



**JEDO Board of Directors Agenda
Wednesday, May 10, 2017 - 6:00 p.m.**

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

- 1. CALL TO ORDER:**
- 2. ROLL CALL:**
- 3. ACTION ITEM:** Approval of March 29, 2017, JEDO Board meeting minutes.
- 4. PRESENTATIONS:**
 - A. GO Topeka Annual Audit and 1st Quarter 2017 Report
 - B. City and County Project Priority Lists and Project Status Updates
- 5. ACTION ITEM:** 2016 JEDO Audit Report and JEDO Finance Committee 1st Quarter Cash Statement
- 6. ACTION ITEM:** Approval of contract between GO Topeka and Mars Chocolate North America.
- 7. ACTION ITEM:** Approval of funding for Morris Project.
- 8. ACTION ITEM:** East Topeka Learning Center
 - A. New Markets Tax Credits
 - B. Approval of Architect
- 9. ACTION ITEM:** Consider recommendation from the Broadband Task Force to award RFP bid for Broadband Consulting Services and approve request to enter into negotiations for a contract.
- 10. DISCUSSION AND POSSIBLE ACTION:** Selection of Independent Contractor. *(The interlocal cooperation agreement authorizes JEDO to contract with one or more independent contractors to execute economic development priorities for a term not to exceed 3 years. JEDO has the option of advertising for request for proposals. GO Topeka's agreement for services expires on 12/31/2017.)*
- 11. DISCUSSION:** 49th Street Improvement Project Update
- 12. PUBLIC COMMENT:**
- 13. ADJOURNMENT:**

Note: All attachments will be included with the final agenda.

Public Comment Policy: 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 relevant to JEDO business. Members of the public wishing to speak must notify the City Clerk before 5:00 p.m. on the date of the meeting via email at cclerk@topeka.org or call 785-368-3940. This requirement shall not apply to items added during the meeting. Members of the public will 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 or 785-368-3941. A 48-hour advance notice is preferred.



JEDO Board Meeting
May 10, 2017
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
Tony Emerson District No. 4
Michelle De La Isla District No. 5
Brendan Jensen District No. 6
Elaine Schwartz District No. 7
Jeff 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, Chair
Deputy Mayor Jeff Coen
Councilmember Emerson
Councilmember De La Isla

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 City Clerk before 5 p.m. on the date of the meeting at cclerk@topeka.org or 785-368-3940. This requirement shall not apply to items added during the meeting.

Members of the public shall be limited to four minutes unless the Board, by majority vote, extends the limitation. Debate, question/answer dialogue or discussion with Board members will not count towards the four minute time limitation. To make arrangements for special accommodations please call 785-368-3940. A 48-hour advance notice is preferred.

City of Topeka & Shawnee County



Agenda Item No. 3

**JEDO Board Meeting
May 10, 2017 - 6:00 P.M.**

March 29, 2017 Board Meeting Minutes

**Joint Economic Development Organization Board Minutes
March 29, 2017**

City Council Chambers, 214 SE 8th Street, Topeka, Kansas, Wednesday, March 29, 2017.

The Joint Economic Development Organization (JEDO) Board Members met at 6:00 p.m. with the following voting Board Members present: Deputy Mayor Jeff Coen, Councilmembers Tony Emerson and Brendan Jensen and Shawnee County Commissioners Shelly Buhler, Kevin Cook and Bob Archer -6. City of Topeka Mayor Larry Wolgast presided -1.

Nonvoting Board Members Absent: Councilmembers Karen Hiller, Sandra Clear, Sylvia Ortiz, Elaine Schwartz and Richard Harmon

Mayor Wolgast called the meeting to order and announced Councilmember Jensen would serve as proxy in the absence of Councilmember Michelle De La Isla.

APPROVAL of Minutes from the meeting of February 8, 2017 was presented.

Commissioner Archer moved to approve the Minutes of February 8, 2017. The motion seconded by Commissioner Buhler carried unanimously. (7-0-0)

APPROVAL of JEDO Resolution No. 2017-0001 regarding the Municipal Investment Pool (MIP), a public funds investment pool established pursuant to K.S.A. 125-1677a, was presented.

Mayor Wolgast reported approval would authorize Nickie Lee, JEDO Finance Committee member, to transfer funds for investment in the Municipal Investment Pool as well as other associated duties.

Councilmember Jensen moved to approve the resolution. The motion seconded by Councilmember Emerson carried unanimously. (7-0-0)

APPROVAL of funding request in the amount of \$124,715 for Project Fairway was presented.

Jackie Steele, Director of Business Retention and Expansion GO Topeka, provided an overview of the project and proposed incentives and economic impact analysis. She reported if the funding request was approved the contract would be presented for consideration at the May 10, 2017, JEDO Board meeting.

Commissioner Cook asked if the 60 full-time jobs and 50 part-time jobs referenced were existing or new jobs.

Jackie Steele reported the project would generate new full-time as well as part-time jobs.

Commissioner Archer moved to approve the funding request in the amount of \$124,715 for Project Fairway contingent upon approval of the potential contract. The motion was seconded by Deputy Mayor Coen.

Scott Griffith spoke in support of the project and investment in the community.

The motion to approve the funding request in the amount of \$124,715 for Project Fairway contingent upon approval of the potential contract carried unanimously. (7-0-0)

A DISCUSSION regarding the East Topeka Learning Center Project Update was presented.

Barbara Stapleton, Vice President of Workforce and Education GO Topeka, provided an update on the project including expenditures to date, timeline for the Request for Qualifications (RFQ) for design, and an update regarding New Markets Tax Credits (NMTC) gap program funding.

Commissioner Archer questioned the scope of the project in regards to NMTC's and if a formal agreement has been secured with Washburn Tech.

Barbara Stapleton reported they are currently in discussions regarding NMTC gap funding to provide approximately \$1 million NMTC's to subsidize partnership funds. She also reported they are working to secure an agreement with Washburn Tech and would provide an update at the May 10, 2017 JEDO Board meeting.

A DISCUSSION to provide an update on the Holistic Economic Development Strategy was presented.

Keith Warta, Steering Committee Chair, provided an update on the establishment of a Holistic (Community) Economic Development Strategy. He highlighted the pre-implementation plan for the remainder of the year, including many public outreach efforts followed by the rollout of a program in the fall of 2017.

A DISCUSSION to provide an update on the 49th Street Improvement Project was presented.

Molly Howey, Vice President of Business Development and Attraction GO Topeka, provided an update on the 49th Street Improvement Project. She reported Bartlett & West Engineers have begun designing the three lane industrial collector street and they plan to advertise for Request for Proposals in early June with a five month construction timeline anticipated. She stated the design estimate is \$140,000 and the construction estimate is \$1.6 million.

Mayor Wolgast commended GO Topeka and community leaders for working to develop companies and grow the community; however, as an economic development organization they must also work to provide assistance to Alorica Call Center workers seeking new employment.

PUBLIC COMMENT

The following individuals appeared to speak under public comment.

Joseph Ledbetter expressed the importance of securing a formal agreement with Washburn Tech for the East Topeka Learning Center and the importance of City code enforcement and how it relates to overall economic development.

Carol Marple commended the JEDO Board for improved transparency of meeting structure and information. She expressed the importance of improving existing properties and forming diverse groups and committees.

No further business appearing the meeting was adjourned at 6:28 p.m.

DRAFT



Agenda Item No. 4

**JEDO Board Meeting
May 10, 2017 - 6:00 P.M.**

PRESENTATIONS:

A. Go Topeka Annual Audit and 1st Quarter 2017 Report

B. City & County Project Priority Lists & Project Status Update

Agenda Item No. 4A

Go Topeka Annual Audit and 1st Quarter 2017 Report



990 SW Fairlawn ■ Topeka, KS 66606
Main: 785.272.3176 ■ Fax: 785.272.2903 ■ www.mhmcpa.com

May 2, 2017

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, 2016 and have issued our report thereon dated May 2, 2017. 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 December 6, 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 2016. 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 estimates affecting the financial statements were:

Management's estimate of the value of pledge receivables. The determination of amounts potentially uncollectable 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.



Member of Kreston International — a global network of independent accounting firms

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 May 2, 2017.

Management Consultations with Other Independent Accountants

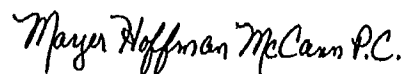
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination 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, 2016 AND 2015





990 SW Fairlawn ■ Topeka, KS 66606
Main: 785.272.3176 ■ Fax: 785.272.2903 ■ www.mhmcpa.com

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying statements of financial position of Growth Organization of Topeka/Shawnee County, Inc., as of December 31, 2016 and 2015, 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, 2016 and 2015, 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
May 2, 2017

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

<u>ASSETS</u>	December 31,	
	2016	2015
Current assets:		
Cash and cash equivalents	\$ 10,534,966	\$ 9,080,835
Investments	5,886,539	3,532,762
Pledges receivable, less allowance for uncollectible pledges of \$50,000 in 2016 and \$45,001 in 2015	613,411	555,025
Due from Greater Topeka Chamber of Commerce	-	1,560
Prepaid expenses	38,189	36,560
Restricted funds	2,378,250	2,757,704
Total current assets	19,451,355	15,964,446
Property and equipment, net	2,222	4,849
Other assets:		
Pledge receivable, less allowance for uncollectible pledges of \$0 in 2016 and \$48,050 in 2015	-	692,485
Land held for economic development	7,542,208	7,645,194
Total other assets	7,542,208	8,337,679
Total assets	\$ 26,995,785	\$ 24,306,974
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Deferred grant revenue - JEDO	\$ 14,477,956	\$ 11,082,568
Accounts payable	13,887	25,972
Due to Greater Topeka Chamber of Commerce	2,445	-
Due to Greater Topeka Chamber of Commerce Foundation	9,500	8,000
Accrued expenses	42,090	-
Agency funds	327,681	156,788
Improvement and training incentives	1,478,250	1,359,704
Total current liabilities	16,351,809	12,633,032
Other liabilities:		
KFCP Improvement and Fire Station Fund	203,158	-
Total liabilities	16,554,967	12,633,032
Net assets:		
Unrestricted		
Undesignated	1,385,200	1,383,238
Board designated	8,442,207	9,043,194
Total unrestricted	9,827,407	10,426,432
Temporarily restricted	613,411	1,247,510
Total net assets	10,440,818	11,673,942
Total liabilities and net assets	\$ 26,995,785	\$ 24,306,974

See Notes to the Financial Statements

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

	Years ended December 31,					
	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenues:						
JEDO grant revenue	\$ 1,604,612	\$ -	\$ 1,604,612	\$ 2,240,263	\$ -	\$ 2,240,263
Private contributions and pledges	139,388	37,142	176,530	26,503	54,794	81,297
Events and other	55,182	-	55,182	48,682	-	48,682
Net assets released from restrictions	671,241	(671,241)	-	787,381	(787,381)	-
Total support and revenues:	2,470,423	(634,099)	1,836,324	3,102,829	(732,587)	2,370,242
Expenses:						
Program expenses:						
Economic development	2,665,287	-	2,665,287	2,020,053	-	2,020,053
Total program expenses	2,665,287	-	2,665,287	2,020,053	-	2,020,053
Supporting services expense:						
General and administrative expenses	384,744	-	384,744	278,622	-	278,622
Fundraising	19,417	-	19,417	3,805	-	3,805
Total supporting expense	404,161	-	404,161	282,427	-	282,427
Total expenses	3,069,448	-	3,069,448	2,302,480	-	2,302,480
Change in net assets	(599,025)	(634,099)	(1,233,124)	800,349	(732,587)	67,762
Net assets, beginning of year	10,426,432	1,247,510	11,673,942	9,626,083	1,980,097	11,606,180
Net assets, end of year	<u>\$ 9,827,407</u>	<u>\$ 613,411</u>	<u>\$ 10,440,818</u>	<u>\$ 10,426,432</u>	<u>\$ 1,247,510</u>	<u>\$ 11,673,942</u>

See Notes to the Financial Statements

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

	Years ended December 31,	
	2016	2015
Cash flows from operating activities:		
Contributions, grants and other support	\$ 5,852,621	\$ 5,855,665
Cash paid to employees and suppliers	(1,989,049)	(2,347,403)
Cash incentives payments	(173,400)	(725,250)
Interest received	14,750	5,341
Net cash flows from operating activities	3,704,922	2,788,353
Cash flows from investing activities:		
Net purchases of short term investments	(2,353,777)	(1,367,087)
Investment in land and improvements	-	(7,699)
Reimbursement for improvements	102,986	83,735
Net cash flows from investing activities	(2,250,791)	(1,291,051)
Net increase in cash and cash equivalents	1,454,131	1,497,302
Cash and cash equivalents at beginning of year	9,080,835	7,583,533
Cash and cash equivalents at end of year	\$ 10,534,966	\$ 9,080,835
Reconciliation of change in net assets to net cash flows from operating activities		
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (1,233,124)	\$ 67,762
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Discount on pledges	(20,466)	(92,293)
Depreciation	2,627	5,186
Decrease (increase) in operating assets		
Pledges receivable	654,565	824,880
Due from Greater Topeka Chamber of Commerce	1,560	(1,560)
Prepaid expenses	(1,629)	20,350
Restricted funds	379,454	(417,780)
Increase (decrease) in operating liabilities		
Deferred JEDO grant revenue	3,395,388	2,759,737
Accounts payable	(12,085)	11,245
Due to Greater Topeka Chamber of Commerce	2,445	(7,162)
Due to Greater Topeka Chamber of Commerce Foundation	1,500	1,000
Accrued expenses	42,090	-
Agency funds	170,893	(205,291)
Improvement and training incentives payable	118,546	(177,721)
KFCP Improvement and Fire Station Fund	203,158	-
Total adjustments	4,938,046	2,720,591
Net cash flows from operating activities	\$ 3,704,922	\$ 2,788,353

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, 2016 and 2015, 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, 2016 and 2015, temporarily restricted net assets are recorded for outstanding pledges receivable due to an 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, other than certificate of deposits, are stated at fair value. Certificate of deposits are carried at costs plus interest credited to date. Realized and unrealized gains and losses, dividends and interest on investments are 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,

	2016	2015
U.S. government securities money market fund	\$ 2,174,424	\$ 688,297
Certificates of deposit	3,712,115	2,844,465
Total Investments	\$ 5,886,539	\$ 3,532,762

The following table summarizes the investments recorded at fair value based on valuation hierarchy as of December 31, 2016:

	Fair Value	Level 1	Level 2	Level 3
Money market fund	\$ 2,174,424	\$ 2,174,424	\$ -	\$ -
Total Investments	\$ 2,174,424	\$ 2,174,424	\$ -	\$ -

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

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

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.

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:

	2016	2015
Cost		
Equipment	\$ 157,778	\$ 157,778
Leasehold improvements	8,503	8,503
Total property and equipment	166,281	166,281
Accumulated depreciation	(164,059)	(161,432)
Net property and equipment	\$ 2,222	\$ 4,849

(6) Pledges receivable

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

	2016	2015
Receivable in less than one year	\$ 663,411	\$ 600,026
Receivable in one to five years	-	761,001
	663,411	1,361,027
Less allowance for uncollectible pledges	(50,000)	(93,051)
Less unamortized discount at 2%	-	(20,466)
	\$ 613,411	\$ 1,247,510

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 an escrow account for specific purposes. The escrow account is maintained for certain property improvements, training, and employment incentives. The following is a summary of funds held in escrow:

	2016	2015
Balance, January 1	\$ 2,757,704	\$ 2,339,924
Funding by the Organization	-	637,500
Payments	(382,074)	(221,839)
Interest and other	2,620	2,119
Balance, Decemeber 31,	\$ 2,378,250	\$ 2,757,704

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

(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) KFCP improvement and fire station fund

The Organization has an agreement with Mars requiring an amount equal to 10% of their annual property tax abatement to be paid by Mars to the Organization. The funds are to be used for Kanza Fire Commerce Park improvements and a fire station to serve the park.

(11) Related party transactions

During 2016, the Organization entered into a purchased services agreement with The Greater Topeka Chamber of Commerce (the Chamber) for certain services, resources, office space and equipment. Services provided by the Chamber to the Organization include bookkeeping, accounting and audit support, and support services to include communications and marketing, administrative and government relations. In addition, the agreement includes payment to the Chamber for a portion of the President's salary based on an estimate of the time spent serving the Organization. The terms of this agreement will be reviewed annually. During the year ended December 31, 2016 the Organization paid \$250,000, which were funded by private dollars, to the Chamber under this agreement.

Prior to 2016, the Organization reimbursed the Chamber for certain services incurred on behalf of the Organization. The reimbursements were primarily for salary and benefit costs of personnel serving the Organization. Amounts billed to the Organization for reimbursement of such services for the year ended December 31, 2015 which were funded by the JEDO grant, were approximately \$445,000. Amounts billed to the Organization for reimbursement of such services for the years ended December 31, 2015, which were funded by private contributions, were approximately \$405,000.

At December 31, 2016 and 2015, the Organization owed the Greater Topeka Chamber of Commerce \$2,445 and \$0, respectively, for reimbursement of expenses and fees for participation in Chamber events and programs.

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, 2016 and 2015 was \$70,280 and \$69,397, respectively.

The Organization owed \$9,500 and \$8,000 at December 31, 2016 and 2015, respectively, to the Greater Topeka Chamber of Commerce Foundation for pledges collected on their behalf.

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

The Organization made a contribution in the amount of \$75,000 in both 2016 and 2015 to 712 Innovations, LLC, a subsidiary of the Greater Topeka Chamber of Commerce Foundation. 712 Innovations, LLC was established to provide a makerspace/co-work space for economic development.

The Organization made a contribution in the amount of \$60,000 in 2016 to Heartland Visioning, a subsidiary of the Greater Topeka Chamber of Commerce Foundation.

(12) 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 2016 and 2015 unexpended grant funds. This carryover is included in the deferred JEDO grant revenue at December 31, 2016 and 2015, and includes approximately \$908,000 and \$850,000 for the minority and women-owned business program at December 31, 2016 and 2015, respectively.

(13) Concentrations and major customers

The Organization received 87% and 95% of their total revenue from a grant with the Joint Economic Development Organization (JEDO) for the years ended December 31, 2016 and 2015, respectively. In the event this grant was discontinued, the activities of the Organization would be curtailed accordingly.

(14) 401(k) retirement plan

The Organization established a 401(k) retirement plan in which eligibility is reached when an employee has completed ninety days of continuous employment and is over the age 21. The 401(k) retirement plan is sponsored by the Association of Chamber of Commerce Executives.

The Organization's 401(k) retirement plan expense was \$17,070 and \$35,403 for the years ended December 31, 2016 and 2015, respectively.

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

(15) 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, 2016 and 2015, the Organization paid net cash incentives totaling \$146,224 and \$680,245, respectively, under these agreements. These payments include payment into restricted funds (see Note 8). At December 31, 2016, the Organization also has outstanding contingent incentive commitments to various companies expected to be payable as follows:

2017		\$	1,649,076
2018			654,800
Thereafter			1,534,600
Total		\$	3,838,476

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

	2016	2015
Funded and held in escrow (see Note 8)	\$ 2,378,250	\$ 2,757,704
Less board designated employment incentive held in escrow	(900,000)	(1,398,000)
Balance, December 31	\$ 1,478,250	\$ 1,359,704

(16) Conditional contributions

As of December 31, 2016, 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 May 2, 2017, the date which the financial statements were available to be issued. No subsequent events were noted.



GO TOPEKA QUARTERLY REPORT

PREPARED FOR JEDO

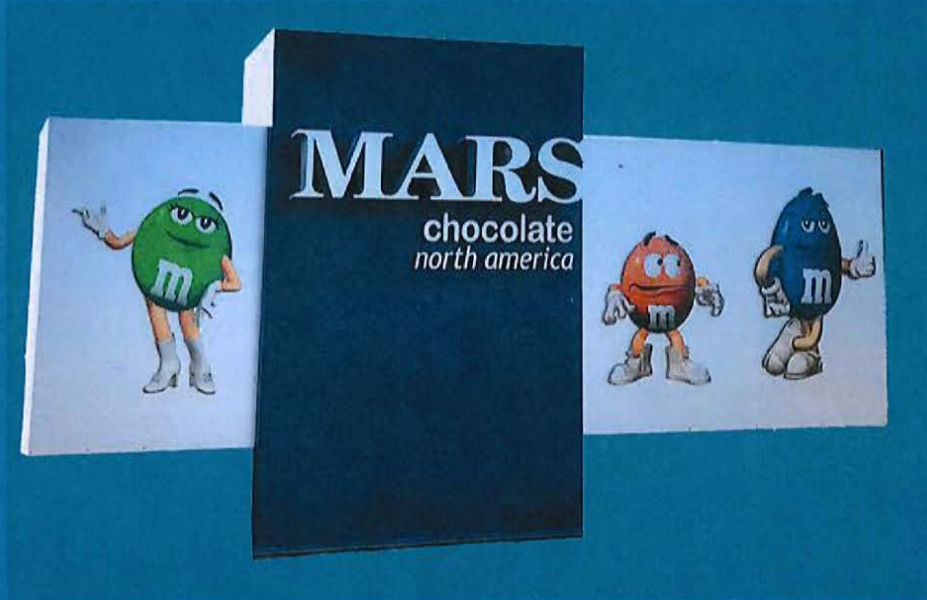
Summary of economic development strides within
Topeka-Shawnee County.

2017 - 1ST QUARTER

GO
Topeka 

2017 - 1ST QUARTER

PROJECT ANNOUNCEMENT

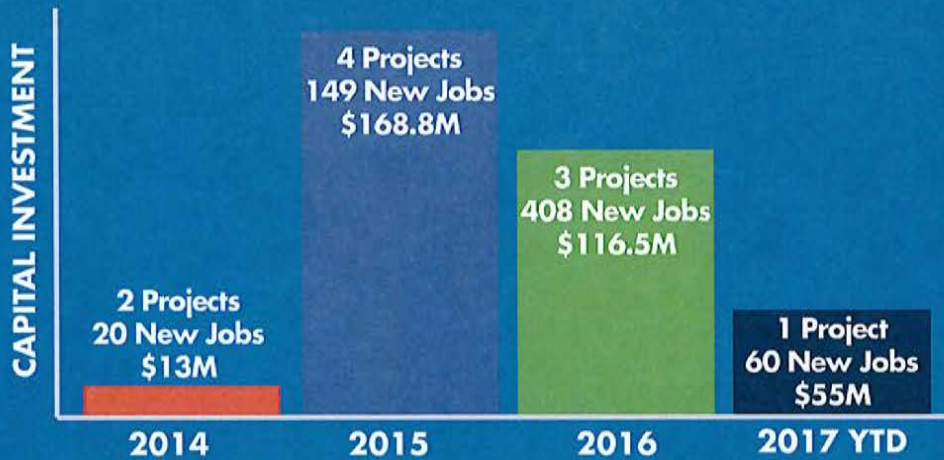


"PROJECT FAIRWAY"



\$55M

CAPITAL INVESTMENT



PROJECT PIPELINE



21 = Attraction
10 = Retention/Expansion



Average number of jobs per project



\$43,750
Average wage per project

BUSINESS DEV. & ATTRACTION

Topeka is seeing an uptick in interest from new companies looking for places to relocate or expand. The community is currently on the short list for three new business projects looking at building new facilities. The team has been busy planning and hosting multiple site visits since the beginning of the year. Advanced Manufacturing continues to be the most common industry in the new business pipeline accounting for about 70% of the projects



12
CONSULTANT INTERACTIONS



3
FORMAL PROPOSALS SUBMITTED

BUS. RETENTION & EXPANSION (BRE)



\$198M
Total capital investment for all BRE projects

WHAT BUSINESSES ARE SAYING

“ Generally optimistic about potential growth/expansion ”

“ Workforce concerns ”

“ Quality of life concerns, especially as it ties to hiring professionals & management level ”

“ Interest in Neighborhood Revitalization Program and possible new innovative programs ”

SMALL BUSINESS INCENTIVES

CATEGORIES OF BUSINESSES RECEIVING INCENTIVES



22
INCENTIVES
ISSUED



16
BUSINESSES
RECEIVING
INCENTIVES
(Some received more than one incentive)



\$69,783
Total incentives issued



52
Full Time Jobs



26
Part Time Jobs
Retained or created

MID AMERICA ANGELS – TOPEKA



GROWING
STEADILY



23 ANGEL
INVESTORS



3

BUSINESSES HAVE PITCHED THEIR IDEAS SEEKING \$4M+ FOR MARKETING, SALES AND OTHER GROWTH OPPORTUNITIES

NEW VENTURE - FastTrac

(FastTrac New Venture is a flexible, 6-week course with a proven framework to help aspiring entrepreneurs start businesses and bring their dreams to reality.)



13
GRADUATES



3
BUSINESS
START UPS

WORKFORCE & EDUCATION

TOPEKA STATS

UNEMPLOYMENT RATE - 3.6% (MARCH 2017)

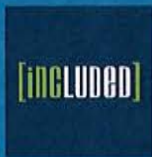
AVERAGE WAGE - \$43,628 (3RD QUARTER, 2016)

MEDIAN HOUSEHOLD INCOME - \$50,378 (2015 ACS, US CENSUS)

FOCUS AREAS



CRADLE THROUGH CAREER



DIVERSITY & INCLUSION



EAST TOPEKA LEARNING CENTER



FUTURE TALENT PIPELINE



WORK READY COMMUNITY



JEDO SCHOLARSHIPS
43 total scholarships

TOP POSITIONS UNFILLED



CDL



FINANCE & ACCOUNTING



INDUSTRIAL MAINTENANCE



INFORMATION TECHNOLOGY



TEACHERS



WAREHOUSE

712 INNOVATIONS



AVERAGE 125 MEMBERS PER MONTH



HOME TO 30 SMALL BUSINESSES



HOSTS 1 MILLION CUPS FIRST WEDNESDAY OF THE MONTH

GO TOPEKA BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

WENDY WELLS
Board Chair
Market President
U.S. Bank

KEITH WARTA
Board Chair - Elect
CEO
Bartlett & West

SCOTT GALES
Treasurer
Architect, Principal
Architect One, PA

RANDY PETERSON
Secretary
President & CEO
Stormont Vail Health

SCOTT GRIFFITH
Past Chair
Community Bank President
INTRUST Bank

KURT KUTA
Non-Officer
President & CEO

ALONZO HARRISON
Non-Officer
Owner
HDB Construction

MATT PIVARNIK
President and CEO
GO Topeka

BOARD MEMBERS

DAN BEAL
President
McElroy's, Inc.

BETH ANNE BRANDEN
President
BA Designs, LLC.

ANDY CORBIN
President & CEO
Blue Cross and Blue Shield of
Kansas

NATHAN MORRIS
Owner
Meridian Roofing

JIM PARRISH
President & CEO
Parrish Hotel Corporation

MARK RUELLE
President & CEO
Westar Energy

MICK URBAN
Government Affairs
Kansas Gas Service

DOUG WOLFF
President
Security Benefit Life

DON BEATTY
Worldwide Director, Finance
Hill's Pet Nutrition Inc

LINDA BRIDEN
CEO
Sunflower Association of
Realtors

JERRY NEY
President & CEO
Aldersgate Village

DAVID SETCHEL
President
St. Francis Health

SHANE SOMMERS
General Manager
Briggs Auto

BRIAN THREADGOLD
Business Manager Financial
Services
IBEW Local No 226

PAT TOLIN
Project Manager
McPherson Contractors, Inc

MADAN RATTAN
Managing Partner
Topeka Investment Group

MATT STRATHMAN
President
Strathman Sales Co., Inc

LIANA ONNEN
Chairperson
Prairie Band Potawatomi
Nation

MARSHA POPE
President
Topeka Community Foundation

ANDREA ENGSTROM
President
ActionCOACH

GLEND A DUBOISE
Regional Community
Organizer
Communities Creating
Opportunity

MEGAN JONES
President
Jones Advisory Group

ZACH AHRENS
President/Publisher
Topeka CapitalJournal

ALLEN MOORE
Director of Engineering
Frito-Lay, Inc.

DAN FOLTZ
President
KBS Constructors, Inc.

DIRECTORS BY VIRTUE OF OFFICE HELD

MAYOR LARRY WOLGAST
Mayor
City of Topeka

TONY EMERSON
City Councilman
City of Topeka

KEVIN COOK
County Commissioner
Shawnee County

DR. JERRY FARLEY
President
Washburn University

BRETT OETTING
President & CEO
Visit Topeka, Inc.

ERIC JOHNSON
President
MTAA

DOUG GERBER
Interim City Manager
City of Topeka

VINCE FRYE
President & CEO
Downtown Topeka, Inc.

JANET STANEK
Chamber Chair
Stormont Vail Health

GO TOPEKA STAFF



Matt Pivarnik
President and CEO



Molly Howey
Vice President of
Business Development &
Attraction



**Barbara
Stapleton**
Vice President of
Workforce & Education



Jackie Steele
Vice President of
Business Retention &
Expansion



**Glenda
Washington**
Vice President
Entrepreneurial and
Minority Business
Development



**Mary Anne
Anderson**
Assistant Manager
Entrepreneurial and
Minority Business
Development



Matt Lara
Communications
Specialist



Mary Hill
Executive Assistant

GO TOPEKA MISSION

GO Topeka's mission is to create exceptional opportunities for growth, prosperity, innovation, and economic diversity and vibrancy that positively impact current and future citizens of Topeka and Shawnee County by attracting world-class companies, providing existing companies with the knowledge and resources to reach their highest potential, and cultivating entrepreneurial development and growth.



GO 
Topeka
GOTopeka.com

Agenda Item No. 4B

City & County Project Priority Lists & Project Status Update



CITY OF TOPEKA

Department of Public Works
620 SE Madison St, Unit #16
Topeka, KS 66607

Email: jpeek@topeka.org
Tel: (785) 368-3801
Fax: (785) 368-3806

MEMORANDUM

To: JEDO Board of Directors

From: JEDO Finance Committee Members:

Tom Vlach
Betty Greiner
Nickie Lee
Jason Peek

Re: City & County Project Priority Lists – Status Update

Date: May 3, 2017

The following is an update of current City and County Project Priority Lists:

Shawnee County:

Kansas Expocentre Renovation Project:

On March 6, 2017, the Board of County Commissioners entered into a contract with HTK Architects, PA (HTK) for architectural services related to the planned renovation of the Kansas Expocentre facilities. Under this contract, HTK will provide services on the project in two phases: Phase A (Preconstruction) and Phase B (Construction). Phase A will generally involve master planning for the project, including a target market analysis, an interactive process with the public and stakeholders in the project for design input, and conceptual design. HTK has hired CSL International to perform the target market analysis to aid the master planning process. At the completion of Phase A, the County will have decided on the project scope and design, the construction plan, and the method of financing. The fees for Phase B of the project are left open and “to be determined” and will be negotiated by the County and HTK at the completion of Phase A. This will allow for a more precise agreement on fees for the construction phase because the project scope and design will have been determined. The fees for Phase A will be \$175,000.00. On March 30, 2017, the Board of County Commissioners entered into a contract

with Ferrell Consulting, LLC to provide construction project coordination services on the Expocentre renovation project.

City of Topeka:

Trafficway Improvement Project No. T-701013.00 SW 6th Ave Gage to Fairlawn

Currently utility relocations are underway in advance of road construction this summer. Project will solicit construction bids beginning the week of May 15 with June Award. Construction for 2017 includes SW 6th Avenue between SW Gage and SW Westchester. 2018 will include construction on SW 6th between SW Westchester and SW Fairlawn. Total expenses and commitments to date for the project are \$692,409.49. This includes \$535,000 in professional engineering services and \$157,409.49 in ROW/easement acquisition expenses.

Topeka Zoo Master Plan - Camp Cowabunga

This project will redevelop a central area of the zoo. It will feature exhibits including African Lions, red patas monkeys, and painted dogs. The exhibits will surround the a safari camp and lodge that will allow guests close up views of the animals as well as interactive education opportunities. The project has been bid and negotiations are underway with apparent low bidder Mohan Construction to value engineer project to an estimated construction contract award of \$2,646,028. This amount includes \$1,000,000 form Countywide sales tax and balance from private donations. Construction items removed during value engineering will be added back to the project as additional donor dollars become available. Contract award is expected by May 17th, 2017 with construction beginning in June of 2017.

Previous Countywide Sales Tax

Attached is a summary of project cashflow for the previous sales tax projects. All projects are complete except SW 21st Street between Indian Hills Road and Urish Road. The completion date for this project is May 15, 2017.

JEDO Sales Tax Projects Cashflow

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TOTAL	TOTAL
Wanamaker Road & 41st Intersection (70001-01) - B&W														
County Share	\$122,395	\$249,300						\$6,304					\$377,999	
2% Admin Fee							\$7,560						\$7,560	
												Final "As Const" Amount		\$385,559
Wanamaker Road: County - 39th to 41st (70001-03)														
County Share	\$85,360	\$233,200											\$318,560	
2% Admin Fee							\$6,371						\$6,371	
												Final "As Const" Amount		\$324,931
Wanamaker Road & 53rd Intersection (70001-02) - B&W														
Design	\$148,710	\$24,000											\$172,710	
ROW	\$86,890	\$70,800											\$157,690	
Utility Adj		\$212,144											\$212,144	
Construction		\$406,000											\$408,555	
Const Engr													\$0	
Contingencies		\$723	\$4,012										\$4,735	
2% Admin Fee							\$19,117						\$19,117	
												Final "As Const" Amount		\$974,951
Wanamaker Road: 53rd - 41st (70001-05) - B&W														
Design	\$113,400	\$92,640	\$126,000	\$54,960									\$387,000	
ROW		\$303,645	\$48,266										\$351,911	
Utility Adj													\$0	
Pt A: 53rd to 47th				\$166,370									\$166,370	
Pt B: 47th to 41st					\$408,250								\$408,250	
Construction													\$0	
Pt A: 53rd to 47th				\$1,460,713									\$1,460,713	
Pt B: 47th to 41st					\$2,328,354								\$2,328,354	
Const Engr													\$0	
Pt A: 53rd to 47th				\$275,000									\$275,000	
Pt B: 47th to 41st					\$392,000								\$392,000	
Contingencies			\$681	\$180									\$861	
2% Admin Fee							\$115,409						\$115,409	
												Final "As Const" Amount		\$5,885,868
Wanamaker Road & 61st Intersection (70001-06) - B&W														
Design	\$31,500	\$12,050	\$22,050	\$10,350	\$1,800	\$2,250							\$80,000	
ROW			\$25,225	\$19,120									\$44,345	
Utility Adj					\$183,697	\$11,871							\$195,568	
Construction						\$876,615							\$876,615	
Const Engr						\$196,303							\$196,303	
Contingencies					\$60	\$162							\$222	
2% Admin Fee							\$27,861						\$27,861	
												Final "As Const" Amount		\$1,420,914
Wanamaker Road: 61st - 53rd (70001-07) - B&W														
Design	\$53,600	\$29,460	\$40,800	\$30,600	\$15,300	\$12,240							\$182,000	
ROW			\$130,310	\$5,775									\$136,085	
Utility Adj					\$146,839								\$146,839	
Construction							\$1,785,024						\$1,785,024	
Const Engr							\$278,000						\$278,000	
Contingencies					\$60	\$60	\$8,595						\$8,715	
2% Admin Fee							\$50,733						\$50,733	
												Final "As Const" Amount		\$2,587,396
N. Topeka & 46th Intersection (70005-01) - B&W														
Design					\$85,000	\$19,550	\$9,350	\$56,100					\$170,000	
ROW						\$34,715	\$557	\$350					\$35,622	
Utility Adj							\$0	\$0		\$128,575			\$128,575	
Construction									\$1,816,039				\$1,816,039	
Const Engr									\$280,000				\$280,000	
Contingencies						\$2,849		\$7,049					\$9,898	
2% Admin Fee										\$48,803			\$48,803	
												Final "As Const" Amount		\$2,488,937

JEDO Sales Tax Projects Cashflow

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TOTAL	TOTAL
45th: Topeka - Adams (70004-01) - PEC														
Design		\$60,660	\$169,530	\$40,854	\$36,946	\$73,622	\$49,324	\$0	-\$115,056				\$315,880	
ROW			\$79,560	\$155,574	\$2,645								\$237,779	
Utility Adj								\$54,000					\$54,000	
Construction									\$3,166,366				\$3,166,366	
Const Engr								\$15,000	\$460,000				\$475,000	
Contingencies				\$388				\$281	\$60				\$729	
2% Admin Fee									\$84,995				\$84,995	
												Final "As Const" Amount		\$4,334,749
SE 45th: Adams to California (70004-02) - PEC														
Design		\$49,896	\$148,108	\$8,316		\$99,490	\$39,360	\$0	\$16,158				\$361,328	
ROW				\$187,106	\$82,708								\$269,814	
Utility Adj								\$425,923					\$425,923	
Construction									\$383,636	\$3,999,918			\$4,383,554	
Const Engr									\$50,000	\$475,000			\$525,000	
Contingencies					\$499			\$281	\$60	\$6,645			\$7,485	
2% Admin Fee										\$119,462			\$119,462	
												Final "As Const" Amount		\$6,092,566
Croco Rd. 29th - 21st (70003-01) - B&W														
Design	\$44,396	\$188,044	\$117,460	\$4,396	\$10,729								\$365,025	
ROW		\$153,603		\$1,000									\$154,603	
Utility Adj				\$6,175									\$6,175	
Construction				\$2,173,902	\$182,856								\$2,356,758	
Const Engr			\$1,880	\$374,120									\$376,000	
Contingencies		\$114	\$159	\$60									\$333	
2% Admin Fee							\$65,178						\$65,178	
												Final "As Const" Amount		\$3,324,072
Croco Rd. 6th - Sycamore (70003-02) - B&W														
Design	\$19,025	\$48,540	\$33,566	\$58,978	\$1,141								\$161,250	
ROW			\$51,695										\$51,695	
Utility Adj													\$0	
Construction						\$988,983							\$988,983	
Const Engr						\$168,000							\$168,000	
Contingencies				\$173									\$173	
2% Admin Fee							\$27,402						\$27,402	
												Final "As Const" Amount		\$1,397,503
SE 29th & Croco Rd Intersection (70003-03) - B&W														
Design	\$68,641	\$153,359											\$222,000	
ROW		\$155,695											\$155,695	
Utility Adj			\$659										\$659	
Construction		\$29,994	\$2,554,659										\$2,584,653	
Const Engr		\$26,130	\$363,870										\$390,000	
Contingencies		\$364											\$364	
2% Admin Fee							\$67,067						\$67,067	
												Final "As Const" Amount		\$3,420,439

JEDO Sales Tax Projects Cashflow

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TOTAL	TOTAL
SW 21st & Urish Rd Intersection (City: 70198-01) - P&E / PE														
Design		\$88,656	\$31,205	\$24,729	\$4,737	\$4,287							\$153,614	
ROW			\$97,035	\$162,492	\$32,039								\$291,566	
Utility Adj				\$47,797	\$16,705								\$64,502	
Construction				\$2,064,153	\$55,412								\$2,119,565	
Const Engr					\$94,835								\$94,835	
Contingencies				\$57,335	\$24,982	\$1,576							\$83,893	
													Final "As Const" Amount	\$2,807,975
SW 21st: City Limits - Urish Rd (City: 70198-02) - CFS														
Design			\$36,940	\$6,910	\$24,185	\$5,874	\$6,491	\$102,200	\$2,400				\$185,000	
ROW								\$92,530					\$92,530	
Utility Adj													\$0	
Construction									\$1,845,000	\$688,849			\$2,533,849	
Const Engr									\$180,000	\$59,600	\$4,722		\$244,322	
Contingencies				\$30				\$2,000	\$10,000	\$13,285			\$25,315	
													Final "As Const" Amount	\$3,081,016
SW 21st: Urish Rd - Indian Hills (City: 70198-03) - CFS														
Design			\$39,360	\$5,940	\$20,790	\$5,643	\$6,267			\$64,384	\$42,328	\$59,138	\$243,850	
ROW											\$0	\$283,713	\$283,713	
Utility Adj													\$0	
Construction												\$3,107,040	\$3,107,040	
Const Engr												\$301,421	\$301,421	
Contingencies				\$28								\$477,985	\$478,013	commitments for 2017
														\$4,414,037
SW 28th: Wanamaker Road - Urish Road (City: 70204-01) - P&E														
Design		\$78,936	\$81,049	\$101,170	\$229,819	\$182,826	\$4,000						\$677,800	
ROW					\$554,000	\$237,542							\$791,542	
Utility Adj						\$771,893							\$771,893	
Construction						\$3,885,171	\$3,600,867						\$7,486,038	
Const Engr						\$378,048	\$494,471						\$872,519	
Contingencies				\$26	\$25,000	\$40,000	\$37,093						\$102,119	
													Final "As Const" Amount	\$10,701,911

City of Topeka & Shawnee County



Agenda Item No. 5

**JEDO Board Meeting
May 10, 2017 - 6:00 P.M.**

2016 JEDO Audit Report and
JEDO Finance Committee 1st Quarter Cash Statement

Joint Economic Development Organization

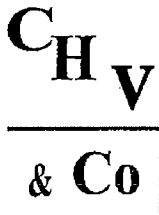
Basic Financial Statements
Together with
Independent Auditor's Report

December 31, 2016

JOINT ECONOMIC DEVELOPMENT CORPORATION

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Basic Financial Statements:	
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Notes to the Basic Financial Statements	7-10



COCHRAN HEAD VICK & CO., P.A.

Certified Public Accountants

7255 West 98th Terrace
Suite 100
Overland Park, KS 66212
(913) 378-1100
(913) 378-1177 FAX

Other Offices in
Kansas and Missouri

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Joint Economic Development Organization
Topeka, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Joint Economic Development Organization (JEDO) as of and for the year ended December 31, 2016, and the related notes to the basic financial statements, which collectively comprise JEDO's basic financial statements as listed in the table of contents.

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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and major fund of JEDO, as of December 31, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2017 on our consideration of JEDO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering JEDO's internal control over financial reporting and compliance.

Cashin Hood V. Jr. & Co., P.A.

Overland Park, Kansas
April 7, 2017

**Joint Economic Development Organization
Statement of Net Position
December 31, 2016**

	Governmental Activities
Assets:	
Cash and investments	\$ 15,973,337
Receivables:	
City of Topeka	2,445,226
Shawnee County	1,471,673
Total assets	\$ 19,890,236
Liabilities and net position:	
Liabilities:	
Accounts payable	\$ -
Total liabilities	-
Net position:	
Restricted	19,890,236
Total net position	19,890,236
Total liabilities and net position	\$ 19,890,236

See Accompanying Notes to the Basic Financial Statements

**Joint Economic Development Organization
Statement of Activities
For the Year Ended December 31, 2016**

Function/Programs	<u>Expenses</u>	<u>Program Revenues, Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities:			
Economic development	\$ 11,668,087	\$ -	\$ (11,668,087)
Total governmental activities	<u>\$ 11,668,087</u>	<u>\$ -</u>	<u>(11,668,087)</u>
	General revenues:		
	Sales tax contributed:		
	City of Topeka		9,082,251
	Shawnee County		7,754,036
	Interest income		<u>4,217</u>
	Total general revenues		<u>16,840,504</u>
Change in net position			5,172,417
Net Position - beginning of year			<u>14,717,819</u>
Net Position - end of year			<u>\$ 19,890,236</u>

See Accompanying Notes to the Basic Financial Statements

**Joint Economic Development Organization
Balance Sheet-General Fund
December 31, 2016**

Assets	
Cash and investments	\$ 15,973,337
Receivables:	
City of Topeka	2,445,226
Shawnee County	1,471,673
Total assets	<u>\$ 19,890,236</u>
Liabilities and fund balance	
Liabilities:	
Accounts payable	<u>\$ -</u>
Total liabilities	<u>-</u>
Fund balance	
Restricted	<u>19,890,236</u>
	<u>19,890,236</u>
Total liabilities and fund balance	<u>\$ 19,890,236</u>

See Accompanying Notes to the Basic Financial Statements

Joint Economic Development Organization
Statement of Revenues, Expenditures, and Changes in Fund Balance-
General Fund
For the Year Ended December 31, 2016

Revenues:

Sales tax contributed:		
City of Topeka	\$	9,082,251
Shawnee County		7,754,036
Interest income		4,217
Total revenues		<u>16,840,504</u>

Expenditures:

Current:		
Economic development:		
Go Topeka		5,000,000
County bridges		1,500,000
Topeka Boulevard Bridge		1,575,558
Project reimbursements:		
City of Topeka		3,587,718
Professional services and other		4,811
Total expenditures		<u>11,668,087</u>

Net change in fund balance		<u>5,172,417</u>
Fund balance - beginning of year		<u>14,717,819</u>
Fund balance - end of year	\$	<u><u>19,890,236</u></u>

See Accompanying Notes to the Basic Financial Statements

**Joint Economic Development Organization
Notes To The Basic Financial Statements
December 31, 2016**

1. Reporting Entity and Summary of Significant Accounting Policies

A. Reporting Entity

The Joint Economic Development Organization (JEDO) is a separate legal entity created by an interlocal agreement, as amended and revised (the agreement) between the City of Topeka, Kansas (the City) and Shawnee County, Kansas (the County). JEDO board consists of thirteen (13) members. Voting members include the three (3) County Commissioners, the City Mayor, Deputy Mayor and two City Council members. Nonvoting members shall include the remaining six (6) City Council members.

On August 3, 2004, County voters passed a countywide one-half percent sales tax to finance economic development and countywide infrastructure development. The State of Kansas collects the sales tax and remits the respective taxes to the City and County who in turn remit the sales tax to JEDO.

On November 4, 2014, County voters renewed the countywide one-half percent sales tax for an additional 15 years commencing January 1, 2017 and expiring December 31, 2031.

On April 19, 2016, the City and County entered into a new interlocal agreement that rescinds the previous agreements and amendments upon the full distribution of the sales tax receipts and commitments from the sales tax expiring December 31, 2016.

The original agreement and related amendments will remain in effect until all sales tax receipts and commitments from the sales tax expiring December 31, 2016 have been distributed. Under the original agreement and related amendments, JEDO shall dedicate \$5,000,000 annually to the economic development program; \$1,500,000 annually to County bridges; annually fund the debt service requirements of the Topeka Boulevard Bridge; and fund completion of the various infrastructure projects as specified in the August 3, 2004 ballot. The City or County administer the infrastructure projects, and, as costs are incurred, request reimbursement from JEDO. It is anticipated that all remaining sales tax receipts less any commitments related to the sales tax expiring December 31, 2016 taxes will occur in 2017.

Beginning in fiscal January 1, 2017 and continuing each year through December 31, 2031, JEDO shall dedicate \$5,000,000 annually for the purpose of supporting economic development priorities established by the JEDO Board. JEDO shall ensure that not less than 10% of the \$5,000,000 will be targeted to support economic development for socially and economically disadvantaged individuals and/or business enterprises. The remaining funds shall then be distributed to the City (48%) and to the County (52%) for purposes of completing the infrastructure improvements and quality of life projects as set forth in the November 4, 2014 ballot language. In the event the sales tax proceeds are not sufficient to fund all of the improvements and projects, JEDO may alter the distribution formula, or reduce the amount of funds allocated for any particular improvement or project.

Under the agreement, upon the later of the expiration or termination of the sales tax and the completion of and payment for the economic development priorities and the infrastructure improvements and quality of life projects, JEDO shall inform the City and County of any excess funds remaining. Any excess funds will be distributed to the City and County in the proportional rates as provided by KSA 12-192(a).

JEDO is a stand-alone government and is not legally required to adopt a budget for the General Fund. There are no component units related to JEDO that should be accounted for in JEDO's basic financial statements in accordance with Governmental Accounting Standards Board Statements.

B. Significant Accounting Policies

The accounting policies of JEDO conform to accounting principles generally accepted in the United States of America as applicable to governmental entities.

**Joint Economic Development Organization
Notes To The Basic Financial Statements
December 31, 2016**

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the governmental activities of JEDO.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Due to the nature of the funding sources, there are no program revenues and grants and contributions. Sales taxes contributed and unrestricted investment earnings not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

JEDO has one fund for financial statement presentation purposes, the General Fund.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. JEDO considers retail sales taxes available and susceptible to accrual if they are received within 90 days after year-end.

Countywide Sales Taxes

The one-half percent county-wide sales tax took effect January 1, 2005, and was set to expire on December 31, 2016. The sales tax was extended an additional 15 years commencing January 1, 2017 and is set to expire on December 31, 2031.

Assets, Liabilities and Net Position or Fund Balance

Cash and Equivalents – cash in demand accounts at financial institutions and short-term, highly liquid investments that are readily convertible in known amounts of cash. Interest bearing deposit accounts are reported at cost plus accrued interest.

Investments – JEDO reports its investments at fair value which is determined by quoted market prices. Investment income, including changes in the fair value of investments, is recognized as revenue in the financial statements.

**Joint Economic Development Organization
Notes To The Basic Financial Statements
December 31, 2016**

Accounts Receivable – Retail sales tax collected by the City and County to be remitted to JEDO that have been received within 90 days after year-end.

Net Position/Fund Balance Classifications

Net Position – In the government-wide financial statements, equity is classified as restricted – net position that consists of assets restricted for the sole use of JEDO in accordance with the agreement.

Fund Balance – As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which JEDO is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of December 31, 2016, the fund balance of the general fund is restricted in accordance with the agreement.

2. Deposits and Investments

Cash and investments consisted of the following at December 31, 2016:

Demand deposits	\$	8,969,727
Kansas Municipal Investment Pool		7,003,610
 Total cash and equivalents	 \$	 <u>15,973,337</u>

K.S.A. 9-1401 establishes the depositories which may be used by JEDO. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. JEDO has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits JEDO's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool (KMIP). JEDO has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount JEDO may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, JEDO's deposits may not be returned to it. State statutes require JEDO's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2016.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, JEDO will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

Fair Value Measurements

JEDO categorizes its fair value measurements within the fair value hierarchy established by general accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted in active markets for identical assets; Level 2 inputs are significant other observable inputs such as third party pricing services for identical assets; Level 3 inputs are significant unobservable inputs. At December 31, 2016, all of JEDO's investments were in the KMIP which are exempt from the fair value hierarchy.

**Joint Economic Development Organization
Notes To The Basic Financial Statements
December 31, 2016**

KMIP is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. The KMIP's investment portfolio were rated AAAf/S1+ by Standard and Poor's at year end.

3. Economic Development Program

JEDO has entered into an annual agreement with the Growth Organization of Topeka/Shawnee County, Inc., (GO Topeka), a non-profit Kansas Corporation to provide services in support of JEDO economic development program (the program) designed to expand employment, strengthen the tax base and diversify and strengthen the City and County economy. Under the agreement, JEDO will annually provide Go Topeka \$5,000,000 to carry out the program. Upon written notification, either party may terminate the agreement. Should the agreement be terminated, any cash or real property under the program shall revert back to JEDO.

On April 4, 2014, the agreement was amended to extend the terms through December 31, 2017.

4. Subsequent Events

JEDO has evaluated subsequent events through April 7, 2017 the date the financial statements were available to be issued. No subsequent events were identified that required adjustment to or disclosure in the financial statements.

JOINT ECONOMIC DEVELOPMENT ORGANIZATION

Required Communications and Compliance Report
For the Year Ended December 31, 2016

Joint Economic Development Organization
Required Communications and Compliance Report
For the Year Ended December 31, 2016

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COCHRAN HEAD VICK & CO., P.A.

& Co

Certified Public Accountants

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Suite 100
Overland Park, KS 66212
(913) 378-1100
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Other offices in Kansas
and Missouri

To the Board of Directors
Joint Economic Development Organization

We have audited the financial statements of governmental activities and major fund of the Joint Economic Development Organization (JEDO) for the year ended December 31, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 2, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practice

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the JEDO are described in Note 1 to the financial statements. During the year, management changed accounting policies related to fair value reporting by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 72 – *Fair Value Measurement and Application*. We noted no transactions entered into by JEDO 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. There were no sensitive estimates affecting JEDO's financial statements.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No such misstatements were noted during the course of our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is 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 7, 2017.

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 governmental unit'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 JEDO's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of JEDO and is not intended to be, and should not be, used by anyone other than these specified parties.

Cochran Head & Co., P.A.

Overland Park, Kansas
April 7, 2017



COCHRAN HEAD VICK & CO., P.A.

& Co

Certified Public Accountants

7255 West 98th Terrace
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

Other offices in Kansas and
Missouri

To the Board of Directors of
Joint Economic Development Organization
Topeka, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the Joint Economic Development Organization (JEDO), as of and for the year ended December 31, 2016 and the related notes to the financial statements, which collectively comprise JEDO's basic financial statements, and have issued our report thereon dated April 7, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered JEDO's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the JEDO's internal control. Accordingly, we do not express an opinion on the effectiveness of the JEDO's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether JEDO's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cochran Hand v. Jk + Es P. H.

Overland Park, Kansas
April 7, 2017

**Joint Economic Development Organization
Cash Statement
As of March 31, 2017**

Receipts:

Sales Tax - City of Topeka	\$ 2,445,232.61
Sales Tax - Shawnee County	2,033,217.37
Interest Income	8,635.05
Total Receipts	<u>4,487,085.03</u>

Disbursements:

City of Topeka	\$ -
Shawnee County	-
Total Disbursements	<u>-</u>

GO Topeka	1,249,999.99
Bank Charges	34.13
Total Disbursements	<u>1,250,034.12</u>

Net Receipts (Disbursements) 3,237,050.91

Bank Balance - January 1, 2017 **15,973,336.87**

Bank Balance - March 31, 2017 **\$ 19,210,387.78**

Note: This is a cash basis report

Prepared by Nickie Lee

City of Topeka & Shawnee County



Agenda Item No. 6

**JEDO Board Meeting
May 10, 2017 - 6:00 P.M.**

Mars Chocolate North America
Contract



MARS “Project Fairway” Contract Addendum Overview May 10, 2017

Staff: Jackie Steele, Vice President of Business Retention & Expansion

Included in the JEDO packet is an addendum to the original agreement between MARS and GO Topeka, which was signed on July 27, 2011. At a special meeting on March 29, 2017, JEDO approved a funding commitment of \$124,715 in association with additional capital investment and expansion by MARS. The project was referred to as Project Fairway. An overview is below.

Project Fairway Overview

- \$55 million in capital investment
 - \$4.9 million facility (1,000 sf expansion, facility upgrades & reconfiguration)
 - \$50 million equipment
- 60 full-time jobs & 50 part-time jobs

Approved Funding Commitment & Economic Impact

- Maximum incentive of \$124,715
 - Based on capital investment only
 - Follows GO Topeka incentive guidelines
- Performance based
- Economic Impact Analysis
 - \$8 million one-time economic impact
Note: This figure is based solely on the \$4.9M facility improvements as much of the equipment is highly-specialized and not produced in Shawnee County, likely not even the US.

Recommendation

- Approve the contract addendum
- GO Topeka Board of Directors recommended approval on 12/2/2016

SECOND ADDENDUM TO INCENTIVE AGREEMENT

This Addendum is effective _____, 2017 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: Matthew Pivarnik, President and CEO

COMPANY:

MARS CHOCOLATE NORTH AMERICA, LLC
800 High Street
Hackettstown, NJ 07840
Attn: Michael J. Boffa, Associate General Counsel

WHEREAS, Company is a Delaware limited liability company qualified to do business in Kansas;

WHEREAS, GO Topeka and Company are parties to an incentive agreement effective July 27, 2011 concerning the development and construction of Company's Topeka plant;

WHEREAS, GO Topeka and Company are parties to an Addendum to said Incentive Agreement effective October 7, 2016;

WHEREAS, Company is contemplating an additional investment to its Topeka facility of approximately Fifty-Five Million (\$55,000,000) Dollars to construct and equip an addition to its present Topeka facility;

WHEREAS, as a result of the construction of the additional facility, Company will be able to employ an additional sixty (60) full time employees with an average salary of approximately \$43,000 per year in addition to fifty (50) part time employees;

WHEREAS, GO Topeka desires to assist and promote Company by offering up to One Hundred Twenty-Four Thousand Seven Hundred Fifteen Dollars (\$124,715) in investment incentives;

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

WHEREAS, the parties wish to memorialize their understanding regarding the details of the incentive package by entering into the present Second Addendum to Incentive Agreement to extend the scope of the original incentive agreement dated July 27, 2011 and the Addendum thereto dated October 7, 2016 to cover incentives for construction at the Topeka facility and for the acquisition of additional equipment at the Topeka facility.

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. **Real Estate Investment Incentive.** For each One Million Dollars (\$1,000,000) in capital investment in the construction of an addition to its present Topeka facility made by Company in Topeka, Shawnee County, Kansas up to, but not to exceed a total capital investment of Four Million Nine Hundred Five Thousand Dollars (\$4,905,000), GO Topeka shall pay an incentive to Company of Five Thousand Dollars (\$5,000), the “Real Estate Investment Incentive.” The aggregate of said Real Estate Investment Incentive payments shall not exceed Twenty-Four Thousand Five Hundred Twenty-Five Dollars (\$24,525). To be eligible for the Real Estate Investment Incentive, Company shall commence construction on the addition to its Topeka facility in time to allow the completion of the building by December 31, 2018. The Real Estate Investment Incentive Payment shall be paid to Company upon GO Topeka’s receipt of (1) the certificate of occupancy for the new addition and, (2) the Shawnee County Appraiser’s valuation of the real property after completion of the addition showing an increased value resulting from the addition. Said valuation shall form the basis of the real estate value used to calculate the Real Estate Investment Incentive.

2. **Equipment Investment Incentive.** For each One Million Dollars (\$1,000,000) in equipment investment made by Company in or related to equipment housed in its existing facilities and its addition located in Topeka, Shawnee County, Kansas up to, but not to exceed a total equipment capital investment of Fifty Million Ninety-Five Thousand Dollars (\$50,095,000), GO Topeka shall pay an Equipment Investment Incentive to Company of Two Thousand Dollars (\$2,000) the “Equipment Investment Incentive.” The aggregate of said Equipment Investment Incentive payments shall not exceed One Hundred Thousand One Hundred Ninety Dollars (\$100,190). To be eligible for the Equipment Investment Incentive, Company shall take delivery of the subject equipment on or before September 30, 2018. The Equipment Investment Incentive

payment(s) shall be made to Company upon proof of purchase of said equipment in the form of paid invoices or other verifiable records confirming the payment for said equipment.

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

a. Company agrees to make every reasonable effort to use Shawnee County, Kansas based vendors for construction of its addition and the purchase or procurement of the machinery and equipment contemplated herein.

b. Company agrees to participate in a public event with GO Topeka in Shawnee County, Kansas celebrating the new business and employment expansion contemplated by this Agreement. Such event would include general recognition of JEDO and GO Topeka's involvement in the project.

c. This writing, the July 27, 2011 Incentive Agreement and the October 7, 2016 Addendum to the Incentive Agreement contain the entire agreement reached between the parties hereto with respect to the subject matter hereof, and may be amended only in writing, and duly executed by all parties concerned.

d. 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. In the event any provision is found to be unenforceable or unconstitutional, all other provisions shall remain in full force and effect.

e. Time is of the essence of this Agreement.

f. By signing this Agreement, the parties affirm that they have the authority of their respective corporations to enter into this Agreement and bind their respective entities.

g. This Agreement shall bind and inure to the benefit of the parties to this Agreement, their heirs, legal representatives, assignees, transferors and successors.

h. 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.

i. 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.

j. The parties acknowledge and agree that Company shall not assign, transfer, hypothecate or otherwise encumber this Agreement and its rights hereunder, without the prior written approval of GO Topeka.

k. Sarbanes-Oxley and similar legislation may have application to, or affect the accounting for this Agreement by Company.

l. GO Topeka makes no representation as to the taxability or tax effect of this Agreement and the incentive payments hereunder.

m. GO Topeka's obligations hereunder are contingent upon the joint approval hereof by the Joint Economic Development Organization ("JEDO") and the continued funding of GO Topeka at adequate levels through a portion of the Shawnee County retailers' 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). GO Topeka will endeavor to give Company advanced notice of any reduction of funds when practical. Company agrees and understands that if there are not sufficient funds appropriate or available to GO Topeka to continue to make any payments hereunder (taking into account GO Topeka's other obligations), GO Topeka may terminate this agreement with written notice of termination to Company. 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 Company waives and releases any rights, causes of action or claims it may have should such insufficiency of funds occur.

n. In carrying out the terms and provisions of this Agreement, Company shall not unlawfully discriminate against any employee, applicant for employment, receipt 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, state or local ordinances.

o. Every duty, right, or obligation contained in this Agreement imposes an obligation of good faith in its performance or enforcement. For the purposes of this Agreement, "good faith" dealing means honesty in fact in the conduct of the transaction concerned.

p. 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.

q. 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.

4. The parties acknowledge and declare that the provisions of the July 27, 2011 Incentive Agreement and the October 7, 2016 Addendum thereto remain in full force and effect and that the provisions included in this Agreement serve to expand and add to the scope of the original July 27, 2011 Agreement and the October 7, 2016 Addendum thereto and do not amend any of the provisions of said Agreement.

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

“Company”

Mars Chocolate North America, LLC

By: _____

Printed Name: _____

Title: _____

“GO Topeka”

Growth Organization of Topeka/Shawnee
County, Inc.

By: _____

Printed Name: Matthew Pivarnik

Title: President and CEO

City of Topeka & Shawnee County



Agenda Item No. 7

**JEDO Board Meeting
May 10, 2017 - 6:00 P.M.**

Morris Project Funding



Project Morris Overview

May 10, 2017

Staff: Molly Howey, Vice President of Business Development & Attraction

On the May 10 JEDO agenda is a request to approve funding for Project Morris. Since the company is currently located nearby in rural Jefferson County, we are proposing to incentivize only the new jobs and investment. If funding is approved, the company will move forward with the acquisition of an existing building in Shawnee County. The GO Topeka Board of Directors Executive Committee recommended funding approval on 4/24/2017.

Project Overview

- Fabrication, installation & maintenance company with 55 employees
- \$2M capital investment
- 45 new full-time jobs with average wage of \$49,920
- One-time economic impact of \$4.5M and reoccurring impact of \$33.4M

Proposed Incentives

- Maximum incentive of \$229,000
- Based on new jobs and investment only
- Follows GO Topeka Incentive Guidelines
- Performance based

Recommendation to JEDO

- Approve the proposed funding incentive package



Agenda Item No. 8

**JEDO Board Meeting
May 10, 2017 - 6:00 P.M.**

East Topeka Learning Center

- New Markets Tax Credits
- Approval of Architect



East Topeka Learning Center Project Update

May 10, 2017

Staff: Barbara Stapleton, Vice President of Workforce & Education

Expenditures to date

Purchase of 2014 SE Washington Street	\$240,000
Closing costs	\$11,909
Phase I Environmental Study	\$2,200
Environmental Limited Site Investigation	\$12,500
Expanded Environmental investigation - additional borings	\$4,150
12 month insurance premium	\$8,665
Attorneys fees (agreement and NMTC discussion)	\$1,190
Asbestos Survey	\$3,400
Property maintenance	\$800
	\$284,814

Lease and Educational Services Agreement

- Legal counsel for both the city and county (representing JEDO), have reviewed drafted agreement. It is currently under review by Washburn University for response and changes.
- Project workgroup has convened to review the agreement summary and provide feedback, as well as discuss community needs related to the project.

Request for Qualifications for Design

- Selection committee issued a Request for Qualifications (RFQ)/Interest on March 15, 2017
- Six responses were received on April 7, 2017
- Selection committee evaluated responses and notified the three selected respondents for interview on April 14, 2017.
- References were contacted and interview presentations by the three selected respondents occurred April 25th, 2017
- Selected firm was notified April 26, 2017 and fee negotiation began May 1.

Based upon the selection committee's review of responses, references, and presentations through an evaluation matrix; HTK Architects was selected as the final firm to present as a recommendation to JEDO by the selection committee.

Program Subsidy

- Negotiated an initial engagement letter to proceed with seeking New Markets Tax Credits (NMTC) gap funding to provide approximately \$1M in NMTC's to fund partnership funds



NEW MARKETS AND PUBLIC FACILITIES

A TOOL FOR DEVELOPMENT

DISCUSSION TOPICS

- ▶ Brief Introduction to New Markets Tax Credits (NMTC)
- ▶ NMTCs in Topeka
- ▶ GO Topeka & NMTCs: East Topeka Learning Center

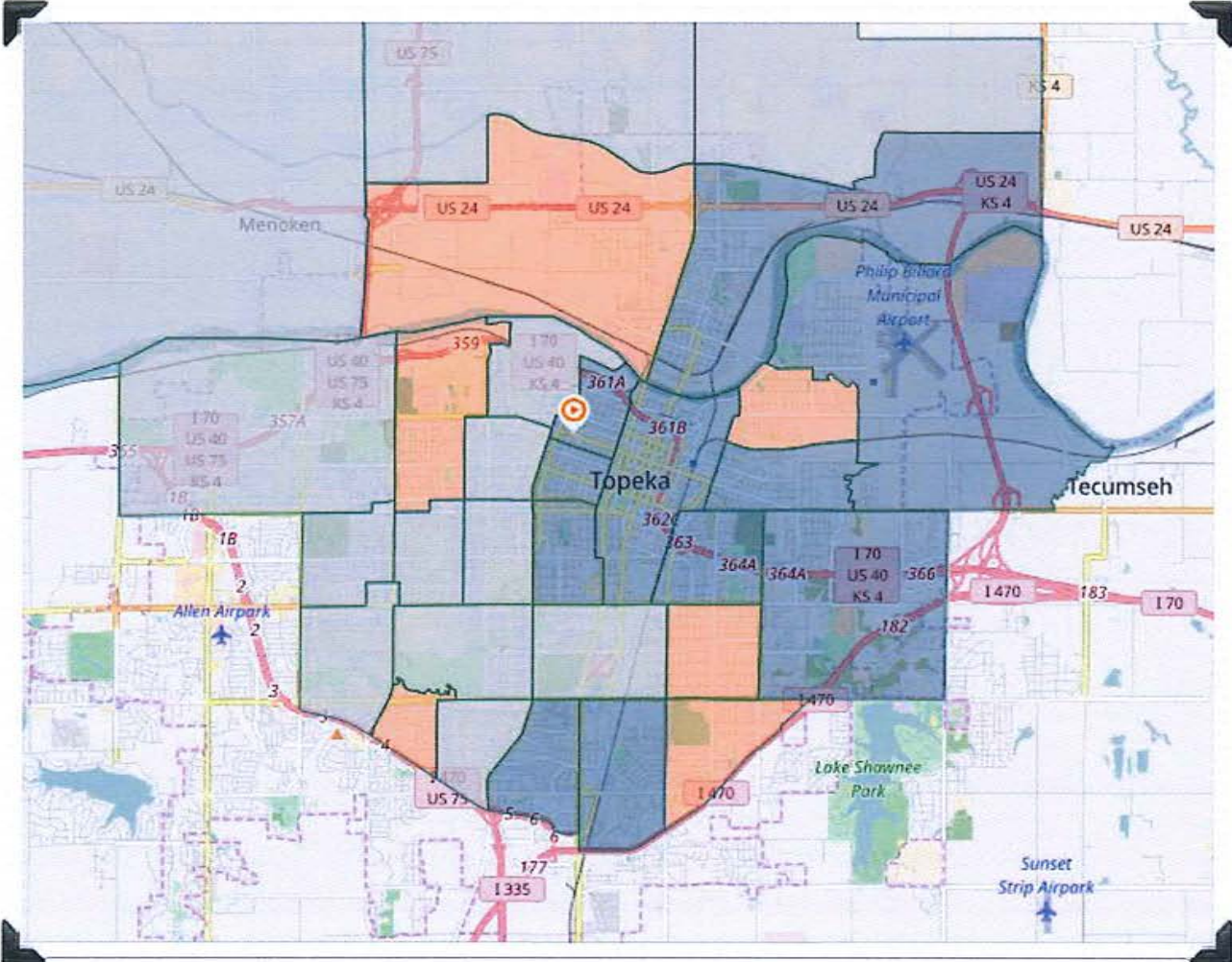




FOUNDATIONS

NMTC PROGRAM OVERVIEW

- ▶ Federal income tax credit program intended to spur development in “low income communities” or LICs
 - ▶ Primary definition of LIC is geographic
- ▶ Tax credit is portable—can be sold to third party
- ▶ Tax credit equal to 39% of basis (in NMTC lingo, the Qualified Equity Investment or QEI)
- ▶ Tax credits earned over a seven-year compliance period
- ▶ Broad range of permitted uses (except “sin” businesses)

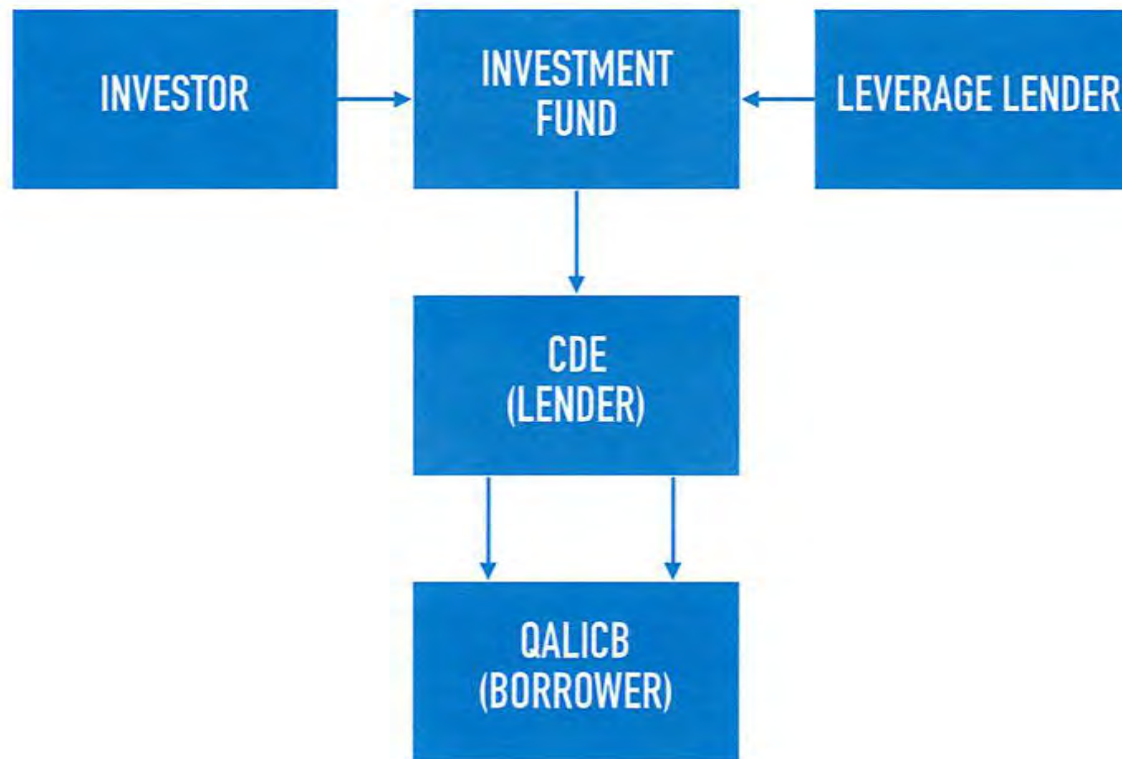


Gray areas—not qualified
Orange areas—qualified
Blue areas—qualified with severe distress

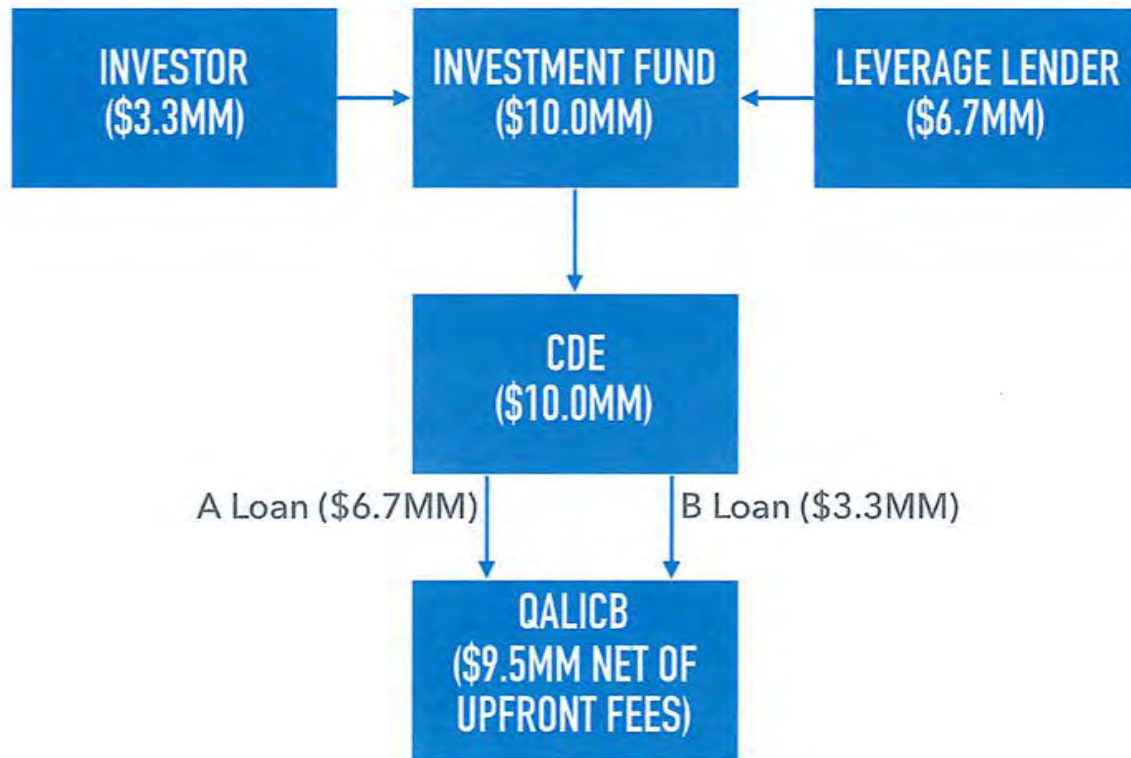
MATCHING TAX CREDITS TO PROJECTS

- ▶ Congress appropriates project authority (allocation)
- ▶ US Treasury Department distributes allocation to intermediaries called Community Development Entities (CDEs) via a competitive application process
- ▶ CDEs make investments in qualified projects
 - ▶ CDEs have defined geographic ranges and missions
 - ▶ Projects must meet “but-for” test
- ▶ Tax credits purchased by investors looking for return solely from the tax credit equity (not project cashflows)

TYPICAL STRUCTURE



TYPICAL STRUCTURE (PRO FORMA \$10MM PROJECT)



After all costs and fees incurred over the 7-year compliance period, this structure would typically net \$1.5 million to \$1.8 million in "free" money to the borrower.

THE INTERESTS OF THE PARTIES

**INVESTOR
(\$3.3MM)**

Gets a seven-year annual stream of Federal income tax credits equal to 5%, 5%, 5%, 6%, 6%, 6% and 6%, respectively, of the QEI.

**INVESTMENT FUND
(\$10.0MM)**

No real interest here. The Fund exists solely to facilitate the leveraged nature of the transaction. Typically managed by the investor.

**LEVERAGE LENDER
(\$6.7MM)**

In a self-leveraged deal, the sole point of the leverage lender is to facilitate the additional tax credits a leveraged structure provides. A "real" leverage lender has the same motivations as a bank.

**CDE
(\$10.0MM)**

The CDE exists to fulfill its mission. It also takes fees from the NMTC transaction which, depending on its mission, might simply improve its shareholder return or might be used to fund other programming.

**QALICB
(\$9.5MM NET OF
UPFRONT FEES)**

The borrower benefits from advantaged financing, often with sub-market rates, more favorable underwriting and lending terms and, if the structure provides it, "forgiveness" of the B-Loan at the end of the compliance period.

THE PARTIES

▶ Investors

- ▶ These are the entities—often commercial banks—that purchase the tax credits, typically providing the purchase price at closing. Current market=\$0.82 to \$0.87 per dollar of gross tax credits generated. Banks are sometimes motivated to by Community Reinvestment Act needs.

▶ Sponsors

- ▶ The local government or affiliate desiring new or improved facilities.

▶ Community Development Entities (CDEs)

- ▶ These are the organizations that exist primarily for the purpose of matching NMTC equity to projects in need. CDEs apply competitively for NMTC allocation through the US Treasury Department. Each CDE has a range of preferred activities/ investment foci and a defined geographic area of operation (which can be national). CDEs make Qualified Low Income Community Investments (QLICs).

▶ Qualified Active Low-Income Community Businesses (QALICBs)

- ▶ These are the entities that benefit from NMTCs, the borrowers at the bottom of the structure. QALICBs deploy the QLICI loans for qualified purposes. QALICBs have to meet specific rules to remain QALICBs during the seven-year compliance period, such as the NQFP rules.

▶ Leverage Lenders

- ▶ Although not technically required, almost always used to boost the availability of tax credits to a project. The leverage lender makes a loan to the investment fund in an amount equal to the QEI less the tax credit equity.

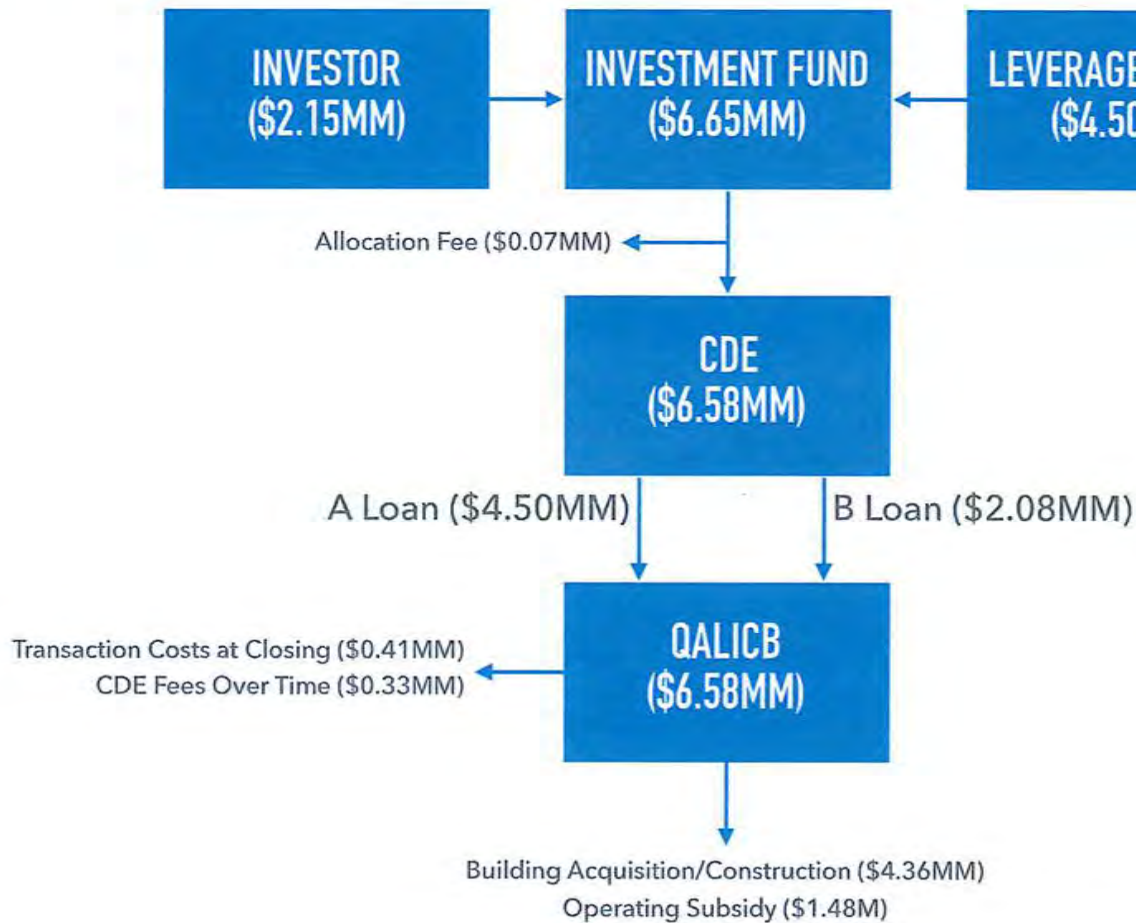


GO TOPEKA & NMTC

EAST TOPEKA LEARNING CENTER

- ▶ Project is located in a qualified Census tract with high distress
- ▶ Project has a funding gap (Washburn's required three-year operating subsidy)
- ▶ Project's use is consistent with NMTC regulations
- ▶ Project's use and partnership aspects will be attractive to investors
- ▶ Kansas is an "under-served" state for NMTCs, making investments here more attractive
- ▶ GO Topeka already has a source of leverage available

REPRESENTATIVE STRUCTURE (LEARNING CENTER)



GO Topeka contributes \$4.50 million in sales tax money into the structure. After closing costs and fees, we anticipate sufficient funds to be available to pay for land acquisition, building rehab and \$1.48 million in operating subsidies.

THE PLAYERS

INVESTOR
(\$2.15MM)

→ To be determined, but likely a commercial bank or its affiliate. Gets a seven-year annual stream of Federal income tax credits equal to 5%, 5%, 5%, 6%, 6%, 6% and 6%, respectively, of the QEI.

INVESTMENT FUND
(\$6.65MM)

→ To be determined. The Fund exists solely to facilitate the leveraged nature of the transaction. Typically managed by the investor.

LEVERAGE LENDER
(\$4.5MM)

→ GO Topeka is the leverage lender, using sales tax moneys on hand. Typically, the loan is structured with below market interest. The loan is seven years, interest-only with standstill on foreclosure.

CDE
(\$6.58MM)

→ To be determined. This is the real challenge: finding a CDE with allocation available and interest in doing a project in Topeka.

QALICB
(\$6.58MM)

→ Likely a 501(c)(3) constituted by GO Topeka for the purpose of this transaction. Governance likely to be required to be independent from GO Topeka. Benefits from "forgiveness" of the B-Loan at the end of the compliance period.

NEXT STEPS

- ▶ Develop “credit package” for use in attracting a CDE to the project
- ▶ Attempt to secure existing allocation from the 2015-16 round or get commitment to be a “pipeline” project in 2017 round
 - ▶ CDEs are building their pipelines right now
 - ▶ 2017 round announced likely Nov/Dec 2017
- ▶ Consider beginning process to create the new 501(c)(3)

YOUR TOUR GUIDE

JEFF WHITE

COLUMBIA CAPITAL MANAGEMENT, LLC

Columbia Capital is a 20-year old financial advisor to municipal bond issuers and borrowers. Along the way, our clients began to ask us to help them find alternative or subsidized financing alternatives. Amidst the BABs, the RZEDBs, the Hurricane Ike Bonds and the QECCBs, we dove head first into the wonderful world of New Markets Tax Credits. We have advised on north of \$100 million in potential NMTC projects, including about \$50 million in successful transactions for non-profits. Columbia recently closed on its second NMTC financing for the YMCA of Greater Kansas City, with two more potential projects in the wings, and is actively structuring NMTC borrowings for the Ys in Atlanta and Richmond. As a registered municipal advisor, Columbia also provides expert, independent advice to governments on their tax-exempt borrowings.

913-312-8077 • jwhite@columbiacapital.com





Agenda Item No. 9

**JEDO Board Meeting
May 10, 2017 - 6:00 P.M.**

Broadband Task Force Recommendations

- Award Request For Proposal Bid
- Contract Negotiations

Broadband Task Force Report to JEDO Board on Awarding Contract for Broadband Consulting Services

Background

In 2013, the Intergovernmental Cooperation Council or ICC (whose members are the major taxing authorities in Topeka and Shawnee County) agreed to work on increasing the availability of advanced broadband services to improve access to increase and improve Internet access to educational resources and expand opportunities for economic growth and quality of life in the community. County Commissioner Shelly Buhler, Mayor Larry Wolgast and Topeka and Shawnee County Public Library Chief Executive Officer Gina Millsap took the lead in facilitating this project.

As part of discovery process, the ICC applied to the Kansas Department of Commerce to be a participant in its Statewide Broadband Initiative. Topeka and Shawnee County was selected as a pilot community. The process included community focus groups and two studies: the first evaluating the feasibility of implementing an advanced broadband network in the community and the second an economic impact study on the effect on business, education and other sectors on having high-speed Internet widely available in the community.

When that pilot project ended, Mayor Larry Wolgast and Commissioner Shelly Buhler formed a task force to move forward with a community-based plan that would result in Topeka and Shawnee County becoming a connected community focused on the three goals identified in the pilot project. They are:

- Encouraging and supporting entrepreneurship and economic development
- Eliminating the digital divide
- Ensuring all residents are digitally literate and will have 21st century work skills

Process

The members of the task force are Mayor Wolgast and Commissioner Shelly Buhler, co-chairs, Blair Anderson, Technology Manager for Shawnee Heights USD 450, Rob Banks, COO for Topeka Shawnee County Public Library, Mark Biswell, Information Technology Director for the City of Topeka, Kevin Brokaw, District Technology Coordinator for Silver Lake USD 372, Patrick Clear, Coordinator of Technology for Auburn-Washburn USD 437, Jim Crawl, Shawnee County Counselor, Doug Gerber, Interim City Manager for the City of Topeka, Sasha Haehn, Director of Neighborhood Relations for the City of Topeka, Bob Horton, Director of Business for Seaman USD 345, Molly Howey, Vice President of Business Development and Attraction for Go Topeka, Gina Millsap, CEO for Topeka Shawnee County Public Library, Pat Oblander, Director of IT for Shawnee County, Jim Rousseau, General Director of Information Technology for Topeka USD 501, and Marty Stessman, Superintendent of Shawnee Heights USD 450.

The task force was charged with developing a Request for Proposal (RFP) with the intent of hiring a consultant with expertise in telecommunications and technology services. A draft RFP was developed in December 2016. The RFP document was submitted to the JEDO board with a request for funding to hire a consultant in February 2017. Task force members Gina Millsap and Marty Stessman presented information on the needs such a project would address as well as anticipated outcomes.

Seven proposals were received from consulting firms. A subcommittee of the task force including Mark Biswell, Pat Oblander, Gina Millsap and Patrick Clear developed an evaluation process, which included a rating system and conference calls with references. There was consensus by the subcommittee that Tilson Technology Management was the best choice for the project.

Tilson's proposal demonstrates they have:

- an excellent understanding of the scope of and ability to perform all five phases of the project.
- a realistic assessment of costs.
- an expert team with significant experience in a wide range of similar projects all over the United States.
- a high rate of success in assisting communities with these types of projects.

What also distinguishes Tilson's proposal from the others is that it is the only vendor that has the highest level of access to data from a company called CostQuest. Validating that data, which includes the previously mentioned feasibility and economic impact studies is one of the requirements of the RFP and essential to the future success of the project.

Outcomes – Why This Matters

Ultimately, the intent of this project is to develop an RFI/RFP for the development of public/private partnership that will collaborate on the development of an advanced broadband fiber and wireless network that will provide the entire community, including its most rural areas, with high speed Internet access.

This investment is essential to Topeka and Shawnee County's growth and prosperity. The return on investment for the community and investors cannot be overstated.

Communities with this technology infrastructure have an advantage in attracting everything from advanced manufacturing to contact and data centers.

They can:

- nurture the tech startups and home-based businesses that will provide tomorrow's jobs.
- provide better education and health care for residents.
- deliver government services more efficiently and engage citizens in government.

It makes a world of difference for our residents.

- For the learners in the community, it means having access to a worldwide collection of schools, universities, databases, resources, and experts that they can leverage to expand their knowledge and understanding.
- For the entrepreneurs and businesses, it opens up new opportunities not just for new customers, but for new partners to expand and enrich the products and services they provide.
- For those needing healthcare, it brings the possibility of telemedicine, remote clinics, and expertise from across the world.

- It brings new sources of information and news to help keep them informed, new ways to interact with the governing bodies, and the ability to be involved in the causes that matter to them.

The Broadband Task Force respectfully requests that the JEDO Board approve awarding a contract for Broadband Consulting Services to Tilson Technology Management of Greenwood Village, CO.

City of Topeka & Shawnee County



Agenda Item No. 10

**JEDO Board Meeting
May 10, 2017 - 6:00 P.M.**

Discussion & Possible Action
Selection of Independent Contractor for
Economic Development Priorities

1 **JEDO CONTRACT NO. C-____ -**

2 **AGREEMENT FOR SERVICES**

3 THIS AGREEMENT is entered into this _____ day of _____, 2017, by and
4 between the GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC., a
5 non-profit Kansas corporation, hereinafter referred to as "GO Topeka" and the JOINT
6 ECONOMIC DEVELOPMENT ORGANIZATION, hereinafter referred to as "the JEDO,"
7 a duly organized separate legal entity authorized by K.S.A. 12-2904a which was created
8 by Interlocal Agreement dated April 19, 2016 and amendments thereto ("Interlocal
9 Agreement").

10 WHEREAS, the Interlocal Agreement authorizes the JEDO to select one or more
11 independent contractors to execute the economic development priorities set forth in the
12 Interlocal Agreement; and

13 WHEREAS, GO Topeka is a non-profit Kansas corporation, whose sole purpose
14 is economic development within Topeka and Shawnee County; and

15 WHEREAS, the JEDO and GO Topeka are currently parties to JEDO Contract
16 No. C-1-2014 extending through the end of 2017; and

17 WHEREAS, the parties wish to continue the contractual relationship for three
18 years beginning on January 1, 2018.

19 NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS
20 CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

21 **1. Grant.**

22 (a) For each of the calendar years 2018, 2019, and 2020, the JEDO agrees to
23 grant at least Five Million Dollars (\$5,000,000.00) from its economic development fund

24 to GO Topeka for the purpose of providing economic development services identified in
25 the Interlocal Agreement. Such services shall be more fully described in the business
26 plans authored by GO Topeka and presented to the JEDO prior to the beginning of
27 each year.

28 (b) GO Topeka agrees that at least ten percent (10%) of the funds referenced
29 in Section 1 shall be used for the purposes identified in Section 5(a) of the Interlocal
30 Agreement relating to socially and economically disadvantaged individuals/business
31 enterprises. To facilitate the expenditure of these funds, Go Topeka shall create and
32 retain a Minority and Women Business Development Advisory Council with the
33 responsibility of approving a disadvantaged business enterprise budget and whose
34 approval shall be required for any expenditure exceeding three thousand dollars
35 (\$3000).

36 (c) GO Topeka shall allocate Fifteen Thousand Dollars (\$15,000) each year
37 to pay for the expenses of the JEDO. GO Topeka shall make payments on amounts
38 owed to the County and City from this allocation.

39 (d) Notwithstanding Section 1(a), GO Topeka understands the payment of grant
40 funds are subject to the distribution schedule of the Kansas Department of Revenue
41 that collects and distributes the retailers' sales tax.

42 **2. Term.**

43 (a) The term of this Agreement shall be for three (3) years commencing on
44 January 1, 2018 and terminating on December 31, 2020. The term of this Agreement
45 may be extended beyond this term only upon written agreement of the parties.

46 (b) Notwithstanding Section 2(a) either party may terminate this Agreement

47 by giving the other party notice in writing of such termination, not less than one hundred
48 eighty (180) days prior to termination. The JEDO agrees that if it terminates the
49 Agreement that it shall pay any payments which are referred to in the approved budget
50 which come due within the one hundred eighty (180) day notice period. Upon
51 termination of this Agreement, no further funds shall be payable or paid hereunder,
52 except as otherwise provided herein. In any event, all obligations and commitments
53 made before this Agreement is terminated will be honored by both parties which are
54 described or referred to in the approved budget. All cash and real property shall revert
55 to the JEDO upon termination. During the one hundred eighty (180) day termination
56 period, any expenditure in excess of Three Thousand and No/100 Dollars (\$3,000.00)
57 shall be first approved by the JEDO.

58 **3. Budget; business plan; quarterly reports; cash-carry forward.**

59 (a) GO Topeka shall submit to the JEDO an annual business plan and budget
60 reflecting the expenditures to be made during the fiscal year to be used only in
61 accordance with the terms of this Agreement.

62 (b) GO Topeka shall submit each business plan and budget to the JEDO
63 before the beginning of each calendar year for consideration and approval by the JEDO.
64 No expenditures shall be made from the grant funds, except as authorized in the budget
65 approved by the JEDO which budget may be amended by GO Topeka with the JEDO's
66 approval.

67 (c) GO Topeka will submit to the JEDO quarterly program status reports, as
68 well as quarterly financial statements within forty-five (45) days after the close of each
69 quarter and an annual program report and financial statement at the conclusion of each

70 calendar year.

71 (d) The parties understand that the scope of economic development retention,
72 expansion and attraction may, in some cases, require that GO Topeka enter into
73 funding commitments that extend beyond the three (3) year term of this Agreement. For
74 such commitments, GO Topeka shall obtain the prior approval of the JEDO.

75 (e) Both parties understand that GO Topeka may incur budgeted expenses
76 that are not due and payable until after the close of the calendar year. Therefore, the
77 parties may execute a cash carry-forward (from one year to the next) agreement.

78 **4. Independent contractor; GO Topeka employees.**

79 (a) In performing its duties and responsibilities hereunder, the parties
80 acknowledge and agree that GO Topeka is an independent contractor and not a
81 partner, officer, agent, or employee of the JEDO, the City, or the County.

82 (b) GO Topeka will secure, all necessary employees, agents, independent
83 contractors and other personnel required to perform the services under this Agreement.
84 Such personnel shall not be employees of or have any contractual relationship with the
85 JEDO, the City or the County. GO Topeka shall have the sole responsibility for the
86 selection, management and termination of all personnel engaged in the work required
87 under this Agreement. Go Topeka employees shall reside inside the boundary of the
88 County of Shawnee, Kansas or make their residence within said boundary within sixty
89 (60) days of their initial employment unless any such affected employee obtains a
90 waiver of this provision from the JEDO. All of the services required hereunder will be
91 performed by GO Topeka or under its supervision; all personnel engaged in the work
92 shall be fully qualified and shall be authorized under state and local law to perform such

93 services.

94 **5. Unlawful discrimination.** In carrying out the terms and provisions of this
95 Agreement, GO Topeka will not unlawfully discriminate against any employee, applicant
96 for employment, recipient of service, or applicant to receive services because of race,
97 color, religion, sex, age, disability, ancestry, or national origin. GO Topeka shall take
98 affirmative action to ensure that applicants for employment, employees, applicants for
99 service, and recipients of service are treated equally and fairly without regard to their
100 race, color, religion, sex, age, disability, ancestry, or national origin. GO Topeka shall,
101 in all solicitations or advertisements for employees or of services, placed by or on behalf
102 of GO Topeka, state that all qualified applicants shall receive consideration for
103 employment or services without regard to race, color, religion, sex, age, disability,
104 ancestry, or national origin.

105 **6. Conflict of interest.**

106 (a) No officer or employee of the City or County, member of the governing
107 body of the City or County, or other public official of the JEDO who exercises any
108 functions or responsibilities in the review or approval of matters addressed in this
109 Agreement shall participate in any decision which affects his/her personal interest,
110 including pecuniary interests, direct or indirect.

111 (b) GO Topeka covenants that it presently has no interest and shall not
112 acquire any interest, direct or indirect, which would conflict in any manner or degree
113 with the performance of services required to be performed under this Agreement. GO
114 Topeka further covenants that in the performance of this Agreement no person having
115 such interest shall be employed.

116 **7. Assignment.** GO Topeka shall not assign any interest in this Agreement,
117 and shall not transfer any interest in the same, whether by assignment or novation;
118 provided, however, that claims for money due or to become due to GO Topeka under
119 this Agreement may be assigned to a bank, trust company, or other financial institution
120 upon written consent of the JEDO thereto.

121 **8. Hold harmless; indemnification; insurance.** Each party agrees to hold
122 harmless and indemnify the other and any of their officers, agents, or employees from
123 any and all liability for claims or causes of action of any person, firm, corporation, or
124 entity for damages of any type whatsoever that might be sustained by virtue of any
125 activities carried out in furtherance of this Agreement. GO Topeka shall procure and
126 maintain during the term of this Agreement, in an amount approved by both parties,
127 public liability and property damage insurance to insure GO Topeka and the JEDO from
128 all liability for injuries, including death to persons or property which may arise out of the
129 performance of this Agreement.

130 **9. Records; outcomes; inventory.** GO Topeka shall establish and
131 maintain the records with respect to all matters covered in this Agreement in
132 accordance with the JEDO policies or requirements, and specifically in accordance with
133 the following provisions:

134 (a) **Documentation of Costs.** All costs shall be supported by properly
135 executed payrolls, invoices, contracts, vouchers, or other official documents evidencing
136 in proper detail the nature and propriety of the charges. All checks, payrolls, invoices,
137 vouchers, orders and other accounting documents shall be clearly identified and readily
138 accessible.

139 (b) Documentation of Outcomes. Actual outcomes in job creation, job
140 retention, business creation, business growth and success of individuals in using
141 training to secure and retain jobs will be provided by GO Topeka, at a minimum on a
142 quarterly basis, to the JEDO Board and the public. These reports will include periods
143 for the current year, 5-year, and 10-year views.

144 (c) Information and Reports. As required by the Interlocal Agreement, GO
145 Topeka will promptly respond to inquiries submitted by voting, as well as non-voting
146 members of the JEDO. Moreover, GO Topeka shall, at such time and in such form as
147 the JEDO may require, furnish to the JEDO, any individual member of the JEDO, the
148 City Attorney, the City Manager, and the County Counselor, such statements, records,
149 reports, data and information as may be requested pertaining to matters covered by this
150 Agreement. It is understood by both parties that such requests will not violate the
151 professional code of confidentiality that is maintained between GO Topeka and its
152 business clients and prospects. Both parties acknowledge that, in the course of this
153 Agreement, certain confidential information will need to be exchanged. With respect to
154 information supplied in connection with this Agreement and designated by the disclosing
155 party as confidential, the recipient agrees to: (i) protect the confidential information in a
156 reasonable and appropriate manner; (ii) use confidential information only to perform its
157 obligations under this Agreement; and (iii) reproduce confidential information only as
158 required to perform its obligations under this Agreement. These requirements shall not
159 apply to information which is (a) publicly known, (b) already known to the recipient; (c)
160 disclosed to a third party without restriction; (d) independently developed; or (e)
161 disclosed pursuant to legal requirement or order, including the provisions of the Kansas

162 Open Meetings Act, K.S.A. 75-4317, and the Kansas Open Records Act, K.S.A. 45-215.

163 (d) Audits and Inspections. GO Topeka shall at any time during normal
164 business hours make available to the JEDO, any individual member of the JEDO, the
165 City Attorney, the City Manager, and the County Counselor, all of its records with
166 respect to all matters covered by this Agreement. Further, such inspections shall not be
167 limited in number or scope. GO Topeka shall also, at the conclusion of each calendar
168 year, submit to a certified annual audit by a certified public accounting firm selected by
169 the JEDO, completed in accordance with generally accepted accounting principles
170 relating to the finances related to this Agreement and make the audit results available to
171 the JEDO.

172 (e) Record retention. Financial and project records, necessary supporting
173 data, and programmatic reports shall be retained for a period of at least three (3) years.

174 (f) Inventory. GO Topeka shall maintain an inventory of all expendable
175 supplies and fixed assets in accordance with the standard fixed asset policies and
176 procedures as approved by the JEDO and shall annually provide a signed copy to the
177 JEDO.

178 **10. Amendments.** This Agreement may be amended by written agreement of
179 the parties.

180 **11. Notices.** All notices shall be deemed to be sufficiently given if mailed,
181 postage prepaid, by certified or registered mail, return receipt requested, addressed as
182 follows:

For GO Topeka:
GO Topeka
120 S.E. 6th Ave.
Topeka, KS 66603

For JEDO:
City Clerk
City of Topeka
215 SE 7th Street

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12. Entire agreement. This Agreement represents the entire Agreement between the parties and may be amended only by written agreement signed by both parties.

13. Execution in Counterparts. This Agreement may be signed by faxed or electronic signature, which shall be deemed to be an original signature. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the JEDO and GO Topeka have executed this Agreement.

Dated: _____ JOINT ECONOMIC DEVELOPMENT ORGANIZATION

By: _____
Larry E. Wolgast, Chair

Dated: _____ GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY

By: _____
Matthew Pivarnik, President

City of Topeka & Shawnee County



Agenda Item No. 11

**JEDO Board Meeting
May 10, 2017 - 6:00 P.M.**

Discussion
49th Street Improvement Project Update
(No Attachments)