

Joint Economic Development Organization Board Minutes
May 18, 2016

City of Topeka Council Chambers, 214 SE 7th Street, Topeka, Kansas, Wednesday, May 18, 2016.

The Joint Economic Development Organization (JEDO) Board members met at 6:00 p.m. with the following voting Board members present: Shawnee County Commissioners Shelly Buhler, Kevin Cook and Bob Archer, City of Topeka Mayor Larry Wolgast, Deputy City Mayor Michelle De La Isla, City Councilmember Jeffrey Coen, and City Councilmember Sandra Clear. Shawnee County Commissioner Shelly Buhler presided as JEDO Chair.

The following nonvoting JEDO Board member were present: City Councilmembers Karen Hiller and Anthony Emerson. The following nonvoting JEDO Board members were absent: City Councilmembers Sylvia Ortiz, Brendan Jensen, Elaine Schwartz and Richard Harmon.

Others present who presented and/or spoke before the Board:

Wendy Wells, GO Topeka Board Chair-Elect, President U.S. Bank; Mike Basore, Innovia Films Plant Manager; Scott Smathers, Vice-President of Economic Development for GO Topeka; Nobuyoshi Goto, Group Leader, Futamura Chemical Co.; Joseph Ledbetter, Attorney at Law

Commissioner Buhler called the meeting to order.

ITEM NO. 3: ACTION ITEM: Approval of Incentive Agreement – Project Sand: GO Topeka staff.

Wendy Wells, GO Topeka Board Vice-Chair, President U.S. Bank appeared and stated it was her pleasure to introduce them to Mike Basore the Innovia Films Plant Manager out at the Tecumseh facility. Innovia Films has been in our community since 1958, and has been North America's only cellophane manufacturer. Cellophane is a plant based material, it is degradable, compostable and biodegradable. The facility operates 7 days a week, 24 hours a day, 365 days a year because of that plant base it needs to keep processing at all times. Even more exciting is that we have another guest with us from Futamura Chemical Company in Japan. Futamura has acquired the entire cellulose business of Innovia Groups allowing Futamura to enhance their global presence and do so with key customers through our facility here in Tecumseh.

Mike Basore, Innovia Films Plant Manager appeared and stated what he would like to say on behalf of Innovia is we would like to thank everybody for what JEDO and GO Topeka and the State of Kansas have done for our facility. Back in 2003 we reached out for some help and if it wasn't for them the factory would have already been shut down and now to get this opportunity to get this partnership with Futamura. He has been at the facility for 13 years and it seems like it has always been on the brink of closure and now we are getting an owner who is in this for the long haul. The plant has been there for over 50 years and you can see it being there for another 50. The plant could originally do about 20,000 tons, we have been running around 8,000, and with Futamura taking back over initially we are going to jump up to 13,000 with the potential of even bringing more production to the facility. It is a very exciting time for us and he appreciates them taking a chance to look at this and giving them the opportunity.

Scott Smathers, Vice-President of Economic Development for GO Topeka stated he would like to thank JEDO and also the State for being a part of this project. Also he would like to thank Barbara Stapleton, Director of Existing Business & Workforce Development for GO Topeka as well. We appreciate everyone's support. He would like to take them through the details of the proposed incentive agreement:

- Up to 28 new jobs
- Up to \$30 million in investment
 - \$2 million facility
 - \$28 million equipment
- Proposing to pay incentives as follows:
 - \$3,000 for jobs paying \$30,000 to \$39,999
 - \$4,000 for jobs paying \$40,000 to \$49,999
 - \$5,000 for jobs paying \$50,000 to \$59,999
 - Job incentives are paid out over 5 years (20% per year)
- Allocating up to \$206,000 in incentives
 - \$140,000 for jobs (28 jobs @ \$5,000 per job)
 - \$66,000 for investment (\$2 million @ \$5,000 per million plus \$28 million @ \$2,000 per million)
 - Equipment is paid for upon receipt of invoices, facility payments are based on Shawnee County appraisal values
- Payback to taxing entities: 2.31 years
- Economic impact to community of over \$21 million in 10 years

Councilwoman Clear asked how they figure the economic impact of \$21 million in 10 years?

Mr. Smathers responded that they get a data impact study done by an outside consultant and in that they come in and figure out direct and indirect jobs that are coming in. In addition they look at homes bought, purchases, sales tax and everything else that is generated and they come up with a number. If you look at just the salaries over a 10 year period that are supposed to be in our particular area, they come to \$21 million alone over that period.

Mayor Wolgast stated first off this is good news, it is a point to celebrate again, jobs and new investment coming into the community. The \$206,000 allocated in incentives, is that per year?

Mr. Smathers replied no that is total for the whole project.

Deputy Mayor De La Isla made a motion to approve the Incentive Agreement. Commissioner Cook seconded.

Following a vote, motion carried unanimously.

Nobuyoshi Goto, Head of R&D, Futamura Chemical Co. appeared via a translator and stated first of all we would like to express our gratitude for your support. Our company's policy is contributing to those nations and communities via the use of our products. We stand on the principle that the company exists to enhance the daily lives of people who work for us, rather than one that exists for and belongs to our shareholders. We are looking forward to growing our presence in the local community. Thank you very much.

Commissioner Buhler responded she would like to thank them for investing in our community and we wish them much success.

ITEM NO. 4: General Public Comment

The following individuals appeared to speak for general public comment:

1. Joseph Ledbetter appeared and stated he just wants to thank the public that has worked with the Citizens for Accountability in Government. We have had a lot of people, they are out there finding documents, doing research. Some of them are very good students and he appreciates their willingness to learn. Some of them are becoming very political and that is also interesting. He wants to let them know in July we will have a forum for candidates in the primaries at the County level. There are two County Commission races up this year, potentially look at the District Attorney's race as well. Those events will be well done and well received at the library so the public will be welcome, we will be noticing people who are participants and also the public because we believe in public input in what we do and we consider it one of the strengths of our group and that transparency that we have and the demand for excellence and accountability he knows wants to be well received at JEDO as well. We will probably also have a forum at Hi-Crest, we have typically done those as well. Those are well attended by the public, so if you do not want to attend, you do that at your own risk but we will definitely notify the media who has always covered Hi-Crest very well with those forums.

NO FURTHER BUSINESS appearing the meeting was adjourned at 6:15 p.m.