

**Joint Economic Development Organization Board Minutes  
November 7, 2013**

City Council Chambers, 214 SE 8th Street, Topeka, Kansas, Thursday, November 7, 2013.

The Joint Economic Development Organization (JEDO) Board Members met at 5:30 p.m. with the following Board Members present: City of Topeka Mayor Larry Wolgast, Deputy Mayor Sylvia Ortiz, Shawnee County Commissioners Shelly Buhler, Kevin Cook and Bob Archer.

Nonvoting Members present: Councilmembers Nathan Schmidt, John Campos II and Karen Hiller.

Absent: Councilmembers Chad Manspeaker, Michelle De La Isla, Richard Harmon, Denise Everhart and Elaine Schwartz were absent.

Mayor Wolgast called the meeting to order. He announced that the final JEDO Board meeting would be held on December 5, 2013, to discuss 2014 economic development goals and GO Topeka's annual service contract.

**APPROVAL of Minutes of the August 1, 2013, JEDO Board meeting, was presented.**

Deputy Mayor Ortiz moved to approve the minutes of the JEDO Board meeting of August 1, 2013. The motion was seconded by Commissioner Buhler.

Mayor Wolgast asked if there was anyone present who would like to speak to the matter. No one appeared.

Following roll call vote, Mayor Wolgast announced the motion to approve the minutes of the JEDO Board meeting of August 1, 2013, carried unanimously (5-0-0)

**APPROVAL of the service contract for the JEDO 2013 audit was presented.**

Deputy Mayor Ortiz moved to approve the service contract for the JEDO 2013 audit. The motion was seconded by Commissioner Archer.

Mayor Wolgast asked if there was anyone present who would like to speak to the matter. No one appeared.

Following roll call vote, Mayor Wolgast announced the motion to approve the service contract for the 2013 JEDO audit carried unanimously (5-0-0)

**AN OVERVIEW of GO Topeka's 2013 Program Activity Results was presented.**

Councilmember Michelle De La Isla entered the room.

Doug Kinsinger, President and CEO of the Greater Topeka Chamber of Commerce and GO Topeka Economic Partnership, provided a brief update on the GO Topeka 3<sup>rd</sup> Quarter Report. He reported that New Business Attraction wins include Crosswind Pet Foods, Inc., generating 62 full-time jobs and \$4 million of investments; New Business Submissions include 32 Prospects; 8 Formal Proposals; 195 Site Consultant Contacts; 27 Current Outstanding Projects; 6,327 Jobs generated and a \$2.8 million investment; and they continue to work with the Cities of Lawrence and Manhattan in regards to Bioscience efforts.

Councilmember Chad Manspeaker entered the room.

Doug Kinsinger continued to report on existing business expansions including Southwest Publishing (formerly Jostens Inc.) generating 40 new full-time jobs and retaining 260 jobs with \$3.5 million of investments; and Alorica Inc., generating 280 new full-time jobs and retaining 170 jobs. He reported their general support for existing businesses include 101 Business Visits, 10 New Assistance Requests, 11 Current Project and Assistance Requests with 292 new and retained jobs and \$32 million of investments.

Selena Smith, Alorica, Inc., site director stated they are focused on growth with a purpose, targeting a segment of the population to provide viable career opportunities, working with local groups to provide career path opportunities, as well as, product expansion for employees, management and overall operations.

Doug Kinsinger continued to report on the following:

**Workforce Key Points:**

- Workkeys Testing Completed for years 2012 and 2013
- South Corridor Group including representatives from Bimbo Bakery, Frito Lay, Home Depot Distribution Center, Mars and Target RDC
- Partnered with Seaman High School on Shadow Program for Students in the Industry (Grown from 7 to 18 Students)
- Presented to Human Resource Managers regarding WorkREADY Certificates and their value to business
- They have begun work in the development of Food Manufacturer's Training Class (partners include food manufacturers, state and education institutes)

**Entrepreneurial & Minority Business Development**

- 301 Entrepreneurs have participated in Small Business Workshops and/or Training Workshops.
- 9 individuals participated in the New Venture Business Plan Course and are working on their plans, and of those 9 people 7 are females, 3 are minorities and 2 are low income with 73% in the target group.

- 17 people are currently participating in the “Who Owns the Ice House” Course (Entrepreneurial Mindset & Success Factors), and of those 17 people 14 are females, 9 are minorities and 9 are low income with 94% in the target group.
- 1 loan has been granted and 1 loan is pending.
- 37 people earned their Entrepreneurial Course Certificate, 18 have either started or retained their business.
- Continue partnering with Highland Park High School and the Robotics Program (79% of the current Robotics 1 Class is comprised of either women and/or minority students.)
- Prepared for the 4<sup>th</sup> Annual MWBD Small Business Conference for Tuesday, November 19<sup>th</sup>.
- They have coordinated 3 Breakfast Buzz meetings and are planning for the 4<sup>th</sup> Wednesday, November 20<sup>th</sup> (on average 70% are either women and/or minorities).

Commissioner Cook noted that GO Topeka receives \$5 million annually to provide economic development services for the community. He requested a financial breakdown of the \$5 million (\$416,000 per month) by line item or an expense spreadsheet for the public to view. He asked how much money does GO Topeka receive in private dollars.

Doug Kinsinger stated GO Topeka’s quarterly reports are posted on the City and County websites providing public access and noted that most years they do not spend the entire \$5 million because reserve funds must be held until companies deliver promised incentives. He reported GO Topeka receives approximately \$800,000 in private funds annually from 150 companies which is utilized for sales and marketing, as well as, to generate more public dollars into hard assets.

Deputy Mayor Ortiz inquired about the new pet foods company Crosswind and asked when the building would be occupied and jobs filled.

Commissioner Cook asked what measures have been put in place to make certain there are environmental controls as the building is located in a high density residential area.

Doug Kinsinger reported the former Strathman Sales building located at 2127 SE Lakewood Boulevard has been vacant for 9 months and a job fair will be hosted later this month. He stated they have met all State of Kansas Department of Health and Environment air quality omissions requirements, as well as, all zoning requirements.

Councilmember Campos II asked what GO Topeka is doing to provide educational outreach to middle school students in regards to the robotics program.

Doug Kinsinger stated they have not reached out to middle school students and recognize they need to improve communications with younger students.

Councilmember Hiller asked if GO Topeka is on target with their annual goals in regards to the creation and retention of jobs and economic development in the Topeka-Shawnee County area.

Doug Kinsinger reported many companies have slowed down due to recent government actions; however, GO Topeka is on target to date and is certain there are still opportunities to obtain more jobs and attract new businesses before the end of the year.

Commissioner Cook asked what kind of businesses are being pursued; how is the Topeka-Shawnee County area being marketed; is there a statistical or percentage data sheet for tracking purposes; and have they established marketing strategy standards.

Doug Kinsinger stated the process begins by considering the logistics of new employers and noted companies that provide food processing services, bio or animal science services, financial services and advanced manufacturing (robotics) are well suited for this area, as well as, companies must pay above average wages. He reported marketing is not measured through statistics or percentages; however, one-third of the marketing efforts are performed internally, one-third throughout the state of Kansas and one-third in the regional area. He noted site consultants play a vital role in the marketing of the Topeka-Shawnee County area generating increased momentum and awareness in the overall market place.

#### **DISCUSSION on Economic Development Priorities for the coming year was conducted.**

Scott Smathers, Vice President of GO Topeka Economic Development, reported they are dealing with many communities across the nation with 60% of the projects remaining regional. He highlighted the following points regarding future considerations for GO Topeka:

##### **Project Competition**

- According to the International Economic Development Council 15,000 localities compete for 100 to 200 significant projects each year nationally.
- In dealing with new businesses and expansion of businesses they want things to be simple including land and/or building availability; infrastructure in place; incentives defined and workforce development options available and ready.
- “Yes beats Maybe” when competing for projects.

##### **What Does GO Topeka Do**

- Attract new primary jobs and investments.
- Expansion and retention of existing primary employers.
- Workforce development research and financial support.
- Entrepreneurial development focused on cultivating and growing potential businesses and employers.
- The Minority and Women-owned Business Development representatives work to assist and grow minority and women owned businesses.

## **New Business Attraction**

### **Relationships: Lead Generation**

- Site Consultants must do what they say to generate positive results.
- Continue to work with the Kansas Department of Commerce.
- Improve region relationship with the Kansas City Area Development Council.
- Pursue partnerships with Kansas State University in Manhattan and University of Kansas in Lawrence regarding the Kansas Research Nexus.
- Develop industry groups to attract big businesses through site consultants.
- Increase direct business contacts.

### **Global Exposure**

- Revise the website to ease accessibility and increase efforts for community branding and offerings through advertisement, marketing and social media.
- Establish global relationships through targeted industry involvement and participation through trade shows and social media groups.

### **Community Assets**

- Incentives through available land, cash for jobs, infrastructure support and abatements
- State Incentives
- Skilled Workforce
- Transportation Network

### **Existing Business**

- One-on-One Business Visits to include the establishment of on-going relationships and providing resources and possible incentive assistance.
- GO Topeka Contract Administration will review incentive contract obligations with third party assistance.
- Provide focused discussions on issues and workforce development challenges for the South Corridor Group (Frito Lay, Target, Home Depot RDC, Bimbo and Mars).

### **Workforce Development**

- Expand Workkeys Testing to seniors in all Shawnee County Public School Districts.
- Support and fund testing for students in math, reading and locating information showing their level of competency.
- Assist employers in selecting candidates by reviewing the WorkREADY Certificate.
- Develop training programs and assist in the development of the food manufacturers' workforce development group to meet their needs including soft skills for employees and understanding their point of view.

Glenda Washington, GO Topeka Entrepreneurial and Minority Business Development (EMBD) Director, reported the Topeka-Shawnee County First Opportunity Loan Fund, L.L.C., offered through GO Topeka is a huge advantage and asset to the community. She discussed the following points:

## **Workforce Development**

### Human Resource Managers Forum

- Meet annually to determine workforce gaps
- Educate on the resources available to assist

### Expand Workforce Development Group Partnerships with the following

- Workforce Center
- Washburn University
- Washburn Tech
- Kansas Department of Commerce and Board of Regents
- Workforce Advisory Group

### Work with Area High Schools

- Educate students about technical careers
- Educate teachers and counselors about workforce skills gap
- Offer scholarships through State of Kansas for certain programs offered through Washburn Tech
- Offer advanced robotics course through Washburn Tech following high school training in robotics

## **Entrepreneurial and Minority Business Development (EMBD)**

### Topeka-Shawnee County First Opportunity Loan Fund, L.L.C.

- Strategic Marketing Plan to further promote the loan fund.
- Increase the current loan fund cap of \$10,000.
- Work closer with partners to identify loan prospects by providing outreach.
- Spotlight successes in local media.

### Training, Counseling and Education

- Conduct a small business needs survey in January 2014 with results in February 2014.
- Provide advanced training for existing small businesses.
- Develop a closer collaboration with educational partners in the area.
- Consider expanding education programs to all high schools including middle schools.
- Expand the NaviGate Partnership through individuals that help small businesses grow.

### Networking and Collaboration

- Create a purchasing program that allows small businesses to grow.
- Develop relationships with buyers from large companies and government agencies to identify local purchasing opportunities.
- Host quarterly Small Business Matchmakers with bankers and buyers.

Mayor Wolgast expressed the importance of workforce development and how it relates to attracting new businesses.

Councilmember De La Isla expressed her appreciation to the energy displayed by Scott Smathers and Glenda Washington and commended them for developing a common theme that educational opportunities are essential; developing a forum for South Corridor meetings; the importance of asking all individuals involved in business development what they want; and engaging the youth to understand what local business are made of and desire.

Councilmember Hiller commended GO Topeka staff members for the presentation. She stated she understands the importance of large retail stores in regards to job creation in the community; however, they still need to address aging retail centers located in different areas of the city that need to be occupied. She requested that the issue be discussed in 2014 and addressed in some element of the program or make a recommendation as to where they could seek advice.

Scott Smathers encouraged new or existing business owners to contact GO Topeka so they can provide the necessary resources and incentives for success. He noted they plan to view their database on an annual basis to make certain they are meeting the needs of each area.

Councilmember De La Isla noted they did not address downtown revitalization in the presentation. She stated that she believes the core of the city is not growing and they need to collaborate with Downtown Topeka Inc., (DTI) to address the issue.

Scott Smathers reported they have had a brief meeting with DTI representatives; however, they are not providing preferential treatment to any specific area of the city and will treat all areas of the city the same.

Glenda Washington stated they plan to host high-tech maker space and workforce space in the downtown area with many more options and opportunities for these types of activities, as well as, more ideas for Small Business Saturdays in regards to how it will look and fit in the community. She noted a plan would be established within the next six months.

Commissioner Cook asked if the model outlining the five specific service areas is sufficient or if a different method or model should be developed and utilized.

Scott Smathers confirmed that food service and logistics are two of the biggest businesses at this time; therefore, he believes the current model used by GO Topeka is a very good basis and they can build on what they are currently using.

Councilmember Schmidt asked if they plan to collaborate with local educational partners in regards to the high-tech maker space to attract young entrepreneurs, as well as, incorporate talent mining.

Glenda Washington stated they have reached out to educational partners providing great opportunities to encourage talent mining.

Councilmember Hiller asked if they have reached out to the adult minority population in regards to the robotics program at the Highland Park High School. She noted that the program could be very effective for adults and they need to take advantage of the tools already in place.

Commissioner Buhler stated she was very excited about the future of GO Topeka. She stated that she believes there is huge potential to achieve good things with the help of Scott Smathers and Glenda Washington.

Councilmember Manspeaker noted they plan to approve GO Topeka's 2014 priorities at the next JEDO Board meeting and he would be interested in hearing the ideas of fellow Board members.

Mayor Wolgast confirmed that GO Topeka's 2014 priorities, goals, budget and service contract would be discussed at the December meeting.

Councilmember Schmidt asked if they have partnered with local universities and if they have a report that outlines workforce gaps.

Scott Smathers stated they need to reach out to local universities to request all graduate data to better assist them in recruiting businesses. He reported the workforce gap is largely related to soft skills and communication skills.

Councilmember Campos II suggested creating an after school pilot program to identify the interests of children; increase economic development in the area of ecosystems, increase entrepreneurial opportunities for all citizens; and address vacant retail corridors throughout the entire city.

Councilmember Manspeaker suggested using sales tax funds to implement broadband improvements. He reported that many cities are choosing to fund broadband upgrades through their own funding source, as well as, developing private partnerships to assist with the funding. He stated that he believes broadband enhancements are crucial in leveraging jobs for the community.

Commissioner Buhler reported that there have been preliminary discussions over the last year with the Intergovernmental Council regarding broadband improvements and the implementation of a state-wide pilot program.

Councilmember Manspeaker encouraged Board members to rally voters and educate them on the cause for sales tax revenue. He stated they need to market the assets they already have in place by leveraging more return from aviation industries and utilize Forbes Field and Billard Airports.

Councilmember Schmidt questioned what they see as positive and negatives of implementing high speed broadband; the logistics of using the airports as an asset; and what types of businesses the area needs the most.

Scott Smathers stated the process is in the preliminary stages and it is too soon to make a decision.

Doug Kinsinger noted that 12 years ago the priority was improving roads and bridges, and while it is important to maintain water and sewer systems they must also consider the need for aviation services in the community. He announced in January 2014 Billard Airport would offer daily flights to Chicago, which offers 130 direct flights to other destinations.



Mayor Wolgast stated he looks forward to receiving goals from Board members to discuss at the December meeting.

Joseph Ledbetter appeared to speak under public comment. He distributed a handout created by Carol Marple relating to how jobs directly relate to economic development. He made the following statements:

- GO Topeka should not purchase any more land, if they do, it should not be without at least two appraisals.
- Go Topeka should not purchase any more wetlands.
- Tax dollars should not be used to fund the Riverfront Park instead tax dollars should be used to create jobs.
- All GO Topeka meetings should be open to the public, all minutes should be posted online, and all finances should be transparent to the public.
- GO Topeka Board members should be a reflection of the community and focus on small businesses.
- They need to concentrate efforts to fill empty warehouses located in Forbes Field Airport.
- A completely new service contract needs to be drafted, competition for the services should be allowed and penalties should be put into place if the contract is violated.
- Requested a detailed budget of where money is spent (hotels, air travel etc.).
- Requested lower ending balances.
- Seek public input and encourage them to attend the meetings especially small businesses.
- He stated he plans to submit his suggested changes to the contract and noted it has not been reviewed in 12 years.
- Requested that GO Topeka have their own office and facility so taxpayers are not subsidizing the rent of another entity in the amount of \$75,000 annually.
- Make sure veterans become the part of the targeting population of small businesses.

Carol Marple appeared to speak under public comment. She asked when the project on SE 77<sup>th</sup> street would be completed and noted the house was removed over two months ago and the basement remains open. She expressed concern with people losing their jobs; the importance of taking care of our citizens already living here; funding activities that support good quality of life and make it affordable for people to live in the area. She requested to see more detail in financial reports, instead of generalizations. She noted job growth has remained flat in Topeka while overall job growth has increased across the state.

Vince Frye, President of Downtown Topeka Inc., appeared to speak under public comment. He spoke in support of the Business Improvement District fund and is excited about the new staff members of GO Topeka.

Jeff Carson, Gizmo Inc., appeared to speak under public comment. He stated the key factor for a thriving downtown is grant funding because it is a great incentive to bring businesses downtown; it provides economic stimulus throughout the city and improves overall morale of Topeka citizens.

Lazone Grays appeared to speak under public comment. He distributed a handout relating to Topeka/Shawnee County Unemployment Rates by Race & Gender and noted the numbers will not get better if changes are not made. He stated change must be a priority. He expressed the importance of the following statements:

- Having skills in a successful trade to make a successful living.
- Transitional job training.
- Investing in our youth, especially in regards to technical training.
- Allocating \$80,000 for youth employment.
- Allocating \$150,000 for transitional employment programs (training opportunity that develops through subsidized employment).

Sylvester Rice appeared to speak under public comment. He requested that the Board seek out new ways to implement procedures and make sure development and discussions are inclusive and not exclusive to all citizens. He expressed the importance of small businesses having equal opportunities.

Shelly Buckley appeared to speak under public comment. She discussed the importance of a well-planned comprehensive economic development for the Topeka-Shawnee County area with adequate governmental funding; public meetings; assessments and reports of economic development decisions; and transparent expenditure reports available to the public for review.

No further business appearing the meeting was adjourned at 7:28 p.m.