



CITY OF TOPEKA

CITY COUNCIL COMMITTEE
MEETING MINUTES

TRANSIENT GUEST TAX COMMITTEE

CITY COUNCIL
City Hall, 215 SE 7th Street, Suite 255
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Date: March 19, 2024

Time: 2:00pm

Location: Classroom A; Law Enforcement Center 320 S. Kansas Ave
(virtual option also available)

Committee members present: Councilmembers Brett Kell, Marcus Miller, Michelle Hoferer

City staff present: Interim Finance Director Rachelle Mathews, Budget & Procurement Division Director Leigha Boling, Budget Manager Josh McAnarney

1) Call to Order

Committee member Hoferer called the meeting to order at 2:05pm.

2) Elect 2024 Chair

Committee member Miller nominated Committee member Hoferer to serve as the Chair. Committee member Kell seconded. Motion approved 3-0-0. Committee member Hoferer will serve as Chair.

3) Overview of TGT & 2025 TGT Fund Budget

Interim Finance Director Rachelle Mathews provided the Committee with an overview of the Transient Guest Tax (TGT) process.

Four entities received TGT funds beginning in 2016 and the contracts will go through 2027. The original entities were Evel Knievel Museum, Constitution Hall, Jayhawk Theatre, and Everyy Plaza. Although Evel Knievel has left town, staff wanted to disclose what they had received thus far, or what they could have received. Each recipient has been fully compliant and have submitted all of the quarterly reports for 2023 on time and their money for 2023 has been distributed to them.

Presentation Highlights:

- Constitution Hall
 - \$8,270 distributed in Q4. (\$34,107 total in 2023)
 - Total budget: \$355,000; Distributed to date: \$219,955

- Construction of the requested elevator and fire-exit stairway has led to completion of the elevator shaft and fire-exit stairwell in concrete block. The project is proceeding on-time and as anticipated.
- Evergy Plaza
 - \$80,023 distributed in Q4. (\$303,030 total in 2023)
 - Total budget: \$3,435,000 Distributed to date: \$2,128,284
 - Various internal and external events were held at Evergy Plaza during Q4
- Jayhawk Theatre
 - \$15,841 distributed in Q4/ (65,333 total in 2023)
 - Total budget: \$680,000. Distributed to date: \$421,316
 - Q4 2023 included ongoing meetings with architects and community leaders regarding restoration plans.
- Evel Knievel Museum
 - Left process in Q1 2021, so that was the last payment they were set to received.
 - Total budget amount: \$300,000
 - Amount distributed to date: \$119,811
 - Amount undistributed to date: \$66,064
 - Amount Remaining: \$114,125
- The \$66K is the cash-on-hand that is undistributed, and it would be added to the \$114,125 to get the total remaining potential impact for that particular entity. However, it would stay on the same timeline regardless of where it goes.

Budget Manager Josh McAnarney provided the Committee with an overview memo of the TGT Process. In addition to the four entities discussed, Sunflower Soccer Association receives a portion of the funds, the City of Topeka receives a portion for the operating budget, and GO Topeka receives a large portion.

Committee member Kell inquired if it was the Evel Knievel folks who denied to accept the TGT funds, or if it was a decision made due to a policy or clause? Interim Director Mathews stated she would need to look up the full information, however there was a determination made between the City and the Museum, based on their decision to relocate, that the payments were discontinued. That agreement has been documented and is on record.

4) Recipient Presentations

Community organizations that currently receive TGT dollars provided a brief presentation to the Committee.

Evergy Plaza

Kurt Young, member of the Downtown Topeka Foundation Board, presented information about the Evergy Plaza. The Plaza receives a 1% allocation. The process for the Evergy Plaza began in 2013, and ten years later, Mr. Young noted the process has worked very well. Mr. Young thanked the Committee, staff and Governing Body for their support and confidence in the Downtown Topeka Foundation's ability to design and create the Plaza for the community. They do not take that trust for granted.

Early in the development process of the Evergy Plaza, the Downtown Topeka Foundation was selected to be the developer/owner, so the funding goes to the Foundation to accomplish that purpose. However, early on in the process, the DTF Board made a conscious decision that the TGT Funds would be restricted from an accounting perspective, and used only for debt service pay down, and to make the quarterly payments on. DTF paid \$1.6M for the five buildings that were demolished on the 600 block of Kansas Avenue. With paying the debt service down, the mortgage balance as of March 18, 2024 is \$593,000. That is scheduled to be paid off by Q4 of 2027, the same year the existing 1% allocation sunsets.

Mr. Young felt confident that there was no concern, on the part of the DTF or anyone involved in the Plaza, that anything could interrupt the schedule to pay off the debt service. It has been a positive working situation, where money is set aside.

Mr. Young briefly discussed a few highlights from the Plaza operations:

- All-time highs for Envista Eats & Beats events
- Four cultural festivals were hosted: Irish Fest, Fiesta Topeka, India Mela Culture Kansas, and attendance continues to grow.
- Staff recently developed a Plaza Management Plan, which will allow for more efficient operations.
- Inclusion of small businesses into participating with the Plaza which has generated over \$150K in gross revenues from sales that they made on the Plaza.

- Increased collaboration with community events and venues to enhance the Every Plaza, as well as the arts and entertainment opportunities in the community.
- Event rentals have increased by 25%.
- The Mayor’s Christmas Tree Lighting event, and Miracle on Kansas Avenue parade was another big event.
- Ice skating rink was installed in the fall/winter of 2022/2023. It was well received by the community, and as an owner/operator, a lot of lessons were learned. But it was not as successful as anticipated, so it was not offered this past season. However, the Board is in discussion to develop a different way to make it a more successful venture.

Committee member Kell commented on the success of the Irish Fest event.

Committee member Miller voiced appreciation and gratitude for the work being done at the Every Plaza. He pointed out the various cultures that are being represented through the different events and festivals that are held there. He inquired about what would give confidence to the team that more culturally diverse groups will join in as annual players at the Plaza. Mr. Young responded that the DTF board, Plaza staff, and Sean Dixon at Visit Topeka Inc have shared a goal since the beginning to see day-long events held that include some type of barricaded streets to host a vendor store for an “Open Air” Festival.

Visit Topeka

Sean Dixon, President of Visit Topeka presented information on Visit Topeka.

Highlights of the presentation include:

- Official destination marketing organization for Topeka. They are primarily funded through Transient Guest Tax dollars. Focused on increasing economic prosperity of Topeka through the growth of the leisure and hospitality industry.
- Nationally recognized as destination of choice for inclusive and authentic experiences.
- Provide a visitors guide annually, that provides information about sites all over Topeka.
- New ad campaign centering on the diversity of the community and the whole idea of “see yourself, be yourself, and free yourself in Topeka, KS”.

- Visitor’s Guide also available in Spanish. This is the third year where all of the marketing materials do a full print in publication for distribution, outside of and inside of the market, in Spanish.
- In addition to the main Topeka Campaign, VTI partakes in partnership campaigns.
- Winners of the Adrian Award for Topeka Dino Days event, in the integrated marketing campaign and one for the PR campaign in support of Pride Kansas.
- Recognized in 2023 by the North American Travel Journalist Association as the “Best All-Around Tourism Campaign” for Topeka Dino Days.
- Key Performance Indicators:
 - VIT generated 55K incremental additional trips to this market as a result of the campaign.
 - Those parties spent an average of \$454 per trip, yielding a \$25M incremental impact on the investment into the ad campaign.
 - For every dollar VTI put into the ad campaign, \$103 came back into Topeka from somewhere else.
- Goal to bring in State Associations and large group conventions is essential for the economy. However, this has been a struggle because the condition of the facilities have been challenging.
- Topeka is hosting the African Business Development Group (continent of Africa, not African-American), as part of the Brown vs. Board’s 70th Anniversary.
- Launched the Topeka Area Sports Commission in 2022, and the new website went live late 2023. Sports is a big deal for the Topeka tourism success. An additional, new board of directors was created. This commission tackles everything from the collegiate level down to youth sports.
- VTI also invests to develop the product so it can sell all day long, but recognizes that coming out of the Pandemic, advertising would suffer if events were not performing well.
- Mr. Dixon pointed out that the successful events and tourism draws that come from all of the entities in the room have been supported with direct financial support, time, advocacy, or marketing PR arenas.
- The Air Show is coming back and VTI plays a big role in financially supporting this venture.
- The loss of Heartland Motorsports Park created a 6,000 room -per night loss for the market. So now, VTI is investing in things that can be proven to perform well.
- The Kansas Children’s Discover Center is an example of the advocacy work that VTI has done. They have supported grant funding applications and lobbied

with voters for the Gage Park Tax. Visitors to the Discovery Center set an attendance record in 2023 with about 120,000 visitors.

- The Topeka Zoo set an attendance record the year prior.
- The Combat Air Museum set an annual attendance record.
- Tourism is big business for Topeka. Looking at the numbers:
 - 534,827 rooms were sold in 2023
 - \$51,120,321 in rooms revenue in 2021 (numbers from the Dept. of Commerce)
 - Overall impact of the Leisure and Hospitality Industry for Shawnee County is around \$350M - \$360M annually.
 - According to the Bureau of Labor Statistics, there were 8,900 residents working in the Leisure and Hospitality jobs. This is an all-time record for the market.

Jayhawk Theatre

Jeff Carson and Joanne Morrell presented information about the Jayhawk Theatre. Mr. Carson noted the TGT has been a critical lift for all of the projects, since it was instituted. It has enhanced the Jayhawk Theatre's ability to work with an architect to develop concept designs, and has helped to show donors and patrons what the theatre will look like once restoration is complete.

Ms. Morrell stated they had an incredible, robust entertainment run in 2023 that included a number of sold-out events. Some folks expressed disappointment that events were sold out prior to them even hearing about it, and attributed that to the limited seating capacity of 300 seats. However, they are moving toward increasing the occupancy.

With the TGT funding and support from Visit Topeka, the restoration plans remained in motion in 2023, and were able to successfully bring in six national artists for six consecutive months. It helped build the audience space and bring people into the market that had never been to the Jayhawk Theatre or in many cases had never been to Topeka. With only 300 seats to sell, the Jayhawk was still able to bring in \$4,600 to support local artists, restaurants, hotels, staff and crew and 93% of the Theatre's annual budget was spent on local artist and vendors and direct support of the Arts.

Jayhawk Theatre is very focused on sustainability. They had more than \$60K in net income. They secured \$5.2M in support, to include the Spring Grant from the

State. They hosted 12 big shows, which average 30% of statewide and out-of-state guests. They drew 140 unique zip codes into Topeka, and 66 events brought in more than 6,200 patrons. Once restored, the numbers will grow exponentially and they will be able to bring in artists weekly rather than monthly. There will be 750 seats and 1,200 standing room capacity.

The TGT Funds allowed for Jayhawk to bring in Randy McKay, a venue consultant, to come in and identify things to help generate revenue and best practices.

With regard to the construction timeline, current plans are to have a contractor that is being selected through a competitive RFQ process, by May 6th, with the contractor on board and hitting the ground running by June 1st. Foundation restoration, which has already been designed, will be completed in the June-August timeframe.

Ms. Morrell reviewed information from the packet about youth programming. And the History Day at the J event that they held with the Boys and Girls Club.

Committee member Miller inquired if Jayhawk Theatre was trying to reach a number of different people and groups, and what was involved with such. Ms. Morrell referenced the earlier slides in the presentation and confirmed that there has been a lot of diversity over the years. Diversity is important to Jayhawk. At their last review of statistics, there were roughly 30% artists that were minority or affiliated with minority groups, of which represented 40% of the total attendance.

Constitution Hall

Grant Glenn presented information on Constitution Hall. Constitution Hall is one of a few sites in Topeka that is on the National Register for its National Importance. It was here that the Free-Staters met and wrote the Topeka Constitution, which was the first of four constitutions that the state presented to Congress, and it was the Freestate Constitution. There was another Constitution that was a pro-slavery Constitution that was based in Lecompton. The 7,000 people had come from Missouri, largely, to vote in the first election and elected a bogus legislature that eventually became the Lecompton legislature and it is in that framework that the legislature came to the new building in Topeka in 1856. Mr. Glenn provided additional history of the site.

Mr. Glenn showed a “before” picture of the building. He noted that funding from the City of Topeka helped to stabilize the building, even before the current TGT grant was provided. The TGT funding has allowed them to build the façade, supplied half of the funding for the new front of the building, which is replicated to what it was initially. Next to the building, you can clearly see the historic building. But to the right is the Works Law Office building, and the large \$3M grant from the State has allowed them to buy the Works Building and raze it in order to build a New Hall. The TGT money allowed them to build two different stairwells, an elevator, bathrooms on both floors, and there will be an opening of a welcome center and a catering kitchen. Mr. Glenn discussed a few additional improvements that were needing to be made.

Committee member Miller inquired about the electricity, stating that the delay and cascade-effect it had with other components of the project, and was concerned about whether or not work on other components could continue. Mr. Glenn agreed that it could find minor impact to the project, however felt confident that the architects and contractor will be able to figure out a solution.

Committee member Miller requested an update on the electrical information at the next meeting. Mr. Glenn agreed he would be able to provide that information.

Sunflower Soccer Association

Dustin Gale presented about Sunflower Soccer Association (SSA). When SSA first applied for the funding, projects they had listed included:

- Expansion and paving of the parking lot
- Building a full-size turf field
- Additional grass fields on southeast side of the complex
- Build the restroom and concession stand building
- Walking path around the complex

The Topeka Soccer Club (TSC) merged with, and took over, Topeka Select in 2019. Since that time, TSC has won two national state championships, and became the first club outside of the Kansas City area to have that. Additional boys competitive teams have been created due to need.

There are major changes coming to Sunflower Soccer. It is rebranding to Sunflower Sports Association. This change allows for the expansion of the

mission. Part of the at first initiative is to have a partnership with the NFL for a flag football league.

Short-term goals would be to find ways to make more investments in Topeka, as there has been a lot of money spent sending teams to other cities for tournaments. SSA has hosted the Governor's Cup tournament annually for a number of years. As of today, Topeka is the largest grass tournament.

Additional good news included partnering with Challenger Sports, who was the largest tournament provider in Kansas, to take over tournaments. That partnership is beneficial because of their access to a number of competitive teams. There are close to 25 teams from out-of-state, and a few from Sporting Wichita that are attending, and a few from Oklahoma and Illinois. The expansion is exciting.

A parent survey was sent out soliciting input about what they would like to see at the complex. The most common response was having lights on the turf field. Mr. Gale noted the association would be working with an engineer to draft a rough design of what the complex might look like if implementing some of the ideas provided by the survey. Then a capital campaign for the investments could be pursued.

Committee member Kell inquired if the association had thought about including lacrosse as well as flag football, noting it is becoming a popular sport. Mr. Gale answered that they are starting on a small scale to get a better feel for how successful and advantageous it might be to branch out. They are trying to locate and recruit someone in that position that could train and coach kids how to play the sport properly.

Committee member Miller felt utilizing the space for additional sports outside of the soccer seasons was a smart idea and was very interested in the timeline for flag football. Mr. Gale stated it would run from September through October, about six games plus playoffs in he NFL Flag football is nationwide, so there is a Super Bowl and Super Bowl rings involved, so there is some excitement around that. There is a meeting scheduled tomorrow with the Chiefs, to discuss a potential partnership to become a Chiefs affiliate, which would have additional bonuses. There will be a spring league in addition to the fall, and all-girls leagues will be offered as well as all-boys.

Mr. Gale referenced the upcoming World Cup games that will be coming to Kansas City, and stated it was time to capitalize on the youth sports market as much as possible.

Committee member Miller inquired if there were any opportunities being pursued with tagging along with FIFA to capitalize on any money that will be coming to the country. Mr. Gale noted there had been internal discussions on that topic, and brainstorming on what that might look like.

5) Discussion: Allocation of Unused TGT Funds

Chairwoman Hoferer noted the meeting has run longer than initially planned. She would like to plan another meeting to discuss this topic further. There are a few options on reallocation, including that the City does not have to reallocate all of it right now. One of the recommendations made last year was to split it up between the current groups. She tasked the other Committee members to put thought into where they would like to see the additional money go to.

Committee member Miller made a motion to move the discussion about allocating unused TGT funds to the next meeting.

The committee will look at dates in mid-May to meet again.

6) Other

No additional items.

7) Adjourn

Committee member Chairwoman Hoferer adjourned the meeting at 3:25pm.

Meeting video can be viewed at:

https://youtu.be/kFRnWlID_gA?si=OmZYdJhGdIQqlHbZ