

**Topeka Development Corporation Board of Directors Meeting Minutes  
February 11, 2025.**

The Topeka Development Corporation (TDC) Board of Directors met at 5:00 p.m. with the following Board of Directors present: Karen Hiller, Sylvia Ortiz, David Banks, Brett Kell, Neil Dobler, Spencer Duncan and Michelle Hoferer -7. Board President Michael Padilla presided -1. Absent: Directors Christina Valdivia-Alcala and Marcus Miller -2.

Public comment for the meeting was available via Zoom or in-person. Individuals were required to contact the City Clerk's Office at 785-368-3940 or via email at [cclerk@topeka.org](mailto:cclerk@topeka.org) by no later than 4:00 p.m. on February 11, 2025, after which the City Clerk's Office provided the Zoom link information and protocols prior to the meeting start time. Written public comment was also considered to the extent it was personally submitted at the meeting or to the City Clerk's Office located at 215 SE 7th Street, Room 166, Topeka, Kansas, 66603 or via email at [cclerk@topeka.org](mailto:cclerk@topeka.org) on or before February 11, 2025.

**APPROVAL of the January 14, 2025 Minutes.**

Board Vice President Dobler moved to approve the minutes. The motion seconded by Director Banks carried unanimously on voice vote. (8-0-0)

Director Banks moved to recess into executive session not to exceed 10 minutes to discuss data relating to financial affairs or trade secrets of one or more corporations as allowed under K.S.A. 75-4319(b)(4). The open meeting resumed in the City Council Chambers. The following individuals were necessary to assist the Board in its deliberations, City Manager Perez and other individuals the TDC Board finds useful. The motion was seconded by Director Hoferer.

Board President Padilla asked all those in favor of recessing into executive session to indicate so by verbally saying "yea" and those opposing to indicate so verbally by saying "no." The motion carried unanimously on voice vote. (8-0-0)

Director Miller joined the meeting remotely during the executive session.

The meeting reconvened into open session and Board President Padilla announced no action was taken during the executive session.

**APPROVAL of an additional funding request in the amount \$71,449 for operations and maintenance of Hotel Topeka contingent upon Governing Body approval of the transfer of the funds to the Topeka Development Corporation.**

Director Valdivia-Alcala joined the meeting remotely.

Braxton Copley, Project Manager, provided an overview of the funding request and asked the Board for approval.

Director Kell inquired on occupancy rates.

Project Manager Copley reported in January 2025 there were weeks with single digit occupancy and on February 8, 9 and 10, 2025, the occupancy ranged from 45-60 room bookings per night. He announced Hotel Staff continues to promote the hotel and was successful in booking a larger event in 2026.

Board Vice President Dobler moved to approve an additional funding request in the amount \$71,449 for operations and maintenance of Hotel Topeka contingent upon Governing Body approval of the transfer of the funds to the Topeka Development Corporation. The motion seconded by Director Duncan carried on voice vote. Directors Valdivia-Alcala, Ortiz and Banks voted “no.” (7-3-0)

**DISCUSSION regarding the creation of a Community Improvement District (CID) and/or a Tax Increment Financing (TIF) District for Hotel Topeka.**

Braxton Copley, Project Manager, provided an overview of the proposals to include the total cost of the purchase price, interest fees on the three-year temporary notes, all expenses including legal fees and implementing a Community Improvement District (CID) imposing a 2% retail sales tax at Hotel Topeka for the purpose of recouping funds. He reported RevPAR International created a financial model based on the property being completely rehabilitated and operating as a Hilton DoubleTree with a payback period of 17 years for \$9.8 Million and 19 years for \$11.3 Million. He noted the City could potential capture any additional Transient Guest Tax funds (TGT) over and above 30%. He reported City staff has applied to the CID Review Committee; however, it was the decision of the Board to move forward with the proposal as well as if they should take any action to adjust TGT funding allocations. He noted they will not reach the anticipated numbers if the hotel was not rehabilitated.

Amanda Stanley, City Attorney, clarified the City’s CID requires the TDC Board to approve submitting a CID application to the Review Committee so they can move forward with the process. She stated there have been discussions about some of the various proposals possibly needing to create a Tax Increment Finance (TIF) District. She stated the Board could direct City Staff to start the process of creating a TIF District at this time in the absence of a project for the purpose of speeding up the process in the future.

Board Vice President Dobler clarified that CID and TGT funds would be allocated to the City. He asked if the TIF could be used for improvements inside the hotel or only outside the footprint of the hotel; and if the TIF could be used for the purchase price of the hotel.

City Attorney Stanley stated TIF could only be used outside the footprint of the hotel as well as for the purchase price of the hotel.

Director Valdivia-Alcala asked Staff to define the purpose of a CID; if signage would be required in the CID District; and if the CID District would remain if the hotel was sold. She also asked Staff to explain how TGT dollars work; how much would be used to reimburse taxpayers; and how a TIF District works.

In response, City Attorney Stanley reported the following:

- A Community Improvement District (CID) would be an area surrounding the hotel as determined by the Governing Body. All purchases made at the hotel (the point of sale) would have an extra 2% sales tax charged to each transaction that would revert back to the City to pay for expenses.
- The Governing Body would consider an amendment to the City's CID policy at the February 18, 2025, Governing Body meeting that would require signage in a CID District.
- Staff was proposing the CID remain even if the hotel was sold.
- Transient Guest Tax (TGT) was a tax that was charged for particular purposes as allowed by the State of Kansas to generate "heads on beds" on all individuals using the hotel. The City's TGT Charter Ordinance must be amended if the Board would like to assess a specific new TGT amount for room rentals and the hotel.
- In regard to reimbursement of TGT dollars, it would be the decision of the Governing Body; however, Staff was recommending TGT dollars be recaptured completely by the City to reimburse the taxpayers for hotel expenses.
- TIF under State law allows a city to set a base tax year of what property was appraised and then capture the incremental growth due to redevelopment or improvement of properties to reimburse as an economic development incentive for up to 20 years – all for the purpose of an increased tax value.

Director Duncan questioned if it would be advantageous to set up incentive districts contingent on the sale of the hotel property.

City Attorney Stanley reported the most advantageous incentive district would be establish a TIF District prior to the sale of the hotel property as well as establish a CID in order to start collecting the additional 2% sales tax as soon as established.

Director Hoferer asked if the Manor Conference Center would be considered part of the hotel as it relates to the 2% CID. She asked for an update on completed hotel repairs.

City Attorney Stanley reported the current operating agreement states that the point of sale has to be considered from the hotel not the Manor Conference Center and she would encourage the Board to negotiate any future CID sales tax incentives.

Project Manager Copley reported the actuator work has been completed, the chiller has been reconstructed, a new drive has been installed for the service elevator, and the drive repair on the passenger elevator would be covered under warranty.

Director Hiller clarified that 100% of the 2% CID would be returned to the City and would not have an impact on other tax revenue streams. She inquired on the amount of TGT dollars that would be generated and asked Staff to confirm if the City would capture increased increments of TGT funds if the hotel was rehabilitated.

City Attorney Stanley stated it would be the decision of the Governing Body; however, State laws caps CIDs at 2%.

Project Manager Copley reported the City would capture increased TGT increments based on the rehabilitation of the hotel.

Director Kell moved to direct Staff to proceed with the process of applying for a CID. The motion seconded by Board Vice President Dobler carried on voice vote. Directors Valdivia-Alcala and Banks voted “no.” (8-2-0)

**CONSIDERATION of engaging an engineering consultant to prepare documents necessary to claim a refund of retail sales tax on the water, gas and electric utilities used for the guest rooms.**

Braxton Copley, Project Manager, reported the total estimated refund of sales tax for electric, gas and water would be approximately \$50,000. He stated the Consultant was proposing the City pay all engineering fees in the amount of \$5,000; all travel expenses in the amount of \$750; and in return the Consultant would participate in a cost sharing range of 5% to 10%. He stated Staff counter offered a revised proposal to include a cost share revenue ratio percent of 20/80 as well as they would make a payment of \$3,000 for engineering fees. He noted, the proposed refund the City would expect to receive was approximately \$40,000 and the consultant would receive approximately \$10,000 along with \$3,000 of engineering fees and travel fees paid upfront. He stated it was also estimated it would save the Hotel approximately \$15,000 annually. He reported the Consultant has not performed work in Kansas; however, they have performed acceptable work in other states for GF Hotels. He stated Staff was recommending the Board pursue the proposal.

Board Vice President Dobler confirmed that any hotel could apply for this type of refund.

Director Hiller questioned why Hotel Staff could not provide the numbers instead of hiring an engineering consultant.

Project Manager Copley stated it was his understanding it requires an engineer to draft the study because they need to determine what portion of electric, water and gas energy was being used by the guest rooms compared to the kitchen and common areas.

Director Duncan questioned why other hotels were not taking advantage of the exemption.

Dr. Robert M. Perez, City Manager, reported the City has received these types of the request from the Downtown Ramanda Inn.

Board Vice President Dobler moved to engage a consultant to conduct the activity and pay the \$3,000 fee from the operations budget. The motion seconded by Board President Padilla carried on voice vote. Directors Valdivia-Alcala, Ortiz, Banks and Duncan voted “no.” (6-4-0)

**DISCUSSION regarding the capital funds request for the ADA sidewalk and other site improvements at Hotel Topeka.** *(Continued discussion from the January 14, 2025, TDC Board Meeting.)*

Braxton Copley, Project Manager, reported Shawnee County was not interested in participating in the cost sharing of the ADA sidewalk. He stated the TDC Board could (1) authorize the full amount of \$125,062 which means they need an additional amount of \$142,338 as identified in the proposed resolution; or (2) remove the ADA compliant sidewalk in the amount of \$78,000 from the project cost leaving needed approval of approximately \$198,000 total project cost with a delta of approximately \$78,000 to move forward with the project and allow a future owner to construct at a later date the ADA compliant sidewalk. He noted this would allow them to address the uneven sidewalk panels that are causing a trip area as well as the damage on the loading dock. He stated they are seeking guidance from the Board on how to proceed.

Director Hoferer referenced the upcoming improvement project along Topeka Boulevard and asked if any of the needed repairs would be included in the project.

Project Manager Copley reported it was his belief the Topeka Boulevard project would not impact the needed repairs of the ADA compliant sidewalk; however, there was an 8-foot-wide missing section of the shared use path that will need to be repaired.

Director Duncan moved to defer the funding request until the next TDC Board meeting. The motion seconded by Board Vice President Dobler carried unanimously on voice vote. (10-0-0)

NO FURTHER BUSINESS APPEARING the meeting was adjourned at 5:53 p.m.