

TOPEKA DEVELOPMENT CORPORATION
BOARD OF DIRECTORS
AGENDA
June 11, 2024 – 5:00 p.m. to 6:00 p.m.
City of Topeka, Kansas

Board of Directors:

Michael A. Padilla, President
Neil Dobler, Vice President
Karen A. Hiller, Secretary
Michelle Hoferer, Treasurer
Christina Valdivia-Alcala, Director

Sylvia E. Ortiz, Director
David Banks, Director
Brett D. Kell, Director
Marcus D.L. Miller, Director
Spencer Duncan, Director

Addressing the Board of Directors: Public comment for the meeting will be available In-person or via Zoom. Individuals must contact the City Clerk's Office at 785-368-3940 or via email at cclerk@topeka.org by no later than 4:00 p.m. on the meeting date after which the City Clerk's Office will provide Zoom link information and protocols prior to the meeting. View the meeting online at <https://www.topeka.org/communications/live-stream/> or at <https://www.facebook.com/cityoftopeka/>. If you do not have access to a viewing option, please contact the City Clerk at 785-368-3940 or email cclerk@topeka.org to make arrangements for an in person location.

Written public comment may also be considered to the extent it is 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 on or before the meeting date.

If you need any accommodations for the meeting, please contact the City ADA Coordinator at 785-368-4470. Kansas Relay Service at 800-766-3777. Please provide a 48 Hour Notice if possible. Assistive listening devices are available for use in the community forum.

Agendas are available in the City Clerk's Office, 215 SE 7th Street, Room 166, Topeka, Kansas, 66603 or on the City's website at <https://topekadevelopmentcorporation.com/>.

1. **CALL TO ORDER:**
2. **PLEDGE OF ALLEGIANCE:**
3. **ROLL CALL:**
4. **APPROVAL of May 7, 2024 meeting minutes.**
5. **REVIEW and EVALUATE the offers received to own and operate Hotel Topeka.**

(The Board will recess into Executive Session to discuss confidential offers for potential purchase pursuant to K.S.A. 75-4319(b)(4) allowing the discussion of financial affairs and trade secrets of a corporation.)

6. **APPROVAL of \$59,589.19 from the Unassigned Reserve Fund for the replacement of faulty smoke and fire damper actuators at Hotel Topeka contingent upon Governing Body approval of the transfer of the funds to the Topeka Development Corporation.**

(There are 36 sleeping rooms in Hotel Topeka with faulty fire and smoke damper actuators that need replaced.)

7. **APPROVAL of \$125,662 from the Unassigned Reserve Fund for site improvements identified in the Property Condition Assessment including ADA accessible route from Topeka Boulevard, sidewalk repairs to address trip hazards, and repairs to the loading dock including design and inspection contingent upon Governing Body approval of the transfer of the funds to the Topeka Development Corporation.**

8. **DISCUSSION regarding final results and conclusion for the audit for the 2023 financial statements of the Topeka Development Corporation, a component unit of the City of Topeka, Kansas.**

(Board Assistant Treasurer Ben Hart will present the Final Governance Letter and Financial Statement authorized by the Certified Public Accountants of AdamsBrown, LLC.)

9. **OTHER NEW BUSINESS:**

10. **PUBLIC COMMENT:**

Public comment for the meeting will be available In-person or via Zoom. Individuals must contact the City Clerk's Office at 785-368-3940 or via email at cclerk@topeka.org by no later than 4:00 p.m. on the date of the meeting, after which the City Clerk's Office will provide Zoom link information and protocols prior to the meeting. Written public comment may also be considered to the extent it is submitted at the meeting or personally to the City Clerk's Office located at 215 SE 7th Street, Room 166, Topeka, Kansas, 66603 or via email at cclerk@topeka.org on or before the date. View the meeting online at <https://www.topeka.org/communications/live-stream/> or at <https://www.facebook.com/cityoftopeka/>.

11. EXECUTIVE SESSION:

(Executive sessions will be scheduled as needed and may include topics such as personnel matters, considerations of acquisition of property for public purposes, potential or pending litigation in which the city has an interest, employer-employee negotiations and any other matter provided for in K.S.A. 75-4319.)

12. ADJOURNMENT

Topeka Development Corporation
Board of Directors

ITEM 4: May 7, 2024 TDC Meeting Minutes

Date: June 11, 2024

Contact Person: Brenda Younger, Assistant Board Secretary

**Topeka Development Corporation Board of Directors Meeting Minutes
May 7, 2024**

The Topeka Development Corporation (TDC) Board of Directors met in the City Council Chambers at 5:00 p.m. with the following Board of Directors present: Karen Hiller, Christina Valdivia-Alcala, Marcus D.L. Miller, Spencer Duncan and Michelle Hoferer -5. Board Vice President Neil Dobler presided -1. Absent: Board President Michael Padilla, Board of Directors Sylvia Ortiz, David Banks and Brett Kell, -4.

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 by no later than 4:00 p.m. on May 7, 2024, 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 on or before May 7, 2024.

PLEDGE OF ALLEGIANCE was cited by meeting participants.

APPROVAL of the April 9, 2024 Board Meeting Minutes.

Director Miller moved to approve the minutes. The motion seconded by Director Duncan carried unanimously on voice vote. (6-0-0)

REVIEW and EVALUATE the offers received to own and operate Hotel Topeka,

Vice President Dobler announced there was a need to recess into executive session. He asked Senior City Attorney Mullen to state the motion.

Mat Mullen, Senior City Attorney, stated the motion would be to recess into executive session for a time period not to exceed 30 minutes to discuss data relating to financial affairs or trade secrets of corporations confidential offers pursuant to K.S.A. 75-4319(b)(4). The open meeting will resume in the City Council Chambers. The following staff will be necessary to assist the Board of Directors in its deliberations Public Works Director Braxton Copley, Senior City Attorney Mat Mullen and any other staff the Board finds useful.

Director Duncan moved to recess into executive session as stated by Senior City Attorney Mullen. The motion was seconded by Director Hoferer.

Vice President Dobler asked all those in favor of recessing into executive session as stated by Senior City Attorney Mullen to indicate so verbally by saying "yea" and those opposing to indicate so verbally by saying "no." The motion carried unanimously on voice vote. (6-0-0)

At the conclusion of the executive session, the meeting reconvened into open session and Vice President Dobler announced no action was taken during the executive session; however, there was a need to continue the discussion in executive session.

Director Hoferer moved to recess into executive session for a time period not to exceed 10 minutes to continue discussion on data relating to financial affairs or trade secrets of corporations confidential offers pursuant to K.S.A. 75-4319(b)(4). The open meeting will resume in the City Council Chambers. The following staff will be necessary to assist the Board of Directors in its deliberations Public Works Director Braxton Copley, Senior City Attorney Mat Mullen and any other staff the Board finds useful. The motion was seconded by Director Hoferer.

Vice President Dobler asked all those in favor of recessing into executive session as stated by the Senior City Attorney to indicate so verbally by saying “yea” and those opposing to indicate so verbally by saying “no.” The motion carried unanimously on voice vote. (6-0-0)

At the conclusion of the executive session, the meeting reconvened into open session and Vice President Dobler announced no action was taken during the executive session.

Councilmember Ortiz joined the meeting remotely.

Councilmembers Banks and Kell entered the room.

APPROVAL of \$217,254 from the Unassigned Reserve Fund for chiller rehab at Hotel Topeka contingent upon Governing Body approval of the transfer of the funds to the Topeka Development Corporation.

Braxton Copley, Project Manager, reported the Policy and Finance City Council Committee recommended approval to authorize the use of \$217,254 to rehab the Trane Chiller at Hotel Topeka contingent upon Governing Body approval at the May 7, 2024 Governing Body meeting. He expressed the importance of repairing the Trane Chiller because there was only one chiller currently operational at Hotel Topeka and if it were to fail there would be no operational air conditioning system at the hotel.

Director Duncan moved to approve the allocation of \$217,254 from the Unassigned Reserve Fund for chiller rehab at Hotel Topeka contingent upon Governing Body approval of the transfer of the funds to the Topeka Development Corporation. The motion seconded by Director Miller carried. Directors Ortiz, Valdivia-Alcala and Banks voted “no.” (6-3-0)

DISCUSSION regarding the results of the 2023 Audit of Financial Statements of the Topeka Development Corporation, a component unit of the City of Topeka, Kansas.

Ben Hart, Board Treasurer, reported the external audit for the Topeka Development Corporation (TDC) Financial Statement ending December 31, 2023, has been completed and resulted in a clean audit opinion. He noted no comments were made regarding management or issues with the

audit itself. He reported the next step in the process would be to incorporate the TDC financial audit as a component unit of the City in the City of Topeka financial audit report to be presented to the TDC Board in June 2024.

NO FURTHER BUSINESS appearing the meeting adjourned at 5:50 p.m.

DRAFT

Topeka Development Corporation
Board of Directors

ITEM 5: Review & Evaluate Offers to Own/Operate Hotel Topeka

Date: June 11, 2024

Contact Person: Braxton Copley, Project Manager

No agenda attachments. The Board will recess into Executive Session to discuss confidential offers for potential purchase pursuant to K.S.A. 75-4319(b)(4) allowing the discussion of financial affairs and trade secrets of a corporation.

Topeka Development Corporation
Board of Directors

ITEM 6: \$59,589.19 Funding Request of Unassigned Reserve Funds

Date: June 11, 2024

Contact Person: Braxton Copley, Project Manager

Request of \$59,589.19 from the Unassigned Reserve Fund for the replacement of faulty smoke and fire damper actuators at Hotel Topeka contingent upon Governing Body approval of the transfer of the funds to the Topeka Development Corporation.

1 RESOLUTION NO. _____

2
3 A RESOLUTION introduced by the Policy and Finance Committee comprised of
4 Councilmembers Marcus Miller, Spencer Duncan and Michelle
5 Hoferer, authorizing the use of \$59,589.19 from the Unassigned
6 Reserve Fund for the replacement of faulty smoke and fire damper
7 actuators at Hotel Topeka.

8
9 WHEREAS, Resolution No. 9512 establishes a policy regarding Unassigned
10 Reserve Fund expenditures that requires Governing Body authorization; and

11 WHEREAS, there are 36 sleeping rooms in Hotel Topeka with faulty fire and smoke
12 damper actuators that need replaced; and

13 WHEREAS the Governing Body agrees with the need to replace the actuators.

14 NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE
15 CITY OF TOPEKA, KANSAS, that it authorizes \$59,589.19 from the Unassigned Reserve
16 Fund to replace faulty smoke and fire damper actuators in Hotel Topeka. This project
17 meets one or more of the conditions stated in Resolution No. 9512 for use of said funds.

18 ADOPTED and APPROVED by the Governing Body _____.

19
20 CITY OF TOPEKA, KANSAS

21
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25 _____
Michael Padilla, Mayor

26 ATTEST:

27
28
29
30 _____
31 Brenda Younger, City Clerk

Capital Request Form

Location

Hotel Topeka at City Center

Scope

Remove and replace faulty fire and smoke damper actuators from 36 sleeping rooms. Expand access panel opening and install new access panel to install new damper actuators. Patchwork for each room was requested in the estimate.

	Date	Vendor	Quote
Proposal #1		Johnson Controls/Benchmark	\$ 71,886.45
Proposal #2		Johnson Controls/Kelley	\$ 59,589.19
Proposal #3		Johnson Controls/RVS	\$ 92,667.56
Proposal #4		Johnson Controls/Murray & Sons	\$ 62,914.52
Proposal #5		P1 Service/Benchmark	\$ 80,256.10
Proposal #6		P1 Service/Kelley	\$ 67,958.84
Proposal #7		P1 Service/RVS	\$ 101,037.21
Proposal #8		P1 Service/Murray & Sons	\$ 71,284.17

Budget Not Budgeted Actual \$ 59,589.19

If Over Budget Why?

Make sure all proposals at attached

- Questions:**
- Do they have workers Compensation insurance
 - Copy of insurance with our entity additional insured
 - What is the warranty on the work performed

		Date
Approval:	Wayne Wazlawik	5/10/2024
	General Manager	
		Date
Approval:		
	Regional Director of Operations	
		Date
Approval:		

Capital Request Form

Location

Hotel Topeka at City Center

Scope

Remove and replace faulty fire and smoke damper actuators from 36 sleeping rooms. Expand access panel opening and install new access panel to install new damper actuators. Patchwork for each room was requested in the estimate.

	Date	Vendor	Quote
Proposal #1	5/2/2024	Johnson Controls	\$ 37,555.16
Proposal #2	5/7/2024	P1 Service, LLC	\$ 45,924.81
Proposal #3			
Proposal #4			
Proposal #5			
Proposal #6			
Proposal #7			
Proposal #8			

Approval:

Wayne Wazlaw	Date
	5/10/2024

General Manager

Approval:

	Date

Regional Director of Operations

Budget

Not Budgeted

Actual

\$	37,555.16
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Approval:

	Date

If Over Budget Why?

Capital Request Form

Location

Hotel Topeka at City Center

Scope

Remove and replace faulty fire and smoke damper actuators from 36 sleeping rooms. Expand access panel opening and install new access panel to install new damper actuators. Patchwork for each room was requested in the estimate.

- Proposal #1
- Proposal #2
- Proposal #3
- Proposal #4
- Proposal #5
- Proposal #6
- Proposal #7
- Proposal #8

Date	Vendor	Quote
5/8/2024	Benchmark Property Remodeling	\$ 34,331.29
5/8 & 5/9/2024	Kelley Construction	\$ 22,034.03
5/8/2024	RVS Drywall	\$ 55,112.40
5/10/2024	Murray and Sons Construction Co.	\$ 25,359.36

Approval:

Wayne Wazlawik	Date
5/10/2024	

General Manager

Approval:

	Date
--	------

Regional Director of Operations

Approval:

	Date
--	------

Budget Not Budgeted

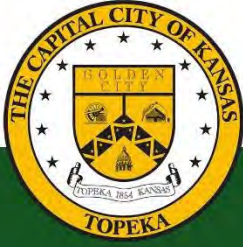
Actual \$ 22,034.03

If Over Budget Why?

Hotel Topeka Expense Summary

6/7/2024 8:11 PM

DATE	DESCRIPTION	AMOUNT	CATEGORY
12/1/2023	TOPHOTEL - SPRINKLERS	7,297.00	CAPITAL OUTLAY BLDING & IMPROV
12/1/2023	TOPHOTEL - ACTUATORS	19,106.09	CAPITAL OUTLAY BLDING & IMPROV
12/18/2023	DIRECTORS & OFFICERS PREMIUM	132.47	INSURANCE
12/31/2023	CORR TOPHOTEL - OP RESERVE	131,335.09	ADMINISTRATIVE COSTS
12/31/2023	TOP HOTEL - OPERATING RES #1	18,664.91	ADMINISTRATIVE COSTS
12/31/2023	TOP HOTEL - OPERATING RES #2	150,000.00	ADMINISTRATIVE COSTS
12/31/2023	TOP HOTEL OP RES ROUND	(0.09)	ADMINISTRATIVE COSTS
12/31/2023	CORR TOPHOTEL - LOCKS	90,661.82	CAPITAL OUTLAY BLDING & IMPROV
1/1/2024	DIRECTORS & OFFICERS PREMIUM	649.53	INSURANCE
4/3/2024	LED LLIGHTS 100W LMP#41013 14000LM	2,250.00	MAINT BLDG & GROUNDS
4/29/2024	5127UMB BANK NA	1,620.00	MAINT BLDG & GROUNDS
2/29/2024	OPS FUNDING REQUEST #2	227,355.00	ADMINISTRATIVE COSTS
3/31/2024	2024 TDC OPS TRSF #4	215,851.00	ADMINISTRATIVE COSTS
2/29/2024	CAPEX - STROBE HORN	632.46	CAPITAL OUTLAY BLDING & IMPROV
2/29/2024	TOPHOTEL - EMERGENCY WA EXTR	24,058.31	CAPITAL OUTLAY BLDING & IMPROV
3/31/2024	TOPHOTEL - BACKFLOW REPAIR	9,479.00	CAPITAL OUTLAY BLDING & IMPROV
3/31/2024	TOPHOTEL - DOOR LOCK SERVER	2,003.64	CAPITAL OUTLAY BLDING & IMPROV
3/28/2024	TOPHOTEL - PULL STATION	2,168.54	CAPITAL OUTLAY BLDING & IMPROV
3/28/2024	TOPHOTEL - DRYWALL	2,971.53	CAPITAL OUTLAY BLDING & IMPROV
4/16/2024	TOPHOTEL - VALVE REPLACEMENT	18,286.60	CAPITAL OUTLAY BLDING & IMPROV
5/14/2024	TOPHOTEL - VALVE REPLACEMENT	69,344.00	CAPITAL OUTLAY BLDING & IMPROV
5/22/2024	TOPHOTEL - AUDIT SERVICES	26,747.80	PROF-AUDIT/LEGAL
		1,020,614.70	TOTAL HOTEL DISBURSEMENTS
		500,000.00	Resolution 9478
		500,000.00	Resolution 9491
		500,000.00	Resolution 9516
		217,254.24	Resolution 9532 (Capital Expense-Chiller)
		1,717,254.24	GB APPROVED FUNDING
		1,717,254.24	GB APPROVED FUNDING
		1,020,614.70	TOTAL HOTEL DISBURSEMENTS
		402,505.43	PENDING REQUEST TOTAL
		294,134.11	REMAINING AUTHORITY
		770,735.71	Total Operating Expenditures
		249,878.99	Total Approved and Paid Capital Expenditures



CITY OF TOPEKA

City of Topeka Finance Department
215 SE 7th St, Rm 355
Topeka, KS 66603

budget@topeka.org
785-368-3970
www.topeka.org

To: Richard Nienstedt, Interim City Manager
From: Josh McAnarney, Budget Manager
Date: May 29, 2024
Re: Unassigned Reserve Fund Balance Update

Provided is the updated balance report for the City's Unassigned Reserve Fund. This document provides a comprehensive overview, including project names, requested amounts, approvals by both the full Governing Body and the Policy and Finance Committee, along with corresponding approval dates.

This report will eventually add project expenses as they are incurred, but no expenses have been recorded thus far, as approval was granted for the two approved projects just last week. Subsequent to the list of approved projects, you will find:

- Initial fund balance
- The amount approved by the full Governing Body (Please note: Only amounts approved by the full Governing Body are considered in this total; those approved solely by the Finance and Policy Committee are excluded)
- The remaining balance is derived from subtracting the approved amount from the initial fund balance
- The amount requested column indicates the amount that has been scheduled to present or has presented to the Policy and Finance Committee—which to date \$1,998,061

To summarize to date, the fund began with a balance of **\$11,706,274**. Following the approval of expenditures amounting to **\$1,207,254**, an unallocated balance of **\$10,499,020** remains.

Project Name	Project Number	Amount Requested	Amount Approved	Committee Approval	Approved?	Council Approval	GB Approved?
Hotel Operations Chiller	131999.00	\$ 217,254	\$ 217,254.24	4/26/2024	Y	5/7/2024	Yes
LMI Property Maintenance Rehab Funding	899091.00	\$ 200,000	\$ 200,000.00	4/26/2024	Y	5/21/2024	Yes
IT Network Switches	900054.00	\$ 790,000	\$ 790,000.00	4/26/2024	Y	5/7/2024	Yes
Hotel Operations Actuators	900070.00	\$ 59,589		6/11/2024			
Hotel Operations Site Improvements	900071.00	\$ 125,662		6/11/2024			
Fire Portable Radios	801015.00	\$ 605,556		6/11/2024			
Total		\$ 1,998,061.43	\$ 1,207,254.24				

Beginning Fund Balance \$ 11,706,274
Amount Approved by Full Governing Body \$ 1,207,254

Amount Remaining \$ **10,499,020**



HOTEL TOPEKA FIRE SMOKE DAMPER ACTUATORS
 Quote Prepared by John White
 05/03/2024



PROPOSAL

Account Information

Bill To: HOTEL TOPEKA AT CITY CENTER
 1717 SW TOPEKA BLVD
 TOPEKA KS
 USA 66612

Quote Reference Number: 1-1P1T9YLB

Project Name: HOTEL TOPEKA FIRE SMOKE DAMPER ACTUATORS

Site: HOTEL TOPEKA AT CITY CENTER
 1717 SW TOPEKA BLVD
 TOPEKA KS 66612-1410

Branch Info: JOHNSON CONTROLS KANSAS CITY MO CB - 0N42

Attn: Juan Lim

Customer Information

Name: Juan Lim

This proposal is hereby accepted and Johnson Controls is authorized to proceed with the work, subject to credit approval By Johnson Controls, Inc. Milwaukee, WI.
 We propose to furnish the materials and/or perform the work below for the net price of: \$34,344.00

This proposal is valid through: 06/02/2024

HOTEL TOPEKA AT CITY CENTER

Johnson Controls Inc.

Signature: _____
 Name: _____
 Title: _____
 Date: _____
 PO: _____

Signature: _____
 Name: _____
 Title: _____
 Date: _____

Proposal Overview

Benefits/Scope of Work:

Furnish and install quantity of 36 new fire smoke damper actuators for 120 volt application.

Excludes any associated ceiling work or ceiling repair.

Exclusions:

- 1.Labor or material not specifically described above is excluded from this proposal.
- 2.Unless otherwise stated, any and all overtime labor is excluded from this proposal.
- 3.Applicable taxes or special freight charges are excluded from this proposal

(IMPORTANT): This proposal incorporates by reference the terms and conditions which are attached to this document. All work is to be performed Monday through Friday during normal Johnson Controls, Inc. (JCI) business hours unless otherwise noted. This proposal, or any accepted alternates, are hereby accepted by Customer, and JCI is authorized to proceed with the work; subject, however, to credit approval by JCI, Milwaukee, Wisconsin.

TERMS AND CONDITIONS

By accepting this proposal, Customer agrees to be bound by the following terms and conditions:

1. SCOPE OF WORK. This proposal is based upon the use of straight time labor only. Plastering, patching, and painting are excluded. Disinfecting of chiller condenser and cooling tower water systems and components for biohazards, such as but not limited to Legionella, are excluded unless otherwise specifically stated in this agreement. In-line duct and piping devices, including, but not limited to valves, dampers, humidifiers, wells, taps, flow meters, orifices, etc., if required hereunder to be furnished by JCI, shall be distributed and installed by others under JCI's supervision but at no additional cost to JCI. Customer agrees to provide JCI with required field utilities (electricity, toilets, drinking water, project hoist, elevator service, etc.) without charge. JCI agrees to keep the job site clean of debris arising out of its own operations. Customer shall not back charge JCI for any costs or expenses without JCI's written consent. Unless specifically noted in the statement of the scope of work or services undertaken by JCI under this agreement, JCI's obligations under this agreement expressly exclude any language or provision of the agreement elsewhere contained which may authorize or empower the Customer to change, modify, or alter the scope of work or services to be performed by JCI and shall not operate to compel JCI to perform any work relating to Hazards or Biohazards, such as but not limited to Legionella, without JCI's express written consent.

2. INVOICE AND PAYMENTS. JCI may invoice Customer monthly for all materials delivered to the job site or to an off-site storage facility and for all work performed on-site and off-site. Customer shall pay JCI at the time Customer signs this agreement an advance payment equal to [10%] of the contract price, which advance payment shall be credited against the final payment (but not any progress payment) due hereunder. Unless otherwise agreed to by the parties, payment is due to JCI upon Customer's receipt of JCI's invoice. Such payment is a condition precedent to JCI's obligation to perform any work under this agreement. Invoices shall be paid by Customer via electronic delivery via EFT/ACH. Invoicing disputes must be identified by Customer in writing within 21 days of the date of the invoice. Payment of any disputed amounts are due and payable upon resolution of such dispute. Customer acknowledges and agrees that timely payments of the full amounts listed on invoices is an essential term of this Agreement and Customer's failure to make payment in full when due is a material breach of this Agreement. Customer further acknowledges that if there is any amount outstanding on an invoice; it is material to JCI and will give JCI, without prejudice to any other right or remedy, the right to, without notice: (i) suspend, discontinue or terminate performing any services and/or withhold further deliveries of equipment and other materials, terminate or suspend any unpaid software licenses, and/or suspend JCI's obligations under or terminate this Agreement; and (ii) charge Customer interest on the amounts unpaid at a rate equal to the lesser of one and one half (1.5) percent per month or the maximum rate permitted under applicable law, until payment is made in full. JCI's election to continue providing future services does not, in any way diminish JCI's right to terminate or suspend services or exercise any or all rights or remedies under this Agreement. JCI shall not be liable for any damages, claims, expenses, or liabilities arising from or relating to suspension of services for non-payment. In the event that there are exigent circumstances requiring services or the JCI otherwise performs services at the premises following suspension, those services shall be governed by the terms of this Agreement unless a separate contract is executed. If Customer disputes any late payment notice or JCI's efforts to collect payment. Customer shall immediately notify JCI in writing and explain the basis of the dispute. Customer will pay all of JCI's reasonable collection costs (including legal fees and expenses). In the event of Customer's default, the balance of any outstanding amounts will be immediately due and payable. Lien waivers will be furnished upon request, as the work progresses, to the extent payments are received.

3. MATERIALS. If the materials or equipment included in this proposal become temporarily or permanently unavailable for reasons beyond the control and without the fault of JCI, then in the case of such temporary unavailability, the time for performance of the work shall be extended to the extent thereof, and in the case of permanent unavailability, JCI shall (a) be excused from furnishing said materials or equipment, and (b) be reimbursed for the difference between the cost of the materials or equipment permanently unavailable and the cost of a reasonably available substitute therefore.

4. EQUIPMENT WARRANTY. JCI warrants that equipment manufactured or labeled by JCI shall be free from defects in material and workmanship arising from normal usage for a period of one year. No warranty is provided for third-party products and equipment installed or furnished by JCI. Such products and equipment are provided with the third party manufacturer's warranty to the extent available, and JCI will transfer the benefits, together with all limitations, of that manufacturer's warranty to Customer. All transportation charges incurred in connection with the warranty for equipment and/or materials not installed by JCI shall be borne by Customer. These warranties shall not extend to any equipment that has been abused, altered, misused or repaired by Customer or third parties without the supervision of and prior written approval of JCI, or if JCI serial numbers or warranty date decals have been removed or altered. Customer must promptly report any failure of the equipment to JCI in writing. Unless agreed to in writing by the parties, any technical support, assistance, or advice ("Technical Support") provided by JCI, such as suggestions as to design use and suitability of the equipment and products for the Customer's application, is provided in good faith, but Customer acknowledges and agrees that JCI is not the designer, engineer, or installer of record. Any Technical Support is provided for informational purposes only and shall not be construed as a representation or warranty, express or implied, concerning the proper selection, use, and/or application of the equipment and products. Customer assumes exclusive responsibility for determining if the equipment and products supplied by JCI are suitable for its intended application and all risk and liability, whether based in contract, tort or otherwise, in connection with its application and use of the equipment and products.

5. LIMITED WARRANTY. JCI warrants its workmanship or that of its agents (Technicians) in relation to installation of equipment for a period of ninety (90) days from date of installation. Customer shall bear all labor costs associated with replacement of failed equipment still under JCI's equipment warranty or the original manufacturer's warranty, but outside the terms of this express labor warranty. All warranty labor shall be executed on normal business days during JCI normal business hours. These warranties do not extend to any equipment which has been repaired by others, abused, altered, or misused in any way, or which has not been properly and reasonably maintained. THESE WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO THOSE OF MERCHANTABILITY AND FITNESS FOR A SPECIFIC PURPOSE. UNDER NO CIRCUMSTANCES SHALL JCI BE LIABLE FOR ANY SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES ARISING FROM OR RELATING TO ANY DEFECT IN MATERIAL OR WORKMANSHIP OF EQUIPMENT OR THE PERFORMANCE OF SERVICES. JCI makes no and specifically disclaims all representations or warranties that the services, products, software or third party product or software will be secure from cyber threats, hacking or other similar malicious activity, or will detect the presence of, or eliminate, treat, or mitigate the spread, transmission, or outbreak of any pathogen, disease, virus or other contagion, including but not limited to COVID 19.

6. LIABILITY. To the maximum extent permitted by law, in no event shall JCI and its affiliates and their respective personnel, suppliers and vendors ("JCI Parties") be liable to you or any third party under any cause of action or theory of liability even if advised of the possibility of such damages, for any: (a) special, incidental, consequential, punitive, or indirect damages; (b) lost profits, revenues, data, customer opportunities, business, anticipated savings, or goodwill; (c) business interruption; or (d) data loss or other losses arising from viruses, ransomware, cyber-attacks or failures or interruptions to network systems. In any case, the entire aggregate liability of the JCI Parties under this proposal for all damages, losses, and causes of action (whether in contract, tort (including negligence), or

otherwise) shall be limited to the amounts payable to JCI hereunder.

7. FAR. JCI supplies "commercial items" within the meaning of the Federal Acquisition Regulations (FAR), 48 CFR Parts 1-53. As to any customer order for a U.S. Government contract, JCI will comply only with those mandatory flow-downs for commercial item and commercial services subcontracts listed either at FAR 52.244-6, or 52.212-5(e)(1), as applicable.

8. TAXES. The price of this proposal does not include duties, sales, use, excise, or other taxes, unless required by federal, state, or local law. Customer shall pay, in addition to the stated price, all taxes not legally required to be paid by JCI or, alternatively, shall provide JCI with acceptable tax exemption certificates. JCI shall provide Customer with any tax payment certificate upon request and after completion and acceptance of the work.

9. DELAYS. JCI shall not be liable for any delay in the performance of the work resulting from or attributed to acts of circumstance beyond JCI's control, including but not limited to; acts of God, fire, riots, labor disputes, conditions of the premises, acts or omissions of the Customer, Owner, or other Contractors or delays caused by suppliers or subcontractors of JCI, etc.

10. COMPLIANCE WITH LAWS. JCI shall comply with all applicable federal, state, and local laws and regulations, and shall obtain all temporary licenses and permits required for the prosecution of the work. Licenses and permits a permanent nature shall be procured and paid for by the Customer.

11. PRICING. JCI may increase prices upon notice to the Customer to reflect increases in material and labor costs. Prices for products covered by this Agreement may be adjusted by JCI, upon notice to Customer at any time prior to shipment and regardless of Customer's acceptance of JCI's proposal or quotation, to reflect any increase in JCI's cost of raw materials (e.g., steel, aluminum) inability to secure Products, changes or increases in law, labor, taxes, duties, tariffs or quotas, acts of government, any similar charges, or to cover any extra, unforeseen and unusual cost elements. This Agreement is entered into with the understanding that the services to be provided by JCI are not subject to any local, state, or federal prevailing wage statute. If it is later determined that local, state, or federal prevailing wage rates apply to the services to be provided by JCI, JCI reserves the right to issue a modification or change order to adjust the wage rates to the required prevailing wage rate. Customer agrees to pay for the applicable prevailing wage rates.

12. DISPUTES. JCI shall have the sole and exclusive right to determine whether any dispute, controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be submitted to a court of law or arbitrated. The laws of Delaware shall govern the validity, enforceability, and interpretation of this Agreement, without regard to conflicts of law principles thereof, and the exclusive venue for any such litigation or arbitration shall be in Milwaukee, Wisconsin. The parties waive any objection to the exclusive jurisdiction of the specified forums, including any objection based on forum non conveniens. In the event the matter is submitted to a court, JCI and Customer hereby agree to waive their right to trial by jury. In the event the matter is submitted to arbitration by JCI, the costs of arbitration shall be borne equally by the parties, and the arbitrator's award may be confirmed and reduced to judgment in any court of competent jurisdiction. If JCI prevails in any collection action. Buyer will pay all of JCI's reasonable collection costs (including legal fees and expenses). Except as provided below, no claim or cause of action, whether known or unknown, shall be brought by either party against the other more than one year after the claim first arose. Claims not subject to the one-year limitation include claims for unpaid: (1) contract amounts, (2) change order amounts (approved or requested) and (3) delays and/or work inefficiencies.

13. INSURANCE. Insurance coverage in excess of JCI's standard limits will be furnished when requested and required. No credit will be given or premium paid by JCI for insurance afforded by others.

14. INDEMNITY. The Parties hereto agree to indemnify each other from any and all liabilities, claims, expenses, losses or damages, including attorney's fees which may arise in connection with the execution of the work herein specified and which are caused, by the negligent act or omission of the indemnifying Party.

15. CUSTOMER RESPONSIBILITIES. Customer is solely responsible for the establishment, operation, maintenance, access, security and other aspects of its computer network ("Network") and shall supply JCI secure Network access for providing its services. Products networked, connected to the internet, or otherwise connected to computers or other devices must be appropriately protected by Customer and/or end user against unauthorized access. Customer is responsible to take appropriate measures, including performing back-ups, to protect information, including without limit data, software, or files (collectively "Data") prior to receiving the service or products.

16. FORCE MAJUERE: JCI shall not be liable, nor in breach or default of its obligations under this Agreement, for delays, interruption, failure to render services, or any other failure by JCI to perform an obligation under this Agreement, where such delay, interruption or failure is caused, in whole or in part, directly or indirectly, by a Force Majeure Event. A "Force Majeure Event" is a condition or event that is beyond the reasonable control of JCI, whether foreseeable or unforeseeable, including, without limitation, acts of God, severe weather (including but not limited to hurricanes, tornados, severe snowstorms or severe rainstorms), wildfires, floods, earthquakes, seismic disturbances, or other natural disasters, acts or omissions of any governmental authority (including change of any applicable law or regulation), epidemics, pandemics, disease, viruses, quarantines, or other public health risks and/or responses thereto, condemnation, strikes, lock-outs, labor disputes, an increase of 5% or more in tariffs or other excise taxes for materials to be used on the project, fires, explosions or other casualties, thefts, vandalism, civil disturbances, insurrection, mob violence, riots, war or other armed conflict (or the serious threat of same), acts of terrorism, electrical power outages, interruptions or degradations in telecommunications, computer, network, or electronic communications systems, data breach, cyber-attacks, ransomware, unavailability or shortage of parts, materials, supplies, or transportation, or any other cause or casualty beyond the reasonable control of JCI. If JCI's performance of the work is delayed, impacted, or prevented by a Force Majeure Event or its continued effects, JCI shall be excused from performance under the Agreement. Without limiting the generality of the foregoing, if JCI is delayed in achieving one or more of the scheduled milestones set forth in the Agreement due to a Force Majeure Event, JCI will be entitled to extend the relevant completion date by the amount of time that JCI was delayed as a result of the Force Majeure Event, plus such additional time as may be reasonably necessary to overcome the effect of the delay. To the extent that the Force Majeure Event directly or indirectly increases JCI's cost to perform the services, Customer is obligated to reimburse JCI for such increased costs, including, without limitation, costs incurred by JCI for additional labor, inventory storage, expedited shipping fees, trailer and equipment rental fees, subcontractor fees, compliance with vaccination requirements or other costs and expenses incurred by JCI in connection with the Force Majeure Event.

17. SAFETY, HEALTH AND HAZARDOUS MATERIALS. The Parties hereto agree to notify each other immediately upon becoming aware of an inspection under, or any alleged violation of the, Occupational Safety and Health Act relating in any way to the project or project site. ACM /Hazardous Materials: Customer shall supply JCI with any information in its possession relating to the presence of asbestos-containing materials ("ACM") or hazardous materials at any of its facilities where JCI's undertakes any Work or Services that may result in the disturbance of ACM or hazardous materials. JCI shall not be responsible for abatement and/or removal and disposal of hazardous materials or ACM. If either Customer or JCI becomes aware of or suspects the presence of ACM or hazardous materials that may be disturbed by JCI's Work or Services, JCI shall immediately stop all work until such ACM or hazardous or unsafe condition is rectified by Owner and Owner so notifies JCI in writing that work can safely be resumed, based on test conducted by a licensed testing organization. Timetables for delivery of JCI's products or services and the contract price shall be adjusted appropriately for any associated delay.

18. ONE-YEAR CLAIMS LIMITATION. No claim or cause of action, whether known or unknown, shall be brought against JCI more than one year after the claim first arose. Except as provided for herein, JCI's claims must also be brought within one year. Claims for unpaid contract amounts are not subject to the one-year limitation.

19. DIGITAL ENABLED SERVICES.; DATA. If JCI provides Digital Enabled Services under this Agreement, these Digital Enabled Services require the collection, transfer and ingestion of building, equipment, system time series, and other data to JCI's cloud-hosted software applications. Customer consents to and grants JCI right to collect, ingest and use such data to enable JCI and its affiliates and agents to provide, maintain, protect, develop and improve the Digital Enabled Services and JCI products and services. Customer acknowledges that, while Digital Enabled Services generally improve equipment performance and services, Digital Enabled Services do not prevent all potential malfunction, insure against all loss, or guarantee a certain level of performance. Customer shall be solely responsible for the establishment, operation, maintenance, access, security and other aspects of its computer network ("Network"), shall appropriately protect hardware and products connected to the Network and will supply JCI secure Network access for providing its Digital Enabled Services. As used herein, "Digital Enabled Services" mean services provided hereunder that employ JCI software and related equipment installed at Customer facilities and JCI cloud-hosted software offerings and tools to improve, develop, and enable such services. Digital Enabled Service may include, but are not limited to, (a) remote servicing and inspection, (b) advanced equipment fault detection and diagnostics, and (c) data dashboarding and health reporting. If Customer accesses and uses Software that is used to provide the Digital Enabled Services, the Software Terms (defined below) will govern such access and use.

20. JCI DIGITAL SOLUTIONS. Use, implementation, and deployment of the software and hosted software products ("Software") offered under these terms shall be subject to, and governed by, JCI's standard terms for such Software and Software related professional services in effect from time to time at www.johnsoncontrols.com/techterms (collectively, the "Software Terms"). Specifically, the JCI General EULA set forth at www.johnsoncontrols.com/buildings/legal/digital/generaleula governs access to and use of software installed on Customer's premises or systems and the JCI Terms of Service set forth at www.johnsoncontrols.com/buildings/legal/digital/generaltos govern access to and use of hosted software products. The applicable Software Terms are incorporated herein by this reference. Other than the right to use the Software as set forth in the Software Terms, JCI and its licensors reserve all right, title, and interest (including all intellectual property rights) in and to the Software and improvements to the Software. The Software that is licensed hereunder is licensed subject to the Software Terms and not sold. If there is a conflict between the other terms herein and the Software Terms, the Software Terms shall take precedence and govern with respect to rights and responsibilities relating to the Software, its implementation and deployment and any improvements thereto. Notwithstanding any other provisions of this Agreement, unless otherwise agreed, the following terms apply to Software that is provided to Customer on a subscription basis (i.e., a time limited license or use right), (each a "Software Subscription"): Each Software Subscription provided hereunder will commence on the date the initial credentials for the Software are made available (the "Subscription Start Date") and will continue in effect until the expiration of the subscription term noted in the applicable statement of work, order or other applicable ordering document. At the expiration of the Software Subscription, such Software Subscription will automatically renew for consecutive one (1) year terms (each a "Renewal Subscription Term"), unless either party provides the other party with a notice of non-renewal at least ninety (90) days prior to the expiration of the then-current term. To the extent permitted by applicable law, Software Subscriptions purchases are non-cancelable, and the sums paid nonrefundable. Fees for Software Subscriptions shall be paid annually in advance, invoiced on the Subscription Start Date and each subsequent anniversary thereof. Customer shall pay all invoiced amounts within thirty calendar days after the date of invoice. Payments not made within such time period shall be subject to late charges as set forth in the Software Terms. Unless otherwise agreed by the parties in writing, the subscription fee for each Renewal Subscription Term will be priced at JCI's then-applicable list price for that Software offering. Any use of Software that exceeds the scope, metrics or volume set forth in this Agreement and applicable SOW will be subject to additional fees based on the date such excess use began.

21. Privacy. JCI as Processor: Where JCI factually acts as Processor of Personal Data on behalf of Customer (as such terms are defined in the DPA) the terms at www.johnsoncontrols.com/dpa ("DPA") shall apply. **JCI as Controller:** JCI will collect, process and transfer certain personal data of Customer and its personnel related to the business relationship between it and Customer (for example names, email addresses, telephone numbers) as controller and in accordance with JCI's Privacy Notice at <https://www.johnsoncontrols.com/privacy>. Customer acknowledges JCI's Privacy Notice and strictly to the extent consent is mandatorily required under applicable law, Customer consents to such collection, processing and transfer. To the extent consent to such collection, processing and transfer by JCI is mandatorily required from Customer's personnel under applicable law, Customer warrants and represents that it has obtained such consent.

22. ASSIGNMENT. This Agreement is not assignable by the Customer except upon written consent of JCI first being obtained. JCI shall have the right to assign this Agreement, in whole or in part, or to subcontract any of its obligations under this Agreement without notice to Customer.

23. TERMINATION. If JCI's performance of its obligations becomes impracticable due to obsolescence or unavailability of systems, equipment, or products (including component parts and/or materials) or because the JCI or its supplier(s) has discontinued the manufacture or the sale of the equipment and/or products or is no longer in the business of providing the services, JCI may terminate this Agreement, or the affected portions, at its sole discretion upon notice to Customer. JCI may terminate this Agreement, or the affected portions, at its sole discretion upon notice to the Customer if JCI's performance of its obligations are prohibited because of changes in applicable laws, regulations or codes.

24. ENTIRE AGREEMENT. This proposal, upon acceptance, shall constitute the entire agreement between the parties and supersedes any prior representations or understandings. Customer acknowledges and agrees that any purchase order issued by Customer in connection with this Agreement is intended only to establish payment authority for Customer's internal accounting purposes and shall not be considered to be a counteroffer, amendment, modification, or other revision to the terms of this Agreement. No term or condition included or referenced in Customer's purchase order will have any force or effect and these terms and conditions shall control. Customer's acceptance of any Services shall constitute an acceptance of these terms and conditions. Any proposal for additional or different terms, whether in Customer's purchase order or any other document, unless expressly accepted in writing by JCI, is hereby objected to and rejected.

25. CHANGES. No change or modification of any of the terms and conditions stated herein shall be binding upon JCI unless accepted by JCI in writing.

CUSTOMER ACCEPTANCE

In accepting this Agreement, Customer agrees to the terms and conditions contained herein including those on the following page(s) of this Agreement and any attachments or riders attached hereto that contain additional terms and conditions. It is understood that these terms and conditions shall prevail over any variation in terms and conditions on any purchase order or other document that Customer may issue. Any changes requested by Customer after the execution of this Agreement shall be paid for by the Customer and such changes shall be authorized in writing. **ATTENTION IS DIRECTED TO THE LIMITATION OF LIABILITY, WARRANTY, INDEMNITY AND OTHER CONDITIONS CONTAINED IN THIS AGREEMENT.**

Pricing is based upon the following billing and payment terms: Invoices will be delivered via email, payment due upon receipt, and invoices are to be paid via ACH bank transfer. Johnson Controls ACH/EFT bank transfer details will be forth coming upon contractual agreement.

This offer shall be void if not accepted in writing within thirty (30) days from the date first set forth above.

To ensure that JCI is compliant with your company's billing requirements, please provide the following information:

PO is required to facilitate billing: NO: This signed contract satisfies a requirement
 YES: Please reference this PO Number: _____

AR Invoices are accepted via e-mail: YES: E-mail address to be used: _____
 NO: Please submit invoices via mail NO: Please submit via _____



May 8, 2024

Kelley Construction
2548 NW Button Rd
Topeka, KS 66618

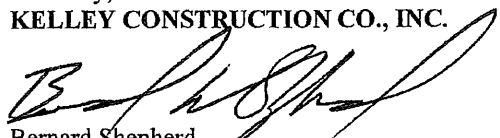
Ref.: Hotel Topeka Access Doors

Dear Sirs,

Kelley Construction is proposing to provide and install a total of 36-12"x18" access doors in the ceilings of select rooms for the sum of \$11,150.00. The work will include cutting out the drywall, reworking the framing as needed and installing the new access door. We do not include drywall finishes or painting. We will clean up debris from our work. This quote is good for 30 days.

If you have any questions, please feel free to contact us.

Sincerely,
KELLEY CONSTRUCTION CO., INC.


Bernard Shepherd
Project Manager

P.O. Box 750256
Topeka, KS 66675
Tel (785) 235 6040
Fax (785) 235 3305
kelley-construction.com



Wayne Wazlawik

From: bshepherd@kelley-construction.com
Sent: Thursday, May 9, 2024 3:54 PM
To: Wayne Wazlawik
Subject: RE: Hotel Topeka Access Doors

Wayne,

The cost to repair the ceiling around our work to include drywall repair, texture, and paint would be \$250 per room.

Bernard Shepherd
Project Manager



Kelley Construction Co., Inc.
P.O. Box 750256
2548 NW Button Road
Topeka, Kansas 66675
785/235-6040 fax: 785/235-3305 cell: 785/221-3086
www.kelley-construction.com

From: Wayne Wazlawik <Wazlawik@gfhotels.com>
Sent: Thursday, May 9, 2024 3:37 PM
To: bshepherd@kelley-construction.com
Subject: RE: Hotel Topeka Access Doors

Thank you for submitting your proposal. If you had to patch, retexture or paint some areas, how much would that be per room?

Thank you.

*Wayne A. Wazlawik
General Manager
Hotel Topeka at City Center
1717 SW Topeka Blvd.
Topeka, KS 66612
Phone: (785) 431-4725
Fax: (785) 232-8379*



HOTEL TOPEKA HOTEL TOPEKA HOTEL TOPEKA

1717 SW TOPEKA BLVD. TOPEKA, KS 66612

TEL: 785.431.4725 FAX: 785.232.8379

WWW.HOTELTOPEKA.COM

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HOTEL TOPEKA AT CITY CENTER

1717 SW TOPEKA BLVD. TOPEKA, KS 66612

TEL: 785.431.4725 FAX: 785.232.8379

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From: bshepherd@kelley-construction.com <bshepherd@kelley-construction.com>
Sent: Wednesday, May 8, 2024 3:45 PM
To: Wayne Wazlawik <Wazlawik@gfhotels.com>
Subject: Hotel Topeka Access Doors

Bernard Shepherd
Project Manager



Kelley Construction Co., Inc.
P.O. Box 750256
2548 NW Button Road
Topeka, Kansas 66675
785/235-6040 fax: 785/235-3305 cell: 785/221-3086
www.kelley-construction.com

Topeka Development Corporation
Board of Directors

ITEM 7: \$125,662 Funding Request of Unassigned Reserve Funds

Date: June 11, 2024

Contact Person: Braxton Copley, Project Manager

Request \$125,662 from the Unassigned Reserve Fund for site improvements identified in the Property Condition Assessment including ADA accessible route from Topeka Boulevard, sidewalk repairs to address trip hazards, and repairs to the loading dock including design and inspection contingent upon Governing Body approval of the transfer of the funds to the Topeka Development Corporation.

1 RESOLUTION NO. _____

2
3 A RESOLUTION introduced by the Policy and Finance Committee comprised of
4 Councilmembers Marcus Miller, Spencer Duncan and Michelle
5 Hoferer, authorizing the use of \$125,662 from the Unassigned
6 Reserve Fund for site improvements at Hotel Topeka.
7

8 WHEREAS, Resolution No. 9512 establishes a policy regarding Unassigned
9 Reserve Fund expenditures that requires Governing Body authorization; and

10 WHEREAS, there's a need for site improvements at Hotel Topeka; and

11 WHEREAS, the Governing Body agrees with the need for these improvements.

12 NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE
13 CITY OF TOPEKA, KANSAS, that it authorizes \$125,662 from the Unassigned Reserve
14 Fund for site improvements including an ADA accessible path with sidewalks and ramps,
15 loading dock repairs and sidewalk repairs at Hotel Topeka. This project meets one or more
16 of the conditions stated in Resolution No. 9512 for use of said funds.

17 ADOPTED and APPROVED by the Governing Body _____.

18
19 CITY OF TOPEKA, KANSAS

20
21
22
23 _____
24 Michael Padilla, Mayor

25 ATTEST:

26
27
28
29 _____
30 Brenda Younger, City Clerk

Capital Request Form

Location

Hotel Topeka at City Center

Scope

This is for construction of handicap accessible walkway from Topeka Boulevard to hotel, repairs to the existing sidewalk on the exterior of the building and repairs to the existing loading dock on the north side of the hotel. An engineering scope and fee of \$15,000, a contingency fee of 10% and taxes are included in the estimate.

	Date	Vendor	Quote
Proposal #1	5/22/2024	Cook, Flatt & Strobel	\$ 125,662.00
Proposal #2			
Proposal #3			

Budget Actual \$ 125,662.00

If Over Budget Why?

Make sure all proposals at attached
Questions: Do they have workers Compensation insurance
 Copy of insurance with our entity additional insured
 What is the warranty on the work performed

Approval:
 General Manager

Approval:
 Regional Director of Operations

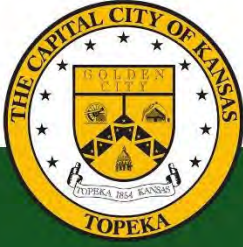
Approval:
 TDC Executive Director

Approval:
 TDC President

Hotel Topeka Expense Summary

6/7/2024 8:11 PM

DATE	DESCRIPTION	AMOUNT	CATEGORY
12/1/2023	TOPHOTEL - SPRINKLERS	7,297.00	CAPITAL OUTLAY BLDING & IMPROV
12/1/2023	TOPHOTEL - ACTUATORS	19,106.09	CAPITAL OUTLAY BLDING & IMPROV
12/18/2023	DIRECTORS & OFFICERS PREMIUM	132.47	INSURANCE
12/31/2023	CORR TOPHOTEL - OP RESERVE	131,335.09	ADMINISTRATIVE COSTS
12/31/2023	TOP HOTEL - OPERATING RES #1	18,664.91	ADMINISTRATIVE COSTS
12/31/2023	TOP HOTEL - OPERATING RES #2	150,000.00	ADMINISTRATIVE COSTS
12/31/2023	TOP HOTEL OP RES ROUND	(0.09)	ADMINISTRATIVE COSTS
12/31/2023	CORR TOPHOTEL - LOCKS	90,661.82	CAPITAL OUTLAY BLDING & IMPROV
1/1/2024	DIRECTORS & OFFICERS PREMIUM	649.53	INSURANCE
4/3/2024	LED LLIGHTS 100W LMP#41013 14000LM	2,250.00	MAINT BLDG & GROUNDS
4/29/2024	5127UMB BANK NA	1,620.00	MAINT BLDG & GROUNDS
2/29/2024	OPS FUNDING REQUEST #2	227,355.00	ADMINISTRATIVE COSTS
3/31/2024	2024 TDC OPS TRSF #4	215,851.00	ADMINISTRATIVE COSTS
2/29/2024	CAPEX - STROBE HORN	632.46	CAPITAL OUTLAY BLDING & IMPROV
2/29/2024	TOPHOTEL - EMERGENCY WA EXTR	24,058.31	CAPITAL OUTLAY BLDING & IMPROV
3/31/2024	TOPHOTEL - BACKFLOW REPAIR	9,479.00	CAPITAL OUTLAY BLDING & IMPROV
3/31/2024	TOPHOTEL - DOOR LOCK SERVER	2,003.64	CAPITAL OUTLAY BLDING & IMPROV
3/28/2024	TOPHOTEL - PULL STATION	2,168.54	CAPITAL OUTLAY BLDING & IMPROV
3/28/2024	TOPHOTEL - DRYWALL	2,971.53	CAPITAL OUTLAY BLDING & IMPROV
4/16/2024	TOPHOTEL - VALVE REPLACEMENT	18,286.60	CAPITAL OUTLAY BLDING & IMPROV
5/14/2024	TOPHOTEL - VALVE REPLACEMENT	69,344.00	CAPITAL OUTLAY BLDING & IMPROV
5/22/2024	TOPHOTEL - AUDIT SERVICES	26,747.80	PROF-AUDIT/LEGAL
		1,020,614.70	TOTAL HOTEL DISBURSEMENTS
		500,000.00	Resolution 9478
		500,000.00	Resolution 9491
		500,000.00	Resolution 9516
		217,254.24	Resolution 9532 (Capital Expense-Chiller)
		1,717,254.24	GB APPROVED FUNDING
		1,717,254.24	GB APPROVED FUNDING
		1,020,614.70	TOTAL HOTEL DISBURSEMENTS
		402,505.43	PENDING REQUEST TOTAL
		294,134.11	REMAINING AUTHORITY
		770,735.71	Total Operating Expenditures
		249,878.99	Total Approved and Paid Capital Expenditures



CITY OF TOPEKA

City of Topeka Finance Department
215 SE 7th St, Rm 355
Topeka, KS 66603

budget@topeka.org
785-368-3970
www.topeka.org

To: Richard Nienstedt, Interim City Manager
From: Josh McAnarney, Budget Manager
Date: May 29, 2024
Re: Unassigned Reserve Fund Balance Update

Provided is the updated balance report for the City's Unassigned Reserve Fund. This document provides a comprehensive overview, including project names, requested amounts, approvals by both the full Governing Body and the Policy and Finance Committee, along with corresponding approval dates.

This report will eventually add project expenses as they are incurred, but no expenses have been recorded thus far, as approval was granted for the two approved projects just last week. Subsequent to the list of approved projects, you will find:

- Initial fund balance
- The amount approved by the full Governing Body (Please note: Only amounts approved by the full Governing Body are considered in this total; those approved solely by the Finance and Policy Committee are excluded)
- The remaining balance is derived from subtracting the approved amount from the initial fund balance
- The amount requested column indicates the amount that has been scheduled to present or has presented to the Policy and Finance Committee—which to date \$1,998,061

To summarize to date, the fund began with a balance of **\$11,706,274**. Following the approval of expenditures amounting to **\$1,207,254**, an unallocated balance of **\$10,499,020** remains.

Project Name	Project Number	Amount Requested	Amount Approved	Committee Approval	Approved?	Council Approval	GB Approved?
Hotel Operations Chiller	131999.00	\$ 217,254	\$ 217,254.24	4/26/2024	Y	5/7/2024	Yes
LMI Property Maintenance Rehab Funding	899091.00	\$ 200,000	\$ 200,000.00	4/26/2024	Y	5/21/2024	Yes
IT Network Switches	900054.00	\$ 790,000	\$ 790,000.00	4/26/2024	Y	5/7/2024	Yes
Hotel Operations Actuators	900070.00	\$ 59,589		6/11/2024			
Hotel Operations Site Improvements	900071.00	\$ 125,662		6/11/2024			
Fire Portable Radios	801015.00	\$ 605,556		6/11/2024			
Total		\$ 1,998,061.43	\$ 1,207,254.24				

Beginning Fund Balance \$ 11,706,274
Amount Approved by Full Governing Body \$ 1,207,254

Amount Remaining \$ **10,499,020**



May 17, 2024

Cook, Flatt & Strobel Engineers
2930 SW Woodside Drive
Topeka, Kansas 66614
(785) 272-4706 Office
(785) 272-4736 Fax

Wayne Wazlawik
Hotel Topeka at City Center
1717 SW Topeka Blvd.
Topeka, KS 66612

Re: Hotel Topeka at City Center

cfse.com

Dear Wayne:

Other Offices:
Lawrence, Kansas
Holton, Kansas
Kansas City, Kansas
Kansas City, Missouri
Springfield, Missouri
Jefferson City, Missouri

We propose to furnish professional design, survey and engineering services Hotel Topeka at City Center in Topeka, KS (hereinafter called the "project").

The proposed scope of services and fee proposal are as follows, contractual details and other pertinent information can be included upon your acceptance of the proposal:

Site Survey	\$2,500.00
Civil Construction Plans (Site/Utilities/Grading).....	\$7,000.00
Bidding Phase.....	\$2,500.00
Construction Administration/Inspection	<u>\$3,000.00</u>
TOTAL LUMP SUM FEE.....	\$15,000.00

Payment will be made monthly based on progress invoices prepared by CFS. CFS will begin services promptly after the receipt of your acceptance of this proposal.

Board of Directors
Kenneth M. Blair, P.E.
Kevin K. Holland, P.E.
Daniel W. Holloway, P.E.
Lance W. Scott, P.E.
Sabin A. Yañez, P.E.

If there are protracted delays exceeding one year for reasons beyond our control, we would expect to renegotiate with you the basis for our compensation in order to take into consideration changes in price indices and pay scales applicable to the period when services are in fact being rendered.

Provided this proposal is satisfactory, please date, sign below and return to our office.

Senior Associates:
Aaron J. Gaspers, P.E.
Michelle L. Mahoney, P.E.
Michael J. Morrissey, P.E.
Todd R. Polk, P.E.
Lucas W. Williams, P.E.

The opportunity to provide this service to you is appreciated.

Respectfully,
Cook, Flatt and Strobel Engineers, P.A.

Kevin Holland, P.E.
Senior Vice President

Associates:
Jimmy L. Adams, CWI
Adam M. McEachron, P.E.
Casey Moore, I.E.
Gene E. Petersen, P.E.

Accepted this _____ day of _____, 2024

Hotel Topeka at City Center

By: _____
Authorized Agent

Hotel Topeka at City Center

CFS

Cook, Flatt & Strobel

ENGINEERS, P.A.
2930 SW Woodside Drive
Topeka, KS 66614

Preliminary Estimate

Item	Description	Quantity	Units	Engineer's Estimate	
				Unit Cost	Total Cost
1	Sidewalk from Topeka Boulevard 410 LF (5' Sidewalk) @\$8/SF 4 Handicap Ramps Earthwork Seeding	1	L.S.	\$ 41,000.00	\$ 41,000
2	Sidewalk Repairs	800	S.F.	\$ 20.00	\$ 16,000
3	Dock/Paving Repairs	1	L.S.	\$ 35,000.00	\$ 35,000
				Subtotal	\$ 92,000
				Taxes (9.35%)	\$ 8,602
				Subtotal	\$ 100,602
	Engineering	1	L.S.	\$ 15,000.00	\$ 15,000
	Contingencies			10%	\$ 10,060
				TOTAL	\$ 125,662

Topeka Development Corporation
Board of Directors

ITEM 8: 2023 TDC Financial Statements

Date: June 11, 2024

Contact Person: Ben Hart, Assistant Board Treasurer

The final results and conclusion for the audit for the 2023 financial statements of the Topeka Development Corporation, a component unit of the City of Topeka, Kansas.

April 30, 2024

To the Management and the Board of Directors
Topeka Development Corporation
Topeka, Kansas

We have audited the financial statements of **Topeka Development Corporation** for the period ended December 31, 2023, and have issued our report thereon dated April 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 18, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by **Topeka Development Corporation** are described in Note 1 to the financial statements. We noted no transactions entered into by the Organization during the period for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

Topeka Development Corporation

Page 2

April 30, 2024

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 30, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

There were no changes to our initial assessment of risks of material misstatements to the financial statements, which were communicated to you in our letter dated January 18, 2024.

Audit Recommendations

We wish to communicate to the governing body recommendations that we discussed with management to improve operational or administrative efficiencies and for improving internal control.

- Currently, journal entry review is not documented. We recommend journal entries be reviewed monthly and signed off on by the Director of Finance. Journal entries made by the Director of Finance should be reviewed by the City Manager or other designated person.

We will review the status of these items during our next audit engagement. We have already discussed many of these items and suggestions with the appropriate personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

INTERNAL CONTROLS

In planning and performing our audit of the financial statements of **Topeka Development Corporation** as of and for the period ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered **Topeka Development Corporation's** system of internal control over financial reporting (internal control) as a basis for designing auditing procedures

Topeka Development Corporation

Page 3

April 30, 2024

that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We would like to express our appreciation for the opportunity to perform the December 31, 2023 audit for **Topeka Development Corporation** and to the employees for the cooperation and assistance given to us during the audit.

Restriction on Use

This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.



ADAMSBROWN, LLC

Certified Public Accountants

Wichita, Kansas

TOPEKA DEVELOPMENT CORPORATION

Financial Statements With Independent Auditors' Report

For the Period Ended December 31, 2023

TOPEKA DEVELOPMENT CORPORATION
Financial Statements With Independent Auditors' Report
For the Period Ended December 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Topeka Development Corporation
Topeka, Kansas

Opinion

We have audited the accompanying financial statements of **Topeka Development Corporation**, a component unit of City of Topeka, Kansas, which comprise the statement of net position as of December 31, 2023, and the related statements of revenues, expenses and change in net position and cash flows for the period from inception (October 18, 2023) to December 31, 2023, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of **Topeka Development Corporation**, as of December 31, 2023, and the changes in its net position and cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Topeka Development Corporation**, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Topeka Development Corporation's** ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives 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 to issue an auditors' report that includes our opinion. 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 generally accepted auditing standards will always detect a material misstatement when it exists. 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, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Topeka Development Corporation's** internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Topeka Development Corporation's** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management, discussion, and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.



ADAMSBROWN, LLC
Certified Public Accountants
Wichita, Kansas

April 30, 2024

TOPEKA DEVELOPMENT CORPORATION
Statement of Net Position
December 31, 2023

<u>ASSETS</u>	
Current Assets	
Cash and Cash Equivalents	\$ 495,566
Accounts Receivable, Net	14,165
Inventory	24,186
Prepaid Expenses and Other Assets	<u>100,979</u>
Total Current Assets	<u>634,896</u>
Capital Assets	
Building	7,287,977
Accumulated Depreciation	<u>(60,733)</u>
Net Capital Assets	<u>7,227,244</u>
Total Assets	<u>\$ 7,862,140</u>
<u>LIABILITIES</u>	
Current Liabilities	
Trade Accounts Payable	\$ 253,783
Other Payables	13,474
Accrued Payroll	24,053
Deposits Received	<u>34,626</u>
Total Current Liabilities	<u>325,936</u>
<u>NET POSITION</u>	
Invested in Capital Assets, Net of Related Debt	7,227,244
Unrestricted	<u>308,960</u>
Total Net Position	<u>7,536,204</u>
Total Liabilities and Net Assets	<u>\$ 7,862,140</u>

The accompanying notes are an integral part of the financial statements.

TOPEKA DEVELOPMENT CORPORATION
Statement of Revenues, Expenses and Change in Net Position
For the Period Ended December 31, 2023

<u>REVENUES</u>	
Operating Revenues	
Charges for Services	
Room	\$ 318,621
Restaurant	24,776
Banquet	92,769
Other	8,371
	<u>444,537</u>
Total Operating Revenue	444,537
<u>EXPENSES</u>	
Operating Expenses	
Payroll and Compensation Expense	
Room	91,769
Food and Beverage	23,581
Restaurant	20,461
Banquet	28,219
Administrative and General	38,506
Sales and Marketing	30,888
Repairs and Maintenance	40,429
	<u>273,853</u>
Total Payroll and Compensation Expense	273,853
Professional Services	
Room	16,858
Food and Beverage	5,855
Administrative and General	27,952
IT	23,362
Sales and Marketing	17,942
Repairs and Maintenance	4,447
	<u>96,416</u>
Total Professional Services	96,416
Supplies	
Room	13,916
Food and Beverage	46,405
Other	2,893
Administrative and General	3,922
IT	1,233
Repairs and Maintenance	25,067
Utilities	69,154
Fixed	108,417
	<u>271,007</u>
Total Supplies	271,007
Depreciation	<u>60,733</u>
Total Operating Expenses	702,009
Net Operating Loss (carried forward)	\$ (257,472)

The accompanying notes are an integral part of the financial statements.

TOPEKA DEVELOPMENT CORPORATION
Statement of Revenues, Expenses and Change in Net Position
For the Period Ended December 31, 2023

Net Operating Loss (carried forward)		\$ <u>(257,472)</u>
<u>NON OPERATING REVENUES (EXPENSES)</u>		
Interest Income		21
Interest Expense and Finance Charges		<u>(14,867)</u>
Net Nonoperating Revenues (Expenses)		<u>(14,846)</u>
Loss Before Contributions		<u>(272,318)</u>
Capital Contributions		
Initial Capital Contribution		7,391,457
Other Capital Contribution		<u>417,065</u>
Total Capital Contributions		<u>7,808,522</u>
Change in Net Position		7,536,204
Net Position Beginning of Period		<u>-</u>
Net Position End of Period		<u>\$ 7,536,204</u>

The accompanying notes are an integral part of the financial statements.

TOPEKA DEVELOPMENT CORPORATION
Statement of Cash Flows
For the Period Ended December 31, 2023

Cash Flows From Operating Activities	
Hotel Services	\$ 458,131
Payments to Suppliers	<u>(364,784)</u>
Net Cash Provided by Operating Activities	<u>93,347</u>
Cash Flows From Capital and Capital Related Financing Activities	
Capital Contributions Received	417,065
Interest Expense and Finance Charges	<u>(14,867)</u>
Net Cash Provided by Capital and Capital Related Financing Activities	<u>402,198</u>
Cash Flows from Investing Activities	
Interest Income	<u>21</u>
Net Increase in Cash and Cash Equivalents	495,566
Cash and Cash Equivalents - Beginning of Year	<u>-</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 495,566</u></u>
Supplemental Disclosure	
Noncash Capital Grants and Contributions Received	\$ 7,391,457
Reconciliation of Net Operating Loss to Net Cash Provided by Operating Activities	
Net Operating Loss	\$ (257,472)
Adjustments to Reconcile Net Operating Loss to Net Cash Provided by Operating Activities	
Depreciation	60,733
(Increase) Decrease in	
Accounts Receivable	3,374
Inventory	5,371
Prepaid Expenses	36,333
Increase (Decrease) in	
Accounts Payable	197,663
Other Payables	13,072
Accrued Payroll and Benefits	24,053
Deposits Received	<u>10,220</u>
Net Cash Provided by Operating Activities	<u><u>\$ 93,347</u></u>

The accompanying notes are an integral part of the financial statements.

TOPEKA DEVELOPMENT CORPORATION
Notes to Financial Statements
December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Topeka Development Corporation (the Organization) was incorporated on October 18, 2023, as a nonprofit organization for the exclusive benefit of City of Topeka, Kansas, in particular to aid, assist and foster the planning, designing, development, supervision, acquisition, construction, furnishing, equipping, management, operation and improvement of a convention center hotel in City of Topeka, Kansas. The Organization is a blended component unit of City of Topeka, Kansas and shares the same governing body as City of Topeka, Kansas. The Organization has no component units of its own.

Basis of Accounting

The accounting and reporting policies of the Organization, relating to the programs included in the accompanying financial statements, conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles (GAAP) for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governments (GASB 34 Edition).

The Organization's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. For financial statement reporting purposes, the Organization is considered a special-purpose government engaged only in business-type activities and consists of one proprietary fund.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include checking accounts.

Accounts Receivable, Net

Accounts receivables are recorded when services are rendered and are primarily related to credit card payments. There was no allowance for uncollectable accounts at year end.

Prepaid Expenses and Inventory

Payments made to vendors for goods or services that will benefit periods beyond the current year are recorded as inventory or prepaid expenses.

Capital Assets

Capital assets are defined by the Organization as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of two years or greater. These assets are valued at historical cost, estimated historical cost if actual cost is not available, and estimated acquisition value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The sale or disposal of capital assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

TOPEKA DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2023

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful life for the building is 20 years.

Net Position

The Organization's net position is classified as follows:

Invested in capital assets, net of related debt: This represents the Organization's total investment in capital assets, net of outstanding debt obligations related to those capital assets.

Unrestricted net position: The Organization receives various funds from organizations and hotel guests which are available for use at the discretion of the Organization.

Hotel Service Revenue

The Organization operates a full service hotel. Hotel revenues are recognized when services or goods have been rendered and it has a legal and enforceable right to receive payment. Hotel service revenues primarily consist of room rentals and restaurant and banquet charges.

Income Taxes

The Organization is exempt from federal income taxes on related income under Section 501(a) of the Internal Revenue Code (IRC), as an Organization described in IRC Section 501(c)(3). Further, the Organization has been classified as an Organization that is not a private foundation under IRC Section 509(a) and, as such, contributions to the Organization qualify for deduction as charitable contributions. However, income generated from activities unrelated to the Organization's exempt purpose is subject to tax under IRC Section 511. The Organization did not have any material unrelated business income tax liability for the period ended December 31, 2023.

Management Agreement

The Organization has contracted with TOKS Associates LLC to manage the operations of Hotel Topeka at City Center. The management agreement commenced on October 31, 2023, and was renewed for an additional six months on December 31, 2023. The agreement will automatically renew for an additional six months indefinitely until either party provides notice of termination of the agreement.

The Organization will pay a management fee equal to the greater of 3% of total revenues, or \$7,500 per month, provided that the total fee for any full fiscal year is not less than \$120,000. If, at the end of any full fiscal year, the total of the monthly installments is less than \$120,000, the Organization shall pay TOKS Associates LLC an amount equal to the difference. The Organization will also pay TOKS Associates LLC an accounting fee of \$1,500 per month.

All hotel employees are employees of TOKS Associates LLC and, as such, the Organization has no direct employees and no pension obligations.

For the period ended December 31, 2023, the Organization paid total management fees of \$17,572 and total accounting fees of \$3,050.

Budgetary Information

The Organization is not subject to legal annual operating budget requirements and, therefore, has not included any budgetary information in these financial statements.

NOTE 2 – CASH

Deposits

K.S.A. 9-1401 establishes the depositories which may be used by **Topeka Development Corporation**. The

TOPEKA DEVELOPMENT CORPORATION
Notes to Financial Statements
December 31, 2023

statute requires banks eligible to hold the Organization's funds have a main or branch bank in the county in which the Organization is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Organization has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Organization's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Organization has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

State statutes place no limit on the amount the Organization may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Organization's deposits may not be returned to it. State statutes require the Organization's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The Organization does not use "peak periods". All deposits were not legally secured at December 31, 2023. At December 31, 2023, the Organization's carrying amount of deposits and cash on hand was \$495,566 and the bank balance was \$415,807. Of the bank balance, \$400,021 was covered by federal depository insurance and \$15,786 was unsecured.

Cash balances at December 31, 2023 were as follows:

Demand Deposit – U.S. Bank	\$	150,021	
Demand Deposit – Bank of America		340,545	
Petty Cash on Hand		5,000	
Total Cash	\$	495,566	

NOTE 3 – CAPITAL ASSETS

The following is a summary of changes in capital asset for the period ended December 31, 2023.

		<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Depreciable Capital Assets					
Building	\$	-	7,287,977	-	7,287,977
Less Accumulated Depreciation		-	(60,733)	-	(60,733)
Capital Assets, Net of Accumulated Depreciation	\$	-	7,227,244	-	7,227,244

TOPEKA DEVELOPMENT CORPORATION
Notes to Financial Statements
December 31, 2023

The Organization incurred total depreciation expense for the period ended December 31, 2023, of \$60,733.

NOTE 4 – CAPITAL CONTRIBUTION

The Organization is a blended component unit of City of Topeka, Kansas and received capital contributions from the City of \$417,065 in cash and an initial noncash contribution of \$7,391,457, which are included in the statement of revenues, expenses and changes in net position for the period ended December 31, 2023.

NOTE 5 – ACQUISITION

On June 7, 2023, City of Topeka, Kansas (City) entered into a purchase contract to acquire Hotel Topeka at City Center (Hotel) out of receivership for a total transaction price of \$7,668,750 with adjustments for working capital.

The transaction closed on October 31, 2023, with the final closing documents identifying **Topeka Development Corporation** as the acquiring entity. The funds for acquiring the Hotel were paid for by the City. The amounts paid by the City on behalf of the Organization have been accounted for as an initial contribution in these financial statements.

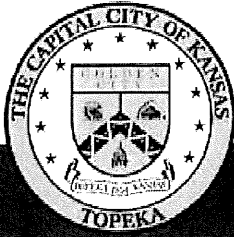
The acquisition of the Hotel has been accounted for in accordance with GASB 69 as the consideration paid was significant in relation to the assets and liabilities acquired. The operations of the Hotel became a part of the Organization's operations effective November 1, 2023.

The assets and liabilities were recorded at acquisition value in accordance with paragraph 32 of GASB 69. The following is the allocation of net assets acquired and consideration paid.

Cash	\$	5,000
Accounts Receivable, Net		12,539
Inventory		29,557
Prepaid Expenses		137,312
Capital Assets		7,287,977
Accounts Payable		(56,120)
Deposits Received		<u>(24,808)</u>
Total Consideration Paid	\$	<u>7,391,457</u>

NOTE 6 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 30, 2024, which is the date the financial statements were available to be issued.



CITY OF TOPEKA

Richard U. Nienstedt, Interim City Manager
City Hall, 215 SE 7th St
Topeka, KS 66603

runienstedt@topeka.org
785-368-3725
www.topeka.org

April 30, 2024

AdamsBrown, LLC
358 N. Main, Suite 100
Wichita, Kansas 67202

This representation letter is provided in connection with your audit of the financial statements of Topeka Development Corporation, which comprise the statement of net position as of December 31, 2023, and the related statements of revenues, expenses, and changes in net position and cash flows for the period then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of April 30, 2024, the following representations made to you during your audit.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 18, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all financial information of the Organization required by generally accepted accounting principles to be included in the financial reporting entity.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- Related-party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

- Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- Guarantees, whether written or oral, under which the Organization is contingently liable, if any, have been properly recorded or disclosed.
- Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the statement of net position date and have been reduced to their estimated net realizable value.
- We have no plans or intentions to discontinue the operations of any segment or discontinue any significant services.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
 - Minutes of the meetings of the Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, regulators, or others.

- We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- We have disclosed to you the names of the Organization's related parties and all the related party relationships and transactions, including any side agreements.

Government – specific

- There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- We have a process to track the status of audit recommendations.
- We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- The Organization has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.

- The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- The Organization has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.
- All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- Components of net position (net investment in capital assets, restricted, and unrestricted) are properly classified and, if applicable, approved.
- Provisions for uncollectible receivables have been properly identified and recorded.
- Expenses have been appropriately classified in the statement of revenues, expenses, and changes in net position, and allocations have been made on a reasonable basis.
- Revenues are appropriately classified in the statement of revenues, expenses, and changes in net position.
- Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- Deposits are properly classified as to risk and are properly disclosed.
- Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- We have appropriately disclosed the Organization's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

Signed

Title