

**Joint Economic Development Organization Board Minutes
November 18, 2015**

City Council Chambers, 214 SE 8th Street, Topeka, Kansas, Wednesday, November 18, 2015.

The Joint Economic Development Organization (JEDO) Board Members met at 6:00 p.m. with the following voting Board Members present: Deputy Mayor Karen Hiller, Councilmembers Michelle De La Isla and Jeffrey Coen; and Shawnee County Commissioners Shelly Buhler, Kevin Cook and Bob Archer -6. City of Topeka Mayor Larry Wolgast presided -1.

Nonvoting Board Members Present: Councilmembers Sandra Clear, Jonathan Schumm and Elaine Schwartz

Absent: Councilmembers Sylvia Ortiz, Brendan Jensen and Richard Harmon

APPROVAL of Minutes of the September 9, 2015, JEDO Board meeting was presented.

Commissioner Cook moved to approve the minutes. The motion seconded by Commissioner Buhler carried unanimously. (7-0-0)

AN UPDATE on the 2015 JEDO 3rd Quarter Financial Statement was provided by Brandon Kauffman, City of Topeka Finance Director.

Brandon Kauffman, City Finance Director and JEDO Board Treasurer, provided a brief overview of the 3rd Quarter Financial Statement. He reported year to date revenue collections were \$12,269,611.50 compared to year to date expenses of \$9,397,541.11 for a net gain of \$2,872,070.39. He stated the starting bank balance as of January 1, 2015 was \$5,883,310.88 resulting in a September 30, 2015 balance of \$8,755,381.27.

APPROVAL of Incentive Agreement between GO Topeka and Federal Home Loan Bank (FHLB) of Topeka was presented.

Scott Smathers, GO Topeka Interim President, CEO and Vice President of Economic Development, reported the JEDO Board approved the funding commitment for the incentive in June 2015, and GO Topeka is now seeking approval of the incentive agreement by the JEDO Board. He noted a revision to the contract has been made to reflect the correct number of existing employees as 216 instead of 223.

Pat Doran, Federal Home Loan Bank President and CEO, reported the project was on target and scheduled to be complete no later than the first quarter of 2018. He emphasized their plan to use local contractors when possible and noted they are currently working with the City of Topeka on the site development process.

Councilmember Coen asked who was responsible for making sure FHLB was doing what was required of them in incentive agreement.

Councilmember Clear questioned the rationale of paying for employee training and noted they are not required to hire only people from Shawnee County.

Scott Smathers reported GO Topeka monitors the agreement throughout the year as well as an outside auditor would review the agreement annually with FHLB prior to them receiving incentive funds. He stated they focus the use of funds on employee training to develop a higher skill level employee base and approximately 75% of their employees reside in Shawnee County.

Councilmember De La Isla moved to approve the Federal Home Loan Bank of Topeka Incentive Agreement. The motion seconded by Commissioner Archer carried unanimously. (7-0-0)

APPROVAL and AUTHORIZATION of Audit Engagement Letter between the Joint Economic Development Organization and Cochran Head Vick & Company, P.A., for the year ending December 31, 2015, was presented.

Brandon Kauffman, City Finance Director and JEDO Board Treasurer, provided the board report. He stated approval would authorize an audit of engagement letter between JEDO and Cochran Head Vick & Company to provide a review of JEDO finances for a fee not exceed \$4,500. He noted the firm has provided audit services for JEDO over the past several years.

Councilmember De La Isla suggested they follow best business practices and change audit firms every four to five years.

Commission Cook moved to authorize the Audit Engagement Letter between the Joint Economic Development Organization and Cochran Head Vick & Company, P.A., for the year ending December 31, 2015. The motion seconded by Commissioner Buhler carried unanimously. (7-0-0)

DISCUSSION of Countywide Half-Cent Sales Tax Interlocal Agreement was presented.

Mayor Wolgast referenced the project proposal list distributed in the meeting packet. *(See Attachment A)* He reported discussion would consist of the following items of interest by Board members:

1. Renovations to the Kanas Expocentre
2. An Urban Economic Development Fund
3. Replacement of the Willard Bridge (NW Carlson Road over the Kansas River)
4. Proposed Timeframe of Distributed Sales Tax Funding by the County

Mayor Wolgast reported he received requests from the public to be allowed to comment on the discussion item; however, JEDO Operational Rules do not allow public comment on non-action items unless the Operational Rules are suspended by two-third majority vote of JEDO Board Members.

Deputy Mayor Hiller moved to suspend the JEDO Operational Rules to allow public comment. The motion seconded by Commissioner Cook carried unanimously. (7-0-0)

HR Cook, Kansas Expocentre Operations Manager, provided an outline of proposed renovations to the Kansas Expocentre. *(See Attachment B)*

JEDO Board Members asked the following questions:

1. Which events generate the most revenue?
2. Which renovations would support the best revenue generator?
3. Would the renovations to the Expocentre have an effect on the Capital Plaza Hotel and does the Hotel's new management support the renovations?

In response, HR Cook reported the following:

1. The majority of the revenue comes from concert and/or sporting events; however, Equestrian events generate economic development dollars throughout the year while tradeshow and conventions generate direct impact dollars.
2. Each improvement level would have different outcomes; however, it would depend on where priorities lie.
3. The new management team at Capital Plaza has expressed their willingness to support renovations to the Kansas Expocentre.

Rich Eckert, Shawnee County Counsel, confirmed preliminary discussions with Hotel management regarding support of the Expocentre renovations.

Jim Colson, City Manager, reported the City of Topeka recommends consideration of an Urban Economic Development fund in the amount of \$15 million to encourage the development of an economic development program focused on workforce development primarily directed toward unemployed/underemployed residents including veterans, youth employment programming, rehabilitation of blighted and underutilized facilities and infrastructure to attract economic development prospects and job training funds in areas of the city that have been disadvantaged from a jobs and economic growth perspective. He stated no set boundaries have been set at this time; however, primary the areas being considered are to the east and north.

JEDO Board members asked the following questions:

1. Did voters approve the proposal?
2. Do other cities and counties get involved in workforce development?
3. Could the proposed program be a priority of GO Topeka and use the \$5 million allocated to them annually to implement the new program?
4. What would the funding cover and how much would be allocated to the program annually?
5. What is the financial breakdown of the proposed funds to be allocated annually for the program and who will facilitate the program?

In response, Jim Colson stated recommendations were based on discussions by the City Governing Body. He reported the following:

1. The ballot language was specific to economic development overall and was not specific to the program proposal.
2. Workforce development is a critical element of the economic development process in any community.
3. Making the program a priority to be funded by GO Topeka was a viable option; however, they still need to address the most important needs of community.
4. Staff recommendation was to utilize sales tax funds in the amount of \$1 million for 15 years utilizing a tangible tool to make a difference in the community as soon as possible.
5. The recommendation is only a concept so he does not have a financial breakdown at this time.

Councilmember Hiller noted when they receive the Garner Economics Final Report on December 9, 2015 it should help them determine how to allocate \$5 million annually for Economic Development.

Tom Vlach, Shawnee County Public Works Director, provided an overview on the component, sufficiency rating, short-term options, replacement cost, cash flow needs and potential funding strategy of the Willard Bridge. (*See Attachment C*)

JEDO Board members asked the following questions:

1. What caused the decrease in rating and who provides the rating of the Willard Bridge?
2. Was the Willard Bridge included in the original funding request of \$22.5 million?
3. What would be the outcome to the County bridge program if the \$10 million increase totaling \$32.5 million was not allocated?
4. Has the County considered making Willard Bridge a toll bridge?

In response, Tom Vlach reported the following:

1. They are not exactly sure what caused the bridge to deteriorate so rapidly and the Kansas Department of Transportation Engineering consultants provided the rating.
2. The Willard Bridge repairs were not included in the \$22.5 million request; however, since the deficiency rating it has now become a priority.
3. If the additional \$10 million is not allocated they will probably have to close down many local bridges. He noted an additional extension of sales taxes funds would put them in good position with small rural bridges.
4. The possibility of a toll bridge was discussed with KDOT; however, after it was evaluated it was determined it would not be worth it.

Mayor Wolgast stated the City was concerned with the timeframe of the proposed disbursement of sales tax funds and noted the City has made a commitment to citizens to have streets improved. He reported the County's proposal would not allocate funding for City street improvements until the year 2018 and then not again until 2024.

Commissioner Cook asked if it would be legally permissible if all projects are completed as outlined in the current interlocal agreement could the City and County enter into a new interlocal agreement to distribute left-over or excess sales tax funds as agreed.

Mary Feighny, City Attorney, confirmed it would be legal as there were no priorities outlined in the ballot language.

Councilmember Schumm asked for an explanation of the \$5 million difference on the City's original proposal for the Bikeways Master Plan and what is currently being proposed.

Jim Colson reported the enhanced pedestrian and bikeway activities perspective was presented as a discussion point only and was just a recommendation.

Deputy Mayor Hiller expressed her appreciation of discussing the issue of how to manage excess sales tax funds and new sales tax generated funding. She stated she would prefer to jointly prioritize funds and utilize JEDO to monitor the funds as in the past.

Joseph Ledbetter, Carol Marple, Marty Bloomquist and Ann White appeared to speak under public comment. Citizens spoke about the needs of the people being addressed through urban redevelopment, the need to replace the Willard Bridge with no delays, fully supporting the funding needs of the Kansas Expocentre and the great economic impact of equestrian events.

OTHER BUSINESS included an announcement by Deputy Mayor Hiller informing JEDO Board members of a webinar on December 16, 2015 from 1:30 p.m. to 3:00 p.m. relating to best practices and matrixes of economic development. She noted enrollment fees would be paid by GO Topeka if members would like to participate. Mayor Wolgast announced a JEDO Board meeting would held December 9, 2015 for the purpose of discussing the final report by Garner Economics, L.L.C., and the JEDO Board quarterly meeting would be held on December 16, 2015, meetings would be held at 6:00 p.m. in the City Council Chambers.

General public comment included Joseph Ledbetter who spoke about GO Topeka and distributed handouts relating to GO Topeka; and Carol Marple who spoke about the lack of economic development outcomes by GO Topeka over the past 15 years.

No further business appearing the meeting was adjourned at 8:21 p.m.