



JEDO Board Meeting
May 11, 2016
6:00 P.M.

City Council Chambers
214 SE 8th Street, 2nd Floor
Topeka, Kansas

JEDO Board Members

Shawnee County Commissioners

Shelly Buhler District No. 1
Kevin Cook District No. 2
Bob Archer District No. 3

City of Topeka Governing Body

Larry Wolgast	Mayor
Karen Hiller	District No. 1
Sandra Clear	District No. 2
Sylvia Ortiz	District No. 3
	District No. 4
Michelle De La Isla	District No. 5
Brendan Jensen	District No. 6
Elaine Schwartz	District No. 7
Jeffrey Coen	District No. 8
Richard Harmon	District No. 9

JEDO Board Voting Members

Shawnee County Commissioners

Commissioner Shelly Buhler
Commissioner Kevin Cook
Commissioner Bob Archer

City of Topeka Governing Body

Mayor Larry Wolgast
Deputy Mayor Michelle De La Isla
Councilman Jeffrey Coen
Pending appointment by City Council

Public Comment. Comment from members of the public shall be entertained on each actionable agenda item and at the end of each meeting. Comment shall be limited to topics directly relevant to JEDO business. Members of the public wishing to speak must notify the County Counselor's Office (call 785-251-4042 or email megan.barrett@snco.us) before 4:30 p.m. on the date of the meeting. This requirement shall not apply to items added during the meeting. Members of the public shall be given four (4) minutes to speak and must maintain proper decorum relating to public meetings.

Agenda. Agendas are furnished at least five (5) business days prior to each meeting and posted on the City of Topeka web page at www.topeka.org/JEDO and the Shawnee County web page at www.snco.us/jedo.

To make arrangements for special accommodations please call 785-368-3940. A 48-hour advance notice is preferred.



**JEDO Board of Directors Meeting
Agenda for Wednesday, May 11, 2016
6:00 p.m.**

**Topeka City Council Chambers
214 SE 8th Street, 2nd Floor
Topeka, Kansas**

1. Call to Order
2. Roll Call
3. **Action Item:** Approval of February 10, 2016 JEDO Board meeting minutes. (Pgs. 3-17)
4. **Action Item:** Approval of Incentive Agreement – Project Reef: GO Topeka staff. (Pgs. 18-28)
5. Presentation: JEDO Finance Committee 4th Quarter Cash Statement (2015), 1st Quarter Cash Statement (2016): Betty Greiner, JEDO Finance Committee Treasurer (Shawnee County Audit Finance Director). (Pgs. 29-31)
6. **Action Item:** Approval of GO Topeka 2015 Financial Statements and Auditor’s Report: Morgan Padgett, CPA, Mayer Hoffman McCann, P.C. (Pgs. 32-46)
7. Presentation: Overview of 1st Quarter Report and current Quarter activities: GO Topeka staff. (Pgs. 47-54)
8. **Discussion with Possible Action:** Report of Section 3 – Communicate Effectively (External Marketing and Internal Communication) concerning the Garner Report. (Pgs. 55-60)
9. **Action Item:** Approval to move forward with previously budgeted initiatives/programs: New workforce initiatives: GO Topeka staff. (Pg. 61)
10. **Action Item:** Approval to move forward with a new initiative to develop a technical school on the east side of the community: GO Topeka staff. (Pg. 62)
11. Public Comment.
12. **Reminder of 2016 JEDO Board Meeting Dates per the JEDO Operational Rules:**
Wednesday, September 14, 2016
Wednesday, December 14, 2016
13. Adjournment.

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Agenda Item No. 3

**JEDO Board Meeting
May 11, 2016 – 6:00 P.M.**

Action Item: APPROVAL of February 10, 2016 JEDO Board meeting minutes.

**Joint Economic Development Organization Board Minutes
February 10, 2016**

City of Topeka Council Chambers, 214 SE 7th Street, Topeka, Kansas, Wednesday, February 10, 2016.

The Joint Economic Development Organization (JEDO) Board members met at 6:00 p.m. with the following voting Board members present: Shawnee County Commissioners Shelly Buhler, Kevin Cook and Bob Archer, City of Topeka Mayor Larry Wolgast, Deputy City Mayor Karen Hiller, City Councilmember Michelle De La Isla and City Councilmember Jeffrey Coen. Shawnee County Commissioner Shelly Buhler presided as JEDO Chair.

The following nonvoting JEDO Board member were present: City Councilmembers Sandra Clear, Jonathan Schumm, Brendan Jensen. The following nonvoting JEDO Board members were absent: City Councilmembers Sylvia Ortiz, Elaine Schwartz, Richard Harmon

Others present who presented and/or spoke before the Board:

Matt Pivarnik, President and CEO of Topeka Chamber and GO Topeka; Molly Howey, Director of Business Development for GO Topeka; Barbara Stapleton, Director of Existing Business & Workforce Development for GO Topeka; Glenda Washington, VP of Entrepreneurial and Minority Business Development for GO Topeka; Scott Smathers, Vice-President of Economic Development for GO Topeka; Joseph Ledbetter, Attorney at Law; Carol Marple; Scott Griffith, GO Topeka Chair, Intrust Bank

Commissioner Buhler called the meeting to order.

ITEM NO. 3: ACTION ITEM: Approval of the December 16, 2015 JEDO Board meeting minutes.

Commissioner Archer moved to approve the December 16, 2015 JEDO Board meeting minutes. Mayor Wolgast seconded.

No one appeared for public comment.

Following a vote, motion carried unanimously (7-0-0)

ITEM NO. 4: PRESENTATION: Overview of 4th Quarter 2015 Year End Report, Status of 1st Quarter Initiatives and Upcoming 2016 Economic Development Highlights: GO Topeka staff.

Matt Pivarnik, President and CEO of Topeka Chamber and GO Topeka spoke first. Tonight is his first JEDO meeting so he wanted to talk. He is looking forward to seeing economic prosperity in progress tonight. In a moment he will turn it over to the professional economic development partner staff but he wanted to quickly mention a couple of items to them.

First, GO Topeka is starting their second year of a three year contract with JEDO and JEDO has approved their program of work and budget for the 2016 year. Second, GO Topeka continues to review the Garner Report, have made changes and will make future positive changes leading to continuous improvement efforts. Third, in his meeting with our region's elected leaders, private leaders, our City Manager, it is apparent we all really want the same thing and that is economic prosperity for our entire region. He looks forward to working with them to compete. Our competition is not one another but it really is the rest of the world.

When the announcement was made in December that he had the opportunity to join this Topeka team, he started receiving phone calls from economic development professionals around the country. The messages he received went a little bit like this – Topeka is a great place and on the cusp of astronomical greatness, good things are to come. They told him how fortunate he was to join a County and a City that works together to create economic prosperity and progress so he wants to thank them for that. And they also said GO Topeka is recognized as one of the leading economic development organizations in the country.

He will leave them with this, the Ichabod in front of GO Topeka's offices is holding a book and the book is "Good to Great" by Jim Collins and so he wants to make a commitment to them, we will never stop trying to be better and we commit to working tirelessly with each of them. He will turn it over to the GO Topeka staff now for an overview and report of last year and items occurring at the beginning of this year.

Molly Howey, Director of Business Development for GO Topeka appeared. She will be highlighting some items from 2015 that pertain to new business attraction and marketing.

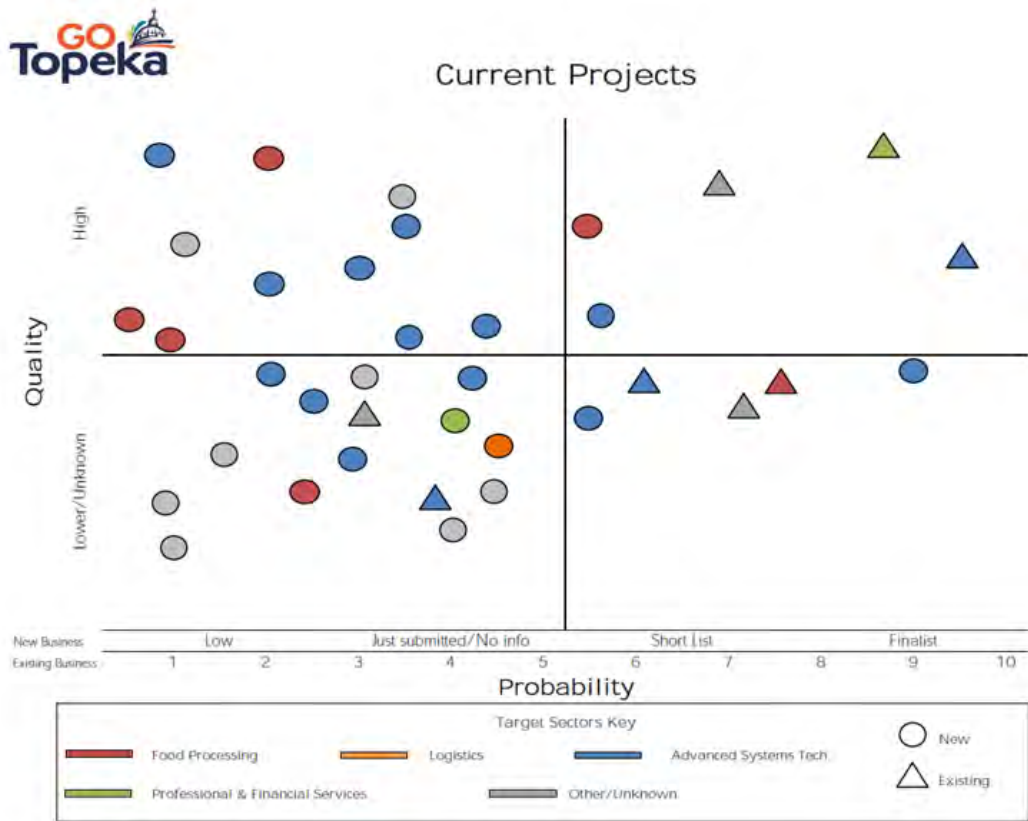
New Business Attraction

- Koch & Co. announced their new facility
 - 30 to 50 jobs
 - \$3 million capital investment on the east side of town
- New web site launched in the Fall
- New marketing videos created
 - NOTO art district
 - Biking
 - Row House small business
 - Home grown business
- New consistent brand look
- Social media growth
 - LinkedIn: 2013 – 397, 2014 – 463, 2015 – 511 = 29% Growth
 - Facebook: 2013 – 321, 2014 – 448, 2015 – 1,021 = 218% Growth
 - Twitter: 2013 – 1,299, 2014 – 1,797, 2015 – 2,411 = 86% Growth

New Business Projects Portfolio

- 29 projects in the pipeline
- 7 of those 29 are international companies. This is a bigger amount than we have had in the past
- 2 new projects in January
- 2 unable to submit – not enough land. One required 800-1,000 acres so that's going to be hard to find anywhere in Kansas with infrastructure. The other one was 200 acres with an adjacent 300 for expansion, it needed to be shovel-ready and have rail. So while we have some land that could work maybe, we didn't have the infrastructure there and rail accessibility.
- Breakdown of types of projects that are in the pipeline right now – the bulk of those projects are what we call Advanced Systems Technology which is the advanced manufacturing sector that is one of our target sectors from our recent target industry study.
- Also see chart that shows them a visual of all the projects that are in the pipeline and tells where they sit as far as quality and likelihood of us winning the project or how far along we are in the project. To the left side are projects that are new or we don't have enough information to know who all we are competing against and if we have a good shot or not or they are old enough they are about to fall off because there's been no activity or we've found out that there's some

checkpoint that we didn't meet and we are just waiting to hear confirmation that we are no longer on the list. Circles = new business projects; Triangles = existing business projects.



2/3/2016

Deputy Mayor Hiller asked for a quick clarification, of all the ones in this chart, these are big businesses rather than small business, correct?

Ms. Howey responded yes. If they are part of the EMBD program then no. They are projects that either we have received an RFP to submit on for an expansion that is coming from another area outside our market or they are existing businesses that are expanding that we are competing to keep that business here.

Deputy Mayor Hiller stated it's helpful. As they have grown and broadened the scope of what size of businesses they are working with, there is a little bit of fuss for her anyway, to figure out which bucket, and to be able to look at a chart like this and get a sense of whether that is lots of jobs or just a few jobs by looking at it.

Ms. Howey responded saying maybe they would think of a few ideas to maybe tweak this chart to give them a better idea as to the size of the projects also.

Councilwoman De La Isla stated so what she is seeing, what we have is out of the 26 projects reported, we have 11 that are high potential, 5 of them that are almost on the finish line, and it shows that she thinks 6 of them are still Advanced Systems Technology. And they are all new. Is that correct?

Ms. Howey responded that everything to the right of the line are the more higher probability so there are five blue ones which are the Advanced Systems Technology.

Councilwoman De La Isla asked if those are typically large industry jobs?

Ms. Molly stated some. We have a couple projects that are in that category of 30-50 jobs, \$7 million investment or something like that. With the automation that is happening these days, when it's Advanced Systems Technology, you do see a lower job count and that doesn't mean that they are a smaller company; they just have robotics and advanced technology to do more with less people.

Councilman Jensen asked if all of these are primary jobs?

Ms. Howey responded yes all the ones on this chart are.

Councilman Schumm asked on the two projects that we weren't able to submit for because we didn't have enough land, how much time was spent on those before we realized that land was that much of an issue?

Ms. Howey stated that was one of the initial criteria. In the 5 to 10 criteria that were shown to us in the initial round, that was one of the major criteria and so when we see that we know we are out.

Councilman Schumm asked in that case, these 29 projects range from things we haven't even cleared criteria for?

Ms. Howey responded no, those 2 projects were not included in the 29 projects.

Barbara Stapleton, Director of Existing Business & Workforce Development for GO Topeka.

Existing Business/Workforce EOY 2015

- Financial Services Summit: Growing Your Market; Manufacturing & Distribution Roundtable; Manufactures in the Classroom in conjunction with National Manufacturing Day (first Friday of October) that was in partnership with WashTech's Open House.
- Veterans Partnerships – Washburn University, Washburn Tech, Workforce Center, KanVet, 190th Air Refueling Wing, TEEI Initiatives (federal)
- Workforce Initiatives – Workforce Center, HR Meetings, Topeka Rescue Mission Care transportation
- Lean Six Sigma: White Belt Training for Plant Managers
- Non-profit and Small Business Scholarship, Washburn University Center for Organizational Excellence
- JEDO Scholarships, Washburn Tech

Existing Business

- Human Resources Breakout - January 15
 - Veterans Employment Center, Veterans Affairs Liasion
- Developed and Issued CRM Request for Information

Workforce Development

- Transportation Meetings - Topeka JUMP
- Lean Six Sigma Awards Luncheon
- Kansas Workforce Summit

Existing Business/Workforce 2016 Overview

- Manufacturing & Distribution Roundtables, Human Resources and Recruiting Managers Breakouts, Plant and General Managers Breakouts
- Workforce Initiatives, Veterans Partnerships, Transportation Meetings
- Manufactures in the Classroom
- JEDO Scholarship Awards
- Non-profit and Small Business Scholarship
- Financial Services Summit

Glenda Washington, VP of Entrepreneurial and Minority Business Development for GO Topeka

EMBD Program 2015 Overview

- Financing – 2015 – two new loan clients. Needed assistance to expand. \$66,055
- Seminars, Workshops & Other Events (43)
- Small Business Growth – helped to start 7 new businesses/16 new jobs created or retained
- Total people impacted by the EMBD Program – 2,825. They did track who attended the workshops, how many came to the events. What they have done though is they have come up with a new CRM management system that she thinks is going to be a little richer than what we had before. Deputy Mayor Hiller has talked a lot about tracking and that is key to her so what they've done is been tracking everything and looking at how in the long run we can show our impact to show that what we've done impacted the community. So they will see a different type of report coming from EMBD this year.

EMBD Program 2016

- Quarterly Blue Ribbon Academy. Marketing, HR, Legal and Finance. Trying to educate in bite sizes. There are a lot of people out there that really need these kinds of resources. And when we were talking to them and asking what do you need, we were told marketing, HR, legal and finance assistance, just to be able to understand those kinds of things.
- Working Capital – new television program. We are working with KTWU to bring education to entrepreneurs in their home or online or at their disposal. (*View video snippet played at <https://youtu.be/2FcYbP4Ouow>*) This launches February 18th. So our goal here is to strengthen our entrepreneur ecosystem by providing that education by collaborating with other entities in the community that have that same level of passion. Education, outreach, every month it will spotlight a business in the community. And you'll hear about a lot more good resources that will be at their fingertips.
- Small Business Incentives – ever since she has been here people have asked her what they are doing for small business. We thought educating small business and providing the business loans would be sufficient. But what we know now is that they need bridge and they don't always need the kind of bridge where they have to pay 15%, 20% interest and so they needed a lift. With this incentive program we are offering a lift to get to the next level. One example is she talked to a business today and he said he needs a roof and he is looking at how he can get it done. We were happy to tell him that we have this incentive program. And the components of the program are we have a 50/50 match for equipment purchases and construction for small business. For example, if you were doing construction and your bill was \$5,000, then you pay your \$5,000 upfront and we would reimburse them for half of that. So they are feeling comfortable with that. She has received 12 requests for information in the last 3 days. She is going to speak to 3-4 different organizations already and will be on a couple of radio stations talking about this opportunity for small businesses to grow. We knew that equipment purchases, construction and

employee skills upgrade were critical and so those are some of the things that we are addressing in this incentive program.

- New Venture and Growth Venture Classes – March 1st and March 17th
- Small Business Awards & Small Business Week – May 1st thru 10th
- EMBD Conference - September 14th
- TedX Women & Women of Influence Awards - October 27th
- Commercial Kitchen – working with Washburn on this. We have been talking about this for 3 years but she thinks we are going to birth it this year. We are very excited about that.
- Small Business Saturday - November 26th

Councilman Jensen asked what are the qualifications for any small business to work with EMBD on any of these programs?

Ms. Washington stated for the incentive program, it's very detailed and she can get that information to him, she does have that with her in an envelope.

Councilman Jensen replied so it is for very specific businesses that can only qualify?

Ms. Washington stated there are some NAICS codes that they have to fall under. But they are general enough that it embraces a lot of different types of companies.

Councilman Jensen asked what are we doing for businesses that don't meet those qualifications?

Ms. Washington indicated that she hadn't run into any yet.

Deputy Mayor Hiller stated her question was along the same lines, because she wondered at least a description, it's interesting that they would have to come up with the money and then be reimbursed so there are certain levels, do they review their business plan and their credit worthiness and so on?

Ms. Washington responded yes we certainly do. There is a checklist and she will sit down and go through the checklist with them, there is an application process, there are some checks and balances so we can confirm that they are in business and we do site visits so we can go out and make sure that the product they said they were buying, that it's there. So there are checks and balances on both sides.

Scott Smathers, Vice-President of Economic Development for GO Topeka

2015 Summary

- Companies New/Expanding:
 - Koch & Co.
 - Alorica
 - Big Heart Pet Brands
 - FHLBank of Topeka
 - Mars
 - R&R Pallet
- New Primary Jobs: 266
- Capital Investment: \$168 million

New Initiatives Update

- Retail Centers: Generating interest. Initially he thinks there was a little confusing regarding this program. We have spoke to three different organizations so far already relating to those shopping centers. One of the people who contacted them was a gentleman that he knew back when he was in Tulsa, OK many years ago. He had a contact with another gentleman, a big development company, and they had some questions regarding it so we have sent them information on the sites. There is some interest relating to that, this program has at least generated some of the ideas that people are thinking about and we hope to be able to come back with at least 1-2 opportunities that we can pursue regarding that retail center program. He wants to stress that there is no money given to anybody until they first come and give a proposal to JEDO on the shopping centers, that JEDO then says ok we like it, then the business goes out, they spend the money on the shopping center, they come back showing us receipts and pictures of the changes and it is inspected and then we will grant the money to them associated with that retail center. So he wants to make sure they know it's not just somebody saying "hey I'm going to fix up this shopping center so write me a check", that is not the way this program works and was never intended to work.
- Small Business Program: have defined certain small businesses that are allowed to participate in this program. JEDO set aside some of GO Topeka's budget money, he believes \$150,000 to do this program. Covers all retail, small manufacturers are included plus some you might consider as services industries. To clarify, we are prepared and will help any business that comes through, but as far as the incentive program, there are limits as to which ones qualify and which ones don't based off of JEDO's initial discussions with GO Topeka on really wanting to focus on the retail and the small service businesses. The next step really is getting the word out regarding it but word of mouth is already moving rapidly on it. He talked to a business yesterday about it as well. And with any luck he will be back asking for additional funds to continue with that program, because he does think it is a big and important program for us as far as getting small businesses a hand and moving forward.
 - Multiple businesses interested
 - Forms & procedures established
- Employee Transportation: continue to work on this idea. With Ms. Stapleton's efforts we have already identified over 100 people that could be impacted by this as far as looking for jobs. No matter what program we put together, it's probably not going to be any different than any of the other bus routes, you can assume you are going to cover about 15-18% hopefully through the ridership and the rest are going to be picked up by other entities. But it is something that at this point we are still gathering data and when we come back to JEDO, we want to have a pretty solid plan put together to talk to them about it in a little more detail. So we are hopeful that in May we will be able to come back to them with some actual data associated with it. You have to remember that while it's easy to say "go get a car" or whatever, a lot of the people who need this don't have driver's licenses, don't have insurance, don't have various ways of being able to get around and so we are ultimately trying to find a way to try to allow these people to get to work especially when you are dealing with the 2nd shifts and things like that which are going to come into play.
 - Met multiple times with MTAA
 - Met with cab company
 - Getting data from Kansas workforce providers
 - Speaking with local companies
 - Compiling the numbers

- Broadband: We have started meetings and a couple of them have been involved. We will be working with the City regarding this, as far as the neighborhoods go and these meetings have just begun but there are additional ones scheduled and we will be moving down the road on this.
- Workforce: Been working with the workforce development group. One of the things we are trying to do is make sure we get the businesses, we've been talking to them already about looking at focusing their job applications to one central location and then what we will do is try to market and make sure that the people who are out there looking for work know that's where to go. Will be coming back to them with more details as we get it and are working on it. We don't want to come up with something that is just slapped together.
- Virtual Spec Bldg: Beginning discussions about doing bids. We actually had a couple buildings and a couple of projects that have come in that we went out trying to pitch property and we were pleasantly surprised to find out that quite a bit of Forbes Industrial Park is leased out now. We didn't realize just how much of it had been leased out but they have leased out a fair portion. We were able to find one building over on the other side of the airport that met our needs but what we were looking for was 100,000 square feet with the ability to grow and Forbes Industrial Park did not have that available. So that was great news for us when you look at all the space and as a community that is great news. And we also got news today on another building we were looking for that some of our industrial people, or people who are trying to bring businesses here are saying we really are starting to have a void of available buildings that meet some of the needs with the high ceiling heights and the ability for cranes and other things that go into play. So that is where that virtual spec building will come in and we will continue to work on that as the year goes on.

Mayor Wolgast stated in general most of us are very interested in these new initiatives and the updates. Are he and his staff able to do all of these and still have a major focus on new jobs and bringing new industries in? He could see these 5-6 items could take a great deal of time of staff, just developing new programs and putting them together. Can they absorb that as well as keep all of these other things?

Mr. Smathers replied that it is getting pretty tight to be honest but right now we are hanging in there. Some of these projects probably aren't moving as fast as they would like and it's because when we have prospects or we have other projects that are coming in, they get priority. And so really we are trying to do these as time allows. So if JEDO says they want us to look at one or two of them, that's fine but our focus is really more on the prospects and the projects and our existing businesses first and then we work on these when time allows.

He did fail to mention one thing, which JEDO did not approve in the budget and we would come back, we are continuing to work on the education facility on the east side of town and that is something that we are moving forward on as well. We have identified one or two buildings that we are looking at, we are meeting fairly consistently with Washburn Tech regarding that. Some of the items that we are talking about are CDL, diesel program, small engine repair may come out of there, some construction that might come in and of course the GED testing. So that is something that we still hope to come back to JEDO on in the future.

Mayor Wolgast stated he thinks they have presented a very fine report. Would this be available online? Since we are talking about doing a better job of communicating with the public so they are aware of the things we are doing.

Mr. Smathers stated they are happy to have it posted online, no problem.

Councilman Schumm stated they did hear a lot about the retail centers at the last meeting and we specifically named four. His question tonight is, is it flexible enough that we could consider an area like the Huntoon Dillons for that program?

Mr. Smathers responded he would say that is purely JEDO's call and if they want to have, the Huntoon Dillons as an example, that they would want to offer the program for, absolutely. The program itself is established that they can really choose any location they are comfortable and it can be adapted to fit that.

Councilman Jensen stated that with the transportation initiative, he noticed they left out one very large option - Uber. Have they looked at the whole ride sharing platform and that concept as a way to move people around in a fashion where regular linear transportation such as a bus line isn't able to help?

Mr. Smathers replied that is a great question and yes we have looked at it. Last he heard there were about 17 drivers that had signed up for it. The problem you have is the inconsistency of it. He can tell them that for instance somebody that many of them know has called on that and was told "car will be there in 30 minutes" and 30 minutes later they were told "the car will be there in 30 minutes". But as you know many of the companies, you get points deducted if you are late or you don't show up or whatever and you get so many points and then you are terminated. And so you really need a consistent and definite source for delivering the people. And that is rain or shine, all year round. If we can establish a network of vehicles through Uber, or you know even companies have tried it with their employees, but often that makes it a little difficult for them

Councilman Jensen stated he just encourages them to look at all sides of it, not just as a transportation option but also as a business option for maybe a person who needs a part-time job. Mr. Smathers is correct, the system only works if it's balanced properly on both sides, you have to have enough drivers and you have to have enough passengers. So he would encourage them to reinvestigate and look at that as also a business opportunity for someone that has a vehicle. And then if you have enough people you can go out and say hey we need to recruit Uber drivers because we have this pool of regular passengers then suddenly there is a business incentive for someone to sign up and start driving. That provides substantially more flexibility than does even the cab company, in his experience.

Mr. Smathers stated they would be happy to do so.

Deputy Mayor Hiller said she had two things. First he had mentioned they were talking with the workforce center, that has really grown as a constant topic for us lately and what he mentioned was identifying a one stop shop and growing that. Could he talk about that a little more, she knows that in the Garner Report, he identified that he had some information, she thinks from GO Topeka that there were 14 different places that provided some sort of workforce development. And she is fine with that; she doesn't argue that, as many as there can be is great. But she has felt it would be helpful to have a profile of what is out there, whether there is one access point or multiple access points. So with this idea that they are working on, will we all be able to have an inventory or profile of who is doing workforce assistance?

Mr. Smathers replied that Barbara Stapleton and Pamela Hahn are working on coming up with the macro list of who is doing it. But we are really talking about two separate issues. What Deputy Mayor Hiller is talking about is more of a list of everyone who is doing workforce development which will include all of the high schools, Washburn Tech and Washburn. So when you look at that list you've got five high schools and other schools that make up close to half that list. What they are talking about is a place for people to post jobs for the one central location. He doesn't want to confuse the issue and say we are trying to take away from anything from these other people who are doing workforce development, they are critical to our market and we want to encourage them and work with them on that. The idea is though hopefully we can find one location for people that are posting jobs and for people who are looking for

jobs that we can set up as the central point. But yes we can, and we are working on trying to get that macro list put together of all the facilities. And it will continue to adapt and grow as time goes on and as we learn about more of them.

Deputy Mayor Hiller stated she appreciates that and if that segments what is for high school age, what's for college age, what is for long term unemployed veterans and so on she thinks it will answer a lot of the questions that we've all had. The other point she wanted to make is that she has been involved at the Huntoon Dillons and it was unexpected, tremendous community interest and concern as well as ideas. Just for people who don't know Scott Smathers and Glenda Washington from GO Topeka were at the meeting on Monday night and were active, not just there and it was really appreciated, it made a difference to have them out there.

Mr. Smathers replied it was his pleasure and it was a great meeting.

ITEM NO. 5: POSSIBLE ACTION ITEM: Framework for Discussion/Potential Action concerning the Garner Report.

Commissioner Buhler stated if everyone would refer to the memorandum in the agenda for this item, it is a framework for discussion and potential action concerning the Garner Report and Councilman Coen and Mayor Wolgast and herself met and kind of went full circle on the whole discussion on the Garner Report and really wanted to start with Communication (Section 3 Communicate Effectively). And really one action item that we are looking at tonight potentially is to have the three of them meet with our County and City IT staff and really just looking at how we list things so that they are identical for JEDO items. They are close but they are not identical and it would make it very easy for the public. Past that point we would certainly want to take a look at everything in the Garner Report and gather more information, specifically on communication. There is a mention in the Report about marketing; GO Topeka is doing some marketing videos; Heartland Visioning is doing community pride type of videos, so there is a lot going on with our partners in economic development. And as the memorandum states that would be discussed at the May 11, 2016 meeting; the September 14, 2016 meeting we would discuss Section 2 Renew and Transform (Product Improvement) and the December 14, 2016 meeting we would discuss Section 1 Execute Effectively (Organizational). And the reason we broke it down a little bit was there is a lot going on in the community right now. We have the Garner Report and GO Topeka is working on that, we are in the middle of a three year contract with GO Topeka and so we have already set the 2016 budget so we have time to make sure that we are doing the right thing in response to the Garner Report. This by no means is perfect, it was to get something on paper to make sure we had some guidance and we are certainly open for comments but it is a start. She would look to Councilman Coen and Mayor Wolgast for any of their comments.

Mayor Wolgast stated that he thinks in a sense, the first goal they are looking at is almost the easiest. It is not major changes in the direction but maybe we can work through that and be thinking about the others. The second and the third steps gets into more the organization, how we function, again those are significant steps that can be very changing in our procedures that they might want to consider and we will work towards that. But he thinks we go this one step at a time, if we can do all of these in a year that would be fantastic, he thinks it is a very important step and a process to get underway and we just have to start in and start considering them one at a time.

Councilman Coen stated we have to start somewhere and this he thinks is at least a place to start. And he thinks that is what is important.

Councilman Jensen indicated he interested to know why we have all our resources for JEDO spread across both the County and the City. It seems to him, websites are cheap, service space is inexpensive, why not take everything and put it in one place. He just looked up JEDOKS.org and it's available, we could lease that and have everything in one common, easy to access spot and then we don't have to spend a bunch of time trying to synchronize information across organizations. You could hand off who cares for it the same way we do with the Chair. But that way it is all in one common space, we have staff; they have email addresses to work off of that. It seems like consolidation would be easier in this case than trying to synchronize.

Commissioner Buhler replied she would just say that after meeting with City and County IT staff, that potentially might be what we do. But we didn't want to assume that, we want to make sure that we get with them and have that discussion and if that's what needs to take place then we bring that back to this body for that approval. But you're right, we had that discussion, we kind of went full circle and we said we need to start on something and that's where we are at.

Deputy Mayor Hiller stated she didn't have the time to look and inventory the Garner Report to see if they had covered everything. She likes the three categories; she likes the timing of the September one. If she understands what they are suggesting, that "Renew and Transform (Product Improvement)" that would in affect be kind of laying out what we would see as the strategic plan for 2017. Did she over read that? That we would be looking into what we wanted to see in terms of services for 2017 in their September proposal.

Commissioner Buhler replied, if anyone has the Garner Report with them, everything is listed on the Garner Report as far as in that Section entitled "Renew and Transform". She will give some examples – "JEDO should continue to acquire real estate for economic and growth opportunities" (*See Garner Report, pg. 28*). There's a whole list of actions here and so we would be reviewing those action, doing some research and then bringing that back to JEDO for action. September would also be a time that we would be looking at priorities for 2017 so we can build a budget with GO Topeka.

Deputy Mayor Hiller responded she thinks that's great, she just wanted to make sure. One of her disappointments with the Garner Report is she thought he was going to give us more suggestions in the report about that topic. And he just kind of said we should have a retreat. So the thought then is that the three of them would watch how things were going and put something together.

Commissioner Buhler replied they would refer back to the Garner Report, we would review, we would do some research and then we would prepare something again to be presented to the whole JEDO Board at the September meeting. But in addition to looking forward at 2017, having discussion of priorities with our economic development partner, GO Topeka; that whole discussion needs to take place too.

Councilman Schumm stated he just had some comments. Obviously the Garner Report didn't come out how any of us expected it to come out. In fact it's kind of a double edged sword for us right now as a JEDO body because it is already cutting us politically. There has already been concern that by hiring the same leader for GO Topeka and the Chamber, that we were already ignoring the Garner Report. That's a serious issue in a lot of constituents' minds. He's concerned and happy to hear about some things that are going on. But he is concerned that just getting the IT and the websites together and matching is maybe seen as window dressing and almost a stall tactic from the JEDO body. Especially by almost hiding these suggested changes in a committee to come about slowly. There are some serious things that the entire JEDO body needs to discuss. JEDO owning land, that's a big step. Putting it off several months, he hopes that won't cause mistrust from the public. That there won't be the suspicion that we are trying to ignore the part s of the report we don't like, because he will be honest, there are parts he does not like; he knows there are parts that almost everyone on this body does not like one way or another. And he

appreciates the Garner Report for being such that not a single one of us are entirely happy with it. And he appreciates the three committee members who are willing to take time and look into that. But his encouragement is we don't take it so slowly that it is seen as inaction or as dragging our feet. The idea of hiring a fulltime economic coordinator for JEDO to help us run the \$260 million business as Garner called it. Those are big changes and he hopes that we don't lose sight of them in breaking them up over the next three meetings as is suggested and the committee because he thinks they are worthy of discussion by the full JEDO body and not just the three committee members to bring a recommendation to the whole Board.

Commissioner Archer stated just to clear things up, JEDO is not a \$260 million business. That's like saying the City of Topeka is a \$5 billion business because that is our projected revenue for the next 15 years. That is foolish. If you talk to anybody that is an accountant or a financial person they will tell you that businesses are categorized by annual revenue. It's a \$15, \$16, \$17 million business, so let's get that straight, that was misleading.

Commissioner Cook stated he thinks there is some heed in both Commissioner Archer's statements in that what is the actual potential for the income. It's that \$15 to \$16 million. But at the same time he understands where Councilman Schumm is coming from as to the timeframe and implementation. One of the things that strikes him, as Garner points out; there is no mission statement for JEDO. But is everyone would turn to the packets that were put together, under Tab 6 is the JEDO Contract C1-2014. And all the contracts have very similar language, but if we look at the first "Whereas" on page 1, it outlines what JEDO's mission is, we have a mission statement; it's very succinct, it's very clear. It states "JEDO has as its principal mission the support of a strong economic development program designed to expand employment, strengthen the tax base and diversify and strengthen the Topeka and Shawnee County economy." If we can just agree that that is our vision and mission, those are not always the same term, but if we identify that as being our mission statement, we have accomplished one goal tonight.

Mayor Wolgast also wants to compliment the County on putting this packet together, because we don't meet very regularly so it's easy to forget. And we really have three different documents that determine who we are and what we do. First we have our Interlocal Agreement that sets up the funding aspect which is between two governing bodies, then we have our own Operational Rules that determine how we function as an organization and setting the agenda and public comment, and we have a contract with our provider GO Topeka. And we have three different documents and he thinks sometimes we get confused. We start putting something from one that should be in the other and not aware of the three different documents. So again he thinks that is why we have to stop and look at what we do and how we do it and make sure we do it correctly. Rather than just move in and move things around from one document to another and that makes it very confusing for us as well as for the public and that makes us less transparent.

Commissioner Buhler responded she is going to give credit where credit is due, a couple of years ago the Shawnee County Counselor's Office under the direction of Rich Eckert and then Megan Barrett put together this updated version of the packet together for all of them and she will be making it available on the website and make sure we have it available on the City's website as well. But it does have all the documents; it's kind of our go to book for what we are as JEDO. In response, there are 10 different actions under the communication strategy so we just choose one because we wanted to do one action item, and in the effort in transparency, we wanted to let the public know that these would be considered on these nights as well. Again it is manageable, it may be a little slower but again she will point out we are in the second year of a three year contract, we have set our budget for this year already. And we would have discussion and action at this body. The three of us would certainly be open to comments but that we would try to put some structure to it and then bring it back to this body for action.

Councilman Jensen stated it is a delicate decision whether to go very fast or slow down a bit. The comment he would make is we are already paying GO Topeka to do a lot of the things that were recommended that we should be doing internally. GO Topeka has made a number of major changes, they have a new leader. He would encourage us to give them a bit of time to see if they can accomplish some of these things that we were talking about internalizing here, we have already paid for it so it is in their instructions to do and as long as they can carry it out and do it effectively, us paying for someone else to do work we have already paid our contracting partner to do is not a good use of taxpayer money. Now, if they are not able to accomplish that work correctly and within a timely fashion than absolutely we need to take that part away from them and handle it internally but he thinks we should at least give them the opportunity within a reasonable amount of time, granted not a long one to show that they are able to handle these tasks that we have paid them to do.

Mayor Wolgast stated one other thing; the three people on this committee do not have divine wisdom. We talked about ways to involve the JEDO Board in input and also the public, and some public meetings, whether it be opportunities for the public to address these items as they are being deliberated and we have to work together on that. It's just always a matter of the process and that becomes challenging how to bring that about.

Councilwoman De La Isla stated she is going to play devil's advocate here. She absolutely understands where Councilman Jensen is coming from and she wants to see our partners go ahead and step up. Her concern is this. She loves the idea that we are going to break this into pieces, she loves that we are going to digest the report, but the one concern she has heard for the longest time is we don't have a defined boundary of what the expectation is. Furthermore, the second thing is we cannot expect for our employee to perform something if they don't have the pathway of what the expectation is. And what has happened throughout time is that as time has passed the needs that were outlined in our initial language have changed, our community has changed, the needs for employment have changed, the market has changed. So what she would like for us to do and she is pretty much just reiterating what is being said, is not to forget that yes there is an expectation that our partner is going to be doing some work but that we have to be very cognizant of the fact that if there are things that are not in here, we cannot complain that they are not being done. And that it is our responsibility as a body to make sure that we take this time and she does appreciate the fact that we do have a mission statement, call me a nonprofit sap – kind of bland, pretty vanilla. So she thinks we have a wonderful opportunity for us to meet as a body and to have a really serious discussion of where we would like to see this community in the future. Understanding that we are not the economic development experts, that our partner is, but so that we can be positioned to respond to our constituents when they ask us what was the expectation and as a body we all sat together, we worked on the process, we are sure of where we want to go and now we have something that we can benchmark against and something that we can hold our employee accountable for. She does not want us to lose sight of the fact that there was a lack of direction that we really do have to address.

Deputy Mayor Hiller stated one of the key things, and she has had it as a note to herself that we talk about this year was putting performance metrics, benchmarks into our system and she would argue that we don't really have them for this year. Was there an assumption on their part that in the September proposal that for the next year that performance benchmarks would be part of that goal.

Commissioner Buhler and Mayor Wolgast both responded yes.

Commissioner Cook moved to adopt the scheduled framework for implementation as proposed in Commissioner Buhler's Memorandum. Councilwoman De La Isla seconded.

Public Comment:

Joseph Ledbetter appeared for public comment stating his concerns include benchmarks, public input, lack of JEDO oversight and transparency. He strongly supports public input be a part of implementation of the Garner Report recommendations. He would ask them to speed up the timetable and allow the public to participate in the meetings.

Carol Marple appeared for public comment to share information about Heartland Visioning outsourcing its management function to John Hunter & Associates and also reiterated her concerns with Commissioner Buhler and Mayor Wolgast serving on the management Board for Heartland Visioning. She also commented on some concerns she has regarding GO Topeka, the Chamber of Commerce and the Chamber Foundation and the amount of money that is being spent on rent, office expenses, legal expenses, accounting, advertising and other miscellaneous expenses. Upon expiration of time, Ms. Marple requested she be allowed to speak for a few more minutes.

Councilman Coen moved to extend Mrs. Marple two more minutes to comment. Councilwoman De La Isla seconded. Following a vote, the motion failed with Commissioner Buhler, Commissioner Archer, Commissioner Cook, Mayor Wolgast and Deputy Mayor Hiller voting no (2-5-0).

Deputy Mayor Hiller stated she wanted to explain her vote. She wasn't sure the comments were on point with the subject at hand which is why she did not vote to extend the time.

Following a vote, the Motion to adopt the scheduled framework for implementation as proposed in Commissioner Buhler's Memorandum carried unanimously (7-0-0).

ITEM NO. 7: Public Comment

The following individuals appeared to speak for general public comment:

1. Joseph Ledbetter commented that the Garner Report included a lot of public input. Do not put this report on the shelf to be ignored and include the public on the implementation.
2. Carol Marple commented that the public has questions and has a right to know how our tax dollars are being spent.
3. Scott Griffith, GO Topeka Chair, Intrust Bank commented he would like to thank the JEDO members for their service to the community and the road path they have set out for GO Topeka to follow.

NO FURTHER BUSINESS appearing the meeting was adjourned at 7:25 p.m.



Agenda Item No. 4

**JEDO Board Meeting
May 11, 2016 – 6:00 P.M.**

Action Item: Approval of Incentive Agreement – Project Reef: GO Topeka staff.

INCENTIVE AGREEMENT

This Incentive Agreement (the "Agreement") is effective _____, 20____, and is entered into between the following parties:

GO TOPEKA:

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.
120 SE 6th Avenue, Suite 110
Topeka, KS 66603-3515
Phone: (785) 234-2644
FAX: (785) 234-8656
Contact Person/Title: Scott Smathers, Vice President of
Economic Development

BUSINESS:

PROJECT REEF

Phone: _____
FAX: _____
Contact Person/Title: _____

WHEREAS, BUSINESS is a Kansas corporation in good standing and qualified to do business under the laws of the State of Kansas; and

WHEREAS, BUSINESS is contemplating creating as many as Two Hundred (200) New Employment Positions in Topeka, Kansas; and

WHEREAS, GO TOPEKA desires to assist and promote BUSINESS by offering up to One Million Dollars (\$1,000,000) in employment incentives; and

WHEREAS, BUSINESS, acting in reliance upon the incentives set forth in this Agreement, has decided to expand its operations in Topeka, Kansas; and

WHEREAS, the parties wish to memorialize their understanding regarding the details of the incentive package to this legally enforceable contract.

WITNESSETH:

NOW, THEREFORE, in consideration of such mutual benefits and of the mutual covenants and agreements expressed herein, the parties covenant and agree as follows:

1. **Local Employment Incentive.** GO TOPEKA agrees to make available to BUSINESS the following employment incentive ("Employment Incentive") for new Full Time Employment Positions added and maintained by the BUSINESS, subject to the limitations and requirements below:

- o \$3000 incentive for Full Time Employment Positions with an annual compensation of \$30,000 to \$39,999
- o \$4000 incentive for Full Time Employment Positions with an annual compensation of \$40,000 to \$49,999
- o \$5000 incentive for Full Time Employment Positions with an annual compensation of \$50,000 to \$59,999
- o \$6000 incentive for Full Time Employment Positions with an annual compensation of \$60,000 to \$69,999
- o \$7000 incentive for Full Time Employment Positions with an annual compensation of \$70,000 to \$79,999
- o \$8000 incentive for Full Time Employment Positions with an annual compensation of \$80,000 to \$89,999
- o \$9000 incentive for Full Time Employment Positions with an annual compensation of \$90,000 to \$99,999
- o \$10,000 incentive for Full Time Employment Positions with an annual compensation of \$100,000 or greater

Each Employment Incentive will be divided into five (5) equal installments to be paid in five (5) consecutive annual installments if the subject Full Time Employment Position is maintained for the entire previous calendar year; provided, however that for 2016, qualifying positions need only be maintained from February 29, 2016 through December 31, 2016 (with the Employment Incentive installment relating thereto paid in 2017).

Notwithstanding anything to the contrary herein, a maximum incentive available hereunder shall not exceed more than One Million Dollars (\$1,000,000) in aggregate, and shall not exceed Two Hundred Thousand Dollars (\$200,000) in any one calendar year. To qualify for an incentive, the net new Full Time Employment Positions must be in place by December 31, 2017.

As used herein, a "Full Time Employment Position" is an employee position that includes approximately 2080 paid hours of service in Shawnee County, Kansas, during each calendar year. For purposes of determining eligibility for Employment Incentives (and the amount thereof), compensation includes salary, over-time, bonuses (including bonuses earned in the calendar year but not paid until the subsequent year), or other cash incentives paid by BUSINESS to the Full Time Employment Position in a calendar year, but does not include benefits, employer contributions to retirement funds, or profit sharing. Each position shall be eligible to receive health insurance benefits, at least part of the premiums of which are paid by the BUSINESS, and paid holiday and vacation leave. Nothing herein shall require that a Full Time Employment Position be held by the same person, nor shall this Agreement preclude BUSINESS from changing the title, purpose or utility of a position (as long as it meets the other requirements identified herein, including compensation). Each Full Time Employment Position must be one which has the BUSINESS withholding and paying all federal, state and local employment taxes attributable to the employee. More than one position cannot be aggregated to qualify for an Employment Incentive.

A Full Time Employment Position shall not fail to qualify for the Employment Incentive if the position is vacated (voluntarily or otherwise) and BUSINESS is undertaking an open and active search and such position is filled within ninety (90) days after the vacancy during the calendar year; provided,

however, that the vacancy could affect the compensation of the position (and therefore the amount of the Employment Incentive available). (If unfilled for longer than ninety (90) days during a calendar year, the position will cease to qualify as Full Time Employment Position and will not be eligible for an Employment Incentive for that year).

GO TOPEKA will endeavor to make an incentive payment by March 31 of the year next following the year in which the qualifying Full Time Employment Positions was maintained for the entire previous calendar year; provided, however, that BUSINESS must first provide GO TOPEKA with sufficient documentation relating to such employment levels (as required elsewhere herein).

The parties recognize there may be some turnover and fluctuations in the BUSINESS' employment levels. Therefore, subject to the termination provision, a position may qualify for an Employment Incentive in one year after failing to qualify in a prior year (and forfeiting that Employment Incentive installment); provided, however, that if the average per hour compensation for a position increases (into another incentive category) over its initial, first year amount, the incentive may also increase subject to the maximum employment incentive provided for herein, but if the compensation for a position decreases (into a lower incentive category), the incentive shall be decreased to meet the incentive category.

For purposes of illustration, if BUSINESS maintains throughout 2016 ten (10) Full Time Employment Positions receiving annual compensation of \$41,000, BUSINESS would be eligible to receive an Employment Incentive installment of \$800 per employee (\$4000 / 5 years), for a total installment for that year of \$8000 (\$800 * 10 employees), payable in 2017. If, in 2017, there were no changes except that one of the positions was not maintained for the entire year, BUSINESS would again receive an Employment

Incentive installment of \$800 per employee, but the total installment would be reduced by \$800 due to the lost position, for a total installment of \$7200 payable in 2018.

2. **Employment Incentive Calculation Documentation.** When and as reasonably requested by GO TOPEKA, BUSINESS shall provide GO TOPEKA with state and federal employment, tax return and/or other information reasonably necessary to establish employment levels in Shawnee County, Kansas, for purposes of calculating Employment Incentives and monitoring BUSINESS's performance hereunder. GO TOPEKA is granted the right to audit such information at any time during this Agreement. GO TOPEKA is granted the right to reduce payments made to the BUSINESS by amounts found to be improper, unauthorized or unsubstantiated. GO TOPEKA shall have sole authority in this regard and shall base its decision upon information submitted, including absence of documents to substantiate expenditure.

3. **Use of Funds.** The funds received by BUSINESS pursuant hereto shall be used for the purpose of employment or training of persons to be employed in Shawnee County, Kansas.

4. **Termination.** If BUSINESS fails to maintain at least a minimum of Five Hundred Twenty-three (523) Full Time Employment Positions in Shawnee County, Kansas, in any calendar year (between the January 1, 2016 and the end of the 2023, which is the last year in which to qualify for an Employment Incentive installment), this Agreement shall be deemed terminated and GO TOPEKA shall not be required to make any further Employment Incentive payments to BUSINESS under this Agreement.

5. **Notices.** Any notices required or permitted to be given pursuant to this Agreement may be delivered in person or mailed, certified mail, return receipt requested, to the addresses identified above.

6. **Confidentiality.**

- a. "Confidential Information" means all non-public, confidential or proprietary information of BUSINESS, including, but not limited to, financial information, tax returns, employee lists, compensation, benefits, documents, data or business operations disclosed by BUSINESS to GO TOPEKA in connection with this Agreement, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, or by permitted observation, and whether or not marked, designated or otherwise identified as "confidential". Confidential Information does not include information that is: (i) in the public domain; (ii) known to GO TOPEKA at the time of disclosure; (iii) rightfully obtained by the GO TOPEKA on a non-confidential basis from a third party; or (iv) independently developed.
- b. GO TOPEKA (i) may disclose Confidential Information to its directors, officers, employees and contractors (the "Representatives"), solely and exclusively to those of its Representatives who need to know such Confidential Information for purposes related to the Agreement, and for no other purposes, but GO TOPEKA at its sole expense, shall take all reasonable measures to limit disclosure of Confidential Information by its Representatives, and (ii) shall use, and, at its sole expense, shall take all reasonable measures to cause its Representatives to use, Confidential Information solely and exclusively for purposes of this Agreement, and for no other purposes; and (iii) shall use reasonable measures to prevent unauthorized access to Confidential Information. GO TOPEKA shall be responsible for any breach of this Section by its

Representatives, and for any claims, losses, liabilities, and damages resulting therefrom.

- c. BUSINESS shall be entitled to injunctive relief for any violation by GO TOPEKA of this Section.

7. **Miscellaneous**. The following miscellaneous provisions shall apply to this Agreement:

- a. BUSINESS agrees to make reasonable effort to solicit Shawnee County residents to fill the new Full Time Employment Positions in Shawnee County, Kansas.
- b. BUSINESS shall provide prompt notice to GO TOPEKA of any material adverse change in BUSINESS's financial condition that could reasonably result in a default by BUSINESS under this Agreement, or a material adverse change in Full Time Employment Positions maintained in Shawnee County, Kansas.
- c. BUSINESS agrees to participate in a public event with GO TOPEKA in Shawnee County, Kansas, celebrating the employment expansion contemplated by this Agreement. Such event would include general recognition of the Topeka-Shawnee County Joint Economic Development Organization's ("JEDO's") and GO TOPEKA's involvement in the expansion.
- d. This writing contains the entire agreement reached between the parties hereto with respect to the subject matter hereof, and may be amended only in writing duly executed by all parties concerned.
- e. This Agreement shall be interpreted under the laws of the State of Kansas, with venue being solely in the state District Court of Shawnee County, Kansas.

- f. In the event any provision is found to be unenforceable or unconstitutional, all other provisions shall remain in full force and effect.
- g. Time is of the essence of this Agreement.
- h. By signing this Agreement, the parties affirm that they have the authority of their respective companies to enter into this Agreement and bind their respective corporations.
- i. This Agreement shall bind and inure to the benefit of the parties to this Agreement, their heirs, legal representatives, assignees, transferors and successors.
- j. No failure by a party to insist on prompt performance by the other party of its obligations hereunder shall constitute a waiver of rights under the Agreement. Similarly, the waiver by a party of any breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach of that same or any other provision.
- k. This Agreement may be executed in counterparts, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one agreement, which shall be binding upon and effective as to all parties.
- l. The parties acknowledge and agree that BUSINESS shall not assign, transfer, hypothecate or otherwise encumber this Agreement and its rights hereunder, without the prior written approval of GO TOPEKA.n. GO TOPEKA makes no representation as to the taxability or tax effect of this Agreement and the incentive payments hereunder.
- o. GO TOPEKA's obligations hereunder are contingent upon approval hereof by the JEDO and the continued funding of GO TOPEKA at adequate levels through a portion of the Shawnee County retailer's sales tax and/or by JEDO.

GO TOPEKA may unilaterally reduce or eliminate any payments hereunder in the event that sufficient funds are not available (taking into account GO TOPEKA's other obligations and treating its obligations to the Business and its similar incentive obligations to other Shawnee County businesses *pari passu*). GO TOPEKA will endeavor to give BUSINESS advance notice of any reduction of funds when practical. BUSINESS agrees and understands that if there are not sufficient funds appropriated or available to GO TOPEKA to continue to make any payments hereunder (taking into account GO TOPEKA's other obligations and treating its obligations to the Business and its similar incentive obligations to other Shawnee County businesses *pari passu*), GO TOPEKA may terminate this Agreement with written notice of termination to BUSINESS. The reduction or elimination of any payments, and/or termination of this Agreement pursuant to this paragraph, shall not cause any penalty or damages to be charged to GO TOPEKA and BUSINESS waives and releases any rights, causes of action or claims it may have should such insufficiency of funds occur.

- p. In carrying out the terms and provisions of this agreement, BUSINESS shall not unlawfully discriminate against any employee, applicant for employment, recipient of service or applicant to receive or provide services because of race, color, religion, sex, age, disability, national origin or any other status protected by applicable federal or state law or local ordinance.
- q. Every duty, right, or obligation contained in this Agreement imposes an obligation of good faith in its performance or enforcement. For the purposes of the

Agreement, "good faith" dealing means honesty in fact in the conduct or the transaction concerned.

- r. Nothing herein contained shall be construed or held to make any party a partner, joint venturer or associate of another party in the conduct of its business, nor shall either party be deemed the agent of the other, it being expressly understood and agreed that the relationship between the Parties hereto is and shall at all times remain contractual as provided by the terms and conditions of this Agreement.
- s. The parties agree to execute and deliver such other documents, agreements or instruments as may be necessary or convenient to effect the purposes of this Agreement and to comply with any of the terms hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

"BUSINESS"

"GO TOPEKA"

PROJECT REEF

GROWTH ORGANIZATION OF
TOPEKA/SHAWNEE COUNTY, INC.

By: _____

By: _____

Print Name: _____

Scott Smathers
Vice President of Economic
Development

Title: _____



Agenda Item No. 5

**JEDO Board Meeting
May 11, 2016 – 6:00 P.M.**

Presentation: JEDO Finance Committee 4th Quarter Cash Statement (2015), 1st Quarter Cash Statement (2016): Betty Greiner, JEDO Finance Committee Treasurer (Shawnee County Audit Finance Director).

**Joint Economic Development Organization
Cash Statement
As of 4th Quarter Ending December 31, 2015**

Receipts:

Sales Tax - City of Topeka	\$ 9,224,182.95
Sales Tax - Shawnee County	7,413,172.43
Refund	330,866.59
Interest Income	610.70
Total Receipts	<u>16,968,832.67</u>

Disbursements:

City of Topeka		
Topeka Blvd Bridge	3,247,470.00	
21st City Limits to Urish	62,468.35	
21st Urish to Indian Hills	301,200.00	
SE 45th: SE Topeka Blvd to SE Adams Ave	<u>527,294.48</u>	
		4,138,672.83

Shawnee County		
SE 45th St: SE Adams to SE California Ae	22,589.02	
2% County Admin Fee	303,861.06	
County Bridges	<u>1,500,000.00</u>	
		1,826,450.08

GO Topeka	4,999,999.92
Transfer to KMIP Account	2,000,000.00
Garner Economics	89,045.80
Audit Fee	4,500.00
Bank Charges	282.53
Total Disbursements	<u>13,058,951.16</u>

Net Receipts (Disbursements)	<u>3,909,881.51</u>
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Bank Balance - January 1, 2015	<u>5,883,310.88</u>
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Bank Balance - December 31, 2015	<u>\$ 9,793,192.39</u>
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KMIP Balance - December 31, 2015	<u>\$ 2,000,063.33</u>
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Total Available Balance	<u>\$ 11,793,255.72</u>
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Note: This is a cash basis report
Prepared by Brandon Kauffman

**Joint Economic Development Organization
Cash Statement
For the First Quarter Ending March 31, 2016**

Receipts:

Sales Tax - City of Topeka	\$ 1,566,989.90
Sales Tax - Shawnee County	1,908,370.90
Refund	22,044.01
Interest Income	620.40
Total Receipts	<u>3,498,025.21</u>

Disbursements:

Shawnee County :	
County Bridges	1,500,000.00
GO Topeka	1,249,999.98
Bank Charges	54.14
Total Disbursements	<u>2,750,054.12</u>

Net Receipts (Disbursements)	<u>747,971.09</u>
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Available Balance - January 1, 2016	<u>11,793,255.72</u>
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Available Balance - March 31, 2016	<u>\$ 12,541,226.81</u>
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Note: This is a cash basis report
Prepared by Betty Greiner



Agenda Item No. 6

**JEDO Board Meeting
May 11, 2016 – 6:00 P.M.**

Action Item: Approval of GO Topeka 2015 Financial Statements and Auditor's Report: Morgan Padgett, CPA, Mayer Hoffman McCann, P.C.



April 29, 2016

To the Board of Directors
Growth Organization of Topeka/Shawnee County, Inc.

We have audited the financial statements of Growth Organization of Topeka/Shawnee County, Inc. for the year ended December 31, 2015, and have issued our report thereon dated April 29, 2016. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated February 12, 2016. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT FINDINGS FROM THE AUDIT

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Growth Organization of Topeka/Shawnee County, Inc. are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2015. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the value of pledge receivables. The determination of amounts potentially uncollectable and the present value discount is based on information, judgment and experience. We evaluated the key factors and assumptions used to develop the estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 29, 2016.

Management Consultations with Other Independent Accountants

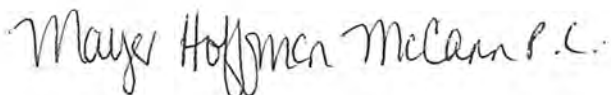
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of Growth Organization of Topeka/Shawnee County, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Mayer Hoffman McCann P.C.



**GROWTH ORGANIZATION OF
TOPEKA/SHAWNEE COUNTY, INC.**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014





INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Growth Organization of Topeka/Shawnee County, Inc.
Topeka, Kansas

We have audited the accompanying statements of financial position of Growth Organization of Topeka/Shawnee County, Inc., as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Growth Organization of Topeka/Shawnee County, Inc. as of December 31, 2015 and 2014, and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United State of America.

Mayer Hoffman McCann P.C.

Mayer Hoffman McCann P.C.
Topeka, Kansas
April 29, 2016

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION

<u>ASSETS</u>	December 31,	
	2015	2014
Current assets:		
Cash and cash equivalents	\$ 9,080,835	\$ 7,583,533
Investments	3,532,762	2,165,675
Pledges receivable, less allowance for uncollectible pledges of \$45,001 in 2015 and \$36,473 in 2014	555,025	622,433
Due from Greater Topeka Chamber of Commerce	1,560	-
Prepaid expenses	36,560	56,910
Restricted funds	2,757,704	2,339,924
Total current assets	15,964,446	12,768,475
Property and equipment, net	4,849	10,035
Other assets:		
Pledge receivable, less allowance for uncollectible pledges of \$48,050 in 2015 and \$115,438 in 2014	692,485	1,357,664
Land held for economic development	7,645,194	7,721,230
Total other assets	8,337,679	9,078,894
Total assets	\$ 24,306,974	\$ 21,857,404
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Deferred grant revenue - JEDO	\$ 11,082,568	\$ 8,322,831
Accounts payable	25,972	14,727
Due to Greater Topeka Chamber of Commerce	-	7,162
Due to Greater Topeka Chamber of Commerce Foundation	8,000	7,000
Agency funds	156,788	362,080
Improvement and training incentives	1,359,704	1,537,424
Total current liabilities	12,633,032	10,251,224
Net assets:		
Unrestricted		
Undesignated	1,383,238	1,102,353
Board designated	9,043,194	8,523,730
Total unrestricted	10,426,432	9,626,083
Temporarily restricted	1,247,510	1,980,097
Total net assets	11,673,942	11,606,180
Total liabilities and net assets	\$ 24,306,974	\$ 21,857,404

See Notes to the Financial Statements

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.
STATEMENTS OF ACTIVITIES

	Years ended December 31,					
	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenues:						
JEDO grant revenue	\$ 2,240,263	\$ -	\$ 2,240,263	\$ 2,587,090	\$ -	\$ 2,587,090
Air Service grant revenue	-	-	-	1,000,000	-	1,000,000
Private contributions and pledges	26,503	54,794	81,297	31,965	113,268	145,233
Events and other	48,682	-	48,682	60,744	-	60,744
Net assets released from restrictions	787,381	(787,381)	-	764,106	(764,106)	-
Total support and revenues:	<u>3,102,829</u>	<u>(732,587)</u>	<u>2,370,242</u>	<u>4,443,905</u>	<u>(650,838)</u>	<u>3,793,067</u>
Expenses:						
Program expenses:						
Economic development	2,020,053	-	2,020,053	3,418,375	-	3,418,375
Total program expenses	<u>2,020,053</u>	<u>-</u>	<u>2,020,053</u>	<u>3,418,375</u>	<u>-</u>	<u>3,418,375</u>
Supporting services expense:						
General and administrative expenses	278,622	-	278,622	245,395	-	245,395
Fundraising	3,805	-	3,805	2,030	-	2,030
Total supporting expense	<u>282,427</u>	<u>-</u>	<u>282,427</u>	<u>247,425</u>	<u>-</u>	<u>247,425</u>
Total expenses	<u>2,302,480</u>	<u>-</u>	<u>2,302,480</u>	<u>3,665,800</u>	<u>-</u>	<u>3,665,800</u>
Change in net assets	800,349	(732,587)	67,762	778,105	(650,838)	127,267
Net assets, beginning of year	9,626,083	1,980,097	11,606,180	8,847,978	2,630,935	11,478,913
Net assets, end of year	<u>\$ 10,426,432</u>	<u>\$ 1,247,510</u>	<u>\$ 11,673,942</u>	<u>\$ 9,626,083</u>	<u>\$ 1,980,097</u>	<u>\$ 11,606,180</u>

See Notes to the Financial Statements

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.
STATEMENTS OF CASH FLOWS

	Years ended December 31,	
	2015	2014
Cash flows from operating activities:		
Contributions, grants and other support	\$ 5,855,665	\$ 6,846,376
Cash paid to employees and suppliers	(2,347,403)	(3,878,434)
Cash incentives payments, net of refunds	(725,250)	(681,285)
Interest received	5,341	2,939
Net cash flows from operating activities	<u>2,788,353</u>	<u>2,289,596</u>
Cash flows from investing activities:		
Net (purchase) proceeds of short term investments	(1,367,087)	635,796
Investment in land and improvements	(7,699)	(24,225)
Reimbursement for improvements	83,735	43,726
Net cash flows from investing activities	<u>(1,291,051)</u>	<u>655,297</u>
Net increase in cash and cash equivalents	1,497,302	2,944,893
Cash and cash equivalents at beginning of year	7,583,533	4,638,640
Cash and cash equivalents at end of year	<u>\$ 9,080,835</u>	<u>\$ 7,583,533</u>
Reconciliation of change in net assets to net cash provided by operating activities		
Cash flows from operating activities:		
Increase in net assets	\$ 67,762	\$ 127,267
Adjustments to reconcile increase in net assets to net cash flows from operating activities		
Discount on pledges	(92,293)	(120,768)
Depreciation	5,186	8,460
Decrease (increase) in operating assets		
Pledges receivable	824,880	771,606
Due from Greater Topeka Chamber of Commerce	(1,560)	-
Prepaid expenses	20,350	1,079
Restricted funds	(417,780)	2,138,989
Increase (decrease) in operating liabilities		
Deferred JEDO grant revenue	2,759,737	2,412,910
Accounts payable	11,245	(242,371)
Due to Greater Topeka Chamber of Commerce	(7,162)	(77,474)
Due to Greater Topeka Chamber of Commerce Foundation	1,000	4,000
Agency funds	(205,291)	(17,613)
Improvement and training incentives payable	(177,721)	(2,716,489)
Total adjustments	<u>2,720,591</u>	<u>2,162,329</u>
Net cash flows from operating activities	<u>\$ 2,788,353</u>	<u>\$ 2,289,596</u>

See Notes to the Financial Statements

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS

(1) **History and organization**

The Growth Organization of Topeka/Shawnee County, Inc. was organized to encourage business and industry to locate and develop within the greater Topeka area and to otherwise promote the common economic interest of greater Topeka. The Organization receives funding through a grant from the Joint Economic Development Organization (JEDO) and by donations from the business community

(2) **Summary of significant accounting policies**

Basis of reporting - Assets, liabilities, net assets, revenues, and expenses are recognized on the accrual basis of accounting. Grant revenue is recognized at the time the funds are expended or are accrued for expenditure. Revenue from private contributions is recognized at the time the funds are received. Revenue from pledges is recognized in the period the pledge commitment is made by the donor.

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets represent the portion of funds currently available to support of the Organization's operations. The Organization's Board of Directors may designate a portion of unrestricted net assets to be used for certain purposes. At December 31, 2015 and 2014, the Board has designated net assets for future incentives related to land held for economic development and certain amounts funded to restricted escrow accounts.

Temporarily restricted and permanently restricted net assets represent funds that are subject to donor imposed time or purpose restrictions. At December 31, 2015 and 2014, temporarily restricted net assets are recorded for outstanding pledges receivable due to implied time restrictions as amounts are to be collected in future periods.

Fair value measurement – Assets recorded at fair value on the statement of financial position are categorized based upon the level of observability associated with the inputs used to measure their fair value. Fair value is defined as the amount that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The availability of unobservable in the market, the determination of fair value requires more judgment.

The three-level hierarchy for fair value measurements is defined as follows:

- Level 1 – Inputs are unadjusted, quoted prices in active markets for identical assets at the measurement date.
- Level 2 – Inputs are other than quoted prices in active markets that are observable for the asset, either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 – Inputs are unobservable and significant to the asset, and include situations where there is little, if any, market activity.

Management endeavors to utilize the best available information in measuring fair value.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS

Investments - The Organization invests in U.S. government securities money market funds, certificates of deposit and U.S. government securities. Investments are stated at fair value. Realized and unrealized gains and losses, dividends and interest on investments is reflected in the statement of activities.

Investment securities are exposed to various risks, such as interest rate, market fluctuation and credit risk. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in risks in the near term could materially affect investments and the amounts reported in the statements of financial position.

Management use of estimates –The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates

Pledges receivable - Unconditional promises to give that are expected to be received within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows. The discounts on those amounts are determined using risk-free rates applicable to the years in which the promises are received.

Conditional promises to give are not recorded until such time as the conditions are substantially met.

Land held for economic development - The Organization holds land for the development of the Kanza Fire and Central Crossing Commerce Parks in southwest Topeka, Kansas. The acquisition cost of the land and certain types of improvements are recorded as an asset on the Statement of Financial Position. Maintenance and certain utility extension costs that result in benefits beyond the park development are expensed as incurred. Management annually reviews the land held for economic development to determine whether carrying values have been impaired.

Land held for economic development is a board designated net asset.

Property and equipment - The Organization capitalizes all expenditures in excess of \$2,000 for property and equipment at cost. Depreciation is determined on the straight-line basis, with estimated useful lives as follows:

Equipment	3 - 5 years
Leasehold improvements	5 - 10 years

Maintenance and repairs which neither materially add to the value of the property nor appreciably prolong its life are charged to expenses as incurred.

Income taxes - The Organization is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code, is exempt from federal income taxes pursuant to Section 501(a) of the Code, and has been classified as other than a private foundation.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS

Expense allocation – The costs of providing various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and services benefited.

Cash defined for statements of cash flows – For purposes of the statement of cash flows, the Organization considers cash held in commercial banks with original maturities of three months or less to be cash and cash equivalents.

(3) Cash and cash equivalents

Cash and cash equivalents include repurchase agreements with a local bank. The repurchase agreements represent ownership interest in Federal Agency securities. Other bank deposits are generally maintained within FDIC-insured limits.

(4) Investments and fair value

Investments consist of the following at December 31,

	<u>2015</u>	<u>2014</u>
U.S. government securities money market fund	\$688,297	\$1,196,901
Certificates of deposit	<u>2,844,465</u>	<u>968,774</u>
Total investments	<u>\$3,532,762</u>	<u>\$2,165,675</u>

The following table summarizes the investments recorded at fair value based on valuation hierarchy as of December 31, 2015:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market fund	<u>\$ 688,297</u>	<u>\$ 688,297</u>	<u>\$ -</u>	<u>\$ -</u>
Total Investments	<u>\$ 688,297</u>	<u>\$ 688,297</u>	<u>\$ -</u>	<u>\$ -</u>

The following table summarizes the investments recorded at fair value based on valuation hierarchy as of December 31, 2014:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market fund	<u>\$ 1,196,901</u>	<u>\$ 1,196,901</u>	<u>\$ -</u>	<u>\$ -</u>
Total Investments	<u>\$ 1,196,901</u>	<u>\$ 1,196,901</u>	<u>\$ -</u>	<u>\$ -</u>

The fair value of the money market fund is based on the carrying value of the accounts due to its short maturity, high liquidity, and low risk of default.

Certificates of deposit are carried at cost plus interest credited to date.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS

(5) **Property and equipment**

Property and equipment consists of the following as of December 31:

	2015	2014
Cost		
Equipment	\$ 157,778	\$ 157,778
Leasehold improvements	8,503	8,503
Total property and equipment	166,281	166,281
Accumulated depreciation	(161,432)	(156,246)
Net property and equipment	\$ 4,849	\$ 10,035

(6) **Pledges receivable**

Pledges receivable from donors consists of the following as of December 31:

	2015	2014
Receivable in less than one year	\$ 600,026	\$ 658,906
Receivable in one to five years	761,001	1,527,002
	1,361,027	2,185,908
Less allowance for uncollectible pledges	(93,051)	(151,911)
Less unamortized discount at 2%	(20,466)	(53,900)
	\$ 1,247,510	\$ 1,980,097

Pledges receivable are classified as Level 3 under the fair value hierarchy since the amount recognized is based on estimated future cash flows.

(7) **Land held for economic development**

The Organization owns a portion of land at the Kanza Fire and Central Crossing Commerce Parks in southwest Topeka, Kansas. The land is available for the Organization to transfer to companies for economic development.

(8) **Restricted funds**

Restricted funds represent amounts held in two escrow accounts for specific purposes. One escrow account is maintained for certain property improvements, training, and employment incentives. The other escrow account was established in 2013 as part of an agreement to bring commercial air service to Topeka. The air service escrow account was funded with a \$1,000,000 grant from the Kansas Department of Commerce and \$250,000 of funds from Metropolitan Topeka Airport Authority and was completely paid out in 2014. The following is a summary of funds held in escrow:

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS

	2015	2014
Balance, January 1	\$ 2,339,924	\$ 5,712,309
Funding by the Organization	637,500	637,500
Payments	(221,839)	(4,013,206)
Interest and other	2,119	3,321
Balance, Decemeber 31,	\$ 2,757,704	\$ 2,339,924

(9) Agency funds

The Organization acts as an agent on behalf of the Governor's Military Council. Cash held on behalf of the Governor's Military Council is classified as both cash and a corresponding liability.

(10) Related party transactions

The Organization reimburses The Greater Topeka Chamber of Commerce for certain services incurred on behalf of the Organization. The reimbursements are primarily for salary and benefit costs of personnel serving the Organization. Amounts billed to the Organization for reimbursement of such services for the years ended December 31, 2015 and 2014, which are funded by the JEDO grant, were approximately \$445,000 and \$414,000, respectively. Amounts billed to the Organization for reimbursement of such services for the years ended December 31, 2015 and 2014, which are funded by private contributions, were approximately \$405,000 and \$437,000, respectively. At December 31, 2015 and 2014, the Organization owed the Greater Topeka Chamber of Commerce \$0 and \$7,162, respectively, under this reimbursement arrangement.

The Organization owed \$8,000 and \$7,000 at December 31, 2015 and 2014, respectively, to the Greater Topeka Chamber of Commerce Foundation for pledges collected on their behalf.

The Organization also makes lease payments based on its proportionate share of space under a lease agreement between Security National Properties and the Greater Topeka Chamber of Commerce. Total lease expense for the years ended December 31, 2015 and 2014 was \$69,397 and \$73,805, respectively.

The Organization made a contribution in the amount of \$75,000 and \$156,024 in 2015 and 2014, respectively, to 712 Innovations, LLC, a subsidiary of the Greater Topeka Chamber of Commerce Foundation. 712 Innovations, LLC was established in 2014 to provide a makerspace/co-work space for economic development.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS

(11) JEDO grant

JEDO is a separate legal entity authorized by Kansas Statute 12-2904(a) which was created by an inter-local agreement between the Board of Commissioners of Shawnee County and the City of Topeka. The Organization has an agreement with JEDO that provides for a grant to the Organization for the purpose of providing economic development services, including research, target marketing, existing business retention and expansion, new business recruitment, minority and women-owned businesses, infrastructure development, site acquisition and development, incentive funds, workforce training and expansion, and other such activities deemed necessary and appropriate. The term of the agreement was for one year with options to extend for successive periods of one year each unless either party terminates the agreement. On April 2, 2014, JEDO approved a new grant agreement with the Organization for a three- year period commencing January 1, 2015.

JEDO approved the carryover of the 2015 and 2014 unexpended grant funds. This carryover is included in the deferred JEDO grant revenue at December 31, 2015 and 2014, and includes approximately \$850,000 and \$700,000 for the minority and women-owned business program at December 31, 2015 and 2014, respectively.

(12) Concentrations and major customers

The Organization received 95% and 64% of their total revenue from a grant with the Joint Economic Development Organization (JEDO) for the years ended December 31, 2015 and 2014, respectively. In the event this grant was discontinued, the activities of the Organization would be curtailed accordingly. In addition, the Organization received 27% of their revenue for the year ended December 31, 2014 from the grant with Kansas Department of Commerce for air service.

(13) 401(k) retirement plan

The Organization established a 401(k) retirement plan through a common paymaster agreement with the Greater Topeka Chamber of Commerce in which eligibility is reached when an employee has 1,000 hours of services, is age 21, and has completed 12 months of service. The 401(k) retirement plan is sponsored by the Association of Chamber of Commerce Executives.

The Organization's 401(k) retirement plan expense was \$35,403 and \$31,759 for the years ended December 31, 2015 and 2014, respectively.

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS

(14) Incentives

The Organization enters into various incentive agreements covering several years and generally requiring maintenance of employment levels and other obligations. For the years ended December 31, 2015 and 2014, the Organization paid net cash incentives totaling \$680,245 and \$681,285, respectively, under these agreements. These payments include payment into restricted funds (see Note 7). At December 31, 2015, the Organization also has outstanding contingent incentive commitments to various companies expected to be payable as follows:

2016	\$	1,346,600
2017		560,600
2018		113,800
Thereafter		222,000
	\$	2,243,000

Improvements and training incentive liability includes the following at December 31:

	2015	2014
Funded and held in escrow (see Note 7)	\$ 2,757,704	\$ 2,339,924
Less board designated employment incentive held in escrow	(1,398,000)	(802,500)
Balance, December 31	\$ 1,359,704	\$ 1,537,424

(15) Utility extension

During 2014, the Organization completed the project of extending water, sewer, and gas utilities around Kanza Fire Park. The total cost of the project was approximately \$2,576,000, of which \$500,000 was incurred in 2014.

The Organization has elected to record the cost of the utility extensions as an economic development expense as incurred.

(16) Conditional contributions

As of December 31, 2015, the Organization has been notified of promises to give for in kind services totaling approximately \$58,000. These promises are considered conditional and have not been recorded in the financial statements.

(17) Subsequent events

The Organization has evaluated subsequent events through April 29, 2016, the date which the financial statements were available to be issued. No subsequent events were noted.



Agenda Item No. 7

**JEDO Board Meeting
May 11, 2016 – 6:00 P.M.**

Presentation: Overview of 1st Quarter Report and current Quarter activities: GO Topeka staff.



Economic Development

1st Quarter 2016

Report to JEDO



1ST Quarter 2016

GO Topeka staff worked in the first quarter of 2016 to achieve the annual goals set and to ensure continued economic development success for Topeka and Shawnee County.

The New Business Attraction program during the first quarter met with 53 site location consultants and corporate real estate professionals in face to face meetings. During the first quarter, staff worked with 8 new prospects resulting in 3 formal incentive proposals. The current portfolio of New Business Attraction projects, at the end of the first quarter includes 24 projects, capturing potential for 4,790 new direct jobs and \$1,226,800,000 in new capital investment. Leads and prospects are being developed on an ongoing daily basis.

The Existing Business and Retention program made 54 visits in the first quarter of 2016 and is currently working on 10 active projects, of which 3 were opened this quarter. Based upon data received to date, the 10 projects represent \$35,000,000 in new capital investment, and 256 direct new and retained jobs. Three annual audit verifications are in progress. Efforts continue to grow partnerships with business, industry and education to meet the needs of local businesses through the coming Manufacturing and Distribution roundtable to be held in the 2nd quarter.

Workforce Development initiatives continue to grow and expand. The JEDO scholarship program with Washburn Tech for the spring 2016 semester reports a total of 50 awards, totaling \$33,000 year to date. Meetings were coordinated with the Topeka Workforce Center and the Topeka Capital Journal to develop workforce and jobseeker partnerships, reduce duplication of services and expand resources. Other efforts in the workforce development area include meetings and coordination with workforce partners regarding transportation data and supporting employer hiring events.

GO Topeka's Entrepreneurial and Minority Business Development continues to serve as a catalyst for growing and strengthening Shawnee County's small business community. Initiatives include increasing the number of small business calls, unveiling the Small Business Incentive Grant, providing access to buyers from larger corporations and collaborating with community organizations such as Lulac and the NAACP to create two minority business directories.

The new Blue Ribbon Lunch and Learn Series was created to address more of the issues and concerns for small businesses. The quarterly series will cover Marketing, Human Resources, Finance and Legal concerns. More than 126 attendees participated in the Marketing Series this quarter. Other efforts included collaborating with community partners such as the Department of Commerce, Federal Home Loan Bank and the NAACP to host an informational session on business procurement opportunities for small business. EMBD "business calls" efforts have aided in uncovering additional needs in the small businesses community.

The following report gives much more detail as to all of the accomplishments and results of GO Topeka staff for the first quarter 2016.

New Business Attraction
Team Leader: Molly Howey

GOAL 1: Create substantial prospect activity through suspect lead generation and servicing new qualified projects that have a high level of interest in Topeka/Shawnee County.

Goal 1.1: Development of 40 new prospects (viable project generation, sites/buildings proposal submitted)

Progress 1st Quarter

- 8 new prospects

Goal 1.2: 12 new qualified projects (formal incentive proposals and/or prospect visits)

Progress 1st Quarter

- 3 formal incentive proposals

Goal 1.3: 235 personal contacts with Site Consultants and National Corporate Realtors over course of year (face to face meetings)

Progress 1st Quarter

- Face-to-face meetings with 53 site consultants and national corporate realtors at Site Selectors Guild, Industrial Asset Management Council, KCADC meetings, Retail Industry Leaders of America and one-on-one meetings set by GO Topeka staff.

GOAL 2: Generate new community and individual wealth and prosperity through new capital investments and new/retained primary jobs that pay the average wage or higher for Shawnee County and provide health insurance for the employees.

Goal 2.1: Attract new capital investment (new and expanding primary employers)

Progress 1st Quarter

- As of March 31, 2016 the current GO Topeka portfolio of new business attraction prospects/projects includes:
 - 24 projects
 - \$1,226,800,000 potential capital investment
- As of March 31, 2016 the current GO Topeka portfolio of existing business expansion prospects/projects includes:
 - 10 projects
 - \$35,000,000

Goal 2.2: Attract new primary jobs (new and expanding primary employers)

Progress 1st Quarter

- Current GO Topeka portfolio of new business attraction projects/prospects includes:
 - 4790 potential new direct jobs
- Current GO Topeka portfolio of existing business expansion projects/prospects includes:
 - 256 potential new direct jobs

Goal 2.3: Increase the per capita income in Shawnee County over time by adding new jobs to the community that pay at least the Shawnee County average or their specific industry average wage.
Current average: \$40,716 (2015 Third quarter, most recent available
Source: Kansas Department of Labor, Bureau of Labor Statistics)

Progress 1st Quarter

- Current GO Topeka portfolio of new business attraction and existing business expansion projects/prospects includes:
Average projected wage of \$36,902 based on projects/prospects information to date.

Additional Attraction Actions Implemented in 1st Quarter 2016

- Met with commercial brokers and retail and logistics companies at the national Retail Industry Leaders of America Logistics Forum.
- Marketed Topeka/Shawnee County to over 20 of the top site selectors in the country at the Site Selectors Guild conference.
- Represented Topeka/Shawnee County at the Industrial Asset Management Council spring conference.
- Launched a new GIS system on the GO Topeka website.
- Attended the Kansas Economic Development Alliance Legislators Forum.
- Hosted Lawrence and Manhattan chambers for a Kansas Research Nexus meeting to grow our regional legislative partnership.
- Attended the KCADC Alliance meeting to market Topeka/Shawnee County to Kansas City area brokers.
- Selected a new Customer Relations Management program to launch in early second quarter.
- Attended community broadband meetings to collaborate on future plans.

Existing Business and Workforce Development

Team Leader: Barbara Stapleton

Goal 3: Increase contact with existing businesses and top employers and provide support for primary employers to retain and/or add jobs. Provide education and training for workforce to support existing business, with an emphasis on primary employers that will enhance their operations and sustainability in Topeka/Shawnee County.

Goal 3.1: At Least 120 business visits including top 40 employers (mandatory to qualify). Visit inputs will be recorded on a consistent format and reported to the CEO and VP on a quarterly basis.

Progress 1st Quarter

- 54 business visits were conducted in the first quarter of 2016. Of those visits, 27 consisted of major employers.

Goal 3.2: Provided assistance to companies needing help. Assistance includes providing resources, referrals, problem solving, and expansion assistance.

Progress 1st Quarter

- Staff currently is working to assist 10 companies, of which 3 projects were opened in the first quarter of 2016.

Goal 3.3: Aid Topeka/Shawnee County residents in acquiring workforce training that improves their skill set and meets local company job demands. This assistance must involve organizational assistance, funding, planning, or marketing the program.

Progress 1st Quarter

- The Washburn Institute of Technology scholarship program awarded 50 awards for the spring semester.
- Eighteen bus passes have been provide through the Topeka Rescue Mission's CARE program, a workforce initiative.

Additional Existing Business and Workforce Development Activities Implemented in 1st Quarter 2016

Existing Business:

- Hosted the HR Breakout with recruitment information and resources regarding hiring opportunities via the Veteran's Employment Center, www.vets.gov
- Meetings began for the planning of the Financial Services Summit, to be hosted in October 2016.
- Planning continued for the 2nd Manufacturing & Distribution Roundtable, to be hosted April 18, 2016.

Workforce Development:

- Coordinated meetings regarding Washburn Tech East planning.
- Attended USD501's Education Summit.
- Met with Topeka's Justice Unity and Ministry Project team and the Topeka Metro regarding workforce transportation concerns at their request.
- Attended Washburn Tech's National Technical Letter of Intent Signing Day.
- Continuing coordination of the KanVet Benefits Office at Washburn Tech.

Entrepreneurial and Minority Business Development

Team Leader: Glenda Washington

Goal 4: Increase the knowledge and capacity of minority- and women-owned businesses as well as starting or growing Shawnee County entrepreneurs through education, training, development and support services. Entrepreneurial & Minority Business Development (EMBD) and Topeka Shawnee County First Opportunity Fund (TSCFOF) will work to build capital led and educational strategies to fill critical gaps for the underserved entrepreneur, by increasing the number of loans made, providing entrepreneurial education and assisting creation of entrepreneurial jobs.

Goal 4.1 Increase training/educational/entrepreneurial opportunities annually for minority, women-owned businesses, entrepreneurs and small businesses.

Progress 1st Quarter

As of January 2016, EMBD has made a significant first quarter impact on pre venture, entrepreneurs and existing small businesses through counseling, training, educational seminars

- Lunch and Learn Attendees (2 sessions/76 attendees)
- New Venture (One class/10 participants)
- Community Outreach (TIBA/Hermanitas, NOTO, Downtown Merchants, Brookwood and Fairlawn Plaza)
- Counseling Sessions (assistance/counseling of 89)
- Site visits conducted during the period (10)

Goal 4.2 Increase the number of applications received by TSCFOF during FY-2016 year.

Progress 1st Quarter

- In an effort to build the pipeline for the TSCFOF, EMBD continues to market the TSCFOF in addition to a new financial tool. Radio and television ads have been recorded. The radio ad is currently being aired.
- The Topeka/Shawnee Small Business Incentive Program was launched in February and has been extremely successful during First Quarter. The Incentive Program provided assistance to 11 small businesses, offering a match of more than \$51,000 to help with the growth or expansion of these businesses. Businesses range from a landscape business to a sign company. The pipeline of this program is strong and currently has 16 businesses in the processing stage.

Goal 4.3 Collaborate with local and state agencies and corporations to host a Purchasing and Procurement Conference.

Progress 1st Quarter

- The Department of Commerce and the Federal Home Loan Bank were featured at annual breakfast, hosted by EMBD. The Department of Commerce shared steps necessary to be able to do business with Commerce. The Federal Home Loan Bank presented on the upcoming project of the new Federal Home Loan Building. The representative informed the group that they would need a variety of different skills to assist with this project. She will be in touch with GO Topeka when the RFPs are complete.

Additional EMBD Actions/Initiatives Implemented in 1st Quarter 2016:

- Collaborated with LULAC and the NAACP to create minority business directories. These businesses will be used a tool to assist corporate buyers with identifying minority businesses opportunities as well as a reference tool for members of the community.
- Met with the leaders of Central Topeka to discuss possible options for the Dillon grocery store.
- Met with NOTO business owners to share information about the Small Business Incentive program. NOTO businesses have aggressively taken advantage of the incentive program, making it a huge success.
- Continued the conversation with PTAC regarding housing an office in Topeka market.
- Involved with and/or supported 16 community programs/organizations since January 2016.
- Work with KTWU on marketing the Working Capital small business program
- Recorded ads promoting the Topeka/Shawnee County Small Business Incentive and the TSCFOF. Radio ads are currently running. The television ads are running on KTWU. The programs are also marketed in TK Magazine.
- Grew the social media outreach by 16% during the first quarter.



Agenda Item No. 8

**JEDO Board Meeting
May 11, 2016 – 6:00 P.M.**

Discussion with Possible Action: Report of Section 3 – Communicate Effectively (External Marketing and Internal Communication) concerning the Garner Report.



MEMORANDUM

Date: May 4, 2016
To: JEDO Members
From: Commissioner Shelly Buhler, Mayor Larry Wolgast and Councilman Jeff Coen
Purpose: Report of Section 3 - Communicate Effectively-Garner Report

At the February 10, 2016 meeting the JEDO Board approved a Framework for Discussion/Potential Action concerning the Garner Report. Since that time Mayor Wolgast, Councilman Coen and I have met and are prepared to make the following report.

REPORT

1. a. Develop/enhance the current JEDO website.

Action granted on February 10, 2016 to develop/enhance the current JEDO web pages. After discussion with the City and County IT staff the following actions were completed:

Direction was given to GO Topeka to purchase all of the following domain names to insure we would be able to use at least one. We would like a decision at the May 11th meeting on which domain name to choose.

Jedoecodevo.com (preference) jedoecodevo.org jedoecodevo.net

With the assistance of the City and County IT staff, design was completed on the website for JEDO. IT staff will be presenting the new format on May 11, 2016. The responsibility to maintain the website will then rotate depending on who has management of the JEDO for the year.

CONSIDERATIONS

The following are proposals to be considered.

1. b. Adopt an Open Communications Policy

Consider adding to the JEDO Operation Rules an Open Communications Statement. Under the “Meetings” section of the JEDO Operational Rules add the following statement.

Open communications shall be emphasized in regard to all JEDO business. Any action of the JEDO board shall be reflected on the JEDO Website and can be shared by other methods of social media.

Already listed in the “Meetings” section of the JEDO Operational Rules are the following topics: Meetings to be public; televised, Number, Notice: Agendas, Additions to Agenda, Public Comment, Time limits, and Conduct.

1. c. Host a local/regional media tours

Recommend one tour to be scheduled during the next six months.

The City of Topeka has held two bus tours this year, one for the Governing Body and one to showcase the Capital Improvement Plan projects. Topeka Metro graciously provided free use of their services. Each tour lasted four hours and was held on a Saturday morning. Both were well attended and received as a unique way to become educated. JEDO/GO Topeka could host similar tours to provide background on current economic development endeavors.

1. d. Conduct a community pride campaign

Significant outreach on the role of JEDO in the community and the accomplishments as a result of JEDO’s work should be communicated. Material could be developed specifically describing the projects supported by JEDO. In addition, educational videos, social media campaigns, and presentations at neighborhood meetings and organizational events could be utilized.

JEDO will work with Heartland Visioning and GO Topeka to plan and consider future public engagement efforts.

2. Explain the process to disclose Economic Development projects.

The GO Topeka Site Selection Process and GO Topeka Site Selection Process Funnel are attached.

3. Inclusion of community groups

All community groups or individual citizens are encouraged to comment under our Public Comment Section of our quarterly or special meetings. Individual citizens or community groups are encouraged to contact JEDO members for information and updates concerning JEDO.

Recommendations on Items 4 through 10 will be presented at the May 11, 2016 JEDO Meeting by GO Topeka staff.

Generic Site Selection Process

In the recruitment or expansion of businesses, the site selection process will vary somewhat based on the type of business involved. While the overall process and the importance of selection criteria may vary, general guidelines hold true for most projects.

Companies normally begin the process by hiring a professional site location consultant to assist them in the site selection process. They do this to acquire the specialized expertise in this area and because most companies do not have available resources to allocate toward the effort.

Initially, the site consultant works with the company to identify criteria for the new site. Everything from location of suppliers, cost of doing business, workforce characteristics, infrastructure and more are ranked and used as a guide to narrow the states/communities in consideration for the new site.

The expansion or relocation is a confidential and sensitive activity. The International Economic Development Council's Code of Ethics states, *"Professional economic developers shall maintain in confidence the affairs of any client, colleague or organization and shall not disclose confidential information obtained in the course of professional activities."* Most often, companies consider relocation or expansion in order to gain competitive and economic advantages, but businesses do not want competitors to gain knowledge of expansion plans. In addition, if the decision involves relocation, the company might not want its own employees to know. A company also might not want shareholders to gain knowledge of an assessment. Likewise, a planned expansion of an existing company might involve a competitive decision within the corporate structure, and this competitive position might involve multiple states. Every business has the right to privacy and confidentiality. This is why it is not uncommon for the company name to remain confidential and visiting company representatives to use only first names when they visit a community. In order to recruit new businesses to a community, economic development professionals and company representatives must allow the process and the decision to transpire largely outside of the public's view and keep client/prospect information confidential until authorized to release it. Failure to do so may not only lose the project involved but also cost the community potential future projects if word gets out that a community cannot be trusted.

After the selection criteria are established, communication begins between the consultant and the locations under consideration. In this stage the goal is to gather information about the contending locations in order to narrow down the list. This could be as involved as a formal Request for Proposal (RFP) requiring the location to answer very lengthy and detailed information about the site or building, location characteristics, utilities and infrastructure and more, or it could be as simple as a request for flyers about property that fits the needs of the project.

Following receipt of the RFP or initial information requested, the company and site consultant run through a series of elimination rounds with each of the communities. At this point they are looking

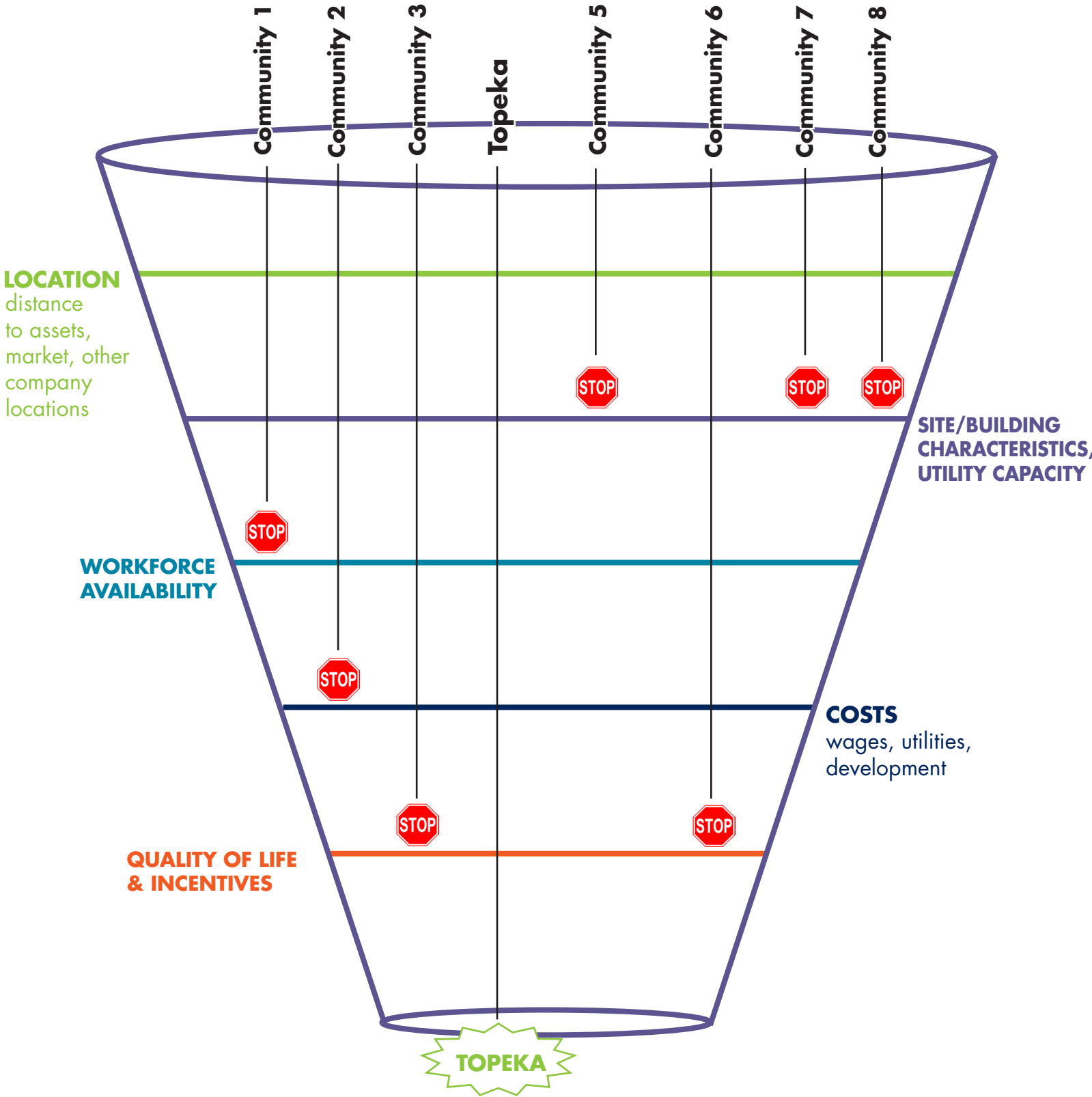
for any reason to disqualify a community and narrow the list of potential sites. Reasons for disqualification at this level are normally for labor, facility, infrastructure, location, or basic market characteristics.

Sometime in the process when the company feels it has a comfortable amount of sites from which to select, it will usually schedule site visits to each of the potential locations to get a better feel for the community, the site/building itself and the quality of life in the potential community. This is normally where issues such as politics, crime, schools, universities, weather, etc., carry greater importance as most of the remaining sites meet the basic requirements.

Incentive negotiations usually happen sometime during a site visit or in the weeks surrounding one. With most projects, the incentives play a part, but are not usually heavily weighed until the company has a comfortable list of potential sites that fit all the other criteria. An incentive cannot make a bad deal good, only enhance an already desirable site or help level the playing field by offsetting costs. Having all the community players on the same page is critical so that the community shows a cohesive approach and eagerness for the project.

Following the site visits there is normally another round of analysis after compiling information from site visits and/or incentive information and possibly another site visit or two before the company announces to the community that it is the desired location for the new facility. The community waits for the approval of the company to make the decision public and works closely with the company to ensure this is done in accordance with the company's public relations policies.

Company X is growing and needs another facility
 ↓
 Company X hires site consultant and criteria are developed
 ↓
 Potential locations are narrowed according to top criteria
 ↓
 Site consultant sends RFPs to multiple state, local and regional organizations
 ↓



New Facility Location Selected



Agenda Item No. 9

**JEDO Board Meeting
May 11, 2016 – 6:00 P.M.**

Action Item: Approval to move forward with previously budgeted initiatives/programs: New workforce initiatives: GO Topeka staff.



Agenda Item No. 10

**JEDO Board Meeting
May 11, 2016 – 6:00 P.M.**

Action Item: Approval to move forward with a new initiative to develop a technical school on the east side of the community: GO Topeka staff.