



JEDO Board Meeting
September 12, 2018
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

Michelle De La Isla	Mayor
Karen Hiller	District No. 1
Sandra Clear	District No. 2
Sylvia Ortiz	District No. 3
Tony Emerson	District No. 4
Michael Padilla	District No. 5
Brendan Jensen	District No. 6
Aaron Mays	District No. 7
Jeff Coen	District No. 8
Michael Lesser	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 Michelle De La Isla
Deputy Mayor Brendan Jensen
Councilmember Michael Padilla
Councilmember Michael Lesser

Public Comment. Comment from members of the public shall be entertained on each actionable agenda item and at the end of each meeting. Comment shall be limited to topics directly relevant to JEDO business. Members of the public wishing to speak must notify the County Counselor's Office (call 785-251-4042 or email megan.barrett@snco.us) before 5:00 p.m. on the date of the meeting. This requirement shall not apply to items added during the meeting. Members of the public shall be given four (4) minutes to speak and must maintain proper decorum relating to public meetings.

Agenda. Agendas are furnished at least five (5) business days prior to each meeting and posted on JEDO's website at www.jedoecodevo.com.

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

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**JEDO Board of Directors Meeting
Agenda for Wednesday, September 12, 2018
6:00 p.m.**

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

1. Call to Order
2. Roll Call
3. **ACTION ITEM:**
 - a. Approval of May 9, 2018 JEDO Board meeting minutes.
 - b. Approval of June 18, 2018 Special JEDO Board meeting minutes.
4. **ACTION ITEM:** Approval of JEDO 2017 Financial Statements and Auditor's Report.
5. **ACTION ITEM:** Approval of Contract: Project Eagle
6. **ACTION ITEM:** Transportation Initiative
7. **PRESENTATION:** GO Topeka Quarterly Report.
8. **DISCUSSION AND ACTION:** Washburn Tech East (ETLC Project)
 - a. Construction Project Update
 - b. New Markets Tax Credits Update
 - c. **ACTION ITEM:** Washburn Tech East (ETLC Project) – consideration of Motion to transfer quarterly payments received by JEDO (as Leverage Lender Interest Income) to GO Topeka to be used for scholarships to attend Washburn Tech East (ETLC).
9. **ACTION ITEM:** Community Broadband Task Force.
 - a. Presentation/Report from the Committee
 - b. Request for Approval of issuance of Request for Information (RFI)
10. **DISCUSSION:** 2019 GO Topeka Draft Budget
11. Any other business items that may come before the Board for consideration.
12. Public Comment.
13. **Reminder of 2018 JEDO Board Meeting Dates per the JEDO Operational Rules:**
Wednesday, December 12, 2018
14. Adjournment.



Agenda Item No. 3

**JEDO Board Meeting
September 5, 2018**

ACTION ITEM:

- a. Approval of May 9, 2018 JEDO Board meeting minutes.
- b. Approval of June 18, 2018 Special JEDO Board meeting minutes.

**Joint Economic Development Organization Board Minutes
May 9, 2018**

City of Topeka Council Chambers, 214 SE 7th Street, Topeka, Kansas, Wednesday, May 9, 2018.

The Joint Economic Development Organization (JEDO) Board members met at 6:00 p.m. with the following voting Board members present: Shawnee County Commissioners Kevin Cook and Bob Archer, City of Topeka Mayor Michelle De La Isla, Deputy City Mayor Brendan Jensen, City Councilmember Michael Padilla, and City Councilmember Michael Lesser. Shawnee County Commissioner Kevin Cook presided as JEDO Chair.

The following voting JEDO Board members were absent: Commissioner Shelly Buhler.

The following nonvoting JEDO Board members were absent: City Councilmembers Karen Hiller, Sandra Clear, Sylvia Ortiz, Tony Emerson, Aaron Mays, and Jeff Coen.

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

Molly Howey, Senior VP of Economic Development for GO Topeka; Morgan Padgett, CPA, with Mayer Hoffman McCann, PC; Matt Pivarnik, President and CEO for GO Topeka; Glenda Washington, VP of Entrepreneurial and Minority Business Development for GO Topeka; Kristi Dunn, Kansas PTAC; Karen Lane Christilles, 712 Innovations; Gabriel O'Shea, Forge Young Professionals; Barbara Stapleton, Director of Workforce and Education for GO Topeka; Kayla Bitler, Strategic Coordinator for Momentum 2022; Jim Crowl, Shawnee County Counselor; Joseph Ledbetter, Attorney at Law; Clark Trammell; Carol Marple; Lalo Munoz, Chair of the East Topeka Learning Center Project aka Washburn Tech East; Jeff White, Principal, Columbia Capital Municipal Advisors; Gina Milsap, CEO, Topeka and Shawnee County Public Library; Christopher Campbell, Principal Consultant, Tilson Technology; David Radin, Senior Consultant, Tilson Technology; Megan Bottenberg, Manager of Government Affairs, Cox Communications; Katie Koupal, Area Manager of External Affairs, AT&T Kansas; Karl Watson, Owner, Ad Astra Fiber; Lazone Grays.

ITEM NO. 3: ACTION ITEM: Approval of February 28, 2018 and March 14, 2018 JEDO Board meeting minutes.

Mayor De La Isla moved to approve the February 28, 2018 and March 14, 2018 meeting minutes as presented. Councilman Padilla seconded. Following a vote, motion carried unanimously (6-0).

ITEM NO. 4: ACTION ITEM: Approval of Funding for Project Marble

Molly Howey, Senior VP of Economic Development for GO Topeka presented the request to the Board.

Project Marble is an existing Shawnee County commercial transportation company that is growing, purchasing a new site and looking at expanding their building footprint as well. They currently have 17 employees, so they would be at 37 employees after 5 years.

Project Marble Expansion Project Summary

- Industry Type: Commercial Transportation
- Average Wage: \$40,000 annually
- Number of Jobs: 16 retained, 20 new over 5 years

Incentive Proposal

In the expansion of Project Marble in Shawnee County, Kansas with an expected addition of 20 new full-time jobs with an average salary of \$40,000 plus benefits, GO Topeka proposes \$4,000 per new job to be paid out in equal installments (1/5 of each qualified job incentive = \$800 per year) annually over five years. This is a performance-based incentive and details of the agreement will be outlined at a later time via a formal contract with the company.

Below is a breakdown of the proposed incentives:

\$4,000 per new job X 20 new jobs = \$80,000

TOTAL PROPOSED INCENTIVE: \$80,000

Commissioner Cook asked in order to receive the incentive, what does the company need to do, what do they need to show?

Ms. Howey responded they need to prove that they have added 20 new jobs with an average wage of \$40,000 per year. Then they would be paid out the incentives over a period of 5 years, this is a performance based incentive, each year they are audited and their records are looked at to make sure they are performing how they have planned and then they are paid out the incentives based on what they added to their employment count.

Commissioner Cook asked what if they only add 10 jobs instead of 20, what happens then?

Ms. Howey responded they would only get paid for the 10 jobs.

Mayor De La Isla made a motion to approve the funding for Project Marble as requested. Deputy Mayor Jensen seconded. Following a roll call vote, motion carried unanimously (6-0).

Commissioner Cook asked what the timeline might be for them to have more information about Project Marble and who they are and their plans.

Ms. Howey replied she believes what the company is waiting on now is acquiring that new piece of property and once that is done they are ready to go public so hopefully when we have our next (September) JEDO meeting they will be here to address the Board and meet the company and we will have a contract on the agenda.

ITEM NO. 5: ACTION ITEM: Approval of GO Topeka 2017 Financial Statements and Auditor's Report

Morgan Padgett, CPA, with Mayer Hoffman McCann, PC presented the 2017 Financial Statements and Auditor's Report to the Board. This audit includes both the public dollars that JEDO gives and the private funds that GO Topeka raises. The quarterly reports they are used to seeing are on a modified cash basis, however the audit report is done on a full accrual basis so there are some differences in the way things are accounted for.

Highlights from the 2017 Financial Statements and Auditor's Report:

- Pages 1-2 are the actual audit report. This gives their clean, unmodified opinion on the financial statements which means they were in accordance with accounting standards as required.
- Page 3 is the Statements of Financial Position. This lists the assets and liabilities.
 - In 2017 total assets were \$28,434,423. Most of that is sitting in cash or cash equivalent investments (\$19 million), there is \$2 million in restricted funds – that is the Mars escrow that had been funded but hasn't been drawn yet, \$7.3 million for land held for economic development – that is land that has been purchased and is waiting to be given as incentives as needed.
 - Total liabilities in 2017 were \$19,600,810. Most of that is in deferred grant revenue for JEDO (\$17 million) – these are funds that they have approved to carry over into future years to spend. The other big one is the improvement and training incentives of \$2 million – that is the amount that Mars has earned but has not drawn yet.
 - Total net assets of \$8,833,613.
- Page 4 is the Statements of Activities. This shows the revenue and expenses.
 - Total support revenue is \$2,562,882. Most of that is JEDO grant revenue. Again this is on an accrual basis so revenue is only recorded when it is expended, not when it is given.
 - Total expenses \$4,170,087.
 - Change in net assets (\$1,607,205).
- Page 5 is the Statements of Cash Flows. This gives them more information about how cash actually changed for the year.
 - Net cash flows from operating activities were \$2,302,839. That means day to day operations generated that amount.
 - Net cash flows from investing activities were \$205,218
 - Net increase in cash and cash equivalents \$2,508,057
- Page 6, Note 2 Summary of significant accounting policies. There were no new policies and no changes to policies that were made during the year.

- Page 8, Note 4 Investments and fair value. This gives a little more breakdown of how the excess funds are invested between money market funds and certificates of deposit.
- Page 9, Note 8 Restricted Funds. This provides information about how the Mars escrow account changed throughout the year. That account has been fully funded in accordance with the incentive agreement, so they are just waiting on Mars to use that fund.
- Page 10, Note 11 Related party transactions. This details various transactions which occurred between GO Topeka and the Chamber or related organizations.
- Page 11, Note 12 JEDO grant. This describes the terms of the funds GO Topeka gets from JEDO and notes that in 2017 a new 3 year grant agreement was approved to start January 1, 2018. Also JEDO has approved carryover of the unspent funds and of those unspent funds \$974,000 and \$908,000 will be used on the minority and women-owned business program.
- Page 12, Note 15 Incentives. These are incentives that are planned to be paid out over the next several years assuming performance is done by those employers. These are not recorded as a liability because they are performance based.

Commissioner Cook asked if they could jump back to Page 9, Note 8 Restricted Funds. She mentioned that was for Mars and recalling back he believes there was some discussion as to the construction, he believes a fire station, is that what we are talking about with those restricted funds?

Ms. Padgett replied no, the fire station is actually under a separate liability account, if you look at Page 3, Statements of Financial Position, there is a \$203,158 liability (KFCP Improvement and Fire Station Fund) and that is the amount they are holding for that. The \$2 million restricted fund is purely based on the incentive contract.

Councilman Lesser made a motion to accept the GO Topeka 2017 Financial Statements and Auditor's Report. Mayor De La Isla seconded. Following a roll call vote, motion carried unanimously (6-0).

ITEM NO. 6: PRESENTATION: GO Topeka Quarterly Report

Matt Pivarnik, President and CEO for GO Topeka presented to the Board. He wanted to first introduce them to their new Senior VP of Finance, Natalie Zeller. To brag on her a little, they hired her from Payless, she is the second person they have hired from Payless. And he would challenge everyone, if they have an opportunity to hire someone from Payless, they are really good employees. There is some news out there; people don't want to relocate to Dallas and so they are really looking and counting on our business community to interview and hire them. The other thing about Natalie is that they made her an offer; she needed to give 3 weeks' notice to Payless, she's a CPA, she has an MBA in Finance, she went to Washburn University, he thinks she was President of her high school accounting club, but in that 3 weeks she actually enrolled herself in a nonprofit accounting certification class that she is going through right now.

He wants to say, Ms. Howey mentioned audits of the companies for incentives, audits are really important. He wants them to know they really do pour through the performance of these organizations and we are very meticulous and careful with awarding incentives and making sure that the company is keeping their end of the bargain that we made with them. That is something we take very seriously, he has seen some of the requests that have been made to the organizations for information, he actually saw a request for 90 additional pages from one before they would release an incentive.

Molly Howey, Senior VP of Economic Development for GO Topeka reported:

Business Development and Attraction

Very active 1st Quarter

- New facilities vs. Existing
- Expansions vs. Relocations
- Workforce is key

Looking Ahead

- Hosting international consultants
- Hosting Kansas City Brokers
- Outbound marketing activity

Business Retention and Expansion

Business is Booming

- Record number of active projects
- The word is out!
- Capital investment is trend

Looking Ahead

- Jackie will be back!
- Headquarters visits
- Business visits
- Incentive offerings review

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

Small Business Incentives

- \$71,000 Incentives issued
- 18 Incentives issued
- 25 Currently in the Pipeline

First Opportunity Loan Fund

- \$50,000 One Loan Issued
- 2 Requests in pipeline totaling \$190,000

Fasttrac New Venture

- 12 Start ups registered
- \$91,990 Incentives issued YTD
- Fast Trac Graduates
- Economic Gardening
- Buy Local Campaign
- Small Business Summit

Kristi Dunn, Kansas PTAC (Procurement Technical Assistance Center) reported:

- 168 Active Client
- 12 New Clients
- 85 One-on-one Counseling Sessions
- 1 Event Held

Small Disadvantaged Business	\$92,269.00
Woman Owned Small Business	\$ 8,570.00
HUBZone	\$20,197.00
Service Disabled Veteran Owned Small Business	\$55,074.00
Total	\$108,829.00

Out of Total, Shawnee County received \$38,597.00

Karen Lane Christilles, 712 Innovations reported:

- 35 Entrepreneur Meet up attendance
- 40 Entrepreneurs Presenting at 1 Million Cups
- Pre-Incubation Entrepreneurs
 - 37 Makerspace Entrepreneurs
 - 65 CoWork Space Entrepreneurs
- Incubator Entrepreneurs beginning Summer 2018

Gabriel O'Shea, Forge Young Professionals reported:

- 1,734 Members
- 25 Events/Meeting in Quarter 1
- 752 Members attended events
- TopCity Interns

Barbara Stapleton, Director of Workforce and Education for GO Topeka reported:

- 1,820 SOTO Trips to date (through March)
- 192 CaRE (Career Readiness) bus passes used to date, 24 in 1st Quarter 2018
- 53 Students assisted in JEDO Scholarships
- \$23,000 In scholarships awarded

Kayla Bitler, Strategic Coordinator for Momentum 2022 reported:

Metrics – last time she had told them that the Implementation Committee had just approved a set of metrics. That set of metrics has now been published and is available in the GO Topeka Quarterly Report. The metrics scorecard has become a passion project. One thing that is coming in the future is a deep-dive of that scorecard. The scorecard is divided into each of the strategic initiatives of Momentum 2022, what we aim to have in the future is lots of supplemental information that tells the bigger picture.

Work Groups:

- Downtown & NOTO – working to determine if Downtown/NOTO Master Plan or Market Study would be effective and a usable tool.
- Marketing – developing a Momentum 2022 Speakers Bureau to spread the message not only about Momentum 2022 but also really about positive developments within our community. That Speakers Bureau, since January 1st, has formally presented Momentum 2022 to about 750 community members.
- Entrepreneurship – working on Global Entrepreneurship Week as well as Start Up Grind and getting those programs activated in our community.
- Economic Development – working most actively on discussions of Quality of Place and how that fits in with Economic Development. They hosted and facilitated a conversation where they brought in the Quality of Place workgroup to have that conversation with respect to what criteria would we provide to the sub-committee of JEDO who is working on Quality of Place to recommend how to fund Quality of Place criteria with economic development dollars.
- Community Engagement, Pride and Service – focused on collaboration without duplication. They are working on several projects right now, some of them include collaboration with Shawnee County Parks + Recreation as well as ArtsConnect to involve the Hi-Crest neighborhood in painting a mural on the new basketball court at Betty Phillips Park. They are also working to build awareness of an app that was developed by Topeka High students to help provide information as to available resources in the community with respect to food resources or mental health resources. Also they are partnering with the City of Topeka to engage volunteers through the City's Team Up to Clean Up effort.
- Quality of Place – working on an educational marketing campaign that will start to highlight the importance of public/private partnerships as well as some of the incentives we are able to offer.
- Talent Development – have broken into different sub-committees to work on multiple things at one time. Workforce Inventory Committee and Kindergarten Readiness Committee are actively creating an inventory of available community resources and planning to make that information available on the website.
- East Topeka Council – they have split their focus into three different areas – Code Compliance, Crime, and Infrastructure. Code Compliance is appreciative of recent efforts to be tougher on code violations and they want to pursue mapping those current violations to determine hot spots and repeat offenders. With respect to Crime, Chief Cochran has put two police officers on that committee so they are able to address some of those questions and concerns on the spot which has been really helpful. They are also discussing how to best implement direct contact with citizens with a door-to-door outreach program. With respect to Infrastructure, they are continuing to look at ways to identify support for East Topeka infrastructure.

ITEM NO. 7: DISCUSSION WITH POSSIBLE ACTION: Quality of Place & Economic Development

Commissioner Cook stated this is an item that did come up at the last JEDO Board meeting; there was a sub-committee that was formed of Councilman Lesser, Mayor De La Isla and himself, with the assistance of the GO Topeka staff and as mentioned the Momentum 2022 Quality of Place sub-committee and also with the assistance of Shawnee County Counselor Jim Crowl. There is a proposed resolution in the packet and this is being presented for their consideration, discussion. If we ultimately want to take action on it, he knows there are some members of the public signed up to speak on it, if we get to that point of possible action. He will turn it over to Mr. Crowl as to how we got to this resolution.

Jim Crowl, Shawnee County Counselor stated this draft resolution is the result of the work of the committee and the members of the sub-committee of Momentum 2022 he is sure will recognize paragraph 4 and the criteria that was established. In drafting the resolution, he went out and tried to just read a lot of information about there on this subject. He couldn't find one scholarly article or one community that had a draft resolution that he thought fit with what he heard the JEDO members and community members speaking about so he picked pieces of different things that he read and put those into the draft.

As they will see paragraph 1 is a definition. That was one of the more succinct definitions of "quality of place" that he thought would be appropriate for a draft. Paragraph 2 contains a listing of various characteristics you might find in a quality of place resolution. Paragraph 3 establishes the fund. There are a lot of open questions when it comes to that but it simply is a paragraph that establishes the fund. Paragraph 4 lists the criteria; a lot of the work was done from that Momentum 2022 sub-committee. Our JEDO sub-committee also made some changes in the criteria and also added an exclusion to make it clear this is for places and not for community organizations to seek funds for special events. And paragraph 5 is a procedural paragraph outlining a proposed process for how a quality of place project would be vetted and then brought before JEDO for consideration along with the requirement that it be an actual agenda item that is noticed up to give JEDO members and the community an opportunity to comment before a project could be selected for funding.

Commissioner Cook stated he knows that Councilwoman Hiller was not able to attend tonight but she did send communication specifically on that last item as to what was meant by a "public vote" and he knows that our intent was that would be a vote that was made in public by JEDO and not by the staff of GO Topeka making a decision as to what quality of place is. While they may make recommendations ultimately the vote is made by the JEDO Board.

Mr. Crowl replied yes. It could also be interpreted to mean a special question election or something like that.

Deputy Mayor Jensen said, out of curiosity, he doesn't see anything in the resolution he has any real concern over but do the members of the committee have some ideas as to what types of facilities they were thinking of when they crafted this language?

Commissioner Cook replied he can say specifically what he was looking at, when you talk about quality of place based on our discussion at the last JEDO meeting and involving all of the JEDO members, and members of the public, was what distinguishes Topeka from other communities, what makes us unique? Whether it is cultural, or artistic, or civic, but something that would make Topeka/Shawnee County distinct and unique from other communities.

Deputy Mayor Jensen responded so not just a park per se, but something specific to our community that is not replicated anywhere else.

Commissioner Cook stated that is really where we got to in our discussion is distinguishing quality of life from quality of place, because those are two different things.

Mayor De La Isla made a motion to adopt JEDO Resolution 2018-1 – A Resolution Establishing a Policy for use of Economic Development Funds to Promote Quality of Place in Topeka/Shawnee County. Councilman Padilla seconded.

Commissioner Archer stated he cannot support this. He thinks quality of place is critically important to our community but the voters didn't give JEDO clear authority to spend sales tax dollars on quality of life. And he will go to the resolution that was passed for the sales tax, it addresses economic development, and it says:

“Whereas, the previous countywide retailers’ sales tax provided economic development success with the addition of Topeka Mars plant, Home Depot Distribution Center, Topeka Target Distribution Center, Bimbo Bakery USA Factory and many others too numerous to mention to the Topeka and Shawnee County economy;”

That was the rationale for economic development on the ballot that was passed. In his opinion the voters did not vote for a downtown plaza, or the Jayhawk Theatre, or the Riverfront Authority, or any other political project and that is what those are, they are political projects. So he can't support this and in his humble opinion this is a betrayal of the voters and it may seriously jeopardize future initiatives to generate sales tax.

Commissioner Cook responded that he appreciates Commissioner Archer's remarks but he thinks we also have to look at in the Interlocal Agreement, one of the very first parts is that this JEDO Board is the one that defines what economic development is.

Commissioner Archer replied the Interlocal Agreement was not passed by the voters, it was passed by the politicians.

Commissioner Cook responded but we are responsible to the voters.

Mayor De La Isla stated that when she was taking a look at JEDO's operating agreement it does state that JEDO has the opportunity to set the goals annually with regards to what economic development is. Furthermore we paid a substantial amount of money when we had a consultant come and tell us about the things that we needed to focus on in our community which has given birth to the Momentum 2022 plan, which is the plan that we have all as a community adopted on what we are going to do and if you take a look at what our whole community has requested, we had 2,300+ people in our community talk or make votes and one of them was to create a vibrant and attractive place. That is economic development, that is part of our strategic plan, we have been talking about it in Momentum 2022, and she is going to fully support this. She feels it is under our responsibility to ensure that we are doing everything we can to grow the economic development in our community.

Commissioner Cook stated also respectfully in the ballot it did not have any discussion about the rides to employers, it did not have anything about a TopCity Intern project, it did not have anything about 712 Innovations, about small business development, about PTAC, about an EMBD, about Small Business Summits, about the number of workforce projects that we may have. All of the things that we just spent the last 40 minutes going over, none of that or very little of that was actually within the ballot question.

But all of that was deemed to be a priority by JEDO as economic development. And so the question becomes is quality of place a priority for JEDO for economic development and that is ultimately where we are going tonight with the resolution but also in the future when we look at any project that may come before this Board whether or not it has the merits to pass beyond this resolution as quality of place. Many projects won't have the merits to fit within this resolution.

Deputy Mayor Jensen stated he appreciates Commissioner Archer's comments. This language in the resolution is written intentionally vague in order to give it flexibility, however with flexible language also has a slippery slope. Because it is written intentionally vague it could be applied to a vast number of projects that would not be appropriate to use for and that is part of the reason why he asked if they had some examples for what they were thinking of when it was crafted. But Commissioner Archer is absolutely right, at the end of the day we have a responsibility to use this money appropriately and he does feel there are some narrow instances where it is appropriate to use sales tax money to spur quality of life and quality of place because that is a huge part of attracting his generation. It does no good to bring jobs to this town if we have no employees and we absolutely must do quality of place and quality of life to get employees. That said, he believes JEDO should exercise caution when approving programs under this because it is very specific. We can't use this to fund things that folks can't get to, so a private country club, probably not. A public park that is open to everyone, that is a whole different matter. There are some constraints in here, it is written vague for flexibility. He will support it but he wants to encourage JEDO to exercise caution when reviewing these projects because this is one of those things that can get absolutely out of hand rapidly and Commissioner Archer is correct that the voters have entrusted us to get this sales tax money for a certain period of time and if we screw it up they are not going to give it back to us and that will be an incredible blow to this community. He looks forward to seeing some projects come down the pipeline for it. He would encourage anyone applying that they cross every "T" and dot every "I" because we have got to execute this perfectly every time or we are going to blow a hole in the whole thing.

Commissioner Archer stated he has had numerous leaders in our community, businessmen that are still trying to figure out what is quality of life and what is quality of place in our community and with those doubts in using sales tax dollars, he expresses those doubts.

Mayor De La Isla stated she thinks that is the beauty of democratic government, the fact that we are all able to have a conversation, and very importantly to hear those concerns that Commissioner Archer is bringing, so that as we are making these decisions we keep those things in mind so we do a better job at educating our constituency and so that as we are making those decisions that this is not just going to be something that someone can apply for. It would have to come back to JEDO and the majority would have to state that yes we are in agreement. One of the things we were talking about was ensuring that we could have whoever we are contracting with, ensure that this also fits the criteria and that it marries with everything we are trying to accomplish in our community to avoid what Deputy Mayor Jensen was saying. It is not going to be a loose process. But she loves the comments and the diversity of thought that is being represented here tonight.

The following individuals appeared to speak for public comment on Item No. 7:

1. Joseph Ledbetter appeared and stated he supports the resolution. He serves as Co-Chair on the Momentum 2022 Quality of Place committee. To address one of Commissioner Archer's concerns, years ago Mr. Ledbetter had asked specifically for a definition of economic development. That was not defined in the resolution when it was passed. So he can understand Commissioner's Archer's interpretation of that. But the definition is simply not there. Economic development is something that JEDO defines it to be. He has always believed that Parks & Rec was definitely economic development. Just go look at the faces of the kids, and it keeps families

here, it keeps young people here that might otherwise leave if they have good places to take their kids. They like to take their kids to local parks, Lake Shawnee, Gage, but also these wonderful little community parks that we have. He believes these definitions will get worked on in our committee and what is laid out in this resolution came out of the committee's work and others. He fully supports this but he also understands the concerns about the lack of a definition of economic development, but he thinks we have defined it with our work and our contractor and all the progressive documents that have been passed.

2. Clark Trammell appeared and stated congrats on the great group of people they have had come to present here already today. He is also disappointed that the full JEDO Board isn't here, he thinks it is important whether they are a voting or nonvoting member that there is a Board comprised of the City Council and County Commission who should be here as part of their job duties. Some have excuses, he doesn't know what they are but we need everybody and all the brains here at the same time. And he hopes they hear that and he is saying that as a businessman. He is confused as to why they are even having this Motion. They have the authority to do this without this Motion. He doesn't think they should approve this and he doesn't think it is necessary. If they want to do something like this, then they need to redefine what economic development is. And they included in their definition as to what the mission is of JEDO and GO Topeka. If you are going to write and create this document, then they also need to do it for quality of life. Because quality of place and quality of life, as they have mentioned, are two different things, but yet they are each specific, believe it or not, and defined and they overlap with each other and run concurrently with each other in different ways. Society today, and it has been for years and the millennial's can appreciate this, people go where they want to live first and then they find a job. It is not like his generation where we got the job and then we moved; we move now where we want to be. So quality of place is important and so is quality of life as we use quality of place. So if they are going to define and run a Motion to create quality of place, then they need to do the same thing for quality of life.

Quality of life is the general wellbeing of individuals and societies outlining negative/positive features of life and observed satisfaction including everything from physical health, family, education, employment, wealth, religious beliefs, finance and environment. Quality of place is comprised of three dimensions – what's there, who's there, and what's going on. Those are two distinct things that they need to be sensitive too. We are talking about quality of place but he doesn't think the community really knows what that is. He thinks they think it is quality of life. Be very clear on what we mean by the terms and definitions that we are using because it is the community they represent who are going to have to live with this, and appreciate them and support them. If the community doesn't understand it there will be a breakdown of the dialogue between them and the community. He thinks they need to redefine economic development. He thinks it is a whole different definition than what we are using. It includes other things such as Camp Daisy, Heartland Park, the Plaza, Jayhawk Theatre, Visit Topeka. And he knows Commissioner Archer made a comment about this and he totally disagrees. He doesn't think those are political, he thinks they are quality of place items that create quality of life. He has been involved with the Jayhawk Theatre, Councilman Jensen sits on that Board, Mr. Trammel's wife sits on that Board. What an incredible economic development machine, it is right up there with the Plaza, that isn't political, that is something that is going to attract people to want to live here, to want to move here.

3. Carol Marple appeared and stated the comment she wanted to make is she doesn't think we have any kind of economic development when we just let the money sit. The economic development money sitting in the bank doesn't do anyone any good. It doesn't create jobs, nothing happens, it just sits in the bank and that is not why we passed the sales tax. We need to quit giving lip service, we talk a lot about quality of life and quality of place but she doesn't see a lot of in roads being made to improve any of it, but it does make for good conversation.

Following a roll call vote, motion carried 5-1, with Commissioner Archer dissenting.

ITEM NO. 8: DISCUSSION: East Topeka Learning Center (Washburn Tech East)

Construction Project Update:

Lalo Munoz, Chair of the East Topeka Learning Center Project aka Washburn Tech East provided an update to the Board as to the construction project progress.

Design and Construction

- Awarded construction contract was executed by Shawnee County on behalf of JEDO with Champion Builders March 14, 2018
- Project Groundbreaking was held March 15, 2018
- Construction Management Field Report dated April 23, 2018, estimates 3.1% of completion

Current work in progress:

- Asbestos remediation
- Demolition
- Transformer set for electric
- Plumbing trenches dug
- Windows removed
- Trenches dug for IT

Expenditures to date

Purchase of site and closing costs	\$251,909
Environmental studies and asbestos survey	\$22,250
12 month insurance premium	\$8,665
Attorneys fees (agreement, NMTC discussion, planning/zoning, market study review)	\$11,810
City of Topeka, stormwater utility fees, <i>project to date</i>	\$3,750
Property maintenance, <i>project to date</i>	\$6,145
<i>Sub total</i>	<i>\$304,529</i>
Bartlett & West, land survey, topography, zoning	\$8,700
Terracon, abatement design and bid solicitation	\$3,000
HTK Architects, design work	\$213,903
Champion Builders, paid by Shawnee County, pending reimbursement	\$97,763
Champion Builders, submitted to Shawnee County for payment	\$239,623
	\$867,518

Mr. Munoz stated now that construction has begun, the focus now turns on working to build support within the community and that is where he thinks he can bring his experience, together with Pastor Marcus Clark. They will begin to work to engage and establish relationships with individuals who haven't been reached out to yet in East Topeka as well as reestablish and strengthen relationships we already have through our networks. We know from the Market Study that costs will be some challenges for individuals in that area, so working with Washburn Tech to address those issues. We also know there is a fair amount of skepticism as to whether this will actually take off, but we know it will. The phrase "seeing is believing" is something that is very apt here. For many individuals who live in this area, they have not seen anything change for a very long time, but over the course of the next several months as Washburn Tech East opens they will be able to see for themselves that things are in fact changing and that distrust and skepticism will begin to transform into optimism and belief.

Councilman Lesser asked if he could give an update as to the construction project progress. Any roadblocks we have hit, are we on time?

Mr. Munoz responded everything is progressing on time, we are currently at about 3.1% completion and we believe we are where we should be right now. Up to this point we have not run into any unexpected issues. If you have driven by it, you can see into it.

Councilman Lesser asked if the abatement process had taken place as far as asbestos.

Mr. Munoz replied yes that has.

Councilman Lesser asked did we find what we expected to find?

Barbara Stapleton, Director of Workforce and Education for GO Topeka responded saying yes we did for the most part. Most of the construction project update is in the packet already. One thing that has just come up today and it is just some fill work that we are looking at, there was some sand versus traditional fill where there is going to be the extension of the new entryway, there is going to have to be some additional dirt. There is nothing else that has been a major concern. There have been some change orders but nothing of any magnitude.

Commissioner Cook stated we might have our County Counselor advise on any change orders since the construction project is being overseen by the County.

Jim Crowl, Shawnee County Counselor stated we did have a small change order he believes in an approximate amount of \$2,500 for some additional asbestos abatement that was discovered in a certain area.

Councilman Padilla stated Mr. Munoz mentioned a little bit about the neighborhood and how they are responding to the changes that are out there, is there a specific effort to contact the neighborhood around there to let them know, rather than waiting to have the neighbors come to ask questions.

Mr. Munoz replied one of the things that Washburn Tech is working on is creating a couple of groups, one around the idea of businesses and the second is around the idea of churches and working with faith organizations. Because we know that we are working with East Topeka and a group of individuals who maybe find it more difficult to engage themselves and find out what is going on, we are working to make sure we are creating opportunities that works within their schedules and would help educate those residents and neighborhoods about what is going on and make sure we are communicating as best as possible.

New Markets Tax Credits Update

Barbara Stapleton, Director of Workforce and Education for GO Topeka and Jeff White, Principal, Columbia Capital Municipal Advisors provided an update to the Board as to the New Markets Tax Credits.

The last time we discussed the project we had a commitment for allocation from Raza Development Fund out of Phoenix, since that time we do have a commitment to invest, so that means a tax credit investor will buy the tax credits, which is PNC Bank out of Pittsburgh. They are a pretty active player in the New Markets base nationally and have been quite aggressive with their tax credit pricing along the way so we are happy to have them on board. They have worked on a number of projects with Raza Development Fund, in fact he thinks they are closing on the project in another community this week. So expect them to work together and understand how each of them works and their attorneys have worked together before as well. There are lots of moving parts in these transactions and everybody has a lawyer, all of those lawyers are on board which is very important to us because we have a unique structure, we have a relatively simple project by New Markets standards, but a little bit of a unique structure given JEDO, GO Topeka, so on and so forth. All of those folks are now on board and we have spent the last 3-4 weeks in small group and one-on-one conversations to get folks comfortable with the structure, have them come up to speed on what JEDO is, and who GO Topeka is, and how they interrelate.

We will kick off our documentation process with a group call on Friday and will probably have documentation calls every Friday through the end of June, our timing to close we are still targeting by the end of June. While we are talking about the calendar, he would expect to be asking this Board to meet in a special meeting in June to approve the transaction. Among other things we would expect at that point to ask JEDO to convey the property to the New Markets borrower, which is a newly created Kansas nonprofit, to authorize execution of a leverage loan which is basically taking the sales tax dollars that have been set aside for the project and putting them through the structure, and then we've got a little bit of a change with how the agreement with Washburn will be, we had a 3-party lease, it is now going to be a 2-party contract for service in order to comport with the New Markets regulations. So we will figure out exactly what we are going to do but we may either transfer or have you cancel that lease and then the New Markets borrower will enter into a contract for service and we are working actively with Washburn to convert that lease into a contract for service.

As of right now he would anticipate the total net benefit from the New Markets transaction to be about \$1.25 million which means that amount in local sales tax dollars would not have to be spent on this project and can go for other economic development purposes, however you are defining that into the future. There has already been a lot of informal work done to line things up. The documentation process is pretty intense; the closing of these New Markets deals is an interesting mix of real estate, tax, legal, and finance documents, and typically there is about 125 documents on the closing table at the end of the deal. There are a lot of things to pull together, some of them are pretty easy, some of them take quite a bit of negotiation but that is the phase of the process that we are moving into.

Commissioner Cook asked if Mr. White could walk them through the anticipated structure. When we go through this, currently the project is owned by GO Topeka, the County Commission is overseeing the execution of the construction, how is that going to change with the New Markets Tax Credits?

Mr. White responded that the project itself will be owned by a new entity; a new Kansas nonprofit that is being created specifically for New Markets purposes and that is very common in this structure. The compliance piece of the New Markets deal is relatively easy to manage for a real estate deal. One of the

key rules if that you can't pick up the building and move it to a nonqualified census tract, but the New Markets investor likes to see a clean entity own that during the New Markets compliance period so we will have a new nonprofit that will own the project, contract for services from Washburn who will actually operate the project, and that will be its sole function. So we would anticipate that JEDO would convey the property, including the building and the work in progress, to the New Markets borrower (the new entity) and then will reimburse expenses already made toward that project from those New Markets proceeds so there is a little bit of a circle flow of funds on the day of closing from that standpoint. We have talked it through with the parties and we anticipate the County would continue to be the manager of the construction contract, there is some stamp off purposes for that but it is also easier to leave it the way it is. We probably have a collateral assignment of that contract which is typical in any lending situation and the County Counselor will have an opportunity to sign off on those documents.

So from a big picture structure, we have an investor which is making an investment at the time of closing, the investment is effectively the present value of the future benefit of those Federal income tax credits that they are going to get over 7 years from the project, on the other side we have a leverage loan being made in this case by JEDO with sales tax dollars. Those funds come together in an investment fund, which is a single purpose entity created specifically for the purposes of New Markets, that investment fund makes a qualified equity investment in a community development entity, in this case it is going to be a subsidiary of Raza Development Fund. The community development entity ("CDE") is the entity that gets the allocation from the Federal government of these tax credits and has the ability to deploy the credits and projects in low income communities. That CDE then will make two loans to our new nonprofit borrower. It will make an "A" loan which corresponds to the amount of leverage that JEDO has paid in. And the "B" loan which corresponds to the net amount of the New Markets Tax Credit equity. We use all that money to reimburse costs that have already been incurred – the \$867,518 – construction to date plus the costs of the acquisition of the project, plus the additional construction that is left to be done on the project, plus some compliance costs over the subsequent 7 years which is the compliance period. On or about the 7 year anniversary of the closing of the New Markets deal, the investor will have the right to put its interest in the project back to JEDO, at that point the investor says "I've gotten what I've expected, I've gotten the benefit of the bargain, I'm out", the investor walks away, JEDO ends up effectively owing a loan to itself, at that point we can collapse the structure, JEDO will own the right to determine what happens to the East Topeka Learning Center land and building at that point. If everything is going swimmingly we can continue as things are going, the contract with Washburn will run for 10 years. If the structure needs to change we can certainly do that, you can leave the building in the name of this nonprofit and continue to use that nonprofit to own that land, some folks do that, or they could decide to convey it to a 3rd party or keep it for yourself.

Mayor De La Isla asked so she is making an assumption that the Board of Directors of that new nonprofit is JEDO?

Mr. White responded that the Board of Directors of the new nonprofit is actually going to be folks from GO Topeka and there is a reason for that. We can't have a strong relationship between the leverage lender at the top of the structure, which is JEDO, and the borrower at the bottom, which is this new nonprofit. This new nonprofit's Board will be comprised primarily of GO Topeka folks. The other piece of this project is that the new nonprofit needs to have an income stream over its life to pay for its annual operating expenses, which aren't much, but there still needs to be an income flow. That is going to be accommodated by a grant agreement between GO Topeka and this new nonprofit. GO Topeka will agree to make a grant of those monies to the nonprofit so it has an income stream, so that it is actually an operating business.

Mayor De La Isla stated her thought is that before we come to the next meeting with this, it is a lengthy process, and as she is following it, she can see in her head a flow chart with images for here is the start, here is where it goes next. So her hope would be that this would be outlined in a graphic way so that as we are changing the terms we have agreed upon, of course all understanding that we are all going to be a part of it, that not only we have access to it, but as our public is taking a look at it that they are able to follow along with everything that is occurring so it is transparent. It is a lot of information, and she wants to make sure that we are able to have that information as clear and concise as possible so that us and our constituents know exactly what is happening.

Mr. White responded absolutely.

Deputy Mayor Jensen asked if there is a nonprofit Board, how does JEDO provide oversight, as we are responsible to our constituents to provide oversight of this?

Mr. White responded there will be a contract for service and he can tell you that at least the initial draft looks exactly like the 3-party lease JEDO already approved.

Deputy Mayor Jensen replied it is his understand that lease was crafted with JEDO still owning the property. We are not going to own it anymore so it is much harder to provide oversight to something you don't own without a leverage in the lease.

Mr. White responded that is correct. He thinks one of the uncomfortable components of these New Markets transactions is there does have to be a little bit of trust amongst the parties that things will work out. So certainly he is sure JEDO will have an opportunity to see what that contract for services looks like, the terms of the business deal will remain substantively the same – 10 years, providing services for career training and those sorts of things. One way we could think about bridging that is potentially by adding a JEDO representative to that nonprofit Board.

Deputy Mayor Jensen stated he thinks that is an excellent idea. His concern isn't with the current GO Topeka folks because they are fabulous, he has absolute confidence with the current staff. But 7 years is a long time, and he would be much more comfortable if we had some sort of representation on that body, just a time progresses. And he also looks forward to seeing something graphically as well.

Commissioner Cook asked for setting a special JEDO meeting in June, he would note JEDO has certain noticing requirements to hold meetings.

Mr. White responded we will let the progress on the documentation guide that. We would like to have substantially final documents when we come back so that any changes we might have after this body has acted on those documents, any changes would be ministerial in nature and not have to generate another special meeting to do that. So they will definitely keep the JEDO Chair in the loop with how we appear to be proceeding on that front, and then coordinate with this body on when to meet. Also cognizant that we start to lose folks in June due to vacations and those types of things.

Commissioner Cook stated expect the City Council and County Commission who go through budgets so we are here all summer.

ITEM NO. 9: ACTION ITEM: Community Broadband Task Force

Gina Milsap, CEO, Topeka and Shawnee County Public Library, Christopher Campbell, Principal Consultant, Tilson Technology and David Radin, Senior Consultant, Tilson Technology presented the item to the Board.

Ms. Milsap first would like to recognize those here tonight from the Task Force. Pat Oblander, Director of Shawnee County Information Technology, Patrick Clear, Technology Coordinator, Auburn/Washburn School District, Mark Biswell, Director, City of Topeka Information Technology, and Barbara Stapleton, Director of Workforce and Education for GO Topeka. She would like to make a few remarks before the consultants from Tilson discuss the results of a 220 page report in a very brief condensed period of time.

She is first reminded of Mayor De La Isla's remarks from this afternoon where she challenged all of us at the graduation of Leadership Greater Topeka's class to have a vision for what this community can be. She is also inspired by discussion they have had about quality of place and quality of life and she did note that one of the elements of quality of place has to do with good broadband. She also wants to share that she returned from Washington DC last night, where she was representing the Kansas Library Association along with 500 of her colleagues from around the country for legislative day on the hill with the American Library Association and guess what the hot topic of conversation was? Not just for libraries but in general – it is broadband, virtually every aide that we visited with, every member of Congress, the entire Kansas delegation has someone now devoted to developing expertise at broadband. So she thinks this discussion is very timely and she appreciates the resources JEDO has given them to pursue providing good information on this topic and for them to do the work that they needed to do.

A brief reminder, this process actually started in 2013. A lot of good work has been done in this area. Mayor Larry Wolgast and Commissioner Buhler convened a broadband planning task force, originally a lot of that planning occurred under the Kansas Department of Commerce when there was still funding for broadband planning within the State of Kansas. And then once that funding ran out we decided that we needed to pursue our own plan locally that was community based. We requested and JEDO granted them resources and permission to contract with a telecommunications consultant, Tilson Technology. JEDO approved the contract with Tilson in July, 2017 so we began work with them in August, 2017, so it has been about 9-10 months. A lot of good work has been done during that time. Fast, reliable internet service is essential infrastructure, just as our roads and streets are, it is for economic development, community development, supporting market expansion efforts, business creation, and offering the ability to retain and attract businesses and young people in the community. All the things we have been talking about this evening. It also supports individual and economic vitality, it really is the life blood of an information society, it is fueling economic growth and innovation and it is facilitating learning and civic engagement.

Deputy Mayor Jensen stated just for those watching at home, could she state the scope of what the study was to determine.

Ms. Milsap responded that it is a multiphase project. There were two studies that were done when we were still working with the Kansas Department of Commerce. One was an economic impact study and the other was a feasibility study. What folks are going to be hearing about tonight is just a result of what we have been working on, it is just information, not recommendations, we are not ready for that. You will be hearing about a wide range of options and models for community based broadband, whether that's in the City of Topeka or in Shawnee County. And along with that we are asking for permission to continue getting information because at this point now, we have done all the work we can do as a project

team, we need to consult with the telecommunications provider community and that is why we are asking for permission to issue a Request for Information. And this is still part of the agreement that we have with Tilson. No additional expenses are accrued for us issuing an RFI, it really is critical for a complete and comprehensive view of what the options are moving forward with broadband.

Christopher Campbell, Principal Consultant, Tilson Technology and David Radin, Senior Consultant, Tilson Technology presented their report to the Board. *(See Agenda Attachment to Item No. 9 for complete presentation and report from Tilson Technology.)*

Commissioner Cook asked if they could jump to page 2 of their 211 page document, because he thinks it is the elephant in the room. Didn't their study find that it was going to cost \$75 million for a City-wide broadband network and \$53 million in Shawnee County outside of Topeka. That is \$128 million.

Mr. Campbell responded that is correct and there were actually a range of estimates depending on the operating model and the assumptions as to the extent of the build out, but that is probably the most representative number because it would be a standard retail model where you build out the whole City and a fraction of people decide whether or not to subscribe to it. It is important to understand that is the estimated total capital cost, that doesn't necessarily answer the question about who is making that investment. So if you are talking about a public-private partnership one of the key things you are looking for in terms of feedback from providers is who do we split that up, or depending on their appetite for both a response you get back from providers, how much is necessary, and their own budgetary ability, you may choose to break a project into pieces and do the most targeted, strategic pieces that you can take on as opposed to taking on the whole of the City or the whole County at once.

Commissioner Cook stated he would like all of his constituents to have access to broadband, he wants all of their children to be able to study at home with broadband, but at some point we have to embrace the reality that \$128 million, he would love to send every kid to Space Camp but he can't afford that. At what point do we as a Board determine whether or not this is even feasible.

Deputy Mayor Jensen stated he is disappointed. He has not read the entire 211 page study and he intends to but this basically tells us what we already know; that we need to provide some sort of coverage to our community in places where it is not. Their overreliance on fiber concerns him greatly. They don't mention anything in the report about next-generation satellite, he appreciates the aspect of wireless, we have a rather large coaxial copper network as well as twisted pair within the existing City footprint that is not mentioned at all in the report. So what about internet over power lines, has anyone discussed that capability with Westar, he knows they have done some field trials with that. He doesn't see anything about advanced LTE from wireless carriers that is in the pipeline. He is disappointed.

Mr. Campbell responded he thinks it is important to put this in the context of what the study was setting out to do and where we are in the process. This study really deals with the two primary ways that if you were building a new network today that you might choose to do it. If you don't have an existing network and you are choosing to build out a new broadband network, it doesn't matter whether you are a private entity or public entity you are going to use some sort of combination of fiber or wireless technology.

Deputy Mayor Jensen stated what they have brought is an unworkable solution. We clearly don't have even \$100 million to deploy a complete solution here. While he appreciates the pie in the sky, but that is not a real solution.

Mr. Campbell replied to be clear Tilson was engaged specifically to study the economics of this type of network. Specifically the fiber network and the wireless network. And he understands they are disappointed with what the answer is, he thinks if he was to look at the study closely, we recognize that an

entire network is not within your budget, it is not feasible for them to do that. What Tilson was engaged to do was validate and extend the 2014 study. Now recognizing the results of that financial modeling saying this is a very capital intensive proposition, and it may very well be more than they can bite off. What Tilson has suggested is that, first of all finish the inquiry and see what can existing providers do, what pieces can they either do the whole thing themselves or what pieces of either investments or operations would they be willing to partner with a local jurisdiction on. And to the extent that they have a need they want move forward, Tilson has suggested some ways to target investment and to identify investments that are quite a lot less than the \$75 million.

Deputy Mayor Jensen stated every single one of their points for the RFI are fiber. Again, full disclosure he has not read the entire study, but he intends to, but they list: fiber on key routes, fiber to wireless nodes, fiber to pockets of demonstrated consumer demand. We can't do an RFI for LTE over cellular if everything is fiber.

Mr. Campbell stated he can delve a little more into that. To give them a different number that is also in the report. When you get to the section on the hybrid fiber wireless network, the estimate for the capital costs for that network was \$7.2 million. So they looked at that as an alternative which is significantly less money than a full fiber build out. They estimated about 65% of those costs was actually in the fiber back hall servicing to the network. If you look at the economics of that wireless network, really to the extent that you've got a network that is uneconomic in a rural area, getting that back hall to that collection of wireless sights is going to be one of the biggest costs. We modeled a particular type of wireless network, just one, and we chose that particular type because it would be the one type that you could pretty much be assured that somebody would be able to implement. LTE networks for instance, you have to have a license from the FCC.

Deputy Mayor Jensen responded he agrees with all that but if we are going to do an RFI, he doesn't want to limit it to a specific technology. There are all types of emerging technology that is in the pipeline and if we are going to kick an RFI out he would like to see proposals on that emerging technology. There is absolutely a case for tried and true technology and he gets that, but tried and true technology is also very expensive in this case.

Mr. Campbell replied what he would counsel them on is, putting this in three broad buckets. Bucket #1 is they are interested in providers who are able to leverage existing cable or telephone networks, you should ask about that and that is one of the recommendations for an RFI, but the companies who already own those networks are going to be really the only ones who can answer those questions, and they should be the ones to answer and they should be asked those questions. Bucket #2 is fiber, not necessarily because they should take on the task of building out fiber for everywhere, it is really because fiber across all of these networks is a common element and it's just really a question as to how close does it get built out to the end user. Bucket #3 would be wireless. His approach on the wireless he would encourage them to focus on what would wireless providers do, if you could help them get to the point where they have economic back hall. Because fundamentally if they could do that, then there is a business case for it, and you shouldn't really have to do more than that. So it is really a question of doing only what you need to do and not doing more.

Deputy Mayor Jensen responded this is the information he was expecting to see in the presentation as opposed to saying we have a problem and we need to do something about it. He wanted to see the amount that they would recommend JEDO subsidize to get to something being built to service that.

Commissioner Cook stated along that same line, he mentioned several times existing providers, local providers, what conversations did they have with our local providers in preparation of this report?

Mr. Campbell replied that they have not had any conversations with them so far because the way the project plan was structured this next phase was the phase to engage them.

Commissioner Cook asked how could they even prepare a report about what options we have if they don't know what our local providers are working on building.

Mr. Campbell replied that the scope of their study was not to study the economics of the existing providers, the scope of the study was to give them a baseline of information about what the economics of a new network would be.

Deputy Mayor Jensen stated but we are not going to build a new network, we were never going to build a new network, correct him if he is wrong. So he is not quite sure what we have paid for.

Commissioner Archer stated he recalls asking Deputy Mayor Jensen about whether this was a good idea and he said it was.

Deputy Mayor Jensen replied it absolutely is a good idea to get somebody in here to make some recommendations on emerging technology and working with the existing carriers, what subsidy limits should be. It should not be a report that says we have a problem we already know about and then to build a brand new fiber to the home network.

Commissioner Archer stated he sees his point. He isn't sure why we didn't make that clearer in the proposal stage.

Deputy Mayor Jensen responded he wasn't a voting member of JEDO at the time that happened. Had he been or if he had been on the task force he would've absolutely made those points but he is just now in the position where he can do something about it. He appreciates the work that has gone into it and he will read the whole report as an IT professional but he is hoping there is some more information in there other than what we have been presented.

Ms. Milsap stated to be fair we submitted the RFP to JEDO for their approval, and JEDO gave the committee permission to issue it. There is no question that we want to look at those emerging technologies but we want that information to come from providers and if we structure the RFI correctly, we can get to that. But we started out with a baseline level of information, and we are not at the point of making recommendations. What we are at the point of is looking at what the possibilities are in the models and then going to the providers.

Deputy Mayor Jensen stated but they can't pretend to know what we already have. There is no emerging technology in this report that he has seen; all it just says is we have a problem and here is a recommendation to build out a whole network.

Ms. Milsap replied because that is the phase that we are in.

Commissioner Cook asked when we were having the broadband discussion, were the local providers invited to those meetings, or some of those meetings?

Ms. Milsap stated early on, in the early part of the process, back in 2013 they were. Here is our concern about engaging providers before we got to the RFI phase, and that was that we didn't want to compromise the process by giving some providers access and not others. And so the time to engage providers is now.

Commissioner Cook asked but why wouldn't we want their information from the early stages. They are the ones who are the experts in the field or they are providing the service, why wouldn't we want to draw from their expertise.

Ms. Milsap responded we will be.

Commissioner Cook stated it would be like he can read a book about how to perform heart surgery or he can ask a heart surgeon how to perform heart surgery.

Ms. Milsap stated to remember we all work for government, and when you are going through a procurement process there is a time and a place to invite providers to respond, whether that is an RFI or RFP. What we were looking at was providing broad based objective data that was community based.

Commissioner Cook stated he is just confused as to why we would close out people who can help us through this process. He thinks the more people you have at the table, the more hearty the discussion can be.

Ms. Milsap replied she thinks they were concerned about compromising an RFI or RFP process if some providers were included and others were not.

Deputy Mayor Jensen stated there are only a handful of providers in the whole community. There are only ten that he can think of. He appreciates all the work the committee has done but he is not ready to move forward with this at all until he sorts out what this thing is other than simply telling us that we need to provide coverage for residents.

Commissioner Archer stated he believes we have already paid for an RFI haven't we?

Ms. Milsap replied yes we have.

Deputy Mayor Jensen stated we have and he thinks absolutely we should submit one but he wants to read the report and understand it and then he thinks JEDO should craft its own items we would like to see go into an RFI to hand to the committee and Tilson to massage before we actually submit it.

Ms. Milsap stated the committee would welcome those contributions.

Deputy Mayor Jensen made a motion to table the request to move to Phase 3 and issuance of an RFI until the June, 2018 Special JEDO Board meeting. Commissioner Archer seconded.

Mayor De La Isla stated she can understand the questions, we all have the questions, however would it be feasible for us to stop this if now is the point that the committee is going to engage with our partners and then allow our partners and everybody to start providing that information that we are looking for. Even though we didn't get the information that we thought we were going to get from the report initially, she thinks that by having the partners in the conversation right now, they will be able to start talking about what technologies, what are the things that can be brought up. And holding this up right now will stop the process of them engaging those partners.

Deputy Mayor Jensen responded but the way an RFI is written, the RFI has to be crafted and sent out before that conversation can happen and he wants to make sure we do the RFI right because he is not confident that the report has been done right and that is why he is asking for a delay so we have time to get the RFI part done correctly and get the answers we want back. He wholeheartedly agrees and he would love to do a dialogue now if we could but with an RFI we are not allowed to. We submit a request

and they send us back information so our request has to be crafted correctly in order for us to get the answers. He would like this to come back at the special JEDO meeting in June because time is of the essence and we have folks out there that need connectivity, he does not want to wait until the September meeting if we can avoid it.

Commissioner Archer stated his question would be if he doesn't have any confidence in the work they have done so far, why would he have confidence in the RFI process.

Deputy Mayor Jensen stated because in the RFI process we would get our local carrier's responses and it is not that he doesn't have confidence in the work, if they were contracted to tell us we have a problem and here is a possible answer and here is the economics of that, then they have a lot of numbers in here and he expects it would support that. But what we don't have is a solution to solve the problem, we just have a 200 page study reinforcing the problem.

Councilman Lesser stated prior to any vote, he would note we have some people signed up for public comment, we have an individual from Cox Communications, from AT&T, an Ad Astra Fiber, he would request prior to any vote we would listen to public comment.

Commissioner Cook stated as we would. There is a motion on the table which is a motion to table the request to move to Phase 3 and issue an RFI until the June Special JEDO meeting with a date to be set based on the New Markets Tax Credits. That Motion was made by Deputy Mayor Jensen, seconded by Commissioner Archer. We have members of the public signed up to speak, if we could have them speak now.

The following individuals appeared to speak for public comment on Item No. 9:

1. Megan Bottenberg, Manager of Government Affairs, Cox Communications appeared and stated Cox Communications is thrilled for what an exciting time it is here in Topeka. Our City is growing and we have great sights ahead of us. Cox Communications wants to be a part of it. We have 65 employees in Topeka, 1,100 employees statewide, and we are committed to seeing Topeka grow. We are throughout the City, in Auburn and in Silver Lake. Cox has been an innovator in the development and deployment of advanced telecommunication technologies to connect our customers, whether they are residential or business. Now while we have discussed tonight, JEDO's intent to ensure everyone in Shawnee County has broadband access, we at Cox believe this is a worthy goal and one that is best achieved with private-public partnerships. Government-owned networks have not been successful across the county. Cities who have tried have been saddled with debt, struggled to invest in networks, and failed to meet customer's needs and demands. And she would caution them, as has been discussed spending \$75 million for only 39% of the population, does that really help us to meet our solutions and solve our problem. This is obviously highly optimistic since private competitors such as Cox will be providing the same service and same speeds and a lot sooner by the end of this year and will have a much broader marketing effort. We ask that JEDO listen to the companies that have long invested in the community. We want to help solve this problem. We have employees who live here, who work here and want to be part of the solution.

So instead of spending dollars on a solution we argue that would not solve the problem or the priority issues outlined, on behalf of Cox we ask that you let the partners who are committed and invested in the community be at the table. Let's be innovative together, let's do something really cool for Topeka that we can be the model for broadband solutions across the state and maybe even the country. Over the past 16 years Cox has increased their data speeds 1,000% and right now we have 300 Mbps available to our

residential customers and 10+ Gbps for business customers. And by the end of this year, Topeka will be a Gig city, we will provide Gig service to all of our residential customers throughout our national footprint, but especially here in Kansas, Auburn, Silver Lake, and Topeka. All of this with no expenditure to the City. So to the reports desire to have a Gig service, Cox is pleased to make this another example of their commitment to Topeka and all of Kansas. Additionally, to bridge the digital divide, Cox offers low cost internet and devices to low income students and their families through their Connect to Compete Program. And earlier this year, the legislature passed a bill that establishes a task force to solve this exact problem for all of Kansas. Cox welcomes the opportunity to work with JEDO, and all of our leaders and partners to bring our services and products to more people and help close the digital divide. It is our hope that the focus is on the efforts to solve the problems we are truly trying to solve and that the answers to these problems be private or public-private partnerships.

2. Katie Koupal, Area Manager of External Affairs, AT&T Kansas appeared and stated that Topeka and Shawnee County are not alone looking at this issue. AT&T is in similar conversations with several other municipalities in Kansas. AT&T is also involved in the conversation at the Statehouse regarding the broadband task force. AT&T wants to be involved in this conversation, they don't want to be an obstructionist but they think they can contribute. Consumers are clearly demanding improved access at greater speeds. To meet that demand AT&T is investing over \$100 billion in improving their network. In Kansas that means expenditures of over \$775 million between 2014 to 2016 and they have increased since 2016. They have approximately 900 miles of fiber in Kansas with plans to build even more. In Topeka business customers already have access to fiber and residential customers will have that opportunity later this year. AT&T is committed to using new and innovative technology to expand broadband access to more homes and businesses. They are participating in the FCC Connect America Fund to improve internet offerings to all Americans. In Kansas we are spending \$19 million per year over 5 years to connect over 35,000 homes and businesses in high cost census blocks as determined by the FCC. This is being done with some pretty cool technology and they actually tested it in Colby, Kansas just a few hours away. It is called Fixed Wireless, which delivers broadband through the air using a base station and a fixed antenna about the size of a pizza box which is mounted on a customer's home. This is a cost effective method to deliver high speed internet to rural customers. Another exciting technology that is in the testing phases, and is scheduled for deployment in 2020 is called Project AirGig. This is intended to address the problem of providing service to customers in that last mile of service. Traditionally this is the most expensive part to deploy using traditional methods. Project AirGig will deliver low-cost multi-Gigabyte wireless internet speeds using power lines. The technology powers itself without a direct connection to the wires to create a more affordable and easily deployable technology. The signal will travel along and near the wires, but not through it. It will reduce the need for new towers, for new builds, for less building, which means it will be easier to deploy.

One perception providers have frequently encountered is if you build it, customers will come. Not everyone who has access though is subscribing, especially in Kansas where the adoption rate is lower than the national average. 97.3% of households in Kansas have internet access with a minimum of 10 Megabytes per second, compared to the national average of 95.9%. Unfortunately only 57% of those Kansas households are currently subscribing. So one way AT&T is addressing this problem is through their low-cost internet program called "Access from AT&T." It is available to households where at least one member is a SNAP ("Supplemental Nutrition Assistance Program") recipient, and they get internet for a monthly fee between \$5-\$10. Over the past month she has met with several of them and has enjoyed the conversations. One of the items discussed is

that if government wishes to get involved in the broadband industry, they should place a priority on ensuring a level playing field exists, on allowing providers to take advantage and encourage them to quickly deploy these new technologies, and work with providers to address the adoption challenges. The most effective partnerships are those that harness the capabilities and efficiencies of private commercial networks and they look forward to working with all of them to find a creative, cost effective, and achievable solution for Topeka and Shawnee County.

3. Karl Watson, Owner, Ad Astra Fiber appeared and stated he moved to Topeka two years ago by choice. He would like to think he is Home Grown Talent that fits in with Momentum 2022. We have a powerful strategy going in Topeka, especially downtown. One of the first things that he did was join 712 Innovations as an entrepreneur and started a business. At first he didn't know what business he wanted to start. He had ideas: internet, natural spoken language, artificial intelligence, and broadband. He continues to work in each of those areas, he has projects that are ready to go forward. His passion project is broadband. A year and a half ago he formed a business, talked to a lot of community leaders, got his feet on the ground, realized that this process was underway to study the market. He thinks that was the right thing to do, he would like to support what Gina (Milsap) is trying to do with that tonight. He is a provider, he wants to be included, but he wants all of them to understand what this is before they start to request information from him or more importantly from his bigger competitors, AT&T and Cox Communications. He thinks it is very important that we have a level playing field. It is difficult for an individual like himself to get on a level playing field in this environment, but luckily he has things like 712 Innovations and the entrepreneurial community here to help him. A year and a half ago when he decided to do this, he had almost no money and since then he has spent about \$30,000, which is mostly on credit cards, to bring up his first site which is about 100 homes that are connected with fiber and Wi-Fi. Fiber runs to the building and then he does Wi-Fi connections so that there is no equipment required and no sign up, no appointment, for any of the people who live in those homes. He has 100 sites that he has put in by himself, that is the type of action that an entrepreneur can do. Now he doesn't think that is Plan A for this City, he can't do the City and the whole County, but he wants to offer them Plan B, which is Karl Watson can show up and get things done. He has a very strong financial background, he has an electrical engineering degree from Kansas State University, he has worked at Payless Shoesource, he managed a \$100 million expansion project for Payless, he knows what that money means, with his finance background he knows how to control it, how to staff it, and how to manage it. He is here tonight to tell them they have a great resource over at 712 Innovations, he is ready to help. He thinks this process needs to go forward as fast as they can because on his clock we are not any further ahead than when Topeka changed its name to Google, what was that 6-7 years ago? He is going to go back tomorrow and work on his fiber customers because he has raving fans and they want this and they aren't high-end homeowners, these are everyday people, they just want access, they have kids that want to learn. It is his passion project, he thinks they can hear his passion and he would take any questions they might have now or at anytime.
4. Lazone Grays appeared and stated there are people who know he has been engaged in this conversation from the very beginning. When the question came up about doing the RFP, he brought that up because there were things that were not in there that are now a part of this discussion. But he thinks one of the Commissioners at the time said it would get taken care of down the road and now we are down the road and it has caught up with us. This is Digital Inclusion Week, nationwide, so that is part of talking about bringing access to those underserved communities and individuals. He wants to go back to an article written December 16, 2015 when the JEDO approved its 2016 budget that included \$250,000 for workforce internet broadband initiative. After that vote the conversation quickly moved onto downtown, parts in the County,

and his biggest fear is that as they expanded that conversation then this little one part of it was going to get sucked up into a \$50-\$70 million deal that nobody is going to be able to pay. So he guesses it went to an RFP not for the workforce development initiative, but for the whole City and the County. And he would hate to see something that is very small and minute be derailed because we are being forced to look at this huge picture. He looks at maps like the City's map of poverty and the composite and the red areas on the map are "Intensive Care", the pink areas on the map are "At Risk" and his next question is, is there a digital divide in these areas. It is either yes or no. If there is, what are the recommendations of models on wireless or fiber to the premise that could be potential solutions and what are the costs of those. He has always come here to speak of the digital divide. Does Hi-Crest have a digital divide issue? He doesn't know. What about Montara that is outside of the City, in the County. That is a whole low income community. Does it have a digital divide? If so, what are the perspective recommendations for that. It could've been Oakland, or North Topeka. He thinks that is the type of basic information that would've helped make a better decision on targeting some of the \$250,000 or if they wanted to go even higher than that. You pay for a technical report and that is what you got with guys at that level. But he was hoping, we have some targeted populations, maybe there isn't a digital divide in parts of East Topeka or Montara, but there is something that needs to be done to enhance. Digital inclusion and digital equity is to a certain degree two separate things. Maybe there is a certain type of programming that needs to go on in the Hi-Crest area, in a building that is already there that deals with digital equity. He has worked with Google Fiber from the time that they rolled out the fiber, to making sure that the lowest income neighborhood in the State got fiber. Mr. Grays requested a few more minutes to make comments.

Councilman Lesser made a motion to extend Mr. Grays time. Councilman Padilla seconded. Following a vote, motion carried (6-0).

Mr. Grays stated he is not a part of the stakeholders. He would like to see more diversity of people and minds sitting on that because he thinks some of the conversation that should've been had was missing. He took Matt (Pivarnik) and others down to Kansas City to see some of the sites and things that are going on in these neighborhoods and community centers. These are the types of things that he would like to envision in a Montara, or an Avondale East, or North Topeka. He agrees with Deputy Mayor Jensen, he is impressed with the technicalities of the proposal but he thinks that it did not give what we could really use for the community on where do we go next. What areas in the City or the County that have high populations of people needing to get to work, where are those places and can they put a map together that is easy for individuals to chew on. He doesn't think that there is a \$7 million need to do anything to address any digital divide in Hi-Crest or in Montara. Maybe that is only \$50,000, but we will never know. He comes here to talk about the digital divide but this report never really tells you if there is any digital divide whatsoever and where exactly that it is and if there is one at all.

Following a roll call vote, motion to table the request until the June, 2018 Special JEDO Board meeting carried unanimously (6-0).

Ms. Milsap stated she needed to request some direction. What does JEDO want to see from the Broadband Committee at the next meeting so that we are very targeted?

Commissioner Cook responded perhaps it would be easier for them to communicate with the JEDO Board members (voting and nonvoting) as to what concerns they may have and we might be able to flesh some of those things out. Keep in mind the rules governing Kansas Open Meeting Act (KOMA) so it might be best to have one-on-one discussions.

Deputy Mayor Jensen stated he would be happy to meet with her anytime to discuss.

Ms. Milsap replied she wants to state again that the consultants did exactly what we asked of them so if there is information lacking at this point then she accepts responsibility for that. And we all kind of accept that responsibility because we approved an RFP that outlined what was expected.

ITEM NO. 11: General Public Comment

The following individuals appeared to speak for general public comment:

1. Joseph Ledbetter appeared and stated one of the things that came up during a Momentum 2022 Quality of Place Committee meeting was we do have infrastructure under quality of place and we did put streets and roads, highway entries and exits, highway rebuilding, public parks and recreation system, traffic light coordination. But Park & Rec got into this and one of the things that he is hearing a lot of, not just on Momentum 2022, but also in the general public and the support for Parks & Rec is that people want Parks & Rec to be well supported and well funded. One of the things that came out of a Master Plan, it states to “create a balance of park types in each quadrant of the county” and then “identify and acquire land to preserve and enhance access to natural resources, open spaces, and outdoor recreation.” A discussion has come up recently about 155 acres that the Girl Scouts have now closed the camp. We have looked at it with the Advisory Council with Parks & Rec, it got a 9-1 vote asking the Commission and Parks & Rec Director to move forward on it and at least negotiation with the Girl Scout Council. And he wants to point out how anemic the park system is in that quadrant because in Quadrant 3 there is only 151,000 visits to parks in that area versus Quadrant 4 of 1.4 million. Now that does include Lake Shawnee and we certainly want to see Lake Shawnee to succeed but that quadrant is 400% below the next closest quadrant in park use because there is nothing to use in that area. So when you are looking at quality of place, people in this community want natural, open park space and we have an opportunity to buy it, it is not going to come around very often to get something of that size, that magnitude that adds that much quality of life and quality of place to a community. People want to do horseback riding in this County, there is no place to do it, but there is out there. They want to do more fishing, there is no place to fish in the part of the County. They want to use natural trails, that is a big item right now.
2. Clark Trammell appeared and stated he really came tonight to support two people. Lazone Grays and his position on broadband, and Joe Ledbetter and his recommendation on Camp Daisy. Lazone is absolutely correct in what he is saying and he hopes they will take that to heart and incorporate that into their process to get to the RFI. He would like to commend the folks from Tilson who are here tonight, he does not know them but he believe they did what JEDO hired them to do and they do not deserve any criticism for doing the job, but they do need to assist in bridging to get them to a point where they so clearly told them JEDO needed to be. As far as what Joe is talking about with Camp Daisy, that is quality of life and quality of place. And he mentioned to them earlier he thinks they need to step back and redefine what they mean by economic development. Because economic development is the generation of revenue, it is not just a creation of jobs, it isn't the growing of a business, it is the creation of revenue. There are places that do that. Camp Daisy would be a revenue creator; Jayhawk Theatre is a revenue creator, Heartland Park is a revenue creator. That is economic development and it needs to be included in that scope of what you look at when they are spending money dealing with GO Topeka. And creating a revenue base that takes the generations now coming forward that are looking for a place to live first and then get the job, rather than the older generation who got the job and then moved. So let's create these perks, the park downtown that is going to be a revenue generator, that is economic development redefined specifically in today's terms. The broadband

thing is extremely important. He just heard a number of investors get up here and talk about their product. Bring them to the table, get your checkbook out, let's talk. Those are the people that need to be at the table to have the discussion, where is the money going to come from, where is it we need to put it, how are we going to do it, is it going to go down the power lines or is it going to come underground. But get it done, the town is here, the money is here, the partners that want to sit at the table just told them they are here, Lazione Grays should be at the table. Let's do it, they are all ready, he can see it in their faces.

NO FURTHER BUSINESS appearing the meeting was adjourned at 9:06 p.m.

DRAFT

Joint Economic Development Organization Board Minutes
June 18, 2018

City of Topeka Council Chambers, 214 SE 7th Street, Topeka, Kansas, Monday, June 18, 2018.

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

The following nonvoting JEDO Board members were present: City Councilmembers Karen Hiller, Sylvia Ortiz, Tony Emerson, and Aaron Mays.

The following nonvoting JEDO Board members were absent: City Councilmembers Sandra Clear and Jeff Coen.

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

Molly Howey, Senior VP of Economic Development for GO Topeka; Jim Crawl, Shawnee County Counselor; Jeff White, Principal, Columbia Capital Municipal Advisors; Barbara Stapleton, Director of Workforce and Education for GO Topeka; Carol Marple.

ITEM NO. 3: ACTION ITEM: Approval of Funding for Project Eagle.

Molly Howey, Senior VP of Economic Development for GO Topeka presented the item to the Board.

Project Eagle is a new business that is looking to locate to a commodity export business in Shawnee County. Primary business is containerizing and exporting commodities and grains so they were also looking at facilities near the intermodal facility in Edgerton and we were able to intercept that to talk about what we could offer here. GO Topeka Board approved on June 1st.

Project Eagle Summary:

- Industry Type: Commodity Exporter
- Average Wage: \$60,000 annually
- Number of Jobs: 16 new jobs over 5 years
- Capital Investment: Up to \$5M

Incentive Proposal:

In the location of Project Eagle in Shawnee County, Kansas with an expected addition of 16 new full-time jobs with an average salary of \$60,000 plus benefits, GO Topeka proposes \$6,600 per new job to be paid out in equal installments (1/5 of each qualified job incentive = \$1,320 per year) annually over five years. GO Topeka also proposes an incentive of up to \$10,000 for real property investments by Project Eagle.

All proposed incentives are performance-based to be paid out as earned and details of the agreement will be outlined via a formal contract with the company.

Breakdown of proposed incentives:

- \$6,600 per new job X 16 new jobs = \$105,600
- \$2,000 per \$1M invested in real property = \$10,000
- TOTAL PROPOSED INCENTIVE: \$115,600

Commissioner Cook stated just for anybody who is watching not familiar with this process. The company goes through a meeting with GO Topeka, this would then be an action approved by the GO Topeka Board of Directors before it comes to JEDO, and then JEDO's action tonight is on this incentive and whether or not we approve, and then moving forward if the company decides to go forward with the plan, it would come back to JEDO.

Ms. Howey responded correct. The GO Topeka Board approved this incentive on June 1, 2018. So once the decision is made by JEDO tonight, she would communicate that back to the company and we would work to draft a contract that outlines all of the details and bring that contract back to the next JEDO meeting for their approval.

Commissioner Cook replied so this is not a guarantee that the company would go forward with this incentive, but this is our offer to them.

Ms. Howey stated correct. It is something that gives them some numbers to plug into their spreadsheet as they are comparing the costs of developing in different locations. The purpose of incentives is to help level the playing field, or but Topeka and Shawnee County above the rest and bring us to the top of the list.

Commissioner Archer asked if she could tell them what the nature of the business is.

Ms. Howey responded the company is containerizing and exporting commodities and grain materials from the region. So they will export to other countries that they already have relationships with, some of those are in Asia, some in Canada.

Councilwoman Hiller asked with that will they be using the airport?

Ms. Howey responded no they will actually containerize them here and then move them via container to the intermodal facility in Edgerton and then from there they will go on rail to port.

Councilman Lesser stated she said this was a new business, as in a start-up business.

Ms. Howey responded there is a business that already exists in Shawnee County and has existed for 15+ years, and this is an idea that is related to their current business and it is a new business with new owners that has originated from the current business. So the partnerships that they have are already established within the export relationship, but it is a new business to Shawnee County and a new business all together.

Mayor De La Isla moved to approve the funding for Project Eagle. Commissioner Buhler seconded. Following a roll call vote, motion carried unanimously (7-0).

ITEM NO. 4: ACTION ITEM: Approval of Land Sale for Project Arrow.

Molly Howey, Senior VP of Economic Development for GO Topeka presented the item to the Board.

Ms. Howey stated that Project Arrow is a company that is currently located in the Topeka and Shawnee County area. They are looking at purchasing 17 acres in the Central Crossing Commerce Park, which is the commerce park where Home Depot and Bimbo and Target are located. They found that this site would be attractive for their business and be a better positioning of the type of business that they do. They are a brand that we would be proud to have in that park and would be in alignment with the rest of the uses there.

They are looking at 17 acres, just north of Home Depot, on the east side of Wenger Road. They currently have 33 full time employees, and they would retain those employees and build their new facility there. Right now we are talking about \$10,000 per acre, which is the appraisal price that we have acquired from previous appraisals of that land. The company has submitted a letter of interest and what she is requesting tonight is approval to move forward with negotiating that transaction. She also wanted to have a discussion around the proceeds from the sale. She would recommend we use the proceeds to further extend the utilities within Central Crossing and create more shovel ready land. Right now the sewer line ends on Wenger Road and it needs to go up and make the curve onto 49th Street where we are doing the new road. We also have gas line extensions that need to happen there as well. So if we were able to set aside these funds for future extensions of those utilities then that would help open up new land that is truly shovel ready for future prospects.

Commissioner Cook asked if this has already been approved by the GO Topeka Board of Directors.

Ms. Howey responded yes.

Commissioner Cook asked how did we achieve the \$10,000 per acre appraisal.

Ms. Howey responded yes it was appraised by a local appraiser.

Commissioner Cook asked when the last appraisal was done.

Ms. Howey responded she doesn't know the date of the formal appraisal but we did just check the valuation, had the appraiser verify that amount was still valid, and that was done last summer. They didn't do a full appraisal again, we just had them check to make sure the value was still the same and that it hadn't changed at all and they verified that it still is \$10,000.

Commissioner Cook replied so we are looking at a re-appraisal that is a year old. How do we know if that valuation has changed in the last 12 months. Is \$10,000 above market, below market.

Ms. Howey responded she believes that amount is pretty standard, maybe even a little aggressive for the area. We did make sure the appraiser knew about the 49th Street improvements and the substation there and so they took that into account when they looked at the appraisal price. 10 years ago when the original was done that was a different point in time. She is leaning on the expertise of those folks because that is what they do every day and they confirmed that \$10,000 was still accurate.

Commissioner Archer stated he would point out that an appraisal is typically only good for 6 months, so they may want to recheck that. What did we pay for the land back in the day.

Ms. Howey stated she would have to verify that. It was acquired back in 2007 or 2008.

Commissioner Archer stated he is thinking we paid \$4,000-\$5,000 an acre but it would be nice to know what we paid for it.

Deputy Mayor Jensen asked if we have any idea on how much the extensions for the utilities will cost?

Ms. Howey responded we have done just some rough estimates and we are looking at probably for both utilities, the gas and sewer, she would hate to throw out an inaccurate number. The sale of this land will not cover the whole amount. It would get us maybe a third of the way.

Commissioner Archer moved to approve the request for sale of land for Project Arrow. Deputy Mayor Jensen seconded. Following a roll call vote, motion carried unanimously (7-0).

ITEM NO. 5: ACTION ITEM: East Topeka Learning Center (ETLC) Project, New Markets Tax Credits

Commissioner Cook stated before we get started, this item contains Item 5a through Item 5j. Looking to counsel, do we need to approve each item individually or can we approve them in whole.

Jim Crowl, Shawnee County Counselor responded he thinks they could do it either way, but he would advise to approve them individually.

Jeff White, Principal, Columbia Capital Municipal Advisors presented the item to the Board. This item tonight is the JEDO portion of the New Markets Tax Credits (“NMTC”) transaction for the benefit of the East Topeka Learning Center project. JEDO is being asked to perform a specific function in this transaction along with a new non-profit that will be the borrower in the transaction, and GO Topeka who will be the sponsor of the transaction. So everybody has their part to play. Mayor De La Isla asked for pictures last time, so he has brought pictures. But to give them a quick refresher:

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)

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
 - ▶ CDEs looking for projects with strong “community benefits”
- ▶ Tax credits purchased by investors looking for return solely from the tax credit equity (not project cashflows)

THE PARTIES

▶ Investors

- ▶ These are the entities—often commercial banks—that purchase the tax credits, providing the purchase price at closing. Current market=\$0.78 to \$0.83 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 (QLICIs).

▶ 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 non-qualified financial property (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.

ETLC Project – Putting it Together Step 1



▶ Investors

- ▶ PNC Bank purchases the tax credit equity for 90 cents on the dollar and invests the purchase price in the investment fund

▶ Investment Fund

- ▶ Investment Fund is a special purpose entity owned by the investor and created for this transaction

▶ Leverage Lender

- ▶ The Leverage Lender completes the capital stack by making a loan to the investment fund. This loan is documented like a commercial loan (loan agreement, promissory note).
- ▶ The funding happens concurrently at the beginning of the closing process

ETLC Project – Putting it Together Step 2



▶ Subsidiary Community Development Entity (Sub-CDE)

- ▶ The Sub-CDE is created by the CDE, Raza Development Fund, specifically for this project. The CDE received an award of tax credit allocation from the US Department of Treasury and chose to invest in our project.

▶ Investment Fund

- ▶ Makes a Qualified Equity Investment (QEI; the \$6.5MM circled in red) in the sub-CDE
- ▶ The QEI is the tax credit *basis*—the amount investment on which the investor derives its tax credits

Mayor De La Isla stated in layman's terms for the folks at home, and also 90% for her brain, why is it so complicated to create so many legal entities that have to make the passing to the passing to the passing in order for them to get the NMTC.

Mr. White responded this program is the absolute worst combination of the normal accountability process you get with a federal grant, combined with all of the weirdness of federal tax law, combined with everything that is bad about commercial lending and real estate transactions, coupled with the idea that this looks like free money falling from the sky and anything this complicated ends up with a number of lawyers and consultants that have specialized expertise to put these together and they are very expensive. It is very complicated and kind of driven by tax law structure. So even though the program has been around for a long time, we have regulations, they are fairly unclear, there have not been any tax law rulings about these, so even today 17 years into this program, you have lawyers who disagree about fundamental structuring parts of the conversation and that can create challenges as you look to put these together. It is a really inefficient subsidy, which is too bad.

Commissioner Archer stated he shares the Mayor's concerns, but he doesn't think there is going to be a quiz later, correct?

Commissioner Cook stated though a few meetings ago Commissioner Archer had concerns as to how much was being lost to the fees. Whether it is to the investment, the consultant, or the attorney or the accountant, we do lose quite a bit in our fee structure which is money that could've been applied to the project.

Deputy Mayor Jensen asked does this thing cost more money to operate than we are actually going to get.

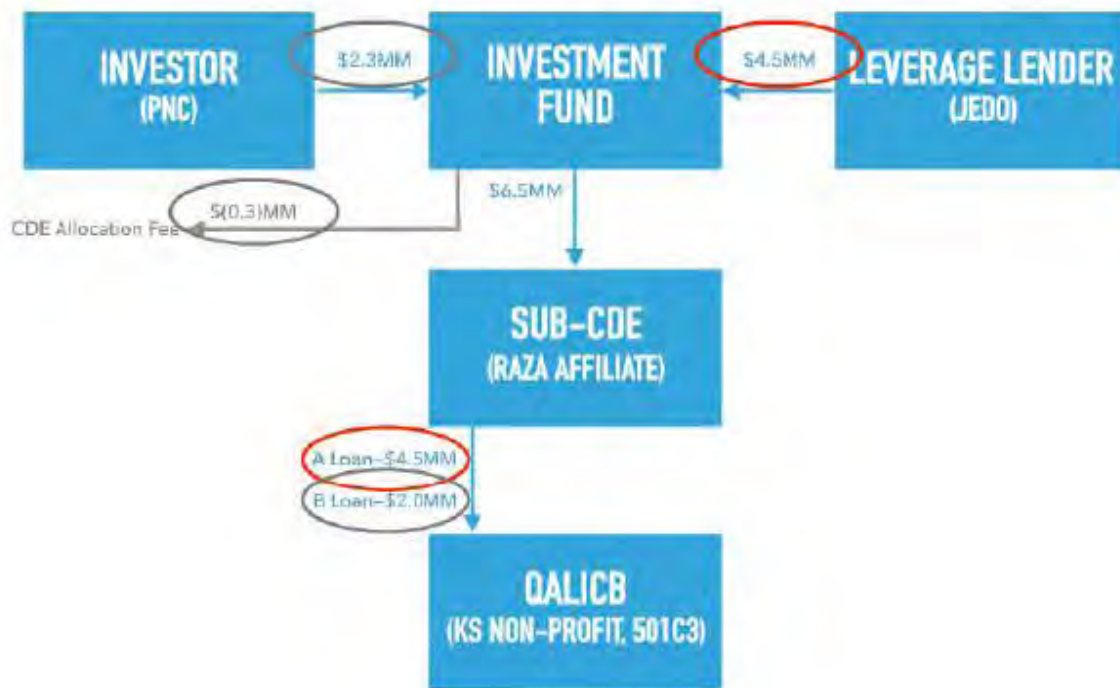
Mr. White replied no. The net benefit of doing all this is that \$1.25 million hopefully will come into the project in the form of other people's money, instead of that having to be paid with sales tax money.

Deputy Mayor Jensen stated so starting with \$6.5 million, we get \$1.2 million?

Commissioner Cook stated no, \$6.5 million is the total amount of the aggregate of what JEDO has put forth as well as the NMTC.

Mr. White stated the NMTC starts at \$2.3 million gross that is paid in, and then by the times that the 7 years runs and we have paid all the lawyers and accountants and consultants and the title company, and he is missing 50 other people, the net would be roughly \$1 million. The important part of this is that about 20% of this project's cost is coming from outside the community.

ETLC Project – Putting it Together Step 3



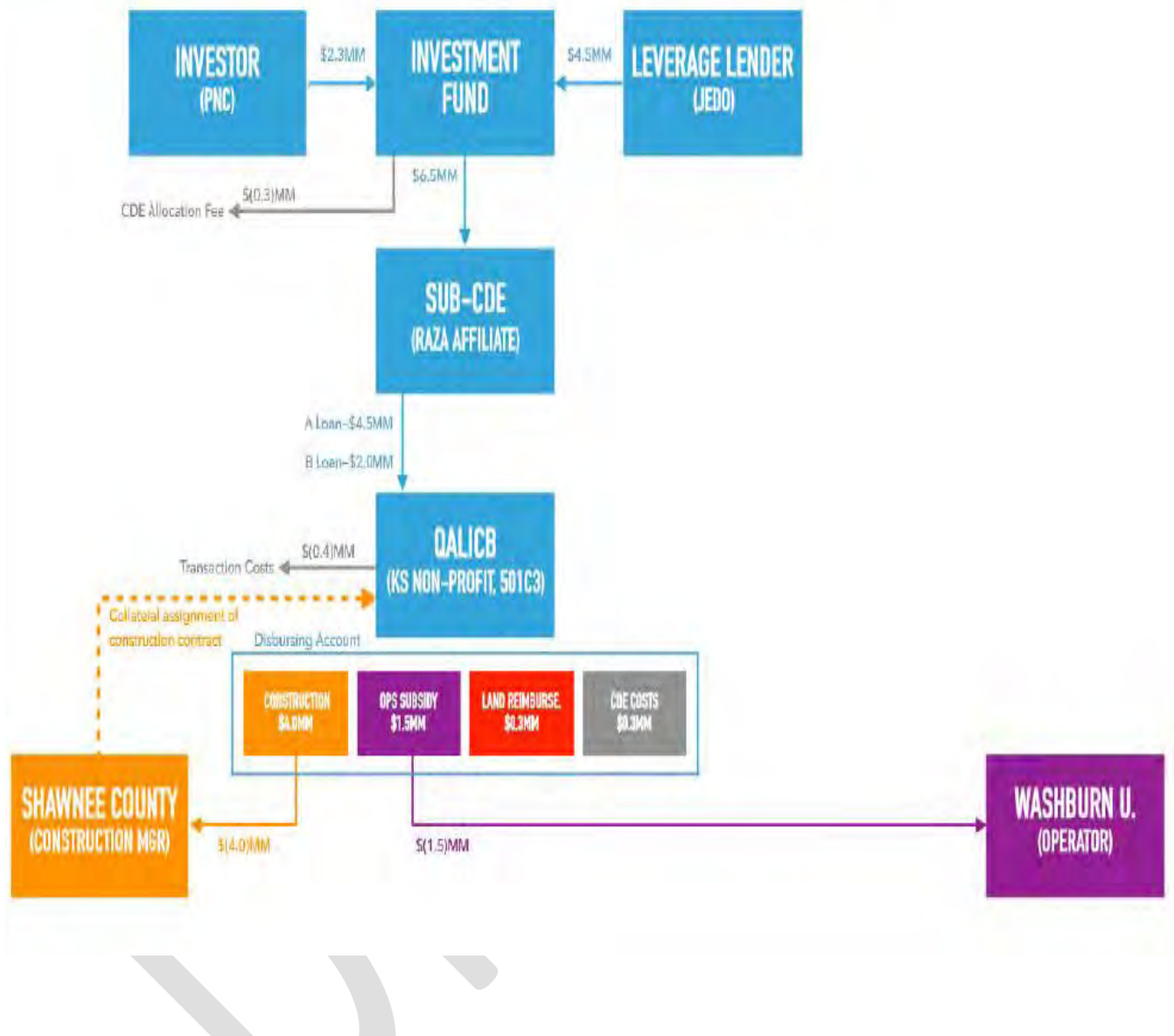
► Sub-CDE

- Makes two Qualified Low-Income Community Investment (QLICI) loans in the QALICB

► Qualified Active Low Income Community Business (QALICB)

- The QALICB is the borrower in an NMTC transaction
- New non-profit created for this project; will include a permanent JEDO rep on its board

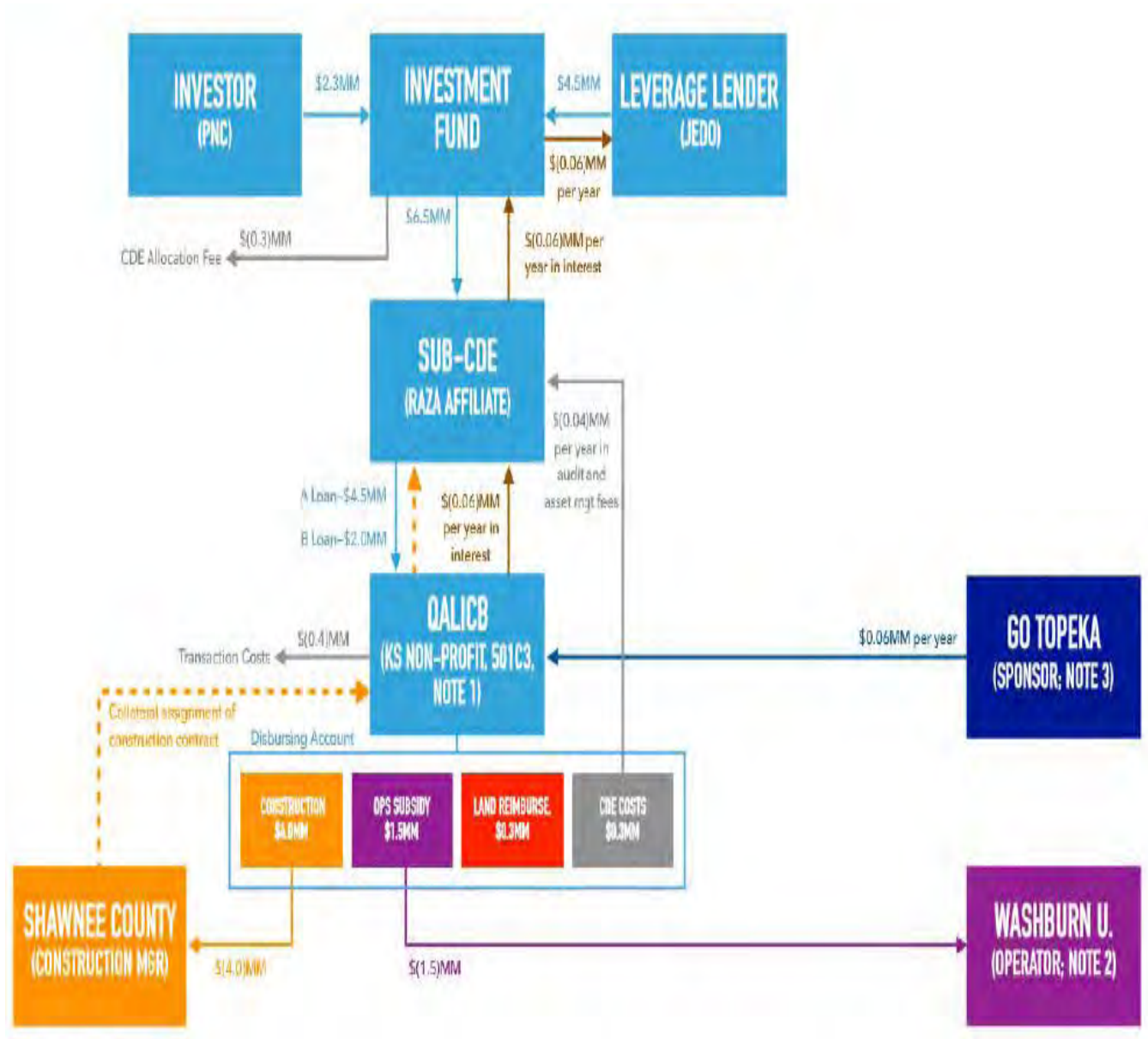
ETLC Project – Putting it Together Step 4



QALICB

- At closing, will have 100% of the funds necessary to complete the project, including reimbursing GO Topeka for prior-incurred costs (land acquisition, construction in progress, etc.)

ETLC Project – Putting it Together Step 5



JEDO Action Requested Tonight

- Authorize JEDO to participate in NMTC financing, including making the leverage loan, entering into the various financing documents, and authorizing the chair to execute documents as approved by the County Counselor.
- Terminate the third-party agreement with Washburn (to be replaced by a contract for services between the QALICB and Washburn)
- Enter in the Option Agreement, which will give JEDO the right to determine the disposition of the ETLC project at the end of the 7year NMTC compliance period.

Commissioner Cook asked can we go back to talk about the designee would be the JEDO Chair. So the Chair would be reporting back to JEDO as a whole as part of their responsibility as to what is happening with the NMTC.

Mr. White stated the Borrower's Board will probably have a couple of meetings in the first 6-8 months as the construction finishes up and we get into the NMTC phase. His experience with his other clients with similar structures is by the 2nd year, they are meeting once a year just to get an update and JEDO is going to hear from GO Topeka staff as well as the project progresses.

Commissioner Cook asked with the construction coming through Shawnee County, does that affect any of this?

Mr. White responded indirectly. We will have one more step in the ultimate payment process for construction because our NMTC lender will get a sign off step on the approvals but that really will work out in a reimbursement way so the County is funding those payments and then submitting those for reimbursements. Those reimbursements will have one more quick step where they are reviewing that same documentation.

Commissioner Archer stated the reporting of results is a formality as far as this program goes.

Mr. White replied it is a contractual responsibility. He wouldn't call it results, he would call it outputs, if you want to distinguish between outputs and outcomes, it is how many people went through, how many got degrees, what communities did they come from zip code wise, things like that. JEDO will have the harder determination as to whether that effort has actually improved the community, and job opportunities and those kinds of things. But he thinks the tracking of the outputs is something they would want anyways.

Commissioner Archer stated he thinks it is important, but his point is those results wouldn't jeopardize the NMTC.

Mr. White responded no, we have an obligation to report the outputs, we do not have an obligation to meet anything, we haven't said we will absolutely have 400 students, or set those kinds of expectational goals.

Item 5a: JEDO Resolution 2018-2: A Resolution Authorizing the ETLC and the Use of New Markets Tax Credits on the Project.

Mr. Crowl stated simply put this is the enabling resolution which enables this program to go forward, it outlines the basic outline of the program. He wants to note the very last paragraph authorizes the JEDO Chair, if there are any documents that require a signature from the Chair prior to closing, they are authorizing the Chair to sign those documents, to allow the transaction to be completed. We believe we have the bulk of the main documents here that would need to be executed. But if there are more the Chair will be authorized and JEDO will not have to call another meeting just for those documents to be signed.

Deputy Mayor Jensen made a motion to approve JEDO Resolution 2018-2. Mayor De La Isla seconded. Following a voice vote, motion carried unanimously (7-0).

Item 5b: Deed – Kansas Warranty (Statutory) from JEDO to GO Topeka ETLC Support Corporation

Mr. Crawl stated this is the Deed, JEDO owns the property that the project is located on, this would transfer the property to the new GO Topeka ETLC Support Corporation, the non-profit corporation that Mr. White described, as part of the project.

Commissioner Archer made a motion to approve the Deed. Deputy Mayor Jensen seconded. Following a voice vote, motion carried unanimously (7-0).

Item 5c: Commitment for Title Insurance

Mr. Crawl stated this is, if you have ever bought or sold property, there is title insurance on this transaction and they are asking JEDO as the owner to sign the commitment for title insurance for the transaction.

Deputy Mayor Jensen made a motion to approve the Commitment for Title Insurance. Mayor De La Isla seconded. Following a voice vote, motion carried unanimously (7-0).

Item 5d: JEDO Contract C2018-1: Termination Agreement By and Among JEDO, GO Topeka and Washburn University (Termination of JEDO Contract No. C2017-3)

Mr. Crawl stated this is the contract terminating the prior three-party contract that Mr. White mentioned with Washburn, JEDO, and GO Topeka. It will now be a two-party contract between Washburn and the new corporate entity for educational services.

Commissioner Cook asked if we have any indication that would not be signed by Washburn University?

Mr. Crawl responded it is his understanding that legal counsel for Washburn University has approved the form for this agreement. And so it is ready to move forward.

Mayor De La Isla made a motion to approve JEDO Contract C2018-1. Deputy Mayor Jensen seconded. Following a voice vote, motion carried unanimously (7-0).

Item 5e: JEDO Contract C2018-2: Option Agreement between JEDO and PNC New Markets Investment Partners, LLC

Mr. Crawl stated his understanding is this is the document when the transaction is completed after 7 years, this is the document that allows the transaction to collapse, and puts the property back under JEDO control.

Commissioner Buhler made a motion to approve JEDO Contract C2018-2. Deputy Mayor Jensen seconded. Following a voice vote, motion carried unanimously (7-0).

Councilmember Ortiz asked who insures all of this while all of this is going on. And the reason she asks is she was at an NIA meeting and in the minutes she said there was some equipment stolen. With all this transaction going on she is hoping we are insured somewhere.

Mr. White stated that Washburn will be required to secure property and casualty insurance for the property and he understands that the contractor had some tools stolen unfortunately.

Item 5f: JEDO Contract C2018-3: Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions.

Mr. Crawl stated this document is JEDO's certification that JEDO as an entity has not been barred from participating in Federal programs. If you will note, from time to time, contractors will get in trouble with the Federal government and as part of the punishment for violating the rules of participating in Federal government programs they can actually be debarred or prohibited from participating further. This is our certification to the other parties in the transaction that we have not been debarred.

Mayor De La Isla made a motion to approve JEDO Contract C2018-3. Deputy Mayor Jensen seconded. Following a voice vote, motion carried unanimously (7-0).

Item 5g: JEDO Contract C2018-4: Forbearance Agreement (Leverage Loan)

Mr. Crawl stated this is just one of the loan documents for the transaction for the loan that we are making.

Deputy Mayor Jensen made a motion to approve JEDO Contract C2018-4. Mayor De La Isla seconded. Following a voice vote, motion carried unanimously (7-0).

Item 5h: JEDO Contract C2018-5: Loan and Security Agreement (Leverage Loan)

Mr. Crawl stated this is another loan document for the transaction.

Commissioner Archer made a motion to approve JEDO Contract C2018-5. Deputy Mayor Jensen seconded. Following a voice vote, motion carried unanimously (7-0).

Item 5i: JEDO Contract C2018-6: Promissory Note (Leverage Loan)

Mr. Crawl stated this is the promissory note for the transaction. Everyone who has taken out loans or have purchased property will know there is a loan and there is a note, and this one is no different.

Deputy Mayor Jensen made a motion to approve JEDO Contract C2018-6. Mayor De La Isla seconded. Following a voice vote, motion carried unanimously (7-0).

Item 5j: JEDO Contract C2018-7: Reimbursement and Compliance Agreement

Mr. Crawl stated his best explanation for this one is, we are familiar with how funds flow between JEDO and GO Topeka because we work with that every quarter in our meetings, but to outside parties it may be a little confusing as to who JEDO is and who GO Topeka is and where does the money come from and where does it go. This document outlines the flow funds between the two entities.

Mayor De La Isla made a motion to approve JEDO Contract C2018-7. Deputy Mayor Jensen seconded. Following a voice vote, motion carried unanimously (7-0).

Commissioner Archer stated he was kidding about the quiz but Mr. White seems to be really the only person that is thoroughly familiar with this process but he wanted to ask the County Counselor if he is confident in this and if there are any misgivings on his part as far as JEDO moving forward with this agreement.

Mr. Crawl responded that Mr. White and he discussed a little bit ago that this is sort of a leap of faith, but he has met with Mr. White several times, we have a weekly conference call where we go through the list of the outstanding documents and all parties have an opportunity to discuss the transaction, open questions on how this is going to work, so he has had an opportunity to sit in and watch it evolve to the point we are at now. He is comfortable in recommending, if JEDO is going to take this route, then these are the documents that we need to execute to make it happen.

Councilman Lesser stated he wanted to at this point in time responding to Councilwoman Ortiz' question. He can tell her that Champion Builders does carry a builder's risk on the policy which covers all the materials as well as the new construction of the project, as well as there is a policy in force on the existing structure in the event there was a fire or tornado. So yes there is adequate coverage in place. The only other thing he would want to bring to the Chair's attention is Councilman Lesser's company had written the insurance prior to him being elected, if he feels that it is in the best interest then he would abstain from any of the votes. He felt he did need to bring it to their attention.

Commissioner Cook stated he doesn't see any direct conflicts.

Mr. Crawl stated the issue has been disclosed, he doesn't see any reason for Councilman Lesser to recuse himself from this process.

Councilwoman Hiller stated she doesn't know how many people are on various Facebook feeds but it has really been fun to see the progress reports of the actual construction of the building and the excitement of the East Topeka Council, they have been meeting regularly. The goal of getting this whole project involved was to have a presence in East Topeka and to engage folks in East Topeka in the planning and the development of this and then to see it happen on a day to day basis, that really has been going well.

Barbara Stapleton, Director of Workforce and Education for GO Topeka stated that the construction project is going very well and she would challenge all of them to drive by on SE 21st Street, between Washington and Indiana Avenues, they will see that much of the demolition is complete. It does not look the same. Washburn Tech has their trailer that is out there right out front in terms of promoting it. Percentages related to completion, she doesn't have the most recent reports for this week as we are in the middle of the week but they had a meeting earlier today and things are moving forward. They were talking about the outer shell that will go on, they are putting that primer on and starting that. Still on target and still under budget.

Councilwoman Ortiz stated she drives by there almost every day since it is on her way home. Why are we keeping the tower?

Ms. Stapleton responded there is going to be intent for signage, and to have lights.

Commissioner Buhler states it is a great project and a great thing for East Topeka. She would like to thank the Shawnee County Counselor's Office, she knows this has been a huge additional amount of work for them and she appreciates that and thank you to Mr. White as well for his explanations.

Ms. Stapleton stated another thing she would add is that she has confirmed with Mr. White that he is with us for the long term. If anyone ever has questions we can reach out to him, he will not drop off after the transaction closes.

Commissioner Cook asked when we have our next JEDO meeting, if we could put on the agenda a report from Washburn on how the recruiting is going. We are looking at a building that is going to have its door open at the end of this year, with programming starting in January of 2019. So maybe some updates from Washburn University as to how their recruiting is going, it is exciting for East Topeka and Topeka in general.

ITEM NO. 6: DISCUSSION WITH POSSIBLE ACTION. Community Broadband Task Force.

Barbara Stapleton, Director of Workforce and Education for GO Topeka and Deputy Mayor Brenden Jensen presented the item to the Board.

Ms. Stapleton stated GO Topeka continues to be very supportive of the broadband initiative and recognizes that economic development, entrepreneurship, and workforce development all directly align with broadband efforts. We believe it is very important as part of the strategy moving forward in the community and ultimately the inclusive prosperity we are seeking for our community.

Deputy Mayor Jensen stated he knows it is unusual for someone on the JEDO Board to be giving the report but he felt it was critical to come to them as a colleague and share his experience. As many of them know he was rather hard on the Broadband Task Force at the last meeting, it was not going in the direction he felt it needed to and so he voiced his opinion and later that even talked with Gina Milsap (CEO, Topeka and Shawnee County Public Library) a little bit and she encouraged him to come and meet with her and the Tilson folks the next day while they were still in town. And they met with him for two hours, carved out their schedules and sat down and really went through an in depth review of where they had been, where they thought they were going, talking to him about the issues he thought JEDO had. And so he really wants to start off this report by thanking them for being available and saying if we aren't happy, let's work together to see what we can do to solve this problem. When he sat down and talked with the Tilson consultants, he never once have heard the phrase "that is out of scope." We have changed the direction in a number of ways. And every single time when we came back to them to see we think we should do it differently, they said that's a good idea. They pushed back in a couple of areas, which is

entirely required, but at the end of the day, he thinks what we have is really moving in a great direction. Right out of the gate we talked about the immediate need of private sector input to try and make sure we were leveraging the resources our community already has and the investment that the private sector has put in. He reached out to a number of the incumbents right away, just some one-on-one meetings to get a feel for their frustrations with the process and where they thought we needed to be going and how we can better work together. So he took that back to the team and essentially what we decided is that we do need a bit of a shift in focus. So what we are doing now, we are having a Broadband Summit. We have got 5 meetings scheduled now with incumbent providers and other folks that are interested in bringing infrastructure to our community. The meetings are scheduled for the end of June. We are looking at how we can really leverage shot in the arm type of incentives. So basically one hit that will get something moving along as opposed to a reoccurring subsidy that will have to get paid again and again. So we are talking about how we can take an existing schedule that might already be there and accelerate it. We want to get this stuff into the hands of our community faster.

This has really coalesced into two main areas. When we talk about the areas of our community that don't have good access to coverage, and for the most part that is going to fall into many areas of the County where they simply can't get good, high quality, stable, reliable broadband. The other part of this though is access to affordable service to parts of the community where we do have the coverage, where folks either can't afford it, or there are locations for whatever reason they are not getting it. So at the end of the day we are trying to solve these two problems. So to help us do that we are developing a set of community goals that are based in part on the FCC's goals for communities, but we are trying to tailor those more to what our community's needs and wants are, and that is going to give us really two sets of numbers. What numbers, what speeds, what capacities can we deliver in rural Shawnee County versus what can we deliver within the City limits where there is the density of infrastructure. So our next phase in this is to go to the RFI (Request for Information) process. We are meeting with the local incumbents just to sort out what are they capable of doing. The last thing we want to do is kick out and RFP several months down the road that is asking vendors to accomplish impossible fetes. That is not going to help us move the needle if we say we want them to deliver something there is no way they could actually build. We would not be successful with that. So these meetings with the local incumbents are going to help us create realistic goals for the community and we are hoping to come up with some rough costs on that. What is it really going to take to move the needle, how much will that cost, and are there other barriers that are not financially related. Is it simply something that they need access to a certain amount of right-of-way to lay fiber to set up a tower for Wi-Fi. So we are trying to sort out exactly what incentives are appropriate. Then we will take all of that information, pack it up into an RFI and kick it out and that will cast a substantially wider net. So the goal is to reach out to anybody and everybody who wants to participate and ask them to provide some feedback. That feedback then will be the driver in our conversation as to what JEDO feels financial or other incentives should be and then whether or not we are ready to go out to RFP and actually ask people to deliver that. He is trying to sort of align the scheduling of all this with Momentum 2022, so that if we do an RFP process we would expect that to be sometime early next year (2019) and that would give us that year to get the RFP out, get responses back in, and that would give them 2020 and 2021 to build infrastructure, and then as our community comes online in 2022 with all these exciting amenities and all the other things that are coming along, this would be part of that.

Commissioner Cook stated to make sure we are on track, when Tilson was last here they gave us a report that outlined that the cost of JEDO taking on broadband by ourselves is simply unattainable. And the RFI would be an opportunity to partner with all our providers or potential providers for them to come to JEDO and give us an outline of what services they could provide and what their needs would be. And then from there we would develop a plan of action.

Deputy Mayor Jensen responded the next step would be to talk about whether or not JEDO can afford what we think would need to be done in order to move the needle. Part of the reason we are sitting down with all the incumbent carriers is to have that brainstorming session. The Tilson folks are coming back in town to have those meetings with us and it is very much going to be a team effort to sit down and brainstorm how do we affect change in the community. And then from there, the RFI process is taking that concept but casting a wider net, bringing that to all the folks that want to participate, including the ones who are in the area or who we simply couldn't schedule meetings with.

Commissioner Cook stated they have identified two needs. One was advancing infrastructure to the rural communities or areas that do not have it, and the second is expanding broadband usage to those areas that do have it. Through the RFI he can understand how we would expand service to areas that don't have it, but how does the RFI address the second part which is enabling service to those that maybe already have the service.

Deputy Mayor Jensen replied part of what we need to discover is why isn't there good uptake in that. Is it simply that there are no dollars for marketing, in some cases if you have had an outstanding bill with one of the carriers for a certain period of time you are not allowed to buy that coverage until that bill is paid off or a certain period of time elapses. So as we ask the questions to the carriers who provide those services, they have to tell us why the program they have in place isn't working. What are their barriers and one of the things is to ask the school systems. As the carriers advertise these to the parents of families, what are the barriers causing them not to sign up for that service. And the other part of that is there a different option to provide access to low-income areas, and areas that don't have good access to service beyond just the existing programs.

Commissioner Cook stated that Mr. Lazone Grays recently shared a very good article about how there is a lack of broadband that is actually being used in areas that do have access to broadband. He would like to thank Mr. Grays for providing that article.

Deputy Mayor Jensen stated he and Mr. Grays have sat down and talked at length about that issue. Mr. Grays has been instrumental in helping us look at that aspect.

Councilwoman Hiller stated on the City Council, they are on a variety of listserves and so there are many articles and conferences addressing this. Do we have anyone on City staff or on the Board who is watching those as they come in? This is really cutting edge development and other communities are looking at this like we are.

Deputy Mayor Jensen responded for the most part he does because that is the industry in which he is employed. And that is part of what we are leaning on the consultants for is to take a look at emerging technologies and evaluate if it is a good idea for our community or not.

Commissioner Cook questioned did the committee factor in, this year's Chamber meeting is to Chattanooga, Tennessee. Chattanooga has a great history with expanding broadband and expanding network coverage. They also have had a lot of successes, some failures along the way. Has that been factored in.

Deputy Mayor Jensen stated he is particularly excited to travel there to talk with their people and see what their successes were, what their failures were, and how we can learn from that.

Commissioner Archer stated he wants to say thank you to Deputy Mayor Jensen. It pretty much sounds like he is taking over this project and making it happen.

Deputy Mayor Jensen responded he wouldn't go that far. He has an incredible team who has been willing to take him in. This is very much a team effort.

Commissioner Archer replied but because of Deputy Mayor Jensen's expertise things are moving forward and again it is a lot of work.

Commissioner Cook stated he would like to take a moment and recognize Commissioner Buhler, Mayor Wolgast, Gina Milsap. They have been working on this project for almost five years, broadband is a five year project and to get it to this point, so we would be remiss if we did not thank Commissioner Buhler, who early on as a Commissioner coming to community meetings to discuss broadband as she took up that mantle.

Commissioner Buhler stated she would like to point out that the Project Team is the designee from JEDO, so it is her understanding we have a representative from the County, from the City IT staff who is now no longer on the committee, a representative from the Library, from one of our rural school districts, and also GO Topeka. So if it is the intention of Deputy Mayor Jensen to be the City's representative on that project team, she still thinks there is a benefit to having that Project Team remain as the designee for JEDO because we do have broad representation from all parties.

Deputy Mayor Jensen responded the committee has discussed that and it is not appropriate for him to take on that role because once we get to the RFP process he will need to step back. As a voting JEDO member that is a conflict of interest. However, he has had extensive conversations with the City Manager and he has agreed to get someone from the City back on the committee at that time. So there will be representation from the City once we get into that phase.

Commissioner Buhler stated she thinks that is important and it is unfortunate that we don't have representation from the City IT Department.

Deputy Mayor Jensen stated the committee has two asks this evening. We would like permission to move on with the RFI process and actually issue that. Our next update would then be to bring back the information we got from the RFI as well as an explanation of that so that we can then really have the conversation about what incentives do we want to do, and it is going to be a dollar amount and it is also going to be looking at if there are barriers we will need to tear down as the local government. We would also be interested in having a couple of folks who would be willing to look over the actual RFI before it is sent out and provide comments and feedback. One of the most important things is to make sure that JEDO's questions are answered when that information comes back in.

Mayor De La Isla moved to authorize continued outreach to broadband service providers, including interviews and development of a Request for Information (RFI) to collect provider on potential solutions to meet the broadband goals of the City of Topeka and Shawnee County. Councilman Padilla seconded. Following a vote, motion carried unanimously (7-0).

Commissioner Cook stated as to designating JEDO members to review a draft RFI, he thinks it is important to have representation from both the City and the County as we move forward. He asked if Deputy Mayor Jensen would be willing to serve in that capacity.

Deputy Mayor Jensen responded he would.

Commissioner Cook also asked if Commissioner Buhler would be willing to serve in that capacity since she has had the most experience with this item.

Commissioner Buhler responded she would.

Commissioner Cook moved to designate Deputy Mayor Jensen and Commissioner Buhler as the JEDO members to review a draft RFI and provide feedback to the Project Team prior to the September JEDO board meeting. Mayor De La Isla seconded. Following a vote, motion carried unanimously (7-0).

ITEM NO. 8: General Public Comment

The following individuals appeared to speak for general public comment:

1. Carol Marple stated she wants to give a big shout out to GO Topeka on Project Arrow. She would like to think that the improvements that are being done on 49th Street have played a part in the company's decision to want to build on the land. If GO Topeka is directly negotiating with the company for the land, we will be getting back a little more money because we won't be paying a realtor. She sees this as a tremendous win-win that somebody wants to build on this land, we are going to have new construction and a new business.

Councilwoman Ortiz stated she wanted to bring something to the Board. She took her grandchildren to Wamego and all the way down there she kept seeing Wizard of Oz signage so it got you excited before you got there. She was recently having lunch with a friend and they were talking about the Wanamaker Corridor. As she was leaving her house the other day to say farewell to the sea lions at the Topeka Zoo she looked at all the out of state cars that come through I-70. A friend of hers used to work at Best Buy and he said people don't know about what is on Wanamaker. She doesn't think the mall has done a great job at selling that and maybe JEDO should get involved. And maybe we should buy some billboards that would pay for themselves. From Manhattan to Topeka, from Kansas City to Topeka, how many people pass through and don't know. They know you can get off and get gas but there are all those extra things that we need to sell that and she would like to see us do that. When she is traveling she wants to get out and walk, get out and shop, get out and see what is out there and just coming through doesn't do us any justice at all.

Commissioner Cook stated he thinks those are some good comments, he also thinks Mr. Oetting with Visit Topeka has weighed in a lot. They do a lot of advertising. He knows he can't hardly watch TV without seeing about Topeka. It gives an exciting look about Topeka.

Councilwoman Ortiz stated it doesn't talk about Wanamaker, it talks about our functions but it doesn't talk about the corridor.

Mayor De La Isla would like to welcome back to Jackie Steele from GO Topeka.

NO FURTHER BUSINESS appearing the meeting was adjourned at 7:09 p.m.



Agenda Item No. 4

**JEDO Board Meeting
September 5, 2018**

ACTION ITEM: Approval of JEDO 2017 Financial Statements and Auditor's Report.

JOINT ECONOMIC DEVELOPMENT ORGANIZATION

Required Communications and Compliance Report
For the Year Ended December 31, 2017

Joint Economic Development Organization
Required Communications and Compliance Report
For the Year Ended December 31, 2017

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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, 2017. 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 12, 2017. 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. We noted no transactions entered into by the governmental unit 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. We assisted with the adjustments necessary in converting from the modified accrual basis of accounting used in the fund financial statements to the accrual basis of accounting used in the government-wide financial statements.

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 July 20, 2018.

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.

Other Matters

In planning and performing our audit of the financial statements of the governmental activities and major fund of JEDO as of and for the year ended December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered JEDO's internal control over financial reporting (internal control) as a basis for designing 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 JEDO's internal control. Accordingly, we do not express an opinion on the effectiveness of 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.

As part of our audit, we try to identify opportunities for improving the management of financial resources and for improving the internal controls over financial reporting. We are submitting, for your consideration, our observations and recommendations with regard to these matters.

Current Year Comment

Subsequent to year end, JEDO agreed to participate in a New Markets Tax Credits (NMTC) financing for the benefit of the East Topeka Learning Center project. JEDO agreed convey its ownership in the Menninger Army Reserve property to an affiliate of GO Topeka and made a leverage loan into the NMTC structure. These transactions will be reflected on JEDO's December 31, 2018 financial statements. We recommend that JEDO's management evaluate the financial reporting requirements of these agreements and related transactions.

Management's Response

Management is in the process of reviewing the NTMC agreements and transactions and evaluating the related financial reporting requirements.

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 Herd Vick & Co., P.A.

Overland Park, Kansas
July 20, 2018



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, 2017 and the related notes to the financial statements, which collectively comprise JEDO's basic financial statements, and have issued our report thereon dated July 20, 2018.

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 JEDO's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 Head Vick & Co., P.A.

Overland Park, Kansas
July 20, 2018

Joint Economic Development Organization

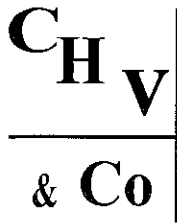
Basic Financial Statements
Together with
Independent Auditor's Report

December 31, 2017

JOINT ECONOMIC DEVELOPMENT CORPORATION

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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, 2017, 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, 2017, 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 July 20, 2018 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.

Cochran Head V&D & Co., P.A.

Overland Park, Kansas
July 20, 2018

Joint Economic Development Organization
Governmental Fund Balance Sheet / Statement of Net Position
December 31, 2017

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets			
Cash and cash equivalents	\$ 1,354,878	\$ -	\$ 1,354,878
Receivables:			
City of Topeka	1,642,799	-	1,642,799
Shawnee County	1,399,140	-	1,399,140
Property held for development:			
East Topeka Learning Center Project		423,509	423,509
Total Assets	<u>\$ 4,396,817</u>	<u>\$ 423,509</u>	<u>\$ 4,820,326</u>
Liabilities and Fund Balance/Net Position			
Liabilities:			
Accounts payable - City of Topeka	\$ 1,510,136	\$ -	\$ 1,510,136
Accounts payable - Shawnee County	1,635,980	-	1,635,980
Total Liabilities	<u>3,146,116</u>	<u>-</u>	<u>3,146,116</u>
Fund Balances:			
Restricted	<u>1,250,701</u>	<u>(1,250,701)</u>	<u>-</u>
Total Fund balances	<u>1,250,701</u>	<u>(1,250,701)</u>	<u>-</u>
Total Liabilities and and Fund Balance	<u>\$ 4,396,817</u>		
Net Position			
Restricted		1,674,210	1,674,210
Total net position		<u>\$ 1,674,210</u>	<u>1,674,210</u>
Total Liabilities and and Net Position			<u>\$ 4,820,326</u>
Reconciliation of the governmental fund balance sheet to the statement of net position:			
Fund Balance - Governmental Fund			\$ 1,250,701
Assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.			
Property held for development:			423,509
=			
Total Net Position			<u>\$ 1,674,210</u>

See accompanying notes to the basic financial statements.

**Joint Economic Development Organization
Governmental Fund Revenues, Expenditures and
Changes in Fund Balance / Statement of Activities
For the Year Ended December 31, 2017**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Sales tax contributed:			
City of Topeka	\$ 9,004,532	\$ -	\$ 9,004,532
Shawnee County	7,661,645	-	7,661,645
Interest income	27,695	-	27,695
Donated property held for development	-	423,509	423,509
Total revenues	<u>16,693,872</u>	<u>423,509</u>	<u>17,117,381</u>
Expenditures/Expenses			
Economic Development:			
Go Topeka	5,000,000	-	5,000,000
City of Topeka	15,443,324	-	15,443,324
Shawnee County	14,438,061	-	14,438,061
Project reimbursements:			
City of Topeka	446,769	-	446,769
Professional services and other	5,253	-	5,253
Total expenditures/expenses	<u>35,333,407</u>	<u>-</u>	<u>35,333,407</u>
Change in fund balance / net position	(18,639,535)	423,509	(18,216,026)
Fund balance/net position - beginning of year	<u>19,890,236</u>	<u>-</u>	<u>19,890,236</u>
Fund balance/net position - end of year	<u>\$ 1,250,701</u>	<u>\$ 423,509</u>	<u>\$ 1,674,210</u>

Reconciliation of the Governmental Fund Revenues,
Expenditures and Changes in Fund Balance
to the Statement of Activities:

Change in Fund Balance - Governmental Fund	\$ (18,639,535)
Revenues that do not provide current financial resources are not reported in the governmental funds:	
Donated property held for development	423,509
Change in Net Position - Statement of Activities	<u>\$ (18,216,026)</u>

**Joint Economic Development Organization
Notes To The Basic Financial Statements
December 31, 2017**

1. Reporting Entity and Summary of Significant Accounting Policies

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 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. The remaining sales tax receipts and project costs related to the sales tax expiring December 31, 2016 were distributed in 2017. The distribution amounts were \$9,844,171 to the City and \$8,372,168 to the County.

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.

**Joint Economic Development Organization
Notes To The Basic Financial Statements
December 31, 2017**

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.

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.

**Joint Economic Development Organization
Notes To The Basic Financial Statements
December 31, 2017**

Assets, Liabilities and Net Position or Fund Balance

Cash and Cash 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.

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 November 4, 2014 ballot language.

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, 2017, the fund balance of the general fund is restricted.

2. Deposits and Cash Equivalents

Cash and cash equivalents consisted of the following at December 31, 2017:

Demand deposits	\$ 1,000
Repurchase agreements	1,353,878
Total cash and cash equivalents	<u>\$ 1,354,878</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, 2017.

**Joint Economic Development Organization
Notes To The Basic Financial Statements
December 31, 2017**

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.

3. Economic Development Program

JEDO has entered into an 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 May 10, 2017, the agreement was again amended to extend the terms through December 31, 2020.

4. Property Held for Development - East Topeka Learning Center Project

In February 2017, JEDO acquired the Menninger Army Reserve property through assignment from GO Topeka. The acquisition of the property is part of an initiative to expand the educational services and programs within the Topeka area by establishing the East Topeka Learning Center (ETLC). In July 2017, JEDO entered into a Joint Education Agreement with GO Topeka and the Washburn Institute of Technology through Washburn University (Washburn) to provide education services and other programs at the ETLC. The ETLC proposed budget also includes environmental remediation, demolition costs, rehabilitation costs, and partnership funds for a total of \$6.5 million. At December 31, 2017, the total amount costs incurred in connection with the ETLC project was \$423,509.

5. Subsequent Events

JEDO has evaluated subsequent events through July 20, 2018, the date the financial statements were available to be issued.

Subsequent to year-end, JEDO participated in a New Markets Tax Credits (NMTC) financing for the benefit of ETLC. JEDO conveyed the Menninger Army Reserve property to a non-profit affiliate of GO Topeka specifically created to own and cause the operation of the facility in support of GO Topeka's mission for the property. JEDO also agreed to serve as leverage lender for the NMTC financing. The NMTC program permits investors in qualified projects in certain low-income communities to claim federal tax credits for making Qualified Equity Investments (QEI) in a designated Community Development Entity (CDE). The CDE must use substantially all of the proceeds to make Qualified Low-Income Community Investments (QLICs). The tax credits are claimed over a seven-year period and equate to 39% of the QEI.

GO Topeka created the GO Topeka ETLC Support Corporation, a Kansas nonprofit corporation, (the Corporation), as a supporting organization to own and operate ETLC. JEDO, along with GO Topeka and Washburn, terminated the Joint Educational Agreement discussed in Note 4. The Corporation then entered into a ten-year contract for services with Washburn to provide educational programming at ETLC in exchange for \$1.5 million in operating subsidy payments to be paid over the first two years of ETLC's operations.

As described in Note 3, JEDO has contracted with GO Topeka to provide services in support of JEDO's economic development program. GO Topeka agreed to return approximately \$4.5 million to JEDO to provide financing of the ETLC project. Using these funds, JEDO made the leverage loan to ETLC Investment Fund, a Delaware limited liability company, (the Fund) in the approximate amount \$4.5 million with interest at 1% annually and scheduled to mature in 2053.

Joint Economic Development Organization
Notes To The Basic Financial Statements
December 31, 2017

PNC New Markets Investment Partners, LLC, a Delaware limited liability company (PNC), made a capital contribution in the Fund in exchange for one hundred percent (100%) of Fund's membership equity interests.

Using PNC's capital contribution and JEDO's leverage loan, the Fund made the QEI, in accordance with the Internal Revenue Code of 1986 (the Code), in an amount equal to \$6.5 million to Partnerships of Hope XXI, LLC, a Missouri limited liability company (Partnerships) an affiliated Community Development Entity (CDE) of Raza Development Fund, Inc., a District of Columbia nonprofit corporation, which is eligible for NMTC in accordance with the Code.

Partnerships made certain loans to the Corporation in the aggregate original principal amount of \$6.5 million (collectively, the "QLICI Loans"), each of which is intended to constitute a Qualified Low Income Community Investment, as such term is used in Section 45D of the Code. Proceeds of the QLICI Loans will be used to fund ETLC and the payment to Washburn.

Other than the agreements described above, no other subsequent events were identified that required adjustment to or disclosure in the financial statements.



Agenda Item No. 5

**JEDO Board Meeting
September 5, 2018**

ACTION ITEM: Approval of Contract: Project Eagle

INCENTIVE AGREEMENT

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

GO TOPEKA:

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.
120 SE 6th Avenue, Suite 110
Topeka, KS 66603-3515
Phone: (785) 234-2644
FAX: (785) 234-8656
Contact Person/Title: Molly Howey, CECD, Senior VP,
Economic Development

BUSINESS:

[REDACTED]

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

WHEREAS, BUSINESS is contemplating locating a new commodity export business within Topeka, Kansas, and investing approximately Five Million Dollars (\$5,000,000) to acquire, build and equip a facility at [REDACTED] Topeka, Kansas; and

WHEREAS, in connection with such new business, BUSINESS is contemplating creating an estimated Sixteen (16) new full time

employment positions with an estimated average annual salary of \$60,000, over five (5) years; and

WHEREAS, GO TOPEKA desires to assist and promote BUSINESS by offering up to One Hundred Five Thousand Six Hundred Dollars (\$105,600) in employment incentives and Ten Thousand (\$10,000) in capital investment incentive; and

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

WITNESSETH:

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

1. **Local Employment Incentive**. GO TOPEKA agrees to provide to BUSINESS an employment incentive ("Employment Incentive") for new Full Time Employment Positions maintained by the BUSINESS for a calendar year, subject to the limitations and requirements below. To qualify for the Employment Incentives available pursuant to this Agreement, the new Full Time Employment Positions must have average annual compensation of at least \$60,000 per position, when averaged against all of the new Full Time Employment Positions. Each new Full Time Employment Position is eligible to receive up to \$6,600, paid in \$1,320 increments over five years upon maintaining the position for each of five consecutive calendar years.

As used herein, a "Full Time Employment Position" is an employee position that includes approximately 2,080 paid hours of service in Shawnee County, Kansas, during each calendar year.

Notwithstanding the foregoing if: (A) a new Full Time Employment Position is created before June 30 of a particular year (within the timeframe permitted in this Agreement); and (B) has at least 1,040 paid hours of service in Shawnee County, Kansas, in that same year; the position may qualify for the first incentive installment in the next year, but shall be required to be maintained for full calendar years thereafter to qualify for future incentive installments. To the extent incentives are claimed for these partial year positions, the compensation for those positions shall be annualized for purposes of determining the average compensation of all claimed new Full Time Employment Positions. For purposes of determining eligibility for Employment Incentives (and the amount thereof), compensation includes salary, bonuses or other cash incentives paid by BUSINESS to the Full Time Employment Position in a calendar year, but does not include benefits. Each position shall be eligible to receive health insurance benefits, at least part of the premiums of which are paid by the BUSINESS, and paid holiday and vacation leave. Nothing herein shall require that a Full Time Employment Position be held by the same person, nor shall this Agreement preclude BUSINESS from changing the title, purpose or utility of a position (as long as it meets the other requirements identified herein, including compensation). Each Full Time Employment Position must be one which has the BUSINESS withholding and paying all federal, state and local employment taxes attributable to the employee. More than one position cannot be aggregated to qualify for an Employment Incentive.

A Full Time Employment Position shall not fail to qualify for the Employment Incentive if the position is vacated (voluntarily

or otherwise) and BUSINESS is undertaking an open and active search and such position is filled within ninety (90) days after the vacancy during the calendar year. If the position is filled within that time at a qualifying salary, the vacancy will not preclude the availability of the Employment Incentive. (If unfilled for longer than ninety (90) days during a calendar year, the position will cease to qualify as Full Time Employment Position and will not be eligible for an Employment Incentive for that year).

Notwithstanding anything to the contrary herein, a maximum employment incentive available hereunder shall not exceed Twenty-one Thousand One Hundred Twenty Dollars (\$21,120) in any one year or One Hundred Five Thousand Six Hundred Dollars (\$105,600) in aggregate for the term of this Agreement. To qualify for an incentive, a new Full Time Employment Positions must be in place by June 30, 2023.

Installments of the Employment Incentive shall be available to be earned beginning on January 1, 2019, with the Employment Incentive installment relating thereto paid in the following year, and the last qualifying year (depending when a position was added) ending on December 31, 2027 (with the Employment Incentive relating thereto paid in the following year). The capital investment incentive of Ten Thousand Dollars (\$10,000) will be paid when BUSINESS provides proof to GO TOPEKA of its investment of approximately Five Million dollars in and/or at the Topeka facility located at 3611 NW 16th Street, Topeka, Kansas, but no later than December 31, 2019.

GO TOPEKA will endeavor to make an incentive payment by April 31 each year (beginning in 2020, and ending in 2024) for the

qualifying Full Time Employment Positions maintained for the entire previous calendar year; provided, however, that BUSINESS must first provide GO TOPEKA with sufficient documentation relating to such employment levels (as required elsewhere herein).

The parties recognize there may be some turnover and fluctuations in the BUSINESS' employment levels. Therefore, subject to the termination provision, a position may qualify for an Employment Incentive in one year after failing to qualify in a prior year.

For purposes of illustration, if BUSINESS adds ten (10) new Full Time Employment Positions receiving qualifying averaged and annualized compensation before June 30, 2019, BUSINESS would be eligible to receive an Employment Incentive installment in the amount of \$13,200 ($\$6,600/5 \text{ years} * 10 \text{ employees}$) in 2020 (if the positions were maintained as required through the end of 2019). If, for 2020 there were no changes except that there was the addition of another qualifying position (and the average compensation remained above \$60,000) BUSINESS would be eligible to receive \$14,520 in 2021. If in 2021 the average new Full Time Employment Position average compensation fell below \$60,000, then the BUSINESS would not be entitled to an Employment Incentive for that year.

2. **Employment Incentive Calculation Documentation.** When and as reasonably requested by GO TOPEKA, BUSINESS shall provide GO TOPEKA with state and federal employment, tax return and/or other information reasonably necessary to establish employment levels in Shawnee County, Kansas, for purposes of calculating Employment Incentives and monitoring BUSINESS's performance hereunder. GO

TOPEKA is granted the right to audit financial documents at any time during this Agreement. GO TOPEKA is granted the right to reduce payments made to the BUSINESS by amounts found to be improper, unauthorized or unsubstantiated. GO TOPEKA shall have sole authority in this regard and shall base its decision upon information submitted, including absence of documents to substantiate expenditure.

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

4. **Termination.** At such time as all possible incentives have been earned (or are no longer available), this Agreement shall be deemed terminated and GO TOPEKA shall not be required to make any further Employment Incentive payments to BUSINESS under this Agreement.

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

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

a. BUSINESS agrees to make every reasonable effort to use Shawnee County, Kansas-based vendors for the purchase or procurement of the machinery and equipment.

b. BUSINESS agrees to make every reasonable effort to use, if qualified, Shawnee County residents to fill the new Full Time Employment Positions in Shawnee County, Kansas.

c. BUSINESS shall provide prompt advance notice to GO TOPEKA of any material change in BUSINESS's ownership, control or management, including issues of insolvency or bankruptcy, or other material changes that could reasonably result in a default by BUSINESS under any agreement to which it is a party related to the matters set forth herein, or a change in the Full Time Employment Positions maintained in Shawnee County, Kansas.

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

e. This writing contains the entire agreement reached between the parties hereto with respect to the subject matter hereof, and may be amended only in writing, duly executed by all parties concerned.

f. 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.

g. Time is of the essence of this Agreement.

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

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

j. No failure by a party to insist on prompt performance by the other party of its obligations hereunder shall constitute a waiver of rights under the Agreement. Similarly, the waiver by a party of any breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach of that same or any other provision.

k. This Agreement may be executed in counterparts, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one agreement, which shall be binding upon and effective as to all parties.

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

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

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

o. GO TOPEKA's obligations hereunder are contingent upon approval hereof by Joint Economic Development Organization ("JEDO") and the continued funding of GO TOPEKA

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

p. In carrying out the terms and provisions of this agreement, BUSINESS shall not unlawfully discriminate against any employee, applicant for employment, recipient of service or applicant to receive or provide services because of race, color, religion, sex, age, disability, national origin or any other status protected by applicable federal or state law or local ordinance.

q. Every duty, right, or obligation contained in this Agreement imposes an obligation of good faith in its performance or enforcement. For the purposes of the

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

r. Nothing herein contained shall be construed or held to make any party a partner, joint venturer or associate of another party in the conduct of its business, nor shall either party be deemed the agent of the other, it being expressly understood and agreed that the relationship between the Parties hereto is and shall at all times remain contractual as provided by the terms and conditions of this Agreement.

s. The parties agree to execute and deliver such other documents, agreements or instruments as may be necessary or convenient to effect the purposes of this Agreement and to comply with any of the terms hereof.

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

"BUSINESS"



By: _____
Print Name: _____
Title: _____

"GO TOPEKA"

GROWTH ORGANIZATION OF
TOPEKA/SHAWNEE COUNTY, INC.

By: _____
Print Name: _____
Title: _____



Agenda Item No. 6

**JEDO Board Meeting
September 5, 2018**

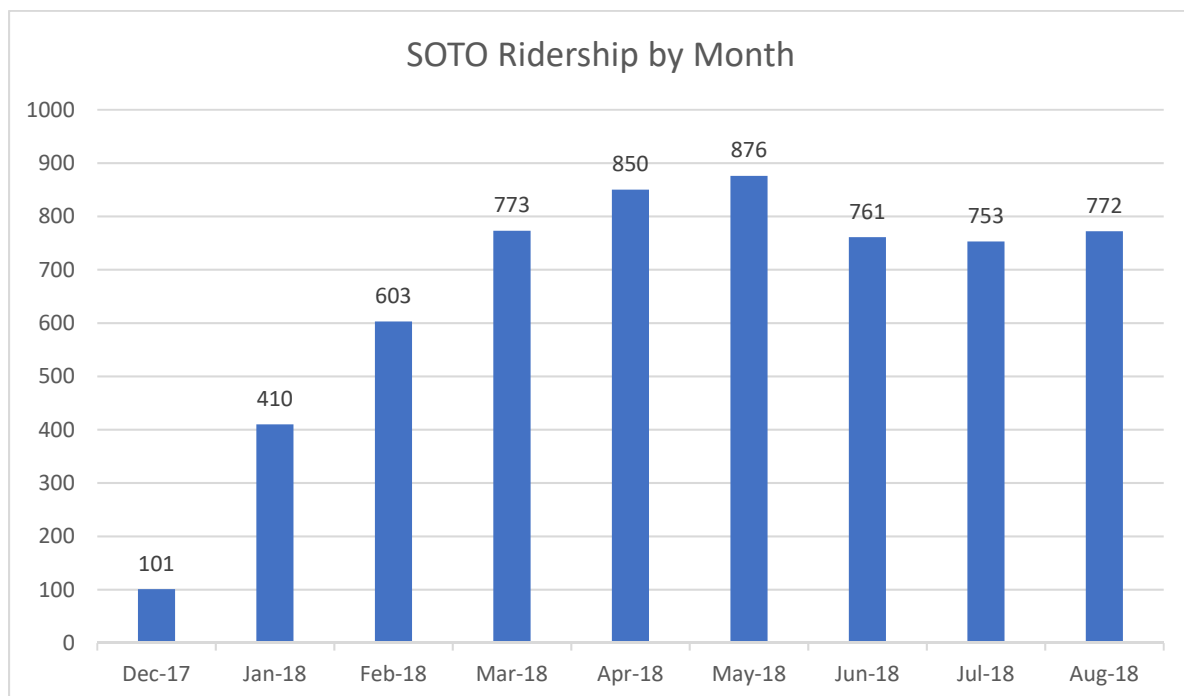
ACTION ITEM: Transportation Initiative

SOTO – South Topeka Workforce Transportation Solution

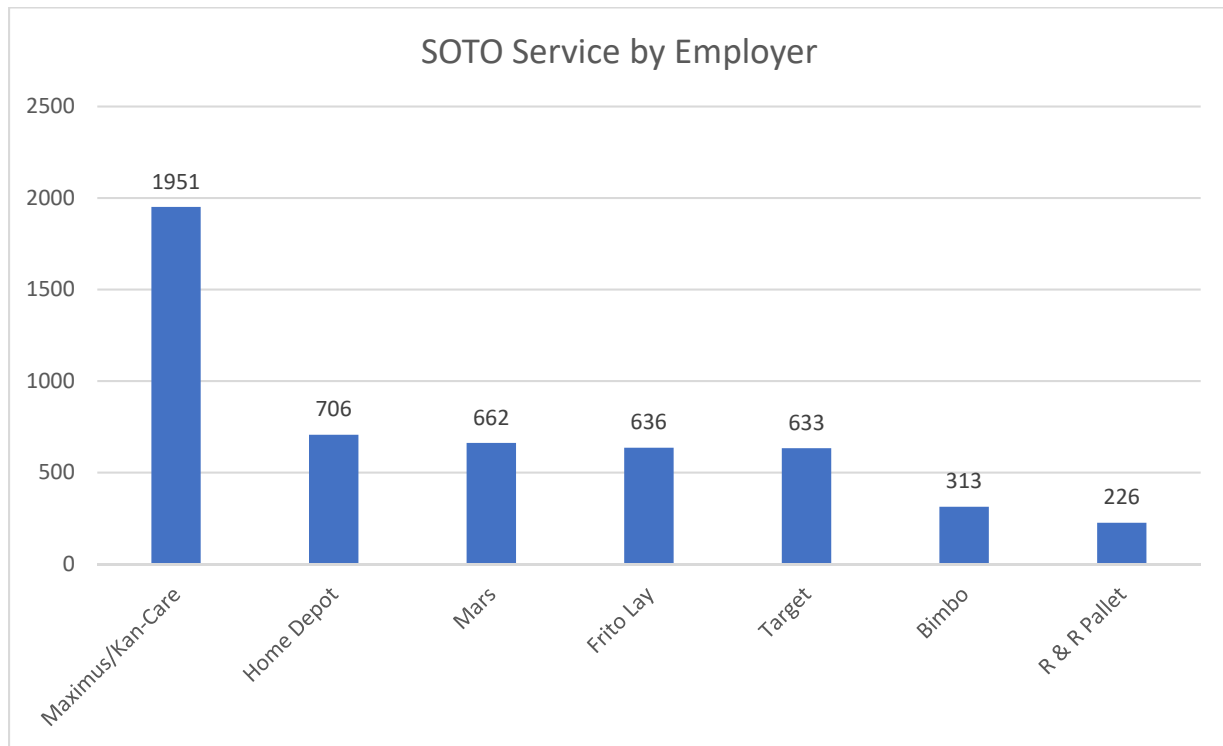
Phase 1 – the First Year of Service

SOTO service started December 15, 2017 to provide workforce transportation to large employers located along South Topeka outside of regular fixed- route bus service. Seven employers are part of the program: Maximus (Kan-Care), Home Depot, Mars, Frito lay, Target, Bimbo, and R & R Pallet. Through July 31st, 2018, over 5,000 trips have been provided either beginning or ending at one of these employers.

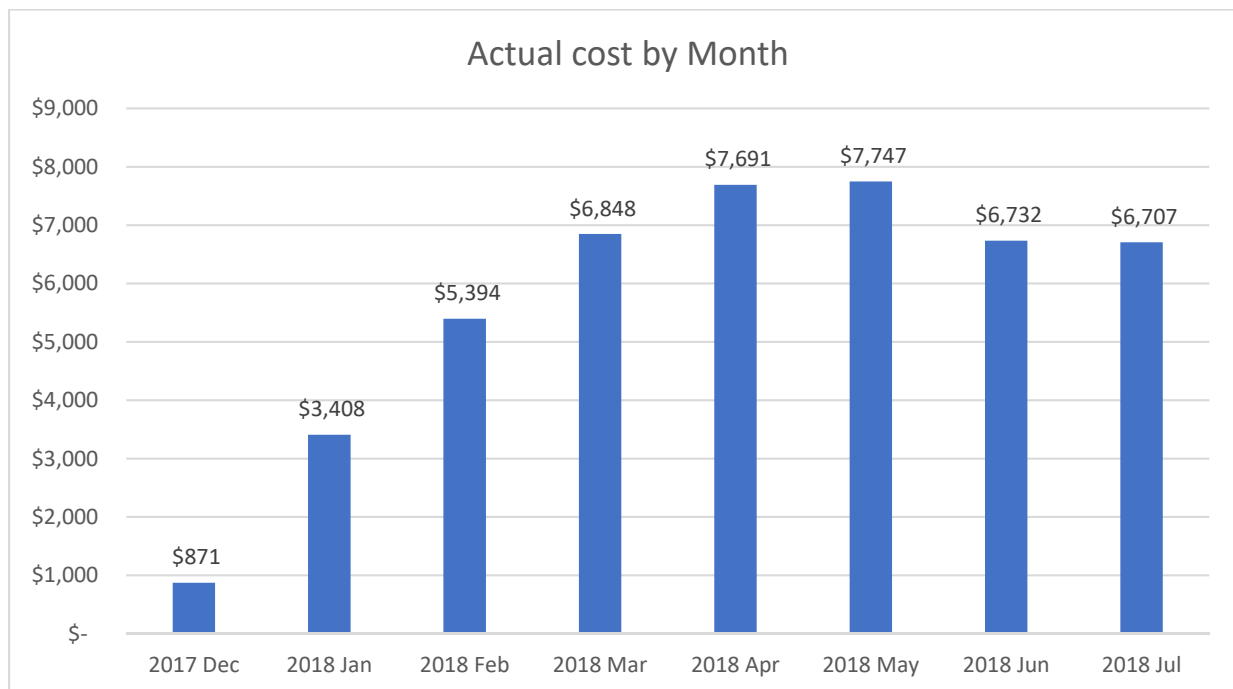
Ridership by month

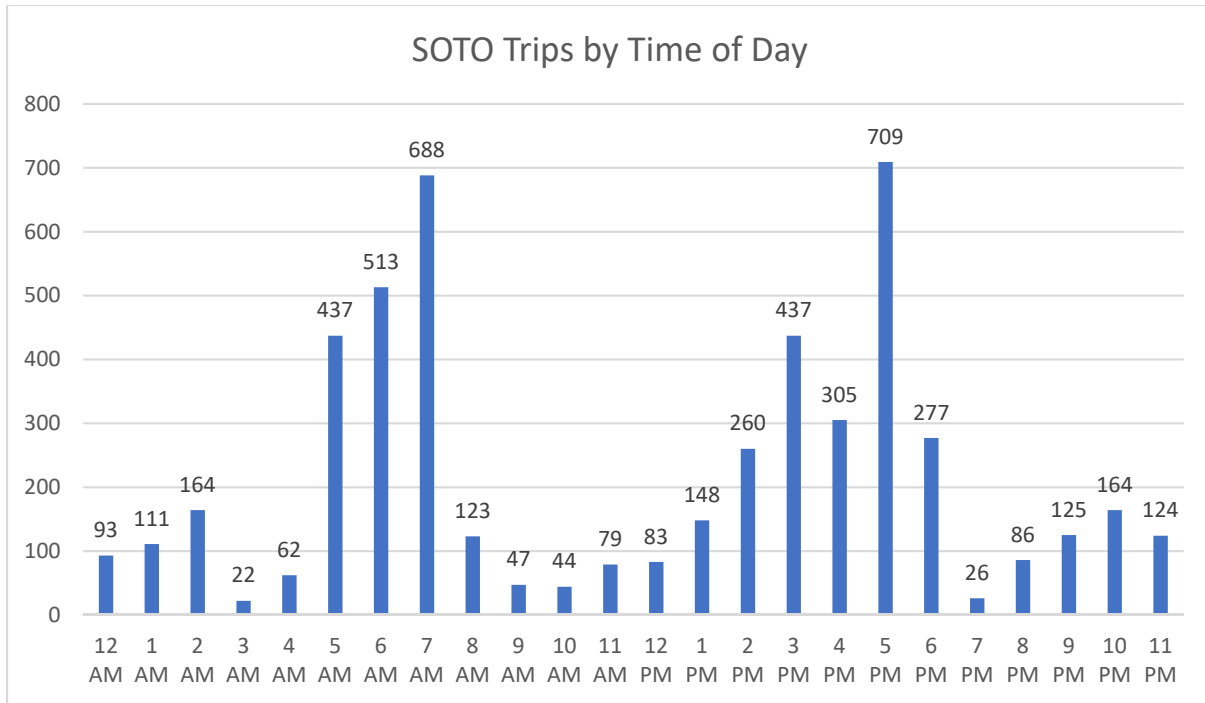


SOTO Service usage by Employer Location:

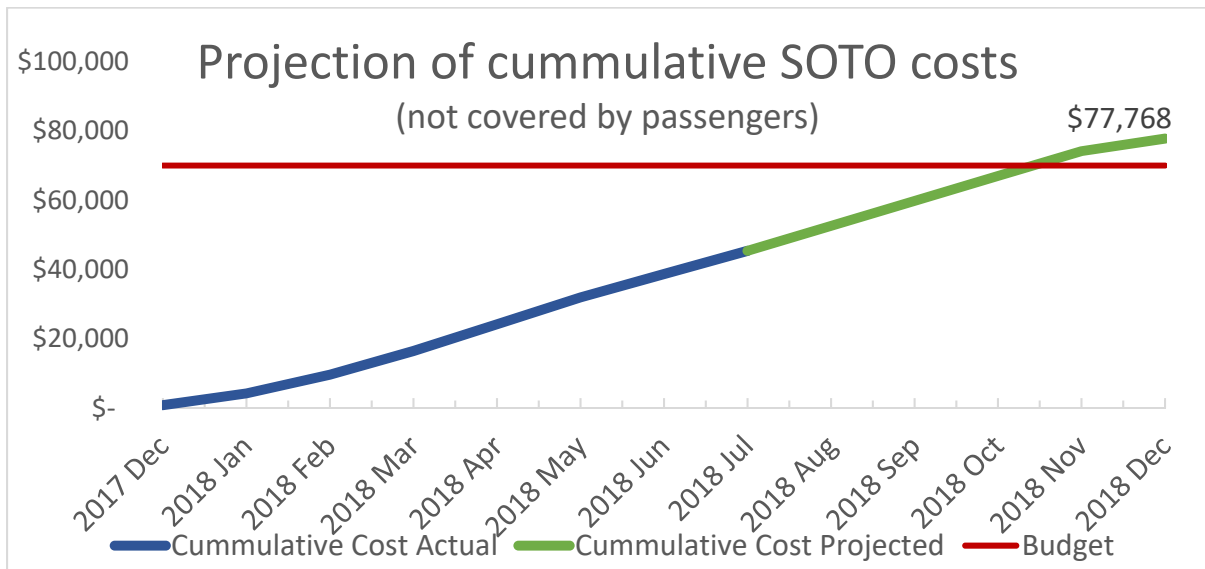


SOTO Expenses Not Covered by Passenger





Estimated Cost to Complete Service Through December 15, 2018



The original estimate of \$70,000 was very close to the projection of \$77,800 that it will take to fund the first year of service. In the first year, projected passenger contributions will be \$43,125.

An additional \$7,800 is needed to provide adequate funding to complete the first year's service.



Agenda Item No. 7

**JEDO Board Meeting
September 5, 2018**

PRESENTATION: GO Topeka Quarterly Report.



GO TOPEKA
785.234.2644
GOTOpeka.com
120 SE 6th Ave.
Topeka, KS 66603

COVER PHOTO:

There were plenty of events and programs that took place in the second quarter of 2018. From the top left to bottom right they were:

Pop-up Park on the Kaw, Forge Playground Hunt, Small Business Awards, TopCity Interns Concert, State of Community, Reser's Fine Foods Ribbon Cutting, Momentum 2022 Campaign Announcement, Pop-up Park on the Kaw



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KEY

Momentum 2022 focuses on five key elements to make Topeka & Shawnee County a better place to live, work, play and do business.



Develop Homegrown Talent



Create Vibrant & Attractive Places



Grow a Diverse Economy



Promote a Positive Image



Collaborate for a Strong Community



COMMON QUESTIONS

What is JEDO?

The Joint Economic Development Organization (JEDO) was established by an interlocal agreement between Shawnee County and the City of Topeka, Kansas, in 2001. The JEDO Board is comprised of 13 members. Voting members include the three Shawnee County Commissioners, City of Topeka Mayor and Deputy Mayor and two Topeka City Council members. Nonvoting members are the remaining six council members. JEDO is funded through the half-cent county wide retail sales tax established by the inter-local agreement and is to be used for economic development.

What is GO Topeka?

GO Topeka is the leader in creating opportunities for economic growth that provide a thriving business climate and fulfilling lifestyle for all residents of Topeka & Shawnee County.

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 & 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.

What is the Momentum 2022 Strategy?

Momentum 2022 is a comprehensive, actionable, and consensus-based plan to guide the community's collective actions in the years to come. Strategy development was funded by the Topeka Community Foundation, GO Topeka, Heartland Visioning, Topeka & Shawnee County Public Library and the United Way of Greater Topeka. The strategy seeks to make Topeka & Shawnee County a better place to live, work, play and do business. It addresses the full range of factors that influence the community's competitiveness, such as talent, education and training resources, infrastructure, business climate, quality of life and quality of place.

What is the purpose of this report?

The quarterly report to JEDO is a contractual requirement and a resource for the members and the community at large regarding economic development activities in Topeka & Shawnee County. Updates on each of GO Topeka's major initiatives are included here

- Business Attraction
- Business Retention & Expansion (BRE)
- Workforce & Education
- TogetherTopeka
- Forge Young Professionals
- Entrepreneurial & Minority Business Development
- 712 Innovations - Business Startup & Incubation
- The Topeka Subcenter of Kansas Procurement Technical Assistance Center (PTAC)
- Momentum 2022

How does all of this information about GO Topeka and JEDO relate back to Momentum 2022?

Conceived as a strategic plan for the economic development of Topeka & Shawnee County, Momentum 2022 and the work of JEDO are closely intertwined. The strategy takes a broad view of economic development in its inclusion of quality of life, community pride and quality of place. But the majority of its designated action items are from the realm of traditional economic development and every aspect of the plan, if achieved as envisioned, will make the area more competitive and make the work of GO Topeka's many initiatives easier to achieve.

How does all of this relate to the Greater Topeka Partnership?

The Greater Topeka Partnership seeks to enhance Topeka & Shawnee County as a desirable place to live, work, play and do business through community and business partnerships and by promoting the Momentum 2022 Strategy.

For more information, go to JEDOEcoDevo.com

TOPEKA & SHAWNEE COUNTY

VITAL STATS

Updated 7.16.18



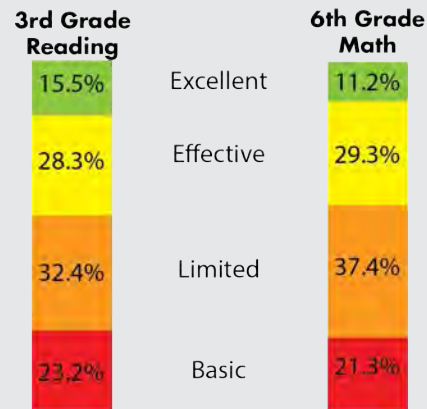
DEVELOP HOMEGROWN TALENT

GRADUATION RATE - FOUR-YEAR ADJUSTED COHORT FORMULA (ALL SCHOOLS 2016-2017)⁽¹⁾

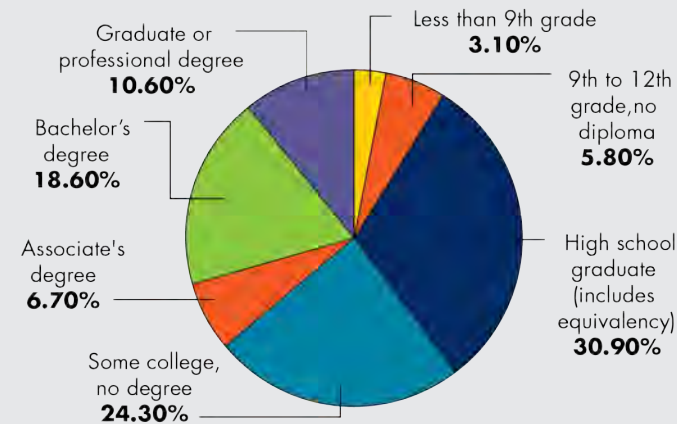
STATE OF KANSAS
86.9%

SHAWNEE COUNTY
84.7%

STUDENT-LEVEL METRICS IN SHAWNEE COUNTY (2017)⁽¹⁾



EDUCATIONAL ATTAINMENT IN SHAWNEE COUNTY (2016)⁽²⁾ (Population 25 years and older)



TECHNICAL CERTIFICATES (2017)⁽¹⁾

1,167
WASHBURN
INSTITUTE OF
TECHNOLOGY

33
RASMUSSEN
COLLEGE



CREATE VIBRANT & ATTRACTIVE PLACES

AARP LIVABILITY INDEX⁽³⁾

This score rates the overall livability of Shawnee County on a scale from 0 to 100. It is based on the average score of seven livability categories—housing, neighborhood, transportation, environment, health, engagement, and opportunity—which also range from 0 to 100.

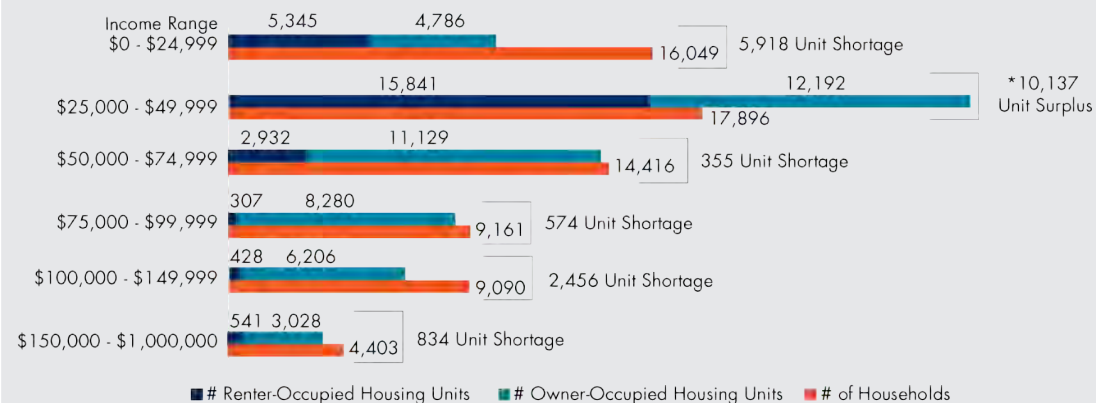


2022 Target: 58 AARP livability index

PEDESTRIAN FRIENDLY SHAWNEE COUNTY (2017)⁽⁴⁾



AFFORDABLE HOUSING ANALYSIS (2016)⁽²⁾



*The analysis does not account for age or quality of housing units, and there is the possibility that upper income households are likely outcompeting lower income households for the same housing units.

ATTENDANCE AT FESTIVALS AND EVENTS (2017)

572,625
PEOPLE

Ticketed event information provided by Kansas Expocentre, Topeka Civic Theatre as well as all Greater Topeka Partnership organizations. Crowd estimation of GTP operated festivals is calculated using the Jacobs Method.

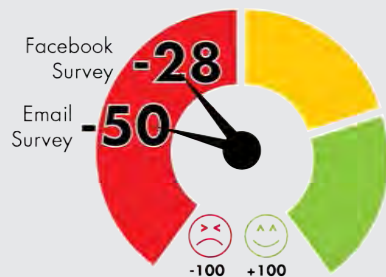
2022 Target: 664,000 people



PROMOTE A POSITIVE IMAGE

® NET PROMOTER SCORE (NPS) (2018)(7)

An index ranging from -100 to 100 that measures the willingness of customers to recommend a product or experience to others.

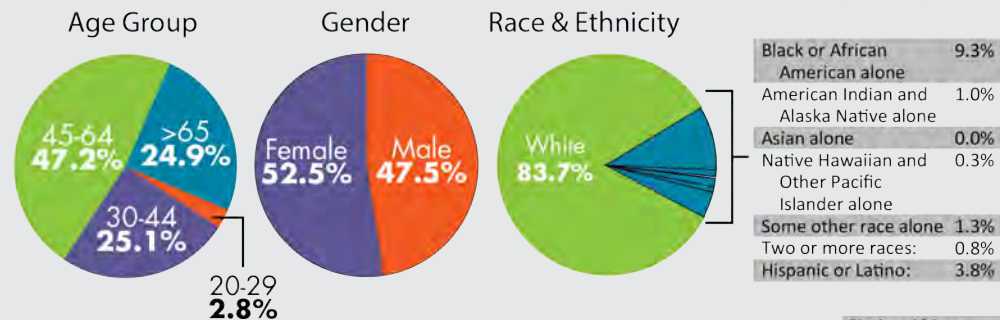


2022 Target: 0 NPS



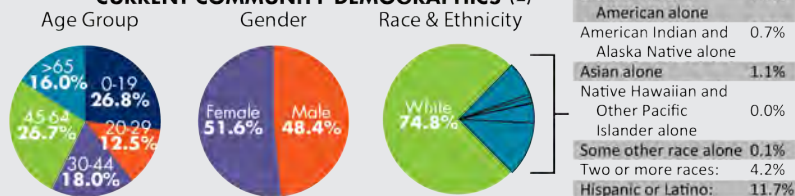
COLLABORATE FOR STRONG COMMUNITY

SURVEY RESULTS ON LOCAL NON-PROFIT BOARD DIVERSITY (2018) (7)



It is intended that non-profit boards are reflective of the community as a whole. To that end, the graphs above should mirror the graphs at right.

CURRENT COMMUNITY DEMOGRAPHICS (2)



PHYSICAL AND MENTAL HEALTH IN SHAWNEE COUNTY (2016) (9)



Average number of physically/mentally unhealthy days reported in past 30 days (age-adjusted)

INFANT MORTALITY RATE IN SHAWNEE COUNTY (2016)(10)



GROW A DIVERSE ECONOMY

SHARE OF EMPLOYMENT AT BUSINESSES LESS THAN 5-YEARS OLD (2017)(8)

6,564
PEOPLE WORK
AT A NEW
BUSINESS

2022 Target: 7,093 people

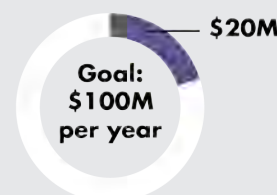
ANNUAL MEDIAN WAGE IN TOPEKA (2017) (6)

\$36,000

2022 Target: \$39,000

PRIVATE CAPITAL INVESTMENT IN SHAWNEE COUNTY (2018) (7)

Capital investment is the amount of money new or current businesses spend to create, expand or improve facilities. For this report, capital investment is captured by GO Topeka during regular communications with companies or when companies work with GO Topeka to receive an incentive for an investment. The numbers are self-reported and exclude the cost of maintenance. GO Topeka makes every attempt to gather this info for all companies in Shawnee County, however some will not be captured due to lack of awareness of the investment.



2022 Target: \$500M

TOTAL PRIVATE JOBS IN SHAWNEE COUNTY (2017)(5)

Private = Non-Government Jobs

75,408

2022 Target: 79,000 jobs

GLOBAL METRICS

GDP IN BILLIONS OF CURRENT DOLLARS (10)

\$10.048
BILLION
IN 2015

\$10.471
BILLION
IN 2016

Gross domestic product (GDP) is equal to the sum of personal consumption expenditures, gross private domestic investment, net exports of goods and services, and government consumption expenditures and gross investment.

2022 Target: \$11.500 GDP in billions of current dollars

NUMBER OF PEOPLE WORKING, BUT NOT LIVING IN SHAWNEE COUNTY (2015) (8)

37,123 OR 36.8%

2022 Target: 33%

PER CAPITA INCOME IN SHAWNEE COUNTY (2016)(10)

\$44,504

2022 Target: \$50,000

POVERTY RATE IN SHAWNEE COUNTY (2016) (11)

10.89%
TOTAL
POVERTY
RATE

14.11%
CHILD
POVERTY
RATE

2022 Target: 10%

Sources: **1** Kansas State Department of Education, **2** U.S. Census Bureau, ACS 5-Year Estimates, **3** AARP Livability Index, **4** City of Topeka Planning Department, **5** Quarterly Census of Employment and Wages, **6** Occupational Employment Statistics, **7** GO Topeka, **8** U.S. Census Bureau, Longitudinal Employer-Household Dynamics, **9** County Health Ranking, **10** Bureau of Economic Analysis, **11** U.S. Census Bureau, Small Area Income and Poverty Estimates

PROVIDED BY





Grow a
Diverse
Economy

BUSINESS ATTRACTION, RETENTION & EXPANSION

Business Attraction focuses on enticing new businesses and organizations to select Topeka & Shawnee County as their home, encouraging them to invest in the community as a viable place to grow. Marketing the community's assets and putting Topeka & Shawnee County in the best light possible during the site selection process are key components of business attraction.

Business Retention & Expansion's (BRE) role is to ensure existing Topeka & Shawnee County businesses have every opportunity to grow and thrive in the community. The BRE program utilizes a variety of tools and resources to assist the community's corporate citizens. Building strong partnerships with businesses supports the prosperity of the community's private sector while growing a more diverse economy.



Business Attraction

There are 29 new business projects in the pipeline for Topeka & Shawnee County. During June's special JEDO meeting, the organization approved incentives for Project Eagle, a new business planning to locate in Shawnee County and add 16 new jobs with an average salary of \$60,000 or higher. GO Topeka staff also hosted a group of international site selectors who were focused on food manufacturing in Topeka and showcased the many assets the region possesses related to the food industry. Business Attraction efforts continue to shift toward a more progressive and proactive approach utilizing data from proprietary databases that will allow staff to target messaging even more successfully.

Business Retention & Expansion (BRE)

JEDO approved GO Topeka to move forward with the sale of approximately 17 acres in Central Crossing Commerce Park associated with Project Arrow. The sale would accommodate an existing Shawnee County company looking to construct a new facility.

Reser's Fine Foods officially opened its new salad plant facility with a ribbon cutting in April. The project entails the construction of a new 320,000 square foot facility to accommodate an existing product line which was moved from an existing facility. The opening of the new plant represents a \$67 million capital investment and completion of Phase I. Phase II involves the complete remodel of the existing facility to increase production capacity and create 180 new jobs. The project, known as "Project Spencer", was approved for JEDO funds in fall 2016.

Business Attraction



29

Total Projects in the Project Pipeline



4

New Projects in Q2



2

Site Visits YTD

Business Retention & Expansion (BRE)



17

Total Projects in the Project Pipeline



1

New Project in Q2



11

Onsite Visits YTD

HELPFUL DEFINITIONS

Business Attraction

Recruits businesses to Topeka & Shawnee County

Business Retention & Expansion (BRE)

Helps to retain businesses in Topeka & Shawnee County

Project Pipeline

The projects Business Attraction and BRE are working on



JEDO ADOPTS POLICY TO PROMOTE QUALITY OF PLACE





The Joint Economic Development Organization (JEDO) adopted a resolution establishing a policy on June 18 for use of economic development funds to promote quality of place in Topeka & Shawnee County.

Quality of place consists of characteristics a community or region possesses that make it distinctive and attractive as a place to live, work or visit. It encompasses a community's environment, civic traditions, cultural amenities and recreational opportunities.

JEDO will establish a Quality of Place Fund to be used for specific projects that have been approved for funding by JEDO in an open public meeting with preference given to projects with multiple funding sources.

When considering awarding funding for a Quality of Place project, JEDO will consider some of the following criteria:

- Availability to the public
- Connection to public transit
- Enhances diversity and inclusion by reaching all demographics
- Sustainable funding source
- Project approved by public vote
- Measurable return on investment
- Complimentary to other community assets
- Improves aesthetics

The Quality of Place Fund will not be used to fund events in the community.





The 2018 Small Business Awards, hosted at Capital Plaza, took place on May 15. From left to right: TK Magazine, Bowser-Johnson Funeral Home, Century Business Solutions, Happy Basset Brewing Company, Let's Help, Inc. and Schendel Lawn & Landscape.



Grow a
Diverse
Economy



Collaborate
for a Strong
Community

ENTREPRENEURIAL & MINORITY BUSINESS DEVELOPMENT

Entrepreneurial and Minority Business Development ensures small businesses in Topeka & Shawnee County constantly receive the support they need to start, grow and sustain their businesses. Incentive programs, educational sessions and counseling are provided to help them flourish.

SMALL BUSINESS INCENTIVES



\$151,000

Incentives
Issued YTD



42

Incentives
Issued YTD



30

Currently in
Pipeline

FIRST OPPORTUNITY LOAN FUND



\$50,000

One Loan
Issued YTD



2

Requests in Pipeline
Totaling \$190,000

FASTTRAC NEW VENTURE



12

Students
Completed the
Course in Q2

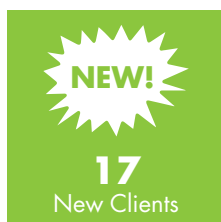
PTAC

(PROCUREMENT TECHNICAL ASSISTANCE CENTER)



Grow a
Diverse
Economy

PTAC was created by congress in the 1980s to assist businesses involved in government contracts. Today, Kansas PTAC assists qualified businesses in locating, obtaining and performing federal, state and local government contracts. Kansas PTAC is funded through a partnership that also includes Pittsburg State University, Johnson County Community College, Wichita State University and GO Topeka.



TOTAL CONTRACT AWARDS FOR KS PTAC SUBCENTER TOPEKA

(Service area covers 26 counties in NE KS)

\$2,733,316 = Federal
\$ 12,600 = State & Local
\$ 2,500 = SubCenter

\$2.8M CONTRACT AWARDS

SHAWNEE COUNTY CONTRACT AWARDS

\$1,334,918 of \$2.8M

53% of total contract award
goes to Shawnee County

SOCIO-ECONOMIC STATS ON CONTRACT AWARDS

Federal awards = number of contracts in the following
socio-economic categories:

25 = Small Disadvantaged Business
17 = Woman Owned Small Business
6 = HUBZone
32 = Service Disabled Veteran Owned Small Business

\$2.8M CONTRACTS AWARDED

THE RETURN ON INVESTMENT (ROI) CURRENTLY:

FOR EVERY \$1 JEDO INVESTS, IT GENERATES A \$40 RETURN

HELPFUL DEFINITIONS

HUBZone

A United States Small Business Administration (SBA) program for small companies that operate and employ people in Historically Underutilized Business Zones

JEDO ROI

Total contracted awards divided by \$70,000 (JEDO Investment in Kansas PTAC) = ROI



Entrepreneurial Quarterly Meet Ups provide innovators the opportunity to meet, collaborate and expand on ideas while getting out of the office setting. The June 7 event at Happy Basset had a wonderful turnout with even greater visionary thinking.



Grow a
Diverse
Economy

712 INNOVATIONS

COWORK | MAKERSPACE | INCUBATOR

712 Innovations' mission is targeted programs, resources and services that accelerate the successful development of start-up and fledgling founder operated small business entrepreneurs and entrepreneur teams building scalable high-growth businesses. 712 Innovations is the hub of the Topeka & Shawnee County entrepreneur ecosystem and works closely with its ecosystem and corporate partners to connect entrepreneurs with our network to accelerate knowledge, growth and revenue.

HELPFUL DEFINITIONS

Entrepreneurship Ecosystem

The social and economic environment affecting local/ regional entrepreneurs and entrepreneurial businesses. Topeka & Shawnee County's Entrepreneurship Ecosystem has 40 organizations working to provide financing, training, or resources to entrepreneurs at all stages of their ventures.

1 Million Cups Topeka

1MC TOP is a free networking event designed to engage and connect entrepreneurs with the greater business community. The first Wednesday (9 - 10 a.m.) every month, two startups present their business model in a friendly, fast-paced pitch session.

MakerSpace

MakerSpace combines manufacturing equipment and education for the purposes of enabling members to design, prototype and create manufactured works.

CoWork Space

Attractive to work-at-home professionals, independent contractors and workers whose career requires frequent travel.

712i Pre-Incubator

Supports nascent entrepreneurs by providing an office space for developing and testing a fledgling business idea. This most commonly occurs while working with the Washburn Small Business Development Center or GO Topeka's Entrepreneurial & Minority Business Development programs.

712i Incubator

A three month to two-year program for businesses in their late first or second stage. This program helps them scale up by providing goal analysis, dedicated focused mentoring and facilitated networking opportunities.

25

Entrepreneur
Meet up
Attendees

8

Entrepreneurs
Presenting at
1 Million Cups

PRE-INCUBATION ENTREPRENEURS

38

Makerspace
Entrepreneurs

67

CoWork Space
Entrepreneurs

29

Pre-incubation
Businesses



FORGE

YOUNG PROFESSIONALS

— TOPEKA —



Collaborate
for a Strong
Community



Grow a
Diverse
Economy



Develop
Homegrown
Talent



The mission of Forge is to attract and retain young talent. The viability of the community is dependent upon its ability to recruit, retain and train young talent. But the mission is not simply about the replacement of current workforce - it is about driving the innovation and creativity that moves us forward.



47
Events/Meetings
YTD



2,087
Members
YTD



1,253
Members Attended
Events YTD



The program was created to provide interns with a positive internship experience while investing in their future as professionals with the goal of retaining them in the community.



Develop
Homegrown
Talent



184
Interns



23
States



3
Countries



44
Universities



Develop
Homegrown
Talent

WORKFORCE & EDUCATION

Workforce & Education focuses on convening partners from schools and businesses to talk through their current and upcoming needs. As a result, schools can educate and train students to go from graduation to the workforce and companies and organizations get the satisfaction of hiring a locally-educated workforce.

EMPLOYMENT STATS

	CITY OF TOPEKA	SHAWNEE COUNTY	KANSAS
NUMBER OF JOBS	85,952	102,026	1,488,252
AVERAGE ANNUAL WAGE	\$44,500	\$44,500	\$44,900
LABOR FORCE PARTICIPATION RATE	49.84%	50.97%	51.80%
UNEMPLOYMENT RATE	3.6%	3.4%	3.3%
EMPLOYMENT- POPULATION RATIO	48.05%	49.26%	50.12%

Labor Market Statistics, Quarterly Census of Employment and Wages Program
Local Area Unemployment Statistics (LAUS)
Downloaded: 7/10/18

SOTO RIDE TO WORK

4,374 SOTO Trips to date	2,451 SOTO Trips April - June 2018
--------------------------------	--

HELPFUL DEFINITIONS

Labor Force Participation Rate

A measure of the active portion of an economy's labor force. It refers to the number of people who are either employed or actively looking for work.

Employment-population ratio

A measure of labor market strength; it is calculated by dividing the number of employed workers in an area by the total civilian non-institutionalized population aged 16 and over in that region.

SOTO

The SOTO (South Topeka) Ride to Work program is a pilot transportation initiative for South Topeka employers. This program helps remove transportation barriers for employees in the South Topeka corridor.



WASHBURN TECH EAST (ETLC PROJECT)

A special Joint Economic Development Organization meeting on June 18 provided approval of documents to complete the New Markets Tax Credits (NMTC) closing on July 18. Included was approval by JEDO to authorize the East Topeka Learning Center (ETLC) and to use NMTCs for the project. In addition, the newly created non-profit entity, GO Topeka ETLC Support Corporation, will manage the funds of the sales tax dollars and ensure compliance. GO Topeka sponsored the creation of the non-profit and will manage financial and operational support during the seven-year compliance period.

Construction at the site is well underway. Washburn Tech East has convened an Advisory Committee for the campus to provide insight into the changing needs of our community, industries and students. In addition, active outreach efforts are in process, with monthly updated postcards, social media, periodic media tours as well as fast fact sheets regarding programs. Billboards will be strategically placed, with fact sheets and billboards in both Spanish and English. Washburn Tech East's marketing will include presence at community events, including Fiesta Mexicana and Back to School projects, in addition to partnerships with neighborhood associations, churches and community leaders, including a Faith Community Advisory Committee to support and amplify outreach efforts.



Develop
Homegrown
Talent



TogetherTopeka is the brand creation of our collective impact initiative in the Momentum 2022 Strategy, incorporating all education and training providers, from cradle through career, non-profits, social service providers, faith-based organizations and the business community.



With the hiring of our Cradle Through Career executive director, Diann Faflick, as well as the development of our Leadership Council; Topeka & Shawnee County is well prepared to move forward in successful implementation of TogetherTopeka, a Collective Impact for Talent.

The key areas of focus to Develop Homegrown Talent include:

- Align the "Talent Pipeline"
- Ensure All Children Are Ready for Kindergarten
- Prepare Students for College and Careers
- Expand Continuing Education Options for Adults

By focusing on developing and retaining young talent, we will provide career pathways for our youngest population while assisting adults in furthering their education and acquiring new skills to continue to succeed in careers in our community.



Develop
Homegrown
Talent



Collaborate
for a Strong
Community



Develop
Homegrown
Talent

[included]

Backed by GO Topeka and the Greater Topeka Partnership, iNCLUDED aims to be the authority on diversity and inclusion within businesses and organizations throughout the region.

iNCLUDED hosted a panel discussion on supplier diversity for the Resource Forum in June. Attendees heard from Michelle De La Isla, Mayor of the City of Topeka; Amanda Kiefer, First Vice President and Director of Human Resources and Inclusion from FHLBank Topeka, Lazone Grays Jr. President/CEO of IBSA, Inc and Glenda Washington, Senior Vice President of Entrepreneurial Minority Business Development with GO Topeka. The afternoon was a compelling conversation not only on supplier diversity but the need for true inclusive prosperity within a community and positive outcomes for all. Forums like this provide training, support and an environment to further build relationships, partnerships and diversity, equity and inclusion support throughout the community.

HIGHLIGHTED UPCOMING EVENTS

Women of Influence Awards

August 23, 2018
Ramada Topeka Downtown

JEDO Meeting

September 12, 2018
City Council Chambers

Small Business Summit

September 18, 2018
Capital Plaza

State of Education

November 28, 2018
Location: Topeka Civic Theatre & Academy

Annual Kansas Financial Services Summit

September 26, 2018
Security Benefit

Intercity Visit – Chattanooga

October 17 – 19, 2018
Chattanooga, TN

GTP Business Expo

October 23, 2018
Ramada Topeka Downtown

Refresh Leadership Simulcast

October 24, 2018

Economic Outlook Conference

November 6, 2018
Washburn University;
Bradbury Thompson Alumni Center

Global Entrepreneurship Week

November 11-17, 2018

Women's Forum

November 15, 2018
Ramada Topeka Downtown

Shop Small Saturday

November 24, 2018

COMMUNITY COLLABORATION SPOTLIGHT



Create Vibrant
& Attractive
Places



Collaborate
for a Strong
Community

RIVERFRONT AUTHORITY & HEARTLAND VISIONING – ACTIVATE THE RIVER

There is so much FUN to have on the Kaw River!

Activities have been held to get some “first-timers”, and those more familiar, down on the Kaw.

Topeka’s First Annual Capital Paddle event was held on Saturday, May 26, 2018.

The interest and participation were amazing. Registration was closed early after becoming fully booked. The plans are to make this a larger paddle trip in the future, as kayaking continues to grow as a fun and inclusive outdoor activity in our community.

The Freedom Festival Pop-up Park on the Kaw, in collaboration with the Downtown Topeka Rotary Freedom Festival, was held on Saturday, June 30, 2018. A diverse and excited group experienced short canoe rides between the Kansas Avenue bridge to the Pop-Up Park on the north side of the river.

Activities such as short canoe rides, volleyball on the sand bar and horseshoes truly provided a great experience.

All activities were free and open to the public. Videos of the events can be on seen on the Greater Topeka Partnership’s website.

A big thank you to Eric Purcell & Robby Sachs, co-chairs of the River Activities, sub-committee along with John Hunter, chair, River Access in collaboration with the Riverfront Authority and many other volunteers, entities and organizations for making these activities successful.

Plans for the next potential river event, a Craft Your Raft activity at the 2018 Science and Tech Fest on October 13, 2018 are in their early stages. More details are forthcoming.

We look forward to more exciting happenings on the river in the future.



GREATER TOPEKA PARTNERSHIP STAFF

EXECUTIVE TEAM



Matt Pivarnik
President and CEO



Brett Oetting
EVP
President - Visit Topeka



Curtis Sneden
Chief Operating
Officer



Molly Howey
SVP - Economic
Development



Kayla Bitler
SVP - Momentum
2022



Vince Frye
SVP
President - DTI



Glenda Washington
SVP - EMBD



Natalie Zeller
SVP - Finance



Mary Ann Anderson
Assistant Manager -
EMBD



Rebecca Atnip
Executive Assistant



Andrea Bailey
VP - Administration



Mike Bell
VP - Sales



Hannah Burianek
Accountant



Rosa Cavazos
Director of Events



Megan Caudill
Executive Assistant



Paul Cervantez
District Maintenance
Specialist



Karen Lane Christilles
Executive Director -
712 Innovations



Michelle Cuevas-Stubblefield
Executive Director -
LGT



Liz Cornish
Assistant



David Corr
Equipment Technician
& Trainer -
712 Innovations



Rosemary Dahlgren
Digital
Communications
Director



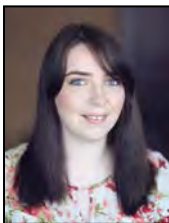
Glenda DuBoise
Community
Engagement
Coordinator



Kristi Dunn
PTAC Subcenter
Director



Diann Faflick
Executive Director -
TogetherTopeka



Nevada Fenton-Millis
Graphics Manager



Rhett Flood
Project Manager



Jared Hitchens
Project Manager



Matt Lara
Web Manager



Freddy Mawyin
Research Manager



Amy McCarter
VP - Communications



Jensen Simons
Copywriter



Gabriel O'Shea
Executive Director -
Forge



Kelsey Papps
Creative Director



Misty Pry
Sales Assistant



Kim Redeker
VP - Resource
Development



Liz Sage
Member Relations
Manager



Michaela Saunders
VP - Brand Strategy



Jessica Schenkel
Sales Manager



Ashlee Spring
Corporate Events
Manager



Barbara Stapleton
VP - Workforce &
Education



Jackie Steele
VP - Business Retention
& Expansion

GO TOPEKA BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

Keith Warta
Chair
Bartlett & West

Kurt Kuta
Secretary
CoreFirst Bank & Trust

Wendy Wells
Past Chair
U.S. Bank

Marsha Pope
Topeka Community
Foundation

Randy Peterson
Chair Elect
Stormont Vail Health

Scott Gales
Treasurer
Architect One

Matt Pivarnik
President/CEO
GO Topeka

ELECTED DIRECTORS

Don Beatty
Hill's Pet Nutrition, Inc.

Keith Warta
Bartlett & West

Matt Strathman
Strathman Sales Co.

Andrea Engstrom
ActionCOACH

Linda Briden
Sunflower Assoc. of Realtors

Wendy Wells
U.S. Bank

Liana Onnen
Prairie Band Potawatomi
Nation

Megan Jones
Jones Advisory Group

Jerry Ney
Aldersgate Village

Scott Gales
Architect One

Marsha Pope
Topeka Community
Foundation

Allen Moore
Frito-Lay, Inc.

Steve Anderson
University of Kansas Health

Kurt Kuta
CoreFirst Bank & Trust

Dan Foltz
KBS Constructors, Inc.

Shane Sommars
Briggs Auto

Randy Peterson
Stormont Vail Health

Doug Wolff
Security Benefit

Stephen Wade
Topeka CapitalJournal

Pat Tolin
McPherson Contractors

Madan Rattan
Topeka Investment Group

Oscar Santana
Big Heart Pet Brands

DIRECTORS APPOINTED AT-LARGE

Terry Bassham
Everyy

Treena Mason
Blue Cross Blue Shield

Wade Jueneman
McElroy's

Greg Schwerdt
Schwerdt Design Group

Alonzo Harrison
HDB Construction

Jim Klausman
Midwest Health

Gianfranco Pezzino
Shawnee Co. Health
Agency

DIRECTORS APPOINTED AT-LARGE

Michelle De La Isla
Mayor
City of Topeka

Shelly Buhler
Shawnee County
Commission

Eric Johnson
President
MTAA

Matt Pivarnik
President/CEO
GO Topeka

Mike Padilla
City of Topeka

Dr. Jerry Farley
President
Washburn University

Brent Trout
City Manager
City of Topeka



A Greater Topeka Partnership Organization



Prepared for JEDO
Joint Economic Development Organization



Agenda Item No. 8

**JEDO Board Meeting
September 5, 2018**

DISCUSSION AND ACTION: Washburn Tech East (ETLC Project)

- a. Construction Project Update
- b. New Markets Tax Credits Update
- c. **ACTION ITEM:** Washburn Tech East (ETLC Project) – consideration of Motion to transfer quarterly payments received by JEDO (as Leverage Lender Interest Income) to GO Topeka to be used for scholarships to attend Washburn Tech East (ETLC).



Washburn Tech East (ETLC Project) Update September 12, 2018

Barbara Stapleton, Vice President of Workforce & Education
Lalo Munoz, East Topeka Council, Advisory Committees

Design and Construction

The structure on the Washburn Tech East campus continues to take shape and progress. While there are various adjustments that occur during most construction projects, all parties involved continue to monitor progress, budget and completion schedules to ensure successful and timely completion for the community.

- Construction Management Field Report dated August 20, 2018, estimates 55.3% of completion
Current work in progress:
 - Structural steel addition
 - Much of drywall complete
 - EIFS installation continues
 - Plumbing – hydronic piping
 - Roofing install
 - Electric – pulling wire, making terminations at panels
 - Perimeter soffits added

Expenditures to date

Purchase of site and closing costs	\$251,909
Environmental studies and asbestos survey	\$22,250
12 month insurance premiums, 2017 and 2018	\$24,232
Attorneys fees (agreement, NMTC discussion, planning/zoning, market study review)	\$30,011
City of Topeka, stormwater utility fees, <i>project to date</i>	\$4,695
Property maintenance, <i>project to date</i>	\$6,145
<i>Sub total</i>	\$339,242
Bartlett & West, land survey, topography, zoning	\$10,663
Terracon, abatement design/support, bid solicitation, assessment, walkthrough, oversight	\$29,520
HTK Architects, design work	\$231,811
Ferrell Consulting	\$4,827
Champion Builders, paid by Shawnee County, reimbursed	\$511,033
Champion Builders, paid by Shawnee County to The Hartford Bond Co	\$605,339
Champion Builders, submitted to Shawnee County	\$586,939
	\$2,319,374

New Markets Tax Credits

The New Markets Tax Credits (NMTC) financing on behalf of the ETLC Project closed on Wednesday, July 18, 2018. The expected net benefit of \$1.39 million to the project from the tax credits by the end of the compliance period is higher than initially forecast. The fundamental structure has not changed, the newly created QALICB entity, GO Topeka ETLC Support Corporation, and Shawnee County will manage construction for the project and Washburn University through Washburn Tech East will be responsible for its operations. This is an exciting milestone in this project and brings our community that much closer to accomplishing completion of the Washburn Tech East campus.



Washburn Tech East Recruitment Report

Student recruitment for Washburn Tech East January 2019 class enrollment is open and active. Washburn Tech had a strong presence at Fiesta Mexicana and Black Expo community events. Informational meetings and material sharing have occurred with the Topeka Workforce Center, Topeka Housing Authority, Net Reach, and Childcare Aware. Quarterly meetings are scheduled with the Washburn Tech East Community Advisory Committee and the Washburn Tech East Faith-Based Advisory Committee.

Washburn Tech East will also participate in Clean Slate Day on September 21st. A Community Barbeque is scheduled onsite for October 12 and Washburn Tech East also plans to hold separate recruiting events with the Topeka Housing Authority.

Currently, hiring for Washburn Tech East is in progress. Applications have been received for both the career navigator/recruiter position as well as the administrative specialist. Hiring for maintenance and security will follow. Instructors are in place for all programs.

In addition, Student Orientation Days have been set for incoming students in the following programs at Washburn Tech East: Building Technology, Commercial Truck Driving, Healthcare, Adult Education, and ESL. Based upon student interest and pre-enrollment, Washburn forecasts that the student orientations will be well attended.

Orientation Dates

October 2, 2018

November 27, 2018

December 18, 2018

February 12, 2019

April 9, 2019



Shawnee County
Office of the County Counselor

JAMES M. CROWL
County Counselor

Shawnee County Courthouse
200 SE 7th Street, Ste. 100
Topeka, Kansas 66603-3932
Office: (785) 251-4042
Fax: (785) 251-4902
Email: counselors@snco.us

MEMORANDUM

TO: Kevin Cook, Chair, Board of Shawnee County Commissioners and the Joint Economic Development Organization (JEDO)

FROM: James M. Crowl, Shawnee County Counselor

DATE: September 5, 2018

RE: Washburn Tech East (East Topeka Learning Center Project)

A handwritten signature in blue ink, appearing to be "JC" or similar, written over the "FROM:" line.

Overview of Construction Contracts and Expenses

- 03/14/18 – JEDO awards contract to Champion Builders (Shawnee County to oversee construction contract)
- 03/15/18 – Shawnee County Contract C95-2018 with Champion Builders
- 04/02/18 – Shawnee County Contract C119-2018 with Trane (HVAC system)
- 04/23/18 – Champion Builders Change Order No. 1 approved
- 05/21/18 – Champion Builders Change Order No. 2 approved
- 07/30/18 – Champion Builders Change Order No. 3 approved
- 09/10/18 – Champion Builders Change Order No. 4 – pending approval
- 09/10/18 – Champion Builders Change Order No. 5 – pending approval

Champion Builders Original Contract Amount: \$3,183,235.00

- Change Order No. 1 – increase of \$1,298.00
- Change Order No. 2 – decrease of \$13,401.00
- Change Order No. 3 – increase of \$68,647.00
- Change Order No. 4 – increase of \$94,912.00 (to be separately funded by GO Topeka)
- Change Order No. 5 – increase of \$36,139.00

REVISED CONTRACT AMOUNT: \$3,371,306.12 (increase of \$188,071.12 overall less \$94,912.00 to be funded by GO Topeka = \$93,159.12 total contract increase to JEDO)

Champion Builders Applications for Payment

- Pay App #1 - \$92,763.83
- Pay App #2 - \$239,623.39
- Pay App #3 - \$178,345.78
- Pay App #4 - \$386,854.47
- Pay App #5 - \$218,484.81

Total Amount Paid/Approved: \$1,116,072.28

Trane Original Contract Amount: \$274,296.00

- No Change Orders to Date

Trane Applications for Payment

- Pay App #1 \$37,533.00
- Pay App #2 \$67,869.00
- Pay App #3 \$90,542.00
- **Total Amount Paid/Approved: \$195,964.00**

Of course, I will be in attendance at the JEDO meeting to answer your questions.

c: JEDO Board Members
Mary Feighney, Assistant City Attorney, City of Topeka
Jeff Wietharn, Legal Counsel, GO Topeka



Jeff White
Principal
913.312.8077
jwhite@columbiacapital.com

MEMORANDUM

07.18.18

Barbara Stapleton
GO Topeka

Congratulations! Our New Markets Tax Credits (NMTC) financing on behalf of the East Topeka Learning Center project (ETLC) closed today. The estimated cost of the construction of ETLC, the funding of the Washburn agreement and most of the future NMTC costs are now on hand at PNC Bank in accounts owned by the GO Topeka ETLC Support Corporation (QALICB).

SUMMARY

The table below presents our expected net benefit to the project from the NMTCs by the expiration of the seven-year NMTC compliance period. At \$1.39 million, the net benefit is higher than we initially projected.

East Topeka Learning Center Project

Projected NMTC Net Benefits
July 18, 2018 (Transaction Closing)

WITHOUT NMTCs		WITH NMTCs	
PROJECT SOURCES		PROJECT SOURCES	
Sales Tax/Other Local Sources	\$5,800,000	Sales Tax/Other Local Sources	\$4,412,921
NMTC Equity	-	NMTC Equity	2,281,500
NMTC Commitment Fees	-	NMTC Commitment Fees	(325,000)
TOTAL SOURCES	\$5,800,000	TOTAL SOURCES	\$6,369,421
PROJECT USES		PROJECT USES	
Acquisition	\$ 251,910	Acquisition	\$ 251,910
Construction+Contingency	3,634,172	Construction+Contingency	3,634,172
Soft Costs/PreDev/Legal	413,918	Soft Costs/PreDev/Legal	413,918
Washburn	1,500,000	Washburn	1,500,000
NMTC Costs	-	NMTC Costs	569,321
TOTAL USES	\$5,800,000	TOTAL USES	\$6,369,321

Columbia Capital Management, LLC • Subject to Change

NEXT STEPS

The fundamental business deal has not changed from where we started: GO Topeka, the QALICB and the County will manage construction of the project and Washburn will be responsible for its operations. We look forward to assisting you and your colleagues through the various “firsts”: first construction draw, first compliance report, first additional note to the financial statements, etc. Our experience with other clients is that this work quickly becomes routine and should not create a significant additional burden on your time.



Agenda Item No. 9

**JEDO Board Meeting
September 5, 2018**

ACTION ITEM: Community Broadband Task Force.

- a. Presentation/Report from the Committee
- b. Request for Approval of issuance of Request for Information (RFI)

Joint Economic Development Organization
Shawnee County and City of Topeka

Request for Information
Broadband Services

August 2018

Contents

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1 Summary

The Topeka and Shawnee County Joint Economic Development Organization (JEDO) seeks ways to improve broadband access throughout Topeka and Shawnee County. While parts of Topeka and Shawnee County currently enjoy access to broadband services meeting the FCC Baseline performance standard, many do not. The goal of this RFI is threefold:

1. Make available a minimum of 25/3 Mbps service to virtually all premises within the County – rural and urban alike.
2. Ensure that every household has access to a minimum of 25/3 Mbps service, especially households with school-aged children. In addition, the Program seeks to identify ways to allow households who may not be able to afford even reduced-price service access to home broadband.
3. Introduce gigabit services to parts of Topeka and Shawnee County that are currently well-served with broadband infrastructure.

JEDO invites interested parties to respond to this Request for Information in order to better understand how JEDO might be able to work with providers to build out service in unserved or underserved areas. Respondents may include internet service providers (ISPs) that currently serve residential or business customers, providers of wholesale services (such as transport) to ISPs, or organizations that operate programs to provide internet access to low-income populations.

2 Background and Introduction

Topeka and Shawnee County recognize that the availability of fast, reliable, affordable internet service is required to ensure its continued competitiveness in the 21st century. Broadband is essential infrastructure that supports business creation and growth; this leads to attracting and retaining young people and families in a community. Broadband is also critical infrastructure for a community: public safety, education, health care, and employment searches rely on reliable, performant broadband networks.

In 2013, the Intergovernmental Cooperation Council agreed to work on developing ways to ensure that reliable, high-speed internet access was available to the entire Topeka community. The City of Topeka and Shawnee County were selected as a pilot community to address high speed broadband service delivery by the Kansas Department of Commerce (KDOC) in August of 2014 as part of the Kansas Department of Commerce Statewide Broadband Initiative. As part of this selection process, KDOC commissioned an economic impact study of the installation of such a network on the City and County (the “2014 Impact Study”).

The next year, in 2015, Mayor Larry Wolgast convened a Broadband Task Force charged with developing an RFP for broadband consulting services. Managed by JEDO, the Topeka and Shawnee County Joint Economic Development Organization, the RFP sought responses from qualified companies to provide a road map to implementing the kind of reliable, high-speed broadband network that Topeka and greater Shawnee County require to remain competitive in the 21st century and beyond.

Following on that RFP process, JEDO selected Tilson as its broadband consultant. Tilson is a multispecialty consulting and telecommunications services company that designs, engineers, and builds telecom infrastructure and advises government clients on how to improve broadband access for their

citizens. It is not an internet service provider. The company was founded in 1996 and is headquartered in Portland, Maine, with 17 offices around the United States.

Working with Tilson, JEDO has embarked on a multi-phase program to identify the parameters for a public-private partnership in order to bring broadband access to the parts of Topeka and rural Shawnee County that lack it. In Phase 1, completed earlier in 2018, Tilson validated the CostQuest economic model for fiber to the premise and confirmed with the JEDO board that the price associated with an all-FTTP solution greatly exceeded the City or County's capacity and willingness to take on.

The current phase, of which this Request for Information (RFI) is part, is to gather more concrete details from internet service providers on the exact parameters a public-private partnership could take that would make it attractive for them to offer service in unserved or underserved areas of Topeka or Shawnee County. Depending on the results of this RFI, JEDO may release a Request for Proposals to select formal proposals. It may also choose to enter negotiations directly with one or more respondents to this RFI.

2.1 Previous Report and Project Website

The project's website is hosted by the Topeka & Shawnee County Public Library, at <https://tscpl.org/community-broadband>. Tilson's presentation to the JEDO board in May 2018 is available on that page.

3 Response Process and Requirements

3.1 Schedule

Following are key dates and contacts for this RFI. JEDO and Tilson are here as resources for respondents in this process.

Item	Date
RFI Released	31 August 2018
Questions Due	28 September 2018
Answers to Questions Posted	12 October 2018
Responses Due	26 October 2018

3.2 Point of Contact

The main project contact for this RFI is:

David Radin
dradin@tilsontech.com
(207) 358-7443

Please direct all correspondence to him via email.

3.3 Response Submission

Responses should be in searchable PDF form and submitted via email to the contact above. If your response package exceeds the mailbox's allowed size, feel free to break it into multiple emails.

3.4 Confidential Information

If your response contains confidential information or trade secrets, please provide a separately identified PDF file with such information redacted and mark it “Public Copy” on the title page. The burden to identify and withhold from the Public Copy any trade secrets, commercial or financial information, shall rest with the respondent.

4 Post-RFI Process

JEDO will review responses to this RFI and determine next steps based on the responses received. In reviewing responses, JEDO will consider:

- a. The likely ability of the respondent to meet the requirements outlined in Section 6
- b. The quality of service the respondent is likely to be able to offer residents and businesses as part of a public-private partnership
- c. The respondent’s experience and qualifications
- d. The likely and potential cost to each involved public partner in entering into a public-private partnership
- e. The likely and potential cost to end users to receive services as offered under a public-private partnership
- f. The technical feasibility of the respondent’s proposal
- g. The level of ongoing oversight and responsibility required of each involved public partner under a potential public-private partnership
- h. The long-term ability of public partners and/or end users to have influence on the quality, availability, and cost of broadband services

Based on the responses received, JEDO will likely choose to issue a formal Request for Proposals. However, it reserves the right to negotiate with one or multiple respondents and request changes to their responses to arrive at a mutually satisfactory agreement, or to pursue a different course.

While JEDO plans on proceeding with the development of public-private partnership(s) with one or more suitable respondents, it reserves the right to discontinue these efforts if it determines this to be in JEDO’s or the project’s best interests.

5 Summary of Existing Broadband Services

This section provides a high-level overview of the current broadband services landscape in Topeka and Shawnee County. It is not meant to be an exhaustive list but rather to provide the reader with a sense of the current available service levels. Six providers currently offer services in and around Topeka and Shawnee County. They are summarized in the below table.

Table 1 — Current Broadband Providers in Shawnee County

Company	Technology	Areas Served
AT&T	DSL	Portions of Shawnee County
CenturyLink	DSL	Portion of northwest Shawnee County
Cox	Hybrid Fiber-Coax	Topeka, adjacent suburbs, and Silver Lake
Kwikom	Wireless	Parts of Shawnee County south and northwest of Topeka
Mercury Wireless	Wireless	Portions of rural Shawnee County
Wamego Telecommunications	Hybrid Fiber-Coax	Northwestern corner of Shawnee County

The below map shows the different study areas that had been previously modeled for new service deployment by CostQuest and Tilson. Topeka is the gray section in the middle.

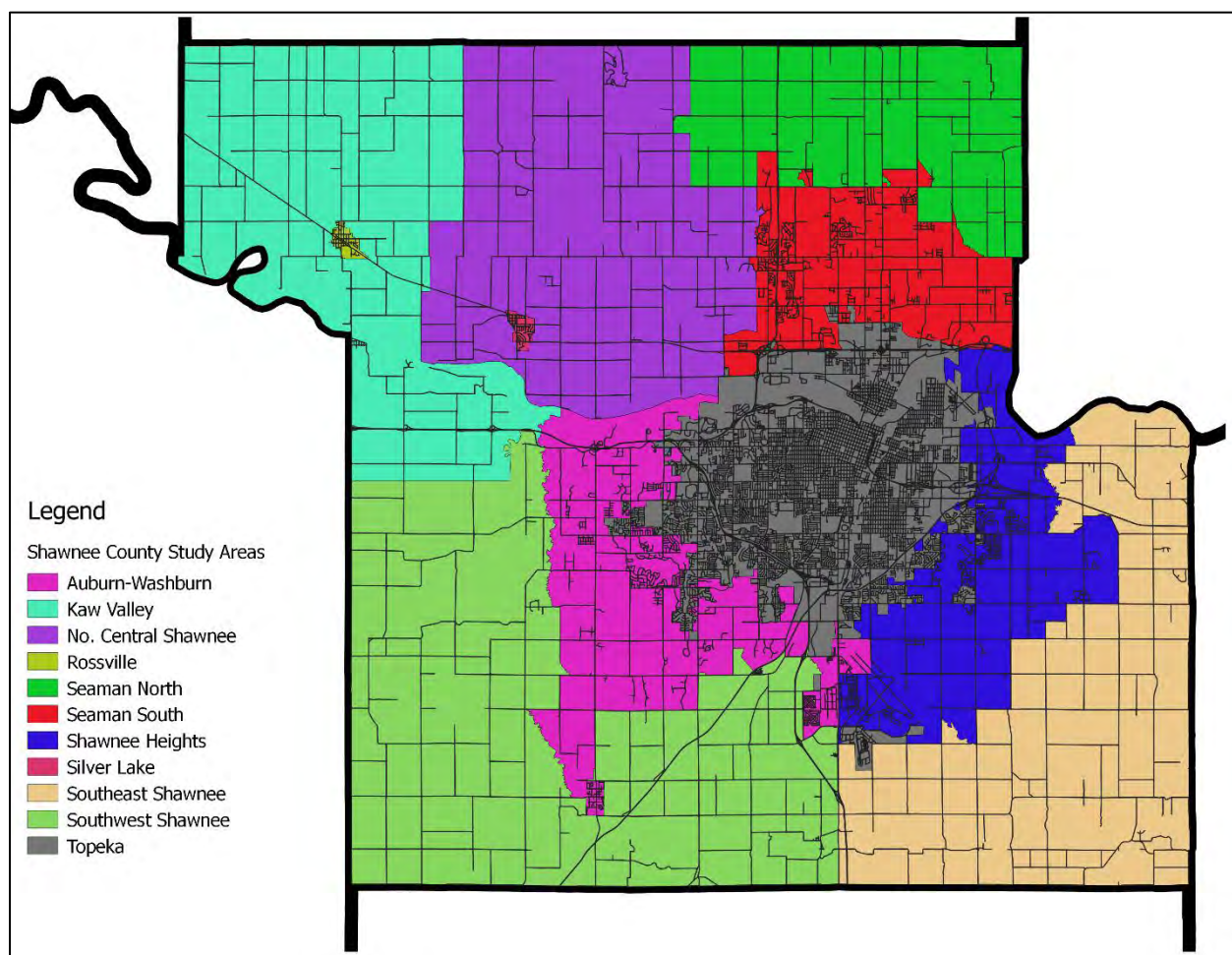


Figure 1 — Shawnee County Study Areas

In general, based on current service levels, the Program considers each zone served with a minimum 25/3 Mbps as shown in Table 2.

Table 2 — Study Area Service Levels

Served	Unserved
Topeka	Kaw Valley
Auburn-Washburn	North Central Shawnee
Seaman South	Rossville
Shawnee Heights	Seaman North
Silver Lake	Southeast Shawnee
	Southwest Shawnee

6 Program Goals

In general, the Program seeks to bring affordable broadband to all areas that currently lack access to at least 25/3 Mbps service, while promoting gigabit services in areas that are currently otherwise well-served. It also looks to ensure that school-age children throughout Topeka and Shawnee County have access to broadband services at home that are adequate to complete schoolwork. The JEDO board has summarized its goals for the program in Figure 2. Providers are welcome to submit responses that address any of the goals.

<p>1. Bring broadband service to unserved parts of Topeka / Shawnee County</p> <p>a) Solutions must <i>at least</i> meet this minimum definition of “served”:</p> <ul style="list-style-type: none"> Performance: at least 25 Mbps download / 3 Mbps upload and low latency (FCC “Baseline” performance tier) Data caps are at least comparable to services generally available in Topeka The price of a “Baseline” service tier is comparable to services generally available in Topeka for residential and small business users. <p>b) Solutions are <i>preferred</i> if they can offer faster speeds, lower latency, or larger data caps with no or relatively low increases in prices or required support</p>	<p>2. Digital Inclusion: Share the benefits of broadband improvements as widely as possible</p> <p>a) Ensure that less advantaged neighborhoods in the City and County have access to broadband service meeting the definition of “served” or better</p> <p>b) Ensure that all school-aged children have at-home access to adequate broadband for educational purposes, regardless of their parents’ ability to pay</p> <p>c) Provide assistance to low-income families to obtain access to broadband service</p> <ul style="list-style-type: none"> Even if they do not live in a location where an existing program provides assistance That provides at least “Baseline” performance Even if they do not meet the qualifications of an existing program, or cannot afford the reduced rate offered. <p>d) Ensure that less-advantaged neighborhoods in the City or County have access to higher-performance broadband services as they become available</p>	<p>3. Spur the introduction to the Topeka / Shawnee County region of “Gigabit” services</p> <p>a) Services are preferred that perform at a level that would meet the FCC’s “Gigabit” performance tier</p>
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Core Goals

Stretch Goals

Figure 2 — Broadband Program Goals

Another way to state the program goals is by current service levels, as shown in Table 2. For areas that are currently unserved, the Program would seek solutions that are at least 25/3 Mbps, with a preference for greater speeds. In all areas, the Program would look for solutions to increase the availability of gigabit-class services.

Secondly, the Program seeks to promote digital inclusion: ensuring that everyone has the opportunity to access to at least 25/3 Mbps service. To that end, respondents are asked to propose solutions that include what JEDO can do at low or no cost to itself in order to make these areas more attractive for providers to invest in.

Since the purpose of this RFI is to better understand the parameters under which ISPs might build out service in Shawnee County to achieve the Program’s goals, an important aspect of responses will be

financial assistance required. JEDO is most interested in one-time “shot in the arm” assistance that allows an operator to self-sustain the resulting network. It prefers this financial assistance to target creation of long-lived assets (e.g. fiber, conduit, towers/poles).

7 Potential Incentives

JEDO is open to discussing a variety of monetary and non-monetary incentives. It has not decided on any particular incentives or ruled any out, though it has a strong preference that monetary incentives paid for with public funds should be one-time-only and not ongoing subsidies. Types of incentives that JEDO is seeking comment on include both ones that JEDO can provide directly and others that another local government agency would be able to provide, but that JEDO could facilitate with that agency:

Financial

- One-time capital assistance. This incentive would involve a one-time payment to an ISP to ensure it has the capital to build network infrastructure
- Assistance identifying funding sources, such as local grants, matching funds, or private equity
- Bulk-purchasing agreements for low-income residents to support digital inclusion

Other Assistance

- Access to real estate, such as towers, water towers, buildings, or City/County-owned property or rights-of-way
- Franchise agreements with local jurisdictions, potentially for right of way access
- Assistance securing pole licenses from pole owners
- Streamlined permitting process to reduce time and complexity of securing County- or municipally-granted permits
- Assistance with presubscription campaigns to identify areas of committed new subscribers
- Obtaining EBS spectrum from schools
- Assistance identifying local people to hire as field technicians, project managers, or other staff

The above lists are not meant to be exhaustive, but rather to provide a set of possible incentives JEDO or other governing bodies might consider. JEDO welcomes other suggestions from respondents.

7.1 Sample Scenarios

It may be helpful for respondents to consider these three scenarios as possible ways JEDO and a given ISP might proceed. These are just samples, and do not represent any actual incentives or decided plan from JEDO.

7.1.1 Scenario 1 – No Financial Support

In this scenario, a given ISP would build out either wireless service in rural Shawnee County, or gigabit fiber to the home in already-served areas of Topeka. JEDO would provide only non-financial support, such as a streamlined permitting process, access to publicly-owned towers, and a presubscription campaign.

7.1.2 Scenario 2 – Capital Cost Grant Only

In this scenario, a given ISP would build out either wireless service in rural Shawnee County, or gigabit fiber to the home in already-served areas of Topeka and/or Silver Lake. JEDO would arrange for a capital grant to cover a portion of the network construction cost, but would not provide other assistance.

7.1.3 Scenario 3 – Non-Financial Support with Loan

In this scenario, a given ISP would build out either wireless service in rural Shawnee County, or gigabit fiber to the home in already-served areas of Topeka and/or Silver Lake. JEDO would provide non-financial support, such as assistance securing pole licenses or EBS spectrum and access to towers or conduit. It would also provide a loan to ISPs to provide working capital until their networks were up and running.

8 Response Information

8.1 Requirements

Responses should clearly articulate an approach to achieve as many of the Program goals as possible, as shown in Figure 2 on page 5. If a respondent wishes to limit geographic scope of their solution, such as proposing to build out service in only a certain rural part of Shawnee County, then they should clearly describe the limit and explain what kind(s) of additional incentives would allow them to build to areas not otherwise considered.

8.2 Outline

Respondents are asked to use this outline in preparing their responses. If a question is not applicable, please note it in your response. The purpose of this questionnaire is to get a better understanding of ways to create mutually beneficial partnerships between local government and organizations that can improve access to broadband in Topeka and Shawnee County. Questions are numbered for convenience.

8.2.1 Company Information and Current Services

1. Describe your company's background.
2. What portion(s) of Kansas and surrounding states do you currently serve?
3. What portion(s) of Shawnee County do you currently serve, if any?
4. How many total residential customers do you have? How many business customers?
5. What technology or technologies do you use to provide broadband service (FTTH, wireless, HFC, etc)?
6. What are your current service tiers and pricing?
7. Do you enforce data caps? If so, how are they structured?
8. What equipment are customers required to purchase or rent, and what are the associated costs?
9. Do you charge installation fees? If so, how much?
10. Do you provide VOIP service?
11. Do you provide TV service with a similar user experience to that of cable TV (i.e., not over-the-top streaming)?
12. Has your company participated in other incentive programs to expand coverage or increase speeds? If so, what are some examples?

13. Does your company currently offer a low-cost option for low income households? If so what are the low-cost service tiers, data caps, and prices?

8.2.2 Expansion Requirements into Shawnee/Topeka

Please describe both your ideal and acceptable parameters on the following aspects, in order to achieve your proposed solution. The RFI is asking respondents to comment on conditions required to provide gigabit service and to build out service where none currently exists. In your response, please indicate which condition you are responding to. It is not required to propose both conditions.

14. Existing providers

- 14.1. If you currently provide service in Topeka or Shawnee County, what are your existing service levels and geographic reach?
- 14.2. If you currently provide service in Topeka or Shawnee County, what are your plans for network expansion or service enhancement?
- 14.3. If you currently offer services in Topeka or Shawnee County, how many employees do you have within Shawnee County?

15. Demographics

- 15.1. What is the minimum population density (e.g., premises passed per mile) that you require to build service without financial assistance?
- 15.2. What minimum take rate do you typically require in order to build service without financial assistance?
- 15.3. If you do not currently serve Topeka or Shawnee County, would you propose to hire a certain minimum number or percentage of local employees to support new services? How would you approach deciding how many local employees to hire?

16. Technical

- 16.1. What bandwidth/transport requirements would you have, either per subscriber or in general for a given number of subscribers?
- 16.2. How much spectrum would you require to provide service, if applicable? What bands would you use? Would you require assistance in securing spectrum rights? If so, what kind of assistance?
- 16.3. How do you propose to handle equipment upgrades? What is the upgrade path for your proposed solution?
- 16.4. How do you reinforce your network to support higher speeds and utilization?

17. Ownership model

- 17.1. Whom would you expect to own fiber laterals and/or drops?
- 17.2. Whom would you expect to own wireless equipment?
- 17.3. Whom would you expect to own towers?
- 17.4. Whom would you expect to own other network assets?
- 17.5. Under what circumstances would you be willing or able to use transport or assets owned by another entity?

18. Financing

- 18.1. Taking into account the above parameters, under what circumstances would you self-finance your proposed solution?
- 18.2. Taking into account the above parameters, under what circumstances would you seek financial assistance?

- 18.3. How would different levels or types of assistance influence your willingness to build out new service?
19. Rights of way
 - 19.1. What policies and/or administrative processes would you seek in order to deploy service?
 - 19.2. What policies and/or processes have you worked with in the past that you found reasonable or unreasonable?
 - 19.3. Please describe your real estate needs to build out service. What kind of assistance would you ask of JEDO?
20. Presubscription
 - 20.1. Do you currently use a demand aggregation or presubscription process? If so, what thresholds do you require for building out service?
 - 20.2. How do you establish the target areas and presubscription goals?
 - 20.3. Would you commit to build-outs in Shawnee County or Topeka if targets were met?
 - 20.4. Whether or not you currently use presubscription campaigns, would you be willing to do so in Topeka and Shawnee County? Is there a process or program you prefer?
21. Geography
 - 21.1. Which specific area or areas do you think it feasible to build out service in from a business standpoint, without financial assistance?
 - 21.2. Which specific area or areas do you think if feasible to build out service in from a business standpoint, with financial assistance?

If you would propose a wireless solution, also indicate:

22. Minimum number of customers required per base site for you to deploy new service without financial assistance
23. Whether you would be willing to deploy new base sites to serve a lower number of customers than the above minimum, and if so, what kind(s) and amount of assistance you would require
24. Your willingness to receive support in the form of low- or no-cost access to long-lived assets (fiber backhaul, towers/poles/other vertical real estate) in return for commitments to deploy service
25. Your willingness to receive support in the form of low- or no-cost access to long-lived assets (fiber backhaul, towers/poles/other vertical real estate) in return for commitments to deploy service even to areas of customer density that would otherwise not meet your standard business case analysis
26. If you would be open to such support, what kind of assets would you seek access to?

JEDO is generally not interested in providing ongoing subsidies, such as for radio replacement or to make up operating costs.

If there are other relevant parameters not discussed above, please include them.

8.2.3 Low Income Services

A key Program goal is to ensure that all school-age children in Topeka and Shawnee County have access at home to at least 25/3 Mbps service regardless of ability to pay. As a second, stretch, goal, JEDO would like to see proposals to provide a minimum 25/3 Mbps service to all low-income households, regardless

of whether there are children present in the household. To that end, respondents should describe the following:

1. In areas you would build out or have built out, would you be willing to provide minimum 25/3 Mbps service for a nominal fee, for example \$10 per month?
2. What data caps, if any, would you propose to enforce on a low-income plan? The Program's goals are that any proposed data caps be at least comparable to services generally available in the areas proposed.
3. What options would you provide for people who may not be able to afford even a nominal fee, such as accepting payment from a third party or allowing such people to access a communal pool of bandwidth?
4. What requirements (financial/operating) would you have in order to do this?
5. How would you determine the pricing structure?
6. Who would be eligible?



Agenda Item No. 10

**JEDO Board Meeting
September 5, 2018**

DISCUSSION: 2019 GO Topeka Draft Budget

Growth Organization of Topeka/Shawnee County, Inc.
Full Year Budget
For the Years Ended December 31, 2019 and December 31, 2018

	Proposed Budget December 31, 2019	Approved Budget December 31, 2018
Receipts:		
Sales Tax	\$ 5,000,000	\$ 5,000,000
Other Income	113,750	23,400
Total Receipts	5,113,750	5,023,400
Departmental Expenditures:		
Entrepreneurial and Minority Bus Dev (EMBD)	403,487	462,265
New Business Attraction	309,975	330,250
Business Retention	72,030	39,600
Research	40,376	60,729
Workforce & Education	242,302	222,460
Government Relations	43,750	43,750
Entrepreneurial Development	184,720	85,800
Total Departmental Expenditures	1,296,640	1,244,854
General & Administrative Expenditures:		
Personnel ¹	376,061	347,274
Marketing/Communications/Events	193,474	160,600
Finance & Admin	131,084	88,800
Occupancy Costs	36,334	114,460
Insurance/Taxes/Fees	11,077	21,320
Accounting/Audit/Consulting/Legal/IT	70,614	113,710
Travel/Auto/Prof Development	13,767	9,270
Capital Expenditures	39,182	15,600
General Office	38,228	77,131
JEDO	20,000	15,450
Contingencies	15,000	8,000
Total General & Administrative Expenditures	944,822	971,615
Total Operating Expenditures	2,241,462	2,216,469
Receipts over Operating Expenditures	2,872,288	2,806,931
Incentives, Site Expenditures, Initiatives & Other		
Anticipated expenditures and current commitments	2,161,325	1,798,400
Indirect Site incentives/expenditures	66,600	45,000
New Incentives	250,000	250,000
Workforce Initiatives	210,313	2,931,000
Business Initiatives	360,000	300,000
49th Street Improvements	-	1,468,900
Total Incentives, Site Expenditures, Initiatives & Other	3,048,238	6,793,300
Transfer from (to) cash, investments and land help for development	1,558,925	3,986,369
Net	\$ 1,382,975	\$ -

1 4.2 FTEs budgeted at an overall increase of 6.9% over last years budget



Agenda Item No. 11

**JEDO Board Meeting
September 5, 2018**

Any other business items that may come before the Board for consideration.



Agenda Item No. 12

**JEDO Board Meeting
September 5, 2018**

Public Comment.