
Insurance Directors/Officers	5750	-	-	-	-	-	-	-	-	-	-	-	-	800	800
Software	5480	-	-	-	-	-	-	-	-	-	-	-	-	1,000	1,000
Supplies	5470	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Administration</b>		<b>20,054</b>	<b>20,263</b>	<b>20,427</b>	-	-	-	-	-	-	-	-	<b>60,744</b>	<b>264,859</b>	<b>204,115</b>
<b>Total Expenses</b>		<b>36,073</b>	<b>41,550</b>	<b>36,540</b>	-	-	-	-	-	-	-	-	<b>114,163</b>	<b>909,859</b>	<b>795,696</b>
<b>Change in NAV</b>		<b>(32,377)</b>	<b>(40,975)</b>	<b>(34,532)</b>	-	-	-	-	-	-	-	-	<b>(107,884)</b>	<b>641</b>	<b>(108,525)</b>
<b>Board Approved Spending</b>															
314 Union Avenue		0	0	250,000	0	0	0	0	0	0	0	0	0	-	-
Subtotal Board Approved Spending		0	0	250,000	0	0	0	0	0	0	0	0	0	-	-
<b>NAV Total after Surplus Spending</b>		<b>(32,377)</b>	<b>(40,975)</b>	<b>(284,532)</b>	0	0	0	0	0	0	0	0	<b>(107,884)</b>		

**Accrued Payables at 9.30.22**

Hanging Baskets for Market Square	FY21	\$0.00
Old City Market	FY22	\$2,500.00
Asian Festival	FY22	\$2,500.00
Two Bikes Mural	FY22	\$7,500.00
Cradle of Country Music	FY22	\$83,000.00
City of Knoxville (314 Union Ave)	FY23	\$250,000.00
Hola Festival	FY23	\$2,500.00
Make Music	FY23	\$2,000.00
Bike Walk	FY23	\$2,000.00
Ambassador Program	FY23	\$0.00
		\$352,000.00



# Downtown Knoxville Alliance

## Statement of Cash Flows

September 2022

	TOTAL
OPERATING ACTIVITIES	
Net Income	-284,532.42
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1110 Other Receivable	-1,432.18
2020 Acc. Payable:Accounts Payable	-5,007.63
2600 Accrued Payables	231,129.42
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	224,689.61
Net cash provided by operating activities	\$ -59,842.81
NET CASH INCREASE FOR PERIOD	\$ -59,842.81
Cash at beginning of period	901,089.29
CASH AT END OF PERIOD	\$841,246.48

# Downtown Knoxville Alliance

## Balance Sheet As of September 30, 2022

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
1000 Cash & Cash Equiv.	0.00
1005 Cash	0.00
1016 Regions - Checking	117,088.49
Total 1005 Cash	117,088.49
1020 Investments - Cert Dep and MM	
1011 Regions - MM	227,781.48
1021 First Bank 2774	71,770.44
1023 First Bank CD 2781	104,867.24
1024 First Bank MM 2976	23,778.52
1026 First Century Bank	114,872.98
1027 SunTrust MM Account	137,650.22
1029 Home Federal Bank - MM	43,437.11
Total 1020 Investments - Cert Dep and MM	724,157.99
Total 1000 Cash & Cash Equiv.	841,246.48
Total Bank Accounts	\$841,246.48
Accounts Receivable	
1110 Other Receivable	2,102.29
Total Accounts Receivable	\$2,102.29
Total Current Assets	\$843,348.77
<b>TOTAL ASSETS</b>	<b>\$843,348.77</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Acc. Payable	0.00
2020 Accounts Payable	25,868.97
Total 2000 Acc. Payable	25,868.97
Total Accounts Payable	\$25,868.97
Other Current Liabilities	
2600 Accrued Payables	352,000.00
Total Other Current Liabilities	\$352,000.00
Total Current Liabilities	\$377,868.97
Total Liabilities	\$377,868.97
Equity	
3900 Change in NA - unrestricted	826,675.99
Net Income	-361,196.19
Total Equity	\$465,479.80
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$843,348.77</b>

# Downtown Knoxville Alliance

## Profit and Loss

September 2022

	TOTAL
Income	
4020 CBID Assessment	1,988.98
4100 Interest on Cash Reserves	18.44
Total Income	\$2,007.42
GROSS PROFIT	\$2,007.42
Expenses	
5100 Business Support	
5150 Merchant Support	4,605.23
Total 5100 Business Support	4,605.23
5200 Development	
5800 Dev. Grants	250,000.00
Total 5200 Development	250,000.00
5300 Marketing Expenses	
5305 Advertising	3,998.97
5306 Print and Content	812.50
5360 Sponsorships - Events	4,000.00
5375 Website	1,379.00
Total 5300 Marketing Expenses	10,190.47
5400 Administration	
5420 Meals/Lodging/Travel	240.92
5430 Office Expenses	753.46
5435 Bank Fees	18.00
5440 Postage	9.69
5460 Services Contract	19,405.00
Total 5400 Administration	20,427.07
5650 Quality of Life	
5655 Bike Patrol	1,100.40
5657 Ambassador Program	6,844.25
5659 Beautification	77.00
5661 Residential	-6,704.58
Total 5650 Quality of Life	1,317.07
Total Expenses	\$286,539.84
NET OPERATING INCOME	\$ -284,532.42
NET INCOME	\$ -284,532.42

# Downtown Knoxville Alliance

A/P Aging Detail  
As of September 30, 2022

DATE	TRANSACTION TYPE	NUM	VENDOR	DUE DATE	PAST DUE	AMOUNT	OPEN BALANCE
1 - 30 days past due							
09/28/2022	Bill Payment (Check)	1624	TIS Insurance Services, Inc.	09/28/2022	13	-828.00	-828.00
Total for 1 - 30 days past due						\$ -828.00	\$ -828.00
Current							
09/30/2022	Bill	INV009046	Knoxville Chamber	09/30/2022	11	179.51	179.51
09/30/2022	Bill	1	Lauren LeBlanc	10/01/2022	10	812.50	812.50
09/30/2022	Bill	DKA-100122	Hannah Gils	10/06/2022	5	2,498.00	2,498.00
09/30/2022	Bill	09302022	Thomas, Robin	10/06/2022	5	1,092.99	1,092.99
09/30/2022	Bill	INV009051	Knoxville Chamber	10/15/2022	-4	19,555.00	19,555.00
09/30/2022	Bill	0004980804	Knoxville News Sentinel	10/20/2022	-9	2,558.97	2,558.97
Total for Current						\$26,696.97	\$26,696.97
TOTAL						\$25,868.97	\$25,868.97

# Downtown Knoxville Alliance

A/R Aging Detail  
As of September 30, 2022

DATE	TRANSACTION TYPE	NUM	CUSTOMER	DUE DATE	AMOUNT	OPEN BALANCE
91 or more days past due						
03/22/2022	Invoice	339	Hyatt Place Knoxville	03/22/2022	113.31	113.31
Total for 91 or more days past due					\$113.31	\$113.31
Current						
09/30/2022	Invoice	346	City of Knoxville.	10/31/2022	1,988.98	1,988.98
Total for Current					\$1,988.98	\$1,988.98
TOTAL					\$2,102.29	\$2,102.29

Attorney  
City of Knoxville

**MEMORANDUM OF UNDERSTANDING REGARDING 314 UNION AVENUE**

This Memorandum of Understanding ("Memorandum") is entered into by and between the City of Knoxville, a municipal corporation organized and existing under the laws of the State of Tennessee ("City"), and the Downtown Knoxville Alliance, a non-profit organization located at 17 Market Square, Suite 201, Knoxville, Tennessee 37902 ("DKA"). The parties, individually and collectively, understand and agree to the following:

1. The City intends to purchase certain real property located at 314 Union Avenue, Knoxville, Tennessee, identified as Parcel ID Number 094LE027 ("Property") for \$450,000.00.
2. This Memorandum is conditioned on the City closing the purchase of the Property. All obligations set forth herein shall therefore be null and void if the City does not close the purchase of the Property.
3. While the City's decision to close, or not close, the purchase of the Property shall be made exclusively by the City through its Mayor and Council, the City shall provide the DKA an opportunity to review the purchase and sale agreement for the Property and any and all documentation regarding the lot lines prior to the City closing the purchase of the Property.
4. If the City purchases the Property, the City, subject to the approval of its Mayor and Council, intends to invest \$50,000.00 in improving the Property, including, but not necessarily limited to, installing a large trash compactor and other amenities on the Property. The City may also use the Property as a staging area for special events occurring in the downtown area.
5. If the City purchases the Property, the City intends to plan future uses of the Property for the further enhancement of the downtown area, and, as part of planning such future uses, the City will consult the DKA, including consideration of the addition of further green space to Krutch Park.
6. The DKA has expressed its desire to donate to the City the sum of \$250,000.00 in furtherance of the foregoing intentions.
7. The parties hereby agree that the said offered donation is offered as a voluntary transfer to the City made gratuitously and without consideration; that the DKA has the capacity to make the said offered donation; and that the said offered donation is intended as a gift to the City.
8. Pursuant to Section 2-837(5) of the Knoxville City Code, the City's Purchasing Agent has deemed the DKA's offered donation to be in the public interest. The City therefore desires to accept the said offered donation.
9. Pursuant to Section 5.9 of the City's Procurement Policies and Procedures, under no circumstances shall the City be deemed to have accepted the offered donation until such time as the Mayor is authorized to do so by a resolution of the Council.
10. The DKA agrees to deliver its donation to the City immediately following the City closing on its purchase of the Property.

11. The DKA hereby authorizes the City, upon its acceptance of the offered donation and the DKA's delivery of the same, to spend the donated funds without seeking further permission from the DKA for individual expenditures.

12. Upon the DKA's request following the delivery of its donation to the City, and within a reasonable time following such request, the City agrees to provide the DKA with a letter confirming that the said donation is tax deductible as a charitable contribution pursuant to Section 170(a)(1),(c)(1) of the Internal Revenue Code.

13. For the avoidance of doubt, any installation of public art on the Property shall be done in accordance with Chapter 2, Article XI of the Knoxville City Code.

14. Nothing in the performance of this Memorandum shall impose any liability for claims against the City other than claims for which liability may be imposed by the Tennessee Governmental Tort Liability Act.

15. This Memorandum is intended to include all written and oral discussions and represents the entire agreement between the parties. By entering into this Memorandum, the parties do not intend to create any obligations, express or implied, other than those set forth herein. Further, this Memorandum does not create any rights in any third party.

16. Any amendment to this Memorandum must be in writing and signed by both parties.

17. Each party represent to the other party that all actions and approvals required by the City and the DKA, respectively, have been completed and obtained for the execution of this Memorandum. No party is bound by this Memorandum until it is approved by the appropriate officials shown on the signature page of this Memorandum.

IN WITNESS WHEREOF, the City and the DKA have caused this Memorandum to be executed by their duly authorized officers as of the \_\_\_\_\_ day of \_\_\_\_\_, 2022.

DOWNTOWN KNOXVILLE ALLIANCE

CITY OF KNOXVILLE

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Indya Kincannon  
Mayor

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
Charles W. Swanson  
Director of Law

**RONALD E. MILLS**  
Deputy Law Director  
City of Knoxville

**Document No. C-22-0544**

**AGREEMENT**

**THIS AGREEMENT**, by and between the **CITY OF KNOXVILLE**, a municipal corporation organized and existing under the laws of the State of Tennessee, hereinafter referred to as "**CITY**", and the **Knoxville CBID Management Corporation**, 17 Market Square, Suite 201, Knoxville, Tennessee 37902-1445, hereinafter referred to as "**CONTRACTOR**".

**WITNESSETH:**

**WHEREAS**, the police powers and police authority for the City of Knoxville are conducted by and through the Knoxville Police Department pursuant to § 212 of the Charter of the City of Knoxville; and

**WHEREAS**, the parties wish to enter into an agreement by which the Knoxville Police Department provides additional police services to Contractor in the downtown Knoxville area, most specifically in the Old City district.

**NOW, THEREFORE**, in consideration of the premises, the parties do enter into this Agreement whereby the parties agree:

1. The term of this Agreement shall begin on October 1, 2022 and expire on September 30, 2023, with the mutual option to renew this Agreement for two (2) additional one (1) year periods.



2. The Knoxville Police Department agrees to provide additional police services, in the form of supplemental patrols, as requested by the Contractor, in the downtown Knoxville area, as identified on Exhibit A, attached hereto. The Knoxville Police Department agrees to schedule only POST certified off-duty police officers that are currently employed by the Knoxville Police Department for supplemental patrols. The additional police services to be provided by the Knoxville Police Department include the scheduling and supervision of said police officers.

3. Contractor shall provide direction as to the specific locations and areas of concentration to receive the additional police services.

4. Contractor agrees to reimburse the Knoxville Police Department for all salary obligations, including but not limited to payment of compensation to officers and social security incurred in providing such services. Contractor agrees that officers will be paid at their overtime pay rate.

5. Reimbursement provided by Contractor to the Knoxville Police Department shall be paid in biweekly amounts according to the salary expense incurred by the City in rendering such services, and the Knoxville Police Department shall be paid an additional four percent (4%) of the total expenses incurred by the Knoxville Police Department biweekly for administrative costs. The City shall provide to the Contractor a statement detailing the number of officers rendering services under this Agreement, the hours expended and the salary expense incurred by the City, all of which shall be recorded in accordance with the City's standard payroll procedures. Reimbursements shall reference the contract number affixed to this Agreement and shall be directed to:

City of Knoxville Treasury Division  
400 W. Main St.  
Suite 685  
Knoxville, TN 37902

6. To offset the additional risk assumed by the City in providing additional police services under this Agreement, Contractor shall separately reimburse the City the additional sum of Two Dollars (\$2.00) per man-hour expended by officers of the Knoxville Police Department in execution of the obligations of the City under this Agreement. Said reimbursement shall inure to the benefit of the City's Risk Management fund. Contractor is not providing worker's compensation coverage for officers provided under this agreement.

7. The City or Contractor may terminate this Agreement at any time with or without cause by giving written notice to the other party at least one (1) month prior to the date when such termination shall be effective.

8. Contractor will comply with any and all applicable requirements of the Americans with Disabilities Act, 42 U.S.C. § 12101, *et seq.* ("ADA"), including but not limited to the removal of all structural barriers, the accessibility of programs, services and goods, the provision of all auxiliary aids and services, and the modification of policies, practices and procedures. The Contractor agrees that the City will not be responsible for any costs or expenses related to compliance with the ADA.

9. Indemnification. Contractor shall defend, indemnify and hold harmless the City, its officers, employees and agents from any and all liabilities which may accrue against the City, its officers, employees and agents or any third party for any and all lawsuits, claims, demands, losses or damages alleged to have arisen from an act or omission of Contractor in performance of this Agreement or from Contractor's failure to perform this Agreement using

ordinary care and skill, except where such injury, damage, or loss was caused by the sole negligence of the City, its agents or employees.

Contractor shall save, indemnify and hold the City harmless from the cost of the defense of any claim, demand, suit or cause of action made or brought against the City alleging liability referenced above, including, but not limited to, costs, fees, attorney fees, and other expenses of any kind whatsoever arising in connection with the defense of the City; and Contractor shall assume and take over the defense of the City in any such claim, demand, suit, or cause of action upon written notice and demand for same by the City. Contractor will have the right to defend the City with counsel of its choice that is satisfactory to the City, and the City will provide reasonable cooperation in the defense as Contractor may request. Contractor will not consent to the entry of any judgment or enter into any settlement with respect to an indemnified claim without the prior written consent of the City, such consent not to be unreasonably withheld or delayed. The City shall have the right to participate in the defense against the indemnified claims with counsel of its choice at its own expense.

Contractor shall save, indemnify and hold City harmless and pay judgments that shall be rendered in any such actions, suits, claims or demands against City alleging liability referenced above.

The indemnification and hold harmless provisions of this Agreement shall survive termination of the Agreement.

10. Non-discrimination. Contractor:

- a. will not discriminate against any employee or applicant for employment because of race, age, color, religion, national origin, sex or disability;
- b. will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, age,

- color, religion, national origin, sex or disability;
- c. will, in all solicitations or advertisements for employees placed by or on behalf of it, state that all qualified applicants will receive consideration for employment without regard to race, age, color, religion, national origin, sex or disability; and
- d. will include these provisions in every contract or lease let by or for it.

11. Ethical Standards. Contractor hereby takes notice of and warrants that it is not in violation of, or has not participated, and will not participate, in the violation of any of the following ethical standards prescribed by the Knoxville City Code:

a. § 2-1048. Conflict of Interest.

It shall be unlawful for any employee of the city to participate, directly or indirectly, through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering advice, investigation, auditing or otherwise, in any proceeding or application, request for ruling or other determination, claim or controversy or other matter pertaining to any contract or subcontract and any solicitation or proposal therefore, where to the employee's knowledge there is a financial interest possessed by:

1. The employee or the employee's immediate family;
2. A business other than a public agency in which the employee or a member of the employee's immediate family serves as an officer, director, trustee, partner or employee; or
3. Any other person or business with whom the employee or a member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment.

b. Sec. 2-1049. Receipt of Benefits from City Contracts by Councilmembers, Employees and Officers of the City.

It shall be unlawful for any member of council, member of the board of education, officer or employee of the city to have or hold any interest in the profits or emoluments of any contract, job, work or service, either by himself or by another, directly or indirectly. Any such contract for a job, work or service for the city in which any member of council, member of the board of education, officer or employee has or holds any such interest is void.

c. Sec. 2-1050. Gratuities and Kickbacks Prohibited.

*Gratuities.* It is unlawful for any person to offer, give or agree to give to

any person, while a city employee, or for any person, while a city employee, to solicit, demand, accept or agree to accept from another person, anything of a pecuniary value for or because of:

- (1) An official action taken, or to be taken, or which could be taken;
- (2) A legal duty performed, or to be performed, or which could be performed; or
- (3) A legal duty violated, or to be violated, or which could be violated by such person while a city employee.

Anything of nominal value shall be presumed not to constitute a gratuity under this section.

*Kickbacks.* It is unlawful for any payment, gratuity or benefit to be made by or on behalf of a subcontractor or any person associated therewith as an inducement for the award of a subcontract or order.

d. Sec. 2-1051. *Covenant Relating to Contingent Fees.*

(a) *Representation of Contractor.* Every person, before being awarded a contract in excess of ten thousand dollars (\$10,000.00) with the city, shall represent that no other person has been retained to solicit or secure the contract with the city upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for bona fide employees or bona fide established commercial, selling agencies maintained by the person so representing for the purpose of securing business.

(b) *Intentional violation unlawful.* The intentional violation of the representation specified in subsection (a) of this section is unlawful.

e. Sec. 2-1052. *Restrictions on Employment of Present and Former City Employees.*

*Contemporaneous employment prohibited.* It shall be unlawful for any city employee to become or be, while such employee, an employee of any party contracting with the particular department or agency in which the person is employed.

For violations of the ethical standards outlined in the Knoxville City Code, the City has the following remedies:

- (1) Oral or written warnings or reprimands;
- (2) Cancellation of transactions; and
- (3) Suspension or debarment from being a Contractor or subcontractor under city or city-funded contracts.

The value of anything transferred in violation of these ethical standards shall be recoverable by the City from such person. All procedures under this section shall be in accord with due process requirements, included but not limited to a right to notice and hearing prior to imposition of any cancellation, suspension or debarment from being a Contractor or subcontractor under a city contract.

12. Vehicles. Use of Knoxville Police Department vehicles in direct and secondary employment is governed by the Administrative Rules of the City of Knoxville and the General Orders of the Knoxville Police Department, and is subject to the approval of the Chief of Police. Police vehicles may be operated only by authorized officers of the Knoxville Police Department and in accordance with departmental regulations.

13. Applicability of City and Department Rules. While providing additional police services, officers are subject to all applicable ordinances and rules of the City of Knoxville and all rules, policies, and procedures of the Knoxville Police Department, and are subject to call-back to duty in the event of an emergency.

14. Notices. Any notice required or permitted under this Agreement will be directed to the following representatives or such other address as either party may designate by written notice to the other:

**City of Knoxville:**

Penny Owens  
Purchasing Agent  
City of Knoxville  
P. O. Box 1631  
Knoxville, TN 37901  
865.215.2070  
powens@knoxvilletn.org

**Contractor:**

Michelle Hummel, Executive Director  
Knoxville CBID Management Corporation  
17 Market Square, Suite 201  
Knoxville, TN 37902-1445  
(865) 246-2654  
mhummel@downtownknoxville.org

and to:

Captain David Powell  
City of Knoxville Police Department

P. O. Box 3610  
Knoxville, TN 37927  
865. 215.7000  
dpowell@knoxvilletn.org

Notices shall be in writing and shall be effective when actually delivered in person, received via facsimile transmission, or private carrier with signature confirmation, or when received in the U.S. mail, certified with return receipt requested, postage pre-paid and addressed to the party as stated above.

15. Miscellaneous Provisions.

- a. INDEPENDENT CONTRACTOR. The parties shall perform all obligations under this Agreement as independent contractors; neither party nor its employees shall be considered employees, partners or agents of the other, nor shall they or their employees be entitled to any benefits, insurance, pension, or workers' compensation as an employee of the other.
- b. ASSIGNMENT. The Contractor shall not assign or transfer any interest in this Agreement without obtaining the prior written approval of the City.
- c. SUBCONTRACTS TO THE AGREEMENT. No party shall enter into a subcontract for any of the services performed under this Agreement without obtaining the prior written approval of the other party.
- d. WRITTEN AMENDMENTS. This Agreement may be modified only by a written amendment or addendum that has been executed and approved by the appropriate officials shown on the signature page of this Agreement.
- e. REQUIRED APPROVALS. Neither the Contractor nor the City is bound by this Agreement until it is approved by the appropriate officials shown on the signature page of this Agreement.
- f. ARTICLE CAPTIONS. The captions appearing in this Agreement are for convenience only and are not a part of this Agreement; they do not in any way limit or amplify the provisions of this Agreement.
- g. SEVERABILITY. If any provision of this Agreement is determined to be unenforceable or invalid, such determination shall not affect the validity of the other provisions contained in this Agreement. Failure to enforce any provision of this Agreement does not affect the rights of the parties to enforce such provision in another

circumstance, nor does it affect the rights of the parties to enforce any other provision of this Agreement at any time.

- h. FEDERAL, STATE AND LOCAL REQUIREMENTS. The Contractor is responsible for full compliance with all applicable federal, state, and local laws, rules and regulations.
- i. NO BENEFIT FOR THIRD PARTIES. The services to be performed by the City pursuant to this Agreement are intended solely for the benefit of the parties, and no benefit is conferred hereby, nor is any contractual relationship established herewith, upon or with any person or entity not a party to this Agreement. No such person or entity shall be entitled to rely on the performance of services hereunder, and no right to assert a claim against the City or the Contractor, its officers, employees, agents or contractors shall accrue to the Contractor or to any subcontractors, independently retained professional consultant, supplier, fabricator, manufacturer, lender, tenant, insurer, surety or any other third party as a result of this Agreement or the performance or non-performance of the services hereunder.
- j. NON-RELIANCE OF PARTIES. Parties explicitly agree that they have **not** relied upon any earlier or outside representations other than what has been included in this Agreement. Furthermore, neither party has been induced to enter into this Agreement by anything other than the specific written terms set forth herein.
- k. FORCE MAJEURE. Neither party shall be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Agreement due to causes beyond its reasonable control, and performance times shall be considered extended for a period of time equivalent to the time lost because of such delay plus a reasonable period of time to allow the parties to recommence performance of their respective obligations hereunder. Should a circumstance of force majeure last more than ninety (90) days, either party may by written notice to the other terminate this Agreement. The term "force majeure" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections, riots, landslides, earthquakes, fires, storms, tornadoes, droughts, floods, explosions, breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of either party.
- l. EEO/AA. The City of Knoxville is an EE/AA/Title VI/Section 504/ ADA/ADEA Employer.
- m. GOVERNING LAW AND VENUE. This Agreement shall be governed and construed in accordance with the laws of the State of Tennessee. Any action for breach



of this Agreement or to enforce or nullify any provision of this agreement shall be instituted only in a court of appropriate jurisdiction in Knox County, Tennessee.

- n. ENTIRE AGREEMENT. This Agreement forms the entire Agreement between the City and the Contractor. Any prior representations, promises, agreements, oral or otherwise, between the parties, which are not embodied in this writing, shall be of no force or effect.

IN WITNESS WHEREOF, the City and Contractor have executed this Agreement in two (2) copies as of the below-written date.

APPROVED AS TO FORM:

CITY OF KNOXVILLE

\_\_\_\_\_  
CHARLES W. SWANSON  
LAW DIRECTOR

BY: \_\_\_\_\_  
INDYA KINCANNON  
MAYOR

DATE: \_\_\_\_\_

FUNDS CERTIFIED:

KNOXVILLE CBID  
MANAGEMENT CORPORATION

\_\_\_\_\_  
BOYCE H. EVANS  
FINANCE DIRECTOR

BY: \_\_\_\_\_  
MICHELLE HUMMEL  
EXECUTIVE DIRECTOR

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*-The City of Knoxville is an EEO/AA/Title VI/Section 504/ADA/ADEA Employer-*