



# CITY OF TOPEKA

CITY COUNCIL COMMITTEE  
MEETING MINUTES

## POLICY AND FINANCE COMMITTEE

CITY COUNCIL  
City Hall, 215 SE 7<sup>th</sup> Street, Suite 255  
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Date: March 21, 2023

Time: 1:00pm

Location: 1<sup>st</sup> Floor Conference Room; Cyrus K. Holliday Bldg 620 SE Madison  
(virtual option also available)

**Committee members Present:** Christina Valdivia-Alcalá, Hannah Naeger, Spencer Duncan

**City Staff Present:** City Manager Stephen Wade, City Attorney Amanda Stanley, Deputy City Attorney Mary Feighny, Chief Financial Officer Freddy Mawgyn, Deputy Finance Director Rachelle Mathews, Adam Vaughn, Kristin Moorhead, Brad DeMers

### 1) Call to Order

Committee member Duncan called the meeting to order at 1:00pm. Committee members introduced themselves.

### 2) Elect 2023 Chair

Committee member Naeger nominated Committee member Duncan to serve as this year's Chair. Committee member Valdivia-Alcala seconded the nomination. Committee member accepted the nomination. Motion approved 3-0-0. Spencer Duncan will serve as the 2023 Chair.

### 3) NOTO Improvement Fund

City Manager Stephen Wade introduced a proposed creation of a District Redevelopment Grant for NOTO, similar to what the City is currently doing with Downtown Topeka along Kansas Avenue. The boarder for this district would be Morse to the North, Norris to the South, Quincy to the East, and Jackson to the West. The intention is to encourage investment into commercial and residential real estate in that district. It would be governed by five (5) members. The grants would come from 25% residential, 25% commercial and 50% façade. Requested is an annual contribution of \$50K to be awarded back out by those five board members. There are also some sidewalks tied into that request as well.

Tom Underwood, President of NOTO, stated the boundaries presented are congruent with the current Business Improvement District boundaries, which were recently established in NOTO. Mr. Underwood shared that NOTO is a historic district, with a number of very old buildings. These buildings require a lot of

maintenance and currently this work is being completed without the same type of benefit or support that has been afforded to Downtown. The essence of the request is to provide equitable access to resources and services for the NOTO district, to allow the small businesses to continue to fix up and develop their buildings.

Committee member Valdivia-Alcala requested to see information on this proposal to allow the Committee to begin working toward action on this item. City Manager Wade sent that via email to the Committee during the conversation.

Chairman Duncan inquired about how the percentages were determined. Mr. Underwood responded that that language was taken directly from the framework of the Downtown Topeka BID contract. He clarified that language states that a reimbursement of “up to” a certain percentage would be available. It is not necessarily a proration of that. He provided an example of the north wall at Onyx Cafe. That wall is in need of repair and is a prominent landmark in the NOTO district. Onyx could apply for a reimbursement of up to the 50%. Chairman Duncan appreciated the “up to” and a percentage for reimbursement rather than listing out a specific dollar amount.

Mr. Underwood explained how the framework of the NOTO BID plan was mirrored from the current Downtown Topek BID plan, but there were a few areas where language was changed to better fit the needs for NOTO.

Chairman Duncan inquired if the current Downtown BID was funded by General Fund dollars, as a line item in the annual budget? City Manager Wade confirmed and noted that the NOTO request is one-third of what is being provided to Downtown.

Chairman Duncan inquired as to the process of applicants making requests for project funding within the NOTO area, and if they would make that request to the Board? Mr. Underwood confirmed that the City would provide the annual amount to NOTO, and that the five-member board would then review and award individual NOTO project application requests.

Chairman Duncan inquired about the Board makeup and asked who would make the appointments for those positions. City Manager Wade stated the Board would be comprised of two members from NOTO BID Committee, which would be appointed by the Governing Body. Two NOTO Board of Directors who are not from the NOTO District, and then one individual who is a staff member at NOTO.

City Manager Wade would like to request the Committee review and put on their agenda for action at the next meeting, whether that be April or May, so that it could be added for consideration in the upcoming budget. If passed, it would be

put into the budget for 2024, and staff would find the \$50K as they work the budget.

Committee member Valdivia-Alcalá inquired if the program would be to provide \$50K on an annual basis, and that it would come from the City's General Fund? And that there would be no end date, but that it would be continuous? City Manager Wade confirmed.

City Manager Wade added that another component to be mindful of is the proposed Sales Tax Bill that is being reviewed at the Legislature. It was his opinion that the House has effectively ended the Senate Bill 248, but he is also hearing there may be others coming. So, that will be something to keep an eye on as it moves forward.

Committee member Valdivia-Alcala thanked Mr. Underwood for his continued work toward this program. Although she will need time to further review the information provided, she is supportive of providing additional supports to the district.

#### **4) Property Tax Homestead Exemption**

Chairman Duncan introduced the item stating that as the City looks at various revenue sources and how some form of tax relief can be offered where it can, he reviewed the State's Homestead Program criteria and it occurred to him that the City could come up with something, on a smaller scale.

City Attorney Amanda Stanley provided a memo to show what peer cities have in place, and it is one example of what this could look like. There are four cities within Johnson County who currently do a similar program.

Deputy Finance Director Rachelle Mathews stated staff researched the Johnson County programs, and those operate as a rebate program. Applicants come to the city and show they meet the criteria of the program and apply, then receive a physical rebate from the city for the prior year's property tax. Each of the four cities currently participating in the program within the State operate this way. To varying degrees, they apply the Homestead Act rules and regulations. Those are customizable for each city.

Chairman Duncan stated that after reviewing this information, he felt this was something that the City of Topeka could put into place as one more thing to offer some relief for citizens. He would like to see about, instead of offering a rebate to simply offer an exemption because, in theory, the City would not be taking out

but we are just not putting money in. He has asked City staff to review the Homestead Act and find out if such an exemption would be legally and clerically possible. They will be bringing that information forward at a later time.

Deputy Director Mathews noted the City currently puts \$500K into the existing Neighborhood Revitalization Program, or area, which is run through the City's Planning Department. Shawnee County then rebates people's property taxes. These are amounts that the City does not budget coming-in revenue, and there is no cash exchanging hands, but there is an existing program.

Committee member Naeger voiced concern about the program being set up as a rebate program, noting the money would need to be in place up front and would like to look into other possible ways to create more of an exemption rather than a rebate option.

Committee member Valdivia-Alcala agreed that she would prefer to see the program be an exemption rather than a rebate. She also requested to be sent Housing and Urban Development (HUD) income guidelines for 2023, as something to refer to. City Manager Wade confirmed that staff would be sending guidelines to the Committee at present time.

Chairman Duncan inquired if there was a way to provide a continuous approval to allow the City Manager the discretion to run the program annually without having to seek approval from the Governing Body on an annual basis? City Attorney Stanley stated there would be an option for it to be written as a never-ending program, subject to annual appropriation as part of the budget. This would mean the Governing Body would be required to annually appropriate the amount that is available, likely in the form of a budget proviso, during budget time which would state that the Governing Body intends for the program to continue. Chairman Duncan felt this would be acceptable.

#### **5) ARPA Grant - Update**

Deputy Director Mathews stated that currently, 44 of the 49 total recipients have received the first distribution of their awards. This comes out to be roughly \$4.2M of the \$5M initial payout. The remaining five (5) recipients are working through the process, either with the Federal Government or the contract process with the City. Staff is actively contacting the recipients to ensure they are getting the resources and touch-bases they need to get those finalized and wrapped up so they are able to receive their money. Deputy Director Mathews noted that there

are some recipients who are beginning the drawdowns on the second half of their awards. There have been two such agencies. The final piece is that recipients will start performing their semi-annual reporting, with the first batch coming in by April 30<sup>th</sup> and the second batch by July 30<sup>th</sup>.

Committee member Valdivia-Alcalá inquired if, on the five that are outstanding, there are any common issues that were shared between them. Deputy Director Mathews responded the issue is largely at the Federal level. The City requires recipients to have a Sam.Gov registration. These five agencies are in various stages of working with the Federal Government. The City's Finance Department has cultivated a contact inside the Federal Government that allows them to help troubleshoot on the Federal side. One common problem is a log-jam issue, as there are hundreds of thousands of entities trying to source these numbers all at the same time trying to access these ARPA dollars. Another issue may be that the agency needs to make a slight correction or change to their documents in order to proceed further.

Committee member Valdivia-Alcala inquired if there have been any program or agency impacts occurring during this waiting process? Deputy Director Mathews stated there were not any issues that have been brought to staff's attention at this time.

Chairman Duncan inquired if, other than one known request, if staff had received any additional requests for amendments to projects? Deputy Director Mathews responded there have been a few very minor amendments, but that staff is finding that recipients are achieving savings and discounts, and for the most part are asking to deploy a couple of thousand dollars here or there into doing more than they originally had requested to do. All such requests have been used for positive things and the agencies are able to do more with the City's ARPA award than they had originally intended.

Chairman Duncan requested this memo be sent to the Governing Body as an informal update as to how the program is going.

Committee member Naeger thanked staff for their continued service to the agencies throughout this process.

## **6) Other Items**

City Manager Wade stated some concerns have been voiced about the City's financial position with the recent bank foreclosures. He sought to provide clarification to the public that the City of Topeka is well covered and there does not need to be any concern.

City Manager Wade stated staff will be bringing a proposal to the Governing Body on April 11<sup>th</sup> for allocation for unused funds. From 2022, it appears there may be as much as \$1M more than what had already been shared with the GB last month. Final sales tax results for December 2022 have come in and there is roughly \$1M in unused funds.

Chairman Duncan stated he, and other Governing Body members, are receiving questions about the Housing Trust Fund and Landbank Program. He noted that conversations began with the previous Planning Director, and that they are on-going and that many of the Governing Body members have spent time in the community meeting with various organizations to solicit feedback and information to then develop a plan. This plan is not yet complete, however he is hoping to be able to present an update before the Governing Body at the April 11<sup>th</sup> meeting.

## **7) Adjourn**

Chairman Duncan adjourned the meeting at 1:30pm.

The video of this meeting can be viewed at: <https://youtu.be/SDiNnAoEaYA>