Date: October 4, 2018
Time: 2:30 pm
Location: Holliday 1st Floor Conference Room; 620 SE Madison

Attendance
Committee Members Present: Tony Emerson, Aaron Mays, Michael Lesser
City Staff Present: Nickie Lee, Finance Director, Mary Feighny, Deputy City Attorney

1) Call to Order
Councilmember Emerson called the meeting to order.

2) Approve Minutes from May 11, 2018 meeting
Councilmember Mays made a motion to approve the minutes.
Councilmember Lesser seconded the motion. The minutes were approved 3:0.

3) Sunflower Soccer TGT Fund Resolution
Nickie Lee, Finance Director, provided a summary of the Transient Guest Tax (TGT) funds and how those dollars are allocated. Sunflower Soccer Association (SSA) currently receives 1% of the TGT funds. Over the course of the last couple of years, outstanding funds have been accumulating in the account designated to SSA, and the association would like to address the committee with a proposal on how to utilize those funds. In July of 2012, the Governing Body passed a 1% TGT tax with the purpose of the resolution was to cover two public improvement projects at the Sunflower Soccer facility. One was an extension of the sanitary sewer. The other was the construction of a new building which would house public restrooms, concession stand, pro-shop, and offices and storage, as well as improvement to the internal roads and parking lots, landscaping, signage, shade structures and five additional soccer fields. The original resolution was very specific in how the money would be used. Since 2012, Sunflower Soccer has completed what they were allowed to do under the original resolution.

Mrs. Lee also provided some background about the process. Since 2012, SSA has completed the portion of the project that was outlined in the original resolution. The sewer system was able to be purchased with cash. The larger portion did utilize special assessment funds and the
debt has been getting paid down which has resulted in an excess of roughly $100,000 that has been accumulating within the account, with no current plan specified as to how those excess funds are to be spent. The memo is a projected use of excess funds for Sunflower Soccer. The decision that needs to be made by the committee is determining what resolution the Governing Body would like to see in order to access these funds.

Andrew Fletcher, Executive Director Sunflower Soccer Association-presented committee members with proposed changes. This presentation can be viewed below.

Kevin Beck, SSA Board President – Commented on how the changes that have been proposed along with ones currently taking place and compared them to Kansas City area, Sedgwick and Wyandot County fields. The larger communities to the East and West of Topeka are building more and larger facilities. Sunflower Soccer is not asking for the millions of dollars that others have. SSA would like to utilize the funding that is currently locked up to enhance the current facility. Mr. Beck reiterated some of the projects that were spoken of during the presentation to highlight how the money could be effectively be used.

Councilmember Mays inquired with City staff about the reason as to the wording that was in the original resolution. Mary Feighny, Deputy City Attorney, noted that the property is outside of the City limits, so the other areas of the complex are off limits to those dollars. Mr. Beck provided historical context.

Councilmember Lesser inquired if some of the overhead income could be used as opposed to using the TGT money. Mr. Fletcher noted that the surplus income that has been projected for 2018, has already been used to replace the water pump and sprinkler heads, re-grading and seeding the fields. The $26,000 net that is shown in the presentation is actually much less as over $25,000 has been spent on the items mentioned above. The expense is within 2018’s budget. Mr. Beck clarified some of the expenses and questions about the projected income for the committee members.

Councilmember Lesser inquired if the expectation of SSA is to compete with some of the area competition, noting that Kansas City spent half a billion dollars in youth sports complexes within the past ten years. Mr. Fletcher noted the ultimate goal is for Topeka kids to be able to have a top quality field to play on during the week and for outside teams and communities to join in on the weekends. There is a long term vision to have outside teams spread the word about SSA, and to hopefully have the ability to host weekend long tournaments and be the largest small-town
tournament destination in the area. SSA will not be able to compete with Kansas City, however if they have the ability to attract teams from smaller towns within Kansas and even Oklahoma, their numbers will continue to grow.

Councilmember Lesser clarified that the ideal target of SSA would include a sixty mile radius for day to day operations, however noted that such a close distance is not something that would require people to stay overnight to get heads on beds. Mr. Beck agreed and noted that currently, SSA does not have the ability to pull in long-distance players/teams, however would eventually like to see that happen as a mid-range goal.

Councilmember Lesser inquired if the long term goal was for SSA to be able to be self-sustaining without requiring the funds through TGT tax, or if SSA would always require support. Mr. Beck noted that he would ultimately like for SSA to be self-sustaining. Discussion has been made of having other activities on the complex as a way to bring in additional revenue.

Mr. Beck continued that some of the reasons teams and tournaments left SSA were due to not having quality fields and amenities. If SSA is able to provide those things, although it still would not be a competition to Kansas City, it would provide the teams who left another option to playing in Kansas City. Councilmember Lesser noted that he did not mind helping to fund some of these goals, however would like to see SSA put up some assets as well.

Councilmember Mays noted that the tournaments have seen growth, and inquired if there was a prioritization to the projects that were listed in the presentation. Mr. Fletcher noted that the items on the list of projects that was sent to committee members was in a prioritized order.

Councilmember Emerson noted that there were losses in previous years and inquired if some of holding off on the maintenance was due to not having those additional funds. Mr. Beck noted that there was some money in an account for excess funds which helped carry the association through the rough years. Mr. Beck estimated that the account sits at around $60,000 to date. Councilmember Lesser inquired if those funds were listed in the presentation that was provided. Mr. Beck responded that all of the money in any account is listed on the presentation. Mr. Beck spoke further to clarify that from the Fall of 2014 to the Spring of 2017, there was no operating budget to speak of. The numbers provided are what Andrew Fletcher has been able to track since he began his employment with SSA. Councilmember Lesser inquired if SSA had a money market, noting that it is different from income. Mr. Fletcher confirmed that statement.
Councilmember Emerson asked SSA to provide an balance sheet, as well as a draft of a business plan as to where SSA would like to be within the next 10 years to the committee.

Mr. Fletcher noted that youth recreational soccer is not a huge money maker, and that having $200,000 in excess funds annually was difficult to foresee. Mr. Beck noted that there are some fundraising goals in the future to aid in the foundation funds. SSA has also looked into having marketing groups come in but has not decided on anything as of now.

4) Other Items Before the Committee

- Kurt Young, Exec Director of Topeka Lodging Association addressed the committee to note that the industry members do not feel that the excess funds should be provided to Sunflower Soccer Association as the venture is seen as an investment and that the finances going toward Sunflower Soccer are not yielding the results of providing income to the hotel and local business industry. Mr. Young suggested that committee members look at the funding as an investment. The missing component from SSA’s plan is discussion about increasing the number of outside groups who would stay and spend money in Topeka. Mr. Young noted that at the current rate, the Lodging Association will not be supporting the use of Transient Guest Tax dollars being spent at SSA. Councilmember Lesser noted that he agreed with Mr. Young that SSA is an community asset, however would like to see a plan for self-sustainability before approving continued funding from the TGT account.

Councilmember Emerson inquired if the Lodging Association felt that the Downtown project will see an increase to outside money being generated. Mr. Young noted that the industry felt that the Downtown Plaza will absolutely see an increase in the impact that will be seen from the community. Councilmember Emerson noted that quality of place, and would it be ok to use local tax dollars if it will be used to improve the quality of programs for local children and families. Mr. Young agreed, however would like to see more information presented before changing the decision.

Councilmember Mays inquired if a vote would be held at this meeting. Councilmember Emerson noted that the current meeting was informational, but he would like to see action taken by the end of the year.

- Brett Oetting, President of Visit Topeka, spoke to the committee and noted that the September Visit Topeka Board meeting yielded discussion that mirrored the Lodging Association of not using the TGT tax dollars to support Sunflower Soccer Association. Mr. Oetting noted in regard to quality of place, he understood that concept, however looking long-term,
Visit Topeka looks at the revenue that can be generated and getting concrete revenue amounts. Councilmember Emerson asked for clarification on the Visit Topeka Board’s stance on not funding SSA. Mr. Oetting noted that current funds to finish the projects that were stated by SSA would be approved; however the Visit Topeka Board would not be in support of future projects receiving the TGT funding.

- Councilmember Emerson noted that he would like to give SSA a couple of weeks to get a business plan of sustainability together.
  - Councilmember Mays recommended that SSA get assistance from Washburn Small Business Development Center.
  - Councilmember Lesser commented that the committee could also decide to leave the excess funds in the current account. City Manager Brent Trout noted that the request came from Sunflower, and the city needs an answer one way or another so that the budget can be prepared.
- Councilmember Emerson would like to meet again in early November (2018).
- Councilmember Lesser thanked Mary Feighny for her work in preparing the information requested.
- Council member Emerson thanked Liz Toyne for her assistance to the council in the office.

**5) Adjournment**
Meeting was adjourned.

The video of this meeting can be viewed at: [https://youtu.be/2EEiRJUfm6s?list=PLgeHEUuxN1FoZdB7js9gi-GuydmlHRQCY](https://youtu.be/2EEiRJUfm6s?list=PLgeHEUuxN1FoZdB7js9gi-GuydmlHRQCY)