

JEDO BOARD  
Joint Economic Development Organization  
Wednesday, October 30, 2002  
3:00 p.m.

The JEDO Board met in the Chamber of Commerce Board Room. Those present being: Shawnee County Commissioners Vic Miller, Ted Ensley and Marice Kane. City of Topeka Council Members present: Betty Dunn, Gary Price, Harold Lane, Lisa Stubbs, and City of Topeka Mayor Butch Felker. Go Topeka Members present: Doug Kinsinger; Jo Beilman, Tony Augusto, Kris A. Robbins, Linda Ramirez Gonzalez, Eduardo Ramirez, Kathy Moellenberndt, and Dean Ferrell. Also present: Richard Forester, Brad Owen, Trinket Harding--Shawnee County Financial Administrator, Rich Eckert--Shawnee County Counselor, John Myers, Ron Jones, Glenn Bartlett with KSNT, Lauragail Locke with KSNT, Christy Caldwell with the Topeka Chamber of Commerce and Deputy County Clerk Deb Childers.

ITEM NO. 1: Approval of minutes.

A motion was made by Councilwoman Betty Dunn to **approve the JEDO Board Meeting minutes of September 11, 2002.** The motion was seconded by City of Topeka Mayor Butch Felker. Motion passed unanimously.

ITEM NO. 2: The Go Topeka Economic Development Quarterly Report for 2002 third quarter was presented by Chamber of Commerce President Doug Kinsinger. (This report is attached to this set of minutes.)

Mr. Kinsinger reported the Topeka/Lawrence area was recognized in the November 2002 issue of Site Selection as number 15 of the top 20 small metro areas.

ITEM NO. 3: The Economic Development priorities for 2003 were discussed.

Commissioner Miller read a portion of City of Topeka Resolution No. 7269A and the memorandum from Councilman Clark Duffy dated February 12, 2002. (These documents are attached to this set of minutes.)

After discussion of the economic development priorities, Councilwoman Lisa Stubbs made a motion **to put forward the document of February 2002 for all eight (8) economic development priorities.** Councilman Gary Price seconded the motion. (A copy of The Economic Development Plan for Topeka and Shawnee County February 2002 is attached to this set of minutes.)

Commissioner Miller questioned in strategy 3 on page 44 of The Economic Development Plan for Topeka and Shawnee County that one of the actions was to establish a working partnership with the International Black Student Alliance, the Human Relations Commission and other business assistance programs and agencies. Commissioner Miller reported when checking with the Secretary of State's office, he found Mr. Grays was listed as the only officer and board member of the International Black Student Alliance. He provided a copy of correspondence received from Mr. Grays. Commissioner Miller stated he did not want to foster the impression JEDO intended to enter into any relationship with them by including the International Black Student Alliance in any adopted strategy. Commissioner Miller made a substitute motion **that references to the International Black Student Alliance be stricken and otherwise adopt the goals and strategies as adopted by the Topeka City Council and the Shawnee County Board of County Commissioners last February in the Economic Development Plan for Topeka and Shawnee County.** Commissioner Miller's motion was seconded by Commissioner Ensley. The motion was approved 7-0.

ITEM NO. 4: Go Topeka Contract-2003 and beyond was discussed.

Doug Kinsinger gave a synopsis of the "GO TOPEKA 2003 Proposed Strategic Plan". (This plan is attached to this set of minutes.) He noted on the first page there was a typographical error in number 5 of the Proposed 2003 Performance Measurements. It should read "twenty (20%) of the funds to support" and not twenty (25%).

Commissioner Miller suggested they schedule the next JEDO meeting for Wednesday, November 13, 2002 in the Chamber of Commerce board room , with the expressed purpose being to adopt a contract with Go Topeka for work in the 2003 calendar year that would include as part of that contract as an addendum a strategic plan.

ITEM NO. 5: 2003 Budget was discussed.

Doug Kinsinger said there was nothing to discuss today because that budget was contingent upon the strategic plan. If JEDO was going to make changes to that plan, Go Topeka would need to modify that budget to accomplish that plan. Commissioner Miller asked to assume no changes would be made so they could discuss how a budget would work.

Brad Owen with Go Topeka presented projections for Go Topeka-JEDO for years 2003 through 2006. (Copies of those projections are attached to this set of minutes.)

ITEM NO. 6: Federal Funding Priorities for 2003-2004.

Commissioner Miller recalled last Spring priorities were set, which was a little late. The purpose of this item being on the agenda now was so they did not suffer the same difficulty of not being prepared for next year's congressional deliberations.

City of Topeka Councilman Harold Lane expressed concern about the Brown vs. the Board of Education site opening in 2004. He asked to consider improvements on Monroe Street, from 10th Street to the park to attract visitors as they come off the highway, i.e., lighting. He suggested there could be federal funding available. Mr. Kinsinger noted that had not been mandated as a priority for this year, but it could be for next year. Commissioner Miller stated they would treat that as a requested item to be considered as a priority.

Christy Caldwell with the Topeka Chamber of Commerce advised the \$1 million to purchase land in front of the Great Overland Station for a park project and the dollars for the Topeka Boulevard Bridge would not happen this year due to the need for the re-authorization of transportation dollars at the federal level (T-21). Ms. Caldwell reported \$800,000 for the Commerce Park was approved in committee. The military construction budget ( \$14.6 million for the Army Reserve Center at Forbes Field) was the only budget approved. They were waiting on the other budgets to be approved in order to get the \$800,000.

Commissioner Miller stated this item would be reserved for final discussion and decision at the next meeting. He asked everyone to review last year's contract with Go Topeka for suggested changes.

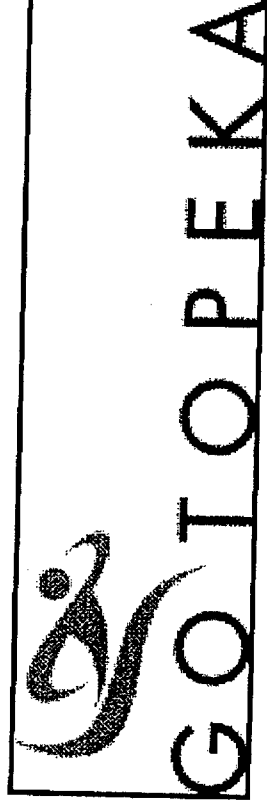
The next meeting is scheduled for 3:00 p.m. November 13, 2002 in the Chamber of Commerce board room.

Meeting adjourned.

  
\_\_\_\_\_  
Vic Miller, Chair

**J.E.D.O.**  
**Performance Measures Review**  
**Sept. 11, 2002**

Presented by



# Performance Measurements

## 2002

- 250 new jobs
- \$12 M in new investments
- Average wage levels of new jobs >\$12.12 hr.
- 150 Business Retention/Expansion Calls including at least 40 of top 50 employers
- Prepare plan for site development
- Seek private donations to further e.d.
- 10 % of funds to support economic development for racial minorities

# 1. New Jobs



■ 2002 Goal - 250

■ Target - 650+

■ GMD-Fleming's - 50

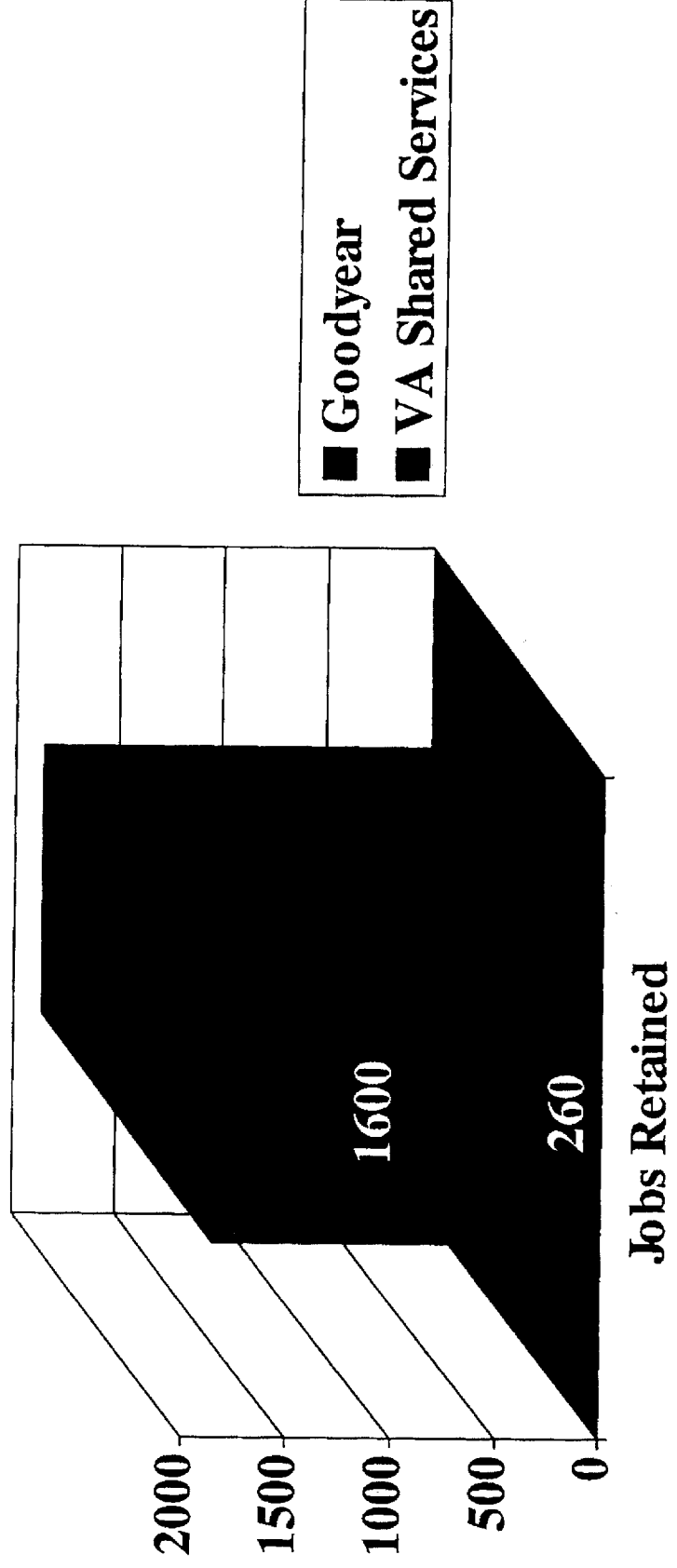
■ Heinz - 10

■ Annuity Masters - 7

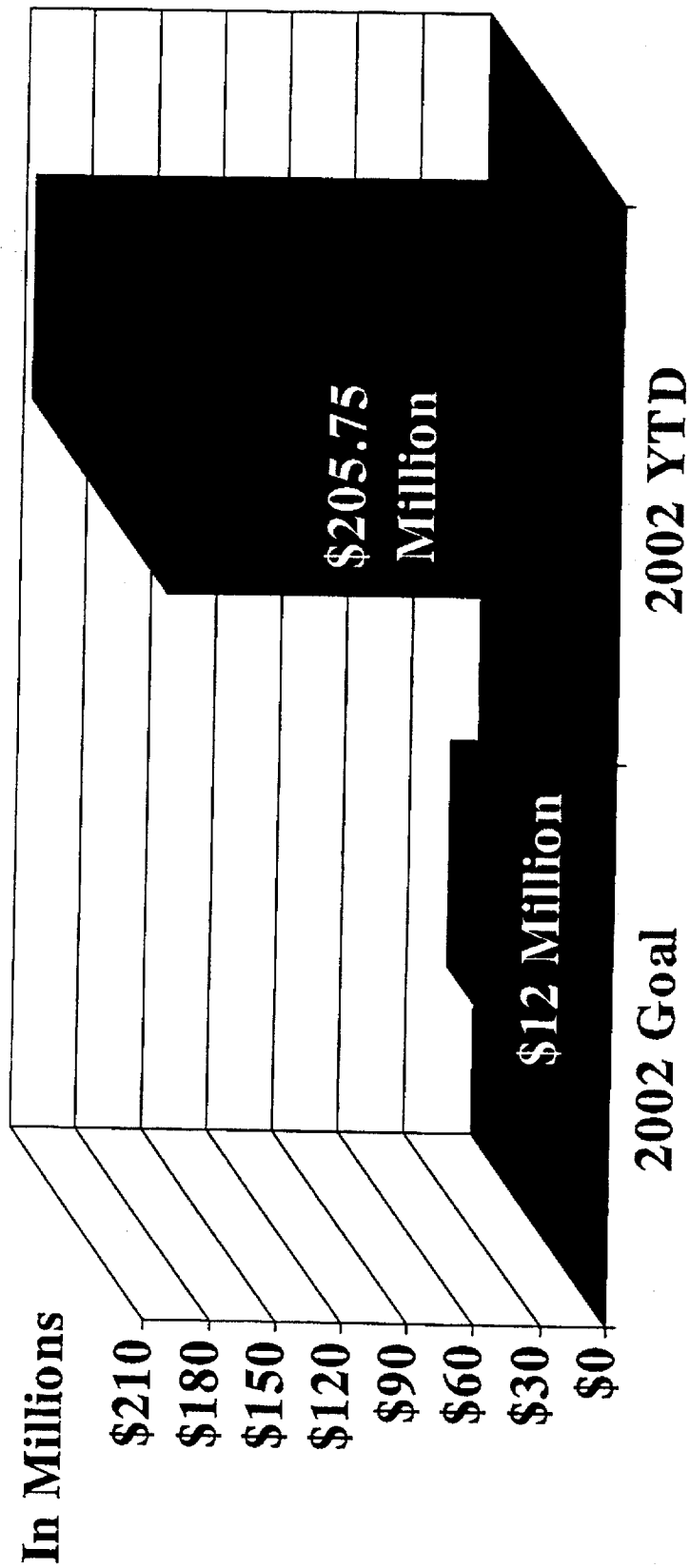
■ Delta Design - 15

■ Hill's - 48

# 1. Retention of Jobs

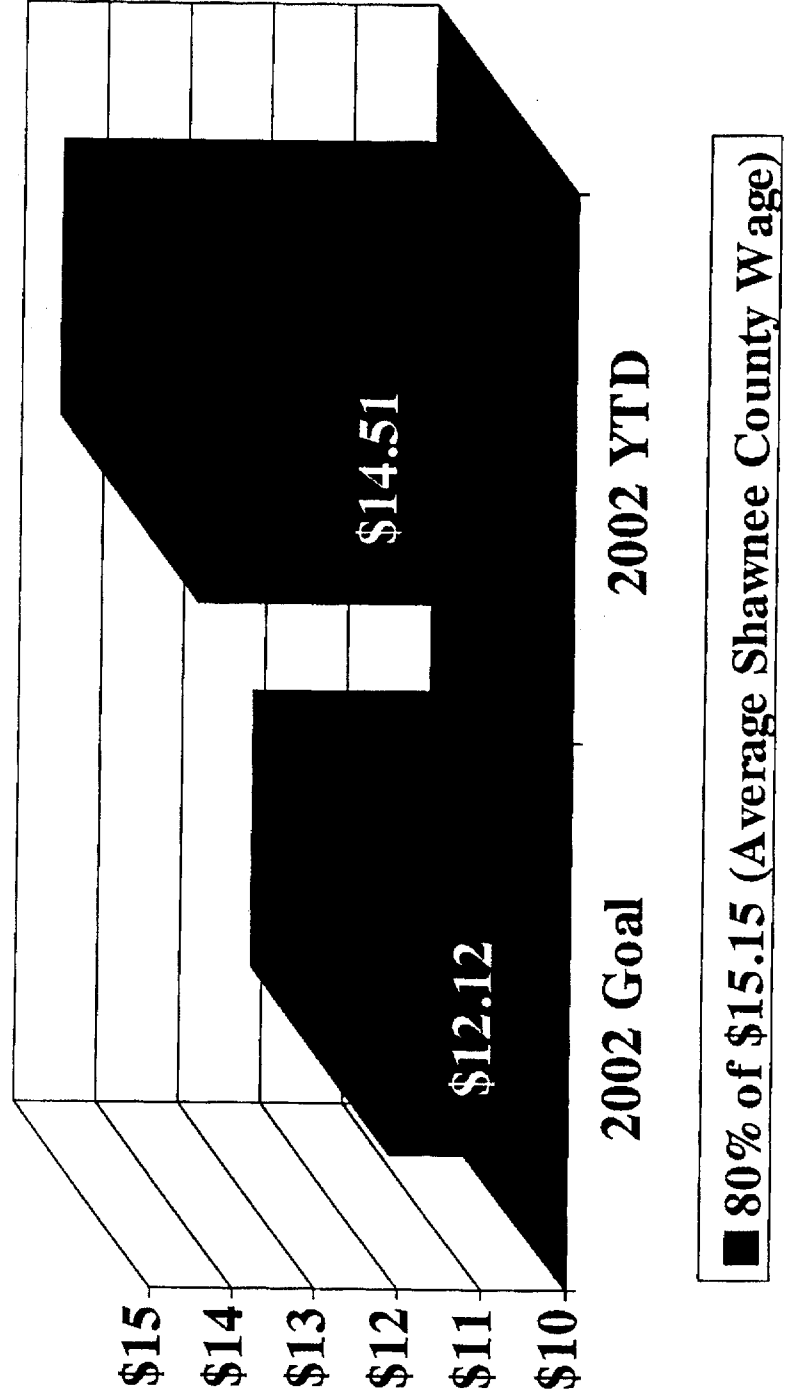


## 2. New Investment

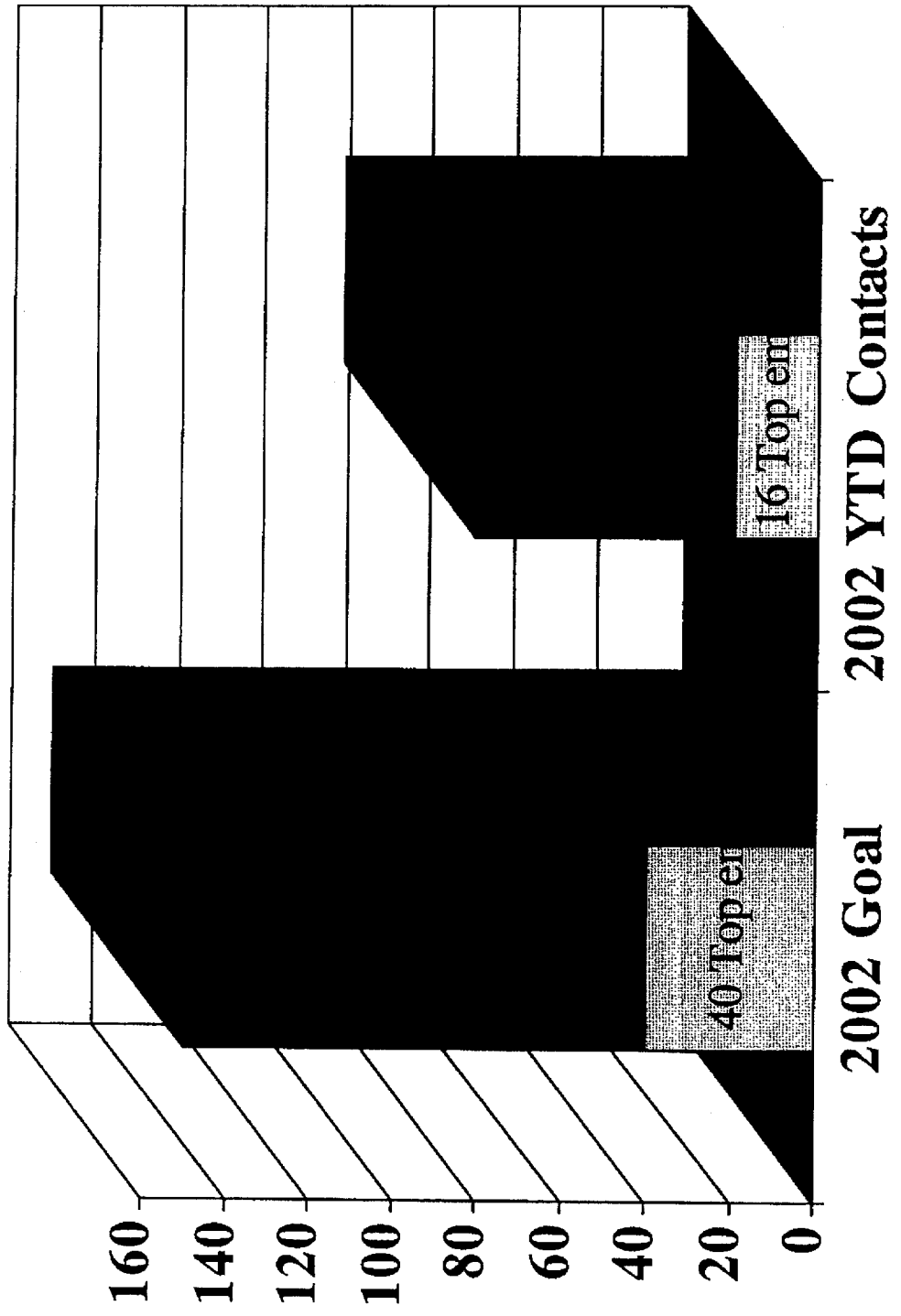




### 3. Average Wage Levels



# 4. Business Retention/Expansion Calls



## 5. Preparation of plan for site acquisition/development

- o Real estate search
- o Consultant review of sites
- o Site optioned
- o Eminent domain
- o Site acquired
- o Additional property optioned
- o RFP for master-plan
- o Grant request with federal delegation

## 6. Seek private donations to further economic development

- o Received \$ 108,845 from private Pledge funds YTD
- o Raised \$ 62,500 for GO Connection for Micro-Loan program
- o Received \$ 69,000 in contributions for office remodeling/equipment purchases
- o Interview fundraising consultant
- o Contracted with firm
- o Fundraising Assessment starts in October

## 7. Economic development funds for small minority/women businesses

Shawnee County Dev. Corp.	Loan Loss Reserve	\$37,500
GO Topeka	Adm./Program Expenses	\$30,000
Shawnee County Dev. Corp.	Adm./Program Expenses	\$25,000
City of Topeka	Adm./Program Expenses	\$15,000
SBA	Loan Fund	\$250,000
TOTAL		\$357,500

## 7. Economic development funds for racial minorities and females

- o Funds leveraged or expended equal twenty-five percent (25%) of 2002 funding for assisting racial minorities and females

### GOODYEAR

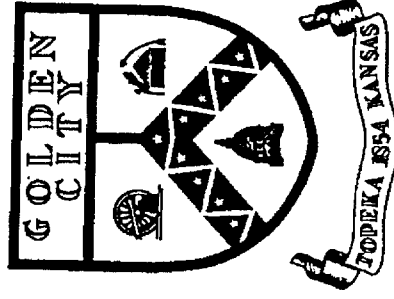
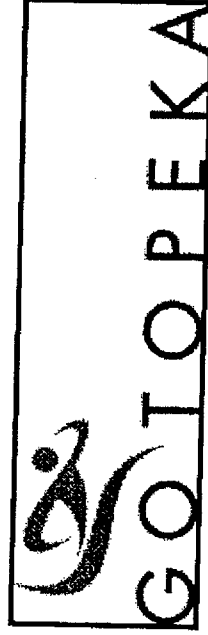
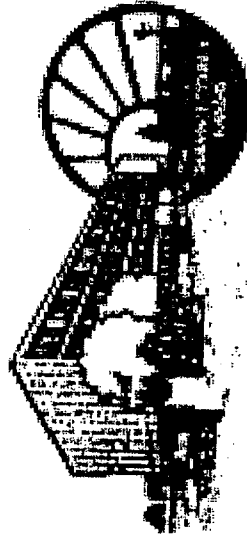
- o 17.2% of Goodyear employees are racial minorities, 23.5% are minorities or female  
17.2% of \$500,000 commitment is \$86,000,  
23.5% is \$117,500
- b) \$357,500 committed to micro loan program (includes administration expenses)

# Recent Publicity

- o *Developing Kansas*, Kansas Department of Commerce and Housing, Fall 2002 (Target & Fleming)
- o *The Site Selection Insider*, Incentives Deal of the Month, September 2002 (Goodyear)
- o *Topeka Capital-Journal*, One Stop Economic Development Shop, September 1, 2002
- o *Topeka Capital-Journal*, GO Connection advertisement, August 25, 2002
- o *Wichita Business Journal*, August 12, 2002 (Target)
- o *The Site Selection Insider*, Blockbuster Deal of the Week, August 12, 2002 (Target)
- o *CNN Money* (Internet Newsletter), America's Hottest Housing Markets, August 6, 2002
- o *Time Magazine*, "What Bubble?" August 5, 2002 (housing)
- o *Business Expansion Journal*, Target Selects Topeka, Kansas for Distribution Center, August 1, 2002
- o *Systems Contractor News*, article about Smith Audio Visual, August 2002
- o *Ingram's*, "Making the Earth Move," August 2002 (Target)

# Questions or Suggestions?

- o The Team is on its Way!





Go Topeka  
JEDO Grant Activity  
Cash Basis

**WORKING DRAFT**  
DISCUSSION PURPOSES ONLY

	July 31, 2002 Actual	Estimated	Total
<u>FYE 12-31-2002</u>			
Receipts:			
JEDO Grant	1,231,057	761,055	1,992,112
Total Receipts	1,231,057	761,055	1,992,112
Expenditures:			
Operations	522,328	820,814	1,343,142
Incentives			
Prior Commitments	148,809	369,388	518,197
New Commitments	0	0	0
Total Expenditures	671,137	1,190,202	1,861,339
Excess	559,920	(429,147)	130,773

FYE 12-31-2003

Receipts			
Carryover From 2002		130,773	130,773
JEDO Grant		4,800,000	4,800,000
County Grant Repayment		(298,020)	(298,020)
Total Receipts	0	4,632,753	4,632,753
Expenditures:			
Operations		1,609,882	1,609,882
Incentives			
Prior Commitments		2,162,380	2,162,380
New Commitments		860,491	860,491
Total Expenditures	0	4,632,753	4,632,753
Excess	0	0	0

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TQPEKA  
CHAMBER

# We have the Land, Work Force and Incentives today... ...it could all be yours tomorrow.



The gold shovels are lining up. Within a three month period, two major companies made significant investments in Topeka. Target selected Topeka as the site for an \$80 million distribution center; and from an international field of competitors, The Goodyear Tire & Rubber Company plant of Topeka was chosen for a \$100 million equipment reinvestment. We're ready and waiting to add your gold shovel to our collection. Call and see how fast we can dig-up the information you need to make your move.

*We'll even provide the shovel.*



*Today. Tomorrow. Topeka.*

Greater Topeka Chamber of Commerce • 120 SE 6th Suite 110 • Topeka KS 66603 • 785-234-2644 • [www.topekachamber.org](http://www.topekachamber.org)

## PROGRAM TIMING & PRIORITIES

STRATEGY	TACTICS	TIMING	PRELIMINARY BUDGET
Themeline/market plan work	<ul style="list-style-type: none"> <li>• Review DCI Report, make recommendations to supplement</li> </ul>	July	\$7,000 – \$10,000
Unveil new themeline and logo locally	<ul style="list-style-type: none"> <li>• Develop Topeka Chamber of Commerce/GO Topeka logo reflecting new tagline/letterhead package</li> <li>• Test themeline/logos</li> <li>• Create launch event</li> <li>• Community unveiling of themeline and logos</li> <li>• Community advertising               <ul style="list-style-type: none"> <li>- Print/Publications (Includes Media)</li> <li>- Television/Radio Development</li> <li>- Media (TV/Radio)</li> </ul> </li> <li>• Business community mailing</li> <li>• Community video</li> <li>• Relocation guide</li> <li>• Three targeted industry brochures</li> <li>• Customizable brochure</li> <li>• CD-ROM for prospects</li> <li>• Issue releases on local milestones (facility openings or expansions, etc.)</li> <li>• Groundbreakings/announcements (Target and Goodyear)</li> </ul>	August/September	\$9,500 – \$12,000
		August September October	\$15,000 – \$20,000
		October/November October/November October/November October	\$10,000 – \$20,000 \$10,000 – \$15,000 \$20,000 – \$30,000 \$1,000
Develop collateral materials		October September	\$20,000 – \$30,000 \$2,000
		November December December December	\$7,000 – \$10,000 \$30,000 – \$40,000 \$20,000 – \$40,000 \$2,000
Maintain baseline PR program		July/August	\$30,000
Begin implementing mechanisms for greater internal marketing		September	\$1,000
GO Topeka 2002 Strategy		November	\$7,000 – \$10,000
		Ongoing	\$1,500
Capital campaign		September-November	\$10,000 – \$14,000
Print ads creative		August/September	\$6,000
Print ad placement		September/October	\$6,000
Media planning		September-December	\$3,000 – \$5,500

Contingency	• Allowance for marketing opportunities	\$20,000
<b>Total</b>		<b>\$238,000 - \$326,000</b>

## ANTICIPATED PROJECTS FOR EARLY 2003

STRATEGY	TACTICS	TIMING	PRELIMINARY BUDGET
Market planning	• Create optimum strategies and implementation plan for 2003	December/January	\$10,000 - \$15,000
Optimize public relations opportunities	• Develop a program with local public relations professionals to promote Topeka leaders	January	\$5,000
Web site redesign	• Update look & feel to reflect new logo • Redesign links and headings to streamline site • Evaluate and begin implementing recommended actions	December/January	\$30,000
Annual progress video		December/January	\$7,000 - \$10,000
Industrial park	• Branding of industrial park and signage • Collateral materials	January January	\$10,000 - \$19,000 \$5,000
<b>Total</b>			<b>\$67,000 - \$84,000</b>



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## Topeka lands Target

### New distribution center to open in 2004, creates 650 new jobs

Last Modified:  
3:37 a.m. 6/14/2002

By Alicia Henrikson and Michael Hooper  
*The Capital-Journal*

Target Corp. announced Thursday it had chosen Topeka over Olathe and Wichita as the site for a new distribution center that will employ 650 people.



"This is by far the biggest thing to happen to Topeka in recent history," said Ben Blair, a Topeka real estate developer.

Target, the No. 2 discount retailer in the country behind Wal-Mart, will begin construction in July on a 1.3 million-square-foot distribution center on 143 acres at US-75-highway and S.W. 57th Street. In terms of square footage, the distribution center will be larger than West Ridge Mall.

The new Target distribution center will be built where the building in the lower right corner is located. Pauline Coop is at top right. Forbes Field is at top of photo. The view is toward the southeast.  
Thad Allton/The Capital-Journal  
» Order a reprint of this photo

The Minneapolis-based Target will begin hiring employees in spring 2004 and open the facility that summer, said Brie Heath, spokeswoman for Target.

- Print this
- E-mail this
- Get this on Palm
- Discuss this
- Send Editor Comment

A distribution center is a clearinghouse where wholesale merchandise is delivered and then distributed to Target stores in the region.

When Target decides to build a distribution center, she said, the company wants to make sure it

### News Menu

- > Topeka
- > Kansas
- > Legislature
- > Business
- > Obituaries
- > Daily Record
- > US & World
- > Washburn University
- > Opinions
- > Poll Results
- > Palm Edition
- > Archives
- > E-mail Edition
- > AP Wire
- > Multimedia
- > Stocks
- > Lottery Numbers
- > Decision 20
- > Weather
- > All Headlin
- > Page 1-A
- > Do you kno  
your neighb
- > Restaurant  
inspections
- > Web-in-De
- > Forums
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- > Reappraisa  
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- > Back to Sch

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### ! Breaking News

FROM THE CAPITAL-JOURNAL

Updated @ 1:10 p.m.

- » Police investigate suspicious suitcase
- » Statewide test results remain steady
- » Roberts, Brownback back dro aid
- » Collision sends drivers to area hospitals
- » MORE BREAKING NEWS

has chosen the correct location.

"Topeka provided a great site and their development group and their local officials were extremely helpful in helping us pick that site," Heath said. "It was a perfect fit for us. And we're very excited about coming to Topeka."



#### Video from KSNT

- ☐ Quicktime
- ☐ Large WindowsMedia
- ☐ Small WindowsMedia
- ☐ Large RealMedia
- ☐ Small RealMedia

Several hundred jobs will be added during the first five years of operation, Heath said. Total employment could grow to 1,000 jobs.

She praised Topeka for providing a site that could be quickly developed.

#### Audio

Doug Kinsinger, president and CEO of the Greater Topeka Chamber of Commerce

- ☐ A community cooperative effort
- ☐ Add another major brand name
- ☐ Economic impact to the community
- ☐ An easier place to do business
- ☐ Extraordinary amount of support
- ☐ Tools for a tremendous success
- ☐ Woke up to brainstorm

"We are growing at a very rapid rate," Brie said. "We're opening a little over 100 new stores every year. And we definitely need these new distribution centers to help support all these new stores. So it is imperative for us when we begin looking for these distribution sites that we'll be able to move forward on it quickly."

"Local government officials, the Department of Commerce and Housing, and Go Topeka have all been incredibly helpful in making this happen for us," Heath said.

Vic Miller, Shawnee County Commission member

- ☐ First project of this size
- ☐ A highly competitive world
- ☐ Coming together at the right time
- ☐ Interchange paying a dividend

Doug Kinsinger, president and chief executive officer of the Greater Topeka Chamber of Commerce and Go Topeka, said one word, more than any other, described why Topeka was selected -- cooperation. The community has been working with Target for eight months.

"It took a lot of different pieces of the community coming together at the same time and a little bit of luck to make this happen," said Shawnee County Commissioner Vic Miller, who is chairman of the Joint Economic Development Organization.

Brie Heath, spokeswoman for Target

- ☐ Finding the right fit
- ☐ Initially bring 650 jobs
- ☐ Growing at a rapid rate

Every time Target officials would visit the community, Topeka had gotten done what they wanted, plus a little more, Kinsinger said.

Jill Bland, vice president for business service for Southwest Michigan First, which lured a similar distribution center to that area

- A good community player
- Traffic less noticeable than expected
- A positive community reaction
- The process of getting target
- Put together an incentive package

Jon Crews, mayor of Cedar Falls, Iowa, which attracted a similar distribution center

- Will be a major factor

#### Related stories

Stories related to Target's selection of Topeka in today's edition of The Topeka Capital-Journal:

- Topeka beat out two other cities
- Other Target hometowns praise the company

#### Previous stories about Target:

- May 17, 2002 -- Target considers Topeka for new center
- May 25, 2002 -- Editorial: Target distribution center -- This could be big

#### Related link

- Target's official Web site

To listen to the RealAudio content, you need the RealPlayer.



Click here to download RealPlayer.

"Our governments worked together as a single unit," said Kinsinger, who was so excited Thursday that he had been awake since 2:30 a.m.

Kinsinger praised county residents who passed the quarter-cent sales tax for economic development because the deal wouldn't have happened without it. Money from the sales tax will be used to pay for the land.

Topeka City Councilman Duane Pomeroy said the announcement is "about as exciting as it can get." He noted the quarter-cent sales tax dedicated to economic development and county road projects doesn't go into effect until 2003.

JEDO and Go Topeka have been working with an \$800,000 gift from the city and a \$1.2 million loan from the county, which is to be paid back by sales tax money.

"We're bearing the fruits of of our labor early," Pomeroy said. "It would have been crazy if we sat on our hands for a year. Both the city and the county took risks. It ended up paying off."

Kinsinger said Target is a quality employer with a growth model that could double the size of the company.

"We're just glad to be part of their growth," he said.

Heath said Target has carved out a niche as an upscale discount retailer, offering quality products at low prices.

Heath noted Michael Graves, a designer and architect, has provided Target with many popular products, including a new backgammon game, picture frames, teakettle, vases, toaster and telephone. She was impressed to learn that Graves also designed the Topeka and Shawnee County Public Library.

"He is so great to work with. His products are some of our best-selling products in our stores," Heath said.

The last major employer to come to Topeka was in March 1999 when Denver-based TeleTech Holdings opened a customer-



service center in a former Osco Drug building at 115 S.W. 29th. The inbound telemarketing center employs 660 people, according to the chamber's 2002 membership directory.

An article in Sunday's New York Times said Target, which also owns the Marshall Field's and Mervyn's department stores, "is performing spectacularly well."

Target (NYSE: TGT) reported sales of \$39.9 billion for the most recent fiscal year, mostly from its 1,100 Target stores, pushing it ahead of the beleaguered Kmart to make Target the nation's second-biggest discounter, the Times reported. Analysts are impressed with its earnings, which soared 36 percent, to \$345 million, in the most recent quarter as revenue increased 15 percent, to \$9.59 billion.

Target's share price, which rose 27 percent last year, is off around 8 percent this year, closing Thursday at \$38.88, down \$1.33. Target stores employ 220,000 people, but the entire corporation has 280,000 employees.

Councilwoman Lisa Stubbs credited Kinsinger in landing the project.

"I'm just tickled," she said. "This is a shot in the arm for us. I think it will help with our image and it's important for us to have the success. That's almost as important as the deal itself."

The selection of Topeka shows that it is a quality community, Stubbs said.

County Commissioner Marice Kane said she was "elated" to hear the Target distribution center was coming to town.

The announcement, she said, affirms Topeka is a great place to work and live.

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September, 2002

## Incentives Deal of the Month

from Site Selection's exclusive New Plant database



LOOKING FOR A PREVIOUS STORY? CHECK THE ARCHIVE.

# Kansas Incentives Keep Goodyear's 1,700-Worker Plant Online in Topeka

By **JACK LYNE** • Site Selection Executive Editor of Interactive Publishing

**TOPEKA, Kan.** — For a while there, it looked like Goodyear's ([www.goodyear.com](http://www.goodyear.com)) 1,700-employee plant in Topeka, Kan., was nearing the end of its 48-year-old history. But the massive 3-million-sq.-ft. (270,000-sq.-m.) production facility will stay online after Goodyear received a state and local incentive package of more than US\$20 million.

Incentives secured, the Akron, Ohio-based giant will now invest \$120 million over the next five years in upgrading its Topeka tire plant, the company announced in mid-August. While the investment won't produce any new jobs, Goodyear's decision was nonetheless huge for the state and city, which faced losing 1,700 jobs.

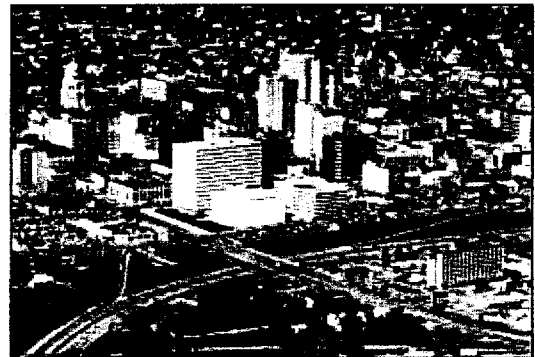
The deal was sealed, though, only after four separate votes: one by local officials, one by the state legislature and, surprisingly, two by Goodyear's union workers.

"Investing in Topeka will improve Goodyear's ability to better serve our customers by establishing a production site that would be fully capable of meeting market demand for large, off-the-road tires," said John Loulan, vice president of operations for Goodyear's North American tire business unit. "This investment will allow us not only to satisfy current customer requirements efficiently, it also will position the company to broaden our product line as we strive to meet customers' needs for larger size tires."

## New Tire Line Triggered Goodyear's Search

Broadening the product line was the catalyst that ultimately led to Goodyear's decision to upgrade the Topeka plant. The company in February announced that several of its existing plants were contending to manufacture its new "two-piece tires" for the mining industry.

The Topeka operation (the only contending site revealed by Goodyear officials) was obviously a strong contender. With 69 acres (27.6 hectares) under a single roof, the Kansas operation is the world's largest plant that manufactures large, off-



Landing Goodyear's \$120 million upgrade was the second recent major win for Topeka (pictured), which earlier won Target's new \$80-million, 650-job distribution center.





When a major flood hit Topeka in 1951, the Goodyear plant (pictured) had already been in place for seven years. Built in 1944 as part of the government's World War II effort, the facility was purchased by Goodyear in 1946.

end up like the steel industry and end up offshore," Wil Leiker, head of United Steelworkers of America Local 307 at the Topeka plant, told *The Topeka Capital-Journal*. "That's just the reality of the manufacturing business."

## Shawnee County Approves Tax Exemptions

Local officials wasted no time in grasping that reality.

The Shawnee County Commission in February unanimously approved tax exemptions on the machinery and equipment that Goodyear would install if Topeka won the project.

Local officials and Goodyear haven't estimated the exemptions' total value. Officials with the world's No. 3 tire maker, however, did say that the Topeka plant pays \$1.6 million in annual property taxes on its machinery and equipment.

In approving the tax exemptions, the Shawnee County Commission deviated from its normal policy of awarding incentives for creating *new* jobs. A lot was on the line, though, in protecting Goodyear's existing jobs. The tire maker's huge Topeka operation ranks as the area's largest manufacturer, with a \$2 million-plus annual payroll. The plant's yearly utility bill tops \$8 million, and it pays more than \$2 million annually in real and personal property taxes.

"We know that this is a substantial investment, and we want to do everything we can to be competitive," said Doug Kinsinger, president of the Greater Topeka Chamber of Commerce ([www.topekachamber.org](http://www.topekachamber.org)). "Some of the best manufacturing jobs in the area are with Goodyear. It's a quality company."

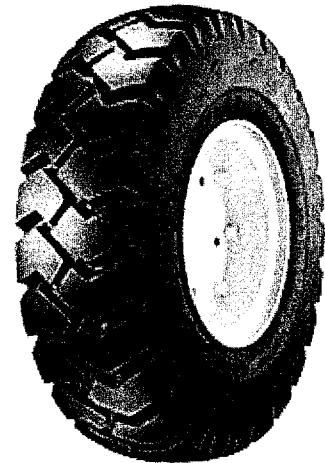
## State Creates New Incentive

State support for Goodyear's incentives came more slowly.

road tires.

Age, however, was working against the Topeka facility. Built in 1944, the facility is one of Goodyear's oldest plants and has high operating costs, company officials explained. In addition, the facility's equipment was outdated, they said. The plant's off-road tire line hadn't been upgraded since 1995, and its radial-tire line hadn't been enhanced since 1999.

"Without the money coming in and the revitalization of our equipment, we



Goodyear's new two-piece tires will likely supplant many tires used in mining industry, such as the company's Xtra Traction WL (pictured). Rather than changing tires to accommodate different ground conditions, workers can remove the two-piece tire's belt and tread unit, replacing it with the appropriate tread. Air pressure locks the tire pieces together.

Topeka-area lawmakers in early March began introducing measures to assist the tire maker. Early proposals narrowly failed, though, largely because of legislators' focus on the state's \$680 million budget shortfall.

But lawmakers passed reworked legislation in May that created a specific new incentive.

The Goodyear Bond Program that was approved authorizes the Kansas Development Finance Authority to issue bonds in conjunction with Goodyear's investments in Topeka. The bonds will be issued in increments of \$10 million for every \$50 million that the tire maker invests. The state will pay off the bonds over 15 years by using a portion of Goodyear employees' withholding taxes.

A petition signed by more than 1,000 of Goodyear's Topeka employees was cited as a significant factor in several legislators' votes.

## **Union Initially Rejects New Contract**

The vote at Local 307, however, turned out to be more problematic than anyone would've imagined. Union members, in fact, in mid-July rejected Goodyear's new labor contract by a vote of 459 to 434. Some union members said they hadn't been fully informed of the specifics of the contract; others objected to the agreement's mandatory overtime and deferred pay increases.

A second vote wasn't guaranteed, at least according to Topeka plant Manager Larry Robbins.

A re-vote "was far from automatic," Robbins wrote in a plant newsletter published several days after the contract rejection. "Keep in mind, Goodyear's management team was really disappointed by the initial vote," continued Robbins, who pointedly reminded workers of the incentives that had already been approved. "The direction and expectation is clear: Topeka has only this chance to once again accept and ratify the Topeka Competitive Revitalization Agreement."

Union members capitalized on the chance, ratifying the new agreement in a second vote, 842 to 358. The approved contract was unchanged, requiring mandatory overtime if needed and replacing a 65-cent wage increase with 190 stock options (which can be exercised over a 10-year period).

## **Topeka's Second Recent Big Score**

The multiple votes that secured the Goodyear upgrade marked a second recent major win for Topeka. The city earlier landed Target's new \$80-million, 650-job distribution center (see the [Blockbuster Deal of the Week](#) for the week of Aug. 12, 2002).

In both cases, the city got a major boost from the quarter-cent economic development sales tax that Topeka voters approved in 2000.

"It is exciting that we are having yet another significant economic development announcement within a 30-day time frame that has been assisted by the economic development sales tax," said Kinsinger.



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