



Annual Report for 2021

Downtown Association of Fairbanks and the Downtown Association of Fairbanks Community Services

The Downtown Association of Fairbanks formed in 1979 to serve its members as a 501c4 nonprofit corporation. After realizing that an Association needs to also serve charitable purposes and community needs in downtown's revitalization, the Downtown Association formed a subsidiary 501c3 corporation, the Downtown Association of Fairbanks Community Services in 2006. Today, these corporations encourage downtown's improvement to benefit the Fairbanks community, advocate for city services and public and private investment downtown, and host major community events like the Midnight Sun Festival and Solstice Fireworks Downtown. In a public health/public safety connection, the Downtown Association is an important funding partner with the City of Fairbanks to provide the Community Service Patrol program.

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The last 12 months were devoted to recovering lost revenue streams such that the Downtown Association could continue operating. Membership dues rebounded some over 2020 levels, gaming revenues stabilized and event revenues returned to pre-pandemic levels. With the near-recovery in revenues, the Downtown Association kept working to improve the business climate downtown in ways available to us, so that downtown is a vital, energetic, attractive center of business and community.

Successes in 2021:

- Due to our work with the City of Fairbanks on formalizing Downtown Snow Removal Standards, the downtown core enjoyed a year of improved street snow removal operations during the 2020-2021, a period with above-average snowfall. Sidewalk snow removal – a task delegated by the city to businesses and individuals whose property fronts a sidewalk – is improving, too. *The storms of December 2021 brought unprecedented snowfall and as we start 2022, downtown's cross streets are as bad as they get, but the Standards provide a way to engage the city to improve this critical city service.*
- Continued as a financial partner with the City of Fairbanks to keep the Community Service Patrol working so that downtown and the community have a better (though not perfect) response to the intensive needs of chronically inebriated people found in public spaces
- Re-thought the Midnight Sun Festival in a Covid context and, with Denali State Bank as presenting sponsor, hosted a great event, very similar to the pre-pandemic version.
- Hosted for the 9th year the Solstice Fireworks Downtown with presenting sponsor Alyeska Pipeline Service Company. Sponsor GVEA added reindeer in Golden Heart Plaza and we coordinated with the Borough's Winter Lights Walk event to wrap it into our solstice celebration.
- Helped revive the Borough's stalled effort at writing a new economic development plan for downtown.
- Helped sustain momentum at the federal level for funding to demolish the moldering Polaris Hotel.
- In a similar vein, we supported the city's exercise of its chartered power to abate nuisance properties. We supported the City with respect to residential addresses on Front Street and Timberland Drive. Tearing down a condemned building is a very tough decision for some on city council, and the vote

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margin was close. If the city's painstaking efforts to document the need for abatement and to prepare the necessary actions had been defeated at city council, how could we expect the city to exercise the power to abate nuisance properties in the future?

Significant Housekeeping in 2021:

Ongoing efforts to restore the Downtown Association's gaming revenue. Since 1979, the Downtown Association has derived some part of its revenue from gaming (bingo and pull tabs). This "passive" income supported programming downtown for years, but gaming proceeds have declined over the last decade. After gaming proceeds got perilously close to zero in 2019, and then Covid struck, the Downtown Association took drastic steps to achieve better footing by combining its gaming permit with the six permittees at Youth Sports Bingo and moving in together at the former Wells Fargo building at 613 Cushman Street. Operating now as Golden Heart Bingo, all permittees enjoyed a modest return to gaming proceeds in 2021.

A too-full house. The Downtown Association of Fairbanks formed in 1979 to serve its members as a 501(c)(4) nonprofit corporation. In 2006 the Downtown Association formed a subsidiary 501(c)(3) nonprofit corporation, the Downtown Association of Fairbanks Community Services, to facilitate charitable programs needed in downtown's broader revitalization. Today, these two corporations encourage downtown's improvement to benefit the Fairbanks community.

We have long wondered if we need two corporations (and the extra expense) to do what we do. The need to economize in one corporation is clear: annual savings would be roughly \$10,000 if we had only one corporation (or 18% of annual non-personnel operating expenses). There is also an advantage to revenue when there's one corporation – the ability to present one Downtown Association and its programs on one sheet of paper, not having to split up what we do into separate fundraising efforts.

After studying whether or not we need two corporations, it seems that we don't. It appears that the 501(c)(3) Downtown Association of Fairbanks Community Services can do it all. But concerns arise about the different types and sources of income allowable under each corporation, the nature of all the work we do being allowed by the IRS in a single corporation, and lobbying: Can we still lobby as a 501(c)(3)?

It turns out that a 501(c)(3) can receive the broadest array of income: A 501(c)(3) can do everything we have been doing from two corporations, with considerable flexibility to grow: We don't lobby very much anyway. We advocate a lot and we educate, but that's different from lobbying. If we need to lobby for downtown, lobbying is allowed on a limited basis in a 501(c)(3).

After careful review, the Board of Directors has authorized and directed the Executive Director to proceed with dissolving the original 501(c)(4) corporation and to keep the newer 501(c)(3) corporation.

A quorum of the Downtown Association's membership, assembled at the 2021 annual meeting on December 8, confirmed the Board's direction by a straw poll. A motion or motions to approve all the completed necessary paperwork to effect this important structural change will be brought before a special meeting of the membership as a next step this Spring.

A consideration for members: You are all presently members of the Downtown Association of Fairbanks (501(c)(4)). Your member dues payments and donations may be *business deductions*. As members of a "new" Downtown Association of Fairbanks (as a single 501(c)(3) corporation), your member dues and donations may be *tax-deductible*.