

TOPEKA DEVELOPMENT CORPORATION
BOARD OF DIRECTORS
MEETING AGENDA
August 12, 2025 – 5:00 p.m. to 6:00 p.m.
City Council Chambers
214 SE 8th St., 2nd Floor, 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.

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 July 15, 2025, meeting minutes.**
- 5. DISCUSSION of the Sale of Hotel Topeka.**
- 6. EXECUTIVE SESSION:**
- 7. OTHER BUSINESS:**
- 8. PUBLIC COMMENT:**
- 9. ADJOURNMENT:**

Topeka Development Corporation

Board of Directors

ITEM 4: Approval of July 15, 2025, Meeting Minutes

Date: August 12, 2025

Contact Person: Brenda Younger, TDC Board Secretary

**Topeka Development Corporation Board of Directors Meeting Minutes
July 15, 2025.**

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

Public comment for the meeting was available via Zoom or in-person. Individuals were required to contact the City Clerk's Office at 785-368-3940 or via email at cclerk@topeka.org by no later than 4:00 p.m. on July 15, 2025, after which the City Clerk's Office provided the Zoom link information and protocols prior to the meeting start time. Written public comment was also considered to the extent it was personally submitted at the meeting or to the City Clerk's Office located at 215 SE 7th Street, Room 166, Topeka, Kansas, 66603 or via email at cclerk@topeka.org on or before July 15, 2025.

APPROVAL of July 1, 2025, Minutes.

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

DISCUSSION on the potential terms for the sale of the Hotel to a third party.

Braxton Copley, Project Manager, distributed a Letter of Intent from Endeavor Hotel Group, LLC and provided a summary of the terms of the agreement offer. (Attachment A). He stated the letter of intent was structured to guarantee the City will be reimbursed \$12.2 million in expenses for operations and the purchase of the Hotel by receiving a \$1 million cash payment and accumulating the remaining \$11.2 million from a 24-year Transient Guest Tax (TGT) Funds Increment as well as a 22-year Community Improvement District (CID) Funds Increment. The Letter of Intent also includes rehabilitating the existing hotel space as well as flagging the hotel under a Wyndham Brand. Roy Arnold, Chief Executive Officer (CEO) and President of Endeavor Hotel Group, LLC plans to spend close to \$6 million for the rehabilitation of the hotel as well as an estimated \$2 million to cashflow the hotel until it has stabilized and turns a profit. He reported the City spent approximately \$1.2 million supplementing hotel operations in 2024 and approximately \$1 million has been spent to date in 2025.

Endeavor Hotel Group, LLC, has made the offer contingent upon the following agreements with Shawnee County:

1. The County agrees to fund the estimated \$6.1 million in rehabilitation of Manor Conference Center.
2. The County enters into a long-term management agreement to allow the Hotel to have the rights to market the Manor Property (*i.e.* to rent rooms as well as capture revenue for food and beverage sales inside of the property.)

3. The County enters into a long-term management agreement to allow the Hotel to have the rights to market the Expo-Centre, Agricultural Hall and Heritage Hall. It was noted that the County was currently under contract with a third party until 2028.
4. The City or County issues Industrial Revenue Bonds (IRB) in which three different provisions/benefits can be extended as follows:
 - To issue bonds estimated in the amount of \$6 million, which the Endeavor Group, LLC would be solely responsible for paying back the bonds (City or County would only be the issuer)
 - A real property tax exemption for a period of 10 years (statutorily the maximum amount that can be given)
 - A point of purchase retail sales tax exemption to be contemplated to cover the purchase of materials necessary in the rehabilitation.

Director Ortiz entered the room.

Director Kell inquired if the CID would include other areas of the hotel campus.

Project Manager Copley reported there have been discussions with the County regarding establishing a CID on the entire hotel campus with the County capturing CID revenue from the Expo-Centre and Agricultural Hall; and the City capturing CID revenue from the Hotel and Manor Conference Center. The next step would be for the County Commission to act on the CID as the owner of the tracts, followed by the execution of an interlocal agreement between the City and County.

Director Hiller inquired about the percentages guaranteed to the City from the TGT, property tax as well as sales tax and if there would be a dollar cap or a time cap on said percentages.

Project Manager Copley reported there would be a tax exemption of approximately 92% for 10 years for real property, and the City would estimate the average amount of TGT paid by Hotel Topeka over the last three years which would remain at the current rate of 7%, and due to the established charter ordinance the percentage will drop down to 6% in 2028 and 5% in 2029. He stated a charter ordinance amendment would be necessary to continue the TGT at the current percentage. He recommended establishing a dollar amount to provide an incentive if the Developer can make the property generate revenue and pay off the \$11.2 million sooner and then the City would be able to capture the remaining CID revenue.

Board Vice President Dobler spoke in support of the proposal and explained the City bought Hotel Topeka to ensure the city would not have another vacant building. He spoke about the many components that went into making the proposal successful including finding non-taxpayer funds for the purchase price of the hotel, funding the rehabilitation of the hotel, and keeping up with current operating costs of over \$1 million a year. He shared the positive outcomes of the proposal including a local Developer with plans to flag the hotel as well as creating a Private/City/County partnership - all with the goal to improve the Hotel and Manor Conference Center dramatically. He noted it seemed the County was eager to become part of the partnership. He spoke to the importance of bringing back national conferences to the Topeka area and the

07-15-25

faster the Developer can make this deal a success the faster the City will be repaid. He stated it was unreasonable to expect someone to pay the City \$7 million for the hotel and then rehabilitate the hotel for an additional \$6 million - ultimately this offer will provide financial relief for the hotel from the City.

Director Duncan stated he concurs with Board Vice President Dobler and spoke in support of the offer. He stated the sale upholds the pledge he and many on the Governing Body made when it was purchased, that it would be sold and taxpayers' money would not be used to renovate the hotel, and the Governing Body would make the taxpayers whole. He noted this was the best offer the Governing Body received. There were other offers, however, none made the taxpayers whole. Other offers not only wanted to pay half or less of what had been invested but to also retain the CID. He reported the offer removes expenses from the general fund while guaranteeing all payments are covered with other dollars as well as recoups taxpayer funds that were used to maintain the hotel while under City ownership. He also reported the sale was to a reputable Hotelier with an industry portfolio that provides a brand name flag for the Hotel and ensures a bright future for the City's only large conference center, which was essential for a Capital city. The sale keeps current businesses in Topeka as well as brings businesses back to the Capital city. Supports other hotels, restaurants and retail establishments all of whom were supportive of the City making the initial move to support their businesses in Topeka. It brings in new sales tax revenue and protects the investment made by the County on behalf of taxpayers to the tune of more than \$50 million at the Stormont Vail Events Center. He expressed his confidence in the County to work out an agreement with the individual and bring the Manor Conference Center up to the same operational standards as the hotel. He looks forward to the City of Topeka moving forward with the process and having a very profitable facility that will also bring in additional sales tax revenue.

Director Banks stated he was excited about the offer and the information that has been provided. He asked if they have the ability to tour other hotels owned by Endeavor.

Director Kell reminded citizens that TGT was a "user" tax and comes from those individuals staying at the hotel. He stated he looks forward to a great partnership with the County.

Board President Padilla shared he has toured other properties of Endeavor Groups, LLC and does not see any issues. He stated he looks forward to working with the County to enhance the property and provide the opportunity for national conferences to return to the area. He thanked Staff for their work on the project and being mindful of the end goal of the Board.

Director Hiller stated she looks forward to moving forward with the project and thanked City Staff and Shawnee County for their work on the project.

Director Ortiz stated she would abstain from voting because she was not present during the entire discussion.

Director Hoferer inquired about the next steps in the process following the execution of the Letter of Intent.

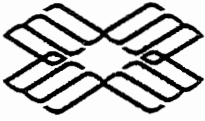
Project Manager Copley reported they will enter negotiations with the Endeavor Group, LLC to develop an agreement for the purchase of sale of the hotel. The development agreement will then have to be approved by the TDC Board. He recognizes the development agreement will have multiple conditions dependent upon the County entering into a similar agreement for the rehabilitation and management of the Manor Conference Center and if all approved, a closing date will then be scheduled, and they will move through the conditions of closing.

Director Valdivia-Alcala inquired if the payments to the IRB would be made by Endeavor to repay the City or County.

Project Manager Copley stated there would be three components to the IRB (1) the City or County would issue the bond in the estimated amount of \$6 million (2) there will be a point of purchase retail tax exemption for the purchase of materials used in the rehabilitation, and (3) there will be a 92% real estate tax exemption granted.

Director Duncan moved to allow the City Manager acting as Executive Director of the Topeka Development Corporation (TDC) to execute the Letter of Intent and to move forward with negotiation terms of the development and purchase agreement. The motion seconded by Director Kell carried. Director Ortiz abstained. (8-0-1)

NO FURTHER BUSINESS appearing the meeting adjourned at 5:41 p.m.



Roy Arnold, CEO and President
Endeavor Hotel Group, LLC

Via Email:

7 July, 2025

Robert M. Perez, (Topeka City Manager), Braxton Copley (Deputy City Manager)

Re: Letter of Intent for the Purchase of the Hotel Topeka 1717 SW Topeka Blvd, Topeka, KS 66612 (the "Hotel")

Dr. Perez,

This letter of intent ("Letter of Intent") shall set forth a summary of terms and conditions under which Endeavor Hotel Group LLC ("Buyer") and/or its assigns would be willing to purchase the subject property from the Topeka Development Corporation (TDC) ("Seller"). Upon execution of this Letter of Intent by Seller, the parties will proceed with the objective to enter into a definitive Purchase and Sale Agreement ('PSA') for the Hotel within 60 days after the execution of this Letter of Intent.

1. HOTEL TOPEKA. Included as part of the purchase shall be the fee-simple interest in the land underlying the Hotel, and in all other related existing real property related thereto, together with all improvements and 100% of all title and interest in and to all furniture, furnishings, computers, fixtures, machinery, signage and equipment; all opened and unopened inventory at the Hotel as of Closing; any and all inventory currently maintained by Seller at the property (Seller specifically agrees not to reduce linen and terry inventory from its current levels prior to the Closing); all equipment, vehicles, computers, computer equipment and manuals, and computer software, programs and databases owned by the Seller; all off-site and on-site signs; all utility and governmental agency deposits; all assignable contracts and agreements benefiting the Hotel, including all deposits and credits thereunder, to the extent assumed by Buyer; if any, as of Closing. Seller shall convey clear title to the Hotel at Closing to Buyer, without liability for any mortgages or other encumbrances of the Seller. Pre-closing liabilities shall remain with Seller to include any liabilities incurred under the Federal Paycheck Protection Program.
2. DEVELOPMENT CONCEPT AND BUYER INTENTIONS: As discussed on 18 December, 2024, and in my 7 February 2025 call with Mr. Copley, Buyer intends a comprehensive repositioning of the 224-room Hotel Topeka and its organic meeting capacity to achieve an Upscale Conference Hotel that will meet and exceed the expectations of meeting planners and their guests. Additionally, Endeavor has a wholly owned affiliate, Endeavor Hotel Management, which would enter into an industry standard management agreement to run day-to-day hotel and event-banquet operations providing a turnkey solution for Hotel Topeka. Development would include:
 - Rebranding the Hotel to "Dolce" by Wyndham Hotels and Resorts. An Upscale brand specifically designed for high end conference and meeting hotels. Dolce is characterized by an elevated approach to banquet and restaurant food and beverage; and for elevated use of technology to support meeting clients.
 - Refresh hotel exterior, landscaping, parking lots and exterior signage.

- Complete renovation of the 224 guest rooms with a focus on guest baths, furnishings, technology (including hospitality-streaming TV's, and RFID locking system) and fixtures.
- Modernization of F&B venues along with supporting investments in kitchens to deliver a revised and elevated dining experience.
- Renovation of finishes in all meetings and ballrooms organic to the hotel to include digital guest navigation and "in-meeting" audio-visual capabilities.
- Investment as required into hotel mechanical systems to ensure delivery of a comfortable and safe environment for guests and hotel staff.

We estimate a \$6M investment of post close capex to achieve repositioning. Further, we estimate \$2M in working capital is required to bridge current negative cash flow.

MANER CONFERENCE CENTER, HERITAGE HALL AND AGRICULTURAL BUILDING. The Maner Conference Center, and other existing campus structures will require a separate discussion on capital investment and concepts to be developed with Buyer and the County, and which we have initiated on 14 February 2025. It would be preferable for all parties to achieve a unified plan for both the Hotel, Maner Conference Center, and other structures to allow the most efficient and effective use of capital and to minimize the time required to achieve a fully redeveloped campus. In general terms subject to agreement between the County and Endeavor Hotel Management LLC we would propose:

- That the County enter into a long-term management agreement with Endeavor Hotel Management LLC to integrate the Maner Conference Center with the marketing and operations of the Hotel, to include all F&B operations.
- A County funded redesign and significant reconfiguration of the Center to harmonize with the enhanced hotel conference facilities consistent with the Wyndham rehab of this hotel.
- Repurposing the "Agricultural Building" to a modern Health Club and SPA open to community membership and to guests of the hotel while attending meetings and conferences. Wellness is a major trend in hospitality accommodations and having an on-campus facility can be a differentiator for meeting planners.
- Maintaining Heritage Hall as a wedding and meeting venue integrated fully into hotel and Conference operations, marketing and sales packages.

3. PURCHASE PRICE: The Purchase Price for the Hotel shall be US\$1,000,000. See Development Plan Outline for an additional \$11.2M in City of Topeka monetary benefit.
4. DEVELOPMENT AGREEMENT OUTLINE: The total Hotel project cost [purchase price, costs, renovation and working capital allocation is estimated at \$9.5M. The total project cost for the Maner Conference Center [renovation and working capital allocation is estimated at \$7.5M to be borne by the County and Buyer. The consolidated project cost is estimated at about \$17M. The following governmental tools are suggested to achieve the shared goal of a modernized and competitive regional conference center that will generate economic activity in the Topeka market:
 - A 24-year TGT increment and 22-year CID that will be retained by the City of Topeka until such time as the City receives an aggregate of \$11.2M; at which time any remaining term of the CID will revert to the benefit of the entity owning the Hotel.
 - The Buyer will commit \$2M in working capital to the Hotel Project and additional working capital, to be determined, to the Conference Center.
 - The buyer will use the proceeds from an IRB bond placement to fund renovations and repositioning, estimated for the hotel at \$6M. Buyer will be solely responsible for the

payment of the principal and interest on the IRB bonds.

- Buyer will obtain a national brand franchise agreement to rebrand the Hotel and Conference Center. The buyer will assume all costs and obligations associated with a franchise agreement.
- A condition of this LOI and any PSA is the City or County issuing an IRB with the following terms:
- Issuance of approximately 6.0M bonds, which Buyer will need to qualify for independently, and Buyer will have sole responsibility for payment of principal and interest
- 10-year property Tax Abatement for the hotel and land
- Issue an exemption for sales taxes associated with the materials needed for the renovation and repositioning.

Further, this letter of intent and any PSA is contingent upon the City of Topeka passing the appropriate legislation to implement the CID and TGT. The buyer will be syndicating the acquisition to accredited investors to bring new equity to the project to accomplish the renovation, rebranding, and repositioning of the Hotel and Conference Center along with organic investment by Endeavor on the same terms as Limited Partners.

5. EARNEST MONEY: Within one (1) business day following the execution of a definitive PSA by both Buyer and Seller based on an agreed Development Plan, Buyer shall deposit an amount equal to \$100,000 (the "Earnest Money Deposit") with Lawyers Title, Topeka, KS (the "Escrow Agent"). Unless Seller and Escrow Agent receives written notification of termination from Buyer on or before the expiration of the Inspection Period as described in Paragraph 8 below, the Earnest Money Deposit shall be paid to Seller in the event of a default by Buyer in closing the transaction.
6. CLOSING: The sale shall close on a date not to exceed 90 days past the expiration of the Inspection Period, following the satisfaction of all other conditions to closing as may be detailed in the PSA (the "Closing Date"). Should all other conditions be satisfied earlier than 90 days from the conclusion of the diligence period, Seller and Buyer may agree to an earlier closing date. *The increase in the inspection period and closing period from a more normal 60 and 30 days is required given the need for agreement and legal structuring of governmental support for the development project.*
7. INSPECTION PERIOD: Buyer shall have a period until 90 days following the execution of the PSA (such period of time is referred to as the "Inspection Period"), to conduct such due diligence on the Hotel as it deems appropriate. Buyer shall have the right, upon written notice, to terminate the PSA for any reason, or no reason, prior to the expiration of the Inspection Period.
8. TITLE INSURANCE: Buyer shall obtain, at Buyer's cost, an ALTA extended coverage owner's policy of title insurance for the Hotel, issued by the Escrow Agent in the amount of the Purchase Price allocated to the land and improvements, insuring that title to the land and improvements are vested in Buyer free and clear of all liens and subject only to exceptions approved by Buyer during the Inspection Period, deleting the standard printed exceptions of such insurer, affirmatively insuring roadway access to public streets, and insuring any appurtenant easement.

9. **COSTS AND PRORATIONS:** Buyer shall be responsible for escrow fee and recording fees. Buyer and Seller shall each be responsible for the fees and expenses of its own attorneys and accountants. Except as otherwise allocated, closing costs will be paid in accordance with the custom of the county in which the Property is situated. Proration will be made on the Closing Date pursuant to the provisions of the PSA.
10. **BROKER'S COMMISSION:** Seller is not represented by a broker. For clarity, at present Buyer has not been engaged by a broker.
11. **MANAGEMENT AND FRANCHISE AGREEMENTS:** At Closing, Seller shall deliver the Hotel unencumbered by any existing management, or lease agreements. Seller will cooperate with Buyer to engage Wyndham Hotels and Resorts to secure a new franchise agreement for the Hotel. For clarity, any franchise agreement or related costs will be between Wyndham Hotels and Resorts and Buyer. Seller is not responsible for any costs associated with the Franchise Agreement.
12. **EXCLUSIVITY:** Upon execution of this Letter of Intent, Seller agrees not to negotiate the sale of the Hotel with any other party for 90 days, provided a mutually acceptable PSA is executed within that time period or the parties mutually agree that they cannot agree to a PSA.
13. **CONFIDENTIALITY:** Subject to the Kansas Open Records Act, the terms and provisions of this Letter of Intent shall remain confidential and shall not be disclosed to any third party other than select lenders, accountants, and other experts retained or engaged by Buyer related to this transaction. It is understood that at the time of consideration and approval of this LOI at an open public meeting, the document will become an open public record.

Buyer is prepared to immediately begin collaboration with Seller on a mutually agreeable PSA containing customary representations, warranties, covenants and other terms and conditions of the transaction, to include governmental support agreements and thereafter to Closing. We are excited about the opportunity to acquire the Hotel Topeka and look forward to the opportunity to complete the transaction contemplated herein with you as quickly as possible.

We are confident in our ability to quickly execute on rebranding and renovation and achieve stabilization of the hotel at profitable levels within 24 months to achieve the City's objectives of driving tourism related economic activity in the market.

If this Letter of Intent meets with your approval, please indicate by executing it in the space below and returning it to my attention by 5:00 pm Central Time by August 15, 2025.

Sincerely,
Roy Arnold
Roy Arnold
President



ACCEPTED:

Topeka Development Corporation

Robert M. Perez, Ph.D.
Executive Director

Date: _____

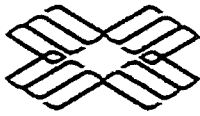
Topeka Development Corporation

Board of Directors

ITEM 5: Discussion of the Sale of Hotel Topeka

Date: August 12, 2025

Contact Person: Braxton Copley, Project Manager



Roy Arnold, CEO and President
Endeavor Hotel Group, LLC

Via Email:

7 July, 2025

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8. TITLE INSURANCE: Buyer shall obtain, at Buyer's cost, an ALTA extended coverage owner's policy of title insurance for the Hotel, issued by the Escrow Agent in the amount of the Purchase Price allocated to the land and improvements, insuring that title to the land and improvements are vested in Buyer free and clear of all liens and subject only to exceptions approved by Buyer during the Inspection Period, deleting the standard printed exceptions of such insurer, affirmatively insuring roadway access to public streets, and insuring any appurtenant easement.

9. COSTS AND PRORATIONS: Buyer shall be responsible for escrow fee and recording fees. Buyer and Seller shall each be responsible for the fees and expenses of its own attorneys and accountants. Except as otherwise allocated, closing costs will be paid in accordance with the custom of the county in which the Property is situated. Proration will be made on the Closing Date pursuant to the provisions of the PSA.
10. BROKER'S COMMISSION: Seller is not represented by a broker. For clarity, at present Buyer has not been engaged by a broker.
11. MANAGEMENT AND FRANCHISE AGREEMENTS: At Closing, Seller shall deliver the Hotel unencumbered by any existing management, or lease agreements. Seller will cooperate with Buyer to engage Wyndham Hotels and Resorts to secure a new franchise agreement for the Hotel. For clarity, any franchise agreement or related costs will be between Wyndham Hotels and Resorts and Buyer. Seller is not responsible for any costs associated with the Franchise Agreement.
12. EXCLUSIVITY: Upon execution of this Letter of Intent, Seller agrees not to negotiate the sale of the Hotel with any other party for 90 days, provided a mutually acceptable PSA is executed within that time period or the parties mutually agree that they cannot agree to a PSA.
13. CONFIDENTIALITY: Subject to the Kansas Open Records Act, the terms and provisions of this Letter of Intent shall remain confidential and shall not be disclosed to any third party other than select lenders, accountants, and other experts retained or engaged by Buyer related to this transaction. It is understood that at the time of consideration and approval of this LOI at an open public meeting, the document will become an open public record.

Buyer is prepared to immediately begin collaboration with Seller on a mutually agreeable PSA containing customary representations, warranties, covenants and other terms and conditions of the transaction, to include governmental support agreements and thereafter to Closing. We are excited about the opportunity to acquire the Hotel Topeka and look forward to the opportunity to complete the transaction contemplated herein with you as quickly as possible.

We are confident in our ability to quickly execute on rebranding and renovation and achieve stabilization of the hotel at profitable levels within 24 months to achieve the City's objectives of driving tourism related economic activity in the market.

If this Letter of Intent meets with your approval, please indicate by executing it in the space below and returning it to my attention by 5:00 pm Central Time by August 15, 2025.

Sincerely,
Roy Arnold
Roy Arnold
President



ACCEPTED: 

Topeka Development Corporation

Robert M. Perez, Ph.D.
Executive Director

Date: 7/16/25

Topeka Development Corporation Board of Directors

ITEM 6: Executive Session

Date: August 12, 2025

Contact Person: Braxton Copley, Project Manager
