

**Joint Economic Development Organization Board Minutes
November 19, 2009**

Greater Topeka Chamber of Commerce Board Room, Topeka, Kansas, Tuesday,
November 19, 2009.

The Joint Economic Development Organization (JEDO) Board members met at 3:00 P.M. with the following Board members present: City of Topeka Councilmembers Larry Wolgast and Bob Archer; City of Topeka Mayor Bill Bunten; Shawnee County Commissioners Vic Miller, Shelly Buhler and Ted Ensley. Absent: City of Topeka Councilmember Richard Harmon.

Also present were nonvoting JEDO Board members: City of Topeka Councilmembers Karen Hiller and Sylvia Ortiz

Mayor Bunten called the meeting to order.

MINUTES of the JEDO Board meeting of October 13, 2009 were presented.

Councilmember Wolgast moved to approve the Minutes of the JEDO Board meeting of October 13, 2009. The motion seconded by Commissioner Ensley carried unanimously.

A PROGRESS REPORT on the acquisition of a new business park was presented.

Doug Kinsinger, Greater Topeka Chamber of Commerce/GO Topeka stated that they have made significant progress with the acquisition of a new business park located approximately 1.5 miles south of the Central Crossing Commerce Park on Gary Ormsby Drive since the last JEDO Board meeting of October 13, 2009.

Steve Jenkins, Greater Topeka Chamber of Commerce/GO Topeka reported that the final site selection for the new business park was conducted by Bartlett & West Engineers which included an extensive review of the cost effectiveness and marketability of a site. He stated that the site was purchased at an average market price of \$10,000 per acre which represents a less than 1% appreciation rate from when the Central Crossing Commerce Park acreage was purchased at an average market price of \$9,000 per acre. He stated that as a result of a well thought out process, and an average purchase price the investment will be a long-term asset for the community. He reported that the design phase is moving forward on the sewer, entry road and rail switch; however, the entry road and rail switch may change slightly based on the needs of a prospect they are working with right now. He stated that the construction of a sewer line to service the area would begin in 2010, allowing GO Topeka to market the property. He stated that they anticipate closing Phase No. 1 of the property acquisition by December 21, 2009. He noted that they have a prospect considering the location that is a strong competitor for a new industry. He referenced an interim brochure of the new business park and stated that they are accepting suggested names for the new business park, as well as, street names.

APPROVAL of the Federal Funding Priorities was presented.

Mayor Bunten commended Paul Hirsh, Madison Government Affairs and lobbyist for his outstanding job performance. He reported that through the guidance of Mr. Hirsh and other representatives from Topeka, Shawnee County, Greater Topeka Chamber of Commerce and GO Topeka they have received approximately \$30 million in federal funding assistance since 2002.

Paul Hirsh, Madison Government Affairs reported that currently five of the twelve appropriation bills have been signed into law by the President. He stated that there is a continuing resolution by Congress to run the seven outstanding appropriation bills by December 18, 2009 to allow time for the bills to be sent through the conference process and be presented to the President for signature. He stated that it is anticipated that following the Thanksgiving Holiday recess the Department of Defense Appropriation bill; Financial Services Appropriation bill; Labor, Health and Human Services Appropriation bill; and the State, Foreign Operations Appropriation bill would be bundled together and presented as one bill. He reported that the remaining Transportation Appropriation bill; Military Construction and Veterans Affairs Appropriation bill; and the Commerce, Justice, Science and Related Agencies Appropriation bill would be handled separately. He stated that if the process is not complete by December 18, 2009 a continuation would have to be filed. He noted that the health care debate issue has slowed the conference process. He stated that the U.S. House of Representatives has passed a health care bill; however, the U.S. Senate is considering a different health care bill. He noted that hopefully by the end of year the U.S. Senate will pass their health care bill so at the beginning of 2010 a conference committee can be formed to resolve the House and Senate bill differences. Mr. Hirsh thanked the Mayor for his comments and stated that federal funding assistance is obtained through a collective team effort. He requested approval of the following seven projects:

1. I-70 Polk Quincy Viaduct
2. Infrastructure improvements to enhance the new business park in the southern corridor.
3. Low level dam/weir on the Kansas River
4. Streetscape/revitalization downtown (hardscape)
5. Washburn University/Washburn Technical Industrial Maintenance Training Center
6. Preventive Flood Mitigation
7. Constitution Hall

Mayor Bunten expressed appreciation to the local delegation for their hard work.

Commissioner Buhler moved to approve the Federal Funding Priorities. The motion seconded by Councilmember Archer carried unanimously.

APPROVAL of an incentive offer for Project HIT was presented.

Steve Jenkins, Greater Topeka Chamber of Commerce/GO Topeka reported that Project HIT is a health care industry information technology company providing employment for 27 people with an average salary of \$60,000 per year. He stated that GO Topeka offered an incentive of \$3,000 per job or a total of \$81,000. He explained that the facility would implement a system that would allow health care providers to share records throughout the State of Kansas.

Doug Kinsinger, Greater Topeka Chamber of Commerce/GO Topeka reported that the project would qualify for federal stimulus funding. He also reported that currently there are 18 states competing for these types of projects; however, Project HIT is the only company that made application to the State of Kansas due to the incentive offered by GO Topeka.

Steve Jenkins reported that 600 healthcare providers have already agreed to participate in the shared records program.

Commissioner Miller moved to ratify the recommendation to approve the incentive offer for Project HIT. The motion seconded by Commissioner Ensley carried unanimously.

APPROVAL of an incentive offer for Project Trax was presented.

Steve Jenkins, Greater Topeka Chamber of Commerce/GO Topeka reported that Project Trax was offered to PTMW a local manufacturing company experiencing a major expansion. He reported that the capital investment for the project would be \$4.25 million; employment would include 88 jobs the first year, 25 jobs the second year, and 25 jobs the third year - totaling 138 jobs over a three-year period with an average wage of \$13 per hour. He stated that GO Topeka offered PTMW an incentive offer of \$3,500 per job created and implemented. He also stated that he is happy to announce that PTMW has purchased the former Payless Distribution Center for their new operation.

Doug Kinsinger, Greater Topeka Chamber of Commerce/GO Topeka reported that PTMW has tripled in size over the last eight years setting the standard in the telecommunication and railroad industries. He also reported that the Federal Government has implemented a requirement that all passenger trains must install a Positive Train Control System which would be housed in the railroad and telecommunication signal house enclosures constructed by PTMW. He noted that the majority of the work for this contract would take place over the next seven years. He stated that they see great

potential with PTMW through the leadership of their firm and anticipate even more growth for the company.

Ed Carpenter, PTMW Vice President of External Affairs stated that PTMW provides a quality product in a timely manner to customers. He stated that they have seen remarkable growth in the last five years and noted that Patti Jon Goff received the 2009 Minority and Women Business Award in manufacturing. He expressed their appreciation for considering the proposal and stated that their business works because of the quality of people in the community. He thanked Payless Shoesource, Inc., representatives for working with them and enabling them to purchase the new facility.

Patti Jon Goff, PTMW President and Owner expressed her appreciate for the opportunity to expand the business. She stated that she is excited about the purchase of the Payless Distribution Center building and looks forward to the opportunity to serve the community.

Commissioner Miller moved to ratify the recommendation to approve the incentive offer for Project Trax. The motion seconded by Councilmember Archer carried unanimously

SELECTION of the 2010-2012 Financial Auditor for GO Topeka was presented.

Brad Owen, Mize Houser & Company reported that following the review of the five bids received they are recommending that Mayer Hoffman & McCann be awarded the bid. He asked the Board to approve the recommendation.

Doug Kinsinger, Greater Topeka Chamber of Commerce/GO Topeka reported that GO Topeka received a status review of the bids received and agree that Mayer Hoffman & McCann is the most qualified candidate for the job.

Councilmember Wolgast moved to approve the recommendation to award the bid to Mayer Hoffman & McCann. The motion was seconded by Commissioner Ensley.

Commissioner Miller asked if a financial auditor has been selected for JEDO.

Doug Kinsinger stated that the auditor would serve both agencies upon approval by the JEDO Board.

The motion to approve the recommendation to award the bid to Mayer Hoffman & McCann carried unanimously.

APPROVAL of the 2010 Economic Development Business Plan and Budget was presented.

Brad Owen, Mize Houser & Company presented the 2010 GO Topeka Proposed Budget. He compared Revenues, Expenses and Departmental Activities for 2009 and anticipated figures for 2010. (*Attachment A*)

Doug Kinsinger, Greater Topeka Chamber of Commerce/GO Topeka discussed Heartland Visioning Contributions, Incentives and Site Expenditures line items and Net Revenues for the 2010 Proposed Budget. He noted that the contribution to Heartland Visioning is subject to equal contributions made by the City and County. (*Attachment A*)

Steve Jenkins, Greater Topeka Chamber of Commerce/GO Topeka reported on the Master Plan for Science and Innovation Park line item. He stated that USD No. 501 has purchased the State of Kansas hospital grounds and GO Topeka is providing \$20,000 to the School District to draft a master plan on 130 acres of the site. He stated that the acreage offers a unique asset to the community because it is located in close proximity of the hospitals and Hummer Sports Park, as well as, easy access to public transportation, offering great potential in attracting high quality companies to the community. He stated that they plan to market the area as a biosciences technology area geared towards technology companies that would have a good working relationship with the hospitals. He noted that two major Universities are considering locating facilities on the site.

Doug Kinsinger commented on the New Incentives line item and Site Improvements for Commerce Park line item. He stated that of the \$173,000 being allocated \$153,000 is a matching share to an EPA grant. He stated that the funds would be used for a water line extension along Wenger Street creating a loop to provide quality water service to the entire park. He also reported on the Site Improvements for the 49th Street line item and stated that when the area was platted the City stipulated that if commercial or employee traffic increased in the area they would have to develop a benefit district to pay for the 49th Street improvements.

Steve Jenkins stated that the greatest need for the new business park is to provide a sewer system. He reported that Phase No. 1 of the project would provide for a pump station and a force main costing \$1.1 million; provide for 400 feet of an entrance road for prospects to enter the property; and build a rail spur that dead ends. He noted that the entrance road and rail spur location may change based on the needs of a current prospect.

Doug Kinsinger noted that it is important to get the projects underway so the site is ready for potential companies.

Doug Kinsinger reported on the Site Option/Acquisition line item and stated that the \$14,225 is for the site option fee for Phase No. 2 (the land west of Highway 75) of the new business park that was approved at the JEDO Board meeting of October 13, 2009.

Commissioner Ensley asked if the budget is approved would the expenditures require additional approval by the JEDO Board.

Doug Kinsinger stated that historically approval of the budget authorizes GO Topeka to expend funds.

Commissioner Ensley moved to approve the 2010 GO Topeka Budget. The motion seconded by Councilmember Wolgast carried unanimously.

DISCUSSION continued on the GO Topeka 2010 Economic Development Business Plan.

Steve Jenkins, Greater Topeka Chamber of Commerce/GO Topeka stated that it is their goal to make GO Topeka a fierce competitor for economic development on a national, as well as, global level. He presented the following overview:

- Proposed increase of 10.2% for the Attraction Budget for new business attraction and marketing promotions from \$987,764 to \$1,088,535 to include \$238,340 for Lead Development/Prospect Consultant; \$456,276 for Targeting Marketing; \$75,000 to Update Target Sectors; \$10,000 to implement Biosciences Study; and \$52,750 for Regional Marketing and Relationships
- Proposed increase of 81% for the Existing Business Budget from \$48,507 to \$87,886 to provide for two Headquarter Visits; enhance Visitation Program; increase recognition events; implement Mid-America Manufacturing Technical Center (MAMTC) Pilot Project; continue education and training of existing businesses; and increase input solicitation.
- Proposed decrease of 48.5% in the Workforce Development Budget from \$123,960 to \$63,880 to support the WorkKeys Testing Project and WorkKeys Job Profiling Pilot Project.
- Proposed increase of 33.7% for the Entrepreneurial Development Budget from \$16,580 to \$22,160 for continued support of the SBDC; Small Business Start-Up Guide; expand NaviGate Webinars; implement the NaviGate Entrepreneurs “Boot Camp” Weekend Program; and continue the Last Tuesday Program
- Increase the Disadvantaged Business Enterprises Budget from \$578,251 to \$649,592 to provide for CDFI Certification and allocation; implement the Hallmark Project; continued emphasis on education and training programs; and extend the DBE Strategic Plan

Commissioner Miller moved to approve the 2010 GO Topeka Business Plan. The motion seconded by Commissioner Buhler carried unanimously.

APPROVAL of the GO Topeka Operating Agreement was presented.

Braxton Copley, Deputy City Attorney reported that the operating agreement for 2010 is virtually identical to the 2009 operating agreement with the exception of added language to paragraph 20 clarifying when GO Topeka enters into a multi-year incentive agreement

that GO Topeka is the only entity entering into the multi year incentive agreement and not the Joint Economic Development Organization (JEDO); however any such incentive agreement can only be entered into with prior approval of the JEDO Board. He also stated that the operating agreement stated that JEDO agrees to grant \$5 million from its economic development fund to GO Topeka for the purpose of providing economic development services as outlined in the operating agreement. He explained that the companion piece is a cash carry-forward agreement to make certain GO Topeka continues to have the necessary funding to meet their obligations under the incentive agreements.

Doug Kinsinger, Greater Topeka Chamber of Commerce/GO Topeka reported that the 2010 carry forward amount is \$9.75 million. He noted that the amount is less than last year (\$12.5 million) due to anticipated closing expenditures for Phase No. 1 of the new business park.

Commissioner Miller requested that the language amendment be read aloud.

Braxton Copley stated that the language amendment is reflected on page 10, paragraph 20 of the operating agreement. The amendment was read as follows:

“The parties understand that the scope of the economic development retention, expansion and attraction may, in some cases, require that GO Topeka enter into funding commitments that extend beyond the one (1) year term of this Agreement. For such commitments, GO Topeka shall obtain the prior approval of JEDO, either in writing or by formal action of the JEDO Board at a duly called meeting and reflected in the meeting minutes.”

Commissioner Miller questioned why GO Topeka has the property title of the new business park when the park was purchased with JEDO funds; and if there were provisions in place for the land to revert back to JEDO if GO Topeka would become nonexistent.

Doug Kinsinger stated that all assets including land, equipment and funds would revert back to JEDO if GO Topeka became nonexistent.

Commissioner Miller moved to approve the 2010 operating agreement and the cash carry-forward agreement. The motion was seconded by Commissioner Ensley.

Commissioner Buhler questioned if there were other area companies that offer the same services as GO Topeka.

Doug Kinsinger stated that a different organizational structure would have to be developed if the Board wanted to consider other options.

The motion to approve the 2010 operating agreement and the cash carry-forward agreement carried unanimously.

Commissioner Miller expressed his appreciation to all GO Topeka Board members and Councilmembers for attending the meeting.

NO FURTHER BUSINESS appearing the meeting was adjourned at 4:20 p.m.