

**Joint Economic Development Organization Board Minutes
December 5, 2011**

City of Topeka Council Chambers, 214 SE 7th Street, Topeka, Kansas, Monday, December 5, 2011.

The Joint Economic Development Organization (JEDO) Board members met at 6:00 p.m. with the following Board members present: City of Topeka Councilmembers John Alcala, Denise Everhart and Andrew Gray; City of Topeka Mayor William W. Bunten; and Shawnee County Commissioners Shelly Buhler, Mary M. Thomas and Ted Ensley -7.

Also present were nonvoting JEDO Board members: Councilmembers Karen Hiller, Larry Wolgast, Bob Archer (Chairman) and Chad Manspeaker. Absent: Councilmembers Sylvia Ortiz and Richard Harmon

Chairman Archer called the meeting to order.

APPROVAL of the Minutes of the JEDO Board meeting of September 12, 2011 was presented.

Councilmember Gray moved to approve the Minutes of the September 12, 2011 JEDO Board meeting. The motion was seconded by Commissioner Buhler.

Joseph Ledbetter stated there were agenda items discussed at the September 12, 2011, JEDO Board meeting that he was not allowed to comment on, as well as, there were other members of the public present at the meeting that were not allowed to comment on certain agenda items.

Councilmember Alcala asked the City Attorney to review the rules of the JEDO Board Public Comment Policy.

Mary Feighny, Assistant City Attorney stated public comment is only allowed on actionable agenda items or those agenda items which require a vote at that scheduled meeting, the policy does not include general public comment at the end of each meeting. She reported the agenda has been structured to allow public comment on each item because the agenda states there may be possible action on each item. She noted the September 12, 2011 agenda was structured different and did not allow public comment on each item.

Councilmember Manspeaker encouraged JEDO Board members to give strong consideration to creating a general public comment section at the end of each meeting. He stated he is not sure why general public comment is not included in the current public comment policy and noted citizens may want to speak to general economic development issues, not just specific items listed on the agenda.

Chairman Archer asked the City Clerk to read the Public Comment Policy.

The Public Comment Policy was read as follows: "Requests by the public to speak regarding items listed on the JEDO agenda will be placed on the agenda in the order received. Persons planning to speak must be identified by name and organization represented (if applicable), under the items listed on the agenda. Public comment is allowed on actionable items and must relate to the actionable item as listed on the agenda (Actionable items are those agenda items which require a vote at that scheduled meeting.) Those making public comment are to maintain proper decorum relating to public meetings."

Chairman Archer stated he encourages robust public comment; however, he would follow the guidelines of the Public Comment Policy. He stated the following statement also applies to the Public Comment Policy, "Matters relating to personnel, litigation and violations of laws, ordinances or resolutions are excluded from public comment. Those making public comment are to maintain proper decorum related to public meetings."

Mary Feighny stated the statement read by Chairman Archer was incorrect and does not apply to the JEDO Board Public Comment Policy. She noted the exclusions apply to the City Council Public Comment Policy.

Commissioner Thomas stated she would abstain from voting because she was not a JEDO Board member at that time the meeting was conducted.

The motion to approve the Minutes of the September 12, 2011 JEDO Board meeting carried. Commissioner Thomas abstained. (6-0-1)

Discussion of Request for Proposals of JEDO funds, with possible action was presented.

Councilmember Gray stated he requested to discuss the Request for Proposal (RFP) process because he believes as elected officials they owe it to Topeka-Shawnee County citizens to get the most out of their tax money. He referenced a newspaper article dated August 2, 2004 printed in the Topeka Capital Journal stating JEDO voted to exempt GO Topeka from the competitive bidding process; however, upon review of the JEDO Board meeting minutes several months prior and following the date (August 2, 2004) there is no documentation that the action was approved by the Board. He requested to discuss three issues including, (1) the 10% funding allocation outlined in the interlocal agreement that is set aside for the Development of Minority and Women-Owned Small Businesses to follow the RFP process to determine if there is someone who specializes in the development of this program, (2) for the remaining \$4.5 million to be allocated through a formal competitive bid purchasing procedure, to be established by drafting an RFP and soliciting bids through the standard procedures required, review the bids based on the form, and award the bid to the lowest bidder offering the highest quality of product and that is the most responsive to the bid, and (3) to hire an economic development director specializing in economic development through the use of tax money, with an average salary ranging from \$43,000 to \$111,000 annually, that would answer directly to the JEDO Board and at the discretion of the JEDO Board. He reported this salary would be much less than they are paying GO Topeka now and the JEDO Board currently has no recourse if they are dissatisfied with the person serving in this capacity. He referenced Section 17(b) of the interlocal agreement and stated as a voting member of the JEDO Board he is formally requesting the salaries of all GO Topeka members as soon as possible, and requested that the information be provided to the Topeka Capital Journal to be included in the online article listing public employee salaries.

Councilmember Alcalá reported an economic development specialist was hired several years ago and as time progressed it was determined the individual was nonessential in the direction they were moving regarding economic development. He stated Doug Kinsinger, Greater Topeka Chamber of Commerce/GO Topeka President and Chief Executive Officer, receives a portion of his annual salary (\$82,000) from GO Topeka funds and the remaining salary amount is paid by the Greater Topeka Chamber of Commerce. He noted the \$82,000 annual investment has resulted in many new companies, including the Target Distribution Center, Bimbo Bakery; the Home Depot Distribution Center and the North American Mars Company demonstrating proven results in tough economic times across the country.

Councilmember Hiller thanked Councilmember Gray for initiating the discussion and asked how quickly he wants to move forward with the proposal. She stated she believes the occasional bidding of services is a good idea; however, they must be clear on exactly what they are asking for. She suggested the Greater Topeka

12-05-11

2

FINAL

Chamber provide a presentation in the coming year regarding best practices and trends for economic development and what is happening in other communities, as well as, their approaches. She also suggested a presentation be provided by an outside expert on the same subject matter.

Councilmember Gray stated he concurs with Councilmember Hiller in regards to including an outside expert on the issue; however, he disagrees with including the Chamber in the process because they have been providing presentations on best business practices since 2004 and GO Topeka has been given the contract with no discussion. He reported he received an email offering to provide the same services for much less. He stated he is not necessarily displeased with GO Topeka's service; however, there is not a benchmark in place to make a comparison.

Councilmember Alcalá stated he is not against an open RFP process. He reported that he also received the email and questions how the individual could commit to \$1.3 million for services when it would cost approximately \$2 million to provide existing contract services and incentives, infrastructure and the 10% for minority program funding.

Councilmember Gray stated his intent is not to take the service from GO Topeka it is to make them work for it.

Councilmember Manspeaker stated the individual who sent the email is nationally known. He questioned why the Board would not want to listen to a proposal that could potentially save \$3 million. He noted the \$1.3 million did not include the 10% funding for minority services and it was his understanding the majority of the properties would be returned back to JEDO for management.

Councilmember Alcalá stated he did not have an opportunity to contact the individual and reminded the Board the amounts for services do not add up.

Commissioner Buhler asked what the anticipated time frame is if the Board decides to draft an RFP process, implement the process and listen to proposals.

Councilmember Gray suggested instead of awarding a contract for 2012 they operate on a month to month basis providing time to communicate with other cities and establish a policy by April 1, 2012.

Commissioner Buhler stated she believes they need to commit to a contract in 2012 due to the amount of time it would take to understand and establish a new process, as well as, allow enough time for proposals to be presented to the Board.

Councilmember Gray asked if they are required to commit to a contract in 2012.

Mary Feighny stated the Board has no contractual commitments and could operate on a month to month basis.

Councilmember Alcalá reported GO Topeka has a huge prospect in the works right now that would provide a lot of jobs for Topeka-Shawnee County citizens and he is not willing to jeopardize the deal by changing the process midstream.

Councilmember Gray stated there is always a new prospect in the works and believes this is not a valid reason to delay a change in process.

Councilmember Manspeaker stated he concurs with Councilmember Gray and believes this is just another way of avoiding a change in the process. He asked the citizens of Topeka-Shawnee County if they believe they have received \$55 million worth of product over the past five years.

Councilmember Alcala reported there has been only one prospect in the past five years that GO Topeka has not secured. He noted Topeka is one of the top two communities being considered for a new prospect that would provide a lot of jobs to citizens and right now he is not willing to risk any citizen from the potential of obtaining a good job by changing the process midstream. He noted he would be willing to review the process at a later date.

Mayor Bunten reported the community has lost many companies over the past several years including the Fleming Company, Adams Brothers Printing, National Reserve Life, Brock Hotels and the Menninger Foundation; however, the community has gained many new distribution centers, as well as, many existing companies have expanded operations and decided to remain in the Topeka-Shawnee area. He stated the group of GO Topeka individuals is a diverse group that has worked extremely well together and he would encourage the Board to give very serious thought to a change in a process that has provided proven results.

Councilmember Gray stated they need to determine if the amount of businesses gained outweighs the amount of businesses lost.

Mayor Bunten reported in the past many companies left the area because the resources and/or infrastructure was not in place or a knowledgeable staff to support economic development efforts.

Councilmember Alcala reported incentives were given to existing businesses to keep them from relocating to other areas. He stated he is not sure if the loss outweighs the gain; however, he is certain without the new businesses the community would be in a more desperate state than it is right now.

Matthew W. Gassen, President of Winston Meriwether, L.L.C., provided a brief overview of his credentials and addressed Councilmember Alcala's financial questions. He reported he is confident he could provide a return of \$3.7 million and still provide the same services provided by the Chamber and GO Topeka; it was his understanding the property would be returned back to JEDO; and the full 10% of funding or \$500,000 would be preserved for the development of Minority and Women-Owned Businesses and one full-time staff person to manage the program. He stated the services he would provide would be more focused on recreating the marketing, branding and promotion of the Topeka-Shawnee County area. He stated both the traditional economic incentives and land availability would be preserved for JEDO to use at their pleasure. He reported that he intends to use a full-time attorney (included in the cost of services) to draft and execute the same types of deals to present directly to JEDO for approval. He stated he would be able to preserve funding and replicate services already provided by the Chamber and GO Topeka, and he mirrored the current annual contract in form and function with the exception of more funding being returned to JEDO. He noted the proposal also creates a more aggressive process for grass roots entrepreneur opportunities, grants, scholarships and businesses, all services not currently being addressed by the Chamber and GO Topeka.

Councilmember Manspeaker asked Mr. Gassen to comment on his experience with economic development locally, as well as, in other communities.

Councilmember Alcala asked if Mr. Gassen has made any contact with site consultants.

Mr. Gassen stated as a business executive he has been involved in the launching of a business in an urban renewal area located in Sarasota, Florida, and has experience as an entrepreneur, business owner and turning other businesses around and improving their economic situation. He reported over the past several years he has opened up the lines of communication with a number of executive boards and chief executive officers of very large companies, and established relationships with companies that are funded by venture capital. He stated that he has established communication with companies that reach far beyond site selector magazines.

Councilmember Gray asked Mr. Gassen if he would be willing to work with GO Topeka during the transition if he was awarded the contract. He also asked Mr. Gassen to confirm there was no prior contact by him prior to the email sent today.

Mr. Gassen stated he would be willing to work with GO Topeka during the transition period and he had no contact with Councilmember Gray prior to the email sent to him today.

Joseph Ledbetter stated he believes since the inception of JEDO the Topeka-Shawnee County area has lost Adams Printing, Payless Distribution Center, Essex Wire, Inc., Jostens, Inc., and Schmidt Lumber. He stated there was job loss before JEDO and there continues to be job loss. He noted the poverty rate has gone up 50% in the last 10 years according to the United States Census Bureau statistics for Shawnee County, Kansas. He commented on the salaries of GO Topeka employees and asked the Board to review the 990 tax forms and footnotes listed on the audit reports to understand exact salaries of employees. He stated he has never seen the legal authority that allows the transfer of \$1 million of public funds to JEDO. He noted GO Topeka would be requesting approval of a \$9 million cash carry-forward agreement which would continue to fund economic development even if a different company is chosen to perform the services. He stated he believes America is built on competition, transparency and the ability to question authority and he does not understand why JEDO does not use the RFP process. He stated he believes the \$500,000 set aside for Minority and Women-Owned Businesses, as well as, the remaining \$4.5 million should be allocated through the RFP process. He stated he also believes there is a lot of fat in the \$9 million cash carry-forward request and believes the community would not suffer if they established an RFP process right now.

LaZone Grays distributed a handout and spoke in support of establishing an RFP policy. He provided a brief history of the policy issues surrounding the allocation of funds to small disadvantaged businesses since 1993 and stated he has had no success in attaining contracts with the City of Topeka since 1998. He referenced a legal opinion expressed by the City Attorney in 2002 relating to JEDO not violating laws relating to contracting procedures; however, it was determined by a Shawnee County District Court Judge the contract between JEDO and GO Topeka was illegal and therefore void. He reported JEDO had two options (1) to find a way to exempt the contract from competitive bid or (2) produce or establish a competitive procurement procedure and in an article printed on August 27, 2004 in the Topeka Capital Journal it was announced JEDO exempted itself from competitive bidding through a resolution adopted by the JEDO Board. He noted in the August 25, 2004 minutes the JEDO Board adopted the resolution and to date he has not received or seen an executed copy of the resolution, as well as, there was no other action taken at that same meeting that would establish a competitive bidding procedure; only a change to the current interlocal agreement; therefore, he believes the contract between GO Topeka and the JEDO Board is null and void. He reported he also reviewed meeting minutes prior to and after the August 25, 2004 date to make certain no action had been taken to exempt JEDO from the competitive bidding process. He stated he believes nothing has been done to comply with the Judge's order.

Chairman Archer asked the City Attorney to comment on the legal matters mentioned by Mr. Grays.

Mary Feighny, Assistant City Attorney stated she was not prepared to comment on the matter as this is the first time she has been provided with the information and she would prefer to review the Judge's decision and the resolution mentioned in the August 25, 2004 JEDO Board meeting minutes.

Councilmember Gray requested a written legal opinion from the City Attorney's office regarding the legality of the current JEDO contract with GO Topeka, and to defer action on the contract until the legality could be determined. He expressed concern with jeopardizing the City if the contract is not legal.

Commissioner Buhler asked if a copy of Resolution No. 2004-01 could be provided to the Board at this time. She asked what other proof would be needed if the official minutes of the Board reflect passage of Resolution No. 2004-01 which establishes purchasing procedures involving expenditures of JEDO funds and in reading the information provided by Mr. Grays it would refer back to professional services.

Mary Feighny, Assistant City Attorney stated she is not sure how to access the JEDO document at this time.

Councilmember Gray encouraged the Board to not proceed with a document that may not be legal.

Councilmember Gray moved to defer action on the current contract until a later time to determine by documentation if JEDO is exempt from competitive bidding and if the current contract is legal. The motion died due to a lack of a second.

Councilmember Everhart requested the meeting be recessed and requested the County Commissioners attempt to contact Mr. Rich Eckert, Shawnee County Counselor to answer the questions and address the concerns of the Board.

Commissioner Buhler stated she is not sure a copy of the resolution could be produced at this time.

Councilmember Gray moved to develop a committee to establish a formal competitive bid purchasing procedure and draft a request for proposal and solicit for bids with a possibility for awarding contracts to an organization through competitive bids for 2013, effective January 1, 2013. The motion seconded by Councilmember Everhart.

Commissioner Buhler asked who would develop the required scope of services for the request for proposal and when would the proposals be released to the public for review.

Councilmember Gray stated he believes any person that is a member of the City Council or the County Commission could help develop the scope of services required. He offered to contact other cities to see how they have developed the same type of procedures and begin presenting a formal request for proposal in June 2012 and vote on a contract by December 2012.

Councilmember Hiller stated it could be possible to discuss, research and deliberate on how to develop a scope of duties by April 1, 2012; have the committee report the findings to the Board by June 1, 2012; advertise and close the request for proposal bids by September 1, 2012; and finalize a contract by January 1, 2013.

Councilmember Gray withdrew the motion to develop a committee to establish a formal competitive bid purchasing procedure and draft a request for proposal and solicit for bids with a possibility for awarding contracts to an organization through competitive bids for 2013, effective January 1, 2013. The second concurred.

12-05-11

6

FINAL

Councilmember Gray stated he would be willing to compile information and make a presentation to the Board next month and then vote on the viability of implementing a request for proposal process.

Councilmember Gray moved to table the discussion to establish a request for proposal process until January 2012. The motion seconded by Councilmember Everhart carried. Councilmember Alcala and Mayor Buntin voted “no.” (5-2-0)

DISCUSSION of 2012 Economic Development Business Plan and Budget, was presented.

Doug Kinsinger, President and CEO of the Greater Topeka Chamber of Commerce/GO Topeka reported they compete on a daily basis with approximately 80,000 communities around the nation and others around the world. He stated they believe they are doing a successful job in bringing economic development and growth to the Topeka-Shawnee County area. He stated they believe GO Topeka is uniquely positioned to provide economic development services as compared to any other company. He recognized GO Topeka and Greater Topeka Chamber of Commerce Board members present at the meeting, and noted they offer business expertise and assistance, along with additional resources and contacts making GO Topeka very successful. He reported the focus of GO Topeka is to promote outside wealth to the community and primary jobs by attracting new employers, primary employers and retention and expansion of existing companies. He stated they accomplish this through marketing Topeka-Shawnee County internationally, nationally, regionally and locally. He noted their 2012 plan focuses on a more targeted group of decision makers in target industry sectors while supporting existing businesses and entrepreneur development. He reported the key to their success is good relationships with citizens, existing employers, companies within targeted sectors, national site-consultants, as well as, local, regional, national and international partners. He noted the team members at GO Topeka have over 94 years of economic development experience. He reported the following:

- GO Topeka Results for Jobs and Capital Investment from January 2002 through November 30, 2011 included a total of 6,806 new jobs that were created from companies that have received local incentive funds; 2,364 jobs that were retained by companies they assisted but did not have to provide a direct incentive for a total of 9,170 new jobs. To date, companies have invested over \$2 billion in the local economy.
- Economic Impact to Topeka/Shawnee County based on GO Topeka Results from 2002 through 2011 were approximately 18,000 new and retained jobs; salaries paid to these jobs were \$7.63 billion; and if they would have spent the entire \$50 million there would be a Return on Investment (ROI) ratio of 152:1.

Mr. Kinsinger stated GO Topeka and its program for recruitment have been declared a “model for economic development organizations” according to their newest corporate citizen, Mars Chocolate North America and based on their other successes GO Topeka has had since 2002 there are many other companies that believe the same thing. He stated additionally, GO Topeka’s Entrepreneurial and Minority Business Development program has been cited as a national model to follow by the Institute for Competitive Workforce. He reported the following:

- GO Topeka’s Comprehensive Database includes local demographic information, quality of life information, public infrastructure, business assistance programs, real estate information, taxes, fees,

regulations, sites and buildings. It is a state of the art tool for companies to use when screening communities.

- Methods of Marketing include the website; recruit from targeted geographic communities around the nation, use electronic social media and print advertising, contact site consultants directly, attend industry trade shows targeted to groups they are focused on, multi-media presentations, and general public relations. He noted GO Topeka has received hundreds of thousands of dollars in free press because they have earned it and are getting successful results.
- Existing Business Support helps create 80% to 85% of community jobs. He noted they have not been able to save all companies; however, GO Topeka has a great track record in saving as many jobs as possible by assisting companies with their needs and challenges.
- Entrepreneurial and Minority Business Development is a strong program recognized nationally with a specific focus on low to moderate income minority and women owned businesses with a goal to provide them the knowledge and resources for them to be successful.
- Business Plan Action Categories including New Business Attraction focused on new primary jobs and investments; Existing Business, Expansion and Retention focusing on existing primary employers; Entrepreneurial Development focusing on cultivating and growing potential primary employers; Minority and Women-Owned Business Development focusing on working to assist and grow minority and women owned businesses; Workforce Development focusing on developing the future workforce; and Research focusing on supporting the overall strategy of economic development.
- Development of Commerce Parks requires many hours, time and effort of staff members to develop. He reported Central Crossing Commerce Park and the Kanza Fire Commerce Park has new businesses and many more acres to develop. He stated they are currently trying to leverage federal and state funding to assist with infrastructure for the Kanza Fire Commerce Park. He stated having the infrastructure in place in conjunction with effective marketing is the only way to make certain there will be future economic development for the Topeka-Shawnee County area.

Brad Owen, Mize Houser & Company, P.A., and internal consultant for GO Topeka highlighted GO Topeka's budgeted statements and expenditures for the years ending December 31, 2011 and 2012. He provided the following summary of significant forecast assumptions:

- The Sales Tax amount includes a one-time catch-up payment of \$416,666 from 2007.
- The Payroll taxes and benefits include an estimated 10% health insurance increase effective July 1, 2012.
- The total staffing expenditures for the 2012 budget is based on 7.5 full-time employees (excluding 1.5 Entrepreneurial & Minority Business Development full-time employees).
- The Entrepreneurial & Minority Business Development allocation includes the salaries and benefits budgeted for 1.5 full-time employees (\$102,270 in 2011 and \$107,046 in 2012) and includes their program income.
- The Heartland Visioning allocation assumes potential equal contributions on behalf of the City and County, subject to approval.
- 2012 Site Improvement costs for Kanza Fire Commerce Park includes design services for the sewer and pump station (\$1,352,000 of the 2011 budget amount was advanced in December 2010).
- Site options for the Kanza Fire Commerce park expire in December 2012 (negotiations are underway for installment purchase).

12-05-11

8

FINAL

Councilmember Gray asked what the \$60,000 allocated to Heartland Visioning would be used for; if Heartland Visioning staff salaries are paid with private or public funds; and what tangible results have been generated as a result of the \$60,000 allocation of funds from the City and County.

William Beteta, Heartland Visioning, Inc., Executive Director reported the funds are used to facilitate the implementation of the community wide Heartland Visioning process, as well as, the operation of Heartland Visioning; and the salaries of the Heartland Visioning, Inc., staff members are paid with private funds from other organizations. He stated he was not prepared to provide specific examples of additional tangible results aside from the implementation of a community vision and plan that has already been completed.

Councilmember Gray requested Mr. Beteta provide a financial breakdown of the use of funds (\$60,000) via electronic mail.

Mr. Beteta stated he would be happy to provide the information via electronic mail; however, he would prefer they schedule a meeting to discuss the requested information in person.

Dawn Wright, Vice President of GO Topeka's New Business Attraction Division, reported she works as the outside contact to prospective companies and site consultants to help promote and attract economic development for the Topeka-Shawnee County area. She discussed the following:

- The New Business Attraction focuses on three major areas including (1) national and international marketing (2) community economic development sales and (3) prospect development and public relations.
- The Division focus for the past two years has been to sell the Topeka-Shawnee County community to site consultants and prospective companies
- The over-all 2012 operating budget for the New Business Attraction Division has been reduced by \$500,000 due to the new development of the GO Topeka website; their concentrated efforts of making sure the Topeka-Shawnee County area is "on the map" and well known in the economic development world; they have developed marketing materials that support their message; they will move away from major print advertising in 2012 and supplement it with online advertising; and utilize email blasting enabling them to focus on certain prospects if necessary.
- The Target Industry Study was completed in 2011 which reviews all the assets the Topeka-Shawnee County area has to offer. She noted the Topeka-Shawnee County area lines up best with industry needs in the logistics of distribution, food manufacturing, biomedical, office, financial and clean energy.
- 80% of economic development projects are generated from site consultants.
- In 2011 she met with over 215 site consultants personally; contact over 858 site consultants via email; and was provided access to a database of over 2,500 site consultants.

Jo Feldmann, Manager of GO Topeka's Existing Business Program reported approximately 80% to 85% of area job growth is generated from existing businesses; the services the program provides can be used as an attraction tool for new businesses; they meet with existing companies numerous times throughout the year to assist them with any issues they may have or if they are trying to grow the company; and they offer assistance with applying for State programs, training grants and tax incentives. She reported the following:

- Existing business visitations include at least 140 visits annually, including 40 major companies; “walk-around” tours of a least four business districts; and two to three visits to existing primary employers headquarters located outside Topeka and Shawnee County.
- Existing employer support includes a partnership with Washburn University on the Six Sigma Program; work to understand the value of Manufacturing Program to promote job opportunities in local manufacturing; assist with local primary employer expansion; and build relationships with local executives.
- Workforce Development includes Workkeys High School testing which includes a 2-year continuous testing of seniors in all Shawnee County school districts; and work to develop Shawnee County School District staff in-service education to support Workkeys testing.
- Employer Workforce support includes scientific survey of employers to determine current and future workforce skill demands; Topeka-Shawnee County Workforce Summit facilitated by national workforce leaders to support value of Manufacturing Council; and develop workforce development system for Topeka and Shawnee County necessary to meet local primary employers needs and support the attraction of future jobs and investments.

Cyndi Hermocillo-Legg, Vice President of Entrepreneurial & Minority Business Development of GO Topeka provided a brief overview of the following information relating to Entrepreneurial Development:

- Provide program support for Washburn University Small Business Development Center (SBDC).
- Provide research development and commercialization for prospects; and collaborate with Mid-America Manufacturing Technology Center (MAMTC) to transfer and deploy research as entrepreneurial opportunities in the community arise.
- Provide entrepreneurial development support which includes entrepreneurs Boot Camp and events, as well as, develop and implement an economic gardening strategy.
- Provide small business support which includes updating brochures, providing a start-up guide and mobile small business assistance.

In conclusion, Doug Kinsinger stated the funds allocated for research or general data acquisition are used to help populate GO Topeka’s website in regards to inquiries. He reported the government relations consultant works to assist in acquiring federal appropriations and has done so over the last 9 years; however, this year they are asking the consultant to focus their efforts on helping GO Topeka retain Topeka-Shawnee County area federal employers. He noted GO Topeka has assisted with retaining and attracting jobs for Good Year, Burlington Northern Santa Fe Railroad Automotive Shops; VA Hospital and Shendel Pest Control. He stated they are getting results and have a professional team that follows through.

Councilmember Everhart questioned the diversity or professional make-up of GO Topeka’s Board of Directors.

Councilmember Manspeaker asked how many people serve on the Board and how many represent the labor community.

Doug Kinsinger reported they have 35 Board representatives from the community at large, with one member serving from the labor community.

Commissioner Ensley expressed concern with the discussion having a negative effect on potential clients.

Doug Kinsinger stated it is vital that GO Topeka's clients have complete trust in them and know that they can count on GO Topeka's staff.

Joseph Ledbetter expressed concern with 2012 budget presented by GO Topeka. He stated he believes the budget is vague and if approved, it would also approve the GO Topeka contract with JEDO.

Mary Feighny, Assistant City Attorney stated it is the decision of the Chair to decide when the contract is considered and approved.

Joseph Ledbetter questioned where the remaining 70 acres that are available to be developed are located in Central Crossing Park; what are the site options at Kanza Fire Park and noted approximately 147 acres of the site is considered wetlands; have appraisals been conducted on the Kanza Fire Park; have all JEDO Board members reviewed the 2009 Kanza Fire Park budget and report; how much rent is being paid by Go Topeka to the Greater Topeka Chamber of Commerce; and are there accounting safe guards or policies in place to protect the public against self dealings and transparency of funds and records of GO Topeka. He stated he is opposed to Heartland Visioning receiving funding from the City and County because he is not sure what services they provide to the community. He asked if there were safe guards in place to make certain GO Topeka funds are not transferred to the Greater Topeka Chamber of Commerce and that the email blasts are not being used for public elections of any kind. He requested GO Topeka create a collaboration with the public and provide transparency of records to the public.

Maynard Oliverius, GO Topeka Board Chair-Elect, and President and CEO of Stormont-Vail Health Care reported the hospital has added 1,100 jobs in the past 11 years and invested over \$45 million in new equipment and technology which would not be possible without the assistance of GO Topeka.

Discussion of 2012 Contract Proposals was presented. (*JEDO Contract No. C-1-2011*)

Mary Feighny, Assistant City Attorney reported the contract language is identical to last year's contract with the exception of the dates.

Commissioner Buhler stated a complete copy of the contract was not included in the meeting packet.

At 8:52 p.m., Chairman Archer announced the meeting would recess for a time period not to exceed 10 minutes to gather a complete copy of the contract for distribution.

At 9:02 p.m., the meeting reconvened into open session and a complete copy of the contract was distributed to the JEDO Board members for their review.

Mary Feighny stated she spoke with Rich Eckert, Shawnee County Counselor and he has informed her that Resolution No. 2004-1, approved August 25, 2004, exempts JEDO from utilizing competitive bidding from professional services, such as entering into a contract with an organization to provide economic development services. She also stated it is her legal opinion that there would be no legal impediment if the JEDO Board decided to enter into a contract with GO Topeka at this time.

Chairman Archer stated he would allow Mr. LaZone Grays to comment on agenda item No. 3 at this time.

LaZone Grays questioned by what authority, State Statute or Home Rule, was the JEDO Board allowed to be exempt from the competitive bidding process. He commended the number of people that have utilized the

12-05-11

11

FINAL

training offered through the Entrepreneurial and Minority Business Development Program; however, he is concerned with GO Topeka managing the funds because they did not support the 10% allocation of funds to the program in the beginning. He questioned why all businesses generated in east Topeka are funded from the EMBD Program budget and not from the remaining \$4.5 million outlined in the operating budget. He discussed the social disadvantaged target population rate and statistics and how they need funds dedicated to work force training for the adult population that is currently unemployed. He requested they include other citizens in the community and generate other ideas to boost area economic development because the statistical numbers have not changed over the past decade and it is vital to meet the needs for the social disadvantaged community.

Commissioner Ensley moved to reconsider the motion to table the discussion to establish a request for proposal process (agenda item No. 2) until January 2012. The motion was seconded by Commissioner Thomas.

Councilmember Gray stated he does not believe the motion to reconsider would be prudent at this time. He noted he agreed to research the process and make a presentation to the Board in one month with the understanding the action would be deferred at this time.

Commissioner Buhler questioned if Councilmember Gray could present the issue to the Board again at a later date if disapproved.

Councilmember Manspeaker asked if public comment would be allowed again on the agenda item.

Councilmember Alcala asked when public comment on the agenda item took place, was it before or after the motion to table the item.

Mary Feighny stated the agenda item was handled in the correct manner by first allowing public comment, then discussion by the Board, and finally a motion to table the agenda item; therefore, public comment would be inappropriate at this time.

Councilmember Manspeaker asked what document, State Statute or Home Rule exempts JEDO from the competitive bidding process for professional services.

Mary Feighny reported Resolution No. 2004-1 approved by the JEDO Board, August 25, 2004, exempts JEDO from having to bid for professional service contracts; State Statute is irrelevant in the matter and Home Rule would not apply to JEDO. She also stated Councilmember Gray could place the item back on the agenda in January if disapproved.

Councilmember Hiller noted Councilmember Gray's request would not have an affect on the 2012 budget or business plan; therefore, it should not be an issue to move forward with the agenda items at this time.

The motion to reconsider the motion to table the discussion to establish a request for proposal process (agenda item No. 2) until January 2012 carried. Councilmember Alcala and Everhart voted "no." (5-2-0)

Mary Feighny clarified the agenda item is back before the Board for consideration and it is not necessary to make a motion at this time.

Joseph Ledbetter spoke in opposition to the service agreement and expressed concern that no language changes have been made to the agreement since 2004. He encouraged the Board to review the agreement closely and

12-05-11

12

FINAL

make any necessary changes instead of giving the agreement the “rubber stamp of approval.” He stated in his opinion, any member of the JEDO Board that is also a member of the Greater Topeka Chamber of Commerce should abstain from voting on this item and the 2012 budget due to a conflict of interest. He stated he wants detailed accountability and transparency of all taxpayer money spent by GO Topeka. He suggested the following:

- Make sure all quarterly financial reports as referenced on page 3, Section 7 of the agreement be attached to the minutes or submitted as part of the record.
- Make sure GO Topeka complies with the requirement to provide a signed fixed inventory asset sheet annually to the JEDO Board.
- Where appropriate, include language that would allow public access to all GO Topeka records including budget, salaries, boards, and expenditures.
- Where appropriate, include the statement, “No transfer of money from GO Topeka to public funds or any other entity including the Greater Topeka Chamber of Commerce take place without a specific vote and expressed authority of the JEDO Board.
- Schedule by-monthly JEDO Board meetings.
- Implement a competitive bidding process.
- Provide a complete break down of the GO Topeka budget including, exact monies to be spent with great detail.
- Where appropriate, include the statement, “None of the money, assets or resources involved in the agreement will be involved in any local election of any kind.”
- Amend page 1, after the first paragraph insert the statement, “This agreement is subject to KORA and KOMA.
- Amend page 4 by inserting the statement, “and citizens of Shawnee County and that GO Topeka agrees to respond promptly to written inquires both for voting and nonvoting members of JEDO and citizens of Shawnee County.” after the word “JEDO” on the last line of the Section 7.
- Amend page 10 by inserting a new Section 24 stating, “No monies of this contract or agreement shall be transferred to any related organization including the Greater Topeka Chamber of Commerce.”
- Amend page 10 by inserting a new Section 25 stating, “No JEDO member may sell assets to GO Topeka for five (5) years after leaving office.”
- Amend page 8 by inserting, “and any citizen of Shawnee County all of its records with respect to matters covered by this agreement.” after the word “JEDO” on the last line of paragraph C.

LaZone Grays spoke in opposition to the contract and stated he believes JEDO does not have the authority to approve the agreement. He stated in his opinion JEDO has no lawful authority to exempt the organization from competitive bid for services as outlined in K.S.A 50-101. He stated he would also contend that JEDO must follow K.S.A 75-3739 because they are dealing with public funds of the State, as well as, the statute outlines instances that would be exempt from competitive bid and this type of service is not one of them. He stated in his opinion the proper legal procedure was not followed at the August 25, 2004 JEDO Board meeting regarding the exemption of competitive bidding process.

Councilmember Manspeaker encouraged the Board to oppose the contract. He stated the Greater Topeka Chamber of Commerce represents the business owners of the community and not the best interests of the working people in the community. He expressed concern with the minimal interaction of the JEDO Board and the community in regards to the responsibility of utilizing economic development funds to the best of their ability.

12-05-11

13

FINAL

Mayor Bunten clarified the Greater Topeka Chamber of Commerce as an organization does not make contributions to election campaigns. He suggested that all amendments to contracts be presented in writing to the Board for consideration or if it is believed the contract is illegal then the contract should be presented to a court of law for review.

Mayor Bunten moved to approve the contract. The motion seconded by Commissioner Buhler carried. Councilmember Gray voted "no." (6-1-0)

Discussion of Carry-Over request, was presented. (*JEDO Contract No. C-1-2011*)

Chairman Archer asked if the carry-over agreement would be necessary since the service agreement was approved.

Mary Feighny stated Section 8 of the service agreement allows for a carry-over agreement request upon approval by the Board.

Doug Kinsinger, President and CEO of the Greater Topeka Chamber of Commerce and GO Topeka reported the carry-over agreement is necessary to cover budgeted expenses that are not due and payable until after the close of the current term of the 2011 service agreement.

Councilmember Hiller asked if agenda item No. 3, the 2012 Economic Development Business Plan and Budget, should be approved prior to the carry-over agreement.

Mary Feighny stated the 2012 Economic Development Business Plan and Budget were attachments to the 2012 service agreement that was already approved.

Joseph Ledbetter stated he presented verbal amendments to the service agreement in hopes the Board would consider them. He spoke in opposition to the agreement and questioned why such large amounts are requested each year and believes the money should be used for public purposes or economic development instead of sitting idle in a bank.

Mayor Bunten moved to approve the carry-over agreement. The motion seconded by Commissioner Ensley carried. Councilmember Gray voted "no." (6-1-0)

No further business appearing the meeting was adjourned at 9:59 p.m.