Date: February 20, 2015

Time: 2:00 p.m.

Location: Executive Conference Room, City Hall

Committee Members Present: Councilmembers Elaine Schwartz (Chair), TJ Brown, and Richard Harmon who arrived late due to a previous work commitment.

City Staff Present: Jim Colson (City Manager), Mary Feighny (Legal), Bill Fiander and Tim Paris (Planning), Brandon Kauffman and Nickie Lee (Finance), Angela Horn (City Council).

1) Chairperson Schwartz called the meeting to order and stated there were no action items on the agenda. The meeting handouts are located at the City of Topeka website at http://www.topeka.org/CityOfficials/transtax.shtml

2) Councilmember Brown moved to approve the May 23, 2014 meeting minutes. Chairperson Schwartz seconded the motion. Motion passed 2-0.

3) Overview of Transient Guest Tax (TGT) fund and process. Brandon Kauffman, City of Topeka Chief Fiscal Officer, provided a broad overview of the TGT funds and how they are distributed.
   a. TGT is a 5%-1%-1% fund, with a total of 7% levied for the TGT.
   b. Revenues have varied from $1,839,000 in 2010 to $2,435,000 in 2014, showing a 7% growth. These revenues are on a cash basis.
   c. 5% of the TGT fund is used to:
      i. Support conventions/tourism
      ii. Support City facilities connected with conventions/tourism
      iii. Defray cost of providing operational services for convention/tourism functions
      iv. Create innovative projects and activities
v. Promote general economic welfare of the City and its environments, including attracting industry
d. The 2015 budget is $1,687,054 for this 5% allocation, with funds to be directed as follows:
   i. $1,312,054 to Visit Topeka
   ii. $175,000 to Visit Topeka BID
   iii. $200,000 to the Topeka Zoo
e. 1% of the TGT fund is used for Historic Preservation as follows:
   i. Great Overland Station - Allocated $94,000 annually with a cap of $1,175,000 that will be hit in 2015
   ii. Riverfront Park - Allocated $106,000 annually with a cap of $1,325,000 that is not expected to be hit in 2015.
      Current cash balance is approximately $606,000 with Shawnee County holding $106,000 plus $106,000 from the
      2015 allocation; there will be approximately $818,000 available for improvements by the end of this year
   iii. Historic Preservation Fund - will receive leftover funds
f. Additional 1% of the TGT fund is used for Sunflower Soccer Association (SSA) improvements as follows:
   i. Extension of sanitary sewer to SSA property
   ii. Multifunction restrooms, concessions, pro shop, office and storage
   iii. Road improvements/parking lots
   iv. Landscaping, signage and shade
   v. Five additional soccer fields
   g. SSA project completion by March 15, 2015; bonding in Fall of 2015.
h. SSA funds available as of 12/31/14 were $559,298; estimating by the end of this year to grow to around $916,000. Plan to
   transfer the remainder of the money to the Capital Projects Fund to reduce the amount of bonding needs the City will have in the
   Fall.
i. A policy decision needs to be discussed regarding what will be done with excess revenue. One suggestion would be to reduce
   bonding period by paying off in a shorter time frame.
j. Brandon reviewed an example of the 2015 fund distribution.
k. Councilmember Brown asked how the state of contingency relates to the strict formula allowed. Brandon explained that the
   state of contingency was built in so that if there were excess funds, they would have the authority to continue with the
distribution of those funds, rather than having to go through the process outlined in the statute to amend the budget.

1. Chairperson Schwartz reviewed the 1% Riverfront Park allocation which will end in 2015, and could reduce the TGT from 7% to 6%. She stated that this is something that they will want to include with the Lodging Association; how that tax is, where it is going, and where the excess funds go.

4) Heritage Tourism Improvement/Planning and Marketing Grants. Bill Fiander, City of Topeka Planning Director, recapped the 2014 projects approved under the Heritage Tourism Improvement/Planning and Marketing Grants which is funded through part of the 1% Historic Preservation fund.

a. There were four improvement grants.
   i. Shawnee County Historical Society at Ritchey house – completed
   ii. Topeka High School Historical Society to repair damage to walls and ceilings – partially completed
   iii. Friends of the Free State Capital for Constitution Hall to strengthen floor and roof joists and staircases – partially completed
   iv. Central Congregational Church – replace protective covering over stained glass windows – complete

b. There were two marketing grants.
   i. Downtown Historic District Nominations
   ii. Historic Resource Survey for expansion of College Hill District – partially completed

c. Totaled about $235,000 for two years of funding.

d. Chairperson Schwartz asked what the end date of the grant period is, and what are the unused funds used for. Mr. Fiander replied that collecting the funding will end in 2015, with expenditures being completed in 2016.

e. Need TGT Committee approval of the grant guidelines and application process. March 27, 2015 is the deadline for applications to be submitted. April 9, 2015 reviewed by the Historic Tourism Committee. Grants will be approved and awarded by end of April 2015.

f. Improvement Grants – 85% of left over funds
Planning & Marketing Grants – 15% of left over funds

gh. Councilmember Swartz asked for public input before voting.
h. Chris Mynard spoke as a representative of the Friends of the Free State Capital. He and some members believe there is a misunderstanding of what is considered ‘open to the public’. Mr. Mynard does not feel that the Historical Preservation Fund is being used as it was intended. Mr. Mynard stated that the City is required to use the National Park Service Standards.

i. Chairperson Schwartz said they would encourage the Historic Tourism Committee to consider that ‘open to the public’ is being followed. She mentioned that last year a church and a school were approved for the first time. She does not feel that the application or process needs to be changed.

j. Councilmember Brown stated he doesn’t see anything on the application that gives them an understanding of what they could expect the impact of the preservation to be. He feels it would be an important part of the process.

k. Bill Fiander said they do ask for an estimated economic impact as part of their project management plan that should be included with the application.

l. Councilmember Brown moved to approve the Planning and Marketing Grant application. Councilmember Harmon seconded. Passed 3-0.

m. Councilmember Brown moved to approve the Heritage Tourism Improvement Grant application. Councilmember Harmon seconded. Passed 3-0.

n. Historic Tourism Committee. Kurt Young, Executive Director of the Lodging Association asked that the President be changed to Roger Fry.

o. Councilmember Brown moved to approve change and accept the approval of the committee. Councilmember Harmon seconded. Passed 3-0.

5) Discussion on future distribution of funds.

a. Chairperson Schwartz asked if the Transient Guest Tax has ever asked the River Front to give a report on where they are at in the project. City Manager, Jim Colson stated that the City has been evaluating the progress and are about 2 to 3 weeks away from getting an update from them. He will have a report at the next meeting.

b. Chairperson Schwartz asked if there were any public comments.
c. Kurt Young, Executive Director of the Topeka Lodging Association commented that they have strived for consistency on where the dollars are being spent. One thing that has changed over the past 3 to 5 years is the continued effort between the Lodging Association and Visit Topeka to make sure they are on the same page on how the funds can be best utilized. They continue to encourage that Transient Guest Tax dollars be looked at; what is it going to bring to the community in terms of benefits of the travel and tourism industry. Topeka has always struggled with occupancy and ADR and the only way we can increase that is through a continued effort of spending those tax dollars in a manner that will increase the number of people coming to Topeka and the number of nights they stay here. To add to the Heritage package, Mr. Young asked that there be some type of follow up to make sure the dollars are being spent on those projects appropriately. He compared the TGT fund to a 401k for the industry; funds need to be invested in a way that we will see a return.

d. Chairperson Schwartz mentioned that Visit Topeka put out a report of 2014 attraction and attendance numbers, which showed the Zoo as number 1, Topeka State Capital as number 2, Old Prairie Town as number 3, and the Kansas Children’s Discover Center as number 4. She would like to see the Lodging Association ask guests what brought them to Topeka.

e. Chairperson Schwartz asked for public comment.

f. Murl Riedle, Board member of the Landmarks Commission, encouraged the TGT Committee to continue the 1% sales tax beyond 2015.

g. Shalyn Murphy with Visit Topeka mentioned that the Kansas Discovery Center is very good at gathering information from their guests on what brought them to Topeka, where they are staying, etc. and would be a good resource.

h. Jeff Carson, who is the owner of Gizmo Pictures located in the restored Thatcher Building, and who is on the DTI Board of Directors, is an advocate for the Jayhawk Theater Project, which is an important historical sight. It will be a 900 seat, state of the art theater, and he would like the City to help establish credibility for this project.

6) Meeting was adjourned.