

**Joint Economic Development Organization Board Minutes
December 16, 2015**

City Council Chambers, 214 SE 8th Street, Topeka, Kansas, Wednesday, December 16, 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 Elaine Schwartz 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: Councilmember Jonathan Schumm

Absent: Councilmembers Sandra Clear, Sylvia Ortiz, Michelle De La Isla, Brendan Jensen and Richard Harmon

Mayor Wolgast called the meeting to order. He announced Councilmember De La Isla was absent and Councilmember Schwartz would serve as her proxy.

APPROVAL of Minutes from the meeting of November 18, 2015 and December 9, 2015, was presented.

Commissioner Cook moved to approve the Minutes of November 18, 2015 and December 9, 2015. The motion was seconded by Commissioner Buhler.

Joseph Ledbetter referenced the November 18, 2015, Minutes and stated he distributed GO Topeka meeting minutes from March 2015 through August 2015.

The motion to approve the Minutes of November 18, 2015 and December 9, 2015, carried unanimously. 7-0-0

OVERVIEW and DISCUSSION of GO Topeka's 2015 activities was presented.

Scott Griffith, GO Topeka Board Chairman, gave a brief overview of new projects they have started and the different ways they are looking to expand an economic development program of work to help the community thrive. He highlighted the following changes made by GO Topeka in 2015:

- Matthew Pivarnik would serve as the new President and Chief Executive Officer of The Greater Topeka Chamber of Commerce and GO Topeka effective January 11, 2016
- Release of GO Topeka meeting minutes and agendas
- Bylaw changes
- Establishing a separate payroll system for The Greater Topeka Chamber of Commerce effective January 1, 2016

Councilmember Schumm asked if GO Topeka employees depend on the Greater Topeka Chamber of Commerce for healthcare benefits.

Scott Griffith reported employees are provided the opportunity to participate in healthcare benefits.

Scott Smathers, GO Topeka Interim President and Chief Executive Officer, gave a brief overview of the following GO Topeka 2015 Activities:

- Overall Changes to GO Topeka's Administrative Office
- New Business Attraction
- Social Media Growth
- Existing Business/Expansion and Retention
- Workforce Development and Entrepreneurial and Minority Business Development (EMBD)

In response, JEDO Board members inquired on the following:

1. What purpose would the ad campaigns serve and where would the ads be aired?
2. If 712 Innovations has determined how to move forward regarding the vacant Executive Director position?
3. In reference to page 4 of the GO Topeka 2015 Activities handout dated December 16, 2015, regarding Workforce Development:
 - a. Would GO Topeka follow up with a report measuring the results from program investments?
 - b. How many positions would be created and what would the salary level be?
 - c. Would there be a transportation initiative process implemented?
 - d. Would there be a Veterans initiative at Washburn University?
 - e. What impact has workforce development made in the community?

Scott Smathers provided the following responses:

- Ad campaigns are played on various websites such as the Greater Topeka Chamber of Commerce and Topeka Visitors Bureau. Some ads focus on business growth and others on quality of life issues.
- 712 Innovations has been conducting interviews for the Executive Director position and anticipate by early 2016 an individual would be selected for the position. He noted there are currently three part-time employees operating 712 Innovations.
- GO Topeka would assist in developing scholarship programs for students interested in high demand careers. He noted the EMBD scholarship recipients are tracked for job position; however, salaries are not reported as most individuals are hired by a private company.
- The transportation initiative would provide transportation opportunities to industry employees with a bus route and shared cost voucher system possibly with Capital City Cabs.
- The veterans program at Washburn University was just launched; however, GO Topeka's role is to make companies aware that veterans are available for hire through different veteran organizations. He noted no GO Topeka funds have been spent on the veteran initiative except staff time and travel expenses.

Commissioner Cook noted many of the initiatives may be difficult to measure.

Scott Smathers stated he concurs with Commissioner Cook and noted many of the initiatives involve numerous entities or organizations.

Deputy Mayor Hiller noted many organizations have the ability to check the outcome of their programs for a reasonable example of how the program was performing and assisting individuals in the community.

APPROVAL of the 2016 Annual Business Plan and Budget for the Growth Organization of Topeka/Shawnee County, Inc. was presented.

Scott Smathers, GO Topeka Interim President and Chief Executive Officer, gave a brief overview of the 2016 Annual Business Plan and Budget for the Growth Organization of Topeka/Shawnee County, Inc.:

- Department Expenses - \$3,013,705
- New Business Attraction - \$367,350
- Existing Business/Expansion & Retention - \$51,970
- Workforce Development - \$197,520
- EMBD - \$521,480
- Remaining Departments - \$182,050
- Draft Public Budget (Heartland Visioning, JEDO Consultant) - \$2,731,627

New Workforce Initiatives

- Broadband - \$250,000
- Transportation - \$500,000
- Workforce - \$75,000

New Business Initiatives

- Retail Centers - \$500,000
- Small Business Incentive Program - \$150,000
- Virtual Spec Building - \$200,000

In response, JEDO Board members inquired on the following:

- What items are included in Other Operating Expenditures (Department Expenses) in the amount of \$341,000 and was the purchase of the Customer Relationship Management (CRM) system included in this line item?
- Requested more detail about crop sales.

Scott Smathers reported the following:

- “Other Operating Expenditures” includes rental of office space, copier leases and supplies, etc. as well as the CRM software purchase and required updates to the Windows system in the amount of \$15,000.

- As part of rent, approximately 28% is from beans, corn and hay crops grown on the industrial park properties and leased to farmers which is then delivered and stored. GO Topeka receives a percentage of the crop sales for rent when sold.

Mayor Wolgast requested an itemized list of “Other Operating Expenditures” be distributed to the JEDO Board.

Deputy Mayor Hiller requested an assessment be conducted on the Workforce Development programs to allow the JEDO Board to review what was being provided in the community and ascertain duplication in services. She asked if GO Topeka shares the expense of the Government Relations consultant with the Chamber.

Scott Smathers reported GO Topeka expanded on programs already established in the community and has the capability to coordinate the groups associated with the program and compile a database with helpful information. He noted he believes GO Topeka funds the Government Relations consultant.

Councilmember Coen referenced the “New Workforce Initiative: Broadband” and asked if Wi-Fi access could be an option offered at local community centers.

Commissioner Buhler stated the Wi-Fi access at the Garfield Community Center has been provided in partnership with the Shawnee County Parks and Recreation Department and Topeka-Shawnee County Public Library.

Deputy Mayor Hiller stated she believes the allocation of \$250,000 for the Broadband Initiative may be premature. She reported the Topeka Public School District was researching ways to partner with local businesses that would allow schools to access their Wi-Fi.

Scott Smathers stated the broadband initiative was preliminary at this point and schools have been asked to pinpoint where the majority of students are located on-campus to see if Wi-Fi could be utilized.

Commissioner Archer stated many of the initiatives presented have not been fully developed. He suggested they draft a model to show the advantages/disadvantages of each initiative so the JEDO Board can make an informed decision.

Commissioner Cook reported specific programs could be fully developed and presented at a later date for the JEDO Board’s approval. He referenced the Garner Economics report and noted GO Topeka has been tasked with providing new ideas for the community which they have initially presented at this time.

Scott Smathers suggested the JEDO Board include a contingency to any programs that may cause concern.

Susan Duffy, Topeka Metropolitan Transit Authority General Manager, commented on transportation services in Topeka, public meetings held to discuss providing services to south Topeka businesses, voucher programs and utilizing local cab companies.

Mayor Wolgast asked how the \$500,000 for the transportation initiative would be expended and when would the program launch.

Susan Duffy reported the following:

- Approximately \$286,000 would be allocated for daytime service routes Monday through Saturday from 6:00 a.m. to 6:00 p.m. and \$214,000 would be allocated towards the voucher program.
- Companies could take advantage of the IRS Code for credit to employers who use a transit service for their employees; however, the program would have to be highly marketed and reliable to succeed.
- The Washburn University bus route that began in August 2015 was the third most used route for TMTA and was accomplished by word of mouth and the web; therefore, she believes the transportation initiative would have to be advertised by the companies utilizing the route and the workforce development groups to spread the word.

Councilmember Hiller asked if consideration would also be given to nightly transportation routes geared towards local hospitals to accommodate 12 hour shifts; if TMTA would be given the total amount for the transportation initiative (\$500,000); and if GO Topeka would facilitate the initiative.

Scott Smathers stated the transportation initiative would be limited to people going to and from work and regulated by the voucher program. He reported the program focus was to transport people to the manufacturing facilities; however, consideration could be given to running other routes; however, this would impact the dollar amount of the initiative. He stated TMTA would receive approximately \$300,000 as well as manage the voucher program and partner with cab companies while GO Topeka would fund the advertising aspect of the program with the intent of the local workforce center managing the initiative.

Mayor Wolgast referenced the Retail Centers Initiative and asked if there were any interested parties in developing retail centers in Topeka.

Scott Smathers stated the retail centers located at California Crossing at SE 29th Street and SE California Avenue; Deer Creek at SE 6th Street and SE Tefft; Old Kmart location at 240 E 29th Street and the White Lakes Shopping Center have been identified by GO Topeka. He reported they would propose a 25% match of funding up to \$200,000 to use towards façade improvements, signage, parking and roof repairs, only available for new businesses or expanding businesses. He noted the proposal would not eliminate the need for TIFs (Tax Increment Financing) and/or CIDs (Community Improvement Districts). He noted a developer has approached GO Topeka regarding the incentives; however, it was very preliminary at this time.

Councilmember Hiller asked if there would be a net gain in sales tax or sales revenues if there was an investment in retail centers.

Scott Smathers stated the net gain in most instances would be minimal; however, it would improve blighted areas and quality of life.

Commissioner Cook stated the investment would also gain property taxes for Shawnee County and Topeka from areas not being utilized.

Councilmember Schumm stated many of the proposals are collaborative efforts; therefore, he sees the Kansas Turnpike Authority proposal of access in east Topeka as a huge positive impact.

Scott Smathers stated the virtual spec building initiative was ready to move forward with designing a 300,000 square foot warehouse facility.

Commissioner Cook asked the location of virtual spec building.

Scott Smathers stated the 60-acre site located north of the Home Depot facility along SW 49th Street would be a perfect location for the virtual spec building; however, street improvements would not begin until the actual building was built.

Mayor Wolgast asked where GO Topeka envisions a training facility be located in east Topeka and if any private entities have expressed interest in the offer.

Scott Smathers reported GO Topeka was in the process of working to create a training facility in east Topeka in partnership with Washburn Tech and Washburn University for a certified driving school that would offer soft skills training, a GED program, construction skills and OSHA training. He stated the costs, demand for these specific programs, building availability and daycare needs are still being determined. He noted the possibility has been presented to the JEDO Board for consideration to start construction and move forward in 2016.

Clark Coco, Washburn Tech Dean, stated he believes it would be important to have student commitment as well as scholarship opportunities to be successful regarding involvement of the local workforce center and industry.

Councilmember Hiller questioned if multiple campuses could create inefficiency and asked if the separate facility in east Topeka would make sense. She also asked if there are private businesses that would offer training for a CDL license and if research has been conducted to ensure they are not duplicating services.

Clark Coco stated he believes offering these types of programs on different dates and times with daycare options would work. He reported a feasibility study would be conducted to understand what other schools are providing their students in similar circumstances.

Mayor Wolgast suggested updating the JEDO Board as the initiatives move forward and are further developed.

Scott Smathers stated the transportation program could be ready to launch in April 2016; the retail center concepts and virtual spec building are solid; the broadband initiative and workforce development could be researched and developed further.

Commissioner Cook questioned allocating only \$500,000 of the 2016 Budget for new incentives and asked what would be the anticipated expenditures on current commitments.

Scott Smathers stated he would check on the anticipated expenditures for current commitments and report back to the JEDO Board. He also stated the \$500,000 allocation for new incentives was for the 2016 budget only and the remaining funds would be spread out over a five-year period. He noted additional projects would add additional funds for future years and the \$2.4 million committed for incentives from previous agreements would be paid out over several years.

Councilmember Schumm suggested a business incentive be offered to partner with an entity to develop the old K-Mart location at 240 E 29th Street into the CDL School.

Scott Smathers stated a CDL School requires a lot of area for hands-on training and that particular location would not have sufficient space.

The following individuals signed up to speak about the 2016 Annual Business Plan and Budget for the Growth Organization of Topeka/Shawnee County, Inc.:

1. Mariam Krehbiel spoke on behalf of Heartland Visioning and the renewed energy to move Topeka and Shawnee County in the right direction.
2. John Hunter, Heartland Visioning Executive Director, distributed the Heartland Visioning Year End Report and highlighted the 2016 Phase II Community Pride Campaign concerning the Riverfront Development Park.
3. Joseph Ledbetter expressed concern with the amounts allocated for "New Incentives" (New Workforce Initiatives and New Business Initiatives) and "Other Operating Expenditures." He asked for an itemized list of the expenses.
4. Carol Marple spoke about rushing the budget process; the need for Commissioner Buhler and Mayor Wolgast to abstain from voting on any topic relating to Heartland Visioning; the importance of offering grants and scholarships to students; and the lack of details outlined in the crop reports.
5. Russ Cobb, Westar Energy, spoke in support of the 2016 GO Topeka Economic Partnership Business Plan and Budget.

Councilmember Coen stated he would like to review the itemized list of “Other Operating Expenditures” before voting on the item.

Councilmember Hiller suggested voting on projects that are ready to launch from the less developed projects in the 2016 GO Topeka Economic Partnership Business Plan and Budget separately.

Commissioner Buhler moved to approve the 2016 Annual Business Plan and Budget for GO Topeka. The motion seconded by Commissioner Cook carried. Councilmembers Hiller and Coen voted no. (5-2-0)

APPROVAL of the 2016 Cash Carry-Forward Agreement between the Growth Organization of Topeka/Shawnee County, Inc., and the Joint Economic Development Organization was presented.

Scott Smathers, GO Topeka Interim President and Chief Executive Officer, reported the cash forward agreement permits GO Topeka to carry forward \$11,600,000 into 2016 for the purpose of providing economic development services as set forth or referred to in the parties’ current Agreement for Services.

Councilmember Coen questioned why \$11.6 million is carried over from the previous year and not actively used for economic development.

Scott Smathers stated it is considered a savings account with funds set aside for land acquisition and development. He noted there are currently 416 buildable acres readily available for a company interested in locating to Shawnee County.

Commissioner Cook asked if the amount carries forward every year or reverts back to the JEDO Board.

Mary Feighny, Deputy City Attorney, stated the Agreement for Services between the JEDO Board and GO Topeka expires December 2017; therefore, any money left over would revert back to the JEDO Board.

Councilmember Hiller commended GO Topeka for being fiscally responsible and accumulating a savings.

Councilmember Schumm cautioned the JEDO Board in planning ahead in regards to receiving unused GO Topeka carry forward funds.

Councilmember Coen expressed concern with the amount of funds carried forward each year and questioned if too much tax is being collected. He suggested educating the public on funds regarding why there is such a large amount carried forward and the specific areas the funds could be spent.

Scott Smathers presented a handout to the JEDO Board itemizing “Other Operating Expenditures” (*Attachment A*) pertaining to the 2016 Annual Business Plan and Budget for GO Topeka.

Joseph Ledbetter appeared to speak and suggested allocating the carry forward funds to infrastructure projects such as the Kansas Expocentre, street improvement projects and urban revitalization.

Carol Marple expressed concern with the amount of funds being carried forward and stated she believes these funds in their current state would not support the citizens of Shawnee County.

Scott Griffith, GO Topeka Board Chairman, stated the cash carry forward amount could be allocated very quickly if the JEDO Board directs GO Topeka to cover land acquisition and infrastructure costs for a company locating to Shawnee County.

Councilmember Hiller moved to approve the 2016 Cash Carry-Forward Agreement between the Growth Organization of Topeka/Shawnee County, Inc., and the Joint Economic Development Organization. The motion seconded by Commissioner Archer carried. Councilmember Coen voted no. 6-1-0

APPROVAL of the GO Topeka audit firm for the 2015 through 2017 fiscal years was presented.

Keith Warta, GO Topeka Board Audit Committee, reported the Audit Committee solicited six firms and received two responses with Mayer Hoffman McCann P.C.

Commissioner Buhler moved to approve the GO Topeka audit firm for the 2015 through 2017 fiscal years. The motion was seconded by Councilmember Hiller.

Carol Marple suggested local firms be solicited for bids, consider if they are Chamber members and if they have audited GO Topeka in the past.

Brad Owen, C.P.A., stated certified public accountant firms are required to follow auditor independence rules and stated the firm has met all requirements.

The motion to approve the GO Topeka audit firm for the 2015 through 2017 fiscal years carried unanimously. 7-0-0

OVERVIEW of GO Topeka's 2016 Program of Work was presented.

Scott Smathers, GO Topeka Interim President and Chief Executive Officer, reported on GO Topeka's 2016 Program of Work and highlighted the following areas:

- New Business Attraction Changes
- Existing Business & Workforce Development
- EMBD
- Garner Economics Report Items Included
- Garner Economics Report Items Not Included

Councilmember Schumm commented on downtown improvements and suggested the broadband initiative could improve accessibility in the proposed downtown plaza area.

Scott Smathers stated he would look into the matter and report back to the JEDO Board.

DISCUSSION regarding implementation of the recommendations made by Garner Economics, Inc., was presented.

Mayor Wolgast stated it is important to focus on moving forward with the recommendations made by Garner Economics, Inc. He noted there was a task force mentioned in the recommendations to discuss priorities of the JEDO Board and determine the direction for 2017 to make an impact and improve the relationship with the community.

Commissioner Cook suggested the task force be comprised of two City Councilmembers and the Chair of the JEDO Board in 2016 to discuss and recommend an actionable item for the February 2016 JEDO meeting. He also suggested forming an ad hoc group consisting of citizens, GO Topeka representatives and City and County representatives to meet on a regular basis to gather citizen input and evaluate Garner's recommendations.

Commissioner Archer stated he concurs with Commissioner Cook.

Commissioner Buhler stated she believes the time between now and February is not enough time and does not want to rush discussions; therefore, she believes mid 2016 the ad hoc committee could present recommendations to the JEDO Board. She stated some of the Garner recommendations have been adopted into GO Topeka's initiatives and believes further discussions would benefit moving forward.

Councilmember Hiller stated the Garner report covered a lot of ground and questioned the purpose of splitting up the task force and ad hoc group to discuss economic development and other issues.

Mayor Wolgast stated the Garner report recommended some short-term, mid-range and long-term goals; therefore, he would prefer each group take different recommendations to sort and discuss ideas and suggestions.

Councilmember Schumm spoke in support of the Garner recommendations and encouraging discussions; however, he cautioned the JEDO Board about being inactive and hopes the report will move economic development toward the future.

Councilmember Coen asked how the JEDO Board would handle specific recommendations such as hiring a staff person.

Mayor Wolgast stated it is a consideration and may be a long-term position; however, he believes this topic would be discussed by the ad hoc groups for recommendation and implementation.

Commissioner Buhler expressed concern with splitting up the recommendations between the groups because it could become confusing as many recommendations are intermingled.

Mayor Wolgast thanked City staff for their assistance during the City's administrative year for the JEDO Board and stated he believes the JEDO board has reached a better process of working together.

General public comment included Joseph Ledbetter, Carol Marple and Scott Griffith.

No further business appearing the meeting was adjourned at 9:10 p.m.

Working Draft Only

	Budget
	Total 2016
	<u>2016</u>
Administrative and Other	
Utilities	930
Telephone	11,840
Office Maintenance	8,030
Machine Rental & Maintenance	17,500
Insurance & Taxes	18,540
Equipment depreciation	8,500
Rent	67,000
Accounting/Audit/Tax/Consulting	70,000
Information Technology	15,500
Car & Travel Expense	17,000
Professional Dues/Memberships	10,500
Legal Services	19,700
Meeting	2,500
Postage	6,200
Supplies	29,900
Payroll license & HR expenses	10,000
Subscriptions	1,200
JEDO Expenses	15,000
Capital Expenditures	27,000
Contingencies/Other Expense	6,300
Total Administrative and Other	<u>363,140</u>