

**Topeka Development Corporation Board of Directors Meeting Minutes
October 1, 2024**

The Topeka Development Corporation (TDC) Board of Directors met at 5:15 p.m. in the Cyrus K. Holliday Building with the following Board of Directors present: Karen Hiller, Sylvia Ortiz, David Banks, Brett Kell, Marcus Miller, Neil Dobler, Spencer Duncan and Michelle Hoferer -8. Board President Michael Padilla presided -1. Absent: Director Christina Valdivia-Alcala -1.

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 October 1, 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 012B, Topeka, Kansas, 66603 or via email at cclerk@topeka.org on or before October 1, 2024.

PLEDGE OF ALLEGIANCE was cited by meeting participants.

APPROVAL of the June 30, 2024, Board Meeting Minutes.

Director Banks moved to approve the minutes. The motion seconded by Director Dobler carried unanimously on roll call vote. (9-0-0)

DISCUSSION regarding potential hotel room improvements.

Braxton Copley, Project Manager, provided an overview of the improvements totaling \$1.1 million. He stated Hotel Staff compiled cost estimates for making improvements to the hotel rooms that would meet Hilton Doubletree standards. He noted the furnishings have not been updated since the hotel was constructed in 1998, and industry standard is 8-10 years for these types of improvements.

Director Kell requested the new bedside lamps have USB charging ports. He questioned the process of liquidating outdated hotel items that would be replaced with new items.

Director Dobler questioned the current average occupancy rate and asked if there was an option to refurbish a portion of the rooms until occupancy reaches 50% on a routine basis.

Project Manager Copley stated they would explore options of selling the used items; occupancy rates currently range between 10-30%; and if they remodeled only half of the rooms, it would include 56 king rooms and 56 queen rooms at a price of \$550,000.

Director Duncan thanked Staff for providing a cost baseline so the Board could take the first step in making plans to move forward with the hotel. He stated he was not expecting action by the Board at this time.

Director Hoferer stated she would support a phased approach and suggested remodeling the hotel floor by floor. She inquired if a cost reduction would be realized if all items were purchased at the same time. She also inquired on the condition of the commercial grade washer and dryer units.

Project Manager Copley referenced the Property Condition Assessment and stated it did not list any critical needs of the industrial grade commercial washer and dryer units; however, minor parts will need to be purchased over time to keep the units in good working order.

Leigha Boling, City of Topeka Budget & Procurement Division Director, reported tiered discounts are based on quantities and they would reach out to the vendor and inquire on possible discount options.

Director Hoferer recommended buying the items all at one time and questioned if the Vendor could store the items until the improvements are made to the hotel rooms.

Director Banks asked what assurance they have the proposed improvements would attract occupants at the same level as when the hotel was successful.

Director Hiller cautioned against the negative impact these types of discussions will have on marketing and occupancy of the hotel. She questioned if the investment would be beneficial in the long-term.

Director Duncan stated the information would be discussed with Visit Topeka to help the Board determine if these types of improvements are financially beneficial.

Project Manager Copley stated the \$1.1 million will be used against the Property Improvement Plan (“PIP”) and an increase in occupancy of up to 60% would not be realized for one to three years.

Board President Padilla spoke to the need of updating the hotel and concurred that the discussion seems to be premature at this time.

Director Miller spoke to the long-lasting impact the improvements would have on the hotel and noted, the cost of improvements will only increase over time.

APPROVAL of an additional funding request for operations and maintenance of Hotel Topeka contingent upon Governing Body approval of the transfer of the funds to the Topeka Development Corporation.

Braxton Copley, Project Manager, provided an overview of recent expenses and reported the current operational fund balance was \$100,000 and the request was for an additional \$500,000 tranche of operational funds from the General Fund (Hotel Non-Departmental Expense) to operate and maintain Hotel Topeka.

Director Dobler asked City Manager Perez if any discussions have occurred between the City and Shawnee County as it relates to plans for the Manor Conference Center.

Dr. Robert M. Perez, City Manager, stated a request has been made to Shawnee County to conduct a Joint City-County Work Session for the purpose of discussing the Manor Conference Center.

Director Dobler referenced the condition of the Manor Conference Center and stated he believes the Center was the biggest factor effecting hotel occupancy. He spoke in opposition of approving any funding until the City and County discuss plans for the Manor Conference Center.

Director Duncan questioned if approval of a portion of the \$500,000 would be acceptable at this time.

Project Manager Copley stated the operating agreement stipulates that the City must address funding requests within 10 days of receiving a request.

Director Duncan moved to reduce the funding request from \$500,000 to \$200,000. The Motion was seconded by Director Hiller.

Henry McClure spoke to the mismanagement of the Stormont Vail Event Center causing the mismanagement of Hotel Topeka. He spoke to the importance of repairing the chiller due to potential deferred maintenance costs and urged the Board to use private dollars to fund Hotel Topeka improvements.

The motion to reduce the funding request from \$500,000 to \$200,000 failed on roll call vote. Directors Ortiz, Banks, Dobler and Board President Padilla voted “no.” (5-4-0)

Director Miller moved to approve the funding request in the amount of \$500,000. The motion was seconded by Board President Padilla.

Director Kell spoke to the importance of maintaining the hotel due to increased deferred maintenance costs.

The motion to approve the funding request in the amount of \$500,000 failed on roll call vote. Directors Ortiz, Banks, Dobler, Duncan and Hoferer voted “no.” (4-5-0)

Director Duncan moved to reduce the funding request amount from \$500,000 to \$201,000 and approve the additional \$201,000 funding request for operations and maintenance of Hotel Topeka contingent upon Governing Body approval of the transfer of the funds to the Topeka Development Corporation. The motion seconded by Director Hiller carried on a roll call vote. Directors Ortiz, Banks and Dobler voted “no.” (6-3-0)

NO FURTHER BUSINESS appearing the meeting adjourned at 5:52 p.m.